



July 8, 2020

## **Revenue Redemption Model**

eSwing Golf Technologies, LLC is seeking additional investor capital of \$250,000, which will be used to purchase compression and injection mold tooling and to complete design and development of a photo-based Launch Monitor to accurately capture ball flight parameters as the ball flies off the tee and past the Launch Monitor. Ball flight parameters to be captured and extracted from a single image frame of data in a software application include ball launch angle, azimuth (relative to the target line), ball speed, spin axis angle and ball spin rate (both vertical and horizontal). Instead of using “assumed” nominal data for a specified club, these measured data will be used to provide real-time, accurate ball flight trajectory. Additional capital will also be required for salary to hire software developers, under the capable direction of eSwing’s CTO, Harshil Haumeer, to fully develop cloud-based software for eSwing’s player User Base data (players, clubs, shot data records, transactions, etc., to be saved in the cloud and accessible on demand for replay and analysis of player swing data on a variety of cell, tablet, laptop and LCD platforms on both iOS and Android devices). Our current Business Plan projections, assuming that funding is received in July 2020, is that eSwing’s basic Swing Analysis hardware will be available to deliver to early adopters and initial customers in early 1Q 2021. eSwing’s Launch Monitor will be added to its swing analyzer to create a new package, the eSwing Pro, which will be delivered to first customers in very early 2Q 2021.

Revenue Redemption is based on the concept that investors will recover principal and interest in a defined stream of quarterly payments, where the total of quarterly payments will be equal to an agreed investment multiple (in this case, 1.5x). The amount to be received each quarter is based on five percent (5%) of total revenues that eSwing receives as of the first day of each payment quarter. Redemption Payments will be made on the fifteenth day (15<sup>th</sup>) of the first month in each payment quarter.

Based on eSwing's current business plan, a Revenue Redemption payment schedule, including calculation of the plan's Internal Rate of Return (IRR) of 6.4%, is attached for review.

## eSwing Revenue Redemption Calculator

Investment	\$250,000
Multiple	1.5x

Year	Revenues	Growth	Quarterly Payments	5%	5%
1	\$855,173	100%		\$42,759	(\$250,000)
			Q1		\$10,690
			Q2		\$10,690
			Q3		\$10,690
			Q4		\$10,690
2	\$4,767,954	458%		\$238,398	
			Q1		\$59,599
			Q2		\$59,599
			Q3		\$59,599
			Q4		\$59,599
3	\$19,311,467	305%		\$965,573	
			Q1		\$93,844
TOTAL PAYMENTS					\$375,000
IRR					6.4%
MULTIPLE					1.50x

### CONDITIONS:

1. Signed Proposal Acceptance and Funding NLT 7/15/20
2. 6 Month holiday on first quarterly payment (due 1/15/2021)
3. Quarterly payments due on 15th day of each Quarter (Jan, Apr, Jul, Oct) in Years 2, 3 and 4