

GOLFLER.com



Bird's Eye View of Golf Industry Concern's

Golfers and Golf Courses share a common enemy – time

The Golf Industry:

Twenty-seven million golfers combined to play 462M rounds of golf in the US 2013.

Collectively, these golfers generated nearly \$30B in operations revenue distributed across 14,500 U.S. golf courses. Roughly 70% of operations revenue originates from green fees and 25-30% from food, beverage and merchandise sales.

Universally, Pace of Play is the #1 Problem in Golf:

In the last 15 years, six million more people have quit playing the game of golf than have starting to play it. The Professional Golf Association ("PGA"), USGA, LPGA, among other industry leaders have attributed these losses to the number one issue adversely affecting the game of golf – **slow pace of play**

Over 91% of serious golfers believe the pace of play is a problem on US courses and over half of these golfers reported leaving a golf course because of a poor pace of play experience. A slow course will have a correspondingly low turnover rate and fewer opportunities to make sales off of other goods and services.

www.usga.org/MicroSite.aspx?id=21474856307

75% of courses lose money on 30% of their revenue stream -- food and beverage

Importantly, many golf course managers struggle to cut costs, because customers expect food and beverage to be offered as a minimum customer service expectation. As such, golf courses are stuck with high fixed personal and kitchen costs.

65% per COG sold, a full three out of four golf courses in the US lose money on food and beverage each year because their sales volume does not support fixed costs fees.

Courses recognize the need to adopt technology

– but lack the desire of capital investment and or an inherently slow growth structure to support up-front expenses

Product

Mobile App "Category Killer" For Golfers

Play on Through:

Beneficiaries of Course Monitoring Pace of Play and Communications

On Demand:

Food, Beverage and Golf Gear while playing golf as well as the ability to pick things up at the Turn. Pre-payment through credit card also saves over one minute per transaction, aiding to speed course pace

Range-Finder / Promotions:

Advertisement-free, ultra-energy efficient GPS Range-finder with score-card and tournament leaderboard, receive discounts and promotions from course. GOLFLER V1.1 will also integrate Tee-Time reservations.

Messaging Center:

2-way messaging center facilitating communication with other golfers and a forum to raise issues, concerns or compliments with the course

Free:

There is no cost to download and use GOLFLER's rangefinder or messaging center. Delivery Orders placed through the system cost Golfer's just 99 cents per order or \$20 per year.

Revolutionary Management System For Courses

Course Traffic:

Improve revenue by monitoring and responding to slow play

Increase Order Volume:

Leverage existing costs to increase food, beverage and golf-gear order volume by making a clubhouse and pro-shop available to golfers throughout their round

Analytics:

Real-time access to comparative analytics, showing frequency of play, average spend, other course prices and menus, employee reviews, etc.

Messaging:

2-way messaging center operates as inter-company communication system and allows courses to communicate with all golfers with just one click

Profit Sharing:

Golfer profit shares a 10% commission on each order generated through the GOLFLER platform.



The Game's Biggest Problem is "Slow Pace of Play"

Improving pace is a top priority for courses as 71% of the average golf courses revenue comes from green fees.

Slowing down:

Despite the widespread proliferation of technological solutions to remedy everyday inefficiencies, "(g)olf is a slower game than it used to be. We would have a better game if the pace was faster." - USGA, 2013

A slow pace of play is universally the worst thing in golf; five times the annoyance for golfer's than poor course conditions.

WHAT'S YOUR BIGGEST ON-COURSE PEEVE?

64% Slow players

12% Poor course conditions

o 2009, Golf Magazine and National Golf Foundation Joint Survey

Slow pace deters growth and impedes revenue:

"The time it takes to play a round of golf at American golf courses is considered a major obstacle to the growth of the game, to increasing facility revenue and profitability, and to the enjoyment of the game for millions of golfers and would-be golfers."

- L. Riccio, International Journal of Golf Science, 2014.

Golf's 19th hole is in jeopardy! Slower plays equates to no time left to stay for refreshments after the round

"Pace of Play is an epidemic in golf and the biggest players—the PGA of America, USGA, and AJGA—have all taken strides to quell this dilemma that legitimately threatens the health of golf."

— GolfWRX, 2014

How GOLFLER Mitigates Slow Pace Of Play

COURSE GOPHER VIEW: Real Time Course Traffic

With real time user location tracking, courses are able to quickly resolve problems, in real time by coordinating rangers through the messaging center to resolve course bottlenecks

Messaging and Resolution Center

Pro-shop administrators are able to message rangers in one click to coordinate the resolution of a possible issue on the course or to speed up a hole's pace of play through a gentle nudge or request to let others play through. Employee's may also use the messaging center to report bottlenecks and/or other problems to the course

Cart and Kitchen Planning

Cart Attendants or "Gophies" slow course pace down, on average, one minute for every customer that they interact with. If courses are going to slow down their course, there should be a high probability of an order to better leverage attendant costs. Course kitchens will have advance notice to prepare food that is requested for pick up which helps prevent your kitchen from holding traffic up at the turn.

Food & Beverage Inefficiencies

75% Of Courses Lose Money On Food/Beverage:

Despite having profit margins being between 60-75% on food and beverage on a per item basis, 75% of courses in the US are losing money on food and beverage.

Triple Bogie:

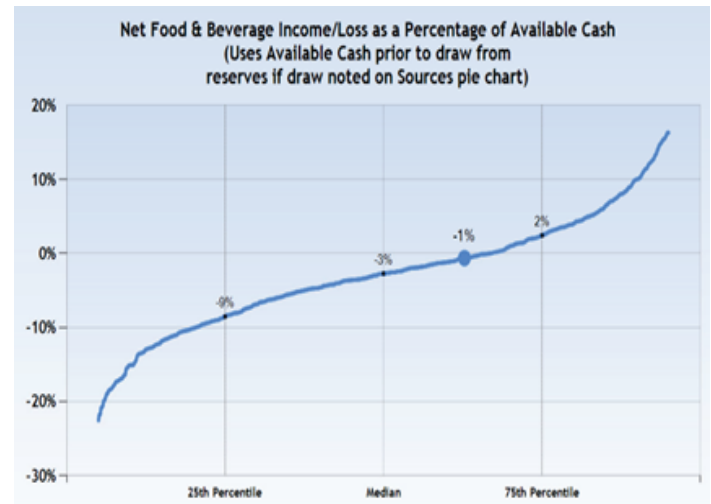
In 2013, the average course in the US incurred a loss of \$57,000 due to high fixed food and beverage costs exceeding sales volumes.

Model-T:

Though a delivery infrastructure is already in place at a golf course, most have continued to rely on an archaic, ice cream truck delivery model where a cart girl wanders aimlessly around a golf course looking for people to buy candy and beverages. Until GOLFLER, there hasn't been a cost-effective alternative.

High Fixed Costs:

Though courses must pay for a kitchen staff, equipment and perishable waste regardless of course traffic, these costs are fixed as golfers expect golf courses to offer food and beverage options each time that they golf. Because of an inefficient delivery model, courses do not currently sell a sufficient volume of goods to offset fixed costs.



Capital Is The Barrier To Innovation

Slow Adopters:

The golf course industry has been a slow adopter of technology due to a low revenue growth model which works against capital investment

However, Golfers Are Tipping Courses Hands:

% AGREEMENT	2012	2013
In general, golf-related content on a tablet device or smart phone offers golfers new ways to interact with the game	24%	58%
Golf-related apps on a tablet device or smart phone are bringing benefits to golfers not available before	24%	56%
I recognize the benefits of having golf-related content available on a tablet device or smart phone	25%	53%
The interactive features available in golf-related apps on a tablet device or smart phone are appealing	19%	45%

Consequently, Courses Recognize Value:

In 2013, more than 90% of golf clubs said that having an App would be "useful to them." - The Golf Club Secretary, General Manager's Poll.

Capital Obstacle:

Equipping a fleet of golf-carts with a mounted GPS or having a custom course app developed can cost up to \$300K per/course annually. Worse, software development and cart integration can take in excess of a year.

IBISWorld Industry Report 71391

Technology & Systems August 2011

Level
The level of
Technology
Change is Low

Technological change and development within the industry is at a low level, as the industry is in the mature stage of its life cycle. Many golf courses and country clubs have existing vehicles and equipment, and tend to repair items rather than replace them. Also, the tradition of labor intensity within the industry works against the introduction of new technology.

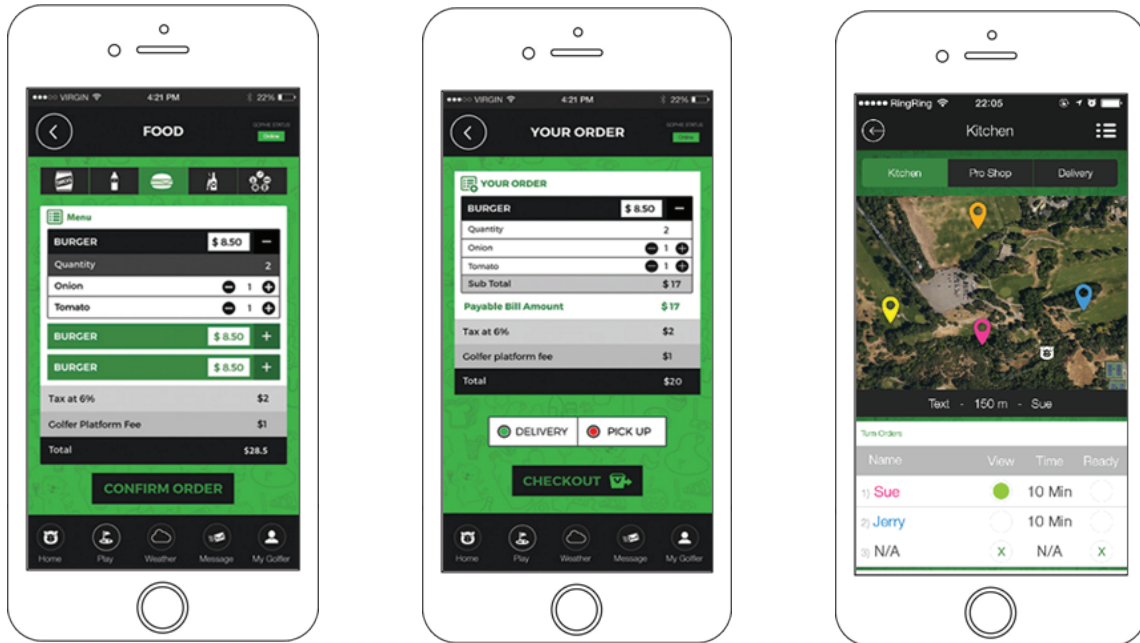
The industry observes low revenue growth, which is not conducive to capital

investment. Capital investment in infrastructure, such as buildings and irrigation, may not occur regularly, particularly for older public courses in lower socioeconomic regions. This lowers the overall level of technological change.

The implementation of computerized booking and ordering systems can create benefits for golf courses and country clubs, and many of the larger establishments would have introduced these systems already.



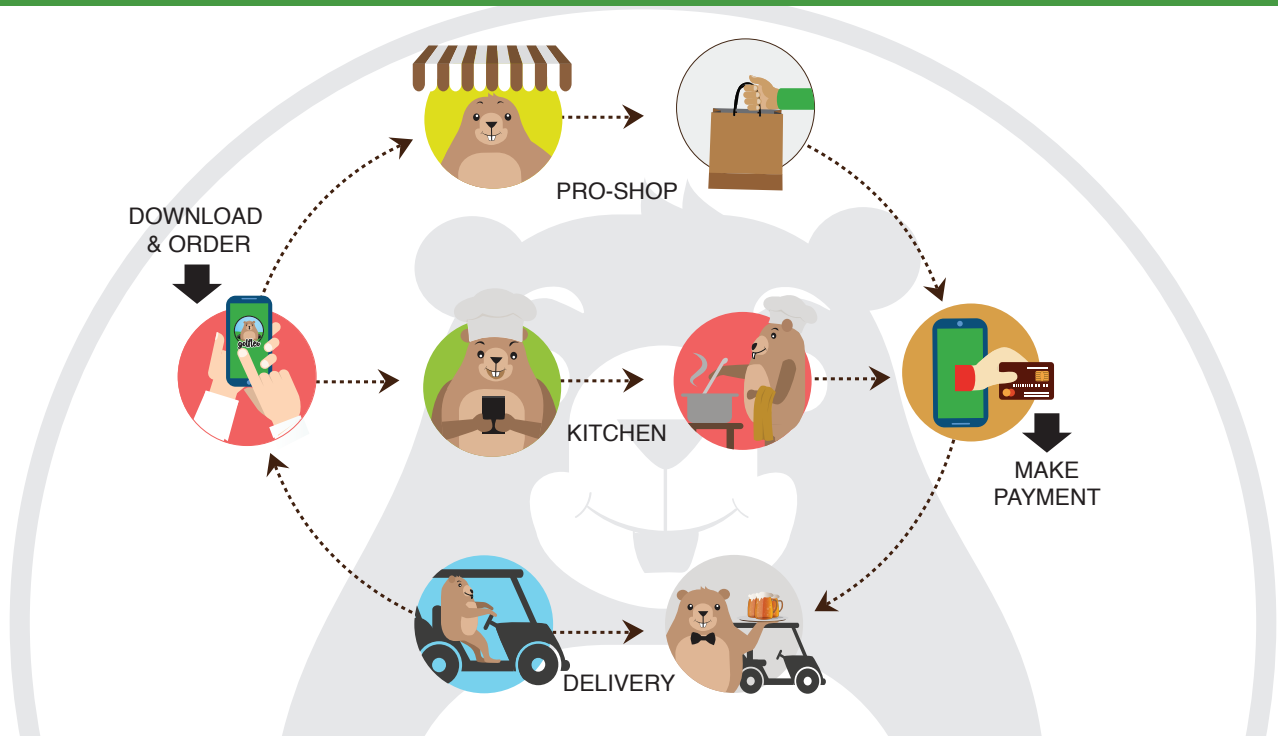
How GOLFLER Routes Orders



GOLFLER leverages a courses existing resources to increase order volume. How? Improving efficiency.

- GOLFLER connects your pro-shop, kitchen and food and beverage cart attendants or “Gophies” with the golfers on your course.
- GOLFLER uses simple GPS location services already available in smartphones to locate and expedite orders. Payments are processed through credit card, no need to count change.

How Does GOLFLER Deliver On-demand?



GOLFLER Business Case

GOLFLER, LLC	Per Day		Per Month	
	Base Level (No GOLFLER)	Golfer Additional Orders	Golfer Additional Orders	Base Level (No GOLFLER)
Food and Beverage / Merchandise				
Golfers Per Day	105	21	3,150	630
Average Order Amount per Round	\$6.75	\$9.25	\$6.75	\$9.25
Daily Gross Revenue	\$708.75	\$194.25	\$21,262.50	\$5,827.50
COGs (37%)	\$262.24	\$71.87	\$7,867.13	\$2,156.18
GOLFLER Fees per Order (.99)	\$0.00	\$20.79	\$0.00	\$623.70
Transaction Fee	\$20.55	\$5.63	\$616.61	\$169.00
Course Net Profits	\$467.07	\$95.95	\$12,778.76	\$2,878.63

FOOD AND BEVERAGE ASSUMPTIONS	
Average Order	630
Average GOLFLER Order	\$9.25
GOLFLER Orders Increase %	\$5,827.50
COGs	\$2,156.18
Average Transactions Fees	\$623.70
GOLFLER Fee	\$169.00

Pace of Play Increase				
Baseline	Daily	GOLFLER Daily	Monthly	GOLFLER Monthly
Average Daily Rounds	105	113	3150	3402
Average Green Fee	\$25.35	\$25.35	\$25.35	\$25.35
Average Green Fee / Day	\$2661.75	\$2,874.69	\$79,852.50	\$86,240.70
Average Time per Round (Hours)	4 hours and 27 minutes	4 hours and 8 minutes	4 hours and 27 minutes	4 hours and 8 minutes
Pace of Play Increase	0.0	19 Minutes	0.0	19 Minutes
Green Fee Increase	\$0.00	\$212.94	\$0.00	\$6,388.20
Course Improvement from Food and Beverage	0	\$95.95	0	\$2,878.63
Total Revenue Increase from GOLFLER	0	\$308.89	0	\$9,266.83

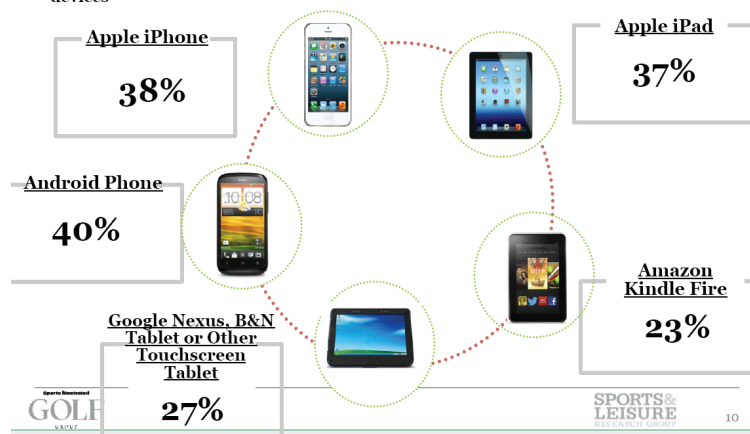
PACE OF PLAY ASSUMPTIONS	
Average Daily Rounds	105
Average Price / Round	\$25.35
Average Round	4 hours and 27 minutes
Tech Monitoring Time	15 Minutes
Turn Reduction Time	3 Minutes
Cart Reduction Time	1 Minute
GOLFLER Average Round	4 hours and 8 minutes
Improvement	8%
Rounds after improvement	8.4
Rounds after improvement	113.4



Nearly 80% Of GOLFLERS Own Smartphones And That Number Continues To Growing Exponentially

HIGH RATES OF DEVICE ADOPTION

- 3 in 4 own or use a smartphone on a regular basis
- More than 6 in 10 (62%) own or use a tablet on a regular basis
- Younger golfers and private club members are the most likely to own or use mobile devices



US Smartphone User Penetration, by Age, 2011-2017

% of mobile phone users in each group

	2011	2012	2013	2014	2015	2016	2017
0-11	12.6%	15.9%	16.7%	18.0%	19.9%	22.0%	24.0%
12-17	35.1%	44.3%	50.9%	58.7%	67.4%	75.1%	82.9%
18-24	57.2%	66.8%	72.6%	79.4%	86.2%	92.1%	97.1%
25-34	59.8%	69.3%	75.9%	82.9%	88.9%	93.9%	96.2%
35-44	47.4%	61.7%	70.5%	80.5%	86.5%	92.5%	96.0%
45-54	31.1%	46.3%	55.8%	64.9%	73.8%	80.8%	87.8%
55-64	26.6%	41.9%	51.5%	60.6%	69.6%	76.6%	83.7%
65+	15.9%	21.3%	23.7%	26.4%	28.7%	30.9%	33.1%
Total	39.1%	50.1%	56.8%	63.8%	70.1%	75.3%	79.7%

Note: individuals who own at least one smartphone and use the smartphone(s) at least once per month

Source: eMarketer, March 2013; confirmed and republished, Aug 2013

153295

www.eMarketer.com

A 2014 Nextgengolf research study found 88% of 18-26 year old golfers checked their mobile phones multiple times per round.

PGA / Course Support

"It's a great golf app and we're excited to try it out. Benefits both parties, the golfers and the golf facility."

- Angelo Arca, PGA Professional, Vargo Management Group, Detroit, MI

"As a young entry-level PGA professional. GOLFLER is what I envision to be the evolution of golf. It's about time something like this came out and Rackham is excited to be a part of the next big thing in golf."

- Michael Rawlins, PGA Professional, Rackham Golf Course, Huntington Woods, MI

"Having the privilege to communicate with the golfers on the course, and can track / view pace of play. Sign me up a second time."

- Matthew Little, PGA, Bruce Hills, GC., Dearborn, MI

"GOLFLER is a neat product. I was surprised at how easy it was for me to learn to use the sales tablet. We look forward to adopting GOLFLER in Muskegon this summer. Great idea."

- Bill Vandervelde, Oakridge GC, Muskegon, MI

"I'm excited to help the team spread Golfer throughout the north-Midwest. The pace of play and food and beverage delivery features could really help a course's bottom line."

- Chris Burns, Executive Director of First Tee, Wisconsin.

"Golfers and the golf course managers will love this new App... A golf course concierge service, which will deliver; what I want, when I want it and where I want it on the golf course. GOLFLER.com delivers food, drinks, extra balls, statistics, GPS yardage, a quicker pace of play, increased revenues and most important a happier repeat customer. I can't wait to learn more about all the additional features & benefits the GOLFLER.com App has to offer and will continue to add."

- Marcus Blake- Golf Industry Consultant- Scottsdale, AZ & Denver, CO



COMPETITION COMPARISON/APPLICATION FEATURES

COMPETITION	Distance & Scorecard	Weather	Pick-Up	Delivery	Messaging	Process Credit Cards	Comparative Analytics	Pace of Play	High costs / long wait
Gallus Golf	✓	✓	✓					✓	✓
Slick Greens	✓	✓	✓					✓	✓
Scan4Beer				Bev Only		✓			✓
BevNow	✓			Bev Only		✓			✓
Pacesetter	✓	✓	✓			✓		✓	✓
SmartCart	✓		✓			✓			✓
TagMarshal	✓							✓	✓
Digital Caddies	✓		✓		✓	✓			✓
<i>golfler</i>	✓	✓	✓	Food, Bev, Gear	✓	✓	✓	✓	No upfront fees/9% commission