Neo Performance Materials Announces Completion of $90.85 Million Bought Deal Secondary Offering of Common Shares

written by Raj Shah | April 27, 2021

April 27, 2021 (Source) – Neo Performance Materials Inc. ("**Neo**", the "**Company**") (TSX: NEO) is pleased to announce that it has completed the previously announced secondary offering (the "**Offering**") of common shares of the Company (the "**Common Shares**") (see press release dated April 6, 2021). A fund managed by Oaktree Capital Management, L.P. (the "**Selling Shareholder**") sold an aggregate of 4,600,000 Common Shares under the Offering at a price of $19.75 per share for total gross proceeds to the Selling Shareholder of $90.85 million, including the full exercise of the over-allotment option. The Company has not and will not receive any of the proceeds of the Offering.

The Offering was made, on a bought deal basis, pursuant to an underwriting agreement dated April 12, 2021 among the Company, the Selling Shareholder and Paradigm Capital Inc., as lead underwriter, RBC Dominion Securities Inc., Canaccord Genuity Corp., Cormark Securities Inc., Raymond James Ltd., Scotia Capital Inc. and Stifel Nicolaus Canada Inc. (collectively, the "**Underwriters**").

Following completion of the Offering, the Selling Shareholder holds an aggregate of 12,509,155 Common Shares, representing approximately 33.2% of the issued and outstanding Common Shares. The Selling Shareholder and its affiliates 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.

In connection with the Offering, the Underwriters received a cash commission equal to 5% of the gross proceeds of the Offering.

The Common Shares were offered by way of a short form prospectus in all of the provinces of Canada other than Quebec. Private placement offerings in the United States were made to “qualified institutional buyers” pursuant to Rule 144A of the United States Securities Act of 1933.

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

Oaktree is a leader among global investment managers specializing in alternative investments, with $148 billion in assets under management as of December 31, 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/.

Cautionary Statements Regarding Forward Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to future events or future performance of Neo. All statements in this release, other than statements of historical facts, with respect to Neo's objectives and goals, as well as statements with respect to its beliefs, plans, objectives, expectations, anticipations, estimates, and intentions, are forward-looking information. Specific forward-looking statements in this discussion include, but are not limited to, the following: expectations regarding certain of Neo's future results and information, including, among other things, revenue, expenses, sales growth, capital expenditures, and operations; statements with respect to current and future market trends that may directly or indirectly impact sales and revenue of Neo; expected use of cash balances; continuation of prudent management of working capital; source of funds for ongoing business requirements and capital investments;

expectations regarding sufficiency of the allowance for uncollectible accounts and inventory provisions; analysis regarding sensitivity of the business to changes in exchange rates; impact of recently adopted accounting pronouncements; risk factors relating to intellectual property protection and intellectual property litigation; risk factors relating to national or international economies (including the impact of COVID-19), and other risks present in the jurisdictions in which Neo, its customers, its suppliers, and/or its logistics partners operate, and; expectations concerning any remediation efforts to Neo's design of its internal controls over financial reporting and disclosure controls and procedures. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Neo believes the expectations reflected in such forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this discussion and analysis should not be unduly relied upon. For more information on Neo, investors should review Neo's continuous disclosure filings that are available under Neo's profile at www.sedar.com.