

ASX Release

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**ASX Code:**

UTR

**Shares:**

809,688,877

**Escrow Shares:**

102,733,409

**Options (various):**

124,000,000

**Performance Rights:**

14,250,000

## UltraCharge signs JV Production & Sales Agreement with leading Indonesian battery manufacturer

- UltraCharge signs Joint Production & Sales Agreement with PT Garda Persada
- PT Garda Persada must satisfy a number of pre conditions in order to proceed with the JV including securing firm orders for at least USD\$5 million worth of batteries from its military clientele
- PT Garda Persada specialises in manufacturing and supplying batteries for the Indonesian Armed Forces
- PT Garda Persada is part of the global Trinitan Group, the biggest lead acid battery producer in Indonesia
- The local production facility will be based on UltraCharge's technology and capabilities

**PERTH, AUSTRALIA, 12 JUNE 2018:** UltraCharge Limited (**ASX: UTR, UltraCharge or the Company**) today advises it has signed a joint venture agreement with PT Garda Persada to manufacture, market, distribute and sell high voltage lithium-ion battery pouch cells in Indonesia.

PT Garda Persada (**PTG**) is an Indonesian corporation specialising in the production and manufacture of various lead acid battery products, facilities and solar power systems, primarily for the military and defence industry.

It is the first company of its kind in Indonesia, supplying mostly 12 volt lead acid batteries for the Indonesian Armed Forces for use in their radios, vehicles, aircraft, naval ships and submarines, as well as portable solar charges, aviation lift boats, aviation rubber boats and anti-disaster tents.

It also provides gel and sealed lead and acid batteries for a variety of hard and soft skin vehicles, including Leopard tanks, Scorpion tanks, AMX medium tanks, Anoa armoured personnel carriers and Komodo tactical vehicles.

PTG - which is part of the international Trinitan Group (<http://id.trinitan.com/>) – is also looking to develop new battery technology for torpedoes and unmanned aerial vehicles (drones) as well as other applications.

Under the joint production agreement, UltraCharge will hold a 70 per cent interest in the new joint venture company which aims to manufacture and market UTR's unique high voltage lithium-ion pouch cell batteries to potential clientele in Indonesia and throughout the ASEAN region.

PT Garda Persada must secure firm orders for at least USD\$5 million worth of batteries from its military clientele to supply via the joint venture in order to proceed with the JV. UltraCharge will then be required to contribute up to USD\$3 million to establish a new production facility near Jakarta.

The Company will also assist in funding the costs of the joint venture business while PTG will contribute its resources, facilities, labour to run the production line and any post production costs.

As part of the agreement, PTG also undertakes to market and sell the lithium-ion battery pouch cells in Indonesia by providing its local sales contacts and marketing to existing contracted clients.

The joint venture company will be granted exclusive rights to use UltraCharge's lithium-ion battery intellectual property in Indonesia for the term of the joint production agreement. UltraCharge will not be limited in any way to manufacturing, marketing or selling the product outside Indonesia.

Any profits of the joint venture company will be distributed 70 per cent to UltraCharge and 30 per cent to PTG. UltraCharge will have two representatives on the three-member joint venture board of directors.

Banquecorp Invest Ltd is acting as transnational manager on behalf of both PT Garda Persada and UltraCharge, and will facilitate and implement the commercial and logistical strategic investments.

Commenting on the joint venture agreement, UltraCharge CEO Kobi Ben-Shabat said: "Our deal with PT Garda Persada is hugely significant and marks our first production agreement with a joint venture partner.

"As we have previously outlined, the defence industry is a significant market for UltraCharge's unique, lightweight, high voltage lithium-ion battery technology solutions.

"Two weeks ago, we announced our first revenue generating commercial deal with electric scooter company Blitz Electric Motors Ltd, and today we are proud to unveil our first joint production agreement with PT Garda Persada.

"This deal provides further third-party validation of our unique and effective lithium-ion battery solution.

"PT Garda Persada has been supplying a range of lead acid and gel seal lead acid batteries to the Indonesian Armed Forces since 2013.

"We are confident our lithium-ion battery technology solutions will be a superior choice for the TNI as their current batteries reach the end of their lifespan.

"We also look forward to investigating potential commercial opportunities with PT Garda Persada's parent entity - Trinitan Group – who offer a wide range of global energy storage solutions in the automotive, renewable energy and telecommunications sectors."

PT Garda Persada Chair Ms Umi Kalsum said: "PT Garda Persada has a long and proud history of manufacturing a variety of lead acid battery solutions in Indonesia, especially for the Indonesian Armed Forces.

"Our company is always looking to work out how many and what type of batteries our clients' will require in future years.

"We believe our agreement with UltraCharge will allow our joint venture company to capitalise on UTR's unity lithium-ion technology solutions, as well as assisting us to develop new battery technologies for torpedoes and drones as well as for other applications such as base transceiver stations.

"These type of new battery solutions could be used for telecommunication operators in Indonesia and for other organisations using radios. The army alone uses a large quantity of communication-related batteries every year."

## Material terms of the Joint Production Agreement are:

- PTG finalises its due diligence process into UTR's intellectual property of the product;
- An agreed business plan and budget for the Joint Venture is provided;
- A signed order from PTG's clients for at least USD\$5,000,000 of lithium-ion batteries is formally 'placed' with the Joint Venture;
- A definitive agreement based on provisions of the joint production agreement and detailing all the terms and provisions of the joint management of the Joint Venture is signed;
- Both parties will undertake their best efforts to finalise and accomplish the pre-conditions within three months of signing the joint production agreement, which can be extended by an additional three months by mutual consent of both parties;
- The joint production agreement will expire if the parties cannot finalise and accomplish the pre-conditions with the three/six-month period;
- UltraCharge will retain all intellectual property in relation to the batteries, including any further IP that is developed through the Production Agreement;
- Neither party may assign its rights or obligations under the Production Agreement without the prior written consent of the other party;
- The Production Agreement is governed by the laws of Singapore;
- Either party may withdraw from the Production Agreement with a 30-day advance written notification period.

**ENDS**

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

### **About PT Garda Persada (<http://www.gardapersada.co.id/>)**

Established in 2013, PT Garda Persada is the first company in Indonesia to develop and supply military standard battery technologies for Indonesian civil military and defence requirements. Its main office is in Fatmawati and its production facilities are located in Bogor.

### **About UltraCharge Limited ([www.ultra-charge.net](http://www.ultra-charge.net))**

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.