

Part 1: "Elevator" Introduction

Brief elevator pitch for your company

Lectric longboards is an electric longboard company that strives to provide a great and reliable product for a fraction of what our competitors charge, all while providing exceptional customer service. The board we currently offer was designed to compete with the market. Version one goes 20 mph and has a range of 18 miles on a single charge. The second generation is designed to dominate the market. What makes this board special is it has a targeted top speed of 23 mph, an anticipated 15 mile range, new dual hub technology, whisper quiet motor, responsive handling and smooth regenerative braking.

Part 2: Market and Industry Analysis

How large is your market? What market segments are you going after and why?

Our product appeals to the market in the skateboard industry and also the small electric vehicle transportation market. The skateboard industry is a \$100 million dollar market here in the U.S. The small electric vehicle market is a rather new market. During the "hover-board" craze of 2015, over \$100,000,000 worth of product was sold. The recent failure of this product has opened the doors for new products to fill the void. The need for a small electric vehicle still exists, and the electric longboard is poised to fill that need.

Is this market growing? How fast?

The market is growing at an extremely fast rate. To give some perspective, within the past month one board company was on the popular T.V. show, Shark Tank, and received an investment loan of \$750,000, for 3% equity. Another company just completed their 2 month funding campaign on the crowdfunding campaign Indiegogo. At the end of the campaign they had over \$1,400,000 in sales.

Who is in the market already? What is the nature of competition – direction, indirect, substitutes?

There are a number of companies already in the market. The determining factor is the specifications of the board. We focus on three pillars. They are speed, range, and price. These are clearly the most important factors when a customer is purchasing a board. Whoever is the most competitive in these three areas will dominate the market.

Part 3: Go-to-Market Plan

Who are (will be) your customers? Describe your engagement / discussions with them to date. Have you validated their needs? Prove they are buying (or will buy) your product from you.

The majority of our customers will be 14-22 year old skaters looking for their next adrenaline rush. Also, the last mile commuters are a large customer segment. Last mile commuters are the 23-35 year old commuters that have to go from their house to the train/bus station. We have tested the market and have received an overwhelming response from both of these market segments.

Describe how you win customers today. Describe your future customer acquisition strategy.

The way we win customers today is by demonstrating there is an affordable and reliable alternative to the \$1,300 electric boards. In the Phoenix area we offer test rides so potential customers can try the board before buying. So far every test rider have purchased at least one board. In the future we hope to be in board shops across the country so that potential customers will be able to ride the board before they buy. Our exposure primarily comes from social media, and we will continue to use this method. We have over 20,000 followers on Instagram and have seen a conversion rate of 1 purchase for every 45 followers. It costs us approximately \$5 per customer acquisition.

How will you displace any incumbents/competitors? How are you better/different than your competitors? What's your channel/partnership strategy, if any?

The way we have been able to displace the competitors is by offering a board that has the same specs (if not better), but costs a fraction of the price. This has proven to be very successful because we are able to reach the consumers that cannot afford the high priced boards. With the second generation board we expect to dominate the market because we will be one of few companies that offers the hub motor technology. The hub motor technology is far superior to the current belt driven motors because of the instant torque and considerably less drag it offers. It is simple, if you offer a superior product for a better price the customers are keen to turn to you.

Part 4: Technical Product Description and Plan

Briefly describe your product or service.

Currently we offer an electric longboard that goes 22 mph and will go 18 miles on a single charge. This board also offers regenerative braking which charges the board as the customer brakes. Our second generation board which will be launched in the spring on this year will offer dual hub motors, a redesigned controller, and reinvented braking system. This board will go 23 mph and go 15 miles on a single charge, it will also offer reverse and two separate riding modes.

Technology Validation. (What evidence can you present that your product works as advertised? Future validation plans?)

Many of our customers have created and posted their own reviews of the board for potential consumers to watch. These videos range from simple unboxing videos to very in-depth reviews of our board versus a competitors board.

Describe the remaining product development risks and your plans to overcome them.

As the technology of the motors and batteries progress to become more efficient we will need to continue to innovate in order to have a product that competes with the market standards.

Describe your product's advantages (features, for example) for end-users vs. substitute solutions (not just direct competitors).

Our product is an alternative to large cumbersome bikes and scooters that last mile commuters currently use. Weighing in at only 13 pounds means this board is light enough for anyone to carry on the bus or train. Since the board will go 15-18 miles on a single charge, people will not have to worry about their board dying on the way to the station.

Describe your company's current intellectual property status and plans for the future. (Issued patents? Licensing agreements? Pending patent applications? Trade secrets?)

We are currently licensing the hub motor technology from a Germany company. We own the rights to the controller and battery casing.

Discussion of any non-IP barriers to entry for your market. Include what you have done to make it difficult for others to challenge you as well as what challenges you may face such as manufacturing arrangements, distribution contracts, partnerships, etc.?

The biggest barrier to entry is we have created a very competitive board at a fraction of the cost. It is difficult for competitors to enter in the market because of this.

Part 5: Risk vs. Talent Narrative**What risks has your team mitigated so far (business-related and technical as it relates to your business)? What are the next few major risk-reduction milestones?**

The more established the market gets is when the risk goes down. At the beginning many associated this with the hover-board market and had concerns about fires. As the market becomes more solidified and the hover-board market becomes a thing of the past, it will continue to minimize risk and ensure it is a long-lasting market rather than a fad.

Briefly list and describe your key team members.

Levi Conlow: Is the founder and CEO of Lectric Longboards. He is responsible for the selling, marketing, and business aspects of this venture.

Nathan Cooper: CO-Founder of Lectric Longboards. He is in charge of the engineering and manufacturing of the board.

Briefly describe any holes in your leadership team. What are your plans to address any recruiting needs in the next 18 mos.?

The biggest whole the team experiences is the lack of experience. We constantly turn to well respected members of the entrepreneurship community for advisement. We are in the works of bringing our manufacturing here to the U.S. and be stationed on Grand Canyon University. By doing this we will be plugged in with some of the industries finest who are teaching at GCU.

Briefly list and describe your key advisors, and their contributions to date.

Chase Norlin: Meets with us regularly to provide guidance and network us to the right people to ensure we are successful.

Tim Kelley: Professor at Grand Canyon University. Meet's with us regularly to provide advisement and has taken lead on the task to assist us with bringing assembly from overseas to Phoenix, AZ. Allows us to use 3D printer and other tools at GCU.

Wilfred Gonzalez: Professor at Grand Canyon University. Gets us connected to the right people and encourages us to practice conscious capitalism. Arranged for us to speak about youth in entrepreneurship at the Phoenix Chamber of Commerce.