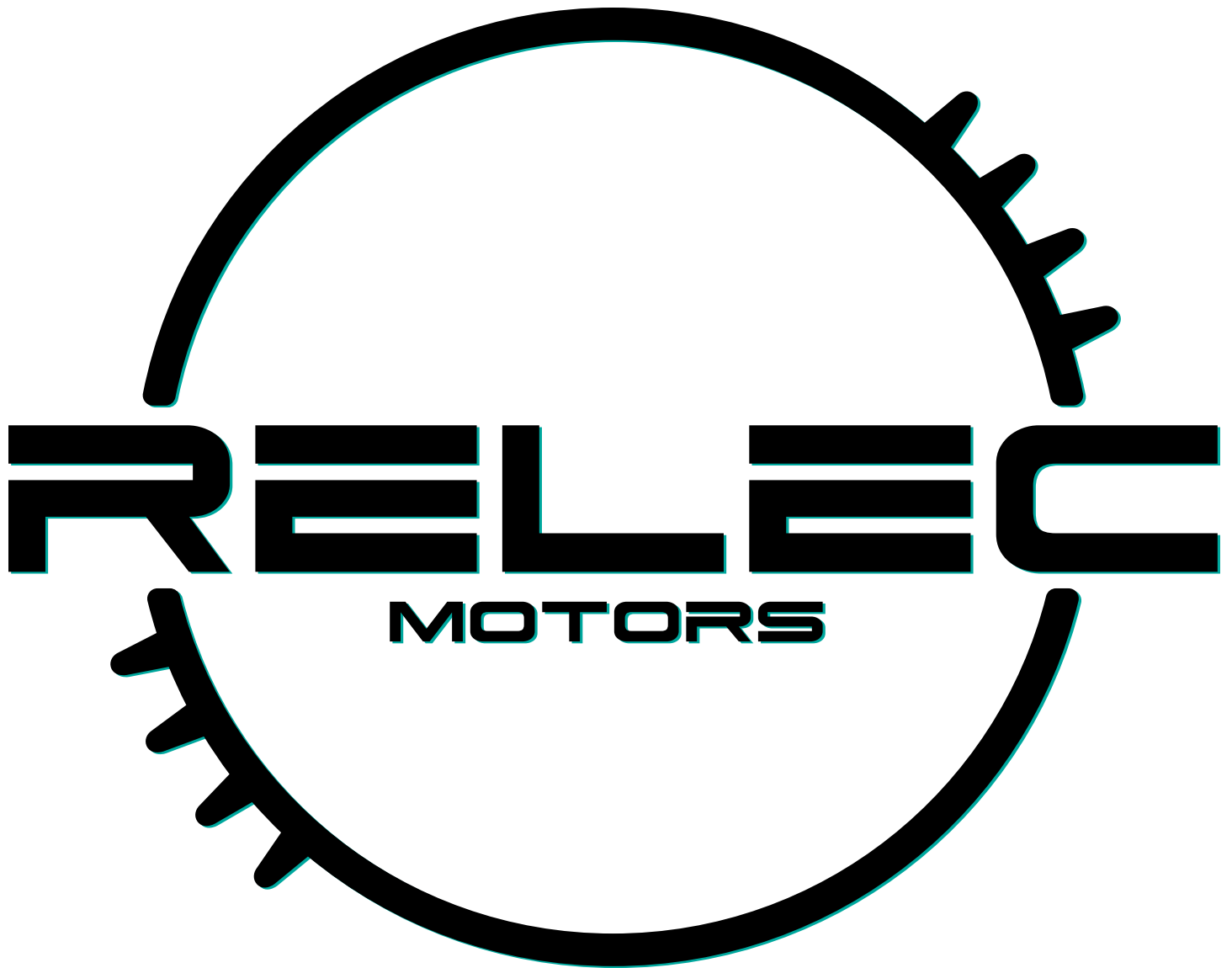




Replace your standard four
with an electric drive - one for one



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Opportunity:

Electric vehicles are experiencing an explosive growth, especially for more affordable motorcycles and e-bikes

In 2016, Electric Vehicle (EV) sales increased by 36% and Zero electric motorcycles' sales grew by 38%. As interest grows in sustainable technology, demand remains strong for 'Modern Classic' styled motorcycles such as the Honda CB1100, Triumph Bonneville and Harley-Davidson 883. Electric motors can match the performance and increase reliability of these 'classics,' especially for restoration or refurbishment projects.

Mission Statement:

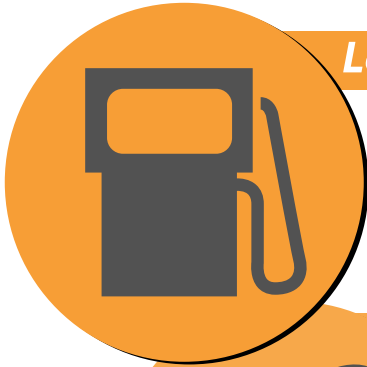
Retro-fit standard motorcycles with an electric drivetrain

Retro-Electric Motors (RELEC) will produce and market a pre-engineered electric drive kit that can replace an inline four cylinder motorcycle engine – one for one, using existing mounting points, similar dimensions, and delivering similar performance.



Value Proposition

There are many advantages and values to be gained with an electric conversion drivetrain kit. Here are a few examples of what an alternative powerplant can mean to consumers:



Lower cost per mile

\$0.01/mile (vs \$0.06/mile
for gasoline at \$2/gallon)



Easy Installation

Housing with dimensions
and appearance of an inline four.

Brackets to match mounting
points for bolt on simplicity.



Performance Parity

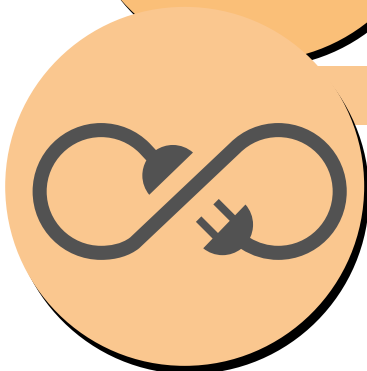
51 hp and 74ftlbs of torque
(vs CB450's 45hp and 27ftlbs)

135 mi range, 283.1 MPGe
(vs CB450s 122 mi, 35 MPG)



Affordable

\$5,000 (vs a \$7-10k engine
or \$11k+ Zero)



Zero Emissions

No Gasoline or
Diesel needed!



To generate revenue through manufacturing and sale of pre-engineered electric drive kits using the following process:

Source Components

- Motor, Batteries, Controllers

Fabricate the Assembly

- Housing, Wiring, Brackets and Mounts

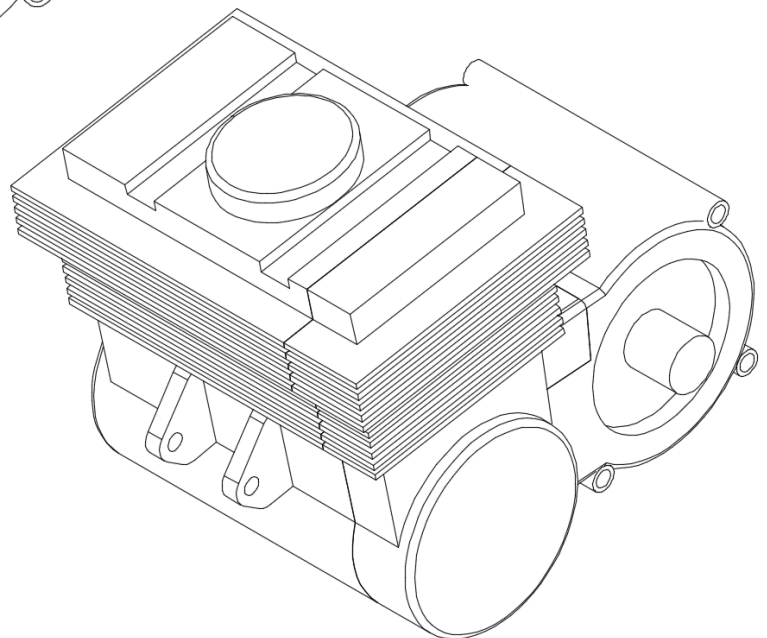
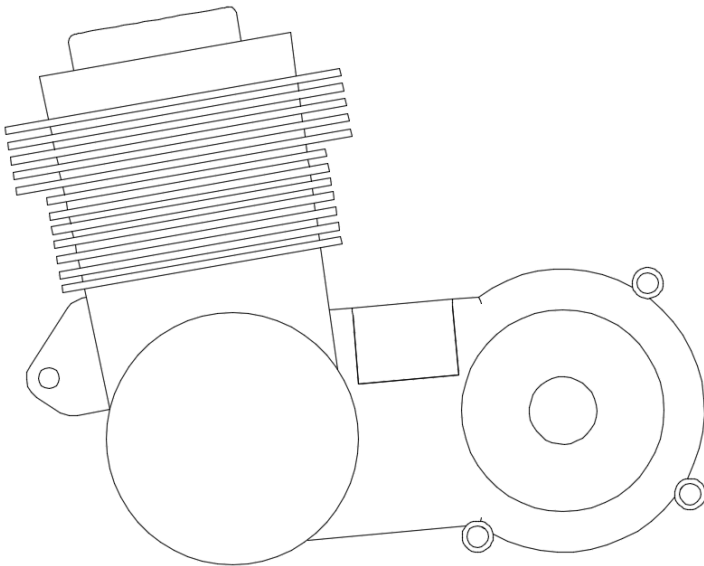
Market digitally and sell directly to builders and DIY mechanics

- Website, Facebook, eBay



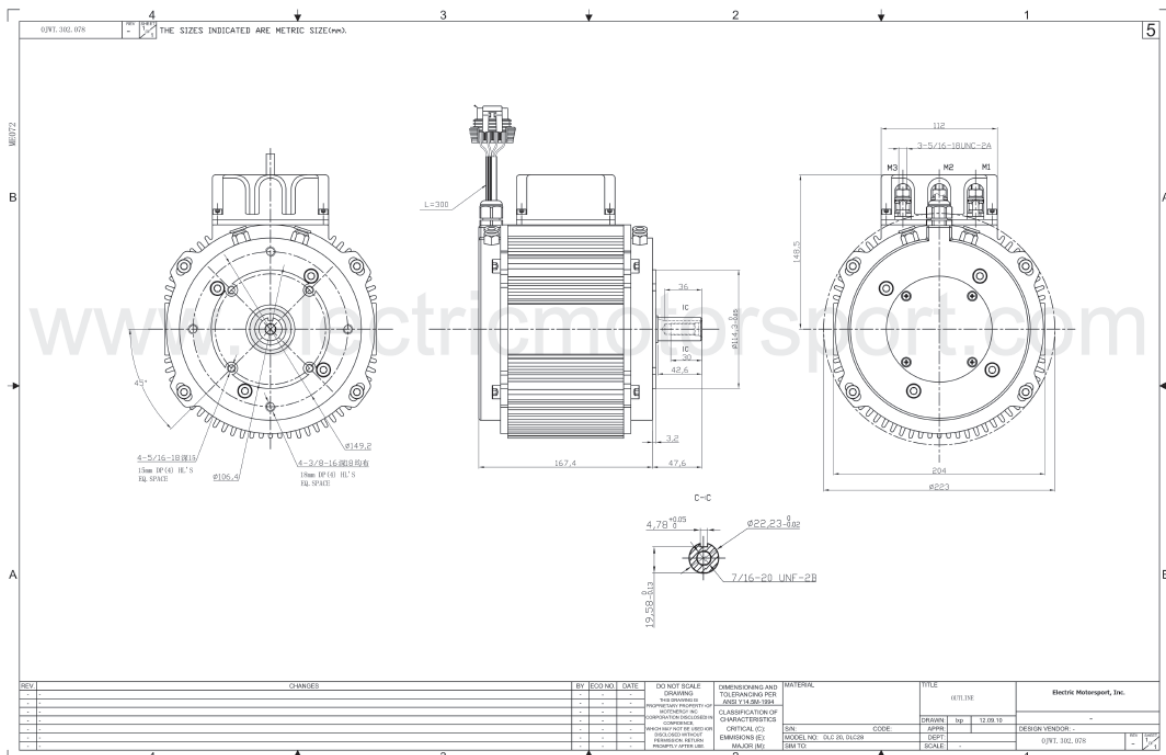
RELEC Drive 1.0

- Lightweight Aluminum and Composite Case with OEM mounts (25lbs)*
- Stainless Steel Mounting Brackets and Hardware*
(Honda CB450 and other models as requested)
- 51hp motor (PMAC 15kW Cont. / 38kW Pk. Liquid Cooled Motor Drive System 72/84V 550A) (35lbs)*
- 135 mile range (GBS 84V 100Ah Li-Ion Battery Pack with EMUS BMS and Charger) (28lbs)*



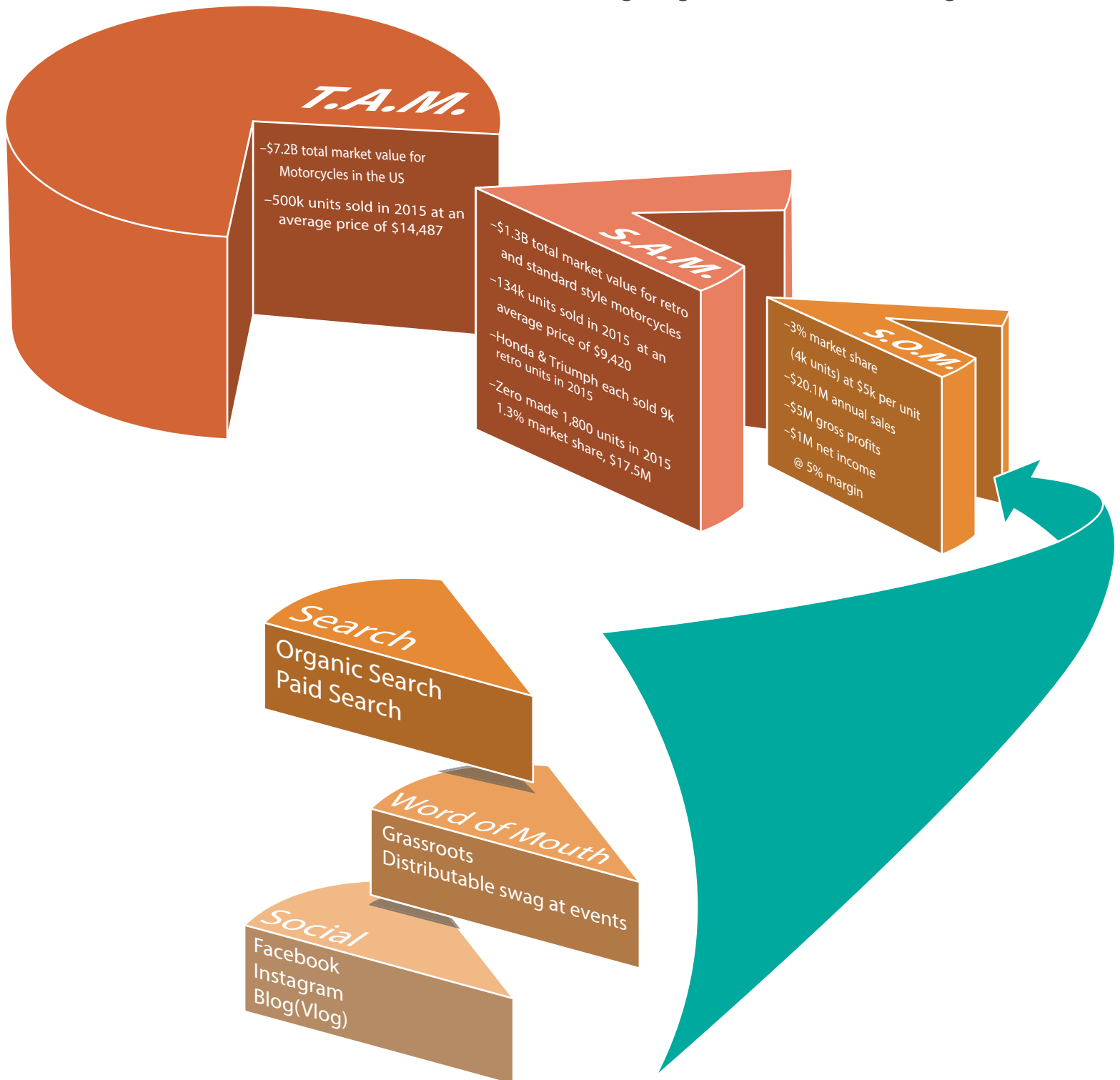


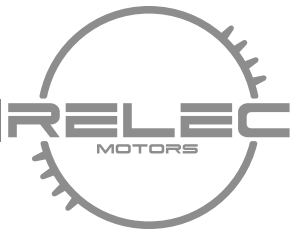
Using a liquid cooled motor allows for more options in creating a case to house the components and still have the look of a 'classic' motorcycle. These motors also have more power for their size compared to their air-cooled cousins.





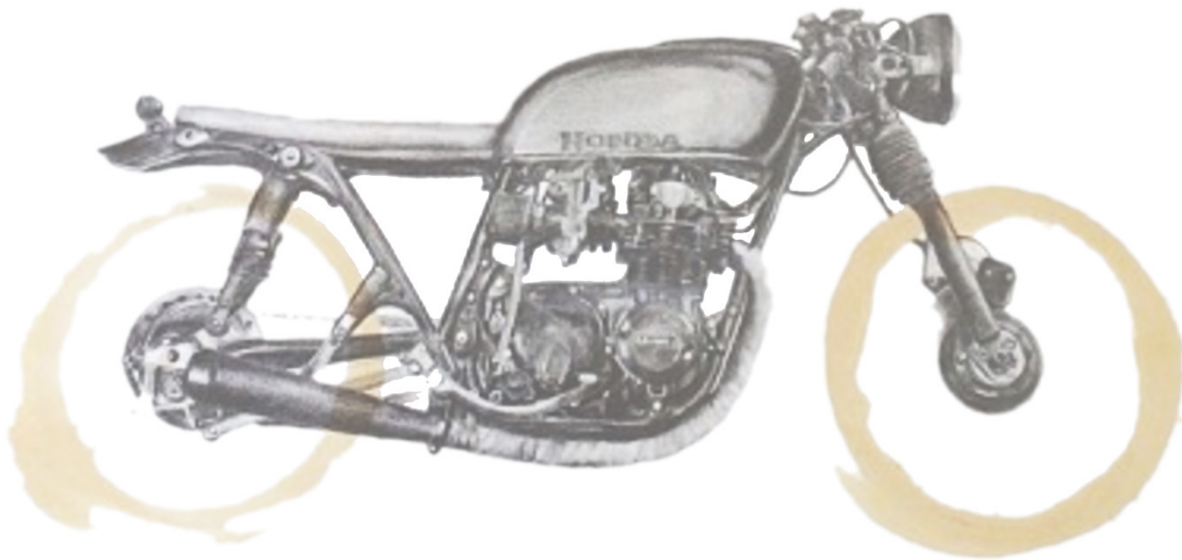
RELEC Motors will leverage a market opportunity to combine vintage feel with sustainable technology. We will reach these customers through digital and social marketing channels:





Beachhead Customers

Our beachhead customers are Honda CB enthusiasts from the Philadelphia area, where there is a large interest in these nearly bombproof machines. RELEC will appeal to environmentally conscious riders in the DIY world who prefer classic styling, and custom motorcycle builders offering the same.





Overview

Pricing initially in the upper end of the competition, and decreasing as volume increases and costs go down. Crate engines from top end competitors are Triumph in the five to seven-thousand range, Harley-Davidson in the four to ten-thousand, and average rebuilds in the range of four to nine-thousand dollars.

Year	0	1	2	3	4
Retail Price	\$ -	\$ 6,499	\$ 6,499	\$ 5,495	\$ 4,995
Unit Cost	\$ 12,380	\$ 8,180	\$ 6,752	\$ 4,690	\$ 3,624
Per Unit Profit/Loss	\$ (12,380)	\$ (1,681)	\$ (253)	\$ 805	\$ 1,371
Gross Margin	-	-25.9%	-3.9%	14.6%	27.4%

We will progress from a working prototype to low volume production in the first year. We will then increase production to lower costs over years two and three, reaching full production volume in year 4. After year 5 we would grow production with the market and consider a pivot to producing OEM equipment, entering adjacent markets, or exiting with a sale to a major manufacturer.





Unit Economics

We will use commercial off the shelf components for the prototype and negotiate lower component pricing to reduce costs as we increase volume. We expect to optimize sourcing costs in year four when we reach full scale production.

Production Year	0 Prototype 1 Unit	1 Low Volume 100 Units	2 Med Volume 400 Units	3 High Volume 900 Units	4 Full Production 4,000 Units
Motor	\$ 3,200	\$ 2,000	\$ 1,500	\$ 1,000	\$ 750
Controller	\$ 500	\$ 500	\$ 450	\$ 350	\$ 250
<u>Motor Drive Kit</u>	\$ 3,700	\$ 2,500	\$ 1,950	\$ 1,350	\$ 1,000
Batteries	\$ 5,000	\$ 4,000	\$ 3,500	\$ 2,500	\$ 2,000
Battery Management System	\$ 1,000	\$ 575	\$ 575	\$ 350	\$ 250
Charger	\$ 500	\$ 300	\$ 250	\$ 150	\$ 100
<u>Battery Package</u>	\$ 6,500	\$ 4,875	\$ 4,325	\$ 3,000	\$ 2,350
Total off the shelf materials	\$ 10,200	\$ 7,375	\$ 6,275	\$ 4,350	\$ 3,350



We will hit our full production milestone at year four, and one-million dollars net income in year six. During the first nine months we will develop the product, build the brand, and prepare to present to investors in order to raise funds for low scale production in year one.

Year 0*

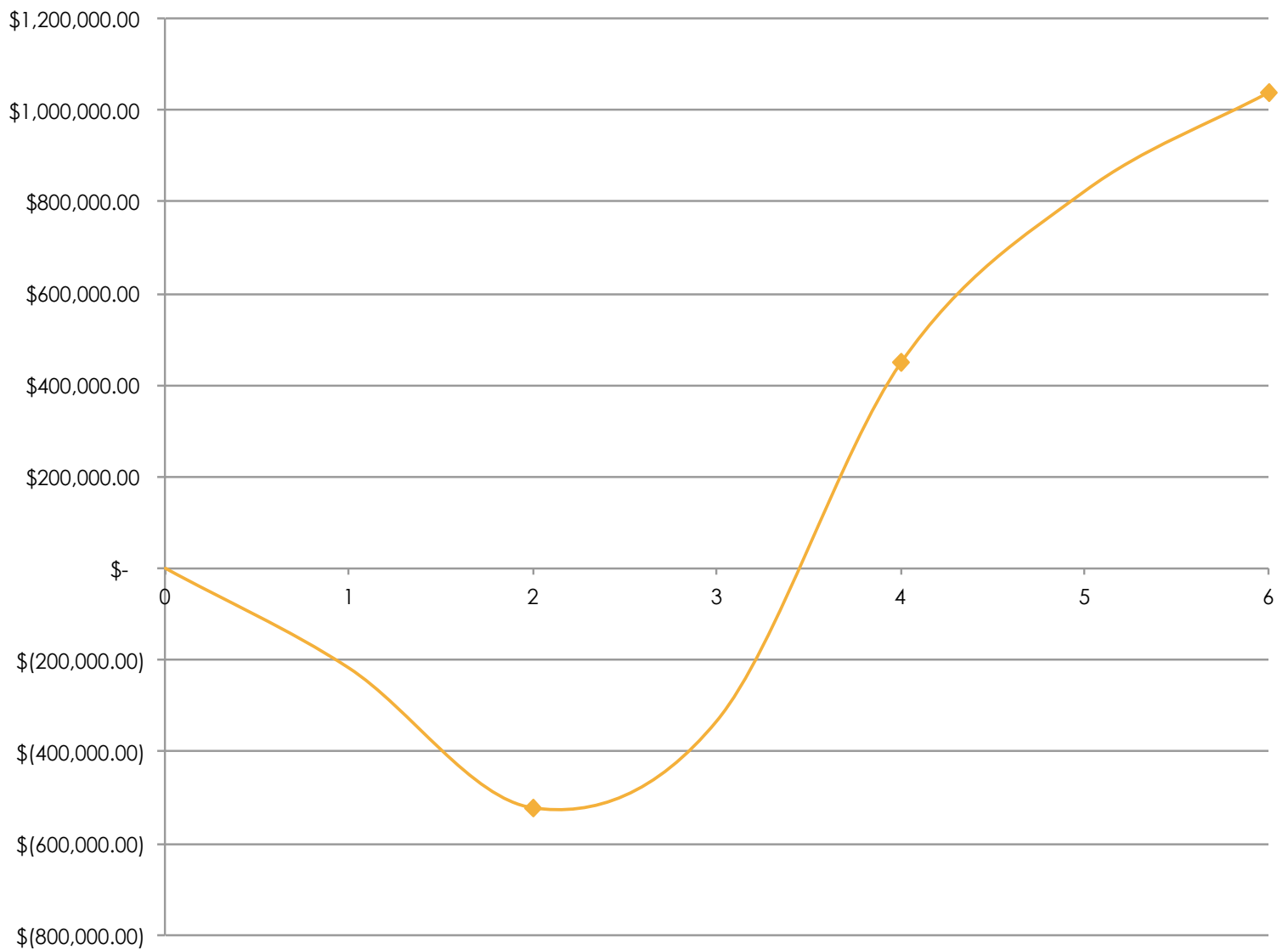
Month	0-3	3-6	6-9	9-12
Stage	Prototype	Testing	Fundrasing	Low Scale Production
Costs	\$ 15,000-20,000	\$ 10,000-15,000	\$ 10,000-15,000	(See Year 1 Costs)

Year	0	1	2	3	4	5	6
Sales		100	400	900	4,000	5,000	5,500
Price Per Unit	\$	6,499	\$ 6,499	\$ 5,495	\$ 4,995	\$ 4,995	\$ 4,996
Revenue	\$	649,900	\$ 2,599,600	\$ 4,945,500	\$ 19,980,000	\$ 24,975,000	\$ 27,478,000
Cost of Goods Sold	\$	818,000.00	\$ 2,700,800.00	\$ 4,221,000.00	\$ 14,496,000.00	\$ 17,940,000.00	\$ 19,756,000.00
Gross profit	\$	(168,100.00)	\$ (101,200.00)	\$ 724,500.00	\$ 5,484,000.00	\$ 7,035,000.00	\$ 7,722,000.00
Operating expenses	\$	68,239.50	\$ 311,952.00	\$ 494,550.00	\$ 1,798,200.00	\$ 2,022,975.00	\$ 2,003,146.20
Research and development	\$	32,495.00	\$ 129,980.00	\$ 247,275.00	\$ 999,000.00	\$ 1,248,750.00	\$ 1,373,900.00
Sales, General and administrative	\$	64,990.00	\$ 259,960.00	\$ 494,550.00	\$ 1,998,000.00	\$ 2,497,500.00	\$ 2,747,800.00
Total operating expenses	\$	165,724.50	\$ 701,892.00	\$ 1,236,375.00	\$ 4,795,200.00	\$ 5,769,225.00	\$ 6,124,846.20
EBIT	\$	(333,824.50)	\$ (803,092.00)	\$ (511,875.00)	\$ 688,800.00	\$ 1,265,775.00	\$ 1,597,153.80
Interest Expense	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income before Tax	\$	(333,824.50)	\$ (803,092.00)	\$ (511,875.00)	\$ 688,800.00	\$ 1,265,775.00	\$ 1,597,153.80
Provision for income taxes	\$	(116,838.58)	\$ (281,082.20)	\$ (179,156.25)	\$ 241,080.00	\$ 443,021.25	\$ 559,003.83
Net income	\$	(216,985.93)	\$ (522,009.80)	\$ (332,718.75)	\$ 447,720.00	\$ 822,753.75	\$ 1,038,149.97

*See appendix for further details



Year six will be a milestone where we reach one-million dollars in net income





Charlie Hatton:

MBA from UNC Chapel Hill, Aerospace Engineering degree from Embry-Riddle, veteran Marine Corps officer (F-18 pilot and Supply/Logistics Officer). Currently working for PSE&G-Electric Operations as a Quality Assurance program manager. Passionate about riding and working on motorcycles since sophomore year of college back in 2000, riding the same Honda CBR since 2001. Lives in Yardley with his wife and 2 kids and excited to raise the family in beautiful Bucks County.

Keith Hatton:

BSID from University of the Arts in Philadelphia, and a city native ever since. Previously the Creative Director for Elite Bicycles, currently working at Curio as an Industrial Designer and product developer. Extensive experience in delivering freelance design projects including custom designed logos and graphics, as well as physical prototypes and custom low volume production products. A driven competitor and meticulous mechanic – category two bicycle racer and custom bike builder.

Year 0-1 (Seed): **\$30-40k to launch**

Year 1-2 (VC): **\$1.1M for COGS while increasing production**

Year 2-3 (Bank): **\$1.5M for tooling to scale for full production**

Year 4 (IPO/Sale): **\$5M to develop OEM products**





Appendix – Use of Funds

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Q1			Q2			Q3			Q4		
Division	Task or Milestone	Lead	Support	Status	Target Date	Date Complete	Macro-Timeline/ Notes				Cost
Procurement	Test Rig (rolling frame or complete motorcycle)				4/15/17		1970s CB550/750				\$ 1,500
	Motor kit				5/1/17		PMAC 15kW/38kW LiquidCooled 72/84V 550A				\$ 3,700
	Battery Kit				5/1/17		GBS 84V 100Ah Li-Ion w/EMUS BMS and Charger				\$ 6,500
	Aluminum plates				4/8/17		12024T3511 ALUM SHEET .250 2X4				\$ 200
	3D printing filament				5/28/17		NylonX Carbon Fiber Filament - 3.00mm (0.5kg) (x2)				\$ 130
	Hardware				4/21/17		Bolts and spacers				\$ 100
	All Materials and Componenets on Hand				6/10/17						\$ 12,130
Legal	Articles of Incorporation				4/1/17	3/29/2017					\$ 125
	Board of Directors				5/1/17						\$ -
	f				6/1/17						\$ 300
	EPA Certification				10/1/17						\$ 1,800
	Provisional Patent				7/1/17						\$ 130
	Full Patent Application				8/1/17						\$ 900
	Form the Company and Protect the Product				10/1/17						\$ 3,255
Research & Development	Week 1: Structural engineering - shape the spine				4/8/17		Phase 1: RAPID Prototype Development				
	Week 2: Fabricate the spine				4/15/17		Stage 1: Structure				\$ 400
	Week 3: Fabricate frame mounting points				4/22/17		Waterjet to cut aluminum plates				
	Week 4: Test fit in frame				4/29/17		Drill mounting points for brackets, tap mounts				
	Week 5: Determine component mounting points				5/6/17		Cut Spacers and hardware				
	Week 6: Route internal cables and cooling				5/13/17		Stage 2: Function				\$ 400
	Week 7: Connect and test assembled components				5/20/17		Drill mounting points for brackets, tap mounts				
	Week 8: Test drive				5/27/17						
	Week 9: Design cover panels and shrouds				6/3/17		Stage 3: Appearance				\$ 400
	Week 10: Print or fabricate pieces, determine mounts				6/10/17						
	Week 11: Assemble				6/17/17						
	Week 12: Test drive				6/24/17						
	Prototype Ready for Testing and Touring				7/1/17						\$ 1,200
Marketing	Website hosting & Development				4/8/17						\$ 100
	Search (paid and organic)				6/24/17						\$ 200
	Facebook promotions				7/17/17						\$ 100
	Instagram content				5/6/17						\$ 100
	Blog				4/8/17						\$ -
	Youtube				5/6/17						\$ -
	Events Planned and Paid				6/3/17						\$ 2,000
	Promotional Materials on hand				6/17/17						\$ 500
	Establish Marketing Channels				8/1/17						\$ 3,000
Research & Development	Week 13: Planning: Routes, Safety, Support				7/8/17		Phase 2: Testing and Touring				
	Week 14: Speed test				7/15/17		Stage 1: Trouble finding & Benchmarking				\$ 400
	Week 15: Range test				7/22/17						
	Week 16: Power test				7/29/17						
	Week 17: Daily Rider - City				8/5/17		Stage 2: Livability Testing				\$ 400
	Week 18: Daily Rider - City				8/12/17						
	Week 19: Daily Rider - Suburban				8/19/17						
	Week 20: Daily Rider - Suburban				8/26/17						
	Week 21: Rally Event				9/2/17		Stage 3: Event Touring				\$ 400
	Week 22: Race Event				9/9/17						See marketing budg
	Week 23: Car/Bike Show Event				9/16/17						
	Week 24: Road Trip				9/23/17						
	Refine the Product and Build the Brand				10/1/17						\$ 1,200
Plans and Operations	Kickstarter				9/1/17						\$ -
	Business and Production Plan				10/1/17						\$ -
	Pitch and road show materials				10/1/17						\$ 500
	Week 25: Philadelphia VC Firms				10/7/17		Travel expenses for fundraising				\$ 1,400
	Week 26				10/14/17						\$ 1,000
	Week 27				10/21/17						\$ 1,000
	Week 28				10/28/17						\$ 1,000
	Week 29: NYC VC Firms				11/4/17						\$ 1,400
	Week 30				11/11/17						\$ 1,000
	Week 31				11/18/17						\$ 1,000
	Week 32				11/25/17						\$ 1,000
	Week 33: TBD				12/2/17						\$ 1,400
	Week 34				12/9/17						\$ 1,000
	Week 35				12/16/17						\$ 1,000
	Week 36				12/23/17						\$ 1,000
					1/1/18						\$ 13,700