

KOTA 

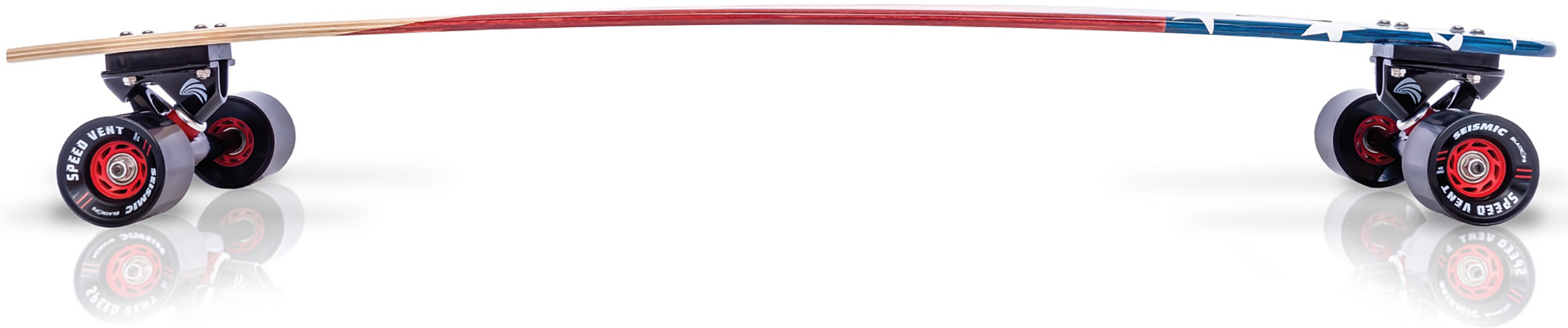


JOIN OUR WORLD

KOTA LONGBOARDS

The American landscape is ready for a reawakening.
A new era of performance. One that's inspired by aviation,
grounded by integrity **and driven by you.** Let's race for speed
while holding our edge. Let's spread our wings and carve our way.

Let's ride.





KOTA Longboards

it's your life, carve it!

MARKET OPPORTUNITY

NEW MARKET - MAINSTREAM ACTION SPORTS (MAS):

includes Active Lifestyle, Action Sports, Fitness, Surf Lifestyle & Ski/Mountain Lifestyle consumers.

- MAS consumer always searching/hungry for new activities & gear:
 - *roller blades - 1980s*
 - *re-invention of beach cruiser bike - Electra 1993*
 - *Stand Up Paddle (SUP) - early 2000's*
- MAS market is trending toward youthful & empowering recreational activities.
- Barrier to adopting skate - rebellious/reckless youth culture of traditional skate industry.
- MAS consumers are ready to adopt longboarding if offered the right product:
 - *rider control (performance) - motive is safety*
 - *style (aesthetic) - motive is image*
 - *compelling story (brand) - motive is engagement*
- **KOTA appeals on product quality, style, culture & brand.**





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KOTA PRODUCTS & BRAND

KNIGHTS OF THE AIR - VALUE, QUALITY & BRAND:

knights of the air embodies a code of honor, integrity & esprit de corps from the dawn of aviation.

- KOTA offers unparalleled riding performance:
 - *engineered with hyperbolic saddle (camber + concave) for safe, rider controlled, "powder skiing on pavement" experience*
 - *one of VERY FEW skate products that enable true 'landsurfing'*
- KOTA styling appeals to MAS consumer:
 - *proprietary KOTAgrip finish (unique in marketplace)*
 - *eliminates need for grip tape / elevates primary art surface to top of deck*
- KOTA brand resonates with MAS consumer:
 - *values, vibe, authenticity, historical context, aviation heritage*
 - *strong CSR component with many product sales supporting relevant charities/community*
 - *'causal' purchase is meaningful to MAS consumer*
- **Customers are asking for more branded KOTA product:**
 - *desire additional engagement with KOTA brand*
 - *branded apparel & accessories at alternative price points*





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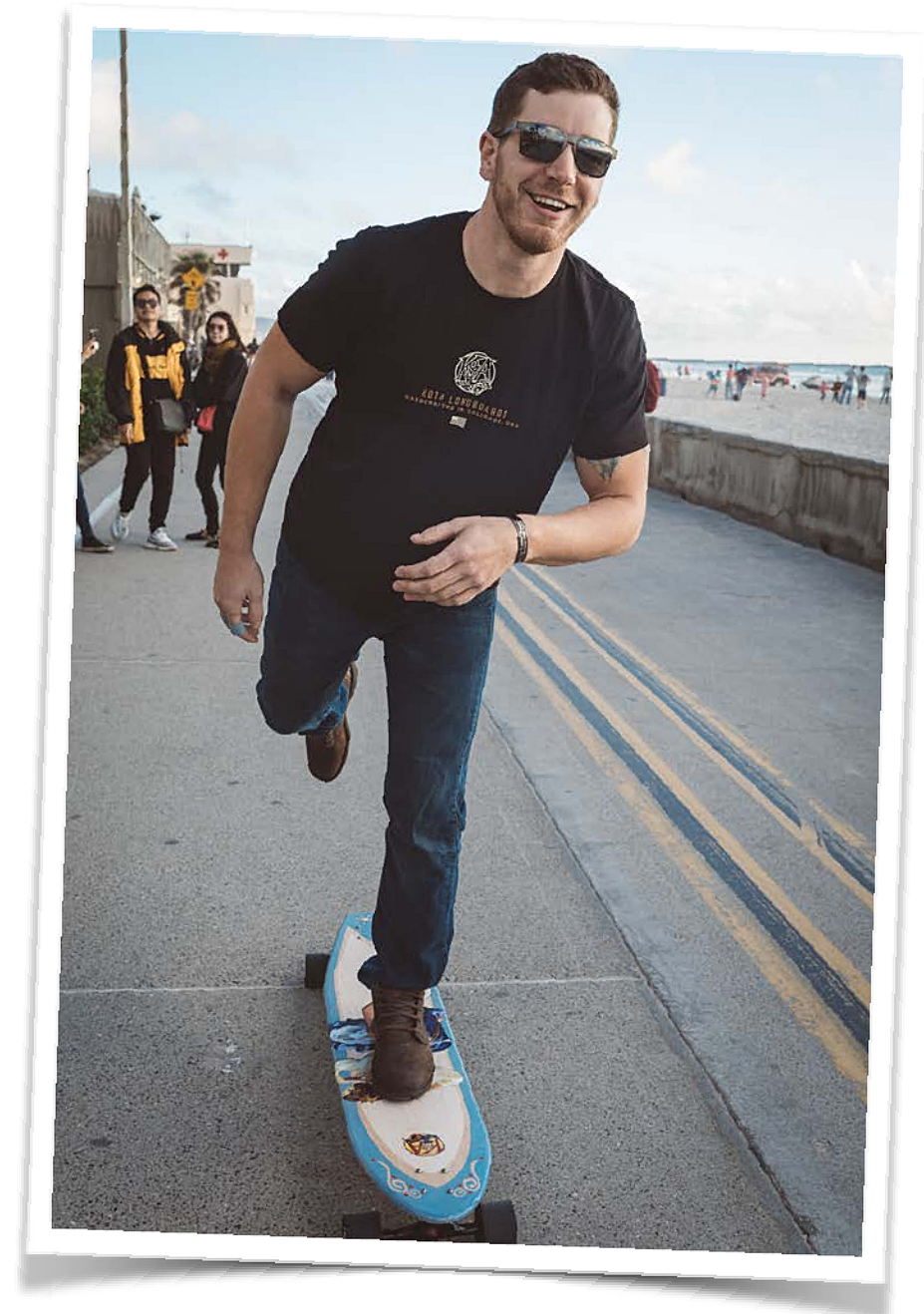
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TARGET MARKET

MAINSTREAM ACTION SPORTS - MAS MARKET:

MAS consumer moving away from price/commodity as purchase motive to value, quality & brand.

- Target demographic is older, broader:
 - *KOTA demographic spans young professional to retiree*
 - *age late 20s to 70s with heart of demo age 35-55, 40% female*
 - *mature, experienced consumer seeking new brands & products*
 - *traditional longboard skate caters to age 9-24, 93% male**
- MAS consumer has higher disposable income:
 - *typical spend is higher per item purchased*
 - *focus on value & quality*
- MAS consumer brand relevance:
 - *brand is significant purchase motive*
 - *as long as brand remains relevant, brand loyalty is high*
 - *once brand is adopted, will influence others to buy into brand*
- 2017 SIMA Surf Lifestyle Market Study:
 - *66.5 million adults (1/3 of U.S. adult population)*
 - *\$26.5 billion in domestic annual spend*



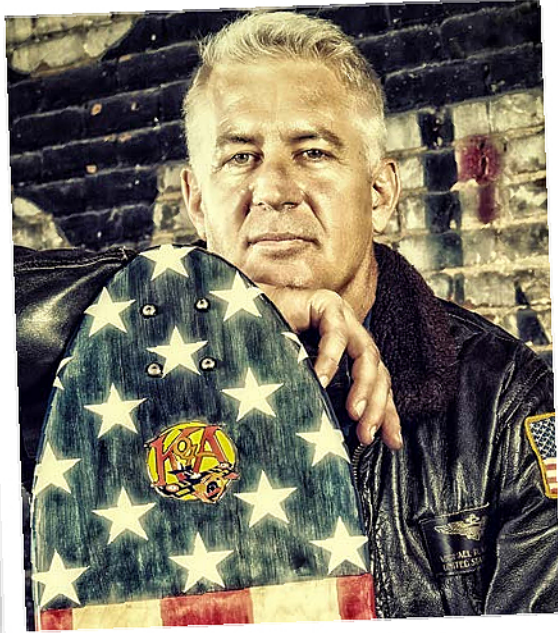
* Surf Industry Manufacturers Association (SIMA) market report



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EXECUTIVE TEAM



MIKE MALONEY

FOUNDER / CEO

- Navy F-14 pilot / TOPGUN
- Seasoned start-up executive
- Ran technology & IP portfolios for CH2M HILL
- CEO of clean energy start-up
- BSME (CU)
- MS Finance (DU)



NIKKI MALONEY

FOUNDER / VP OPERATIONS

- KOTA admin, HR & payroll and supply chain
- Customer Service / order fulfillment
- Social media
- Former Denver MOED&IT Economic Development Specialist
- Biz Dev, Marketing (CH2M HILL)
- BS Public Policy (DU)



WICK HARDENBERGH

PRODUCTION MANAGER

- Ohio State (BA International Studies)
- Manufacturing, GE Turbines at Indy Honeycomb.
- Avid skier and ski instructor.



RICK RUSCH

MERCHANDISING ADVISOR

- Seasoned branding & soft goods executive
- 16 yr Land's End exec.
- REI, Eddie Bauer exec.
- VP Merchandising & Product Dev, Gander Mountain
- non-compensated at this time



DEVELOPING A MARKET - SALES CHANNELS:

consumer expectation - atmosphere, culture, interactive POP, community of like minded individuals.

- Direct (kotalongboards.com, email, phone & walk ins):
 - *highly dependent upon market reach / digital media following*
 - *expand reach with digital spend (AdWords, Facebook, YouTube)*
- CoBranding (promotional product, corp. gifts or resale):
 - *clients include Anheuser-Busch, Oakley, Subaru, Sage Hospitality, Vail Resorts, SOFLETE, 5.11 Tactical, Ferrari, Beyond, etc.*
 - *focus on Brewery/Distillery, Hotel/Resort & Automotive markets*
 - *trend for KOTA is toward higher quality brands & larger POs*
 - *leverage KOTA market reach via CoBrand partners*
- Specialty Retail:
 - *independent specialty retailers are under stress & slow to react to changing consumer demands*
 - *big box specialty retailers doing well*
 - *in 2017 KOTA picked up Ron Jon & Scheels, in dialogue with REI*
- **New Market Opportunity:**
 - *University ride-share modeled after bike ride-share.*





MARKETING SPEND - TARGET DIRECT & COBRAND:

spend on digital marketing, travel & branded product - fluid budget doubling down on what works.

● KOTA selected for Google Concierge Program:

- *3-mo targeted digital marketing campaign (AdWords/YouTube)*
- *Google labor & management are free / KOTA pays for AdWords, video views (\$50k budget)*
- *market reach over 3mm people, driving est. 300k to website*
- *program is cornerstone of marketing effort to boost direct sales*

● Engage with additional CoBrands:

- *expand into additional AB brands (alone can cash flow KOTA)*
- *obtain additional Brewery/Distillery, Hotel/Resort & Auto brands*
- *targets include CrossFit, BMW, Margaritaville, Sage, etc.*

● Land Specialty Retail:

- *expand Scheels relationship, develop REI*
- *independents - go after low hanging fruit but no major spend*
- *fewer, select trade shows (too expensive, low ROI)*

● Expand branded product offerings:

- *branded apparel & accessories*





INNOVATION - SETTING KOTA APART:

IP & features that set KOTA apart from traditional skate & appeal to MAS consumer.

- KOTAgrip finish (formalized Trade Secret):
 - *non-porous grip finish eliminating the need for grip tape*
 - *completely unique in the skate market*
- KOTA Simulator (patent pending):
 - *highly effective POP (Point Of Purchase) and training tool*
 - *selling to retailers and CoBrand partners*
- KOTA Clear Deck (tested, not implemented):
 - *eliminating truck holes through the deck*
- Anticipated Truck System (TBD):
 - *unique features that will enhance carving capabilities*
 - *integrated anti-theft device*





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NEW PRODUCTS

KOTA ELECTRIC - SPITFIRE Mk V:

Electric longboard disruptive in this rapidly growing marketplace.

● eBoard Market:

- *Boosted, Inboard, Evolve are primary, higher end market participants*
- *Competitors focused on battery & drive train, ignoring deck performance*

● KOTA Market Advantage:

- *Only KOTA can offer a choice of deck shape + graphic design*
- *Battery & drive train feature best-in-class specifications (15-17 mi range, 22-25 mph)*
- *MSRP is at least \$300 less than any of the top, comparable brands*





CORPORATE SOCIAL RESPONSIBILITY - KOTA GIVES BACK:

community outreach is coded into KOTA's DNA, continuing to serve.

● Carve It For Life! (CIFL!):

- *501(c)(3) PTS Healing program serving veterans, first responders and their families*
- *lifelong healing through recreation & community of longboarding*

● Denver Public Schools Middle School Program:

- *fully integrated into Grant-Beacon and Merrill Middle Schools*
- *includes stress management techniques from CIFL! program*

● Cause Donations through Direct & CoBrand Sales:

- *several designs at kotalongboards.com with donation component (Denver Mtn Parks, UDT SEAL Assoc., etc.)*
- *CoBrand license fees comprised of donations to targeted charities (Folds Of Honor, Infinite Hero, etc.)*

● Charitable Contributions:

- *5 legacy charities to whom we donate product for auction*
- *offer corporate pricing to multitude of other charities*
- *a single KOTA complete will auction for well over \$1,000 (record stands at \$3,100)*





KOTA HISTORIC REVENUE - HIGHS & LOWS:

stop doing things that don't work and focus time & capital on those that do.

● 2012 to 2014:

- *focus on testing & establishing response to product/brand from MAS consumers*
- *rapid revenue growth while establishing scaleable manufacturing processes*

● 2015 to 2016:

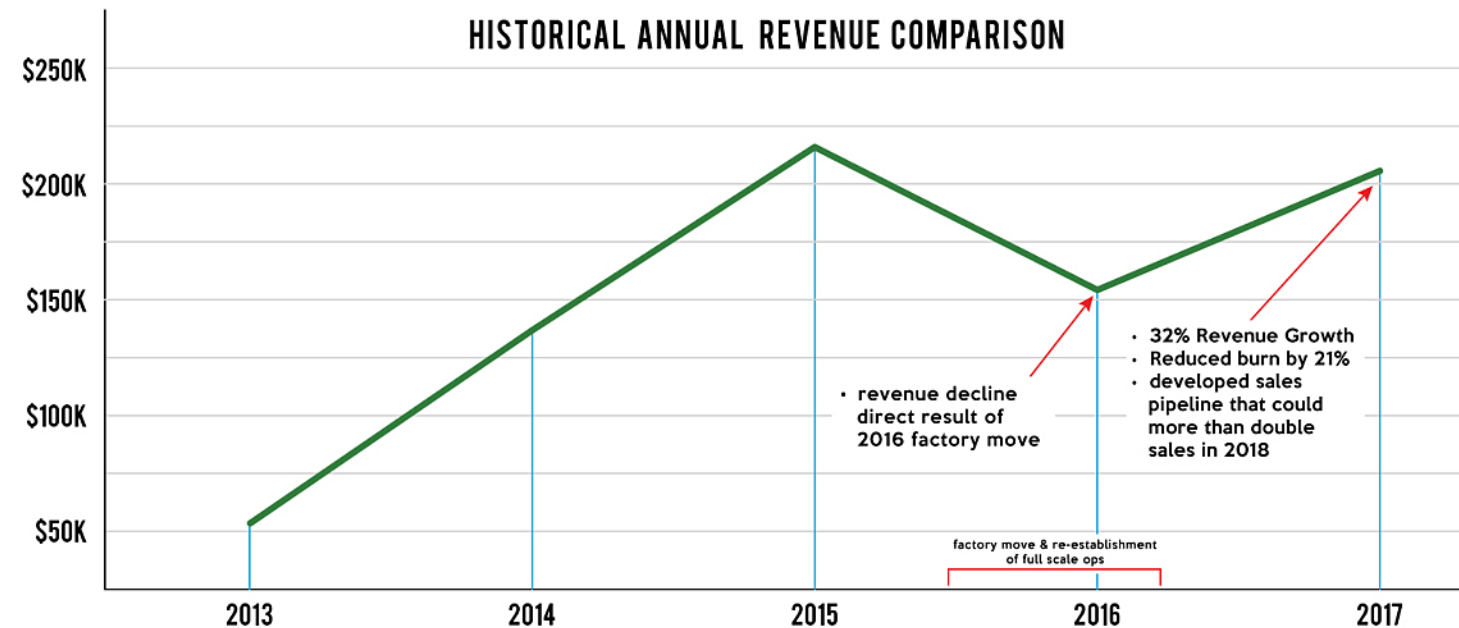
- *focus on specialty retailers within the MAS market*
- *tradeshows, local events*
- *impact of factory move & slow retail economics*

● 2017 to today:

- *pivoted to CoBrands (landing Anheuser-Busch & others)*
- *established stable, scalable production in new facility*

● 2018 and beyond:

- *continue to develop all sales channels driving KOTA to cash flow & profitability*





KOTA POISED FOR PROFIT - NEEDS MARKETING & WORKING CAPITAL:

experienced, gritty team that has kept pushing through good times and bad.

● Existing client relationships can propel KOTA to profit:

- *Anheuser-Busch has 11 craft brewery and dozens of other major brands (Stella, Heineken, Rolling Rock, Becks, Landshark...)*
- *AB relationship can expose KOTA to other markets (NASCAR, NFL, others)*
- *Ongoing & perpetual license agreement with ability to sell direct to public, license fee is \$20/unit donation to charity*

● Focused use of capital:

- *our experience since 2013 has provided clarity as to what marketing spends yield superior ROI*
- *no longer needing to prove MAS market is ready for KOTA*
- *new market potential with University ride-shares, etc.*

● Scalable growth due to factory move:

- *nearly 8,000 sf facility capable of producing 20,000 units per year*
- *showroom adjacent to 17,000 seat amphitheater*

