

INNOVATION SPOTLIGHT

**damon**  
MOTORCYCLES

# Revolutionizing Motorcycle Safety

Damon Motorcycle's founders recognized that the biggest barrier keeping people from riding motorcycles is safety. If they wanted more people to adopt their two-wheeled electric rides, they'd need to address this.

And that's exactly what they're doing.

Image courtesy of  
Damon Motorcycles





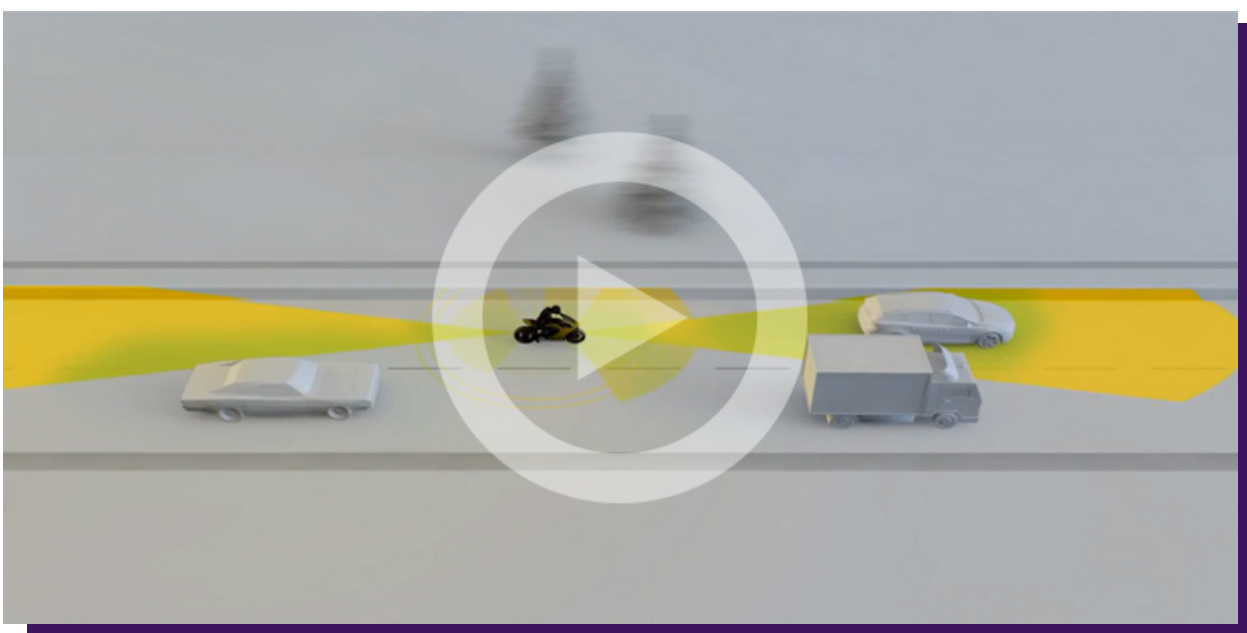
# Building a Better Bike

## From the Ground Up

In 2017, when founders Dom Kwong and Jay Giraud set out to revolutionize motorcycle safety, they thought the best route to widespread adoption was to build safety technologies they could license to motorcycle manufacturers. They soon realized that the economics didn't make sense within the current distribution chain. Damon Motorcycles Co-Founder and CTO Dom Kwong explains, "For motorcycles, margins are so skinny. They go through at least two levels of distribution, and you're losing margin every time the bikes transfer." Adding much-needed safety tech to motorcycles through licensing was impossible without transferring the extra cost to customers.

*"That's when we realized that we had to control our own destiny, and the way to do that was by building our own bike."*

## Safety First



• Damon Motorcycles' 360° object detection system

Neural nets, 360° advanced warning systems, haptic feedback, learning algorithms and cloud connectivity

may not be the first things that come to mind when you think about motorcycles, but these are the types of innovations Damon Motorcycles is bringing to the market.

The bikes are connected to the company's cloud server, constantly pushing data for its algorithms to digest into mathematical models. Data from the bike's sensors, including road conditions, weather and rider information, are captured and processed to continuously improve prediction algorithms. These improvements are then pushed out to all of Damon Motorcycles' bikes through over-the-air updates. The more data fed into the system, the more intelligent the prediction algorithms get. As Dom puts it, "The more you ride, the safer you become."

Building a bike from the ground up with unprecedented safety technology is no small feat, but for Dom and Jay, it was only half the battle. Not only did they want to revolutionize motorcycle safety, they wanted to electrify the industry - literally - by building the electric motorcycle of tomorrow.

*"Damon's mandate is to create the world's safest, smartest and connected electric motorcycle," Dom explains.*

Pursuits like this, which require a re-imagining of technical fundamentals within an industry, can be costly endeavours. To support this kind of innovation, the Canadian government offers the Scientific Research & Experimental Development (SR&ED) Tax Incentive Program which provides a tax refund that scales proportionally to certain R&D costs. Much of the innovation happening at Damon Motorcycles qualifies for the SR&ED tax incentive.

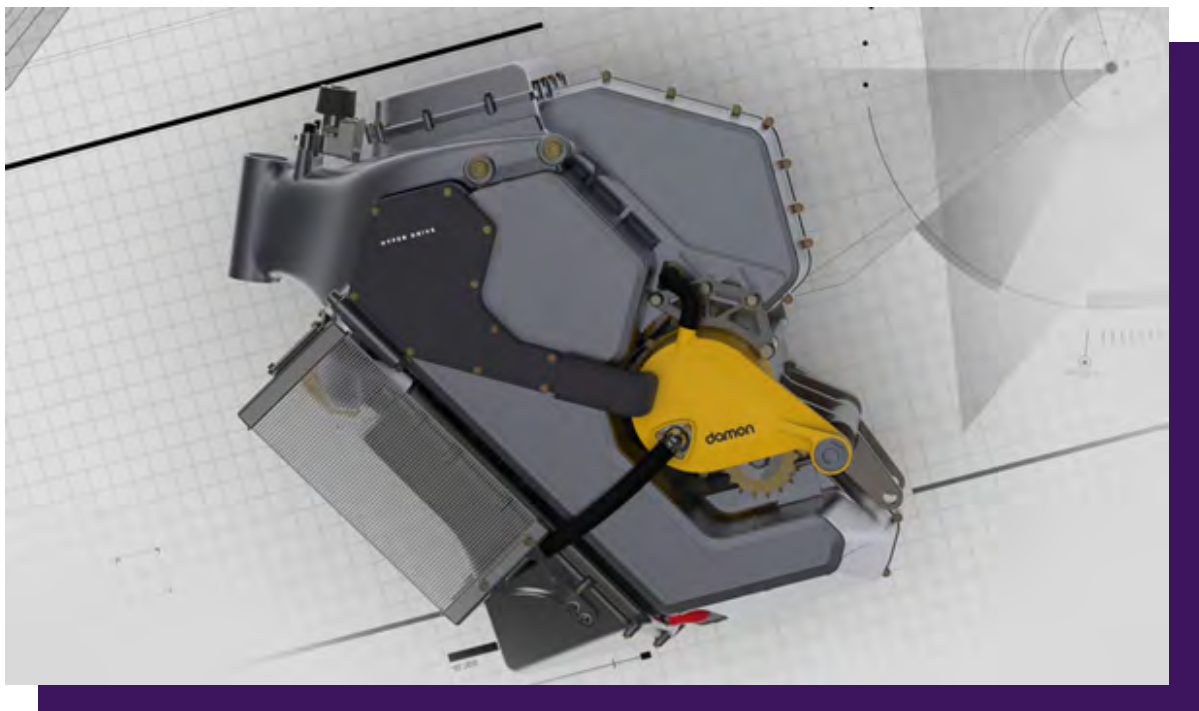


To learn more about Easly's financing solutions and how they could benefit you or your clients call us today at 1 (844)-474-7929 or visit [fundeasly.com](https://fundeasly.com).

## Sparkling Innovation

Fast-forward a few years to 2020. Damon Motorcycles debuted its first bikes at the Consumer Electronics Show (CES). Not only did this electric unveiling garner hundreds of pre-orders within days, it also won Damon Motorcycles CES 2020's Best of Innovation award. A big win for the company at the beginning of what was to be a challenging year.

As the world was hit by the COVID-19 pandemic, the economic shock rippled through consumers' wallets, and recreational consumption ground to a halt. While the future was uncertain for many companies, Damon Motorcycles' focus on innovation positioned the business to thrive. In short order, the company announced four new motorcycle models and unveiled its HyperDrive EV drivetrain, the electric core of its products that allows for multiple motorcycle variants to be built using a single frame, battery and motor platform. Damon Motorcycles' innovative technology kept the electric bike specialist in the spotlight, winning it six more industry awards in 2020. Most notably, the Red Herring Top 100 North America Award, an honour shared by companies including Google, Spotify and Twitter.



• Damon Motorcycles' HyperDrive EV drivetrain

## Accelerating with Easly

Through relentless innovation, driven by rigorous research and development, Damon Motorcycles has carved out a name for itself in the automotive market. But R&D is expensive, and revenues associated with it are not guaranteed. Businesses need to spend money upfront to secure their advanced technological position in the market. The SR&ED program addresses this, but with one major drawback – the refund frequency is annual and can take months for companies to receive. Businesses such as Damon Motorcycles require capital throughout the year to keep driving forward. That's where Easly comes in.

**“Easly gives us financial options at a rate and frequency that small technology companies absolutely need. We now use Easly's quarterly draws as part of our financial model. It's not about survival. It's about strategy.”**

• Dom Kwong, Co-Founder & CTO, Damon Motorcycles

Damon Motorcycles uses Easly's Capital-as-a-Service SR&ED financing solution to accelerate its cash flow. “The quarterly draws allow Damon to plan ahead with development, headcount and prototyping in a consistent manner. It also allows us to invest more in these areas sooner than waiting for a fundraising round to close,” Dom says. These capital injections from Easly help Damon Motorcycles continue to push forward toward its ultimate goal of changing the way we commute, for the better.

Does your company receive an SR&ED refund? Speak to a member of the Easly team to find out how we can help accelerate your company's growth by providing non-dilutive capital throughout the year. Join the growing number of companies that trust Easly as a long-term partner for innovative capital.



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