

2 Firms Guide Battery Tech Firm's Go-Public SPAC Merger

By **Renee Hickman**

Law360 (February 16, 2023, 5:04 PM EST) -- Battery technology company Honeycomb and special purpose acquisition company Nubia announced Thursday that they would merge to take Honeycomb Battery Co. public, in a deal guided by Benesch Friedlander Coplan & Aronoff and Loeb & Loeb LLP.

In a statement, the companies said the combined company will be listed on the Nasdaq; its ticker symbol was not disclosed. The companies said that with no redemptions by Nubia Brand International Corp.'s public stockholders, the combined business could have access to as much as \$118 million in net cash on the closing of the deal.

Under the terms of the transaction, Nubia will issue 70 million shares of its common stock at a valuation of \$700 million to the shareholders of Honeycomb, plus contingent earnout payments of up to 22.5 million shares of common stock at valuation of \$225.0 million, according to Thursday's statement.

Dayton, Ohio-based Honeycomb, a subsidiary of Global Graphene Group, works on the development and commercialization of battery materials, components, cells and associated technologies.

"HBC is excited to have this opportunity to move forward and expand the production of silicon-rich anode materials that will greatly improve the driving range of [electric vehicles]," said Bor Jang, CEO of Honeycomb. "HBC is ranked among the best in silicon-anode IP and among the global leaders in solid-state battery IP; we plan to quickly move forward with its full-scale commercialization. Our goal is to enable EVs to drive farther, charge faster, operate safer and cost less."

Nubia, a blank-check company, raised \$110 million in its March 2022 initial public offering, offering 11 million units at \$10. It said at the time it would target businesses in the wireless telecommunications sector.

"Honeycomb's portfolio of intellectual property related to battery storage technology, advanced research and development capabilities and potential product pipeline makes it the ideal partner to lead the electric mobility revolution," said Jaymes Winters, CEO of Nubia.

The merger is expected to conclude in the second quarter of 2023. The companies said that the combined company's board will include seven directors, five of whom will be nominated by Honeycomb and two of whom will be nominated by Nubia.

The deal is subject to stockholder and regulatory approval and other closing conditions.

Honeycomb is represented by Benesch Friedlander Coplan & Aronoff.

Nubia is represented by Loeb & Loeb LLP.

--Editing by Dave Trumbore.