Neo Provides Update re IP Litigation

written by Raj Shah | February 28, 2025

February 28, 2025 (Source) – Neo Performance Materials Inc. ("Neo" or the "Company") (TSX: NEO) announces that the Regional Court of Mannheim, Germany issued a judgement (the "**Judgment**") with respect to the damages proceedings related to European Patent #1435338 B1 ("**EP'338**") case. As previously disclosed, in July 2022, Rhodia Opérations SAS ("**Rhodia**", now Solvay) initiated an action in the Regional Court of Mannheim against Neo Chemicals & Oxides (Europe) Ltd. ("**Neo C&O Europe**"), a wholly-owned subsidiary of the Company, and two of its employees, requesting damages due to the infringement of EP'338 in Germany. The oral hearing of the proceedings took place in November 2024. The Judgment provides that Neo C&O Europe is liable for damages in the amount of approximately €10.3 million plus procedural interest of approximately €1.3 million (as of current date). The damages award is significantly lower than the amount originally claimed by Rhodia. The Judgment may be appealed by both parties within one month and is therefore not yet final. The damage award is less than the amount the Company has previously accrued in its financial statements and consequently, Neo does not expect the quantum of the Judgment to affect earnings in Q1 2025. EP'338 has since expired and has no impact on the Company's current products and earning. For a summary of the case, please see "*Legal Proceedings and Regulatory Actions*" in the Company's annual information form dated March 14, 2024 for the year ended December 31, 2023 and "*Legal Contingencies*" in the Company's MD&A for the period ended September 30, 2024.

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 total interest calculation, impact of the damage award on the Company’s financial results, and matters relating thereto. In making the forward-looking information in this news release, the Company has applied certain factors and assumptions based on its current beliefs and 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 intellectual property litigation and the impact on the financial results of the Company. Several factors could cause actual results to differ materially from those anticipated by the Company, including but not limited to the risks and uncertainties those set out in the Company’s securities filings.

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, which 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, 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 located in China, Germany, Canada, Estonia, Thailand and the United Kingdom, as well as a dedicated research and development centre in Singapore. For more information, please visit www.neomaterials.com.

SOURCE Neo Performance Materials, Inc.

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