



## EXECUTIVE SUMMARY

### OVERVIEW

Tilting Motor Works has designed, built and patented a tilting three wheeled vehicle that has two wheels up front and a single powered rear wheel. What makes this vehicle unique is that all three wheels tilt as the vehicle turns. The TTW (tilting three wheeler) steers, leans and handles like a motorcycle but has greater safety and stability features compared to a motorcycle. The idea for making a tilting three wheeled vehicle arose from the desire to make a safer and more stable motorcycle with the same exhilarating ride characteristics. The aging of the motorcycle rider demographic and the increasing demand from women riders make this an ideal product in a prime market. The initial product will be a conversion kit that will replace a stock motorcycle's single front tire with two leaning wheels and will be offered with an optional tilt locking system which will allow the vehicle to be self supporting at a stop. The conversions will be sold and installed through a network of motorcycle dealers as an aftermarket accessory. Three prototypes have been built and test ridden for over 25,000 miles. Initial sales will commence in 2012.

### THE MARKET

The motorcycle market in the United States is \$15 billion dollars with 23 million riders. The downturn in the economy has impacted motorcycle sales and annual motorcycle sales for 2009 were 627,000 units. The motorcycle market growth through 2006 was being fueled by baby boomers, women, and increasing gas prices. The market for three wheeled motorcycles has expanded from an estimated 22,500 units in 2006 to 55,000 units in 2010 at a time when the market for two wheeled motorcycles has contracted.

### THE CONCEPT

The major drawback to motorcycles is the limited safety and stability inherent with having



only one front tire. The single front tire limits the amount of braking and traction that can be achieved. The TTW, with two front tires, greatly increases the braking capacity and significantly improves the amount of traction available. The TTW is a safer and more stable vehicle and will open motorcycle riding to people who have stability concerns about riding motorcycles. Tilting Motor Works is at the forefront in the technological development of this vehicle type and has an industry-changing technology that is ready to go to market.

### THE PRODUCT

Tilting Motor Works will initially enter the market with a tilting front end conversion kit that will replace a motorcycle's stock front forks and wheel. The product has been designed to be easy to install. A tilt lock system that will allow Tilting Motor Works' vehicle to come to a stop without the rider needing to put their feet down to support the bike has also been developed. This addition will open up motorcycling to a large demographic that wants to ride but are

physically unable to support a motorcycle while stopped.

## MANUFACTURING

Initial parts production will be contracted to several local machine shops in the Seattle area that manufacture parts for the aviation industry and are ISO 9000 certified. All product design is being done in SolidWorks with 3-D CAD models. Final assembly will be done in our facility in Marysville, Washington.

## SALES & DISTRIBUTION

A dealer network of existing motorcycle shops will be established to develop sales, installation and service centers across the United States and overseas. 500 independent motorcycle shops have already been identified that are currently installing trike conversions and will be targeted as dealers for Tilting Motor Works. The retail price for the conversions will be \$10,000, the dealer price \$8,000 and the COGS will be \$4,000. Recent print and online articles have driven a great deal of traffic to our website [www.tiltingmotorworks.com](http://www.tiltingmotorworks.com) and we've received numerous inquiries about purchasing conversions from around the world

## COMPETITION

The Piaggio MP3, which is a tilting three wheeler scooter with two wheels in the front, began selling in the U.S. in 2007 and sold 20,000 units in 2010. Bombardier's Can-Am Spyder, introduced in 2007, is a three wheeled vehicle, built by the manufacturer of Ski-Doo snowmobiles, with two wheels in the front but does not tilt and was projected to sell 5,000 units in 2010. There is a growing market for motorcycle trikes with two wheels in the rear that do not lean, with the majority of the trike companies building conversions for two wheeled motorcycles. Harley Davidson introduced a traditional trike in 2008.

Tilting Motor Works will have a competitive advantage by being the only large engine displacement vehicle that leans and handles like a motorcycle with the additional wheel in the front for increased braking and traction.

## PATENTS & TECHNOLOGY

Patent number 7,487,985 issued Feb. 10<sup>th</sup>, 2009. A second patent 7,967,306 issued June 28<sup>th</sup>, 2011.

## MANAGEMENT TEAM

CEO and Inventor: Bob Mighell has an engineering degree from Dartmouth College and an MBA from the University of Washington. For the last 17 years Bob has owned and operated a successful medical equipment business.

VP of Operations: Mike Lowell, Former Machine Shop Owner with 20 years experience.

VP of Marketing & Sales: VP for Harley who is currently regional sales mgr for a competitor.

Advisors: Jim Boltz Owner Cycle Barn Motorsports Group, Vice Chairman of the National Council of Motorcycle Dealer Association; Glynn Kerr, Owner Motovisions, 30 years motorcycle design experience and President of the Motorcycle Design Association; Gregg Fairbrothers, Director, Dartmouth Entrepreneurial Network; Phil Tsiaras, Tuck MBA and seven years with Honda Motorcycles; Harry Roberts, Chairman Pallino Pastaria Company, Former Chief Creative Office for Starbucks; Sandy Liman, Senior Product Manager Precor, Dir of Marketing for K2; Scott Webster, co-founder Orbital Sciences Corp, a NYSE traded company with sales of \$1.2 billion

## CAPITAL REQUIREMENTS

Six years and \$175,000 have been spent on prototype development, market research and design drawings. Tilting Motor Works is seeking \$1,000,000 in our first round of financing to implement production, build inventory and to launch our initial kit to the market in 2012. Pre-money valuation is \$3,000,000 and Bob Mighell is currently the only shareholder. The financing will be used to purchase tooling, hire personnel, establish a marketing campaign and fund initial production. A liquidity event for investors will be accomplished through the sale to a larger motorcycle or accessory company.

## Pro Forma Financial Summary (\$ thousands)

|                     | 2012    | 2013    | 2014    | 2015     | 2016     |
|---------------------|---------|---------|---------|----------|----------|
| Unit sales Kits     | 100     | 500     | 1000    | 1750     | 3000     |
| Sales               | \$800   | \$3,750 | \$7,000 | \$11,375 | \$19,500 |
| Net Profit          | -\$437  | \$377   | \$1,479 | \$3,659  | \$7,959  |
| Total Funds In      | \$1,800 | \$3,750 | \$7,000 | \$11,375 | \$19,500 |
| Total Expenses      | \$1,237 | \$3,373 | \$6,004 | \$8,960  | \$14,247 |
| Net Cash Flow       | \$563   | \$377   | \$996   | \$2,415  | \$5,253  |
| Ending Cash Balance | \$563   | \$940   | \$1,936 | \$4,352  | \$9,605  |