

Opportunity Statement

SCUBOTICS is a business venture offering an underwater drone for recreational users known as a SeaPal. Our product follows divers on their underwater adventures, recording their dive using a network of cameras to create a Virtual Reality experience for them to relive from the comfort of their own homes.

This product is a green field opportunity with an estimated market size of **\$1.25B**. To facilitate a rapid adoption curve, our plan consists of introducing the product in leading dive shops in several national regions simultaneously in a revenue share arrangement with the dive shop owner.

The Company

SCUBOTICS is an LLC located in Melbourne, FL which creates underwater drones that capture dives in fully immersive 360-degree video to be relived with virtual reality. Our product, known as SeaPal, provides divers with the unique ability to relive their dives from the comfort of their homes through the power of virtual reality.

The Product

SeaPal ensures that divers **never miss a moment** of what goes on during their **dive**. No longer will divers wonder what was going on behind them while under the waves. With SeaPal's virtual reality technology, divers are free to explore not just what they saw, but also what went on behind, in front of, to the left/right, and above/below them (**FIGURE 0.0**).



FIGURE 0.0 - SeaPal Value Proposition

SeaPal has been designed with the recreational diver in mind. With a minimal footprint, SeaPal can easily be transported along with a diver's equipment (see **FIGURE 0.1** for a size comparison between SeaPal and standard dive equipment). Our product is hassle free and requires no setup to use; simply put on the tracking wrist-band, and jump into the water with SeaPal.



Target Market

Declining costs in technology have now **unlocked** the previously untouchable recreational market of active divers which has an estimated \$1.25B market size and \$3.34B potential. The target market for SeaPal (depicted in **FIGURE 0.2A.**) is active SCUBA divers who participate in high dollar activities (such as boating, golfing, and skiing) and travel to high profile diving locations.

Total U.S. SCUBA & Snorkel Market

Serviceable Market

Target Market

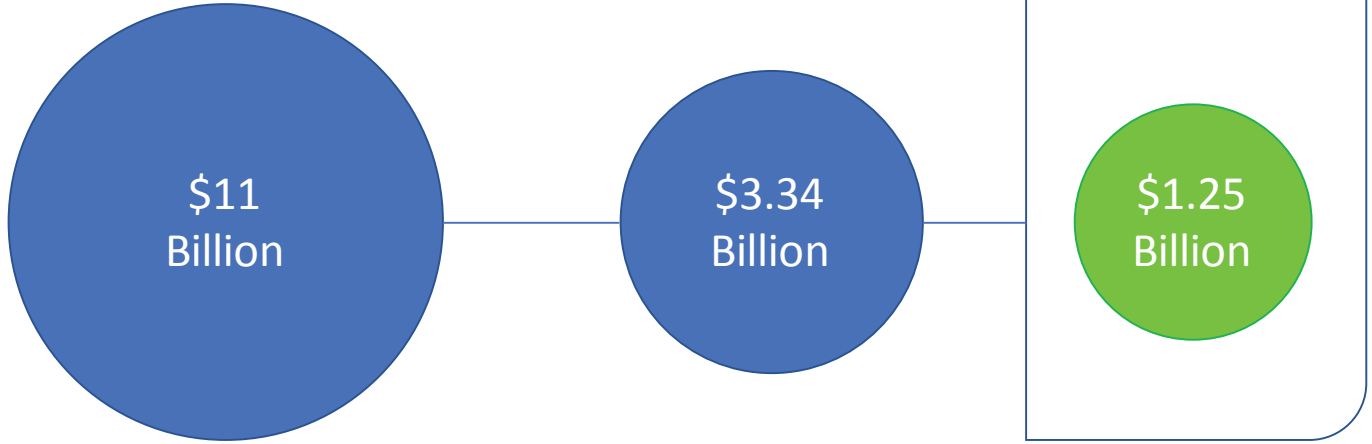


FIGURE 0.2A - SCUBOTICS Market

FIGURE 0.2B shows revenue projections of SEAPAL for the recreational market, assuming a wholesale price of \$750 per unit (Retail \$1500/unit) and the same adoption curve seen by a comparable product; the dive computer. At \$750 per unit, we have estimated a unit Gross Margin of 66% when produced in quantities of 1000 units per year.

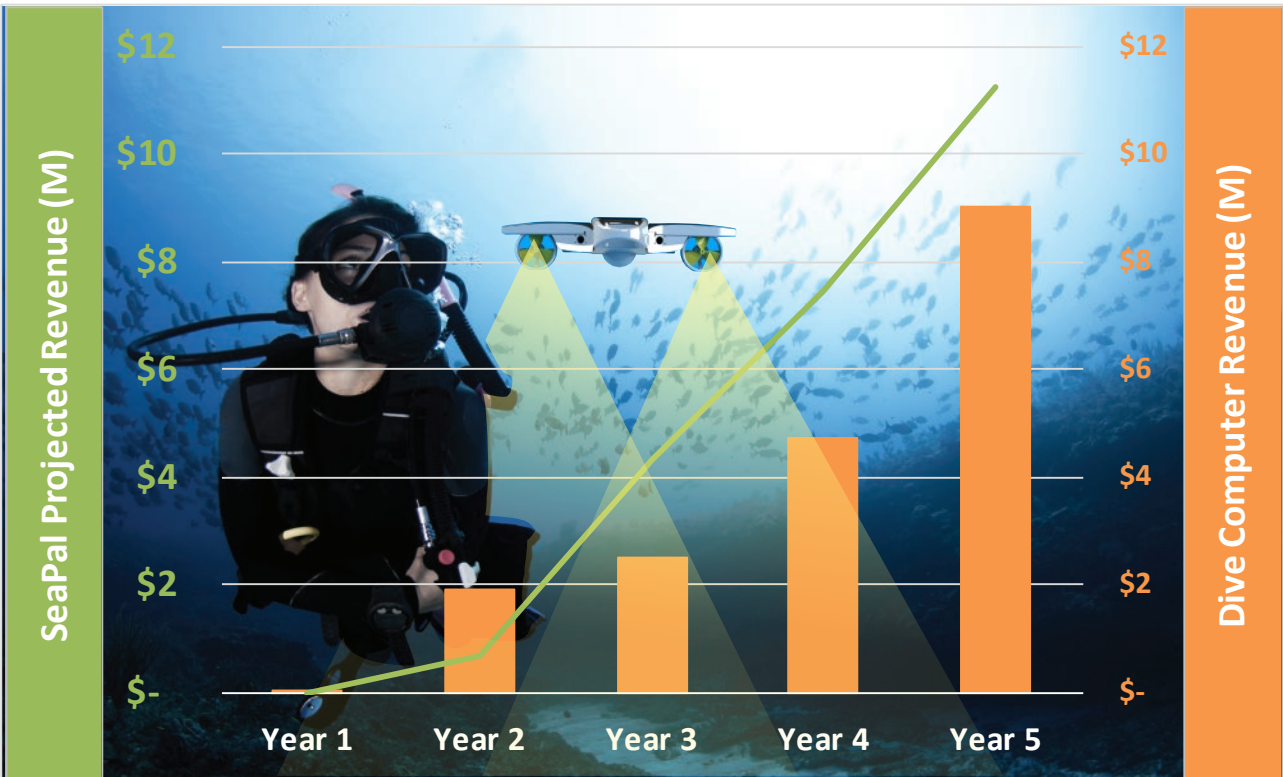




FIGURE 0.2B - Projected Revenue

Competitive Landscape

Key to capturing this market potential and establishing our product as the industry leader is to be the first to market AUV providing virtual reality video capture. We have elected to skip more simplistic versions being pursued by our competitors. FIGURE 0.3 shows our competitors' products compared to SEAPAL, highlighting our unique product position. We consider the iBubble product that was announced in March 2016 to be our closest competitor, though lacking key virtual reality video capture.

	SEAPAL	iBUBBLE
Autonomous	✓	✓
Battery Life	 2 hours Lasts an entire trip	 1 hour
Weight (lbs)	 5 Easy to handle	 11
Size (inches)	12 x 18 x 4 Fits in a travel bag	20 x 14 x 10
Embedded Cameras	✓	✗ GoPro Required
LED Lighting	✓	✓
Price	\$1500	\$2000 + purchase of GoPro
Virtual Reality	✓	✗

FIGURE 0.3 - Competitive Landscape


Rapid Adoption Plan

Through our execution strategy, 24,000 divers will experience SEAPAL **within the first year of Field Trials**. Our strategy is to partner with dive shops in **key tourist destinations** using a revenue-sharing model to maximize exposure to our target market during the startup phase. Our product introduction strategy is our largest single capital requirement.

As shown in **FIGURE 0.4**, tourists who dive through one of our partner shops will be offered the opportunity to have their trip recorded with **Virtual Reality Technology** via SEAPAL. Users who opt to rent a SEAPAL will be charged a per-dive fee with a video capturing their entire dive.

SCUBOTICS does not plan to offer units for presale or direct sales until the units' value and market interest is **proven**.

At that time, SCUBOTICS will consider both direct sales and retail outlet options. Assuming 100 units in the field, we expect 24,000 experiences within the first year of operation and over 30,000 in the second. The estimated \$2M of revenue these rentals will generate will be churned into a **very high level** of product support for the operators.

WEIGHT INTEGRATED BCD.....\$15		ALUMINUM AIR TANK.....\$7
REGULATOR.....\$10		DIVE COMPUTER.....\$10
WEIGHT.....\$9		NEW! SEAPAL.....\$75
BARE WETSUIT.....\$8		• Personal Underwater Drone
SNORKELING GEAR SET.....\$30		• Captures Your Adventure
• MASK, SNORKEL, AND FINS		• Relive Your Dive Experience in VR

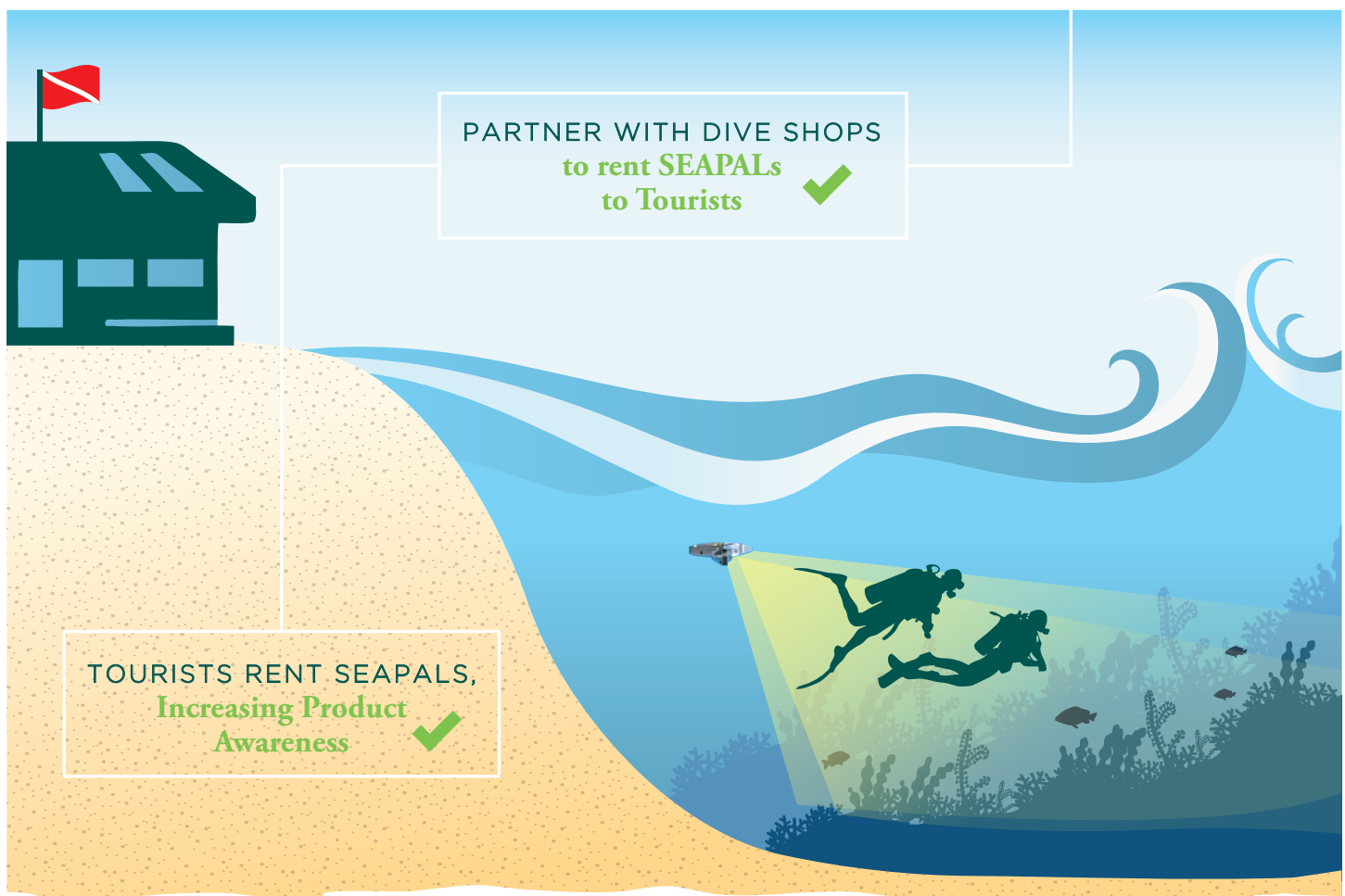


FIGURE 0.4 - DISTRIBUTION CHANNEL

Overall Economic Model

In the first 5 years of operation SCUBOTICS will make money from medium margin, medium volume product rentals and high margin, low volume product sales.

Breakeven Calculation

The breakeven point has been calculated using both units of analysis (SeaPals rented and SeaPals sold). As can be seen in FIGURE 0.5, breakeven occurs in year three when the product is put on the market for sale.

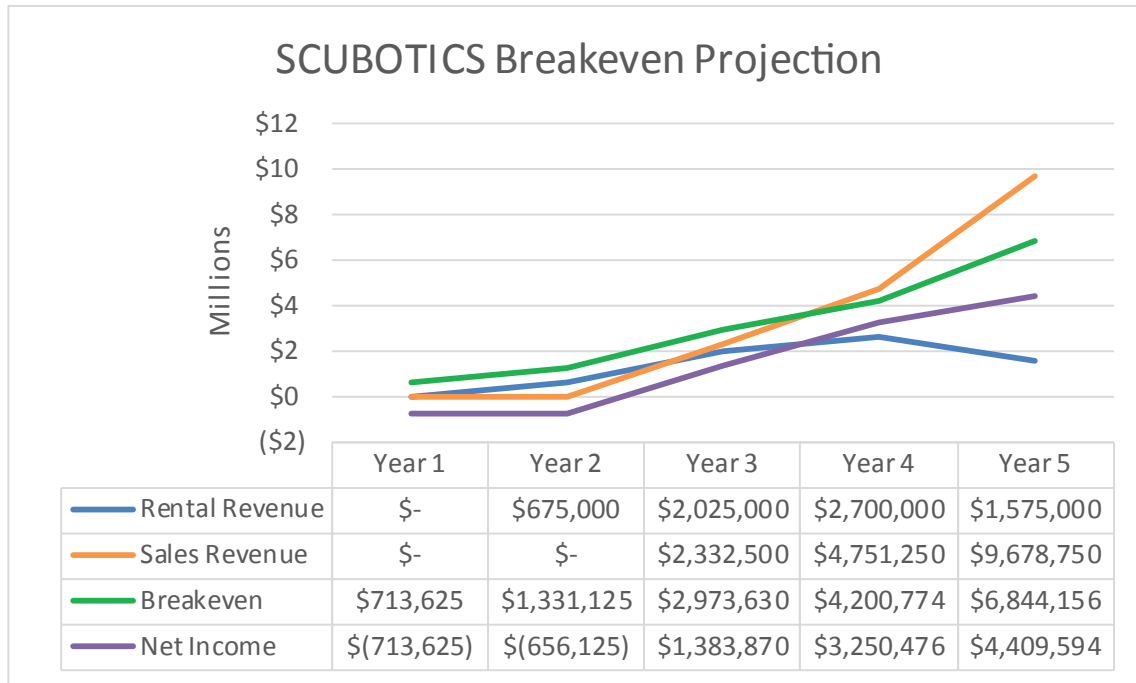


FIGURE 0.5 - BREAKEVEN PROJECTION

Enabling Technology

Our patented integration of Virtual Reality video has the benefit of reducing the size, weight, and cost of the AUV while at the same time increasing battery life to **twice that of our closest competitor**. Our technology investments are in low cost acoustics, and controls software. For commodity items like batteries, cameras, and digital processing, we are riding the technology wave of smart phones and computers.

The technology for all core competencies has been developed by the founder through extensive independent research. The company founder has filed a patent and is in the process of making additional applications covering all enabling technology. In May 2017 we expect to complete testing of a brass board unit demonstrating the most difficult challenges associated with our endeavor. All of the design and development is being conducted in-house by our team of engineers.

Product Development

FIGURE 0.6 describes the phases of development to be accomplished on the road to a finished product..

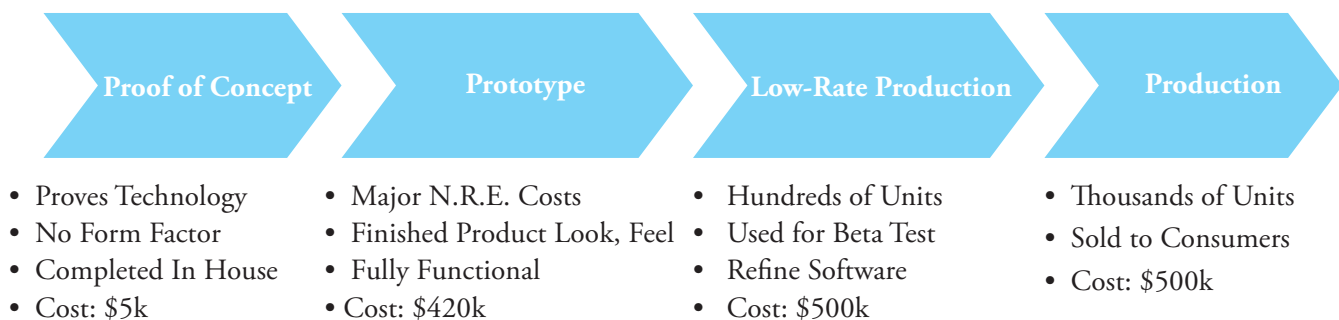


FIGURE 0.6 - SeaPal Development Phases

The Team

The team needed to bring our first AUV to fruition is in place. This group of engineers and scientists are all early in their careers. In addition to their professional qualifications, each of the members are **certified PADI SCUBA divers**, giving them insight into the workings of the diving industry.



JAKE EASTERLING
CEO
Entrepreneur

Experience in Machine Intelligence and Robotics

Awards for Acoustic Tracking and Location

Inventor of all patent pending SCUBOTICS Technology

Certified Diver ✓

Bachelor of Science
Electrical Engineering
University of Florida
Masters of Science
Entrepreneurship
University of Florida



BRYAN STODDART
CTO

Founding Member of a communications startup recently acquired by SECURUS of Dallas, TX

10+ years experience in software at all levels

- Embedded
- Networks
- Systems
- Big Data
- Web Development

Certified Diver ✓

Bachelor of Science
Computer Engineering
Florida Tech



JES STEIGERWALD
COO

Production Expert

Master SCUBA Diver

Has held various engineering leadership roles of increasing responsibility at Hydro Aluminum of Rockledge, FL and other Fortune 500 companies

Certified Diver ✓

Bachelor of Science
Mechanical Engineering
Florida Tech
MBA AMU



TOMMY EVANS
CMO

Ecologist and Project Scientist at Environmental Services Incorporated, 10+ years experience in direct selling and service support for both B2B and B2C markets

Biologist for the Florida Fish and Wild Life Conservation Commission

Certified Diver ✓

Bachelor of Science
Biology
University of North Florida

FIGURE 0.7A - Leadership Team

The advisory board needed to guide SCUBOTICS through the startup phase.

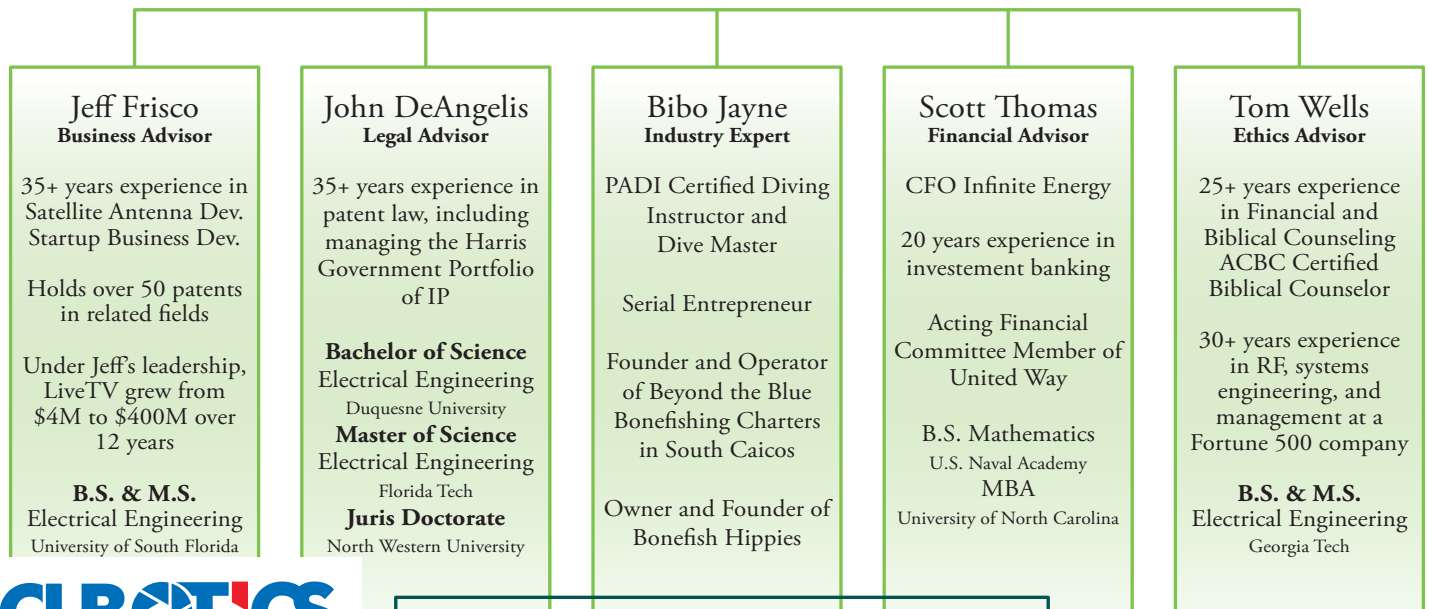
BOARD OF ADVISORS

FIGURE 0.7B - Advisory Board

0 EXECUTIVE SUMMARY

Financial Need

SCUBOTICS is actively seeking out investors to provide the necessary \$2M to cover costs through field trials. In exchange for funding, SCUBOTICS will be offering 45% equity in the company with 55% equity retained by the founding team.

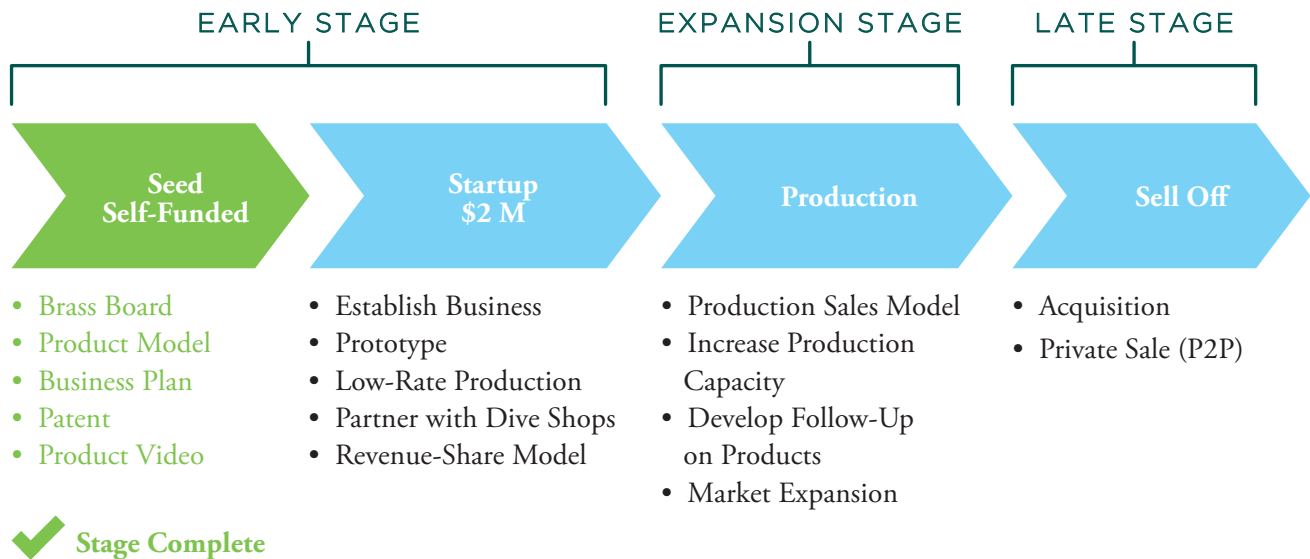


FIGURE 0.8A - FUNDING PHASES

SCUBOTICS Financial Projections

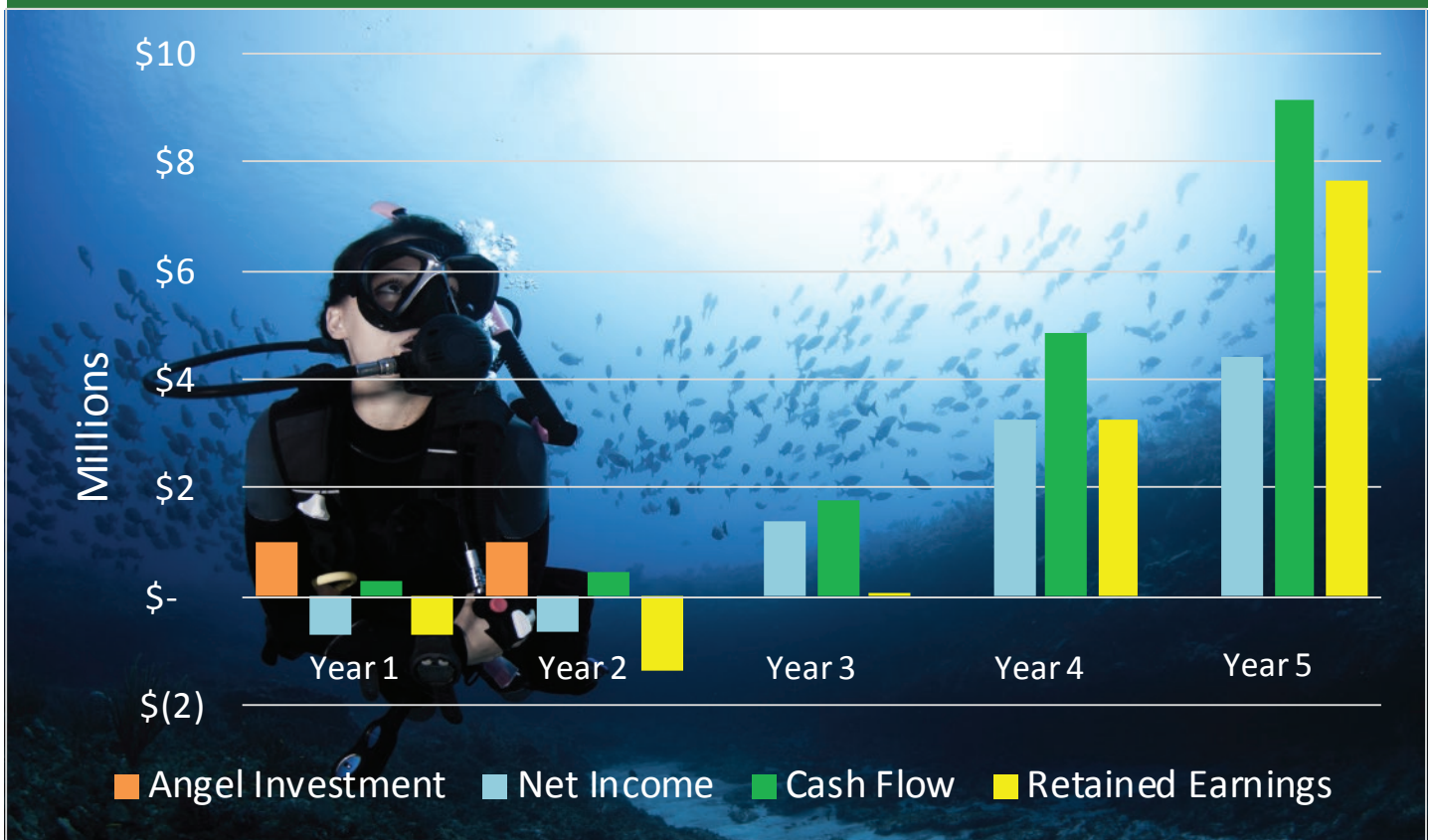


FIGURE 0.8B - FINANCIAL PROJECTIONS