

ASX Release

30 April 2018

ULTRACHARGE LIMITED
ACN 140 316 463

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Corporate and Investors

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Directors

Mr Kobi Ben-Shabat
Mr David Wheeler
Mr Doron Nevo
Mr Yuri Nehushtan
Mr John Paitaridis

ASX Code:

UTR

Shares:

576,933,417

Escrow Shares:

173,668,217

Options (various):

124,000,000

Performance Rights:

27,375,000

March 2018 Quarterly Report

- **UltraCharge can now deliver a full Lithium Ion Battery solution to meet end user specifications and demand.**
- **UAV & Drone commercialisation opportunity with Aeronautics to be the first potential customer to use the new LNMO Battery.**
- **Maintained excellent performance, expanding synergistic IP portfolio across Anode, Cathode and Electrolyte. Solution is Cobalt free.**
- **Enhanced capacity and capabilities to deliver unique battery solutions.**
- **Arrival of the new 55 litre reactor allowing increase production of anode material for Leclanchè and potential new customer orders.**
- **Progress with pivotal Joint Venture partnership with Chemours, global leader in titanium dioxide technologies to fast track production of anode material, with commercial mass production option.**

UltraCharge Limited (ASX: UTR, UltraCharge or the Company) is pleased to provide an operational update to accompany its Appendix 4C, released today, for the 3-month period to 31 March 2018.

Operations Update

Commercialization opportunity of new LNMO Battery

UltraCharge announced the first commercialization opportunity post the acquisition of the revolutionary high voltage cathode intellectual property (IP) from ETV Energy. The ETV lithium ion battery which contains a LNMO cathode that has high voltage properties and is half the cost of currently available commercial cathodes, it is Cobalt free and provides 4.7V.

UltraCharge has signed a non-binding letter of intent (LoI) with Israel-based Aeronautics Ltd, one of the world's leading specialist manufacturers of unmanned aerial vehicles (UAV), commonly known as drones, for military and civilian use.

Under the LoI, Aeronautics will cooperate with UltraCharge for the design, development and production of advanced battery solutions specifically for UAV use. UltraCharge's focus will be on the development of its high-voltage LNMO prototype battery in accordance with Aeronautics' required specifications and performance needs. In the event a prototype is delivered meeting agreed specifications, Aeronautics and UltraCharge will pursue an on-going business relationship together, whereby Aeronautics may purchase from UltraCharge battery solutions for UAVs and other relevant systems manufactured by Aeronautics.

Since this announcement we have seen enquiries from other UAV & Drone companies to provide them with battery solutions for a similar type of application.

The Drones & UAV market was valued at USD\$18.14 billion in 2017 and is projected to reach USD\$52.30 billion by 2025. The growing demand provides a great opportunity for UltraCharge's new LNMO battery that has the high voltage and high power capabilities and is cobalt free.

Upscaling Anode Production for existing and new customers

The Company announced the arrival of a new 55 litre reactor that will allow the upscaling of the production of its anode material. The new 55L reactor will allow an increase to production capacity by a factor of 25 times. This is an important step providing the Company additional capacity to meet demand from existing and new customers.

Joint Development Project with Chemours to enhance the development of its Titanium Dioxide Anode Material

The project with Chemours (NYSE:CC), a global leader in titanium dioxide technology, to scale-up production of anode sample material for UltraCharge's current and new customers is on track. The companies are working together to develop a more cost-effective process for producing the anode material.

Corporate

UltraCharge has a cash balance of US \$1.5 million as at 31 March 2018.

Kobi Ben-Shabat, CEO said *"UltraCharge is ready for production of our cobalt free lithium ion battery offering. This is very exciting for our shareholders as we have also secured global partners that have the capacity to develop and commercially produce our technology solutions. UltraCharge is now in a unique position to deliver our technology to the mass market and tailor solutions for specific market requirements"*.

"UltraCharge is poised to take advantage of the battery market as growth continues to explode as governments push to reduce carbon emissions from fossil fuels. UltraCharge is looking forward to updating the market on the progress of our multiple partnerships and new opportunities as we move towards commercialization this year."

Kobi Ben-Shabat
Chief Executive Officer

About UltraCharge Limited (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. The Company has a growing Intellectual Property portfolio of battery technologies, particularly focused on developing the following technology solutions for the market:

- *Anode for Lithium Ion Batteries:* The Company has exclusive rights to patented anode technology from the Nanyang Technology in Singapore. The technology will replace graphite in anodes (negative pole) with nanotube fibers made from titanium dioxide. This has the potential to revolutionize 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 Company has agreed to acquire rights to new cathode intellectual property from ETV Energy in Israel. The technology contains a high voltage LiMnNO 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:* The Company has acquired a low cost, high performing electrolyte solution from Coorstek Specialty Chemicals (Coorstek), a US based company. The intellectual property is around producing a more superior electrolyte salt – LiFSI which can increase battery lifespan and performance at high and low temperatures.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

UltraCharge Limited

ABN

97 140 316 463

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(131)	(291)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(80)	(186)
(d) leased assets	-	-
(e) staff costs – research and development	(207)	(583)
(f) administration and corporate costs	(181)	(962)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	92	92
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(506)	(1,926)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(58)	(173)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
(d) intellectual property	-	(142)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(58)	(315)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,997
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(4)	(132)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(4)	1,865

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,056	1,845
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(506)	(1,926)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(58)	(315)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(4)	1,865

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	12	31
4.6	Cash and cash equivalents at end of quarter	1,500	1,500

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	1,500	2,056
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,500	2,056

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$US'000
124
-

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$US'000
-
-

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

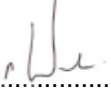
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9. Estimated cash outflows for next quarter	\$US'000
9.1 Research and development	370
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	59
9.4 Leased assets	46
9.5 Staff costs – research and development	237
9.6 Administration and corporate costs	275
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	987

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Director/Company secretary)

Date: 30 April 2018

Print name: Peter Webse

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.