

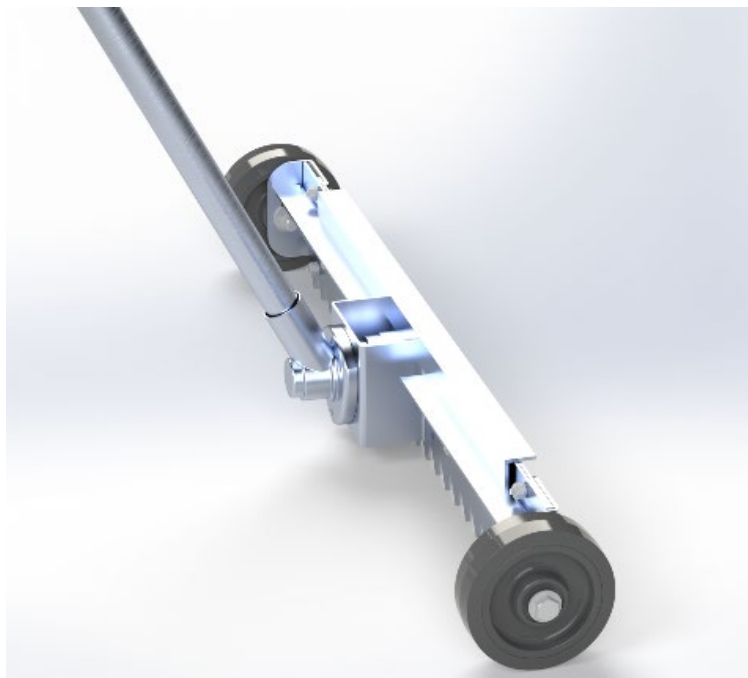
POWER LUTE

POWER THROUGH THE COMPETITION

Partnered with



Introduction



The PowerLute is an innovative, first-to-market new power-driven solution to perform maintenance and landscaping work more easily and efficiently across a wide range of applications. Our patent-pending power tool can be sold at retailers, wholesalers and ecommerce sites everywhere.

ABOUT US

PowerLute, LLC (“the Company”) is the inventor and manufacturer of a new power-driven hand tool. The PowerLute is a motorized version of a traditional lute or landscaping rake.

Our founder, Robert Korszeniewski, is a prominent tennis coach and sports-program manager, working at some of the top clubs and resorts on the East Coast. He is also the co-owner of sports-facility management company Block Racquet Sports.

The PowerLute is an invention of necessity, helping to substantially speed up the maintenance of clay tennis courts – with additional applications in massive global markets such as landscaping, construction and lawn & garden.

PROBLEM

ANTIQUATED TECHNOLOGY

Construction, landscaping and gardening all have extensive uses for rakes and lutes – a manual hand tool that’s been around for centuries.

BACK-BREAKING LABOR

Manual rakes and lutes require the users to bend over and continually strain their bodies.

MULTIPLE MARKET NEEDS

Millions of jobs around the world need faster, more efficient tools.

+11,000 COSTS

Existing walk-behind power tools are prohibitively expensive for mass markets.

USABILITY

Customers want something that’s easy to adopt and simple to use – exactly the sweet spot that the PowerLute offers

PROBLEM

THE POWERLUTE SOLUTION

INNOVATION FOR THE FUTURE

The PowerLute was invented to transform an ordinary, centuries-old gardening and landscaping tool into a powerful new resource for millions of potential customers.

The invention will change the way multiple industries and end-users perform maintenance and spread materials, for a faster, more efficient process.

The PowerLute solves many issues with maintaining numerous services, from clay tennis courts or ball fields to landscaped grounds or any other surface that gets buildup of debris, algae, or calcium, etc., for a far better result than the traditional manual process.

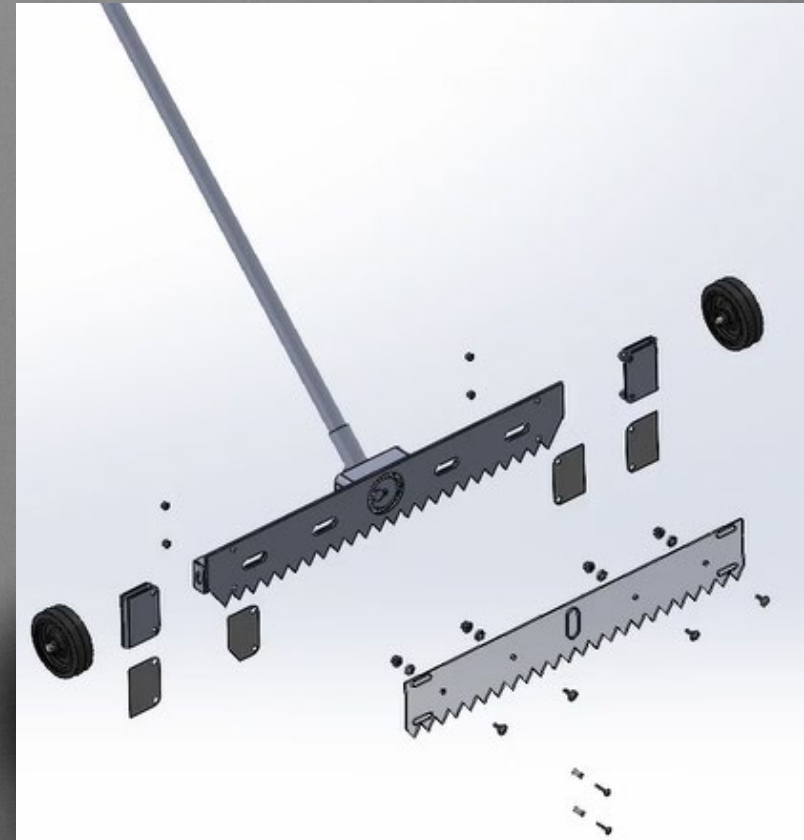


PRODUCT OVERVIEW

The PowerLute includes a handle attached to motorized reciprocating plates that create a shearing motion and vibration that removes debris or built-up sediment or moves, spreads and levels a variety of materials. The wheels allow the user to quickly and effortlessly push, pull and turn the PowerLute.

Design and initial prototype production will be performed by Studio Red, which offers clients industry-leading services in design, ME, prototyping, and manufacturing support in one integrated facility. Studio Red will be:

- Creating a strong design identity for the PowerLute system.
- Using available, off-the-shelf powertrain systems.
- Working with contract manufacturers to assure a smooth integration into manufacturing and distribution.



The PowerLute is patent pending, and the Company will work with distributors and ecommerce outlets for distribution, as well as seeking placement into retail stores such as Home Depot, Lowes, ACE and tool-rental companies.

TARGET MARKET

CONSTRUCTION/ LANDSCAPING

Nearly \$2.9 trillion in combined annual revenue.

More than 4.3 million businesses in the U.S.

HOME IMPROVEMENT/ GARDENING

Households spend \$50 billion annually on gardening.

- 22,300 nursery/garden stores
- 8,300 home improvement stores
- 16,400 hardware stores

TOOL RENTAL

\$4.6 billion spent annually at tool/equipment rental stores.

More than 11,200 stores throughout the U.S.

COMPETITIVE LANDSCAPE

THERE'S NOTHING LIKE IT

The PowerLute is a unique, first-to-market power-driven lute. The PowerLute turns a simple, manual process into a powerful and efficient walk-behind tool for a variety of labor-intensive tasks and at a far more affordable price than tow-behind scarifiers or a riding rolling machine.

The Company will further distinguish itself with its lightweight, easy-to-use product that can be shipped anywhere and sold at big-box stores and tool-rental companies as well as through strong direct marketing and ecommerce sales.

TO-MARKET STRATEGY

DIRECT-TO-CONSUMER

Ecommerce sales through the PowerLute website, Amazon and other sites.



RETAIL STORES

Big-box stores, hardware stores, garden centers.



TOOL DISTRIBUTORS

Placement at tool-rental stores and through wholesale distribution companies.



IP LICENSING

Licensing the PowerLute technology to power-tool manufacturers such as Stihl, Greenworks, Honda, Toro, or Briggs & Stratton, etc.



MANAGEMENT

Robert Korszeniewski

Robert has been working in the tennis industry for close to 30 years. Earning his Degree in Business of Hospitality Management, he has been a part of some of the best resorts in the United States, including The Colony Beach and Tennis Resort (#1 in tennis) and Smugglers Notch Resort (#1 Family Resort). He has run or worked at some of the most prestigious summer clubs including the Edgartown Yacht Club on Martha's Vineyard and the Manchester Bath and Tennis Club. He was also instrumental in building the VESPAN Tennis Academy from inception. He has worked with players from all levels, from beginners to college players. Known for creating a fun and informative learning environment that produces results, Robert is currently the Director of Tennis at Mayacoo Lakes Country Club in West Palm Beach, Florida.

In addition, Robert is the co-owner of Block Racquet Sports, which provides facility management, tennis and pickleball programming, pro shop consulting, court construction and maintenance services, and more to clubs throughout Florida and nationally.

DEVELOPMENT TEAM



The design and engineering process for the final PowerLute prototype and product will be performed by Studio Red, which is a top-five design firm out of Silicon Valley with a nearly 40-year history of award-winning design and extensive metals and plastics engineering experience. Clients have included Boston Scientific, Ericsson, Facebook, GE, 7-11, Medtronics, Nutanix, Sanmina, and many others. Studio Red has agreed to design the PowerLute to be easily and inexpensively made using standard processes at contract manufacturing factories.

REVENUE PROJECTIONS

The charts here and on the following slide detail forward-looking revenue projections for the next 5 years, along with gross profit and earnings, as well as the amount of projected revenue each line item contributes.

| Financial Overview | | | | | |
|---------------------------------|------------|-------------|-------------|-------------|-------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Gross Revenue | \$743,472 | \$1,685,438 | \$2,617,738 | \$4,137,036 | \$6,599,647 |
| Gross Profit | \$504,567 | \$1,069,097 | \$1,627,388 | \$2,529,300 | \$3,986,710 |
| Operating Profit | \$12,098 | \$292,997 | \$509,709 | \$977,057 | \$1,865,521 |
| Earning Before Interest & Taxes | \$10,973 | \$290,372 | \$505,584 | \$971,432 | \$1,858,396 |
| Earnings | \$10,973 | \$290,372 | \$505,584 | \$971,432 | \$1,858,396 |
| | | | | | |
| Gross Profit Percentage | 67.9% | 63.4% | 62.2% | 61.1% | 60.4% |
| Operating Profit Percentage | 1.6% | 17.4% | 19.5% | 23.6% | 28.3% |
| EBIT Percentage | 1.5% | 17.2% | 19.3% | 23.5% | 28.2% |
| Earnings Percentage | 1.5% | 17.2% | 19.3% | 23.5% | 28.2% |
| | | | | | |
| Net Cash Flow | (\$89,952) | \$196,366 | \$344,210 | \$730,726 | \$1,448,120 |
| Cash Balance | \$137,248 | \$333,614 | \$677,824 | \$1,408,550 | \$2,856,669 |

REVENUE PROJECTIONS (CONT.)

| Yearly Revenue | | | | | |
|-------------------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Units | | | | | |
| Retail | 1,911 | 3,019 | 3,852 | 4,913 | 6,267 |
| Wholesale | 0 | 1,911 | 4,071 | 7,949 | 14,636 |
| Total Units | 1,911 | 4,931 | 7,923 | 12,862 | 20,903 |
| Unit Price | | | | | |
| Retail | \$389.00 | \$396.78 | \$404.72 | \$412.81 | \$421.07 |
| Wholesale | \$0.00 | \$255.00 | \$260.10 | \$265.30 | \$270.61 |
| Revenue | | | | | |
| Retail | \$743,472 | \$1,198,072 | \$1,558,846 | \$2,028,259 | \$2,639,026 |
| Wholesale | \$0 | \$487,366 | \$1,058,892 | \$2,108,777 | \$3,960,621 |
| Gross Revenue | \$743,472 | \$1,685,438 | \$2,617,738 | \$4,137,036 | \$6,599,647 |
| Unit Cost | | | | | |
| Retail | \$125.00 | \$125.00 | \$125.00 | \$125.00 | \$125.00 |
| Wholesale | \$0.00 | \$125.00 | \$125.00 | \$125.00 | \$125.00 |
| Direct Costs | | | | | |
| Retail | \$238,905 | \$377,436 | \$481,463 | \$614,163 | \$783,436 |
| Wholesale | \$0 | \$238,905 | \$508,887 | \$993,574 | \$1,829,501 |
| Direct Cost of Revenue | \$238,905 | \$616,341 | \$990,350 | \$1,607,737 | \$2,612,937 |

FUNDING NEEDS AND USE

PowerLute, LLC is currently seeking development partners and funding of \$800,000 for further R&D and to create a prototype ready for manufacturing, as outlined here.

A second phase of funding will be sought in the future for creating inventory and commencing market development.

A team of engineering or other partners with an active role in the Company's growth and success could allocated 25% of revenue, or 12% with investment only (subject to change and negotiation).

| Pre-Operating Use of Funds | |
|-----------------------------------|------------------|
| Expenses | |
| Marketing & Advertising | \$12,000 |
| Travel & Entertainment | \$30,000 |
| Professional Services | \$4,500 |
| Rent | \$21,600 |
| Utilities | \$6,000 |
| Office Supplies | \$12,000 |
| Telephones | \$2,700 |
| Research & Development | \$300,000 |
| Staff/Payroll | \$125,000 |
| Total Expenses | \$513,800 |
| Assets | |
| Inventory | \$50,000 |
| Property | \$0 |
| Equipment | \$9,000 |
| Other Long-Term Assets | \$0 |
| Total Assets | \$59,000 |
| Total Use of Funds | \$572,800 |

| Total Source & Use of Funds | |
|--|------------------|
| Total Source of Funds | \$800,000 |
| Total Use of Funds | \$572,800 |
| Month 1 Starting Cash | \$227,200 |

INVESTOR RETURN

Investor Return projections detail the investor(s) initial investment and the potential investment multiple, investment fifth year value, investor(s) share of the Company, the value of the Company in the fifth year, and internal rate of return for 3 different cases.

| Investor Return | | | | | |
|---------------------------|------------------|-------------------|---------------------|------------------------|---------------|
| | Investment | Years Invested | Investment Multiple | 5th Year Value | Company Share |
| Initial | \$800,000 | 5 | 3.0 | \$2,400,000 | 25.8% |
| Total | \$800,000 | | 3.0 | \$2,400,000 | 25.8% |
| 5th Year Company Earnings | | 5th Year Multiple | | 5th Year Company Value | |
| Company | \$1,858,396 | | 5.0 | \$9,291,982 | |
| Company IRR | | | | | |
| Normal Case | 18.0% | | | | |
| Best Case | 29.5% | | | | |
| Worst Case | 4.5% | | | | |

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THANK YOU

Robert Korszeniewski

803-479-1905

Rkorsz@yahoo.com