



PUREWATERCRAFT

CLEAN, QUIET, PERFORMANCE BOATING

EXECUTIVE SUMMARY



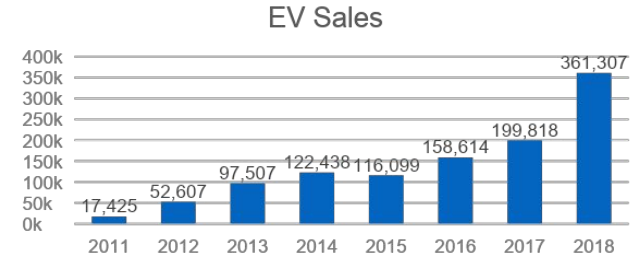
We build the technology that enables a new era of enjoyable, accessible, environmentally-friendly boating for everyone.

- We've built an electric outboard motor system that offers the highest performance and lowest overall cost of ownership of any outboard of a similar power output
- To do this, we assembled and unified a team of electric propulsion experts, generating a 6-year competitive moat due to our intellectual property
- We obsess over our customers, know which pain points a given segment feel most acutely, and cultivate direct, lifelong customer relationships
- We envision a future product suite built on the platform of our propulsion technology, that will bring a revolutionary boating experience to orders of magnitude more people than today

STRONG, GROWING MACRO TAILWINDS

1 EV advances creating compelling value propositions, forcing incumbents to play catch-up

- Tesla: MotorTrend Ultimate Car of the Year, >700K sold
- In Sept., Daimler announced it will cease R&D on internal combustion engines



2 Regulators & corporations continue to mandate cleaner policies – over-the-road and on the water

- Countries with 40% of the world's population have announced end to new ICE car sales, ranging from 2021 (Costa Rica) to 2040 (UK/Germany)
- Google & Amazon among corporations announcing aggressive emissions reduction goals
- Amsterdam and Suzhou canals must be emissions-free by 2025
- US now permits year-round sale of E15, which damages gas outboards
- Washington State has waived sales tax on qualifying electric boats



3 Rising generations value ease & experience over ownership & heavy maintenance

▶ The shift from internal combustion to electric propulsion is inevitable

BOATING: BIG BUSINESS

The global boating business is big; the US is its heart

- The boating industry generated \$120B+ in worldwide sales in 2018; the US is its largest market at ~\$42B (up ~7% from 2017)
- 1.5M outboards were sold worldwide in 2018 (\$10B), 300k in the US
- In the US, ~142M people boated in 2018, up 35% from 2008
- Fishing is the #2 outdoor activity in the US, with 46M participants, 39M in freshwater; 54% of fishing is done from a boat

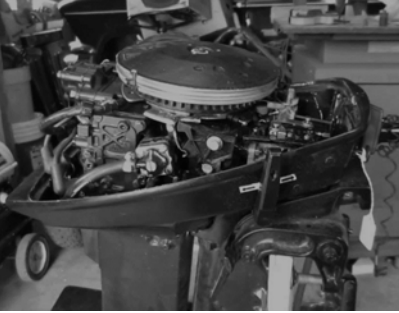
However, this is not an industry of innovators

- The last significant technical achievement was the four-stroke outboard in the 1970s
- Incumbents focus on higher-margin, more powerful engines, while world unit volume is much higher in the <50 HP segment



▶ **While the global boating industry is large, it has been decades since significant innovation**

BOATING PAIN POINTS



Breakdowns & Frequent Repairs

- Average days boating/maintaining: 17/5
- Average outboard annual maintenance: \$750
- Lifetime of a well-maintained, frequently-used, gas outboard: 5 years

Noise

- Outboard motors emit ~85dB - as loud as a lawnmower

Gas

- 95% of boaters fill up at car gas stations

Pollution

- 100x the CO, NO_x, and HC emissions of a modern car
- Catalytic converters don't work

▶ We can do much better

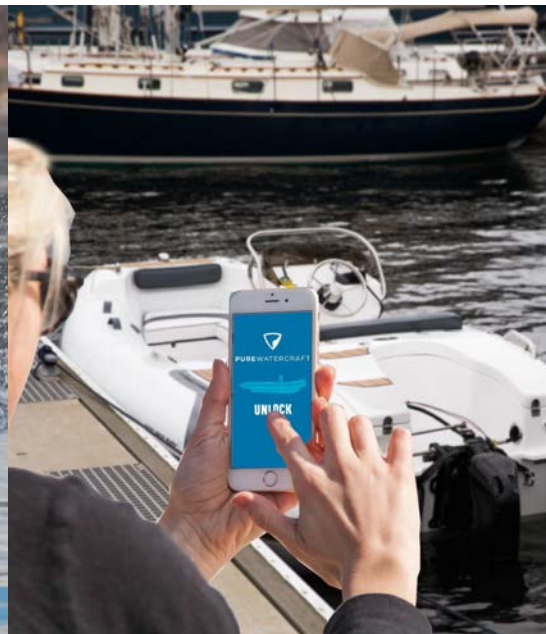
PURE WATERCRAFT: BOATING REIMAGINED



Pure Outboard



Pure Boats



Pure Watercraft Club



THE PURE OUTBOARD

Highest performance outboard motor in its power class

- Meets or exceeds performance of 50HP gas outboards
- Instant torque gets boats on plane faster than a gas outboard
- Quiet operation enhances fishing or conversations with loved ones
- No fumes, gas spills, or other emissions

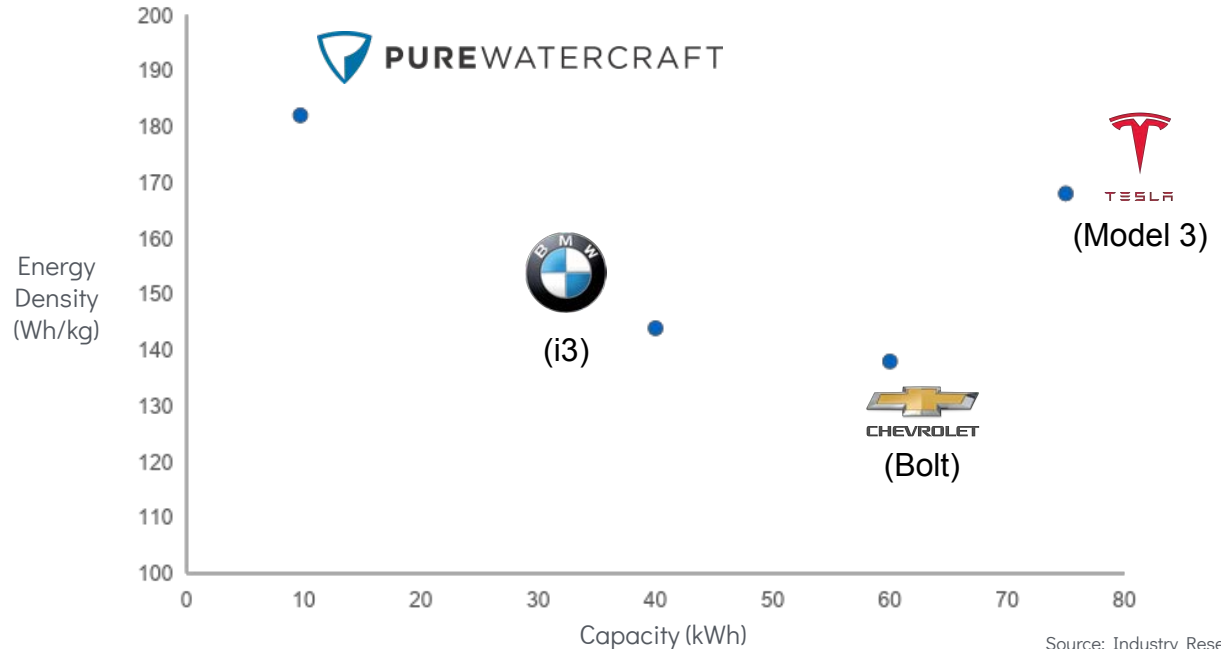
Superior, affordable ownership experience

- No replacing spark plugs, rebuilding gear sets, or winterization
- Easy & inexpensive fueling: recharge from half to full in 90 minutes
- Total cost of ownership lower than that of gas outboards, beginning after year two for frequent boaters. With tax incentives and financing, up-front costs are comparable.
- Components designed for 20k hours (5x longer than a gas outboard)

INDUSTRY BEST LITHIUM ION BATTERY TECHNOLOGY

Half the cost & complexity of a typical electric vehicle is in the battery pack

We have developed the highest energy density lithium-ion battery pack with active thermal management



Source: Industry Research, Pure Watercraft Analysis

ENGINEERING TEAM HIGHLIGHTS

We designed every key component in our outboard and battery pack



RICH WURDEN

Sr. Mechanical Engineer

- Senior Engineer, Tesla
- Inventor with multiple patents
- Designed battery packs for Tesla Model S, X, 3 and Roadster 2.0
- BS/MS, Mechanical Engineering, University of Washington



MARC MCKISSACK

Sr. Mechanical Engineer

- Senior Engineer, Tesla
- Lead mechanical engineer on the Tesla Semi battery pack
- BS, Industrial Technology: Vehicle Design, Western Washington University



BOBBY HEJNY

Head of Electric Motor & Drive

- Lead motor controller engineer at MTS for Formula 1 KERS & Formula E
- BS/MS, Electrical Engineering, U of Wisconsin-Madison
- Graduate, Wisconsin Electric Machines & Power Electronics Consortium



JOEL WINARSKÉ

Sr. Software Engineer

- Sr. Embedded Software Engineer, Inrix
- Sr. Staff Engineer, Qualcomm
- Experienced in software development from medical to consumer electronics



OMID AMINFAR

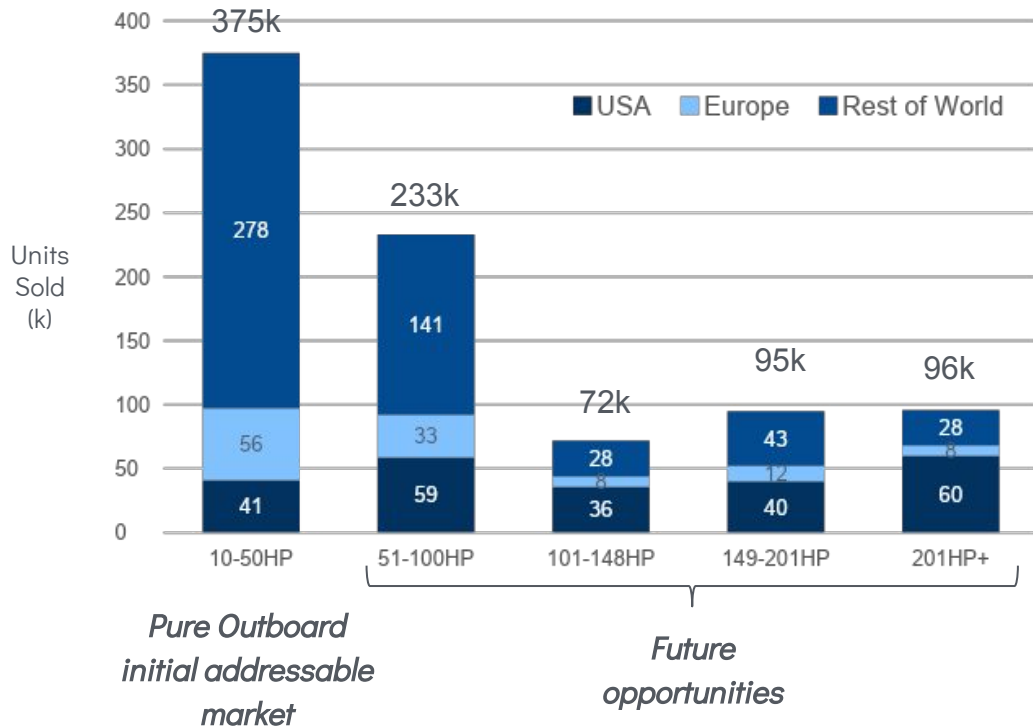
Program Manager

- Founder, Jasper.AI
- Engineer & Project Manager, aerospace
- MASc, Mechanical Engineering, University of Waterloo

▶ **It would take a skilled competitor ~6 years to match the achievements of our team of electric propulsion experts**

OUTBOARD MARKET OPPORTUNITY

Annual Outboard Motor Sales by Power Segment & Region¹



Our first product addresses ~25% of global outboard unit sales

- Approx. 1.5M outboard motors are sold across the world annually, with a ~\$10k ASP
- Roughly 25% of sales (375k units) are in the power segment of our first product (10-50HP), selling into a 15-20M vessel global installed base
- Though the US has a market for high-powered outboards, this is an anomaly: the most common power segment worldwide, ex-US, is 10-50HP

▶ **The Pure Outboard addresses the global horsepower sweet spot**

Source: (1) ICOMIA & NMMA 2017, Pure Watercraft Analysis

DIRECT-TO-CUSTOMER SALES

We sell direct, to take the time to show a better way

The dealership model is ineffective and doesn't serve the customer

- Most boats are sold through dealers, even though they're only 2% effective

Our segment-specific sales ambassadors focus on cultivating relationships with customers in the segments they know best



TROY LINDNER
Fishing Ambassador

- Professional bass angler from a fishing family with (four relatives in the National Freshwater Fishing Hall of Fame
- Host of "Angling Buzz" and "The Ontario Experience"
- 2016 Wild West Bass Tournament Trail Angler of the Year



ED IVES
Rowing Ambassador

- Two-time Olympic rower (1984 & 1988), silver medalist
- Rowing coach and competitive masters rower
- Experienced sales executive



JAY FINNEY
Boating Ambassador

- Decades of sales expertise including 7+ years in luxury home sales
- Former national level rower

CUSTOMER OBSESSION

Rowing Programs



Fishing Lodges & Rental Fleets



Military & Other Commercial



Fishing Boats



Leisure Boats

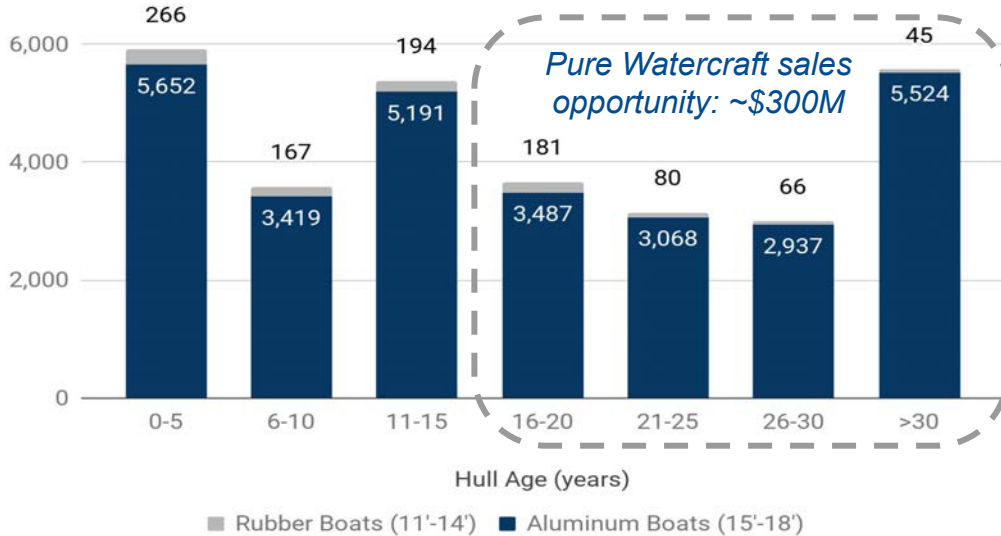


Addressable US Installed Base / Sales Oppty	~4k / \$72M	~60k+ / \$1.3B	~40k+ / ~\$900M	~1.3M+ / ~\$26B	~1.4M+ / ~\$28B
Example Customer	University of Washington's 8 coaching launches	Xanterra's 40 boat rental fleet on Yellowstone Lake	NOAA's water taxis in American Samoa	Recreational & pro anglers	Pontoon boaters, sailors, yacht owners
Customer Priorities	Win More Races	Customer Experience / Improve Profitability	Various	Catch More Fish	Enhanced Leisure Days
Pure Value Proposition	<ol style="list-style-type: none"> Improved coach-rower communication Superior acceleration Lower operating costs 	<ol style="list-style-type: none"> Lower operating costs Better experience for guests (no noise, emissions) 	<ol style="list-style-type: none"> Lower operating costs No noise (e.g., for mine detection, marine life) No emissions 	<ol style="list-style-type: none"> Painless operation (fish more frequently) No noise (scare fewer fish) or emissions (healthy future fish) High performance (win tournaments) 	<ol style="list-style-type: none"> Painless operation No noise or emissions (entertain/relax better) High performance

▶ **Customers with differing priorities, addressed by a single powertrain**

CASE STUDY: WASHINGTON STATE

Washington State Boats by Type, Age



- Washington State is home to only ~2% of US boating fleet
- 11'-14' rigid inflatable tenders and 15'-18' aluminum boats (~30k total) are highly addressable due to power requirements (10-50HP)
- Roughly half of these are 15-years-old or older
- New WA sales tax incentive - no tax on motor or hull - effective Aug 1, 2019 will accelerate gas → electric shift

▶ **In our home state alone, we have a near-term opportunity to address ~ 15K vessels (~\$300M)**

FUTURE OPPORTUNITIES

<u>Product Roadmap</u>		<u>2H2019</u>	<u>1H2020</u>	<u>2H2020</u>
Services	Boat Club	Seattle pilot program (1 boat)	More boats / locations	More boats / locations
	Foiling PWC		Design & prototype	Production units if successful
	Pure Boats	Wholesale contract with Bass Pro; rigid inflatable hull joint venture		More volume, better terms
Form Factor	Pure Outboard	10-50HP		10-80HP
	Software	Software	Continuous development & release	
Powertrain	50kW motor			Initial design work
	25kW motor	1st units sold	Begin full production	More capacity

Platform

The Pure Outboard enables a suite of future products/services

- A boat club lets millions enjoy boating without owning a boat
- Software capabilities will include telematics, self-docking, auto-navigation, etc.
- As hull volumes increase, wholesale discounts will improve; we also have the option to develop & commercialize hulls of our design
- A 50kW (80HP-equivalent) system will allow us to address most of the remaining global outboard market

► **Focusing on the powertrain as a platform - a first step toward building a complete product stack**

PURE WATERCRAFT CLUB OVERVIEW



Value Proposition

Enjoy clean, quiet, high-performance boating without the hassles of ownership

TAM

~250M potential members:

- US (10M), Europe (16M), RoW (220M)

Pricing

- One-time initiation fee: \$2,500
- Monthly membership: \$250
- Hourly energy fee: \$10

~\$30B annual opportunity in US alone

Highly Defensible

Simple operation & maintenance of the Pure Outboard enable superior unit economics vs. gas-based clubs

Attractive Synergies

Club gives second life to refurbished powertrains; clubs become regional hubs for sales, service

▶ **A boat club model allows us to bring a better boating experience to an order of magnitude more people**

LEADERSHIP TEAM



ANDY REBELE
FOUNDER & CEO

- Founder & CEO, CityAuction
- Rower/rowing coach
- Avid boater, fisherman
- BS, Math/Computer Science, Stanford
- MBA, MIT Sloan



ALEXANDER OKI
SALES & BUSINESS
DEVELOPMENT

- Associate, Lake Partners Strategy Consultants
- Business Manager, Yale Whiffenpoofs
- Boating enthusiast
- BA, Humanities, Yale



TJ EWING
TALENT

- Chief People Officer, LogMeIn
- GM - LogMeIn & Uproar.com Product/Engineering Ctrs
- Boater, Sailor, Scuba Diver
- MBA & BS - Naval Architecture & Marine Engineering, U of Michigan



ANNIE ZAMOJSKI
PRODUCT

- Sr. Product Manager, Amazon
- Adventurer, angler, able (sun)deckhand
- BS, Finance, Wharton



JERRY KAVALIERATOS
SUPPLY CHAIN

- MD - Procurement, Supply Chain & Operations Mgmt, Alvarez & Marsal
- Principal - Procurement, Supply Chain & Operations Mgmt, The North Highland Company
- MBA, Embry-Riddle Aeronautical University