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## **KLD Energy raises another \$1M**

**Maker of scooter motors almost ready to build plant**

Austin Business Journal - by [Christopher Calnan](#) ABJ Staff

Electric scooter motor maker KLD Energy Technologies Inc. has raised the first half of a \$2 million Series A-1 round of financing that company officials plan to use to hire more development workers before building an assembly plant in Vietnam.



Nick Simonite

KLD CEO Christian Okonsky plans for his company's electric scooters to hit the lucrative Asian market next year.

The funding, from a syndicate of 16 angel investors, closed last month. Its timing and the formation of Austin-based KLD Energy comes as oil prices remain volatile and governments subsidize such green technologies in efforts to lower carbon emissions.

Such factors are creating anticipated market demand for electric scooters, especially in Asia. So ramping up production as quickly as possible is the nascent company's foremost challenge, KLD CEO Christian Okonsky said.

"Right now, the demand will outpace our ability to produce," he said. "Our biggest problem is not being able to meet demand quickly enough, based on what I've seen so far."

KLD Motors America Inc., founded in 2007, is developing an electric motor for scooters in Vietnam and plans to open an assembly plant in Hanoi next year to supply Vietnam Sufat Co. Ltd.

Unlike typical scooters, KLD's systems operate without a transmission, using a nanocrystalline composite material designed to enable the motor to operate on the hub of the wheel at high speed without generating the heat of conventional motors, Okonsky said.

The 11-person company is now negotiating with six Asian manufacturers to help produce the motors and the scooters, he said.

Despite the recession, Okonsky said he's had no problems raising the capital to fund the new venture.

In January, KLD closed on a \$1 million Series A financing from a syndicate of angel investors. The company plans to raise an \$8 million to \$10 million Series B round to fund the assembly plant's construction.

Sufat is scheduled to begin producing its new scooters during the first quarter 2010. The plant would employ about 150 workers and produce 100,000 systems per month, Okonsky said.

Next year, the company plans to introduce in the United States two versions of its scooters, one with a top speed of 40 mph and one that can reach highway speeds. The base price will be about \$3,200.

Although it will be available in the United States, KLD's products will be targeting the larger market in Asia. India is the largest market for electric scooters during the next two years, according to industry officials.

This month, IMS Research, which operates an office in Austin, reported that the market for electrical motors in automotive applications is forecasted to grow an average of 7 percent during the next seven years.

Senior research director Adrian Lloyd said KLD is getting into the business at the right time because the market for such motors is expected to grow quickly.

Stricter emission standards and the increased use of hybrid vehicles are driving the growth, according to IMS.

"The rest of the world realizes they can't run on oil because it costs too much money," Okonsky said. "In terms of timing, I don't think we could be in a better position."

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