

Life hurts, so we designed a life-size massage robot named Alex to address the \$12 billion massage market. You can talk to Alex with natural language at national Massage Robotics salons and share massages with friends, celebrities and doctors over the internet.

Massage Robotics

"Just for the feel of it"

Business Summary: Alex will operate from 1,000+ company owned salons, thousands of commercial and government facilities and at private residences to give subscribers and owners global access to full body massage to improve their overall wellness. Users can create a custom massage routine, or access a doctor prepared routine specific for their pain management. Each custom routine can easily be calibrated from one body size to another. People can share massages programs with friends, celebrities, and doctors through our social networking application.

Customer Problem: All people have pain and stress at some point in life. Massage therapy is expensive and typically reserved for luxury. Not all masseurs are created equal, which leads to some bad massages and even injury. Not all masseurs are moral and ethical, which has led to a shady reputation for the whole industry. Massage Chairs have a limited number of motions and routines pre-programmed in the factory, which leads to boredom.

Products/Services: Alex has two 6-axis high precision series-elastic industrial robotic arms that meet collaborative safety regulations for operating with humans. Attachments are designed with open architecture to promote third party accessory development. Alex is connected to the Internet through a HIPPA compliant network. Services are provided in salon stores in private massage pod rooms. Single massage pods can be operated as franchises from airports, shopping malls and other commercial, medical, government and military facilities.

Target Market: The \$12 billion massage industry is the primary market, but as the technology of smart-phones greatly expanded the wireless telecommunications market, robots will expand massage and physical therapy into the much larger \$3 trillion wellness industry. Alex will be found in healthcare operations, business organizations, government agencies and military bases.

Customers: The primary persona that Alex will serve is "Joe the Plumber" as personified in the 2008 US presidential campaign. Joe works hard, stretches every dollar and usually only takes 5 days of vacation to a place he can drive to with his wife and kids. He is over weight, but values wellness for his family. He doesn't have time after a long hot day on the job to go to the gym.

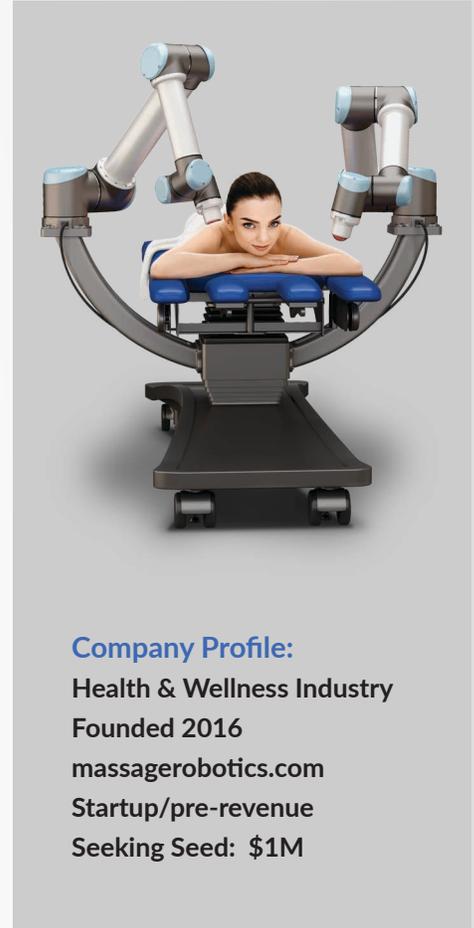
Joe is a church going man and has three daughters who he cherishes. He is a private person and generally doesn't like to chit-chat at the barber's chair.

Sales/Marketing Strategy: Company stores in strip malls will have typical grand openings coupled with an awareness marketing campaign generally used for new restaurants and commercial outlets in local communities. Direct sales by company sales people will focus on nationwide and global organizations such as hotel chains, fitness facilities, airlines and cruise liners. Massage chair distribution companies will be the primary channel for private sales. National talk shows will be solicited for the launch of this new technology. The Today Show and Ellen will be a home run. National TV advertising will be used for awareness after we have traction in 20% of the states.

Business Model: 1,000 Company owned stores will provide subscription based services to approximately 1,500 users per store. Subscriptions will be \$60 per month for four 30-minute events. This will produce \$1 billion in recurring annual revenue. Direct sales of 5,000 units per year at \$75,000 per unit with a 40% gross margin will yield \$375 million in top line revenue.

Competitors: Our primary direct competitor is Massage Envy that started with one store in 2002 and quickly grew to 1,000 stores having 25,000 employees, 1.65 million subscribers and over \$1 billion in annual revenue. Inada and Fujiiryoki are the leaders in the massage chair market. Indirectly, there is undeniable competition of human vs robotic massage. Just like digital photography far surpassed film and wireless phones have displaced the analog home phone, robotics will definitely become integrated in our lives for our benefit and be a significant part of our overall wellness programs. Minus the human touch, robots are far more capable of deep tissue healing therapy.

Competitive Advantage: Robotics reduces the barriers that prevent Joe the Plumber from making massage a significant part of his wellness program. For the same monthly subscription price, users get 2 to 4 times the massage time. Alex is androgynous, so Joe does not need to choose between a man or woman masseuse. Joe and his spouse don't need to be concerned with inappropriate touching, or sexual misconduct by a robot. He will not be



Company Profile:

Health & Wellness Industry
Founded 2016
massagerobotics.com
Startup/pre-revenue
Seeking Seed: \$1M

embarrassed of his body image, nor will he be concerned at work of his reputation when he goes to a robotic massage parlor during lunch. Joe can go directly from a hot day at work to see Alex without taking a shower and he doesn't have to make considerate small talk with a robot.

Alex will eliminate more than 80% of the staff needed to operate a massage salon. Massage Envy averages 25 human resources per store. With only one person needed to operate a robotic salon, 3 to 5 people can easily cover multiple shifts, holidays and sick time. By eliminating the manual work effort of a masseuse, workman compensation claims will be eliminated. Robots facilitate nearly impossible precision, which translates into repeatability and a consistent experience for customers at any store. Repeatability of the customer experience is the number one factor in successful chain store operations. ■

Proforma \$'000	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Revenue	-	1,057	20,517	97,950	279,710	670,697	911,601	1,069,821
Expense	(630)	(3,188)	(25,214)	(69,643)	(193,440)	(393,190)	(617,188)	(760,826)
Net	(630)	(2,131)	(4,697)	28,306	86,270	277,507	294,413	308,995



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