

Opportunity / Mission / Value Proposition / Revenue Model / Product / Market Value / Beachhead Customers
/ Pricing Strategy / Timeline / Unit Economics / P&L Pro-Forma / 6 Year Projection / Company Background / Funding

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

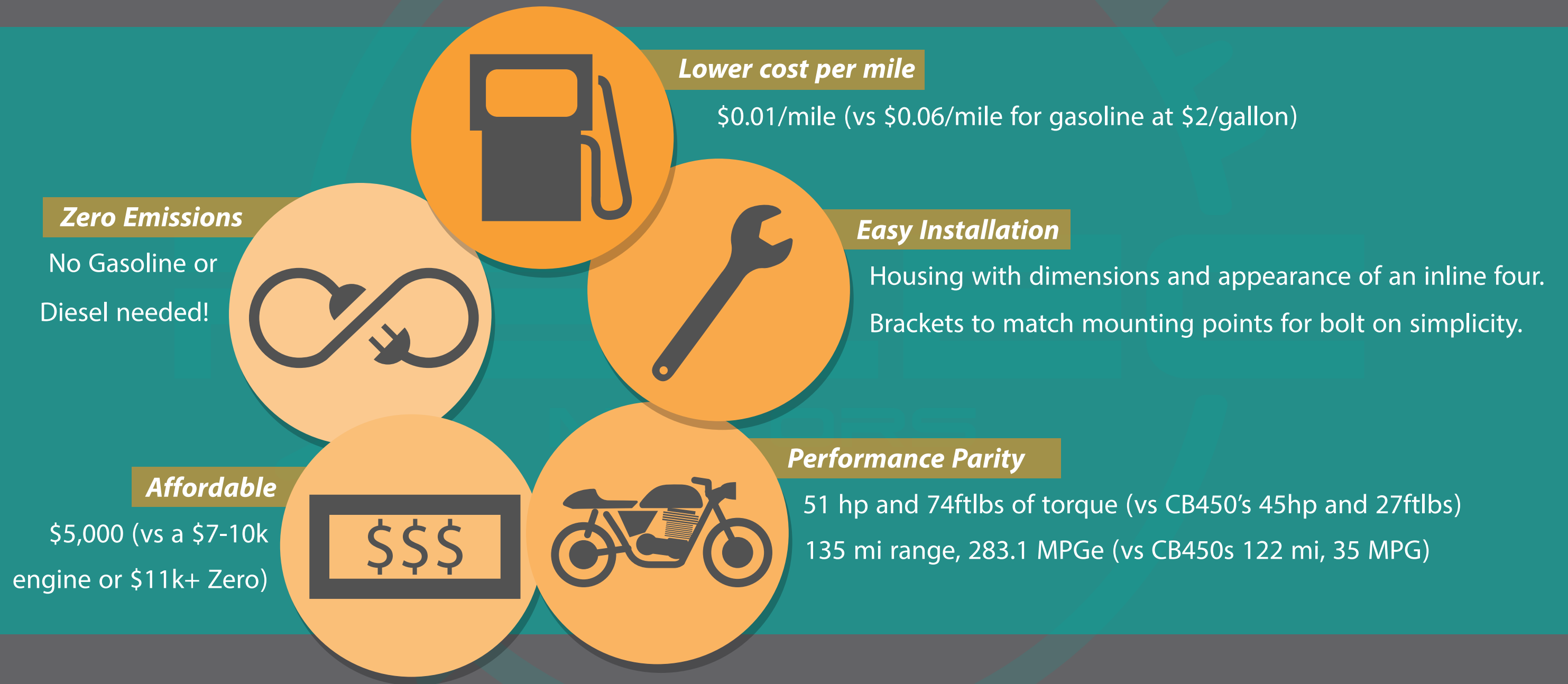
- 36% growth in electric plug-in vehicles sales in the US in 2016
 - 38% growth in Zero Motorcycles' sales in 2016
- Consistently strong demand for 'modern classic' motorcycles
 - Ex: Honda CB1100, Triumph Bonneville, Harley-Davidson 883
- Electric motors can match the performance of 'classics', especially for restoration or refurbish projects

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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.

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Manufacture and sell pre-engineered electric drive kits:

Source Components

– Motor, Batteries, Controllers

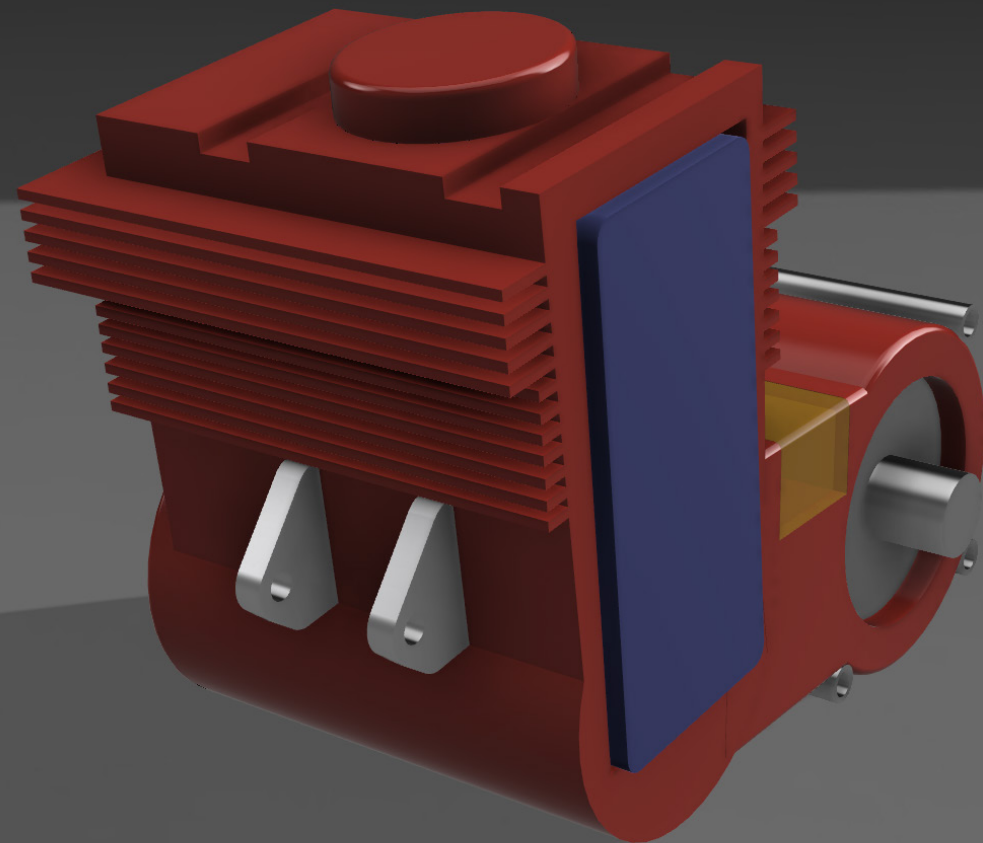
Fabricate the Assembly

– Housing, Wiring, Brackets and Mounts

Market digitally and sell directly to builders and DIY mechanics

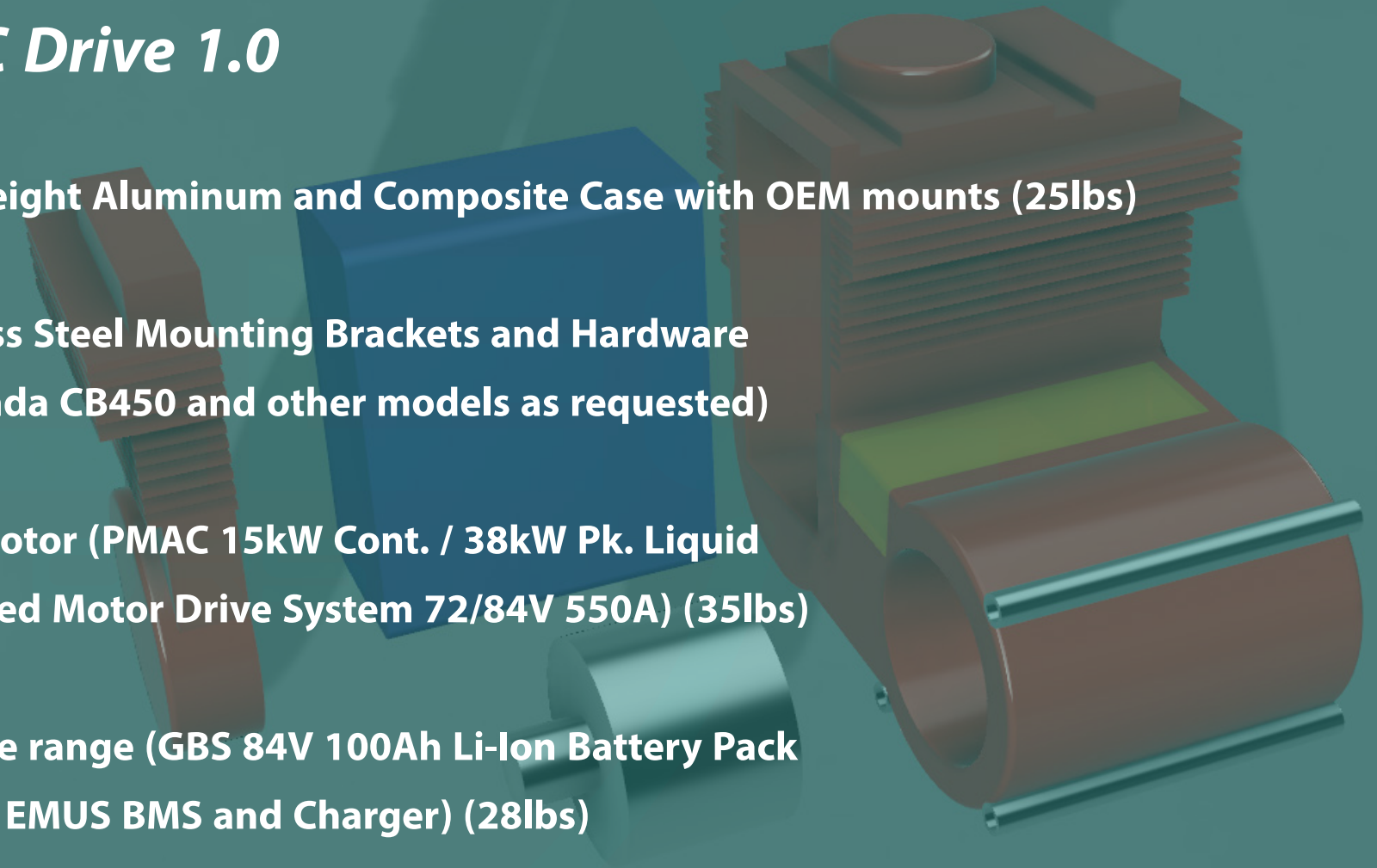
– Website, Facebook, eBay

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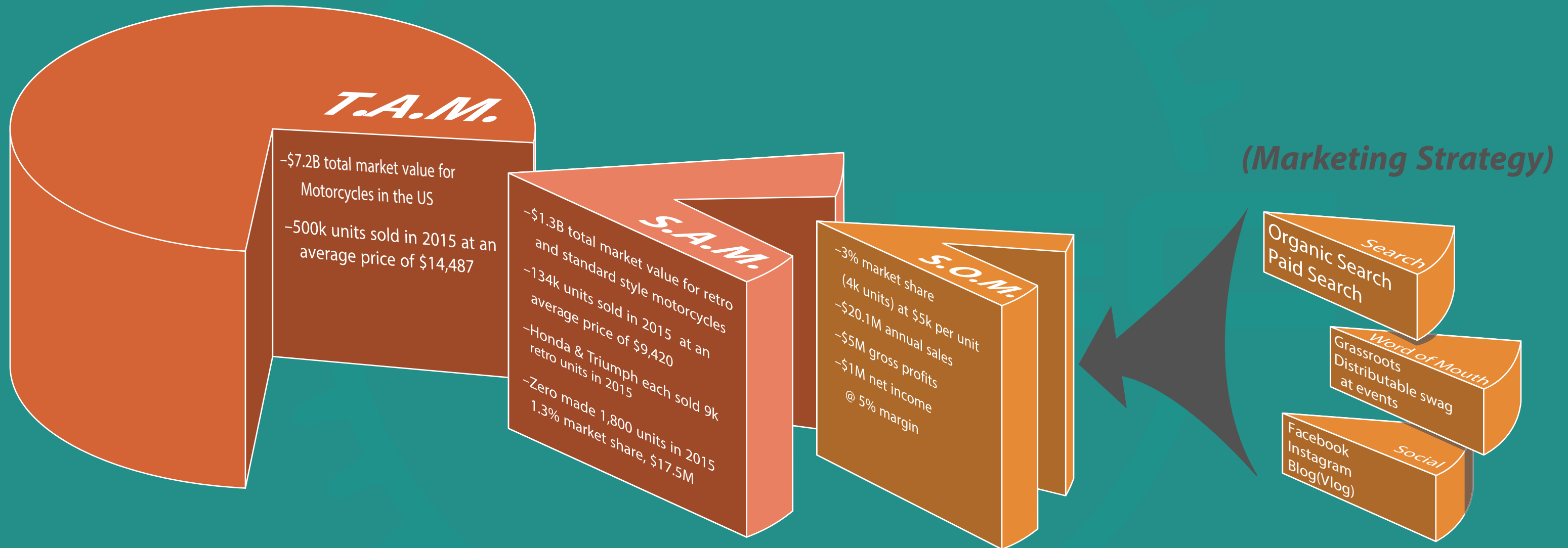


RELEC Drive 1.0

- **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)**



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- **Honda CB owners in the Philadelphia Metro area**
- **DIY environmentally conscious motorcycle riders who prefer classic styling**
Custom bike builders interested in offering the same

*Initially low volume with pricing at the upper end of the competition,
decrease price with increasing volume*

- \$5-7k for Triumph crate engines
- \$4-10k for Harley crate engines
- \$4-9k Engine Rebuild on average

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%

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Year 0: ***Prototype***

Year 1: ***Low Volume***

Year 2 & 3: ***Increase volume and reduce costs***

Year 4: ***Full scale production***

Year 5: ***Develop OEM production, possible sale to major manufacturer***

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Production Year	0	1	2	3	4
	Prototype 1 Unit	Low Volume 100 Units	Med Volume 400 Units	High Volume 900 Units	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

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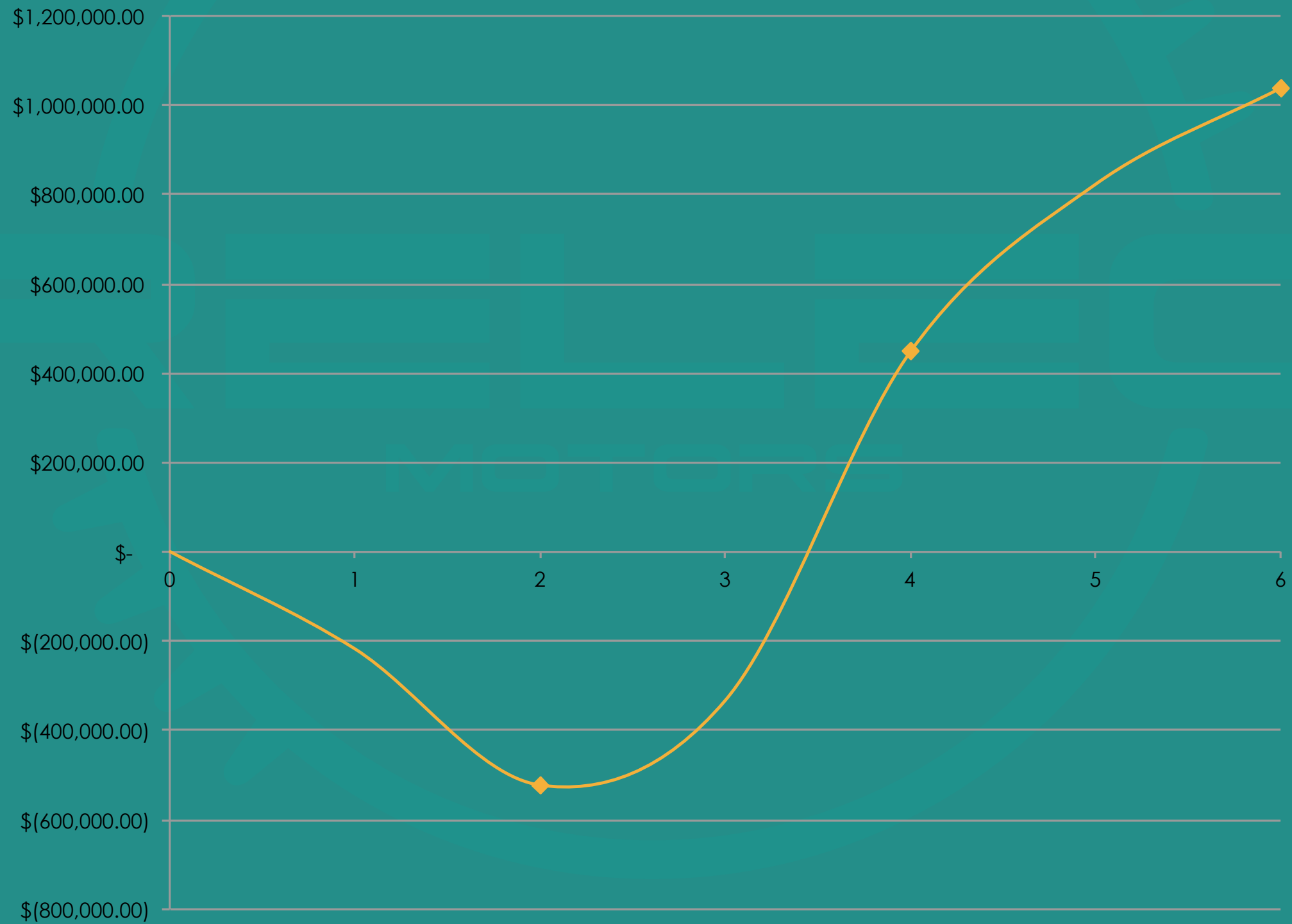
Year 0

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	\$ 4,995	\$ 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	

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Two brothers with a passion for refurbished classic vehicles see a market where builders mix modern technology with classic styling. An opportunity to bring together retro styled motorcycles and modern electric drive technology.

– Founders –

Charlie Hatton: Aerospace Engineer and MBA

Keith Hatton: Industrial Designer and master fabricator

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

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

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

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

