



eSwing Golf Technologies, LLC

SEATTLE, WA USA

July 8, 2020

1. BUSINESS PLAN EXECUTIVE SUMMARY

A. Company History

eSwing Golf Technologies, LLC was formed as a Limited Liability Company in Washington State in February 2007. Rick Plank, the Company's Founder, is Manager.

B. Mission Statement

The Company's mission is to develop, outsource for manufacture, and distribute for sale an electronic golf swing analysis system and related accessories ("eSwing") that will set a new industry standard for price, features, performance and growth potential against which our competitors will be measured.

C. Positioning Statement

eSwing is a uniquely affordable electronic golf swing analysis system that will satisfy the swing training and interactive entertainment appetite of a huge world-wide population of golf enthusiasts. By definition, an "avid golfer" plays at least 25 rounds of golf per year. The U.S. avid golfer population is growing about twice as fast as the total U.S. golfer population. The avid golfer population in the U.S. currently includes about 10M golfers (almost 1/3 of a total population of about 27M U.S. golfers). Avid golfers have demonstrated a willingness to spend for efficient and effective ways to improve their golf games. While avid golfers in the U.S. currently make up about 1/3 of total U.S. golfers, they account for almost 60% of total dollars spent to purchase golf training equipment, which is about \$7B annually. The North American golf market (U.S. and Canada) is estimated to include about one-half of the total world-wide golf training equipment market.

D. Product Description

i) eSwing Analyzer

The *eSwing Analyzer* is a portable electronic golf swing analysis system that functions with arrays of infrared and ultrasonic sensors to capture club head data during a golf swing from which club speed, club head face angle, club head swing path angle and swing tempo can be accurately measured. Captured swing data are displayed immediately on eSwing's LCD and sent to the cloud by wireless communications. Ball trajectory for the shot is calculated and displayed on any mobile devices through eSwing's proprietary mobile and web applications (with real-time or selected weather conditions affecting ball flight). Shot data records are pushed into the cloud and saved in a secure database, where a player will have 24x7 access to download metrics and review progress against player-established improvement goals.

ii) eSwing Analyzer Pro (Launch Monitor)

The *eSwing Analyzer Pro* adds high speed-digital camera technology to the *eSwing Analyzer* to provide highly accurate ball flight parameters, including Launch Angle, Initial Ball Velocity, Spin Rate and Azimuth in addition to the club head data provided by the *eSwing Analyzer*. The ball flight data will be integrated into eSwing's trajectory model (rather than using assumed values, depending on the player club selected) to significantly increase the accuracy of displayed trajectory data for each shot.

iii) Portable Stance Base

eSwing will also offer a portable Stance Base, which is formed by connecting four dove-tailed rubber bases together. The overall size of the Stance Base is 36 x 36 inches square by 2 inches high. The purpose of the optional Stance Base is to raise the player's feet to the same vertical level as the height of the eSwing Analyzer (2 inches). The Portable Stance Base will have gridded artificial foam-turf pads to ensure proper stance alignment and ball placement.

iv) eSwing Carry Case

A sturdy aluminum case with wheels and retractable handle for easy travel and storage of eSwing Portable Stance Base or eSwing Analyzer or eSwing Analyzer Pro.

E. Mobile Technology

eSwing's hardware is triggered and controlled by a free mobile application that will be downloaded and run on all cell phones and tablets as well as laptop devices. When a player downloads eSwing's mobile application and creates a personal eSwing Player Profile, 100 "Shot Credits" are provided at no charge for the player to hit shots. If a Player buys an eSwing Analyzer as a personal training device, the player will receive 5000 shot credits. As swing data are captured and displayed by eSwing's hardware, swing data for the shot and ball flight trajectory are displayed on the paired mobile device, pushed into the cloud, and saved in a secure database linked to eSwing's website. As shot credits remaining approach zero, the player will be prompted to purchase additional shot credits in quantities ranging from 100 to 10,000 additional shot credits as follows:

<u>Shot Credits</u>	<u>Price/Shot</u>	<u>Total Price</u>
100	\$0.03	\$3.00
250	\$0.025	\$7.50
500	\$0.02	\$10.00
1,000	\$0.015	\$15.00
2,500	\$0.010	\$25.00
5,000	\$0.0075	\$37.50
10,000	\$0.005	\$50.00

eSwing's mobile application will offer two different display modes: In Driving Range Mode, shots are plotted relative to a selected target line. In Target Golf Mode, shots are plotted relative to a pin that the player selects at a specified distance. Real time environmental conditions (or selected conditions) are incorporated into eSwing's proprietary trajectory model to accurately show ball flight. These inputs include ambient temperature, barometric pressure, relative humidity, and wind speed and direction relative to the target line.

F. Current Development and Production Status

Prototype eSwing Analyzer units are being tested. eSwing's photo-based Launch Monitor is under development and testing, as well. A thorough "design for manufacture" (DFM) review and analysis by a local Seattle Contract Manufacturer will minimize production costs.

i) eSwing Analyzer

An initial production run for eSwing Analyzer units will cost about \$1000 each to build and will be available for delivery to early adopters and first customers by the end of 2020.

ii) eSwing Analyzer Pro

eSwing Analyzer Pro will combine the *eSwing Analyzer* with a photo-based Launch Monitor. The *eSwing Analyzer Pro* will cost about \$1550 to assemble and made available for pre-sale order in January 2021 and delivery in 1Q 2021. eSwing's Portable Stance Base will cost about \$100 to produce. The cost to assemble eSwing hardware will be reduced over time by about 20% by leveraging the scaling benefits of higher volumes, production efficiencies, and additional outsourcing opportunities. Best practices lean manufacturing principles and techniques will be incorporated in developing eSwing's production plans.

G. U.S. Patent Award

On February 12, 2008, the U.S. Patent and Trade Office issued a Utility Patent for eSwing's opto-acoustic technology (U.S. Patent No. 7,329,219). The Patent will be refiled soon to include eSwing's Launch Monitor when final design, configuration and functionality are available. Separately, a patent will be filed for eSwing's proprietary softwares, firmware and algorithms.

H. Target Market Segments

Four distinct large market segments have been identified for eSwing products. The largest niche is a world-wide population of about 20M avid golfers, who will use eSwing at home or at a driving range as a personal golf swing training device. Instead of beating golf balls blindly into a net to develop, improve or maintain a grooved swing, eSwing will capture swing data to calculate and display accurate trajectory data for the shot. The second target market is an existing network of about 40,000 teaching professionals and club fitters around the world, who will use eSwing to improve and enhance the value of their instruction and services. With accurate swing data captured and displayed, these professionals will capture and can then show and explain to the player why the swing has produced a certain ball flight instead of depending on observed ball flight to analyze the swing. The third market niche is a large existing base of about 35,000 outdoor driving ranges and golf course practice facilities, where eSwing hardware can be installed and rented to members/players who will use eSwing to analyze the player's swing and to create metrics for the practice session relative to player established goals for improvement and performance. Finally, a fourth market segment, the size of which is unknown and difficult to quantify, but perhaps even larger than the other potential markets, is a huge population of interactive online virtual golf gamers who will use eSwing and the internet to play virtual golf with friends and golf buddies anywhere in the world, unconstrained by weather, time of day, location or expense. Instead of using a joystick or keyboard to simulate hitting the ball, the players will select and swing their own golf clubs to make the shots.

I. Sales Projections

eSwing's Business Plan conservatively projects sale of 1000 units in the first full year of production. The company's longer-term Sales goal is to sell 25,000 eSwing Analyzer units over five (5) years. The retail price established for initial *eSwing Analyzer* units is \$1995. The retail price for the *eSwing Analyzer Pro* is \$2995. eSwing's wholesale price (as low as \$995) to retail distributors and within the golf industry to teaching professionals, club fitters, and to driving range and golf course practice facility operators will provide a 50% retail sales margin that is within typical in the golf equipment business today.

eSwing Annual Analyzer Sale Projections		PRODUCTION YEAR				
		2021	2022	2023	2024	2025
		INSTALLED UNITS (ANNUAL)				
eSWING ANALYZER (SA/LM/SB) ANNUAL UNITS SOLD		1000	2500	4500	7000	10000
						25,000
DISTRIBUTION CHANNELS:		2021	2022	2023	2024	2025
		TOTAL				
eCOMMERCE PERSONAL UNITS (RETAIL) BY %		1.0%	2.0%	3.0%	4.0%	5.0%
PERSONAL UNITS (WHOLESALE) BY %		19.0%	18.0%	17.0%	16.0%	15.0%
DR RENTAL UNITS (WHOLESALE) BY %		75.0%	75.0%	75.0%	75.0%	75.0%
PGA UNITS (WHOLESALE) BY %		5.0%	5.0%	5.0%	5.0%	5.0%
TOTAL		100.0%	100.0%	100.0%	100.0%	100.0%
						25,000
PRICE ESCALATION		2021	2022	2023	2024	2025
INCREASE FROM PREVIOUS YEAR (%)		0.00%	2.50%	2.50%	2.50%	2.50%
REGIONAL DISTRIBUTION		2021	2022	2023	2024	2025
		TOTAL				
U.S. / CANADA		96.0%	80.0%	70.0%	60.0%	50.0%
ASIA PACIFIC		2.0%	10.0%	15.0%	20.0%	25.0%
EUROPE / U.K.		2.0%	10.0%	15.0%	20.0%	25.0%
TOTAL		100.0%	100.0%	100.0%	100.0%	100.0%
						25,000
Bundle Options		Assumed Bundle Sales	2021	2022	2023	2024
						2025
						TOTAL
Bundle A (1 Unit)		20%	198	490	873	1344
Bundle B (3 Units)		25%	248	613	1091	1680
Bundle C (5 Units)		30%	297	735	1310	2016
Bundle D (7 Units)		15%	149	368	655	1008
Bundle E (10 Units)		10%	99	245	437	672
Total		100%	990	2450	4365	6720
PLUS eCommerce Personal Units (in I17 Above)						9500
						24,025
						975
						Total Projected Unit Sales
						25,000

Fig 1.0 – eSwing Annual Projected Unit Sales

J. Multiple Revenue Streams

eSwing's Business Plan includes multiple revenue streams from sale of eSwing's hardware, monetization of eSwing's mobile technology, and sale of accessories. Additional revenues are anticipated from sale of a small golf accessory, *ezFix*, which is a 50/50 joint venture with a company in Madison, WI (www.ezFixGolf.com). Other potential revenue streams include online golf competitions, apparel, wheeled hard-case storage containers to travel with eSwing hardware, data mining captured swing data and other IoT type devices that will leverage captured player swing data to help players play better golf.

K. Advertising and Marketing

eSwing will be advertised and distributed to the golfing public through multiple channels, including golf course pro shops, driving ranges, trade shows, the Internet, golf super stores and smaller retail sporting goods stores. Hands-on demonstrations to potential customers at local golf courses and driving ranges, trade shows, major golf and other sporting events, and anywhere that potential customers may gather, will be offered from a uniquely designed mobile driving range called “Drivin’ Range”.

Drivin’ Range is built on a 16-foot flatbed trailer and will take eSwing products directly to potential customers for demonstration, instruction and entertainment. When sufficient capital is available to fund production of a TV infomercial, significant sales activity is anticipated through Direct Response Television (DRTV) as well as by increased retail and Internet sales that will be generated by national media exposure. eSwing has received numerous inquiries and requests for additional product information, through its website (www.eSwingGolf.com) from all over the world.

eSwing has partnered with MXTReality (www.mxtreality.com/), a local Seattle company, to develop a high-tech, compelling video to virtually highlight and demo the functionality and competitive advantage of eSwing hardware and mobile applications. The video will be used as a marketing collateral at trade shows as well as a demo video on the eSwing Website.

A digital marketing firm in Orlando, Florida, Southeast Media Group Orlando (www.smgorlando.com), headed by a PGA Touring Professional, Michael Wargo, will develop and implement an aggressive and effective Marketing campaign to take eSwing hardware to market.

L. Financing Requirement

Additional capital of \$250,000 is required to take eSwing into production and cover anticipated start-up operating expenses during Year 1, which include funds to hire staff, incorporate production hardware and software development costs, purchase tooling and molds, lease office space, and cover anticipated start-up marketing, advertising and other operating expenses. Rick Plank has personally contributed over \$550,000 to eSwing’s research, development and startup expenses. Additional capital from a small group of friends and family, totaling about \$155,000, has also been raised. Since October 2019, eSwing has raised \$75,000 from three (3) local Angel investors. The Company is currently valued at \$1.758M (at \$1.00 per LLC Membership Unit). With additional investor capital of \$250,000 raised in a Revenue Redemption model, the Company will be valued at \$2.0M.

M. Management Team

The Company's management team has been partially identified. Twenty-five percent (25%) of the Company's initial equity (1,000,000 LLC Membership Units) has been reserved as non-salary compensation to fill critical management, supplier/vendor, and other key management and non-management employee positions. eSwing's management team will include:

<u>Title</u>	<u>Name</u>
Founder/CEO	Rick Plank
Co-Founder/CTO	Harshil Haumeer
VP Production & Operations	TBD
VP Sales & Marketing	Southeast Media Group Orlando
CFO	TBD

N. Exit Strategy

eSwing's ideal exit strategy, 3-5 years down the road, is to be acquired by a large sporting goods company, a golf equipment company or another similar company interested in incorporating eSwing's patented technology into a new product line.

Disclaimer

The information contained in this document is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of *eSwing Golf Technologies, LLC*.