

# NEO Battery Materials Announces Series A \$3 Million CAD Strategic Investment from Automobile & PCB Inc. into South Korean Subsidiary, NBM Korea Co., for First Phase of Commercial Plant Project

written by Raj Shah | June 30, 2022

- South Korean Subsidiary, NBM Korea Co., Ltd., to Receive Series A \$3 Million CAD Strategic Investment from South Korean Automotive Parts Manufacturer, Automobile & PCB Inc. (“A&P”), for 40% Stake
- Active Cooperation Regarding Silicon Anode Commercialization Effort, Mass Production Facility Construction, Network Expansion, and Other Joint Projects
- Parent Company, NEO Battery Materials Ltd., Protected from Shareholder Dilution as No Common Shares or Warrants Issued
- NBM Korea in Discussion with South Korean Financial Institutions for Next Debt or Equipment Purchase Financing to Advance Commercial Plant Efforts
- Utilize Business Network of YSP and Yongsan, A&P’s related companies, that Directly Supplies to Hyundai, Kia Motors, and BYD Auto

June 30, 2022 ([Source](#)) – NEO Battery Materials Ltd. (**TSXV: NBM**) (**OTCQB: NBMFF**) (“**NEO**” or the “**Company**”) is pleased to announce

that the Company's South Korean subsidiary, NBM Korea Co., Ltd. ("**NBM Korea**"), has signed an agreement to receive a strategic investment of ₩3 billion KRW, or \$3 million CAD, from Automobile & PCB Inc. ("**A&P**") for a 40% stake. The proceeds from the Series A financing will be used to optimize commercialization efforts and to advance the first phase of the Korean silicon anode mass production facility for EV lithium-ion batteries. The investment is scheduled to close by July 1, 2022.

Following the announcement of the strategic MOU with A&P on June 8, 2022, NBM Korea has successfully secured a strategic investment and collaboration opportunity after holding positive discussions and qualifying a strict due diligence process. NEO and A&P, along with Yongsan and YSP, will cooperate to commercialize all NBMSiDE™ products and construct the Silicon Anode Commercial Plant. Both parties will actively seek to undertake joint projects and expand their network within the automotive and lithium-ion battery business.

The Series A strategic financing allows the shareholders' value of the parent company, NEO Battery Materials Ltd., to be protected without dilution from any issuances of common shares or purchase warrants. Funds received from A&P will be solely used by the South Korean subsidiary, NBM Korea.

Mr. Spencer Huh, President and CEO of NEO, commented, "Despite difficulties and headwinds in both the financial markets and economy, NEO Battery Materials is highly excited about this meaningful achievement of NBM Korea's \$3 million Series A financing to advance mass production to the next step. In particular, we strongly believe that NBM Korea will create additional synergies through strategic business relationships with A&P and its related parties, Yongsan and YSP, that hold a proven operating history of over 40 years in the automotive industry."

“With the \$3 million secured, NBM Korea is under discussion with financial institutions in South Korea to obtain debt or equipment purchase financing for the next phases of the mass production facility. Through this achievement, NEO will focus on optimization and concurrently proceed with the process design in order,” added Mr. Huh.

A&P and its related parties will actively support NBM Korea to pursue debt financing from financial institutions and other forms of strategic synergies through utilizing their extensive business network.



Figure 1

From the Left: Mr. Spencer Huh, CEO of NEO Battery Materials Ltd., and Mr. Hak Soo Jeon, CEO of A&P Inc.

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## **July Webinar**

NEO will be holding a webinar in the middle to end of July. Management will discuss the ongoing corporate activities related to the commercialization efforts, mass production plant, financing, and other related activities. The registration link will be provided in a subsequent news release.

## ***About Automobile & PCB Inc.***

Automobile & PCB Inc is a public company listed on the Korean Exchange and currently listed on the main board, KOSPI. A&P has annual revenues of CAD \$70M with an operating income of CAD \$6.8 M from its automotive parts business. A&P also retains a 100% subsidiary for its PCB business with yearly revenues of CAD 65M. Yongsan, another related company of A&P, has 43 years of corporate history in the automotive industry. With annual revenues of CAD \$600M, it has 17 production sites across 5 countries (Korea, China, US, Mexico, and India). Customers include Hyundai, Kia Motors, Suzuki (Japan), and 4 Chinese automotive companies including BYD Auto and Great Wall.

## ***About NEO Battery Materials Ltd.***

NEO Battery Materials Ltd. is a Vancouver-based company focused on electric vehicle lithium-ion battery materials. NEO has a focus on producing silicon anode materials through its proprietary single-step nanocoating process, which provides improvements in capacity and efficiency over lithium-ion batteries using graphite in their anode materials. The Company intends to become a silicon anode active materials supplier to the electric vehicle industry. For more information, please visit the Company's website at: <https://www.neobatterymaterials.com/>.

**On behalf of the Board of Directors**

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This news release includes certain forward-looking statements as well as management's objectives, strategies, beliefs and intentions. Forward looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, the effectiveness and feasibility of technologies which have not yet been tested or proven on a commercial scale, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at [www.sedar.com](http://www.sedar.com). Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.

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