

Ambri considering late 2017 raise, discussing international joint ventures, CEO says **by Bayan Raji in Houston** **May 18, 2016**

Ambri, a Cambridge, Massachusetts-based battery energy storage company, is discussing the possibility of another fundraising round with investors, and is discussing international joint ventures, CEO Phil Giudice said.

Capital would be used for continued technology development, deployment and manufacturing capabilities, Giudice said. Ambri's last raise was a USD 35m Series C round in 2014 and that is enough to get the company through to the middle of 2017, he said.

Founded in 2010 with initial investments from **Total** (NYSE:TOT) and Bill Gates, Ambri has raised "just over" USD 50m. Other investors include **Khosla Ventures** and **KLP Enterprises**. Five investors own "virtually all" the company's preferred stock with some reserved for employees as well.

Ambri was originally scheduled to begin commercial sales of its energy storage battery in 2016 but had to pause deployments in 2015 after it determined the battery's seal needed to be reworked. The company reduced its workforce by 25% at the time and redesigned the seal. Ambri is currently six weeks into accelerating testing of the new seal, he said.

Giudice anticipates commercial deliveries to begin next year to "select customers," which will generate small amounts of revenue. Once it is determined the batteries are working properly, the company will build a full-scale factory, he said.

Engineering of Ambri's battery factory should be complete by 2017 with construction of a full-size factory to begin late next year, he said. The cost of a 500 MWh per year manufacturing capacity would be about USD 50m, while the cost of building a lithium ion battery factory of similar scale is in the billions, he said.

Ambri is also investigating JV partnerships in multiple countries where it might like to expand or build factories, Giudice said. The company is "in a number of conversations" with entities across Europe, Latin America, China and the Middle East to determine the ideal location for building additional factories.

As part of international expansion, the company is considering alternative business models. "In some parts of the world it might make sense to sell batteries," Giudice said. "In others, it might make sense to partner with a renewable developer." In that scenario, Ambri would partner with a renewable developer and sell kilowatt hours stored in its battery, he said. Such a venture would be a separately financed project, Giudice said.

There are a number of potential exit strategies for Ambri, Giudice said, including an IPO.

"I can also see us being acquired by a **Siemens** (ETR: SIG), **GE** (NYSE: GE) or **Toshiba** (TYO: 6502) of the world," he added. "I'm not concerned about one path forward. Each has merits and challenges."