



ULTRACHARGE

## UltraCharge enters into purchase agreement to supply lithium-ion batteries to power two-wheel electric scooters

- UTR signs deal to supply lithium-ion batteries for two-wheel electric scooter manufacturer, Blitz Electric Motors Ltd
- Subject to meeting battery specifications set out by Blitz, UTR is contracted to provide 28,000 batteries
- Blitz incentivised to order a minimum of USD\$4m of batteries in the first 12 months to maintain exclusivity in the Scooter market for 18 months
- Business-to-Business clientele of Blitz includes global brands such as McDonald's and Pizza Hut
- UltraCharge's lithium ion battery solution will deliver more torque, horsepower and double the scooters range to 200km

Tel Aviv, Israel, 23 MAY 2018: UltraCharge Limited (ASX: UTR, UltraCharge or the Company) today advises it has signed a conditional purchase agreement (**Purchase Agreement**) with Blitz Electric Motors Ltd an Israel-headquartered electric scooter company (**Blitz**) to provide high voltage lithium-ion batteries for their two-wheel electric scooters.

Under the deal with Blitz, Ultracharge will design, develop and manufacture two types of lithium-ion pouch-cell batteries that will be fully compatible with the **BLITZ3000** and **BLITZ6000** electronic scooters. UltraCharge's battery solution will enhance Blitz's scooters enabling more torque, higher power and double its range to 200km.

Blitz Motors is headquartered in Tel Aviv, Israel and is expanding internationally to Europe, Argentina and India, and counts among its business clientele global brands such as McDonald's and Pizza Hut.



The **Blitz3000** electric scooter has an engine capacity comparative to 125cc and is described by Blitz Motors Ltd as the “perfect scooter for the city rider”.



The **Blitz6000** electric scooter has an engine capacity comparative to 200-250cc and is described by Blitz Motors powerful and strong executive scooter.

Material terms of the Purchase Agreement are as follows:

- Ultracharge is to design, develop, manufacture and sell two series of designated batteries to Blitz for use in the Blitz3000 and Blitz6000 electronic scooters;
- Ultracharge warrants that the batteries will comply with the (commercially sensitive) technical specifications set out in the schedules to the Purchase Agreement **(Specifications)**
- If the batteries fail to comply with the Specifications the only remedy available to Blitz is to acquire batteries from another supplier;
- Blitz will assist Ultracharge in the commissioning and testing of the batteries;
- UltraCharge has offered exclusivity to Blitz for the scooter market for 18 months provided that Blitz orders and pays for a minimum of USD\$4,000,000 of batteries in the first 12 months;
- Ultracharge will retain all intellectual property in relation to the batteries;
- Neither party may assign the Purchase Agreement without the prior written consent of the other party;
- The Purchase Agreement is governed by the laws of Israel;
- There are a number of milestones that can take place up to 360 days from the date of the agreement including in lab testing, modular testing, in individual vehicle testing, and fleet testing;
- Either party will have the right to terminate if a breach is not remedied within 14 days after having had written notice to do so. Breaches include:
  - Material failures to perform duties within time frames;
  - Gross negligence or wilful misconduct;
  - Illegal activities; and
  - Insolvency of a party.

UltraCharge is contracted to provide batteries in accordance with the following forecast schedule:

Period	Forecast units Blitz3000	Forecast units Blitz6000
Year 1	2,500	1,500
Year 2	5,000	3,000
Year 3	10,000	6,000
<b>Total</b>	<b>17,500</b>	<b>10,500</b>

Commenting on the supply deal, **UltraCharge CEO Kobi Ben-Shabat** said:

*“This contract with Blitz Electric Motors is a very significant milestone for our cobalt-free, lithium-ion battery solution and clearly demonstrates UltraCharge’s ability to customise solutions for specific end-user requirements. Blitz’s demand for our battery is critical third-party validation for our lithium-ion battery solution and will serve as a case study for other interested users leading to additional purchase orders in the electric scooter and other end-user markets globally.*

*“The deal has the potential to deliver significant revenue to UltraCharge over the term of the contract.*

*“As the only ASX-listed company and amongst only a handful of pure lithium ion battery listed companies in the world with the ability to produce a lithium-ion battery, we are well-placed to capitalise on the significant global market opportunities and we look forward to strengthening our position as the market leaders in the lithium-ion battery market.”*

Blitz Electric Motor Ltd Founder and CEO Raphael Moszynski said:

*“Blitz Motors’ vision is to become the world’s leading brand of 100% electric urban transportation, by creating the most compelling, robust, clean and smart two-wheel vehicles.*

*“We are very excited to offer our customers in the near future our enhanced scooters with UltraCharge’s battery solution that delivers higher power, more torque and extended range,” Mr Moszynski said.*

*“Using Ultracharge’s revolutionary, cobalt-free, lithium-ion battery offering is closely aligned to Blitz Motors’ core objective to help our environment, and greatly lower the cost while increasing performance of electric scooters for our customers.”*

**ENDS**

**Kobi Ben-Shabat**  
**Chief Executive Officer**

#### **About Blitz Electric Motors**

Blitz is an established electric scooter manufacturer headquartered in Tel Aviv, Israel and is expanding internationally to Europe, Argentina and India, and counts among its business clientele global brands such as McDonald’s and Pizza Hut.

Blitz manufactures the BLITZ3000 and BLITZ6000 scooters and aims to deliver 100% electric scooters to its customers that are independent of rising fuel prices, free from high maintenance costs and contribute to sustainable social change by reducing our dependence on fossil fuels.

#### **About UltraCharge Limited**

Ultracharge is an Israel-based company that is a global leader in identifying, acquiring and developing battery technologies that offer superior qualities and new solutions for the lithium ion and flow battery markets. UltraCharge has established a battery facility to develop its platform technologies and customising solutions to meet end user requirements, and subsequently meet global market demand.

The Company offers a full lithium ion battery solution with the following suite of intellectual property:

- **Anode for Lithium Ion Batteries:** The technology will replace graphite in anodes (negative pole) with nanotube fibers made from titanium dioxide. This has the potential to revolutionise

the market for lithium batteries by producing a battery that is safe, has a longer lifetime and is fast charging.

- **Cathode for Lithium Ion Batteries:** The technology contains a high voltage LiMnNio cathode that is half the cost of commercial cathodes and can offer a battery solution that has advantages in terms of the voltage, energy capacity and power capacity.
- **Electrolyte for Lithium Ion Batteries:** Low cost, high performing electrolyte solution. The intellectual property is around producing a more superior electrolyte salt – LiFSI - which can increase battery lifespan and performance at high and low temperatures.