



# NEWS

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## Neo Performance Materials Inc. Adopts Shareholder Rights Plan

TORONTO (September 20, 2022) – Neo Performance Materials Inc. (“**Neo**”, the “**Company**”) (**TSX: NEO**) announced today that the Board of Directors of the Company (the “**Board**”) has approved the adoption of a shareholder rights plan (the “**Rights Plan**”) pursuant to a shareholder rights plan agreement entered into with Computershare Investor Services Inc., as Rights Agent, dated September 20, 2022 (the “**Effective Date**”).

The Rights Plan is substantially similar to shareholder rights plans adopted by other Canadian issuers and the Rights Plan is not being adopted in response to any specific proposal to acquire control of the Company, and the Board is not aware of any pending or threatened take-over bid for the Company. The adoption of the Rights Plan is intended to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any unsolicited take-over bid or other acquisition of control of or a significant interest in the Company and to protect against acquisitions of control of the Company through purchases of common shares that are exempt from applicable Canadian take-over bid rules, also referred to as "creeping" take-over bids.

The Rights Plan is subject to the acceptance of the Toronto Stock Exchange (the “**TSX**”). While the Rights Plan is effective as of the Effective Date, it is subject to shareholder ratification within six months of its adoption, failing which it will terminate. The Board intends to recommend the ratification of the Rights Plan for approval by its shareholders at the Company’s next meeting of shareholders. If ratified by shareholders within six months, the Rights Plan will remain in effect until the close of the 2026 annual meeting of shareholders.

In accordance with the terms of the Rights Plan, one right (a “**Right**”) will be issued and attached to each common share of the Company (a “**Common Share**”) outstanding as of the record time under the Rights Plan. A Right will also be attached to each Common Share issued after the Effective Date in accordance with the terms of the Rights Plan. The issuance of the Rights will not change the manner in which shareholders trade their Common Shares and the Rights will automatically attach to the Common Shares with no further action by shareholders being required. Subject to the terms of the Rights Plan, the Rights issued under the Rights Plan become exercisable only if a person (the “**Acquiring Person**”), together with certain parties related to such person, acquires or announces its intention to acquire beneficial ownership of 20% or more

of the Common Shares without complying with the “Permitted Bid” provisions of the Rights Plan. The Rights under the Rights Plan will not be exercisable solely by having beneficial ownership of 20% or more of the Common Shares by a “Grandfathered Person” (as defined in the Rights Plan), as any such person would be “grandfathered” subject to the terms and conditions of the Rights Plan; however, subsequent acquisitions of Common Shares by a “Grandfathered Person” may cause such person to become an Acquiring Person pursuant to the terms of the Rights Plan. Following a transaction that results in a person becoming an Acquiring Person, the Rights entitle the holder thereof (other than the Acquiring Person and certain related parties) to purchase Common Shares at a significant discount to the market price at that time.

Under the Rights Plan, a “Permitted Bid” is a take-over bid made in compliance with the Canadian take-over bid regime. Specifically, a Permitted Bid is a take-over bid that is made to all shareholders, that is open for 105 days (or such shorter period as is permitted under the bid regime) and that contains certain conditions, including that no shares will be taken up and paid for unless 50% of the shares that are held by independent shareholders are tendered to the take-over bid. Taking up Common Shares pursuant to a Permitted Bid would not trigger the Rights Plan. Customary permitted lock-up agreements are also provided for.

The description of the Rights Plan in this press release is qualified in its entirety by the full text of the Rights Plan, which will be made available shortly under Neo’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About Neo Performance Materials**

Neo manufactures the building blocks of many modern technologies that enhance efficiency and sustainability. Neo's advanced industrial materials - magnetic powders and magnets, specialty chemicals, metals, and alloys - are critical to the performance of many everyday products and emerging technologies. Neo's products help to deliver the technologies of tomorrow to consumers today. The business of Neo is organized along three segments: Magnequench, Chemicals & Oxides and Rare Metals. Neo is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, US; Singapore; and Beijing, China. Neo operates globally with sales, research and development, and production across 10 countries, being Japan, China, Thailand, Estonia, Singapore, Germany, United Kingdom, Canada, United States, and South Korea. For more information, please visit [www.neomaterials.com](http://www.neomaterials.com).

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**Cautionary Statements Regarding Forward-Looking Statements**

This news release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. Specific forward-looking statements in this news release include, but are not limited to, the following: the required approval of the TSX with respect to the Rights Plan and the Board's intention to recommend the ratification of the Rights Plan and seek approval by its shareholders at the Company's next meeting of shareholders. In making the forward-looking information in this release, the Company has applied certain factors and assumptions that are based on its current beliefs as well as assumptions made by and information currently available to the Company. Although the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking information in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by law. For more information on Neo, investors should review Neo's continuous disclosure filings that are available under Neo's profile at [www.sedar.com](http://www.sedar.com).