

PLAY IMPOSSIBLE

Company: Play Impossible Corporation

Market: Connected Toys and Sports Equipment

Product: A multi-sport, mobile device-connected athletic ball

Founders: Brian Monnin, Gadi Amit, Kevin Langdon

Company highlights:

- Over \$725,000 raised in total financing since inception, with Two Sigma Ventures leading the company's Seed Round.
- Financial backing from Ben Franklin Technology Partners in the form of a \$138,095 secured loan.
- Partnership with Baden Sports for manufacturing, shipping, inventory management, and distribution through popular outlets.
- By 2020, smart sports equipment is expected to account for around 7.5% of total sports equipment sales, or approximately \$6.2 billion, up from 2.9% in 2015.ⁱ

COMPANY SUMMARY

In early 2016, Play Impossible Corporation ("Play Impossible" or the "Company") began product development on a "smart ball" technology that enhances active play for sports and fun games. The "smart ball" technology adds sensors with wireless connectivity to athletic balls, which better equips players to learn and take their skills to new levels. The Company's first product, the Play Impossible Gameball™ (the "Gameball"), has already completed two full prototype phases, and is expected to be ready for mass production by the end of 2016.

Product

The Play Impossible Gameball™ is a multi-sport, mobile device-connected ball designed for indoor and outdoor recreational activities. Designed for children 5 to 15 years of age, the Gameball will connect via Bluetooth to an Android or iOS mobile application (the "App") that features fun and interactive games. The 10-inch inflatable Gameball is made of high-quality microfiber and contains sensors, a microcontroller, Bluetooth radio, and an ultracapacitor. The Company is also developing a patented Rapid Charging Stick that the Company expects will be able to fully charge the Gameball in less than 30 seconds and provide up to 90 minutes of play time.



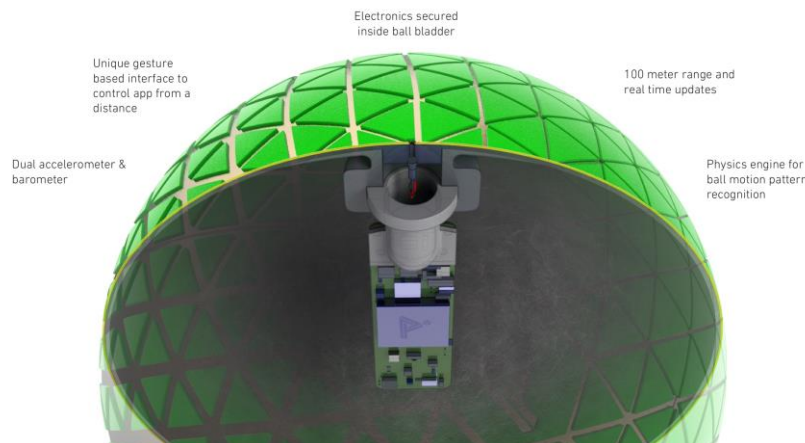
The App will feature a series of free games that utilize the Gameball embedded technology. Additional games will also be available for purchase via the App.



Technology Platform

The Play Impossible technology platform visualizes ball motion data that we believe can be used to enhance performance and entertainment for all players. It consists of embedded sensors that can be integrated with any Bluetooth-enabled athletic ball, along with a physics engine and API, motion tracking software, hosted data services, and both mobile and desktop client applications. Play Impossible has filed three patents-pending on the intellectual property that power its technology platform.

- **Electronics and rapid charging:** The Play Impossible sensor system precisely records force, vector, spin, height, and distance in ball movement. It includes firmware, a custom printed circuit board (PCB) with altimeter, dual accelerometer, magnetometer, low-energy Bluetooth, microprocessor, and rapid-charging power source. It has a custom fitted case and setting for manufacturing and post-production durability.
- **Physics Engine and user experience interface:** The physics engine processes linear quadratic estimation data sets and ball flight-path information to help identify ball motion range and accuracy for each respective ball type movement. It also enables unique ball-based navigation of mobile application user interface.
- **Tracking Software:** The proprietary motion tracking software combines in-flight Gameball data with pixel analysis of video recordings captured through the Play Impossible mobile application.



Opportunity

Thanks to advances in micro-sensor electronics and Bluetooth connectivity, smart technology is starting to be integrated into all types of sports and recreational equipment. Utilizing digital technology in such a way helps promote and enhance physical activity, which is especially important to millennial parents seeking a healthier outdoor lifestyle for their kids. By using connected smart sports equipment or connected smart toys that allow kids to be physically active while still engaging with digital technology, companies are using the gamification of exercise to address a growing demand for smart toys that promote physical activity.

Go-to-Market Strategy:

Play Impossible's go-to-market strategy will be a blended effort including direct online sales, Amazon Launchpad, and brick-and-mortar retail distribution via partners Baden Sports.

- Baden Sports and Play Impossible have entered an end-to-end manufacturing and distribution agreement that includes:
 - Manufacturing, shipping, inventory management, and distribution
 - Brick-and-mortar retail distribution through popular outlets
- Amazon Launchpad has selected Play Impossible to participate in its invite-only marketing program
 - Amazon Launchpad is a program that makes it easy for startups to launch, market, and distribute their products to Amazon customers across the globe
 - Amazon Launchpad has worked with leading venture capital firms, startup accelerators, and crowd-funding platforms to help more than 500 startups launch over 750 products in the U.S., U.K., and China

Use of Proceeds and Product Roadmap

Funds will be used to hire key employees across disciplines (e.g. engineering) and to expand the Company's technology platform to a variety of active-play products.

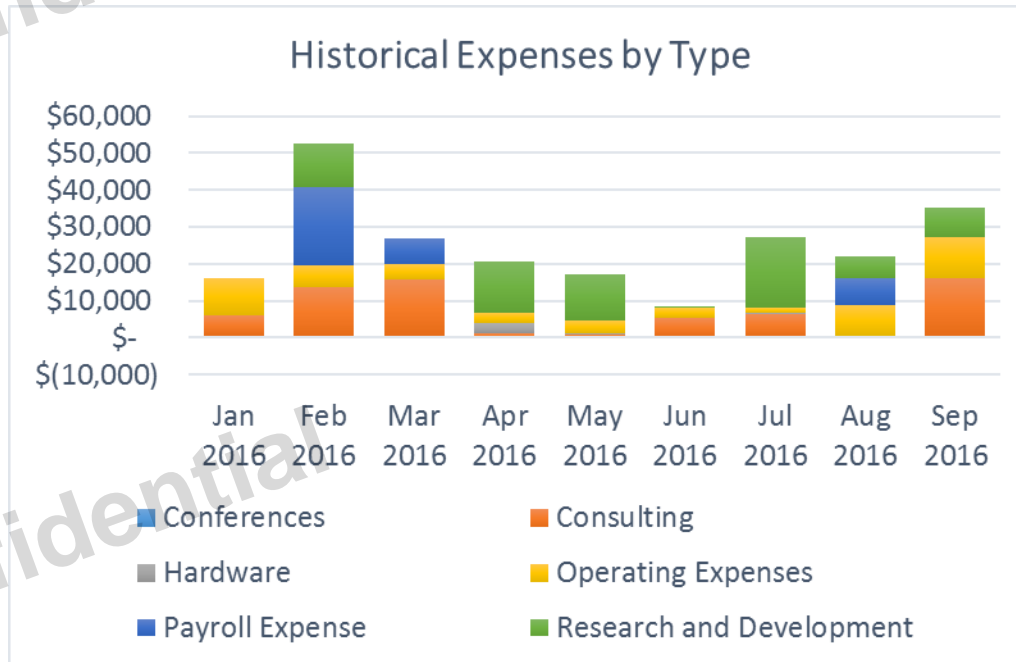
Play Impossible will create a final batch of prototype Gameballs prior to shifting to a mass manufactured production run in late 2016. Other future products, which will require additional funding, include The Play Impossible Disc (i.e. Frisbee), which is in early stages of development with Bucknell University, and a recreational smart basketball with Baden Sports. The basketball will include its own Android and iOS mobile applications focused on training drills and games.

Business Model

The Play Impossible Gameball will target a Manufacturer's Suggested Retail Price (MSRP) of \$99.99. The Rapid Charging Stick will be included in the purchase of the Gameball and replacement chargers will be available for \$9.99. In-app game purchases will range from \$1.99 to \$3.99.

The Gameball is expected to last 18 to 24 months of regular wear and tear (e.g. bouncing, throwing, and kicking) before needing to be replaced. The Company plans to explore loyalty programs and subscription models in the first 18 months after product launch to determine if consumers would benefit from such offerings. Other future features include a premium game subscription, ball upgrades, and Bluetooth-connected accessories planned for Q4 2018.

Play Impossible began developing its first product, the Gameball, in January 2016. Since then, total expenses have averaged roughly \$25,000 per month. As of September, over half of the Company's year-to-date expenses have been for consulting (\$64,772) and research and development (\$71,057).



Based on unaudited financials not subjected to financial review

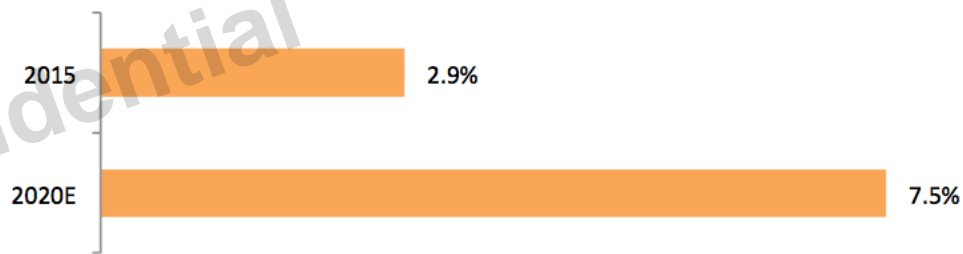
INDUSTRY AND MARKET ANALYSIS

Revenue for the U.S. toy industry grew 7.5% in the first half of 2016,ⁱⁱ and is projected to reach nearly \$21 billion for the 2016 calendar year.ⁱⁱⁱ The outdoor & sports toys category was the largest revenue source, generating \$1.7 billion during the first half of 2016 and accounting for 32% of the toy industry's year-to-date growth.^{iv} Millennial parents who seek a healthier, outdoor lifestyle for their kids are notable contributors to this growing revenue stream.^v Companies are addressing the healthy living trend through the gamification of exercise, which uses connected smart sports equipment or connected smart toys that allow kids to be physically active while still engaging with digital technology.

Smart sports equipment enable users to monitor, track, analyze, and improve their athletic and fitness performance. The total sports equipment market is expected to grow by 3% from 2016 to 2020, to \$83 billion. By 2020, smart sports equipment is expected to account for around 7.5% of total sports equipment sales, or approximately \$6.2 billion, up from 2.9% in 2015.^{vi}

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Figure 2. Global Smart Sports Equipment Sales as % of Total Sports Equipment Sales

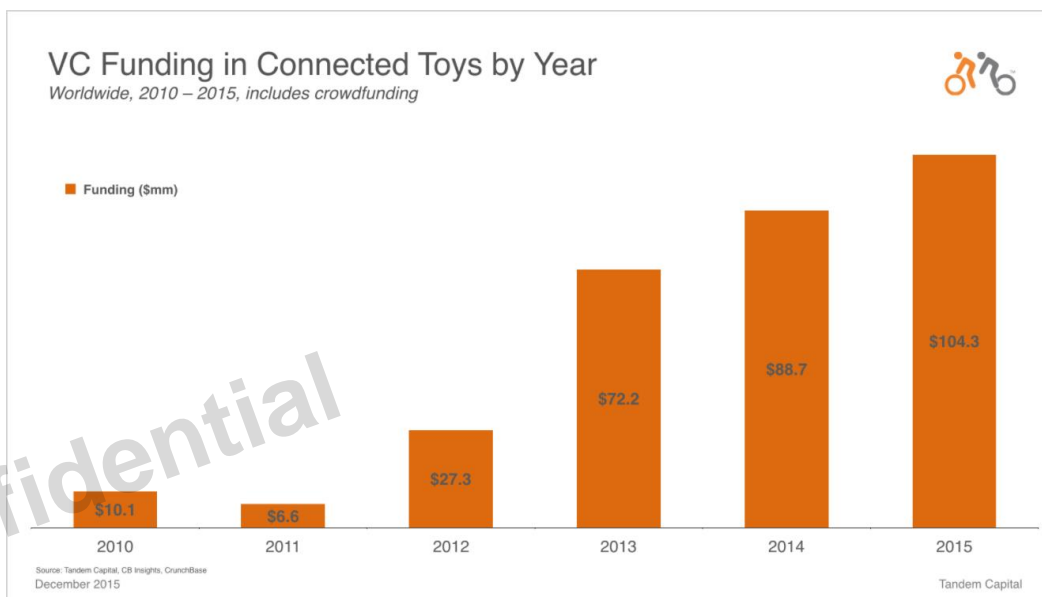


Smart sports equipment includes sports coaching platforms and connected fitness trackers.

Source: WinterGreen Research/Parks Associates/Technavio/Fung Global Retail & Technology

Connected smart toys blend virtual and physical gameplay to give players an interactive gaming experience. Smart toys typically consist of an application interface such as a video game and devices or other tangible objects that interact with the virtual game or interface. Today, children expect their toys to be interactive, adaptable, and even programmable, and 65% of parents are willing to pay more for these smart toys versus traditional toys.^{vii} Revenue from the smart toys industry is expected to grow from \$5.6 billion in 2016 to \$9.5 billion in 2020.^{viii}

Since 2010, the amount of venture capital investment in connected smart toys has totaled over \$300 million. More than one-third of that capital, \$104.3 million, was invested in 2015, representing an 18% increase from 2014.^{ix}



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Hackaball: Hackaball is a smart-technology enabled ball that children can program to invent and play games. The Hackaball has sensors that detect motions like being dropped, bounced, kicked, or shaken. It includes an accelerometer, vibration motor, 9 LEDs, rechargeable battery, memory card to store custom sounds, and a speaker. Children will be able to “hack” the ball using an iOS or OS X application that enables them to change the behavior of the ball. Through the app, a user can program the ball by creating if-then rules. For example, if the ball is dropped, then it turns red, or if the ball hits something, then it will make a noise. The toy was created through a partnership between the design agencies MAP and Made By Many. The product launched through Kickstarter in 2015, where it raised over \$200,000.^x Pre-orders are expected to be shipped to backers in November 2016.^{xi}

Wilson X: Launched in September 2015, the Wilson X Connected Basketball lets individual users track shots and tally stats using the Bluetooth-connected Wilson X mobile app available for iOS and Android mobile devices.^{xii} The Connected Basketball, which retails for \$200, comes with a non-rechargeable battery that last for about 100,000 measured shots. The free mobile app features four training games: “Free Range”, which tracks shots made and the distance from which they were taken, “Free Throw”, “Buzzer Beater”, and “Gametime”, which simulates a real game situation against a virtual opponent. In September 2016, the Wilson X Connected Football was released. It also retails for \$200, and measures distance thrown, speed, spiral efficiency, catches, and drops.^{xiii}

Adidas miCoach Smart Ball: The Adidas miCoach Smart Ball is a soccer ball that features an integrated sensor capable of detecting speed, spin, strike, and flight path data. The information is uploaded into the miCoach mobile app, compatible with iOS and Android devices, through Bluetooth connectivity. The soccer ball lasts approximately 2,000 kicks, or one week, before needing to recharge. Charging takes approximately one hour, and the product package includes a charging base and AC power plug. The mobile app includes additional features such as a library of instructional videos with drills, coaching tips, and guidance to help improve ball touch and handling. The miCoach soccer ball retails for \$200.^{xiv}

Russell Brands: Russell Brands is the maker of Spalding basketballs, the official basketball of the NBA. Info Motion Sports Technologies, the maker of the 94Fifty Smart Basketball, filed for bankruptcy on March 1, 2016, and was subject to a \$1.5 million bid from Russell Brands for the rights to the 94Fifty name and technology. The 94Fifty smart basketball wirelessly connects to a mobile app that graphically displays a range of metrics, including shooting arc, shot release speed, backspin, dribbling intensity, shots made, and the distance from which shots were taken. Before filing for bankruptcy, the 94Fifty basketball retailed for \$200. Russell Brands also has a partnership through their Spalding brand with wearable device tracking company ShotTracker.^{xv}

EXECUTIVE TEAM



Brian Monnin, Co-Founder and CEO: Prior to founding Play Impossible, Brian was the Director & Head of Interactive Media for Intel Media's OnCue TV service, which was sold to Verizon in 2014. In 2009, he founded the app publishing company Daily Interactive Networks that achieved four Apple iTunes “New & Noteworthy” titles. Before that, Brian was CEO and co-founder of MetaStories, a rich media editing platform used by Discovery Channel, MSN, Yahoo!, USATODAY.com, Scripps Networks, and National Geographic. Brightcove acquired MetaStories in 2006, where Brian worked as VP of Publishing Products until 2008. Brian has a B.A. degree in History from Brown University.



Gadi Amit, Co-Founder and Chief Product Designer: Gadi is the owner and principal designer of the product design firm New Deal Design (NDD). NDD has a minority equity stake in Play Impossible and provides a permanent product design resource. Gadi's company has worked with clients such as Fitbit, Better Place, Sling Media, Palm, Dell, Microsoft, and Fujitsu, and has won more than 70 design awards. Gadi oversees a team of over 40 employees at NDD in his San Francisco-based office. In 1989, Gadi graduated with a degree in Industrial Design from the Bezalel Academy of Art and Design in Israel.



Kevin Langdon, Co-Founder and CTO: Kevin has designed and deployed video systems for Comcast, Miramax, and Brightcove, among other companies. Prior to co-founding Play Impossible, he was CTO at AirCare Labs, where he integrated healthcare wearables and smart devices into existing EMR systems to help connect patients and clinicians. Kevin is an experienced entrepreneur, having created the "oobgolf" golf game tracking system that he sold to SkyGolf in 2009. He is based in Lewisburg, Pennsylvania where Play Impossible plans to center its R&D efforts. Kevin has a B.A. in Computer Science from Messiah College.

INVESTMENT TERMS

The Fund anticipates investing in the Company at the following terms:

Security Type: SAFE (Simple Agreement for Future Equity)

Round Size: \$500,000

Interest Rate: N/A

Length of Term: N/A

Conversion Provisions: In connection with an equity financing of at least \$1,000,000, the Company has the option to convert the SAFE into shares of a series of non-voting preferred stock, at a discount of 20% of the price per share of the new preferred stock sold in the equity financing or a valuation cap of \$4,500,000, whichever results in a lower conversion price. Please refer to the Form of SAFE for a complete description of the terms of the SAFE, including the conversion provisions.

PRESS

Lehigh Valley Business: ['Idol' winner blends virtual and physical play with 'Gameball™'](#)

Fast Code Design: [Silicon Valley Reinvents the Ball](#)

PERKS

\$500+ Play Impossible T-shirt and invitation to our ideas team website where you can give us your company and product ideas directly each month.

\$1,000+ Get a limited edition Play Impossible Gameball and Rapid Charger plus \$500 level perk

\$2,000+ Join our early game designer and play-test team. You'll receive Gameball, Rapid Charger and access to a developer app to help us create the next generation of physical-digital games plus the \$500 level perk

\$5,000+ Get access to early product updates, a sneak peak at our forthcoming connected accessories and a two-ball Play Impossible Gameball bundle including Rapid Charger. You can also join our early game designer and play-test team and gain access to a developer app to help us create the next generation of physical-digital games plus the \$500 level perk

\$10,000+ Get 15% lifetime discount on playimpossible.com. Have a private play and game development session with the Play Impossible founders and special guests in SF, Seattle or NYC area. Dates and final location to follow after crowd funding campaign ends. Plus \$5000 level perks

\$25,000+ Invitation to annual active play retreat and strategy session with Play Impossible leadership team. Plus \$10,000 level perks

RISK FACTORS

THE SECURITIES OFFERED INVOLVE A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF YOUR ENTIRE INVESTMENT. ANY PERSON CONSIDERING THE PURCHASE OF THESE SECURITIES SHOULD BE AWARE OF THESE AND OTHER FACTORS SET FORTH IN THE COMPANY'S FORM C OFFERING STATEMENT AND SHOULD CONSULT WITH HIS OR HER LEGAL, TAX AND FINANCIAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN THE SECURITIES. THE SECURITIES SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD TO LOSE ALL OF THEIR INVESTMENT.

The risks associated with our company include the following. Potential inability to attract, recruit and retain and develop necessary personnel, high level of competition, government regulation of use of individually identifiable data and issues relating to loss or theft of customer data, potential for security breaches and disruptions, the company's success depends on board and executive officers who may leave the employ of the company, the capital being raised is not enough to sustain the company's current business plan, lack of key man life insurance on executives and other key personnel, lack of audited financial statements, risks associated with properly calculating the company's tax liability, the fact that the company is not subject to Sarbanes-Oxley regulations and related controls and safeguards required of public companies, changes in employment laws or regulation could harm the company's performance, fluctuations in customer mix could impact financial performance, potential fluctuation of operating results, need to attract qualified customer service and technical support personnel, effect of cyclical, volatility or extended downturn in the United States or worldwide economy, ability to stay ahead of rapid technological change and dependence on new product development, failure to obtain new clients or renew existing clients on favorable terms, reliance on subcontractors, potential impact of military actions, global terrorism, natural disasters and potential political unrest.

The risks associated with the securities the company is offering include the following. Restricted nature of the securities and lack of liquidity, the fact that the offering is not registered under federal or state securities laws, there is no guarantee of return on an investor's investment, the majority of the company owned by a small number of owners, the company's ability to extend the offering deadline, potential dilution of your ownership interest in the company, the fact that the security is an equity security and not a debt security, and the potential that the warrants may expire worthless.

ⁱ <https://www.fbicgroup.com/sites/default/files/Smart%20Sports%20Equipment%20by%20Fung%20Global%20Retail%20Tech%20June%202014%202016.pdf>

ⁱⁱ <https://www.npd.com/wps/portal/npd/us/news/press-releases/2016/us-toy-industry-mid-year-sales-grow-over-7-percent-tracking-ahead-of-2015-growth-rates-the-npd-group-reports/>

ⁱⁱⁱ <http://www.cnbc.com/2016/07/25/toy-industry-in-position-for-biggest-growth-since-1999.html>

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- iv <http://www.licensemag.com/license-global/us-mid-year-toy-sales-increase>
- v [http://www.toyassociation.org/PressRoom2/News/2016_News/NPD_Forecasts_6.5_Percent_Growth_for_U.S. Toy Industry in 2016.aspx#.WBzoG-ErLdR](http://www.toyassociation.org/PressRoom2/News/2016_News/NPD_Forecasts_6.5_Percent_Growth_for_U.S._Toy_Industry_in_2016.aspx#.WBzoG-ErLdR)
- vi <https://www.fbicgroup.com/sites/default/files/Smart%20Sports%20Equipment%20by%20Fung%20Global%20Retail%20Tech%20June%2014%202016.pdf>
- vii <http://digitalkidscon.com/2016/02/15/parents-willing-to-spend-big-money-on-connected-toys-for-their-kids/>
- viii <https://www-statista-com.ezproxy.lib.utexas.edu/statistics/320941/smart-toys-revenue/>
- ix <https://techcrunch.com/2016/02/15/the-serious-business-of-play/>
- x <https://www.kickstarter.com/projects/hackaball/hackaball-a-programmable-ball-for-active-and-creat>
- xi <https://www.kickstarter.com/projects/hackaball/hackaball-a-programmable-ball-for-active-and-creat/posts/1706271>
- xii <https://www.engadget.com/2015/11/03/wilson-x-connected-basketball/>
- xiii <https://www.engadget.com/2016/08/08/wilson-x-connected-football-pre-order/>
- xiv <http://www.adidas.com/us/micoach-smart-ball/G83963.html>
- xv <http://www.si.com/tech-media/2016/06/24/russell-94fifty-smart-basketball-nba>

Confidential

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