



MICROVENTURES

Company: Fitpeak

Market: Fitness

Product: Fitness marketplace and business management software



Company Highlights

- A marketplace where clients can search and book active professionals and tools that help fitness trainers schedule and better manage their business
- Just launched a beta preview version for active professionals across the U.S. in November 2018
- More than 200 active professionals have signed up since September 2018
- Kevin Harrington, the original Shark on Shark Tank, has been brought on as an advisor

COMPANY SUMMARY

Opportunity

Today, the average American adult spends \$155 per month on health and fitness. However, only a fraction of this money spent goes to personal trainers (9%).ⁱ One of the problems is active professionals' lack of exposure to the general market. There is an absence of easily accessible marketplaces for consumers to meet active professionals. Part of this is due to the fact that active professionals have limited tools to better run and grow their business. Additionally, when clients do book a session, the transaction process is typically inefficient and not automated.

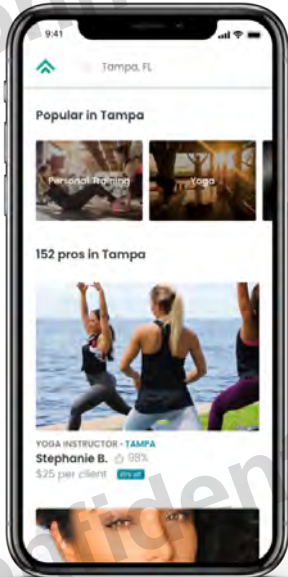
Founded in March 2018, Fitpeak is building a people-centric marketplace of active professionals through which clients can easily search and book a session almost instantly. For active professionals (Pros), Fitpeak will offer a back-end Pro Dashboard that provides them with a suite of tools to manage their business and automate payments.

Remainder of page intentionally left blank



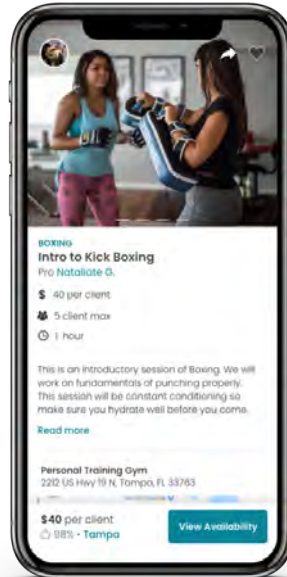
MICROVENTURES

Product



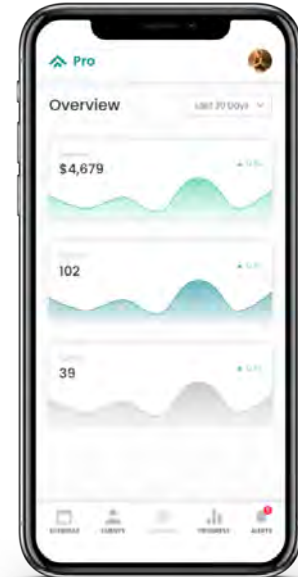
Marketplace

Users can browse through profiles of active professionals by location, specialization, and availability. Fitness categories range from personal training to tai chi to boxing to yoga and more.



Simple Booking

Users can learn about professionals through their profile and book them with just a few taps. Once they book a session, they can easily invite their friends by text or e-mail through the Fitpeak platform.



Pro Dashboard

Pros can easily invite clients to sessions, automate payments, and stay on top of their schedule – on any device.

Clients can search by popular categories



Dance



Boxing



Bootcamp



Yoga



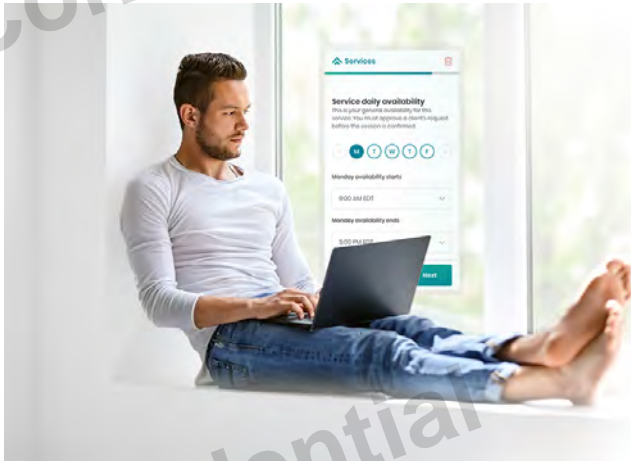
Personal Training



MICROVENTURES

Active Professionals

Confidential

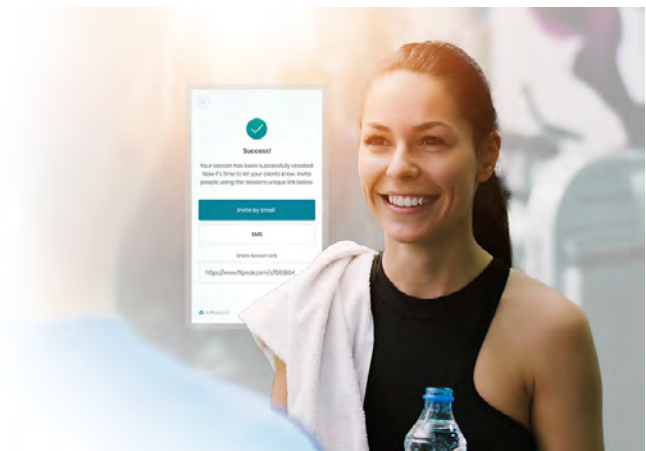


1. Set up a profile

To get started, Pros simply set up a free profile to become discoverable on the Fitpeak fitness marketplace. After a 30-day trial period, Pros will be charged on a monthly subscription basis to have a public profile and use the backend suite of tools to help run their business.

2. Meet new clients

Pros can get discovered by clients in their area. Pros set their own pricing, schedule, and can begin offering their services right away. Pros control their business and can accept or deny booking requests.



Confidential



3. Start getting paid

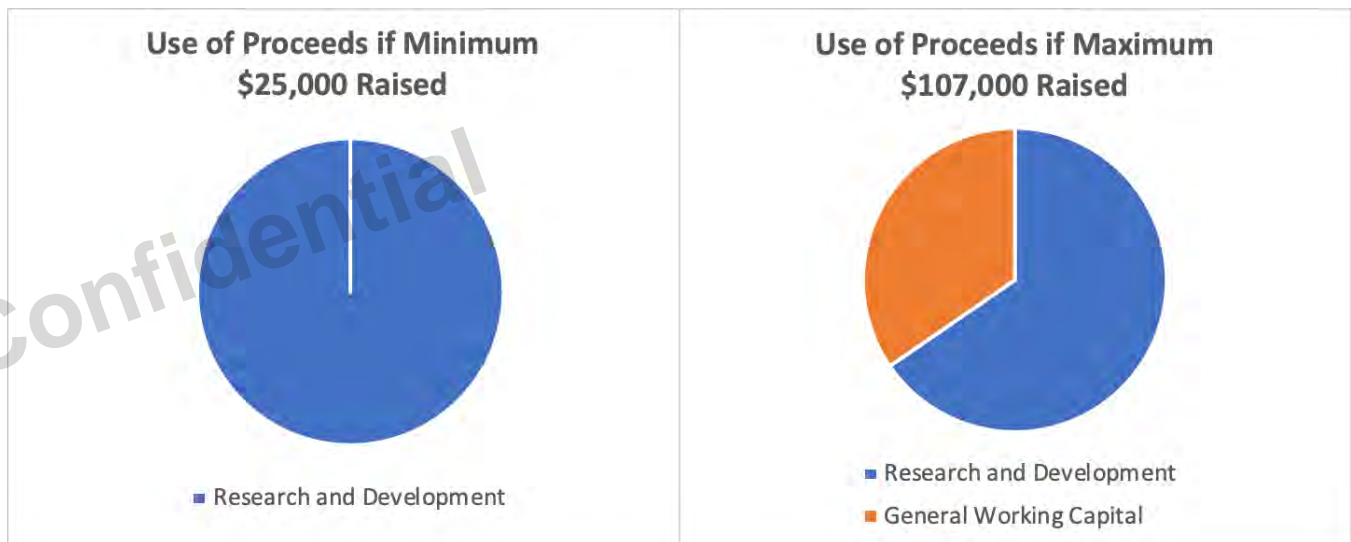
Once the Pro accepts a booking request, the client is automatically charged. This means the Pros won't have to deal with cash, checks, or cancellation headaches, and can focus on what they do best.



Use of Proceeds and Product Roadmap

If the minimum \$25,000 is raised, Fitpeak plans to use the proceeds on research and development to further improve its platform. If the maximum \$107,000 is raised, the company will use nearly two-thirds of the proceeds on research and development to develop the platform and the remaining proceeds will go to general working capital.

By the end of 2018, Fitpeak plans to launch a private and then public beta as well as complete development on the Pro Dashboard. The company plans to launch the first version of the Fitpeak platform in Q1 2019.

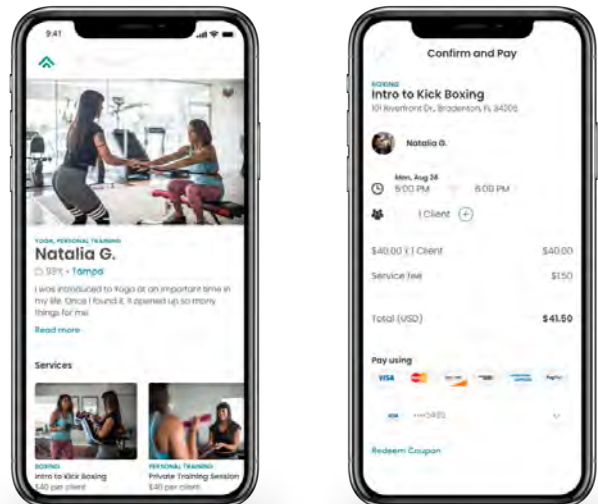


Business Model

Fitpeak will seek to generate revenue from the fees it charges to active professionals and consumers:

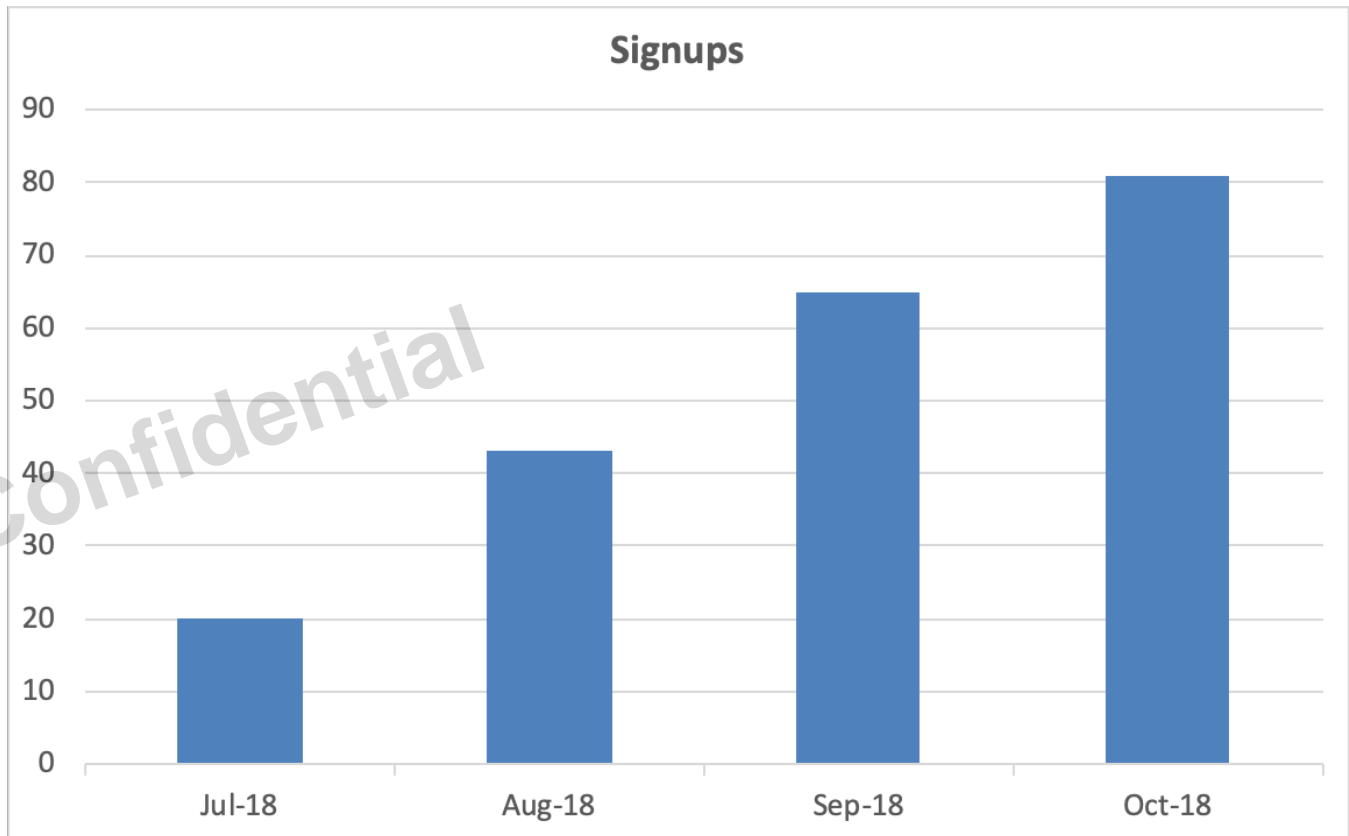
Active Professionals: Active professionals will pay \$12 per month to have a profile on the Fitpeak platform.

Consumers: Consumers will pay a \$2.00 service fee for each booking they make through the Fitpeak platform.





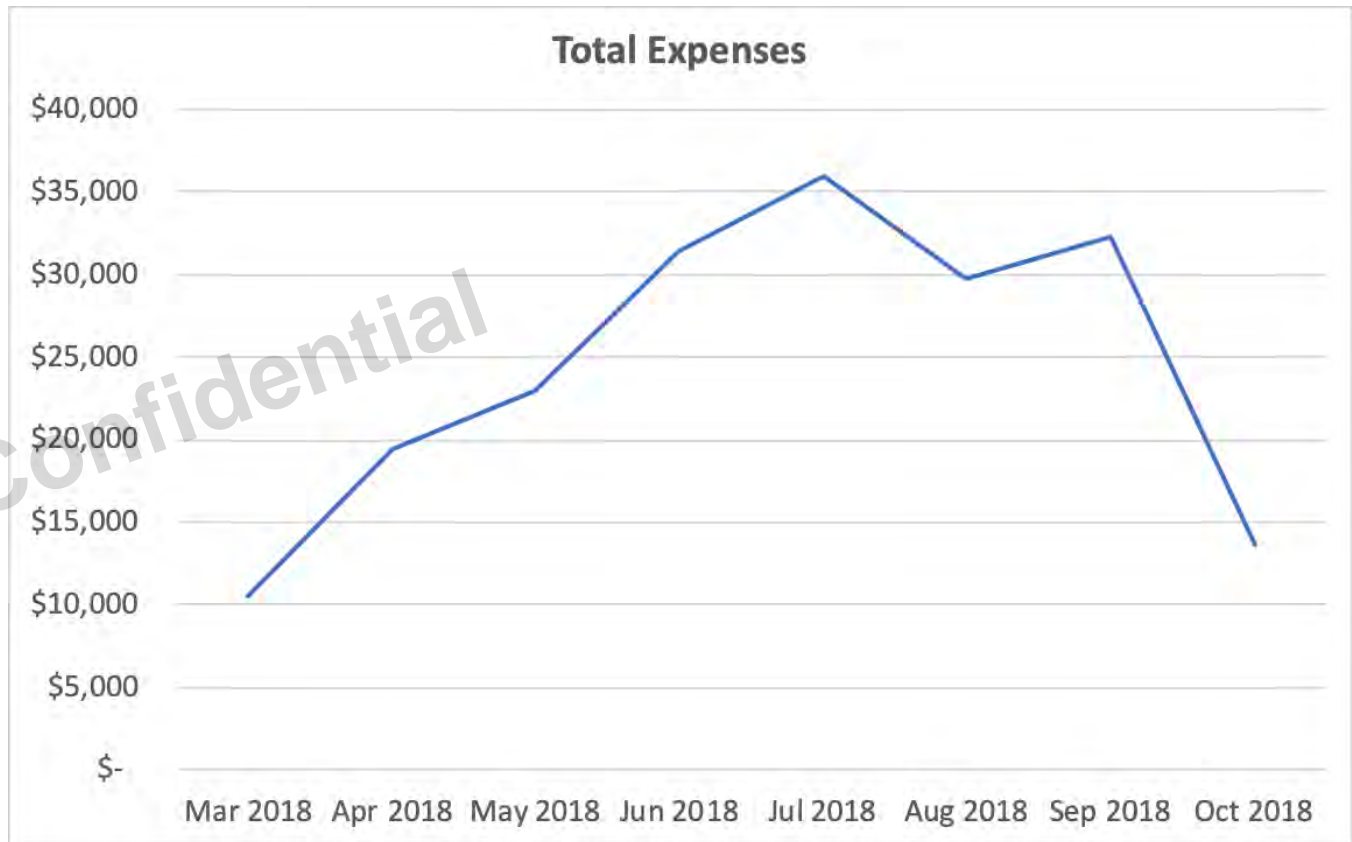
Since September 2018, more than 200 professional trainers have signed up to use the beta version of the Fitpeak platform once it is released. The beta version is expected to launch in November 2018.



Remainder of page intentionally left blank



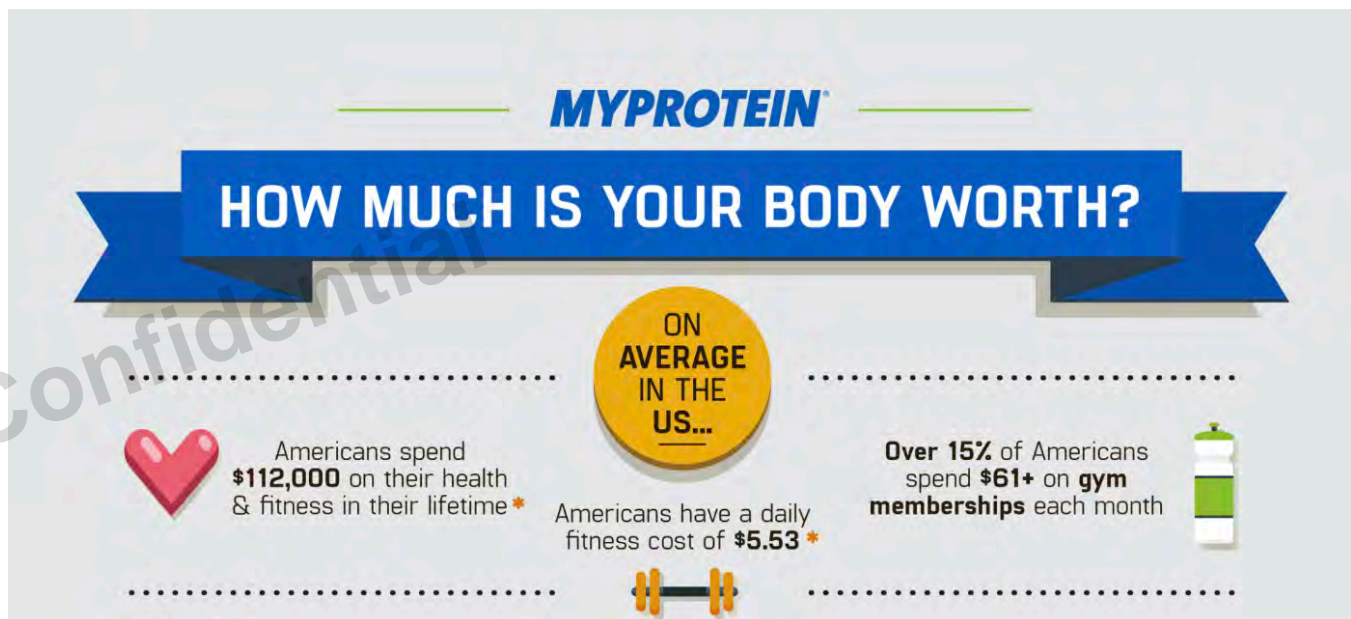
Fitpeak is currently a pre-revenue company and does not expect to begin generating revenue until December 2018. Since its inception in March 2018, Fitpeak has incurred approximately \$196,000 in total expenses. Total expenses climbed in June and July due to marketing costs.



Remainder of page intentionally left blank



According to a survey conducted by Myprotein, the average American spends \$155 per month on health and fitness, which equates to almost \$112,000 over a lifetime. Nearly one-third of this spending goes directly to fitness, with 22% going towards gym memberships and 9% going towards personal trainers. The remaining spending goes towards supplements (36%), gym clothing (22%), and nutritional advice (11%). Of those surveyed, 87% paid for a gym membership each month.ⁱⁱ

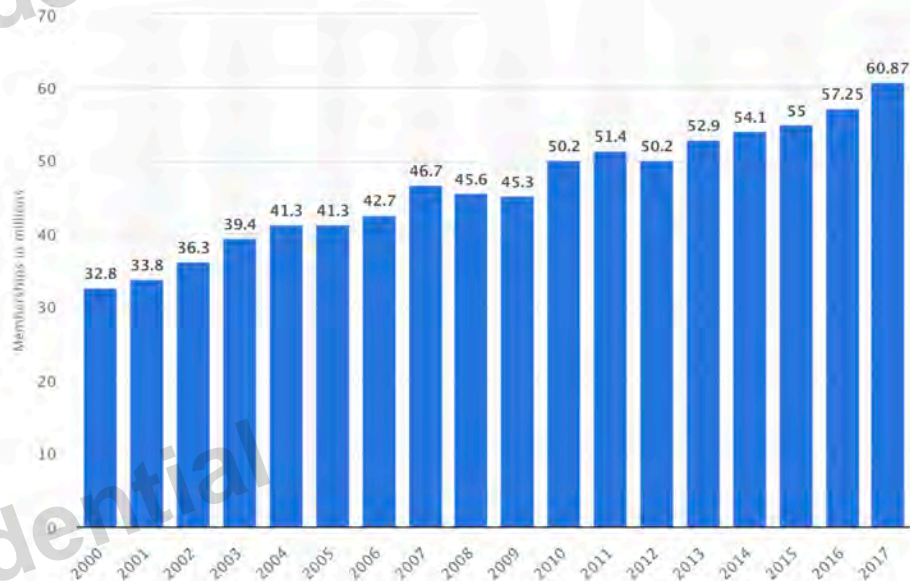


Over the last decade, the number of U.S. fitness centers has steadily increased. In 2017, U.S. fitness centers had 60.87 million total members across approximately 36,000 membership-based exercise facilities. Fitness center membership grew by more than 6% year-over-year in 2017 from 57.25 million in 2016.ⁱⁱⁱ Overall, the total U.S. fitness center industry generated more than \$30 billion in 2017.^{iv}

Remainder of page intentionally left blank



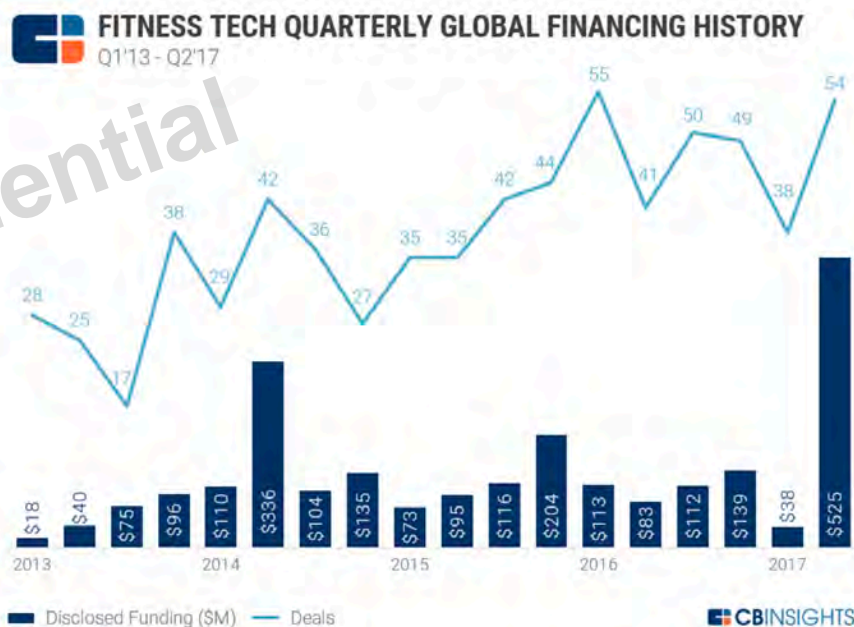
Total Number of Memberships at U.S. Fitness Centers/Health Clubs



Data visualized by + a b l e a u

© Statista 2018

In recent years, the fitness sector has garnered increased attention from consumers and investors alike. Fitness tech deals grew steadily between 2013 and 2016 as fitness-focused startups sought to create new wellness offerings and digitize a traditionally physical space. Q2 2017 was a quarterly record for fitness tech funding, with \$525 million deployed across 54 deals. Funding in Q2 2017 was boosted by a \$325 million Series E round to cycling startup Peloton Interactive and a \$70 million Series C round to on-demand workout app ClassPass.^v



CBINSIGHTS



Mindbody: Founded in 2001, Mindbody (NASDAQ: MB) seeks to provide small business owners, as well as enterprises, operating in the health and wellness space with the business software tools. The company's suite of software tools includes marketing, online booking, point of sale, client tools, staff resources, report features, and automation. Mindbody also offers FitMetrix, a performance tracking software that allows trainers to gamify sessions to better engage participants. Currently, the company offers monthly subscriptions that range from \$125 to \$395 per month depending on the level of service.^{vi} In 2017, Mindbody generated total revenue of \$182.6 million, with subscription and services revenue of \$109.2 million and payments revenue of \$71.3 million.^{vii}

Find Your Trainer (FYT): Founded in 2013, FYT seeks to serve as an online marketplace for trainers and individuals looking for health and wellness professionals. Providing a supply of vetted, certified trainers, the platform allows users to search for professionals in their area. Users can train anywhere the trainer agrees to meet; the trainer will provide the necessary equipment. FYT also allows users to book and pay via its software. The company offers a prepayment subscription model based on the number of sessions purchased. A four-session subscription costs \$54 per session, an eight-session subscription costs about \$49 per session and a 12-session subscription costs about \$46 per session.^{viii} In January 2016, FYT announced it had secured \$1.5 million in seed funding from strategic angel investors.^{ix}

TRAINERIZE: Started in 2012, Vancouver-based TRAINERIZE aims to boost its clients' personal training revenues with solutions that cater to fitness clubs, enterprises, and individual trainers alike. Software features include client engagement, client management, and business operation tools. Currently, the company's software is used by over 75,000 trainers, with 300,000 active users and 100,000 user-connected fitness apps.^x TRAINERIZE is free for fitness professionals with just one client, and it charges \$4.50 per month for two clients, \$18 per month for up to five clients, and \$54 per month for up to 30 clients, when billed annually.^{xi}

PTminder: Started in 2011, Australian-based software company PTminder offers a cloud-based website and mobile app that provides clients with various features including scheduling, payment processing, online booking, client management, client assessment, and reporting. The company offers a subscription-based model that has three tiers: a free plan with a one trainer, two client limit, a premium plan for unlimited clients and multiple trainers for \$39 per month, and platinum plan that provides a custom-branded app for \$75 per month. As of November 2018, trainers had booked over 7 million classes and PTminder had processed over \$155 million of transactions.^{xii}

PTBIZ: Founded in 2013, PTBIZ offers management software for health and fitness professionals. PTBIZ's software solutions include scheduling, cash and card payment processing, client management, and financial breakdown tool. The Australian software provider offers its app for free but charges a processing payment for all transactions made through the app. The company charges 3.5% + \$0.40 per transaction in the U.S. and Canada, and 2.95% + \$0.55 per transaction in Australia.^{xiii}



Dillon Auxier, CEO and Founder: Prior to starting Fitpeak, Dillon spent his early career in design and marketing. He has experience running marketing campaigns and front-end development specifically for the fitness niche. During his time doing design, marketing, and development work for fitness professionals and small gyms, Dillon started to see the inefficiencies in the process and how independent fitness pros were struggling to make it. Dillon has been passionate about design from a very young age and can remember designing prototypes and websites as early as 14 years old. He graduated from Concordia University-Irvine with a degree in Business Management. While at Concordia, Dillon started his first tech company, Barspective, which let users browse low resolution live streams of bars in Huntington Beach and Newport Beach. The lessons learned

from Barspective helped shape how Dillon approaches building teams and effective management practices.



Sterling Perkins, COO: Prior to joining Fitpeak, Sterling spent his career optimizing businesses in the financial services industry. He started his career in Private Wealth Management with Robert W. Baird & Co. Upon leaving Baird, Sterling joined Fair Economy Inc (formerly Forex Factory), where he was a Financial Economist. There he helped create blueprints and organizational structures that allowed Fair Economy to simultaneously launch products in cryptocurrencies, metals, and energy trading. Sterling is experienced in quantitative analysis, systems generation, and revenue optimization. He also currently serves as the CEO of Fivest Capital Consulting.



Alex Kaminski, CTO: Alex has over 12 years of experience as a full-stack developer. He previously worked as a software engineer at educational startup WeWantToKnow and also serves as the CEO of tech company Entropy- 1. Alex believes that the method and pattern implemented are more crucial than the language and framework used, so he's comfortable with switching technologies often. In his decade of professional experience, he's worked on web projects, games, and tools in some of the most popular programming languages. He particularly relishes a challenge and thrives in even the most unorthodox projects.



Security Type: Crowd Note

Round Size: Min: \$25,000 Max: \$107,000

Valuation Cap: \$4,000,000

Discount Rate: 20%

Conversion Provisions: In connection with an equity financing of at least \$1,000,000, the Company has the option to convert the Crowd Note 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 \$4,000,000, whichever results in a lower conversion price. Please refer to the Crowd Note for a complete description of the terms of the Crowd Note, including the conversion provisions.

ⁱ <https://us.myprotein.com/thezone/training/much-americans-spend-health-fitness-survey-results-revealed/>

ⁱⁱ <https://us.myprotein.com/thezone/training/much-americans-spend-health-fitness-survey-results-revealed/>

ⁱⁱⁱ <https://www.statista.com/statistics/236123/us-fitness-center--health-club-memberships/>

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

^v <https://www.cbinsights.com/research/fitness-tech-startups-deals-funding/>

^{vi} <https://www.mindbodyonline.com/pricing>

^{vii} <https://www.mindbodyonline.com/company/press/mindbody-reports-fourth-quarter-and-full-year-2017-financial-results>

^{viii} <https://findyourtrainer.com/pricing/>

^{ix} <https://www.clubindustry.com/manufacturers/find-your-trainer-secures-15-million-investment-funding-expands-300-cities>

^x <https://www.trainerize.com/about.aspx>

^{xi} <https://www.trainerize.com/pricing>

^{xii} <https://ptminder.com/#>

^{xiii} <https://www.ptbizapp.com/>