

### **INTERVIEW WITH JUAN LÓPEZ (GASGAS GENERAL MANAGER)**

*With the recent acquisition of Gas Gas by the company Torrot, the new CEO of Torrot Group, Ivan Contreras, has developed an ambitious industrial plan to take the company from the brink, and return Gas Gas to the level it deserves. To carry out the operation with solvency, they reached an agreement with a financial partner, the Black Toro fund.*

*After solving all the necessary bureaucracy, the implementation of Gas Gas is ensured and the new industrial plan will start immediately.*

*To advance this important commitment for a new Gas Gas, Ivan Contreras has appointed as Director General, Juan López, the former Director of Business Development for Torrot, and the new Director General of Torrot is Álex Ballesta.*

*From the first minute we were informed of the acquisition, we were eager to know who is behind the salvation of the company in Salt, what better way to quench our intrigue than to meet the person responsible and chat with him to draw our own conclusions .*

*Most people do not know Torrot as motorcycle brand, could you tell their story?*

*"Torrot is a business of bicycles and scooters born in 1948 in Vitoria, the creator was Mr. Iriondo. Over the years it was consolidated as a leading national company in mopeds, bicycles of all types and big bikes like the **Tiburón**, what we would call 'Urban Mobility' today. The truth is that this person was somewhat visionary in this regard. Unfortunately in the nineties the company disappeared after a few years, and then a Catalan businessman acquired the name. Mr. Iván Contreras purchased the brand and reformed the Torrot Company, focusing on electric bikes for children and developing an electric scooter interconnected with its owner, with his environment, and with the city. These were recently presented at EICMA, in addition we also created a 'Legend Series' line, focused upon riders, the first in honor of Marco Simoncelli. "*



***The presence of Torrot at EICMA and the presentation of their new electrics was a success?***

*"Yes, on the one hand we presented the Legend Series line for children's bikes, with the presence of Pablo Simoncelli, it was a very emotional and beautiful event. Another novelty is the Muvi, an innovative electric scooter in which we have implemented a lot of technology: "Interconnected Personal Mobility" we call it, searching for the last mile of the city, creating sustainable mobility at all levels, including in the user's pocket, we created an interface between users of Torrot and the city, with parking, pollution levels, or if there is a jam, it is not only to create a recreational vehicle, we go further with interconnected vehicles."*

***Torrot and Gas Gas, how does it function?***

*"Torrot will continue its development as a technology company based on electric vehicles, we will go forward creating vehicles even without wheels, drones, but always keeping the personality of Torrot, with their electric vehicles and the application of technology."*

*"At Gas Gas we will reignite the passion they have always had with motorcycles of two, and four-stroke, also we will take advantage of the synergies between the two companies to apply wherever possible, this level of technology to Gas Gas."*

*"Concerning the competition motorcycles, we will be very serious in developing new models, we will create synergies between the riders and the engineering department and R & D, making developments with a lot of racing and reporting to R & D so that they can improve, no rush, working slowly but very well done. We have to arrive with motorcycles at a level of quality never before seen in this company. "*



***You will use the same structure for the two brands?***

*"Obviously this plant in Salt has the ability to produce 19,000 motorcycles per year, so it can be used for building our KIDS bikes or the Muvi, but in a completely independent way, for the issue of costs it is better to move the Torrot production unit to Salt and build them here, but nothing to create blends between electric and gasoline. Torrot and Gas Gas can make contributions for a high level of technology, engineering, and R & D, and there will be a union, but we will not have hybrid vehicles".*

***What future plans do you have for Gas Gas?***

*"Gas Gas has to be an example of an interconnected company. Leaving the impression that this brand is a team that has normal conversations between all departments, and we are already working on this, just today I had a visit and commented that it now exudes a certain difference. This is going to translate into consistency in the manufacturing business plan for this year which is to manufacture 1,000 Enduro units, in which we will make some major revisions, so the bikes*

*are correct, again avoiding mistakes this year. In addition, we will produce about 1500 TXT Pro Racing Trials and also 500 Contact models. All with a high level of quality, being very consistent and aware that this year we have to take the time to have good structure, educate and properly prepare all the team, so we are prepared for what comes in 2017 and 2018, when the volume will be much higher."*



***When will Gas Gas begin production and the first deliveries made?***

*"In January we will deliver the first Trial and Enduro competition motorcycles to our riders. The second or third week of March we will deliver motorcycles to the Trial importers, and in April the Enduro."*

***With these short deadlines we imagine that the Enduro bikes are virtually the same as those of last year?***

*"We understand that a number of mistakes were made with this development and obviously we will make some changes to these bikes, mount a better suspension, both front and rear, and we will seek to have a correct air intake, good sub-frame and chassis. You will see a modified motorcycle, not a new development as we will see in the 2017 model, but they will have an absolutely successful upgrade, with quality components, so that people see again in Gas Gas, apart from the passion, a fresh breath of quality and we cannot do otherwise. "*



***What qualities are in store for the new GG Enduro?***

*"We will look closely at the front parts of the motorcycle, the rear linkage, suspension, chassis, sub-frame, intake, among other things. When we build the 2-strokes in the first phase of 2016, we must leave zero residuals; we will not accept anything else. From there, we are already working with the 2017 model, and I'm almost certain that we will present this at EICMA 2016. We will have a motorcycle in the market of the appropriate quality and price."*

***Previously Gas Gas offered Enduro bikes competitive at a level for sports and leisure, but also at the level of price, will they return to this policy?***

*"We cannot bring to market a cheap bike so that the user must spend €1,500 on adapting an excessively basic motorcycle, we are all very vicious in the world of Enduro and we really like candy. Let's search for the middle ground, a more than acceptable quality, almost to the level of a semi-competitive model, and then we will also have the competition ones, trying to always respect the imprint of quality and price. Why does it have to be more expensive? Can it be cheaper? Neither of which I can say, of course the management level must be applied here on cost control and putting a stopwatch to assembly. This has never done, that took me by surprise, it would not surprise me that we can put better quality components and also make a less expensive bike, but it is something that I cannot say now. Are there possibilities to continue in that way by doing better management of the factory? I'm almost sure of it."*



***What are the models envisioned to be produced soon?***

*"We will start with Trial bikes, some 500 units of the Contact 250, a bike for trial and excursion, with long seat and a little more basic, then we will assemble about 1500 TXT Pro Racing, with surprises ... then continue with Enduro with the 2-stroke engines, applying the modifications mentioned, and we will produce a lower figure, approximately 1,000 units, with the view that we do not want to overproduce these units, just meeting the current needs of the market."*

***Regarding the 2-stroke Enduro models, what sizes will be available?***

*"Yes, the engine sizes 200cc, 250cc, and 300cc"*

***And what will happen to the 4-stroke engine that was acquired from Husqvarna?***

*"At the moment, with the four strokes we will not produce anything, we are developing a new 4-stroke Gas Gas that we want to have available for 2017. It will be a Gas Gas engine and meet regulations, working with the Euro-4 standards; all this will be the rule in this company."*

*"We are not going to go first with a rare engine, Gas Gas bought a Husqvarna engine project, but it need not be a Husqvarna engine, this engine will be developed and industrialized by Gas Gas, by our departments, we will make an enormous economic effort."*



***But this was previously one of the main problems with Gas Gas in the past and it ended badly...***

*"Look, we will follow 6 steps, which are: R & D plus testing, R & D and testing six times, then there is a reserve of another three, R & D and testing, R & D or stop and we walk away, or testing and production, this protocol is already established. If we get to 2017 and we do not have a four-stroke engine because we believe that it will fail or will not run as well as it should, this is what we will do, we'll see as we go. I cannot fool my clients or importers; we want to make good bikes to enjoy and to be honest with the company and our team. All these games endangered the families of those who work here, and we will not go there again."*

*"If you're consistent, sincere and serious with your importers and clients, you will not have problems."*

***Are the R & D teams the same to date, or do you plan to expand or modify them?***

*"Part of the R & D team, engineering and operations will be the part that we already had, and we will bring-in our Torrot engineering and R & D teams. We'll have software for complete control throughout the company, which will cover the screw from when it comes from the*

*provider until five years later when it is placed into the off-road motorcycle. All this will be controlled by operating first the stage for R & D, after testing and returning again to the loop one and one for six times, we will look at absolutely everything, zero error, we don't want a bike to leave and come back, if we detect an error in the assembly line that can affect all the bikes, we will stop. Increasing the quality controls must be done in an automated company, nothing more.*

*"If we have to produce ten less bikes a day, boy, this is nothing, I do not want 10 motorcycles per month to be returned, and we have to be consistent."*



***In recent times the company's sales focus has been toward the overseas market due to declining sales in Spain. What market does Gas Gas want to cover now?***

*"Gas Gas has to cover all markets sensibly, surely Gas Gas, this is my personal opinion, left earlier the domestic market because of low sales and to supply importers who would be asked to buy more quantities to inflate sales and make an impact on the cash flow. Since then the Spanish market has to be covered with Gas Gas. Today, since leaving the bankruptcy, Spanish dealers, even for other brands, they want to sell Gas Gas, as they believe in our management and the quality that we will apply. When you talk of a fork, a rim, or a tire, the people of the bike-world know what they're talking about and are very demanding, Gas Gas will again be well represented in Spain, personally I want to take care, as well as France by proximity, of course*

*also all the other importers, including the United States, where there will be growth in 2017. All of them, we will be there, in fact, we have already received their orders. "*

***On the subject of after-sales, do users with Gas Gas models prior to 2015 have to worry about spare parts for their bikes?***

*"No, you do not have to worry at all, with the new software we have been testing, we are investigating the whole issue of spare parts that have been required in recent months and we have been selling, as well as having the buffer of data for bikes built more or less in the last ten years, we are looking at what stages we must create for this to be right, not obsolete, but availability of the parts for the customer when the need arises so they can be served. "*



***Do you think that after the long and traumatic wait to know the future of the brand, the image of Gas Gas has depreciated dramatically?***

*"It is logical to have lost market share, it is normal that other brands have appeared to have taken advantage of the absence of Gas Gas in the market, this is very legitimate, but both dealers and importers, and our customers are waiting for the return of Gas Gas, and I'm sorry for the other brands, but Gas Gas in March will be there for you to see. "*

***We know that there is an electric GG adult trial bike; will there be continuity with this project? Will we see more off-road electric motorbikes from Gas Gas?***

*"Yes, it may be possible, it is feasible, we believe that now we have to focus on what we mentioned earlier: organize, manage, communicate, perfectly structure the whole company to be sustainable over time, increase the quality we speak about. Once everything is done and we have again achieved across the network market stocked with all products, over time, we have to go toward conforming to the needs of the market and users, there is increasing demand for electric vehicles, this is apparent. For us it is not a priority, it will come. "*



***What do you think went wrong in the previous stage of Gas Gas?***

*"I'd rather not go into that, look, yes I have seen the negative feedback that I have received about what could happen in this company, I nurture and learn from this, so that it does not happen again in the team and from here on ..."*

***Has the distribution network so far been maintained?***

*"No, we are only going to keep those who want to stay, we are also looking to greatly expand, where there is a demand we want to enter more, we will respect all these networks who have been waiting and they will have the Gas Gas products, also those who are showing all their support and have even given us material to nourish us at first. There are a number of criteria*

*and requirements for these dealerships, following the logic and the standards of any brand. For us it is as important for a small dealership that sells two bikes per month, as one that sells 25, it is essential that they feel very alive and a part of Gas Gas "*



***Will you continue working with those suppliers who already had the brand so far?***

*"In terms of suppliers we attach great priority to those who were harmed in the latter part of this company, we are pleasantly surprised that everyone wants to work with us, but it is within our goals do some selection as there are too many suppliers, the result of the past times when the company needed to find more."*

*"Now vendors are going to be asked for more, a standard quality level that is above what they were previously required. We have no problem with anyone, and it is the support of the most "critical" that we worry a little, we are visiting them personally one by one and the feedback is positive ."*

***So we are here, checking directly, and the company is already working at a good rhythm.***

*"Yes, we are working now at the level of management and managing. All the steps we must take are already done and being repeated so that nothing goes cold."*



***How will the 13 million euros of investment be allocated?***

*"They're going to be delivered to the departments consistently; much is being studied, without leaving the plan at all, it is bigger than what should be normal to launch the production unit budget. But hey, we will be distributing it and we will use it wisely."*

***In respect to the Ossa brand, will it continue to be rolled-in with Gas Gas?***

*"The Ossa brand was inside the Gas Gas factory, but had external management and internalized production... Ossa is not with Gas Gas currently and has nothing to do with us."*



***Do you plan to be present at the official level of competition?***

*"Yes, we will be present in Enduro and Trial, continuing with Team Pons to manage the Enduro team with Jonathan Barragán and Diogo Ventura, who will compete in the World and Spanish championships. The Team Pons, even without means, has done a fabulous job this 2015 season."*

*"We started this year 2016, Jonathan will likely have a very good season in the World Championship, he is a guy with very hot blood that knows what he is doing and he has told me, that with the resources he can produce a very good season and he will be a long-term bet. "*

*I told Jonathan: "I do not want just one year, I want a rider for Gas Gas, yes, if results come, they will come, if they do not come and should come ... to me that is the same, you're a guy who breathes Gas Gas and you are the future of the company."*



***From what I see, you will continue to pursue riders who have always been loyal to the brand***

*"I have not looked at other riders, I only ask you, who has suffered from Gas Gas? Jonathan, the Team Pons, then come with us ..."*

*"The same with Arnau Ferré, who met with Ivan Contreras and myself, I knew what had happened to these people, I did not let him speak for three minutes, and I told him: Arnau you are at home with the Gas Gas contract, this is the spirit that I want for this company again, I do not look at a rider, I look at people, I do not look at a motorcycle, I look at passion, a lot of families who are here, this may seem melodramatic but this is very nice way to move a company management team, this system has always worked for us. "*

*"The role of Arnau, will not only be an official trial rider, we will shape him with us on a professional level, to have him in the future with a leading position within the company."*

*"In addition, to help Gas Gas in Trial, there is Marc Riba, along with foreign riders, the Italian Matteo Grattarola, and German Franzi Kadlec, the British riders Michael Brown, Jack Price and Jack Peace".*



***I understand from your words, you are betting on lasting relationships?***

*"We do not work with short-term relationships, we run long-term relationships based on trust, when someone fails in this trust, they also say to you that we are intransigent, we cannot afford this, first you are playing with the capital that is ours, and let alone threaten again all the families involved in this company, therefore, our relationship is based on trust, if anyone wants to impair this, immediately he leaves the team, as it cannot be otherwise, here no matter what you call that place that is occupied, or the cost, you are leaving the team and the chain becomes connected again."*

***The bikes being used to compete in Enduro, logically are the old models; will you take advantage as a test model for the future?***

*"The bikes that will compete are bikes that we have implemented changes that are approved by the riders and will serve during this period until April when we manufacture the first units, and whether to make any changes, it will be by the reports that are passed from the team. These bikes and everything we have to upgrade obviously will be done in real time, no waiting. Now everything will be much easier, thanks to the connection between the computer and the home-base, being more direct and instantaneous. If you are missing a piece you need, whether by land, air or sea, in 24 hours we will deliver, even if I have to personally take it."*



***Will Gas Gas be seen again competing in the Dakar Rally?***

*"I would not discard it for 2018..."*

***It is clear that in this new stage of Gas Gas, it is to be applied, apart from the passion, professionalism, rigor and seriousness***

*"Look, the important thing is to show that Gas Gas can have the quality of any brand or more, and Gas Gas fits with your products and your customer, this is important, it might not be on some things politically correct, but they are effective. The CEO and the COO, positions that are not usually used in the business, we both went together to Italy, hoping to man our stand at EICMA, placing the bikes well, that's part of the illusion, even though we could have done otherwise, we preferred to do this and we had to make a return trip of more than 22 hours by road because we had to be somewhere else, this is part of the passion for the project, participate and enjoy this effort to launch a company like this".*



*After chatting with the new General Director of Gas Gas, we can deduce that have it very clear what the user demands of Gas Gas and that is where they will attack and improve. We see a smart team, prepared, backed by cutting-edge technology, who knows what the company needs and is intended primarily to provide quality bikes with a reasonable price, setting a pace to make things right. It has given us a good feeling, and loving Enduro motorcycles. We are betting on this new stage of Gas Gas. Good luck and gasssss !!!!*