

# Ubco amps up global plans

## Electric motorbike firm set to expand after \$14m raise and key production deal

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Tauranga-based electric motorcycle maker Ubco has raised another big chunk of capital and secured a new manufacturing deal that will allow it to dramatically scale up production capacity from batches of hundreds to tens of thousands per year.



The firm has raised US\$10 million (\$14m) from Jubilee Glory Investments, a firm affiliated with its Taiwanese production partner TPK.

Ubco has also secured an expanded supply chain management and production deal with TPK.

The Taiwanese giant — which has annual revenue of around of \$8.5 billion and numbers Apple among its component-making clients — will increase production capacity, including dedicated factory for Ubco's existing 2x2 product line — and provide dedicated capacity for models in the works that will be key to Ubco's expansion: the FX1, which will lift top speed from 50km/h to 80km/h, allowing riders access to main arterial routes, and its first 4x4 or quad bike.

Ubco's US-based chief product officer Colin Godby revealed the news during a keynote address to the Micromobility America conference in San Francisco yesterday morning NZT. The US\$10m announced yesterday was billed as a "jumpstart" on an anticipated US\$30m Series B round.

It comes on top of a US\$10m raise in June which brought on three new investors: US venture capital funds Seven Peak Ventures and Nuance Capital, plus TPK. Existing local investor Global From Day One (GD1) also chipped in more funds. Speaking to the Herald before yesterday's event, Ubco chair and CEO Katherine Sandford said "Ubco is considering several capital pathways in both the US and Australasia, given the appetite from both retail and institutional investors for EVs [electric vehicles]."



A range of options were being assessed, including a dual NZX/ASX listing, or an IPO on the Nasdaq.

“We’ve seen Allbirds and Rocket Lab showing New Zealand innovation is of interest on a global basis,” Sandford said. “We’re setting ourselves up in a similar way to be able to access whatever [capital-raising mechanism] makes sense.”

Ubco, which has been in the market for four years, will have around 4000 bikes in customers’ hands by the end of this year, she said.

But from here, there was potential for that number to head rapidly north.

With the new TPK deal, “We will move from being able to build hundreds of bikes to thousands of bikes, and potentially tens of thousands. We’ll also have rolling production. Historically, we’ve, batch-produced.”

In June, then-CEO Timothy Allan told the Herald there was around a six-month wait time for new bike deliveries amid the pandemic supply chain issues.

Sandford said it was too early to say what impact the TPK deal would have on lead times but added, “They certainly bring some horsepower. We’ll be able to leverage the relationships that they have across various supply networks globally.”

And the new investment “Will enable Ubco to double-down on its ESG [environmental, social and governance] commitments,” she said. The company is now “exploring battery chemistries that both boost performance and reduce dependencies on conflict minerals”. Sandford framed co-founder Allan’s resignation as chief executive as a not-unexpected part of the process of a start-up evolving to be a global player. “I think he just felt that it was time to step aside.”

Sandford, who has been a director since 2016, said she would lead the company as interim CEO through its Series B round and bedding in its new deal with TPK before a new chief executive was recruited.

Ubco first made a splash when it hit Fieldays in 2015 with its first model, an all-electric utility bike that appealed to farmers because its near-silent running was animal-friendly, and the engine with almost no moving parts meant no running costs. It helped, too, that the removable battery could also be used to recharge power tools. But with a top speed of 35km/h, it was too slow for roads.

Three years later, Ubco released its first road-registerable model, the 2x2 ADV, which could hit 50km/h, with a single-charge range of around 120km and a hot-swappable battery.

Now Ubco has a model in the works capable of 80km/h, giving it access to arterial roads.

Next on the list after that is a quad bike — a longheld Ubco dream.

The bikes all have GPS transmitters that feed mechanical and location data to a cloud-based dashboard developed in NZ by Ubco. It is also planning a new battery console, which will make it easy for urban riders to charge their smartphone and other gadgets from their bike.