



Company Overview

PERAVES AG (PERAVES, the Company) is the only company worldwide that has vast experience in the field of the safe and fully enclosed motor-cycles (Ecomobile and MonoTracer). It is focused on design, engineering prototyping and building of this type of vehicle. PERAVES is a licensed EU vehicle manufacturer, and its MonoTracer platform is fully homologated in Switzerland, the EU and the US.

Founded by Arnold Wagner in 1972, PERAVES's first major breakthrough came with the Ecomobile, of which more than 100 have been sold between 1985 to 2005. In 2006 PERAVES began to work on Ecomobile's successor, the MonoTracer. From 2008 till 2011, 50 BMW 1'200 cc gas engines – powered MonoTracers have been sold.

In 2009 PERAVES, in co-operation with E-Tracer AG, developed the platform of an all-electric MonoTracer (MTE). The first two MTE (called X-Tracer) were built for the 2010 Progressive Insurance Automotive X PRIZE competition, which PERAVES emerged champion by achieving an outstanding 205 MPG and was awarded US\$2.5 million. This sparked the developmental work of the MTE-150, of which 12 have been sold till date.

PERAVES' accomplishments are:

- EU-certification as a European vehicle manufacturer
- EU-homologation of the MonoTracer-platform
- US-DOT/EPA homologation of the MonoTracer-platform
- Highly valued network within the industry
- No bank-credits, all self-financed
- Over 30 years of experience and accumulated know-how in design and production of cabin motor cycles
- 150 Ecomobiles (100) and MonoTracer (50) built and sold

PERAVES' aim is to provide cost-efficient and advanced design, engineering and prototyping services.

Unique Value Proposition

Between the 80 million cars market on one side and the 90 million market for motorcycles and scooters on the other, Peraves's products are the only vehicle type that combines the advantages of both cars and motorcycles: The safety, weather protection and comfort of a small car combined with the agility, riding pleasure and small footprints (carbon, resources as well as space in traffic and parking) of a motorcycle.

Product Portfolio

PERAVES has 3 main projects under its existing portfolio: Production of the high-end all-electric MTE-150 as well as the development of the MTE-3 and e-Tracer.



MonoTracer MTE-150

The electric MonoTracer MTE-150 with an 150kW (204 hp) AC Propulsion drive train and 30 kWh lithium-Ion battery is by far the world's most energy-efficient high-performance road-legal two-seater sports vehicle.



Production of MonoTracers in Brno at PERAVES CZ, MTE-150 in Berlin and digital cockpit of the MTE-150

The new MonoTracer MTE-3 (face-lift)

The growth potential is limited with the high-end MTE-150 because it is a big and rather challenging motor-cycle to ride. Therefore, we have teamed up with a fellow Swiss company and built a proof-of-concept for a 3-wheeler that leans into corners. It can be ridden by virtually anybody who has a drivers licence for cars and who has ever rented a 125cc-scooter.



Photoshop rendering of the MTE3: the separating line between the leaning main body and the non-leaning drive can hardly be seen when straight up. The front wing mirrors are not wider than the rear axle! (1.22 m)

The e-Tracer

PERAVES has plans for an all electric "Volks" MonoTracer (the e-Tracer), using Polyurethane monocoques built in similar technology as bicycle helmets and with electric drives giving 3-8 kW power. These would provide the users with formerly unknown speed and safety compared to conventional scooters. The e-Tracer would use roughly 20 times less energy to propel and about 20 times less energy to produce than a small car. Two square meters of solar panels would generate enough electricity to run an e-Tracer around 5'000 km a year even in Central Europe.



One of the "mood drawings" for the proposed single seater electric cabin scooter e-Tracer (by Designwerk)



Organization and Ownership

The Company has a capitalization of roughly **CHF 1.5 million**, consisting of 14'696 shares at nominal value of CHF 100.-. The stocks are owned by the Management (~ 25%) and 35 private investors, of which two are major shareholders (30% combined). So far, PERAVES has invested about **\$12 million** in R&D and the production of Ecomobile and MonoTracer.

In order to continue and expand its business, PERAVES needs to be refinanced and restructured. The Board has proposed to recapitalize PERAVES, with ownership restricted to only the Management Team and a few dedicated shareholders. After recapitalization PERAVES will be debt free and the \$12 million investments incurred will be mostly written off.

Market Considerations & Peraves Strategy

Until mid 2014, production rate of the MTE-150 is 1 per month, which is unprofitable (net loss of EUR 300'000) since break-even point is 3 units per month. With the proposed investment funding (details in later section), production rate can be doubled to 2 per month in 2015, followed by 4 per month in 2016 and 8 per month in 2017. This leads to a net profit of 1 million EUR:

Production	100 MTE3
Turn-over	€ 8'000'000
Gross margin per unit	€ 40'000
Gross profit	€ 4'000'000
Overhead	€ 1'200'000
R & D	€ 800'000
Dealer margins / PR / Marketing	€ 1'000'000
Profit	€ 1'000'000

Over the next few months, PERAVES will also build a functional MTE-3 prototype using the MonoTracer monocoque and the 150 kW electric drive train with fully enclosed air-conditioned and heated safety cabin.

Moving forward, PERAVES will not focus on the market of the low-volume high-performance MonoTracer, although the market of 100 vehicles per year remains available to be tapped on. Instead, the focus will be switched to the the e-Tracer, a mass-production single seater aimed at the world's global commuter scooter market. Currently, there are no electric scooters in the market that can challenge the market leader, the 125 cc gas - powered Honda PCX with a yearly production volume of over 8 million units. In addition, there are also no scooters available that provides rider safety, weather protection, low- to no-maintenance construction, ultra-low running costs (at least by the factor 10 compared to the Honda PCX) and urban life-style (e.g. "iPhone on wheels"). With the scooter market growing and targeted to exceed the 100 million mark by 2015, this presents an excellent market opportunity for the e-Tracer.



Investment Details

Investment Needs

In order to fund PERAVES's ongoing operation, develop the face-lift of the existing MonoTracer MTE-150 and embark on the e-Tracer project PERAVES is in search of an investor or bridge-finance of up to 8 million CHF:

- 1 million CHF will secure PERAVES's operation till end of 2015
- 3 million CHF will be invested in the development of the second generation of the MTE and ramping up of production to 100 units per year
- 4 million CHF will be invested in the e-Tracer project

Investor Criteria

PERAVES is looking for a strategic partner who wants to enter the urban commuter market or an investment partner who wants to sell the finished concept to manufacturing companies. We envision the ideal manufacturer to come from consumer electronics or electric appliances rather than traditional vehicle manufacturing. The construction and production technology as well as the material mix of the e-Tracer has more similarities with a washing machine or a flat screen TV than a normal gas scooter and the distribution channels via house-hold chains are much more consumer-friendly than the existing dealer networks for scooters. This will be recognized and rewarded by the markets.

Proposed Transaction

In a first step, the management is offering 2000 shares of the company for a total of CHF 500'000. That package can't be bought on a stand-alone basis, but represents an entry offer. PERAVES will then issue 10'000 new shares at nominal CHF 100.- for CHF 750.-per share as early as September 2014 to capitalize the additional 7.5 million CHF. These shares together with the first transaction package will then represent roughly 49% of the Company, 51% will stay with the Management and the Board. Of course it is possible to structure the transaction in a different way, e.g. by a bridging loan, if the investor is not seeking an active role as strategic shareholder.