



MICROVENTURES

ROW VIGOR

Company: ROW ViGOR

Market: Fitness Technology

Product: Interactive fitness app that syncs with existing equipment

Company Highlights

- Developed proprietary tool to deliver experiential workouts to Bluetooth compatible fitness machines
- Launched their first online live rowing class in May 2018
- Grew its user base 86% year-over-year in 2017
- Member of Capital Innovators' Accelerator Spring 2017 class and the Nex3 Accelerate Program in Fall 2018

PERKS

\$100: Cell phone cradle that can be placed on top of a rowing machine and ROW ViGOR branded headphones

\$250: Cell phone cradle and a ROW ViGOR shirt of your choosing

\$500: Swag bag that includes a ROW ViGOR branded bag, pen, cradle, shirt, and pint glass

\$1,000: ROW ViGOR swag bag and six-week workout program personally tailored for you by Coach Fola

\$5,000: ROW ViGOR swag bag and an Apple TV that you can pair with your ROW ViGOR app to stream the workout program developed for you by Coach Fola.

\$10,000: Be a rowing participant of one of ROW ViGOR's live classes with Coach Fola and ROW ViGOR swag bag

\$15,000: Personal training class – Coach Fola will come to your house and give you and five of your friends a personal class and ROW ViGOR swag bag

**You are investing in a Crowd Note in this offering. Perks are meant to be a thank you from the company for investing. The perks above are NOT INCLUSIVE of lower dollar amount perks. Travel and related expenses are not included unless otherwise stated. Shipping, where applicable, is included for domestic and international addresses.*



Opportunity

The U.S. exercise and fitness product market was worth nearly \$5.2 billion in 2017ⁱ with rowing machine sales growing about 48% from 2010-2017.ⁱⁱ Many consumers are seeing the benefits of rowing over other forms of exercise due to its low impact nature and the cardiovascular benefits it provides.ⁱⁱⁱ To help guide their fitness routines, smartphone users have turned to health and fitness apps to receive instruction, track workout data, and connect with other fitness-minded people. These apps have grown significantly in the last three years with consumers enjoying the accessibility that apps provide^{iv}; however, in 2017 only 6% of fitness operators offered virtual on-demand and streaming personal training, coaching, and instruction for their members.^v

In the wake of these trends, ROW ViGOR has developed a mobile rowing fitness-based application that makes rowing workouts more accessible and personalized. Users have access to a selection of instructor-led, archived, and live workout classes that combine rowing with other exercises like yoga and kettlebells. The app also allows users to track workout data and connect with other app users for workouts or friendly rowing competitions. ROW ViGOR's goal is to provide the masses with an easy-to-use, connected digital fitness experience compatible with any rowing machine type. In the future, the company plans to expand this offering to pair with other fitness equipment types like treadmills, ellipticals, and stationary bikes.

Product

ROW ViGOR has built a digital rowing fitness experience through its mobile application. The ROW ViGOR app is currently designed for use with the best-selling rower in the world^{vi}, the Concept 2 rowing machine. Using Bluetooth, users are able to pair their rowing machine with the ROW ViGOR app to begin an instructed rowing workout. Classes combine rowing with other exercises like kettlebells, body weight movements, or band exercises.

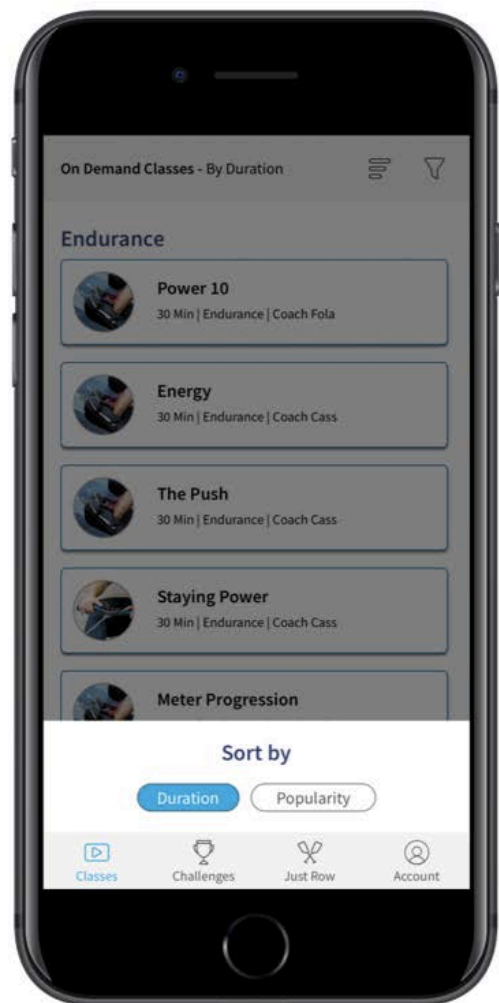
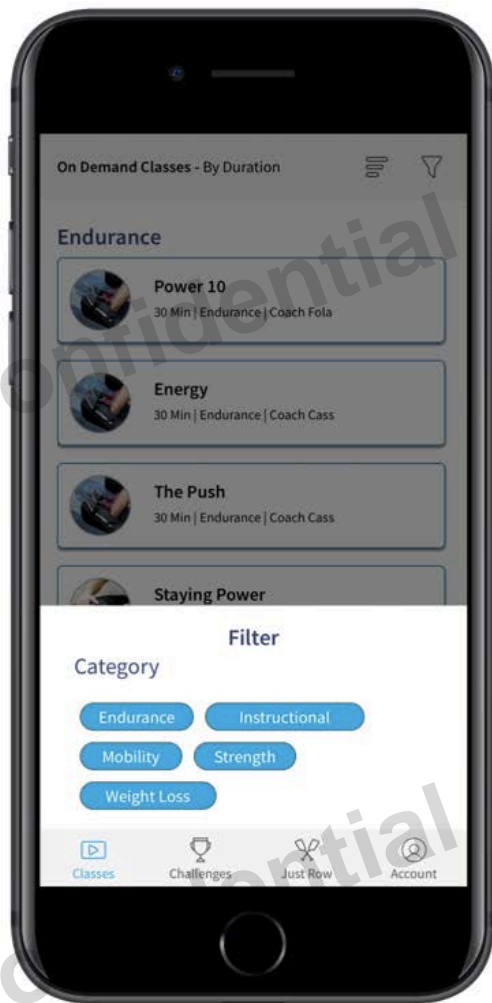




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Live and Archived Classes

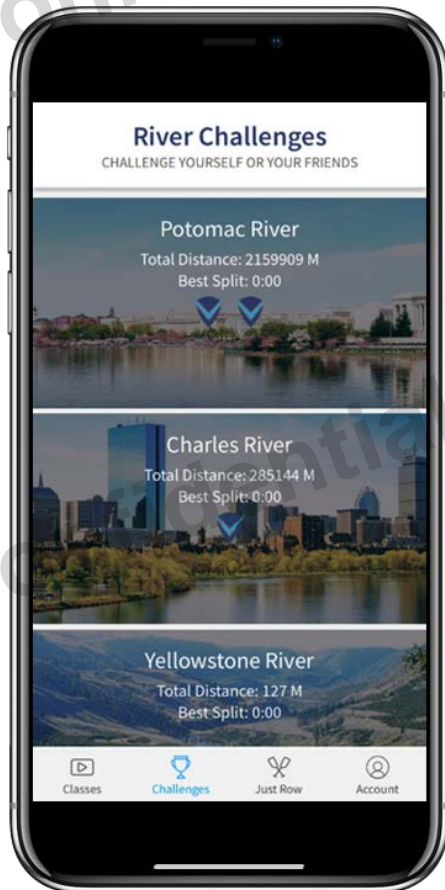
ROW ViGOR users have the ability to take a variety of instructed rowing workout classes. The company provides access to classes via a live in-app stream that happens periodically throughout the day, where a rowing coach provides instruction and motivation throughout the workout and can track users progress during the session. Users also have access to archived classes, so they can work out on their own schedule. Class type varies based on skill level, technique, power, and duration.





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User Network



ROW ViGOR users are also able to connect with other rowers on the app. Users are able to row together and compete against one another in races and other fitness games. These races will vary in length, time, and difficulty and take place at virtual venues such as the Potomac River, Charles River, or Yellowstone River.

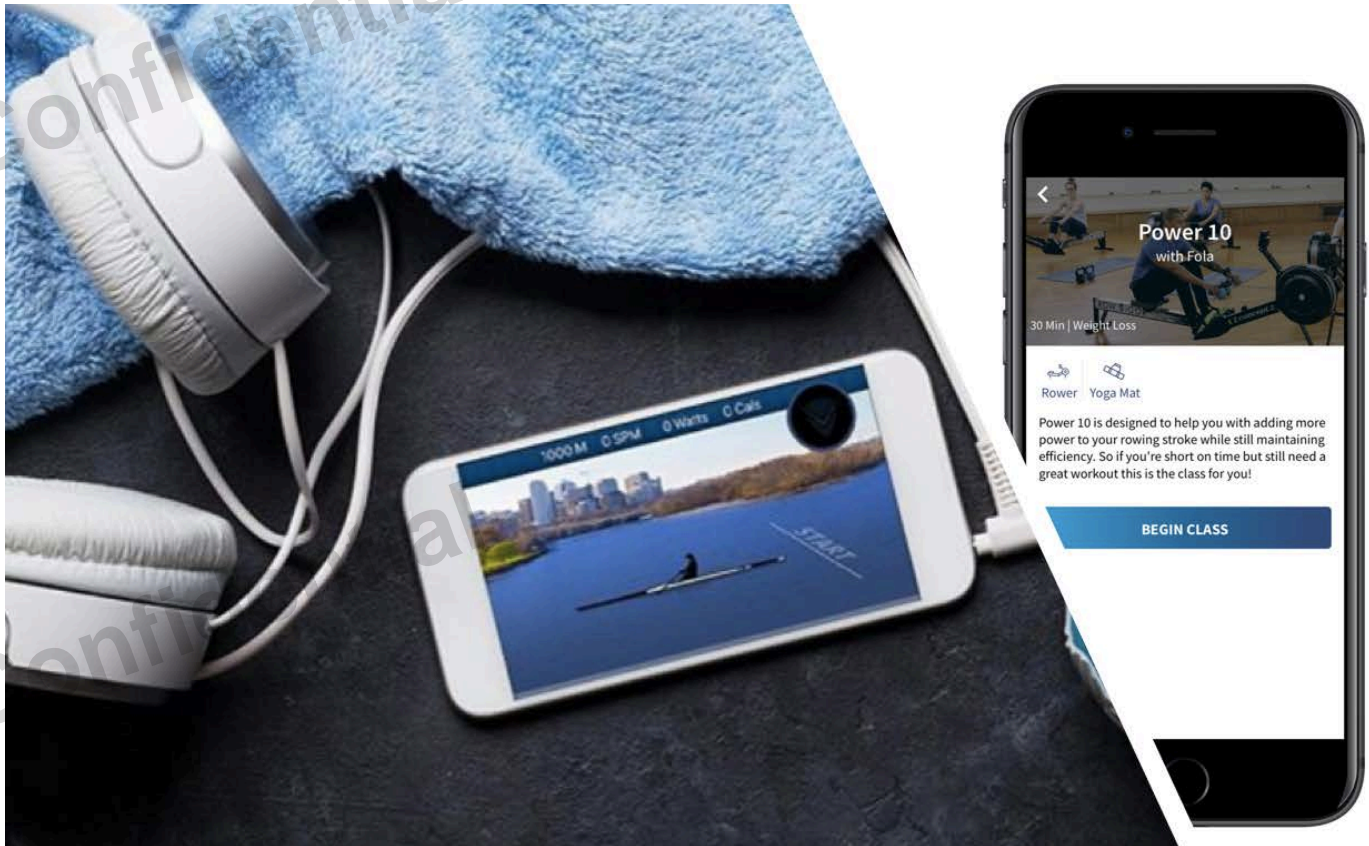
User Data

ROW ViGOR app users are able to track real-time fitness goals and progress directly in the app. Rowers are able to see previous classes they've taken, races they've competed in, and workout data including time, distance, and intensity, among other things.

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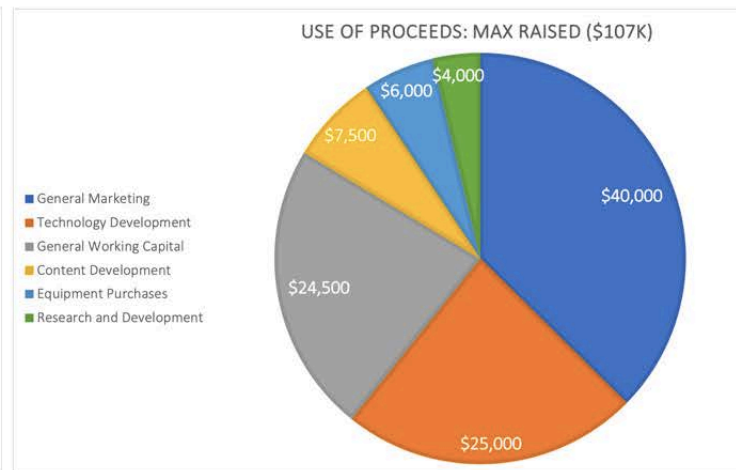
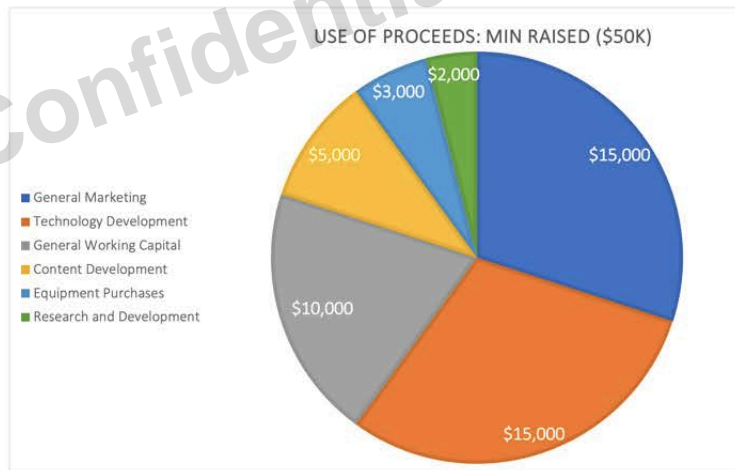
Use of Proceeds and Product Roadmap

ROW ViGOR intends to allocate funds across six different functions including: general marketing, research and development, equipment purchases, general working capital, technology development, and content development. ROW ViGOR plans on using the majority of the funds from this raise towards general marketing, working capital, and technology development.

ROW ViGOR's marketing efforts will focus on social media, targeted messaging, and strategic sponsorships. The company is looking to build a network of partner gyms as a channel for current and future sales. In these partnerships, ROW ViGOR will offer gyms free clinics and content to introduce members to rowing based fitness in return for the gym promoting ROW ViGOR to its gym members. The company plans to use the working capital to develop their marketing and software development team, as well as legal, accounting, and other professional services. ROW ViGOR's technology development will focus on continued software enhancements including the development of an Android mobile application. ROW ViGOR plans to expand their software offerings to include other fitness equipment, like treadmills, stationary bikes, and ellipticals, among other machines. The company has the ability to alter the use of proceeds at its discretion.



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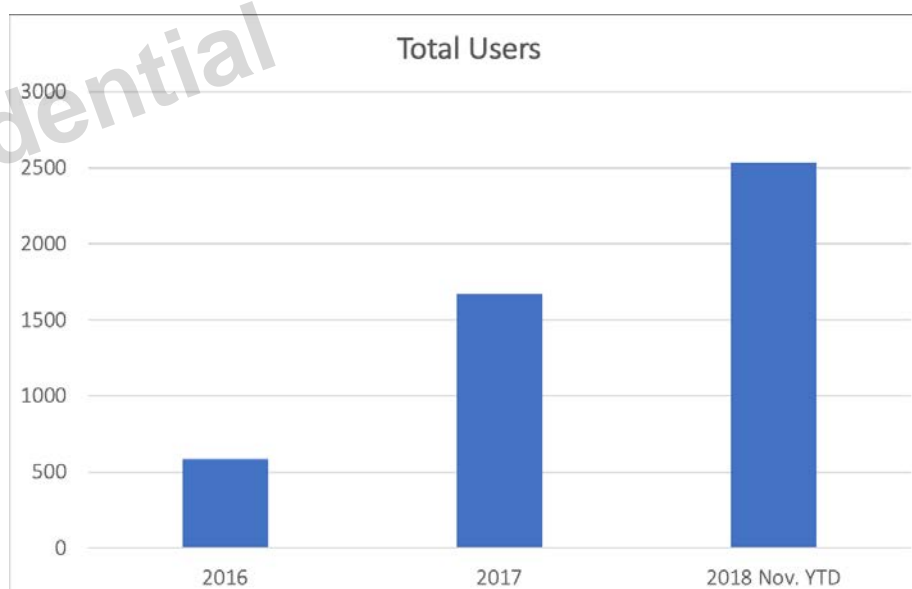
Business Model

ROW ViGOR anticipates generating revenue through a subscription fee and in-app purchases.

1. **Subscription Fee:** ROW ViGOR plans to charge users a monthly subscription fee for the use of the mobile application.
2. **In-App Purchases:** ROW ViGOR will sell gear and equipment, additional content, and personalized fitness classes through its app.

USER TRACTION

ROW ViGOR has experienced significant new user growth since 2016. As of November 28, 2018, ROW ViGOR had 2,531 users. Through November, ROW ViGOR gained 860 new users in 2018. In 2017, the company had 1,088 new users, which represented an 86% year-over-year user growth from 2016, when the company had 584 new users. ROW ViGOR has users throughout North America, Australia, Asia, and Europe.





HISTORICAL FINANCIALS

ROW ViGOR started as a brick-and-mortar rowing fitness studio outside of Washington, D.C. before transitioning into a virtual fitness company that offers fitness classes through its mobile app. ROW ViGOR completely exited the brick-and-mortar studio business in Q2 2017 and has been focused on growing the user base on its mobile application. As a result, year-to-date in 2018, the company has generated virtually no revenue.

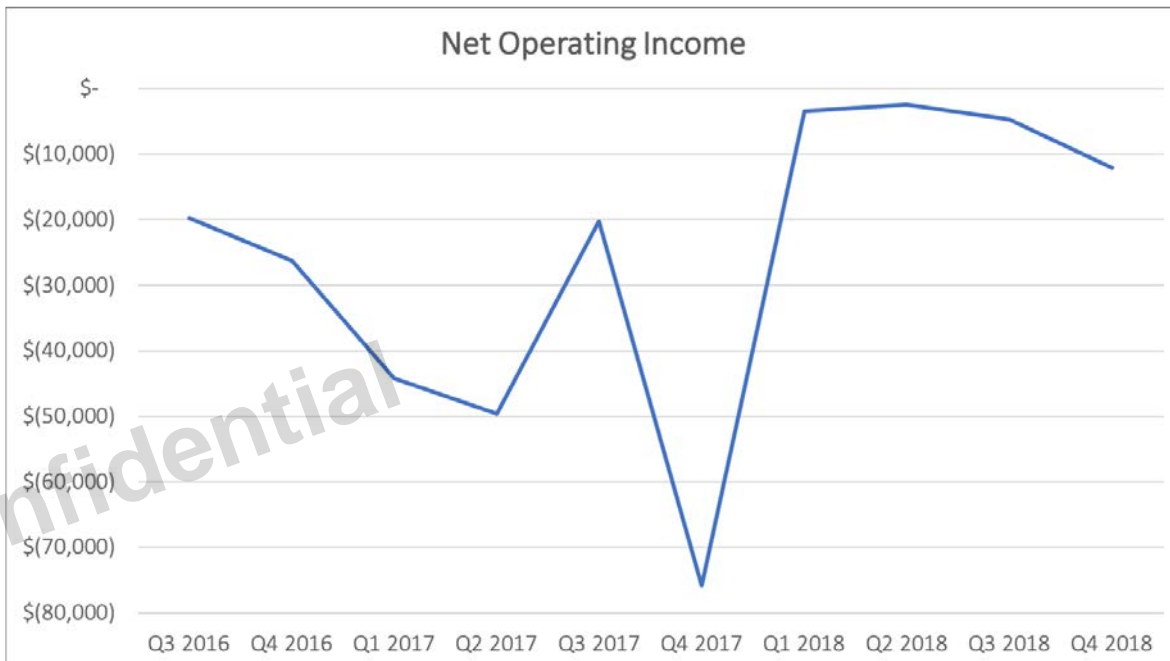
Year-to-date through November 2018, ROW ViGOR has incurred \$23,042 in total expenses. Cost of goods sold, which includes content production costs, was the largest expense in 2018, accounting for over 30% of total expenses. In 2017, the company incurred \$207,842 in total expenses for the year, up from \$57,165 in 2016.



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Year-to-date through November 2018, ROW ViGOR has generated a net operating loss of \$22,738. In 2017, ROW ViGOR generated a net operating loss of \$189,945. In 2016, the company generated a net operating loss of \$45,943.



INDUSTRY AND MARKET ANALYSIS

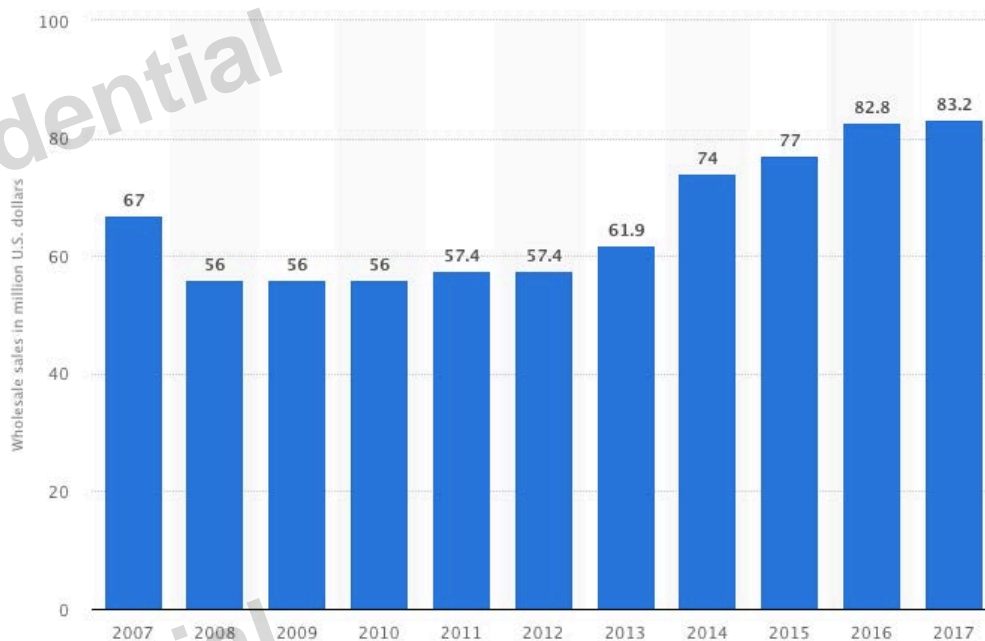
In 2017, U.S. fitness centers had total revenues of just over \$30 billion with more than 30,000 membership-based exercise facilities throughout the country.^{vii} Among these facilities, there were about 61 million members in 2017 compared to about 50 million members in 2010.^{viii} Approximately 52% of all gym members are doing either a DVD, gaming and/or online workout program. This number climbs to 70% for higher frequency gym attendees. In addition to exercising at an exercise facility, 82% of gym members and casual gym members also exercise at home.^{ix}

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One option for consumers when exercising at home is to purchase equipment for personal use. The U.S. fitness equipment market was valued at \$3.6 billion in 2016 and is projected to reach \$4.4 billion by 2024, growing at a compound annual growth rate (CAGR) of 2.5% from 2017 to 2024. The highest revenue generating segment of the market is cardiovascular equipment like rowing machines, treadmills, ellipticals, etc., which holds around 60% of the total market share. Further, cardiovascular equipment is forecasted to grow to 65% of the market by 2024.^x In 2017, wholesale sales within the consumer segment of rowing machines was \$83.2 million, about a 48% increase from 2010.^{xi}

Wholesale Sales (Consumer Segment) of Rowing Machines in the U.S from 2007 to 2017 (in million U.S dollars)



Data visualized by  + a b l e a u

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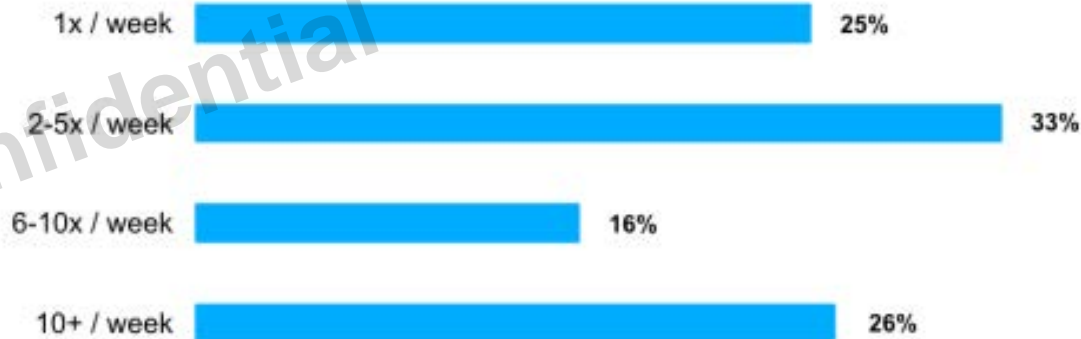
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The global fitness app market is anticipated to grow at a 23% CAGR from 2016 to 2023. This growth will be driven by higher awareness about the positive effects of health and fitness and also a high rate of smartphone usage. Market Research Future projects the size of the global fitness app market to reach nearly \$2 billion by 2023.^{xii} Health and fitness mobile applications have experienced significant user growth since 2014. According to Flurry Analytics, app usage grew by over 330% between 2014 and 2017. The retention rate among these users is high, with about 75% of active users opening their health and fitness app at least twice a week as of August 2017. Workout and weight loss apps accounted for 73% of all health and fitness app sessions in 2017, up from a 55% share in 2014.^{xiii}

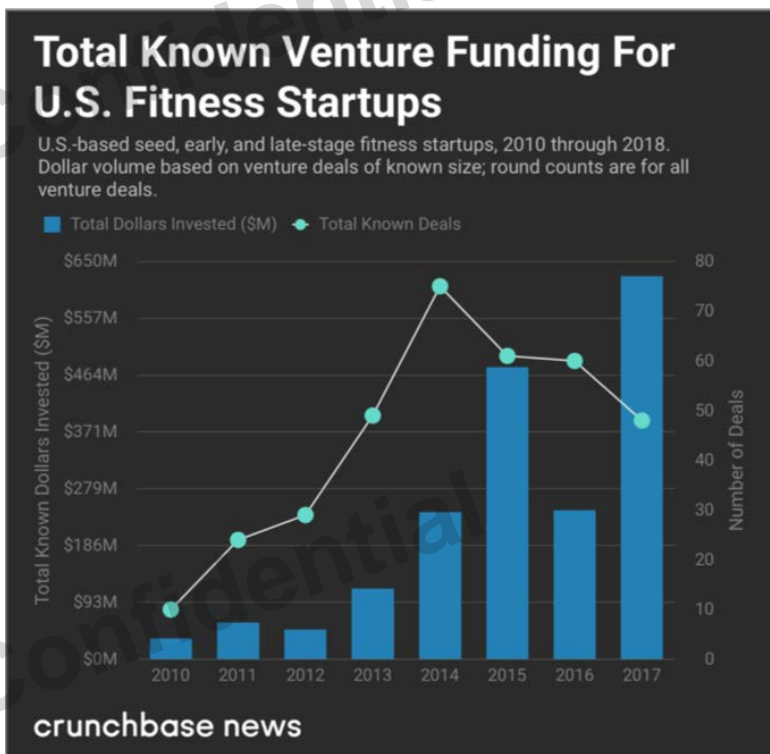
How Often Do People Use Health & Fitness Apps?

Average Weekly Session Frequency of Health & Fitness App Users



Source: Flurry Analytics, All Devices, 08/2017

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The number and size of venture deals in the fitness industry has grown significantly since 2010. In 2010, there were less than 10 known venture deals in the fitness industry totaling less than \$100 million in funding. In 2014, there were more than 70 venture deals totaling over \$200 million in funding. In 2017 there were more than 40 venture deals totaling over \$600 million in funding.^{xiv} In addition to venture funding, several private equity firms are also identifying investment opportunities in the fitness industry. TPG, one of the leading private equity firms, recently created a new company called Xponential Fitness to encompass its fitness investments.^{xv}

COMPETITORS

ROW ViGOR competes with a range of companies in the at-home exercise market, including companies that manufacture exercise equipment that offer technology-enabled instructional workouts such as Peloton and NordicTrack, as well as companies that offer varying levels of customized virtual rowing instruction like the following:

Aaptiv: Founded in 2015, Aaptiv provides digital health and wellness content to users through its mobile app. The company focuses on offering audio-based workout instruction and pairs exercises with specific musical inspiration that each user chooses at the outset of their workout. Users have unlimited access to 2,500 guided workouts, the community of Aaptiv users, and structured fitness programs.^{xvi} The company offers a wide variety of classes, including running, elliptical, strength training, yoga, rowing and more. The app costs \$14.99 per month, \$99.99 per year, and \$399.99 for a lifetime membership.^{xvii} In June 2018, Aaptiv raised a \$22 million Series C round that brought total funding raised close to \$52 million.^{xviii}

LiveRowing: Founded in 2014, LiveRowing is a mobile iOS rowing app and rowing machine monitor company. The company's app allows users to connect and compete with other users in real-time racing challenges and analyze workout data to track progress. Users are also sent a featured rowing workout of the day for guidance. The LiveRowing Connect costs \$45^{xix} and allows users to connect the LiveRowing app to the Concept2 Indoor Rower. When connected, the machine's monitor can compete against any other Concept2 Indoor Rower in the world.^{xx} LiveRowing's app is free to download^{xxi}, but the company also offers a premium option with additional user functionality through web analytics and workout information.^{xxii} Users are able to connect their LiveRowing accounts to Strava, a social network for athletes.^{xxiii}



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Row Lab: Row Lab is an online rowing studio that offers customers subscriptions for online rowing classes. Users are able to connect to Row Lab's online service via tablet, smartphone, or computer, and are able to use any type of rowing machine. Classes are led by an Olympic International Committee-certified rowing coach.^{xxiv} The subscription costs \$14.99 per month and includes two live classes per week, on-demand access to streaming workouts, a community of users, and a monthly diet plan.^{xxv}

Digital Rowing: Digital Rowing's RowPro software allows users to row online with other customers, offline by themselves, or at the pace of a guided RowPro workout through the software on their Windows or Mac computer. The software is designed exclusively for Concept2 Indoor Rowers and is used daily in over 40 countries.^{xxvi} For home users, the cost is \$8 per month for one user, \$10 per month for two users, and \$12 per month for families or small groups. Annual subscriptions start at \$99 for one person and go up to \$139 for two people and \$179 for families or small groups. The company also has pricing for school and gyms. Digital Rowing is also developing an iOS/Android mobile app.^{xxvii}

EXECUTIVE TEAM



Kevin Allen, Co-Founder and CEO: Kevin co-founded ROW ViGOR in 2016 after previous CEO experience at multiple technology startups. Prior to his startup experience, he worked in finance as a portfolio manager and Mergers and Acquisition's director. Kevin also spent time as a business development director at an energy company, where he led energy infrastructure deals in North America. Kevin graduated from University of Pennsylvania (Wharton) in 1995 with his bachelor's degree in Management and Marketing, where he was also a member of the football team. He received an MBA with a concentration in Mergers and Acquisitions from Emory University in 2000 where he was a Toigo Finance Fellow. Kevin also received his JD from University of Chicago in 2007 during which time he participated in the second season of the TV show 'The Apprentice', where he made it to the semifinal

round.



Fola Awosika, Co-Founder and VP of Fitness: Fola co-founded ROW ViGOR in 2016 after working multiple positions within the fitness industry. He has over 15 years of experience in fitness and worked as a Fitness Consultant, Personal Trainer, and Sales Director before joining ROW ViGOR. He has multiple fitness certifications, including a biomechanics specialty certification. Fola attended the University of Maryland at College Park and graduated with a degree in Kinesiology in 1995.



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Moses McCall, Co-Founder and Chief Architect: Moses joined ROW ViGOR in 2017 after serving as a software developer for a startup in the Washington, D.C. area. He has over 10 years of experience working at digital media, litigation, and energy companies. Moses also worked as a software engineer for the NASA Goddard Space Flight Center from 2001 to 2007. He graduated from Worcester Polytechnic Institute with his bachelor's degree in Electrical Engineering in 2002.



Brennan Mulligan, Head of Technology: Brennan joined ROW ViGOR in 2018 after working as a software engineer at Exegy, Inc., a provider of market data systems to major financial institutions. Prior to Exegy, Brennan worked for 13 years as a software developer and systems data analyst for BJC Healthcare, a health services provider in Missouri and Illinois. Brennan graduated from the University of Pennsylvania in 1996 with a degree in Economics.



Sarah April, Head of Business Development and General Counsel: Sarah joined the ROW ViGOR team in 2018. She also is the owner and founder of Kinetic Legal, where she works to support the health and wellness industry by providing legal advice to business owners and startups on a variety of issues including mitigating risk, managing intellectual property, and brand management. She has over eight years of law experience after receiving her JD from the University of Denver – Sturm College of Law in 2010. Sarah also graduated from the University of Idaho in 2005, where she was a member of the soccer team and received her degree in Public Relations.

INVESTMENT TERMS

Security Type: Crowd Note

Round Size: Min: \$50,000 Max: \$107,000

Valuation Cap: \$3,000,000

Discount Rate: 20%

Interest Rate: 4%

Conversion Provisions: In connection with equity financing of at least \$1,000,000, the Company has the option to convert the Crowd Note into shares of non-voting preferred stock (Conversion Shares) at a price based on the lower of (A) a 20% discount to the price paid per share for Preferred Stock by investors in the Qualified Equity Financing or (B) the price paid per share paid on a \$3 million valuation cap. Please refer to the Crowd Note for a complete description of the terms of the Crowd Note, including the conversion provisions.



Gimlet Media: [The Pitch, ROW VIGOR](#)

Washingtonian: [A Washington Gym is Hosting a *House of Cards*-Themed Rowing Class](#)

St. Louis Business Journal: [6 Startups Get Capital Innovators Investment](#)

Entrepreneur Quarterly: [Capital Innovators Announces Its Spring 2017 Accelerator Class](#)

The Washington Post: [Want a Full-Body Workout? The Machine You Need Has Been in Your Gym All Along](#)

ⁱ <https://www.clubindustry.com/news/us-fitness-product-sales-exceeded-52-billion-2017>

ⁱⁱ <https://www.statista.com/statistics/236145/us-wholesale-sales-of-rowing-machines-consumer-segment/>

ⁱⁱⁱ <https://aaptiv.com/magazine/benefits-of-the-rowing-machine>

^{iv} <https://flurrymobile.tumblr.com/post/165079311062/health-fitness-app-users-are-going-the-distance>

^v <https://www.club-intel.com/wp-content/uploads/2017-International-Fitness-Industry-Trend-Report-Whats-All-the-Rage.pdf>

^{vi} <https://www.rowingmachine-guide.com/concept2.html>

^{vii} <https://www.statista.com/statistics/236120/us-fitness-center-revenue/>

^{viii} <https://www.statista.com/statistics/236123/us-fitness-center--health-club-memberships/>

^{ix} <https://www.slideshare.net/Bryankorourke/nielsen-global-consumer-exercise-trends-survey-2014?ref=https://www.wellnesscreatives.com/fitness-industry-statistics-growth/>

^x <https://www.esticastresearch.com/press-release/united-states-fitness-equipment-market-forecast>

^{xi} <https://www.statista.com/statistics/236145/us-wholesale-sales-of-rowing-machines-consumer-segment/>

^{xii} <https://www.marketresearchfuture.com/reports/fitness-app-market-1405>

^{xiii} <https://flurrymobile.tumblr.com/post/165079311062/health-fitness-app-users-are-going-the-distance>

^{xiv} <https://news.crunchbase.com/news/fitness-startups-with-the-help-of-investors-go-for-gains/>

^{xv} <https://www.bloomberg.com/news/articles/2017-12-12/tpg-forms-new-company-to-capitalize-on-boutique-fitness-craze>

^{xvi} <https://aaptiv.com/how-it-works>

^{xvii} <https://itunes.apple.com/us/app/aaptiv-1-audio-fitness-app/id869058995?mt=8>

^{xviii} <https://techcrunch.com/2018/06/20/aaptiv-raises-22m-from-amazon-disney-and-more-for-its-netflix-for-fitness-now-valued-over-200m/>

^{xix} <https://liverowing.com/store>

^{xx} <https://www.fitness-gaming.com/news/fitness-and-sports/liverowing-app-connects-indoor-rowers-with-communities.html>

^{xxi} <https://liverowing.com/features/>

^{xxii} <https://liverowing.com/premium/>

^{xxiii} <https://blog.strava.com/liverowing/>

^{xxiv} <https://rowlab.co/>

^{xxv} <https://rowlab.co/sign-up/individual/>

^{xxvi} <https://www.digitalrowing.com/>

^{xxvii} <https://www.digitalrowing.com/Pricing/index.html>