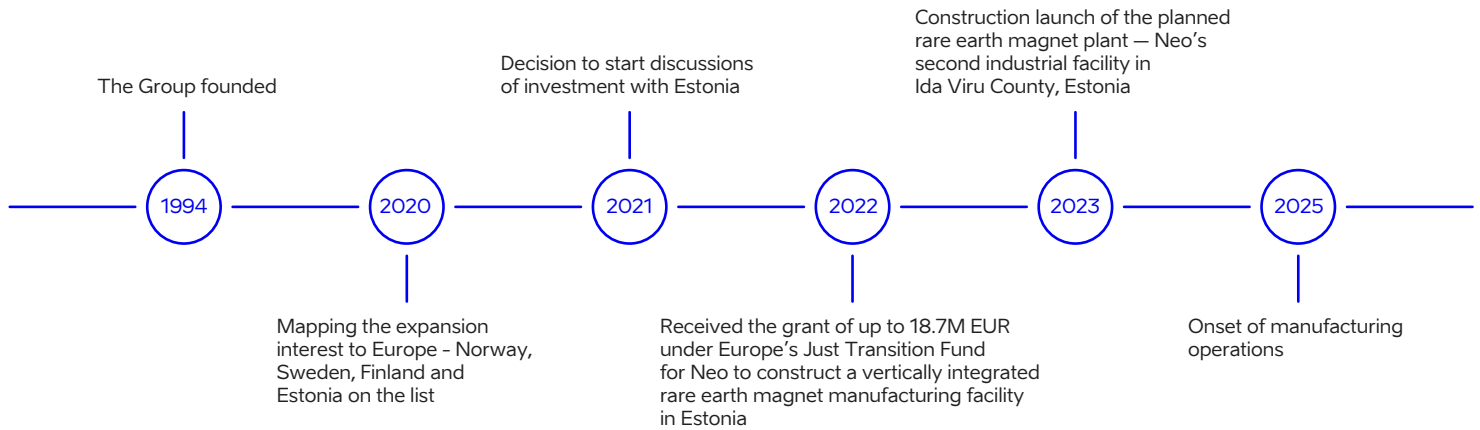


Case study: NEO Performance Materials



The Company

- The business of Neo is organized into three segments: Magnequench, Chemicals & Oxides and Rare Metals.
- Neo's advanced industrial materials – magnetic powders and magnets, special chemicals, metals, and alloys – are critical to the performance of many everyday products and emerging technologies in the world.
- Neo is headquartered in Toronto, Ontario, Canada, with presence in 11 countries.
- In 2022, the turnover was 640M US dollars.
- NEO employs 2,000+ people globally.

The Estonian Story

- In Estonia, Neo Performance Materials already operates an R&D centre and production plant, employing 400+ people in Sillamäe. It is the only plant for the separation, purification, and enrichment of rare earth metals in Europe, which makes Estonia a strategic country in the context of NATO, the EU, and the US. The entire supply chain of Neo Performance Materials has been import-based, whereas the value-added products manufactured in Estonia are all exported.
- Neo Performance Materials was awarded the first EU Just Transition Fund project to build the first-in-Europe rare earth magnet manufacturing facility for electric vehicles and wind turbines and R&D Center of Excellence. Neo Performance Materials is the first and leading industrial-scale solution to European industry's rare earth magnet supply chain sole dependency on a single jurisdiction of sourcing outside the EU.

Critical Success Factors

Long-standing relationships with customers and established supply chains in Estonia

R&D capabilities and history of Estonian technical expertise

Global manufacturing footprint in a cost-competitive jurisdiction, near European OEM customers

Focus on specialty materials that enable increased sustainability and environmental performance

Future Vision

Supporting the green technology and renewable energy security transition in Europe.

NEO's strategic goal is to grow its production volumes, strengthen and diversify EU rare earth supply chains and reduce dependence on Chinese raw materials and production. The vertically integrated rare earth manufacturing capacity will help Europe move closer to achieving its greenhouse gas reduction and climate resiliency goals.