

Neo Performance Materials Announces \$47.6 Million Bought Deal Secondary Offering Of Common Shares

written by Raj Shah | December 5, 2020

December 4, 2020 ([Source](#)) – Neo Performance Materials Inc. (“Neo”, the “Company”) (TSX:NEO) is pleased to announce that it and funds managed by Oaktree Capital Management, L.P. (each, a “Selling Shareholder” and collectively, the “Selling Shareholders”) have entered into an agreement with Paradigm Capital Inc. (the “Lead Underwriter”), on behalf of a syndicate of underwriters (together with the Lead Underwriter, the “Underwriters”), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, from the Selling Shareholders 3,932,500 common shares of the Company (the “Common Shares”) at a price of \$12.10 per Common Share (the “Offering Price”) for total gross proceeds to the Selling Shareholders of approximately \$47.6 million (the “Offering”). The Company will not be receiving any of the proceeds of the Offering.

The Selling Shareholders currently hold 26,216,655 common shares of the Company, representing approximately 70% of the issued and outstanding common shares. Following the closing of the Offering, the Selling Shareholders will hold 22,284,155 common shares, representing approximately 59% of the issued and outstanding common shares. In addition, each of the Selling Shareholders, their affiliates and other entities managed by Oaktree Capital Management, L.P. have agreed with the Underwriters that their remaining common shares of the Company will be subject to a 120 day lock-up period, subject to

customary exceptions.

The Common Shares will be offered by way of a short form prospectus to be filed in all of the provinces of Canada other than Quebec. Private placement offerings in the United States will be made to “qualified institutional buyers” pursuant to Rule 144A of the United States Securities Act of 1933. The Offering is expected to close on or about December 22, 2020 and is subject to certain conditions including, but not limited to, the receipt of all necessary corporate and regulatory approvals, including the approval of the Toronto Stock Exchange and the applicable securities regulatory authorities. No securities regulatory authority has either approved or disapproved of the contents of this news release.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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 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.

About Oaktree Capital Management L.P.

Oaktree is a leader among global investment managers specializing in alternative investments, with \$140 billion in assets under management as of September 30, 2020. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. The firm has over 1,000 employees and offices in 19 cities worldwide. For additional information, please visit Oaktree's website at <http://www.oaktreecapital.com/>.