

MOTORCYCLING REDEFINED

Advancing the motorcycling industry towards the next industrial revolution with AI, IoT, and mass customization



ABOUT LYCAN™

Lycan is a Filipino motorcycle & technology startup company based in Metro Manila, Philippines that is innovating the use of motorcycles with Artificial Intelligence and IoT, and how motorcycles are acquired by customers through eCommerce and mass customization. Lycan is in the business of research, development, design, manufacturing, and distribution of self-branded high-tech motorcycles and smart products.

ABOUT BUILDER X

Builder X is one of Lycan's proprietary technologies that uses a cloud- and app-based program which allows customers to fully design and customize their own brand new factory-assembled Lycan motorcycle. **Builder X is Lycan's innovation in customer acquisition through mass customization.**

BUILDER X FEATURES

The screenshot displays the LYCAN Builder X interface. On the left is a 'Parts Category' menu with options: Paint, Handlebars, Cowling, Headlight, Headlight Sets, Gas Tank, Seat, Fenders, Tires, Exhaust Pipe, and Fairings. Below this is a 'Plan' section with items like Cafe Racer Fairing (P5,000), Skid Plate 1 (P2,000), Skid Plate 2 (P2,000), and Rider Height. The main area shows a 360-degree view of a dark blue motorcycle with orange seats and yellow rear shocks. In the top right corner, a 'Price Counter & Checkout' section displays 'TOTAL PRICE: P 103,700.00' with icons for cart, zoom, and share. In the bottom right corner, 'Interactive Functions' include Toggle Engine, Toggle Lights, Toggle View, Screenshot, and Share.

Builder X beta v1.1 now available for testing at www.lycan.com.ph/builderx and will be available in iOS and Android soon

HOW IT WORKS



Step 1: Design & Personalize

Users may sign-up to Builder X and start designing their own Lycan motorcycle; choosing from specific engine displacements, motorcycle types, hundreds of parts & accessories, and colors. Users have the ability to control their budget with a real-time price counter. Once satisfied, customers may place the order online and choose from a variety of payment methods and financing terms.



Step 2: Factory Assembly

Lycan produces and assembles the ordered unit and quality tests it before completion and release within a few days to a few weeks.

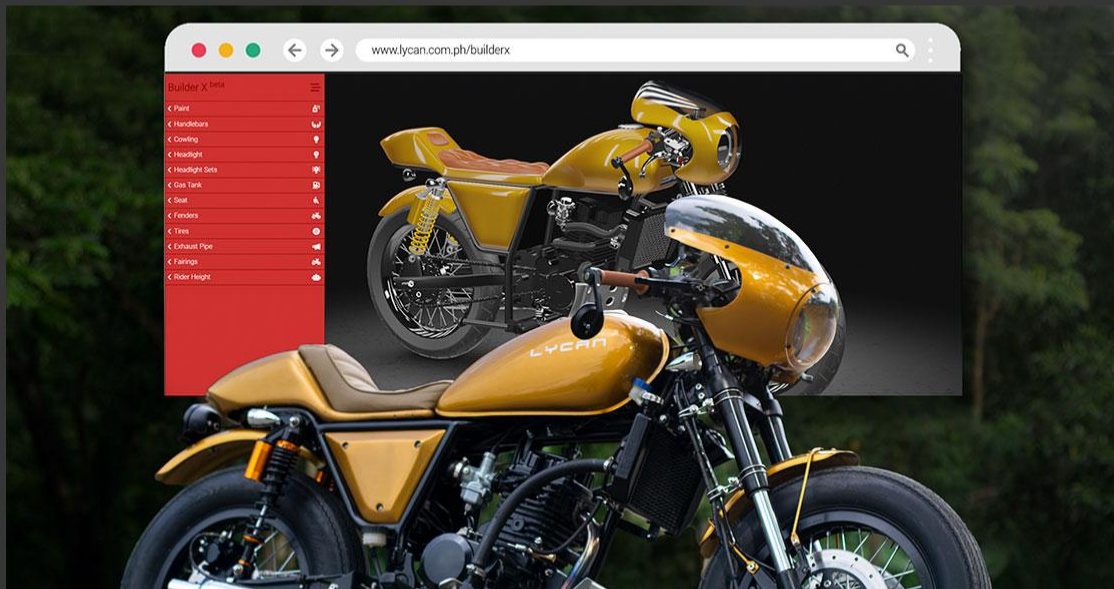
Production, manufacturing, and assembly is under a separate joint venture partnership.



Step 3: Delivery & Fulfillment

By harnessing the power of modern business models and technologies, customers may easily and conveniently have their units delivered straight to their homes or be picked up at their nearest dealership outlet.

HOW IT WORKS



One Motorcycle Platform, Thousands of Combination

Because Lycan designs and develops its own motorcycles, it has its own motorcycle platform to create and combine hundreds of parts to come up with thousands of possible motorcycle design combinations which are assembled at its production facility. Each part and possible combination are carefully studied and tested before deploying it to the market.

WHY IT MATTERS: THE PROBLEMS WE SOLVE

The Power of Choice

Ever gone to a dealership to buy a vehicle only to leave empty-handed because the specific model and color you were looking for was unavailable? Builder X lets customers freely design and personalize the motorcycle they want exactly how they envision it -- without even leaving their homes!

The Power of Uniqueness

Vehicle owners, in one way or another, always add a touch of their personality in the vehicle they choose and ride, whether it be a simple sticker on the body or a full-scale remodeling and customization work. Builder X paves the way to the possibilities of riders having a "1 of 1" motorcycle that they can be proud of, because after all, motorcycling is a lifestyle worth spending on.

The Power of Safety

Traditionally, if one wishes for a personalized vehicle, owners will go out of their way to spend and alter the manufacturer's standards to get a look they desire, leaving tons of rooms for errors and hazards. With Builder X, all customizations are done inside a manufacturing plant, ensuring safety and quality from the very beginning.

COMPETITIVE ADVANTAGE #1: FIRST-MOVER

Lycan's major competitive advantage against its competitors is its ability to design and produce its own motorcycles locally. Current competing brands are distributors of pre-designed motorcycles and have no prior control over R&D, design, and company branding.

As Lycan is a first-mover in the industry, it has the ability to design, pivot, and adapt to current market trends faster than its competitors as its primary headquarters is located where the market is.



COMPETITIVE ADVANTAGE #2: ARTIFICIAL INTELLIGENCE

Lycan is a technology company and it is developing its own integration of artificial intelligence and Internet-of-Things (IoT) in its motorcycles with the ability to read and understand data, execute voice commands from its registered owner, and provide meaningful information to its rider for better decision-making and additional safety. AI is the co-pilot of motorcycle riders.

With its IoT, Lycan's motorcycles can connect to several smart devices to read and write data, verbally transfer information from the motorcycle to the owner, and to connect with other Lycan motorcycles and smart devices. Added safety and security measures are also in place such as crash detection and alert notifications, anti-theft security, and eventually, smart senses.

THE ROLE OF ARTIFICIAL INTELLIGENCE AND IOT

The AI and IoT technologies inside all of Lycan's motorcycles act as a co-pilot for the riders. Utilizing the power of voice, riders can speak to and relay non-mechanical commands to the AI that improves the experience, convenience, and safety of the rider. As the company develops, Lycan is set to introduce machine vision, rider behavioral analysis, and proximity sensors to the motorcycles to further boost safety.

Currently, Lycan's prototypes already include the following functions:

1. Basic motorcycle voice commands (power on/off, engine on/off, lock)
2. Impact sensor, SMS alert notification, and geo-tagging
3. Biometrics and face-recognition (safety and security)
4. Mobile app connectivity (IoT)

TARGET MARKET: CONSUMERS

Lycan's target market are motorcycle enthusiasts with an understanding of technology who see motorcycling as a lifestyle rather than as a necessity, catering to those who have spending capabilities to invest and spend on motorcycles. These audiences range anywhere from ages 23 to 45 years old and are working classes & professionals.

TARGET MARKET: BUSINESSES

Lycan also caters to companies and organizations who wish to own a bespoke fleet of motorcycles specific to their brand such as Angkas, Grab, tourism and utilities companies, and Government agencies such as the MMDA, HPG, LTO, and PNP.

PRICING AND MARGINS

With the current 250cc motorcycles in development and with the flexibility that Builder X has to offer, motorcycle price for this model ranges anywhere between PHP100,000 (\$1,585) to PHP180,000 (\$3,175) with a 30% to 80% profit margin, not yet including subscription to the in-motorcycle technologies & services.

Target SRP and profit margins may vary with Lycan's upcoming 400cc, 650cc, and EV (electric) motorcycle variants.

WHY NOT JUST LICENSE THE TECHNOLOGY TO OTHER MOTORCYCLE BRANDS?

Developing the technology for use of existing motorcycle brands is the easier and less risky route, but Lycan's mission is to take part in the industrialization of the Philippines in making the country a producer of vehicles and technology rather than consumers of global products and brands because of its beliefs that Filipinos can and have the potential to make a change in the world; aiming to develop itself as a maker, manufacturer, and distributor of Filipino-made high-tech products that can be achieved by partnering with several local companies.

With the Philippines' lower cost of labor and geographic advantage in sourcing parts and materials, this puts Lycan at an advantage to execute and grow its operations.

PRODUCTION & DISTRIBUTION STRATEGY

IN-HOUSE:

RESEARCH, DEVELOPMENT, AND INNOVATION

Lycan's focus is in the research, design, development, and innovation of its products and technologies; and in the growth of the company through its business models, processes, and efforts in entering new markets both locally and globally.

Business model: technology, retail, licensing, royalties, and franchising

100% profit share

JOINT VENTURE:

PRODUCTION & ASSEMBLY

Lycan is working in collaborating with a local company in the manufacturing, assembly, and mass production of its products and technologies under a separate and partially-owned joint venture agreement.

Business model: Manufacturing

Shared profits

PARTNERSHIPS & FRANCHISING:

DISTRIBUTION & MARKETING

Lycan has three ways to distribute and market its products: wholly-owned flagship stores, franchising, and distribution partnerships with local dealers and distributors.

Business model: royalties, retail, licensing, servicing, and financing

Mixed profit shares

FUNDRAISING & EQUITY

IN-HOUSE:

RESEARCH, DEVELOPMENT, AND INNOVATION

Lycan's focus is in the research, design, development, and innovation of its products and technologies; and in the growth of the company through its business models, processes, and efforts in entering new markets both locally and globally.

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100% profit share

Lycan is seeking:

PHP50M in seed for a 15% equity of Lycan Motorcycles Inc.

for its motorcycle & technology developments with the objective of utilizing the capital to grow and strengthen its business, branding, and market positioning.

Lycan Motorcycles Inc. is a principal company.

The capital being raised does not include manufacturing and production as the production is to be done under a separate and partially-owned joint venture partnership with its own separate capital requirement and equity scheme.

The manufacturing JV entity will become a subsidiary of Lycan Motorcycles Inc.

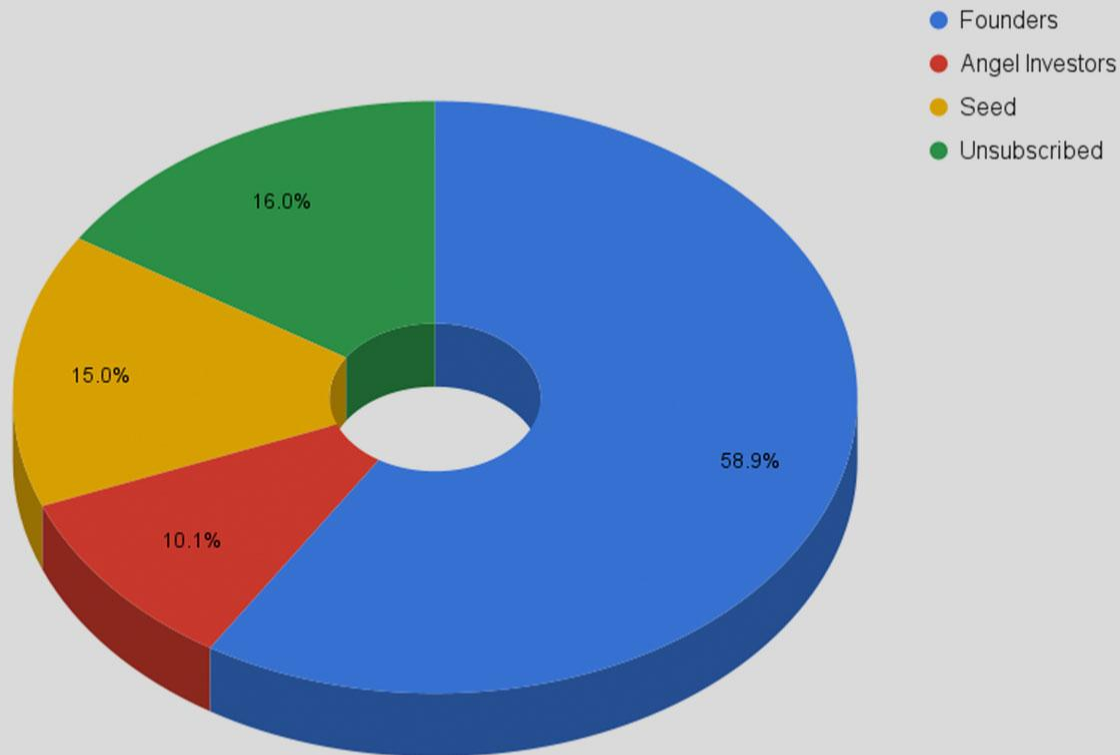
LYCAN MOTORCYCLES INC CAP TABLE

Updated as of August 2022

The chart on the right shows Lycan's current stock where majority (58.9%) is owned by its founders while its total angel investor shareholders owns 10.1%.

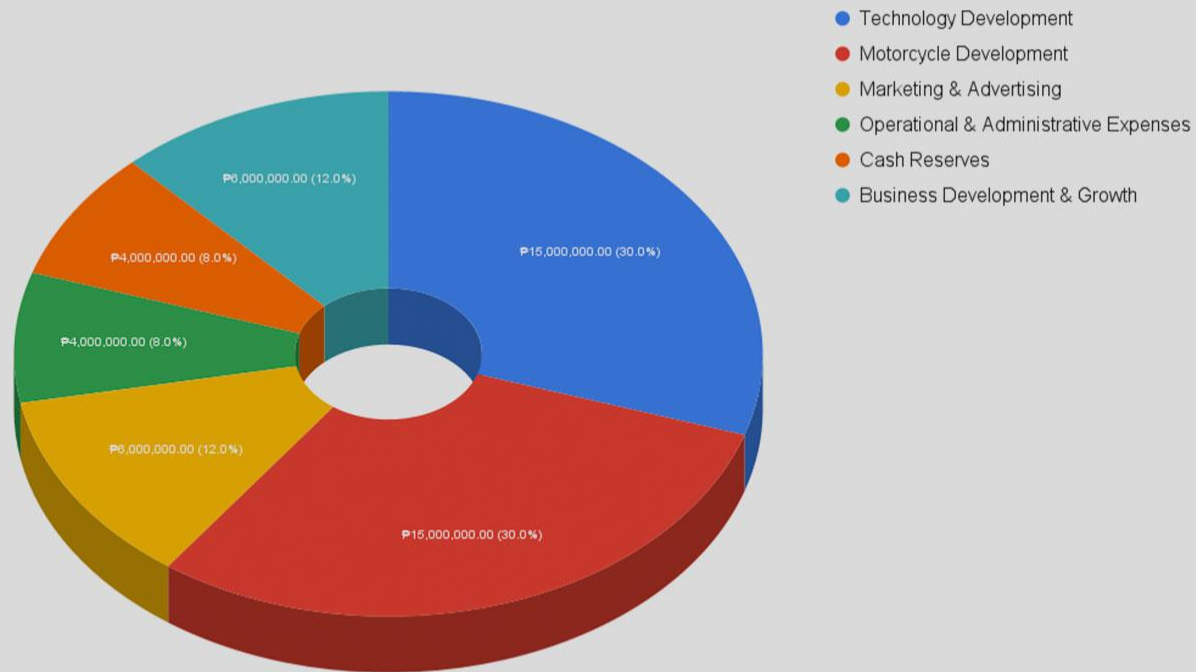
15.0% is allotted to its Seed funding round while 16% is unsubscribed and is allotted for future equities.

Lycan's total authorized capital stock is 30,000 shares.



ALLOCATION OF CAPITAL

60% of the capital funding will be allocated to the research, development, and innovation of motorcycles and its technologies (AI, IoT, ML, hardware, and software) while Business Development and Marketing & Advertising will acquire 12% each of the total capital. A total of 16% will be allotted for cash reserves and operational costs at 8% each.



OUTPUT OF CAPITAL FUNDING

With the capital being raised, the following table shows the intended use and output of the investment, focusing heavily on growth and development of the company.

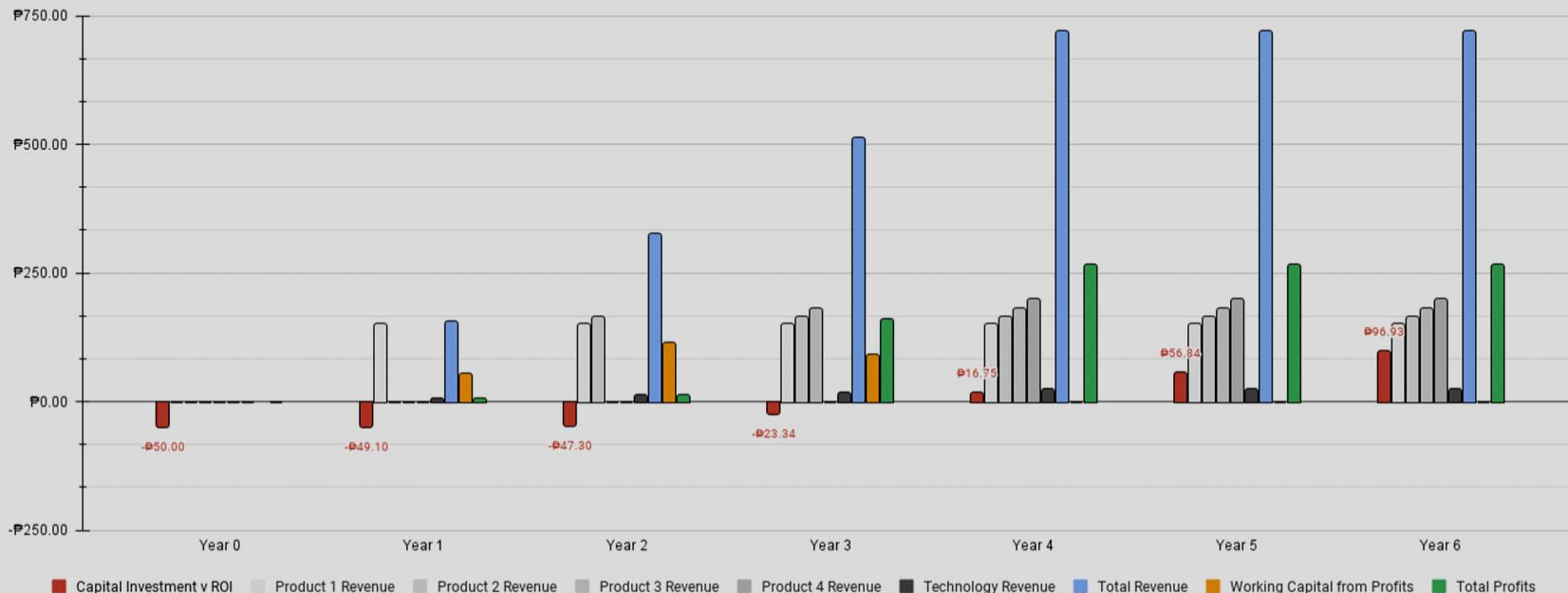
Motorcycle Development PHP15,000,000	Technology Development PHP15,000,000	Marketing & Sales PHP6,000,000	Business Development PHP6,000,000	Operational Expenses PHP4,000,000	Cash Reserves PHP4,000,000
<p>Expansion of mass-customized motorcycle designs & parts</p> <p><i>Output: Hundreds of parts to add more to the total possible combinations</i></p> <p>Development of 400cc and 650cc model variants</p> <p><i>Output: Higher SRP & profit margins with larger displacement engines</i></p> <p>Development of MaxiScooter model</p> <p><i>Output: Entering the scooter market. Acquisition of more market shares.</i></p> <p>Development of EV motorcycle variants</p> <p><i>Output: Preparation for electric motorcycle capabilities</i></p>	<p>Deployment of production-scale Builder X</p> <p><i>Output: Public use of customers and licensing of the Builder X to partner dealerships</i></p> <p>Deployment of motorcycle AI and IoT</p> <p><i>Output: Increased sales with new motorcycle technologies, increased revenue with technology subscription revenue model, and introduction of motorcycles to the global market</i></p> <p>Development of motorcycle AI and IoT version 2.0</p> <p><i>Output: Additional features such as smart vision, smart senses, and in-motorcycle apps</i></p>	<p>Full-scale brand awareness campaign</p> <p><i>Output: More market reach for higher chances of conversion.</i></p> <p><i>Target: >1,000 sold units per year</i></p> <p>B2B Campaigns</p> <p><i>Output: Onboarding of corporate clients to develop their fleet of company-branded motorcycles</i></p> <p>eCommerce & Logistics for online motorcycle sales</p> <p><i>Output: Development and deployment of motorcycle eCommerce and logistics for online purchases of Lycan motorcycles with the goal of acquiring more market share through eCommerce</i></p> <p>Distribution & franchising</p> <p><i>Output: Improved market reach and revenues through additional distribution</i></p>	<p>Local & Foreign Partnerships</p> <p><i>Output: Establishment of beneficial partnerships with companies both locally and abroad with the intent to distribute and export products globally</i></p> <p>Development and improvement of business operations</p> <p><i>Output: Reduction of costs and wastes and improved business management processes to improve bottomline profits and margins</i></p> <p>Development of customer support and servicing</p> <p><i>Output: Happy customers</i></p> <p>Development of revenue streams</p> <p><i>Output: Additional revenue streams</i></p>	<p>Longevity of business operations to ensure sustainability</p> <p><i>Output: Business sustainability</i></p>	<p>Cash reserves</p> <p><i>Output: Ensure safety net</i></p>

FINANCIAL PROJECTIONS (figures in millions)

The following projections are based on the following assumptions:

1. 35% share on motorcycle sales profits, 100% on technology revenue
2. One (1) product model is released every year until a total of four (4) models are released. May vary if additional models are released.
3. 1,000 motorcycles sold per model per year.
4. All motorcycle sales profits are reinvested in the first two years
5. Costs of goods sold not accounted for as costs to produce are managed by Lycan's manufacturing joint venture partnership
6. Local market only. Other revenue sources (servicing, financing, franchising) not yet included.

With the assumed projections, it is estimated that the PHP50M capital invested will yield breakeven and profits in the fourth (4th) year of operations



MANAGEMENT TEAM

The Lycan management team comprises of seasoned and experience professional within their respective fields all working together to achieve the company's mission



JOHN ANDREW C. GANGAT
President & CEO

John Andrew "Jaggy" Gangat has been an entrepreneur and businessman since 2012 where he has built, founded, and operated several businesses and startups in the Media, Digital Marketing, Retail, Professional Training, eCommerce, and Online Education industries and was also a business consultant for several small businesses.

As a visionary, Jaggy's goal has always been to innovate his ventures using technology, communication, and proper business strategies.

Jaggy has appeared in several publications, TV shows, radio shows, and has been a speaker in several institutions, schools, business events, and organizations sharing his ideas, experiences, and expertise with the goal of helping others find their purpose in their careers.



JOHN MARION L. GREFALDO
Chief Technology Officer

JM is a self-described "digital daredevil" with over 14 years of experience in digital tech. He is skilled in developing digital solutions with a deep technical understanding and expertise on Xr, Cloud computing, IoT, AI, and other high-level technical niche.

JM has a master's degrees in Business Administration from Escuela de Negocios Europea de Barcelona (ENEB), Big Data and Business Intelligence from the Universidad Isabel I, and Industrial Education in the Field of Industrial Technology from Bicol University.

One of his defining work experiences was with Verko Marketing, a company based in Paris, France, as Chief Solution Architect. JM takes great pride in building a more innovative and intelligent solutions for consumers.



APRILGRACE T. ALCANTARA
Chief Marketing Officer

April is a Project Management Institute (PMI) certified Program Manager (PgMP) with years of experience as a Project and Program Manager having worked with several international companies such as PMI, PMO Advisory, Google New York, and with several foreign Portfolio Managers.

April is also currently taking her Master's Degree in Business Administration at Ateneo de Manila Graduate School of Business University and diploma in Strategic Marketing at Ateneo de Manila University.



ATTY. ORBILL GARCES
Corporate Legal Counsel

Attorney Orbill is a lawyer by profession involved in corporate compliance and business development. Having his own law firm, Orbill has worked with several corporations and businesses where he has assisted and helped in the expansion of companies, intellectual property protection, and setting up initial public offerings (IPO) to the market.



ROMEO DESINGCO JR.
Human Resource Manager

Romeo is a Human Resource professional with more than 25 years in work experience and more than 6 six years as an international business consultant. His expertise lies in Human Resource Management, Organizational and Operational Development, Productivity Improvement, Project and Program Management, and Quality Management where his roles focus on the internal developments of companies and organizations.



JUANITA "NITZ" LERA
Corporate Secretary

Nitz is an experienced accountant and business administrator with experience and expertise in taxation, compliance, SEC filings, business registrations, IP registrations, and administration where she has worked with several local companies and businesses with all compliances, board matters, and registrations.

LYCAN

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