

Zenn Motor confirms EESstor battery results

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(In U.S. dollars unless noted)

OTTAWA, May 21 (Reuters) - Canadian electric car maker Zenn Motor Co (ZNN.V: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) said on Thursday it has confirmed test results for U.S. partner EESstor Inc's potentially ground-breaking battery and now plans to boost its stake in the battery technology developer.

Zenn said it will invest between \$2 million and \$5 million to hike its share of privately held EESstor to as much as 10.5 percent from the about 3.8 percent it holds currently.

Toronto-based Zenn, which makes low-speed, short-range electric vehicles, has hinged its plans to produce a highway-capable electric vehicle on EESstor's energy storage system. EESstor's battery is expected to outperform every chemical battery on the market for energy density, charge time, cost, and performance, Zenn said.

"In addition to our exclusive automotive applications, our equity position in EESstor gives our shareholders a stake in the many potential mass applications EESstor can pursue," Zenn Chief Executive Ian Clifford said in a statement.

Those markets range from portable consumer electronics to renewable power development, he said.

Zenn also holds worldwide exclusive rights to the battery system in vehicles under 1,400 kg (3,086 lbs).

Under a technology development deal, Zenn has already paid Texas-based EESstor \$1.3 million of a \$2.5 million commitment based on set milestones. The positive test results trigger a \$700,000 payment.

EESstor's system bettered specifications by 21 percent, Zenn said, which indicates superior energy storage.

"Our engineering team has been working hard in preparation for the integration of EESstor's technology into our planned range of electric vehicle offerings," said Zenn vice-president of engineering Michael Bergeron in a statement.

The results are "a great incentive" to further increase integration investments, he added.

Zenn shares gained 9 Canadian cents to C\$5.34 on the TSX Venture Exchange on Thursday. The stock soared nearly 70 percent in late April after

EEStor announced positive performance data from its tests.

(\$1=\$1.14 Canadian) (Reporting by Susan Taylor; editing by Peter Galloway)

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