Neo Announces Strategic Review Process Intended to Maximize Shareholder Value and Announces Intention to Add Hastings Technology Metals Nominee to the Board

written by Raj Shah | June 14, 2024

June 14, 2024 (Source) – Neo Performance Materials Inc. ("Neo" or the "Company") (TSX: NEO) announced today that the board of directors of Neo (the "Board") has formed a Special Committee of independent directors to lead a comprehensive strategic review process to consider opportunities to maximize shareholder value. The Special Committee intends to retain an independent financial advisor, in addition to other advisors it may retain, to support the strategic review process.

The Special Committee, aided by its advisors and the Company's management team, will oversee the evaluation of Neo's current strategy, assets, operations, and capital structure. The strategic review will consider various strategic alternatives for Neo. These could include, among other things, the sale, divestiture, merger or other business combination of a portion of Neo's business-unit assets, strategic investments, partnerships or joint ventures, changes in Neo's capital structure, capital allocation, or other transactions. The review will also encompass the Company's compensation plans and practices, to ensure that they appropriately align management incentives with the interests of shareholders.

“The Board and management team of Neo are committed to investigating opportunities to maximize value for all shareholders. Neo’s business continues to perform well, with a strong balance sheet, and solid bottom line performance. While the Board believes the Company’s valuation will, in time, reflect the true value of its business, a thorough review of strategic alternatives is a prudent step to enhance that process,” said Claire M.C. Kennedy, Board Chair.

There can be no assurance that the strategic review process will result in any transaction or other alternative, nor any assurance as to its outcome or timing. There is no timetable for completion of this process and Neo does not intend to comment further unless and until it determines that further disclosure is necessary or appropriate.

Addition of Dr. John McGarva to the Board

Neo also announced, that following constructive engagement and lengthy consultation with Hastings Technology Metals Ltd (“Hastings”), a significant shareholder of the Company, the Board has determined to appoint Dr. John McGarva to the Board before the Company releases its second quarter 2024 results. Hastings and Dr. McGarva have confirmed that he is independent of Hastings. The strategic review process is not being undertaken at the request of Hastings.

Dr. McGarva is a seasoned leader in product development and manufacturing, with experience spanning healthcare, industrial, and consumer electronics industries. His extensive international experience includes leadership roles across Europe, Southeast Asia, and China. Dr. McGarva recently retired as Head of Engineering at Dyson, where he led the design engineering of the company’s entire haircare product line, guiding teams in Singapore, the Philippines, and the UK.

Under his leadership, Dyson's Haircare business evolved from a single product to a significant business unit. A key element of Dyson haircare products is the integration of permanent magnets and this expertise positions Dr. McGarva to offer customer insights and strategic direction to Neo.

Prior to his tenure at Dyson, he held several high-profile leadership roles in technology and innovation companies, specialising in design, engineering, and manufacturing. Dr. McGarva's knowledge and practical experience of product development and manufacturing will be an exceptional asset to Neo's board.

"We look forward to welcoming John McGarva to the Board as an independent director. He will bring a wealth of experience and expertise to the Board. We appreciate Hastings' constructive engagement and consultation with the Board in respect of Dr. McGarva's upcoming appointment. Neo maintains an active and ongoing Board refreshment process that carefully considers the skills and experience among its directors and the current and future needs of the business," continued Ms. Kennedy.

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 strategic review process, the contemplated appointment of Dr. McGarva, and matters relating thereto. In making the forward-looking information in this news 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.sedarplus.ca.

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, United States; Singapore; and Beijing, China. Neo has a global platform that includes 10 manufacturing facilities located in China, the United States, Germany, Canada, Estonia, Thailand and the United Kingdom, as well as one dedicated research and development centre in Singapore. For more information, please visit www.neomaterials.com.

SOURCE Neo Performance Materials, Inc.

Information Contacts: Ali Mahdavi, SVP, Corporate Development & Capital Markets, (416) 962-3300, email: a.mahdavi@neomaterials.com; George Gretes, Communications & Media, (647) 294-7244, email: media@neomaterials.com; Riyaz Lalani & Dan Gagnier, Gagnier Communications, (416) 305-1459, email: NeoPerformance@gagnierfc.com