Neo Performance Materials Ships First Magnet Samples Produced at New European Facility to its Tier 1 Traction Motor Customer

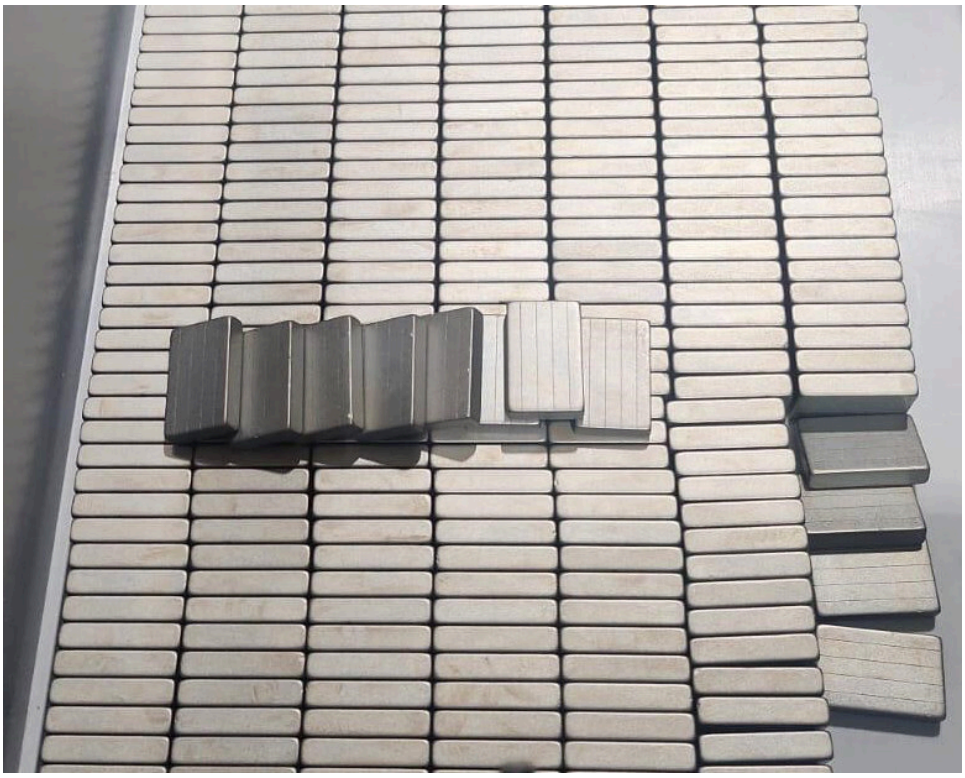
written by Raj Shah | April 28, 2025

April 28, 2025 (Source) – **Neo Performance Materials Inc**. (“**Neo**“) (TSX: NEO) is pleased to announce that its new permanent magnet facility in Estonia has shipped sintered magnet samples for a Tier 1 traction motor customer meeting specific magnetic properties. This milestone marks a significant step forward in Neo’s commitment to providing high-performance materials for the electric vehicle (“**EV**“) market.

Key Highlights:

- Neo has produced 18,000 assembled magnet pieces as part of the initial production samples.
- The magnets are EV traction motor grade and represent an important technical milestone.
- The magnet samples will be assembled into traction motors for performance testing by the Tier 1 customer and OEM. Production part approval process (PPAP) products are scheduled for the first half of 2026, with mass production to start later in that year.

Narva Magnets (CNW Group/Neo Performance Materials, Inc.)



Narva Magnets 2 (CNW Group/Neo Performance Materials, Inc.)

With over 30 years of experience in rare earth magnetics, Neo has built a reliable global supply chain that enhances its ability to serve the automotive sector. This deep industry

expertise is expected to position Neo to successfully scale its new sintered magnet facility in Narva, Estonia, and support growing demand. The facility is strategically located near Neo's rare earth separation facility in Sillamäe, Estonia, which is expected to allow for vertical integration of operations and efficient production processes in the future.

Neo's CEO, Rahim Suleman, said:

"We are excited to announce this major milestone at our European magnet facility. Delivering the first product from a new facility is a momentous occasion. We take pride in our team's dedication and hard work in winning the award, completing construction on time and on budget, and successfully transitioning the facility into operational mode. This was a global effort for Neo with our engineering and production teams in Estonia working hand-in-hand with our R&D and development teams in Singapore, Thailand and Europe. We also sincerely thank our customers for their unwavering support and partnership throughout this journey. Their collaboration has been instrumental in helping us achieve this milestone."

The facility is projected to have an initial production capacity of 2,000 metric tonnes annually, with plans to scale to 5,000 metric tonnes annually. This US$75 million facility was supported by an up to €18.7 million grant from the EU's Just Transition Fund and a US$50 million credit facility from Export Development Canada, with construction to be completed in 2025. European Commission President Ursula von der Leyen recognized the facility as a significant advancement for Estonia and Europe at the groundbreaking in June 2023. The facility represents one of Europe and the world's most strategic critical materials projects in rare earth magnetics outside of Asia. The expansion will help Neo meet strong demand for high-performance magnets in EVs and other applications.

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, rare earth magnets, magnetic assemblies, specialty chemicals, metals, and alloys – are critical to the performance of many everyday products and emerging technologies. Neo's products fast-forward technologies for the net-zero transition. 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 manufacturing facilities in Canada, China, Estonia, Germany, Thailand and the United Kingdom, as well as a dedicated research and development centre in Singapore.

For more information, please visit www.neomaterials.com.

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 completion of construction and commissioning and launch of operations of the facility in

Narva; integration of operations of the new facility in Narva, Estonia and Neo's rare earth separation facility in Sillamäe, Estonia; and other 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 is 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. There are many risk factors associated with the negotiation and drafting of a definitive offtake agreement and the terms and conditions of such agreement. A number of factors could cause actual results to differ materially from those anticipated by the Company, including but not limited to the risks and uncertainties inherent in the nature of the Transaction, including the risks of a material adverse change to the Company's assets or revenues, or risks of unknown liabilities that may arise.

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.

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