

# Zacks Small-Cap Research

*Sponsored – Impartial - Comprehensive*

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## Newton Golf Company (NASDAQ: NWTG)

**NWTG: Newton Golf reports preliminary 2025 revenues which exceeded our expectations and the company's own guidance. We raise our target price to \$6.50 per share.**

Utilizing a Discounted Cash Flow process containing conservative estimates combined with other valuation methodologies, we believe NWTG could be worth **\$6.50** per share.

Current Price (1/13/26)	\$1.75
<b>Valuation</b>	<b>\$6.50</b>

### SUMMARY DATA

52-Week High	<b>\$40.20</b>
52-Week Low	<b>\$0.82</b>
One-Year Return (%)	<b>-80.1</b>
Beta	<b>4.5</b>
Average Daily Volume (sh)	<b>97,612</b>

Shares Outstanding (mil)	<b>4.7</b>
Market Capitalization (\$mil)	<b>\$8.4</b>
Short Interest Ratio (days)	<b>N/A</b>
Institutional Ownership (%)	<b>0</b>
Insider Ownership (%)	<b>8.8</b>

Annual Cash Dividend	<b>\$0.00</b>
Dividend Yield (%)	<b>0.00</b>

### 5-Yr. Historical Growth Rates

Sales (%)	<b>N/A</b>
Earnings Per Share (%)	<b>N/A</b>
Dividend (%)	<b>N/A</b>

**P/E using TTM EPS**

**P/E using 2025 Estimate**

**P/E using 2026 Estimate**

### OUTLOOK

Newton Golf (NASDAQ: NWTG) is an innovative, technology driven golf company with a growing portfolio of golf products, including putters, golf shafts, golf grips, and other golf-related accessories. The company went public in August 2023 raising \$11.6 million in net proceeds. The company announced its entry into the golf shaft market in November 2023. We believe the company has the expertise and potential to increase revenues substantially over a 10-year time frame. We expect the company to generate free cash flow in 2026 and believe the stock to be undervalued at this time.

### ZACKS ESTIMATES

<b>Risk Level</b>					
<b>Type of Stock</b>					
<b>Industry</b>					

Revenue (in millions of \$)					
	<b>Q1</b> (Mar)	<b>Q2</b> (Jun)	<b>Q3</b> (Sep)	<b>Q4</b> (Dec)	<b>Year</b> (Dec)
2023	\$0.09 A	\$0.05 A	\$0.10 A	\$0.12 A	\$0.35 A
2024	\$0.35 A	\$0.81 A	\$1.21 A	\$1.07 A	\$3.45 A
2025	\$1.21 A	\$2.08 A	\$2.58 A	\$1.85 E	\$7.71 E
2026					\$13.13 E

### EPS / Loss Per Share

	<b>Q1</b> (Mar)	<b>Q2</b> (Jun)	<b>Q3</b> (Sep)	<b>Q4</b> (Dec)	<b>Year</b> (Dec)
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	<b>Q1</b> (Mar)	<b>Q2</b> (Jun)	<b>Q3</b> (Sep)	<b>Q4</b> (Dec)	<b>Year</b> (Dec)
2023	-\$0.85 A	-\$0.62 A	-\$0.94 A	-\$1.42 A	-\$3.78 A
2024	-\$0.82 A	-\$0.79 A	-\$0.73 A	-\$0.30 A	-\$2.64 A
2025	-\$0.55 A	-\$0.34 A	-\$0.34 A	-\$0.34 E	-\$1.56 E
2026					-\$0.06 E

2023 and 2024 EPS numbers do not reflect the recent reverse stock split. Quarterly EPS may not equal annual EPS due to rounding, dilution or intangibles. Estimates may be non-GAAP.

## WHAT'S NEW



Source: newtongolfir.com

### Preliminary 2025 Revenue Results

On January 6, 2026, the company announced that 2025 revenues will exceed its previously announced guidance of between \$7.0-\$7.5 million for the full year. These results are preliminary and unaudited. Our estimate was \$7.4 million for 2025.

The company achieved record single-day sales on Black Friday which reflected strong consumer demand across its key product lines. Direct-to-consumer sales (internet, email, social media) continued to grow which was supported by improving marketing efficiency, higher conversion rates, and strong repeat purchase behavior.

### New Product Rollout

On January 13, 2026, the company announced it will debut a new line of golf shafts at the PGA Show next week in Orlando. The [PGA Show](#) is the world's largest annual trade event for the golf industry with participation from professionals, buyers, manufacturers, vendors, and media to learn about the latest equipment, technology, apparel, and trends.

Newton will debut new Fast Motion™ fairway wood shafts, introduce dedicated hybrid shafts across all product offerings for the first time, and present refined 2026 versions of its existing Fast Motion driver and Motion™ driver and fairway shafts. This expanded product lineup follows a strong 2025 performance for Newton Golf's shaft business in which it became the #1 selling shaft position for both drivers and fairway woods at Club Champion, a large professional club-fitting retailer with over 140 locations.

For 2026, Newton Golf will build on the proven performance of its core shaft products, which was driven by extensive work with professional and amateur golfers. The company will focus on strengthening its shaft lineup as an integrated matching dot system, addressing the challenge golfers face in achieving consistency across drivers, fairway woods, and hybrids due to differences in weight, feel, and performance. Rather than forcing players to adapt driver shafts to fairway woods and then to different hybrid shafts, the matching dot system delivers uniform performance and feel throughout the bag.

- **Newton Fast Motion Fairway Wood Shafts** – The lighter Fast Motion Fairway Woods shafts extend Newton's physics-based approach beyond the driver. Unlike competitors that recommend converting a driver shaft for fairway woods by giving tip trimming guides, Newton Golf designs fairway shafts from the ground up to account for smaller but heavier clubheads, turf interaction, different spin targets and the desire for higher ball flight while improving speed, accuracy and feel.
- **Newton Hybrid Shafts (Motion and Fast Motion)** – Newton Golf will introduce dedicated hybrid shafts engineered to deliver consistent feel and response across driver, fairway, and hybrid. The design helps reduce swing adjustments between clubs and improves control in scoring situations.
- **Updated 2026 Newton Motion Driver and Fairway Shafts** - The company will also showcase refined 2026 versions of its Fast Motion™ Driver and Motion™ Driver and Fairway shafts,

incorporating improved consistency, streamlined specifications across the lineup, and tighter manufacturing tolerances while preserving feel and performance characteristics.

- **Also on display at the show will be the current full Newton Gravity putter line.**

### Business Highlights

- On December 23, 2025, the company announced that its shafts were the #1 selling shafts for both drivers and fairway woods at Club Champion in 2025. Club Champion is one of the largest and most respected professional club fitting retailers in the world with more than 140 locations worldwide.

Newton's driver shafts have been available at Club Champion for approximately two years, while fairway wood shafts were introduced earlier in 2025. In that short time frame, Newton's fairway shafts quickly rose to become the top-selling option in their category, highlighting rapid adoption and strong fitter and consumer confidence.

- On November 24, 2025, the company announced that senior executives and a board member purchased shares of the company's stock on the open market following the release of its third-quarter results.

The purchases were made by CEO Greg Campbell, CFO Jeff Clayborne and independent director Brett Hoge. In total, insiders bought 173,548 shares, bringing insider ownership to about 8.8%.

- Players using Newton shafts had good success at the 2025 World Long Drive (WLD) Championship. Tanner Pipes captured the Men's Amateur title with a 396-yard drive, showcasing Newton's performance advantage on the tee. He was joined by 2017 WLD Champion Justin James, who advanced to the Final 4 in the Men's Open Division, and Jeanine Minnick, who reached the Final 8 in the Women's.
- Doug Barron captured the Pure Insurance Championship victory with Newton shafts at Pebble Beach. Barron delivered a strong finish with three straight birdies, including a clutch putt on the iconic par-5 18th hole at Pebble Beach, to claim his 4th career PGA TOUR Champions title and first win of the 2025 season. Barron ranked inside the Top 10 in driving accuracy for the week (78.6%), further showcasing the stability and control he's achieved with Newton shafts this season.
- Newton Motion shaft adoption increased to over 50 professionals, with 8 new players joining across PGA TOUR Champions, LPGA, and the Korn Ferry tour.
- An unsolicited and unsponsored article praising Newton Shafts occurred on April 23, 2025 on Golf.com. The title of the article was "*Why Newton Motion shafts are taking over the Champions Tour*". The full article can be found [here](#).
- Broadened global presence, securing distribution with two of Japan's largest golf retailers, extending Newton's international reach.
- Increased production capacity to meet accelerating demand for Motion and Fast Motion shafts.
- Experienced significant growth in direct-to-consumer sales through [NewtonGolfCo.com](#).
- Miguel Ángel Jiménez earned his second PGA TOUR Champions victory using the Newton Fast Motion shaft

## Valuation and Estimates

The company announced that its full-year 2025 revenues will exceed its guidance of \$7.0 million to \$7.5 million, although no figures or dollar amounts were mentioned in the announcement. We project that 2025 revenues were approximately \$7.7 million.

Our primary valuation tool utilizes a Discounted Cash Flow process. Based on higher than expected revenues, which implies a faster time frame to cash flow breakeven, we raise our target price to **\$6.50** per share. Our target price may be conservative as it incorporates a high discount rate of 15.0% due to the unpredictability of earnings, prevailing interest rates, and the timeline for reaching net profitability on an annual basis.

Recently, popular putter manufacturer L.A.B. Golf was acquired by a private equity firm in a deal reportedly valued at over \$200 million. Reports indicate that L.A.B. Golf may sell almost 400,000 units in 2025 with putters priced at approximately \$500, 2025 revenues could be in the range of \$200 million.

Our 2025 full year revenue estimate is now \$7.71 million. Our 2025 GAAP EPS estimate is a loss of (\$1.56). For 2026, we believe the company can continue to generate strong double-digit revenue growth and our revenue estimate for 2026 is \$13.1 million and our 2026 EPS estimate is a loss of (\$0.06).

We expect the company to reach cash flow breakeven at some point in calendar year 2026.

The company is selling at 63% of 2026 estimated revenues, which is a significant discount to other fast growing sporting goods companies.

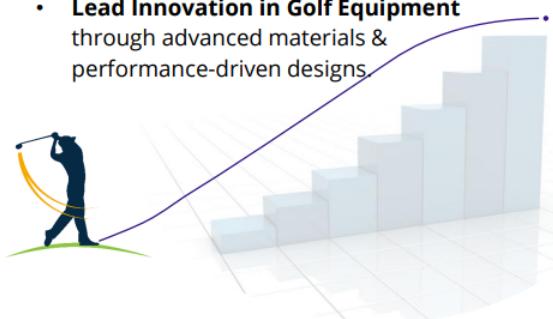
The current market cap of only \$8.4 million appears to be irrational and more reflective of the ongoing microcap stock malaise as opposed to company fundamentals.

### **Short-Term Growth Priorities (Next 12-24 Months)**

- **Expand Direct-to-Consumer (DTC) Sales** through e-commerce & digital marketing.
- **Launch Flagship Products** backed by data-driven marketing & influencer partnerships.
- **Secure Key Retail Partnerships** to increase accessibility & brand exposure.
- **Sign OEM partnerships**
- **Grow International Sales Channels** in emerging golf markets.
- **Expand Club Fitters Network** to enhance in-person customer experience.
- **Strengthen Affiliate Marketing** to leverage third-party sales growth.

### **Long-Term Growth Vision (3-5 Years)**

- **Scale Revenue Rapidly** while maintaining strong profit margins.
- **Diversify Product Portfolio** into golf equipment, accessories, & smart-tech equipment.
- **Lead Innovation in Golf Equipment** through advanced materials & performance-driven designs.



Source: newtongolfir.com

## OTHER RECENT NEWS

### 3rd Quarter 2025 Financial Results

Revenues increased 113% to \$2.58 million during the 3<sup>rd</sup> quarter of 2025, compared to \$1.2 million in the prior year period. The increase was driven by the continued adoption of the Newton Motion driver shaft product line, the Newton Motion fairway shaft product line in April 2024, and the Newton Fast Motion driver product line introduced in April 2025. During the 3<sup>rd</sup> quarter, \$2,553,000 of net sales were from Newton Motion shafts and approximately 95% of the net sales were made through direct-to-consumer websites. Demand for Fast Motion shafts continue to exceed internal compay forecasts. The Fast Motion shafts have powerful market appeal, exceptional performance, and is seeting strong demand from golfers at all levels.

Net Sales Source	Three Months Ended	
	September 30, 2025	September 30, 2024
	Revenue	Revenue
Online sales	\$ 2,373,000	\$ 1,149,000
Distributors and wholesalers	209,000	62,000
<b>Net Sales</b>	<b>\$ 2,582,000</b>	<b>\$ 1,211,000</b>

Source: newtongolfir.com

During the quarter, approximately \$2.37 million of net sales were direct-to-consumer and generated through company related websites. The remaining \$209,000 was dervived from various distribution partners. The company engages a wide variety DTC offerings including the Shopify platform, email, affiliate marketing, Meta platforms, and many others.

Net Sales by product Line	Three Months Ended	
	September 30, 2025	September 30, 2024
	Revenue	Revenue
Newton Motion Shafts	\$ 2,553,000	\$ 1,182,000
Newton Gravity Putters	29,000	29,000
<b>Net Sales</b>	<b>\$ 2,582,000</b>	<b>\$ 1,211,000</b>

Source: newtongolfir.com

The company's focus remains on Fast Motion, Motion, and Fairway Wood shafts which has provided nearly 100% of revenue growth. During 2025, ad spending was demphasized on the putter products because of lower prevailing ROI's on ad spend. We expect this trend to reverse and expect better growth in putter products in 2026. The company will rollout new sales efforts for putters in 2026.

Gross profit in the 3rd quarter of 2025 was \$1.7 million compared to \$805,000 in the prior year period. Gross margin was 67.2% in the quarter compared to 66.5% in the 3<sup>rd</sup> quarter of 2024. The increase in gross margin was due to the change in product mix sold and additional volume which lowered per unit cost as compared to the prior year period.

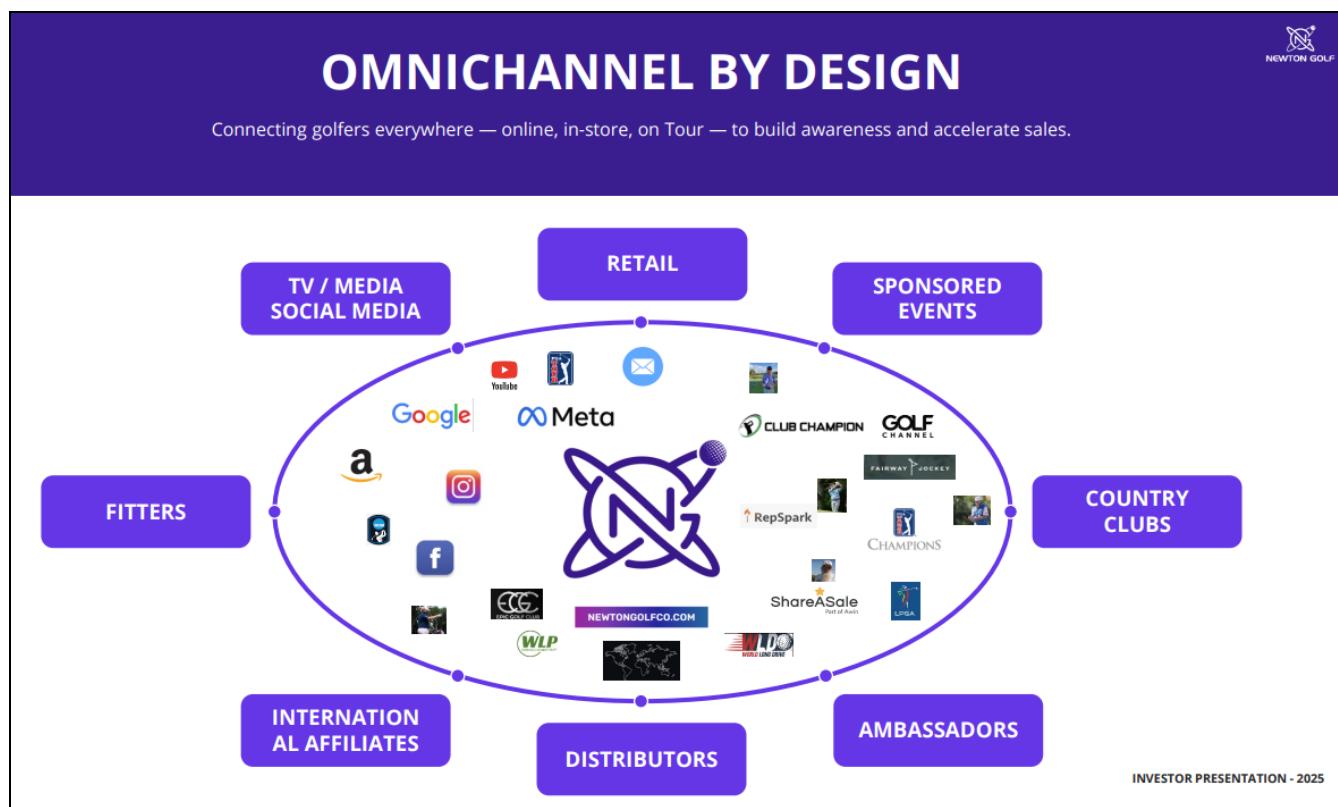
In 2026, the company will expand into more retail locations as well as strike deals with OEMs. These arrangements would create lower gross margins on a segment basis, but would likely increase revenue growth above current expecations.

SG&A expenses increased to \$3.05 million during the 3rd quarter of 2025 compared to \$1.7 million during the prior year period. SG&A was higher than previous quarters in 2025 due to increased

investment in professional services to modernize back-office systems, improve data accuracy, and build various processes that support growth strategies as well as lower future operating costs.

R&D expenses were \$182,000 during the 3<sup>rd</sup> quarter compared to \$201,000 during the prior year period. Net loss for the 3<sup>rd</sup> quarter of 2025 was (\$1.58) million compared to a net loss of (\$1.07) million in the prior year period.

Cash balances as of 9/30/25 stood at \$2.5 million and there was no outstanding debt. Working capital at the end of the 3<sup>rd</sup> quarter of 2025 was positive \$2.1 million.



Source: newtongolfir.com

### At-The-Market Equity Offering

On October 24, 2025, the company initiated an ATM equity offering for up to \$10.0 million. Under the ATM program, Newton Golf may sell newly issued shares on occasion at prevailing market prices at its discretion. This program enables efficient access to incremental growth capital while aligning issuance with current market liquidity. Kingswood U.S. will act as sales agent for these transactions.

### New Consumer Direct Website in Japan

On October 28, 2025, the company announced the launch of its dedicated Japanese e-commerce site. The new platform enables golfers in Japan to purchase Newton's performance-engineered products directly which marks a significant milestone in the company's international expansion plans.

Dr. Greg Campbell, Executive Chairman and CEO stated, *"Japan is the world's second largest golf market and represents a major opportunity for Newton Golf. Launching NewtonGolf.jp allows us to meet that demand directly, providing golfers in Japan with the same advanced performance technology and customer experience that have driven our growth in North America."*

The new website can be found here: [www.newtongolf.jp](http://www.newtongolf.jp)

## Newton Fast Motion Shafts

On April 29, 2025, the company announced the launch of its newest shaft family, Newton Fast Motion at a suggested retail price of \$325. The Newton Fast Motion is a lighter, Tour-proven shaft engineered to deliver exceptional precision and enhanced swing speed for golfers seeking top-tier performance.

The products build on four key innovations of the Newton Motion shaft. This includes Elongated Bend Profile, Kinetic Energy Storage, Symmetry 360 Construction, and Variable Bend Profile. The Newton Fast Motion series caters specifically to players who want lighter shafts without compromising stability, straightness, or control.

### FAST MOTION SHAFT: LIGHTWEIGHT SPEED MEETS TOUR PERFORMANCE



**Fast Motion Shaft: Lightweight Speed Meets Tour Performance**

- Designed for faster swing speeds without sacrificing control
- Lightweight, physics-first construction
- Made in the USA, expanding Newton's domestic manufacturing footprint
- Already in play by eight professionals across PGA TOUR Champions & LPGA Tour
- Driving adoption among top club fitters and DTC customers

**Pricing: \$325**

*"When you start seeing some of the **best ball strikers** of the last 30 years **slotting Newton shafts** into the bag, that's not noise — that's a signal. It's a signal that **this is something worth trying.**"*

**- Kris McCormack**  
Head of Club Test & Gear Data  
GOLF Magazine

Source: newtongolfir.com

The Fast Motion shaft is already being used by at least eight professionals putting it into play across the PGA TOUR Champions and LPGA Tour. Overall, more than 30 professionals on these tours are utilizing Newton Motion shafts.

## Gravity Putter Product Line

On September 25, 2024, the company announced the launch of three new putter models and two redesigned classics in its newly formed Gravity Premium Series line of putters. The putter line has been redesigned and rebranded as Gravity under the NEWTON GOLF umbrella. The lineup features dynamic red and black colors and a premium ceramic coating finish previously reserved for professional level putters. These models embody NEWTON GOLF's core design principles, including the brand's signature patented Ultra Low Balance Point (ULBP) and Center of Gravity (CG) technology.

The new lineup includes three new models:

**1. Classic** – The Classic, Gravity's new traditional anser-style putter in the Premium Series, is optimized for modern stroke types with a shallower arc. It features a newly designed hosel for enhanced

performance and feel. The Classic is made with 1018 carbon steel material for the best ball feel with Tour Only quality ceramic coating finish.

**2. DEUCE** - The new DEUCE is a double-wide anser putter that is easy to aim with a blade-like look. Available in 1018 carbon steel body, the DEUCE is designed to fit all stroke types with two hosel locations.

**3. DUKE** - The new DUKE putter takes its inspiration from PGA TOUR Champions player Ken Duke. Made with a 1018 carbon steel body with tungsten weighting, the DUKE is a modern interpretation of a classic-style putter that has a shorter blade length with a half mallet back.

Additionally, the DRAC and the PRISM from the previous Sacks Parente brand have been redesigned and have the new Gravity logo and colorways.

**4. DRAC** - The redesigned DRAC is the modernization of a fang-style putter. It is Gravity's highest MOI putter that is made of 6061 aluminum and 100 grams of tungsten. It has been redesigned with the Gravity logo and colorways.

**5. PRISM** - Gravity's redesigned PRISM mallet putter naturally improves the putting stroke and tightens the dispersion of putts. Engineered to deliver the right MOI and unmatched stability, the PRISM optimizes the stroke and provides the best roll in golf. It is made of 6061 aluminum and 50 grams of tungsten. The mallet head has been reshaped to improve stability and move CG more forward.

## GRAVITY PUTTERS: PRECISION, INNOVATION, PERFORMANCE



**Newton Gravity Putters** deliver unmatched precision and control, thanks to their ultra-low balance point design. Engineered for a smoother roll and consistent performance, they empower golfers to sink more putts with confidence.

**Innovative Engineering:**

- **ULBP Technology™** – Ultra Low Balance Point enhances control and feel.
- **Precision Alignment** – Optimized sightlines for accuracy.
- **Advanced Material Design** – Carbon steel or aircraft-grade aluminum for a premium feel.

**Tour-Proven Performance:**

- Trusted by top professionals for consistent roll and stability.
- Available in five models, including the Deuce and Duke.

"Newton's ultra-low balance point is the secret to exceptional control and feel."  
— *Driving Range Heroes*

Price: \$1450 per putter

Source: [newtongolfir.com](http://newtongolfir.com)

## KEY INVESTMENT POINTS

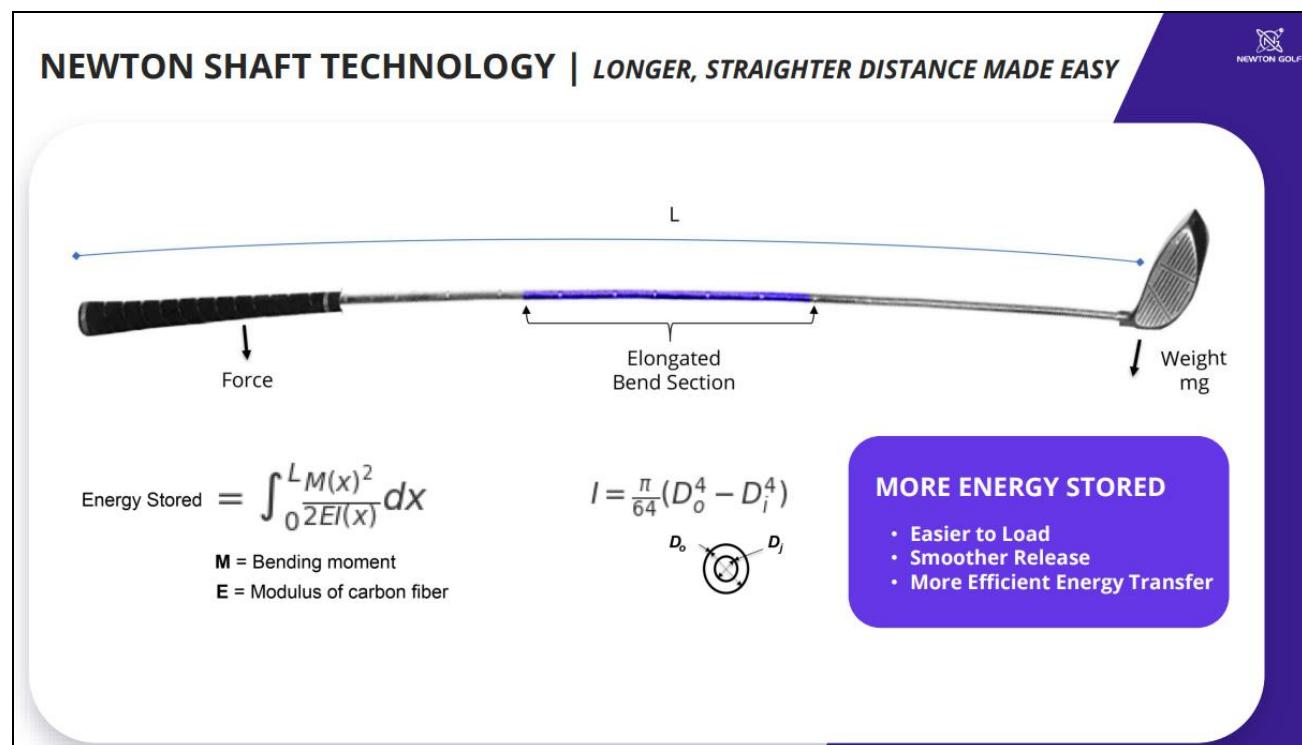


Source: newtongolfco.com

- Newton Golf (NASDAQ: NWTG) is an innovative, technology driven golf company with a growing portfolio of golf products, including putters, golf shafts, golf grips, and other golf-related products.
- The company designs and manufactures high-performance and innovative Newton Gravity golf putters and Newton Motion Shafts for golf clubs which may be rare "homerun" products. The introduction of these products into the golf equipment market may be analogous to the introduction of Big Bertha drivers, 2-ball putters, and cavity-backed irons and may attract mass adoption from golfers worldwide.
- The company is led by an accomplished management team with proven golf industry experience (Callaway Golf, TaylorMade, Ben Hogan Golf, etc.)
- Independent lab testing offers proof that Newton Gravity putters help golfers make more and better putts.
- The company operates an in-house manufacturing facility in Missouri for its putters and shafts which should reduce supply chain risks and ensure quality control.
- The company anticipates rapid multi-year revenue growth primarily from product launches of the company's Newton Motion Shafts and Newton Gravity putters. Primary sources of growth will come from direct-to-consumer channels and Asian markets. The company recently expanded into 126 Club Champion stores nationwide.
- There are Japanese and Korean distributors already in place that provide significant exposure to the world's #2 and #3 golf markets.
- NEWTON GOLF has a growing number of professional golfers and golf luminaries using its products. Recently, the company's Newton Motion driver shaft was the second most played golf shaft on the PGA TOUR Champions.
- The company went public in 2023 and currently has a market capitalization of \$8.4 million. We expect revenues to continue to grow rapidly in 2025 and beyond. As of 9/30/25, the company had \$2.5 million in cash and equivalents and no traditional long-term debt.
- The company is poised for strong growth in 2025 and 2026 and we believe the stock is worth **\$6.50** based on a discounted cash flow calculation which incorporates conservative estimates and a high discount rate.

## OVERVIEW

Newton Golf is an advanced technology golf company with a growing portfolio of golf products, including putters, golf shafts, golf grips, and other golf-related products. In order to support its growth opportunities and in-house shaft technologies, in April 2022, the company expanded its manufacturing business to include advanced premium golf shafts by opening a new shaft manufacturing facility in St. Joseph, MO. The company intends to manufacture and assemble substantially all products in the United States as is economically feasible. The company anticipates eventual expansion into golf apparel and other golf-related product lines to enhance its growth. The company currently sells its products through the company's websites, resellers, and distributors in the United States, Japan, and South Korea.



Source: newtongolfir.com

The company owns or licenses multiple utility and design patents in the U.S. and foreign countries relating to its products and product designs. The company also owns U.S. and foreign trademark registrations relating to its products, product designs, manufacturing processes and research and development concepts.

The company was formed in 2018 as Sacks Parente Golf Company, LLC, a Delaware limited liability company. On March 18, 2022, the company converted into a Delaware corporation named Sacks Parente Golf, Inc. According to the Plan of Conversion, on March 18, 2022, all of the outstanding ownership interests in Sacks Parente Golf Company, LLC, and rights to receive these interests were converted and exchanged for shares of capital stock of Sacks Parente Golf, Inc.

The company leases approximately 9,000 square feet of manufacturing, assembly, and distribution space in St. Joseph, Missouri (approximately 60 miles from Kansas City, MO). In January 2024, the company relocated its primary golf putting instrument assembly facility from Camarillo, CA to the St. Joseph facility. The company believes this facility has the capacity to produce 160,000 units which would equate to over \$40 million in total revenues. The lease on the facility currently expires in December 2025.

## PRODUCTS

The company designs its golf products to fit golfers of all skill levels, both amateur and professional. The products are designed to conform to the Rules of Golf as published by the United States Golf Association (USGA) and the ruling authority (The R&A) for countries outside of the U.S. and Mexico.

By investing in research and development and leveraging applied science and physics, the company designs golf equipment and products to be technologically superior by breaking the traditional uniformity that exists in golf equipment today. The company has the ability to create and modify product designs using computer-aided design software, finite element analysis software, and structural optimization techniques. In addition, the company utilizes a variety of robotics and testing equipment, advanced computer software, launch monitors, and an in-house laboratory for golf equipment products.

### Newton Motion Shafts



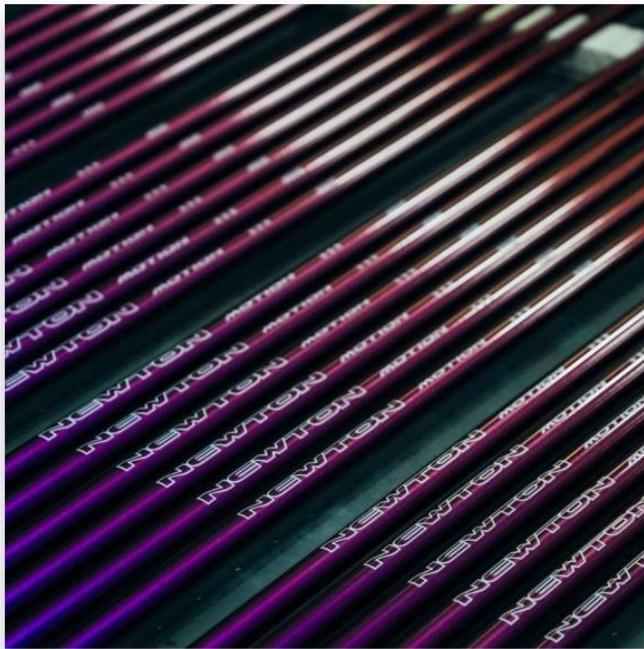
Source: [newtongolfir.com](http://newtongolfir.com)

On November 20, 2023, the company announced a significant expansion of its product portfolio. The company introduced "Newton," their latest business division and the company's first entry into the world of golf club shafts. The Newton Motion driver shaft, the first Newton shaft to debut in the market, is a carbon fiber shaft designed to enhance a golfer's performance by promoting straighter and longer shots with reduced effort.

Using the company's proprietary shaft design and construction, the Newton Motion shaft features four essential technologies:

- **Elongated Bend Profile** – The company has created an extreme elongated bend profile that is crucial to the shaft's design. Because of their proprietary Kinetic Storage Construction, the shaft will bend over a longer span of its length, resulting in improved club speed. The added flexibility of the carbon fiber gives the impression that the golfer doesn't need to exert excessive force during the swing, leading to a more predictable and less jarring experience. This should enhance the smoothness of the swing.
- **Kinetic Storage Construction** – The kinetic storage profile is the engine of Newton shafts. This proprietary construction empowers the fibers to store more energy that is harnessed through the elongated bend, resulting in a significant boost in exit velocity. In contrast to most carbon fiber shafts, Newton technology ensures perfect symmetry, eliminating the inconsistencies in flex and spin rates that can often lead to decreased accuracy and distance.
- **Newton Symmetry360 Design** – The Newton Symmetry360 design ensures consistent flex, regardless of the driver's clocking position. This feature allows for seamless adjustments to both the bend and torque (twist) when most flex changes occur, providing a truly versatile and adaptive solution.
- **Variable Bend Profile** – The Newton Motion driver shaft is equipped with a variable bend profile meticulously designed to match the bend and torque requirements of each flex. This innovation ensures that every player's driving performance is optimized, adapting seamlessly to the unique demands of the swing. Golfers with slower swing speeds need more torque while higher swing speeds need the opposite. Whether a player has a slow or a high swing speed, the Newton Motion technology tailors to the torque.

## NEWTON MOTION SHAFTS: POWER, PRECISION, PERFORMANCE



Source: [newtongolfir.com](http://newtongolfir.com)

### Newton Motion Shafts: Power, Precision, Performance

- **"Distance Made Easy"** – Engineered for effortless power and control.
- **Launched in November 2023**, now the **fastest-growing shaft on Tour Champions**.

### Innovative Engineering

- **Tailored flex profiles** optimize distance, accuracy, and control for all swing speeds.
- **DOT System™ eliminates outdated flex labels**, adapting dynamically to the player's speed.

### Precision U.S. Manufacturing

- **Made in the USA** with the highest quality standards for superior consistency.

### Pricing

- **\$300 Driver Shaft**
- **\$275 Fairway Wood**

In addition to these four important technologies, instead of using the traditional categorization of shaft flexes of ladies, senior, regular, stiff, extra-stiff, etc., the Newton Motion shaft uses a proprietary DOT system. Ranging from one to six dots, the system allows for a seamless transition from the most flexible shaft at one dot to the stiffest at six dots. SPG's innovative DOT system, employed by SPG's expert shaft engineers, optimizes golf shaft performance by finetuning it to a golfer's unique abilities, which is a major competitive advantage over traditional flex systems.

	•	One Dot:	Driver Swing speeds less than 75 mph/or driving distance less than 180 yards
	•	Two Dots:	Driver Swing speeds 75-85 mph/or driving distance from 180 – 220 yards
	•	Three Dots:	Driver Swing speeds 85-95 mph/or driving distance from 210 – 240 yards
	•	Four Dots:	Driver Swing speeds 95-105 mph/or driving distance from 230 – 260 yards
	•	Five Dots:	Driver Swing speeds 105-115 mph/or driving distance from 250 – 285 yards
	•	Six Dots:	Driver Swing speeds 115-plus mph/or driving distance of 275+ yards

Source: [newtongolfir.com](http://newtongolfir.com)

In addition, The Newton Motion shaft is visually captivating. When in motion, the shaft undergoes an attractive color transformation from green to purple and various shades in between. The coloration not only adds a dash of style to a golfer's game, but it also distinguishes itself from other shafts in the market.

On April 4th, 2024, the company announced that it was expanding beyond just driver shafts and into fairway woods. Executive Chairman Greg Campbell stated, *"In the wake of the remarkable success of our Newton Motion Driver shaft, we are witnessing not just the growth of a product line, but the flourishing of an entire Newton Shaft division dedicated to excellence and innovation. This launch marks a pivotal moment in our Company's history and sets a new standard for performance and customer satisfaction.*

*As we unveil the Newton Motion Fairway Woods shaft, we are confident that it will exceed the high expectations set by its driver shaft predecessor.”*

The ready-to-play Newton Motion Shafts come with a premium grip pre-installed and are cut to modern industry standard playing lengths, providing golfers with a seamless transition to enhanced performance. The Newton Motion Fairway Woods can be ordered in modern standard #3, #5, or #7 fairway woods lengths.

The Newton Motion shafts are manufactured in St. Joseph, Missouri at SPG's shaft manufacturing facility and have an average ASP of approximately \$250.00. We expect shafts to represent the majority of revenues in future years.

Additional information on Newton Motion Shafts can be found [here](#).

#### Newton Gravity Putters

See above descriptions.

#### Soft Goods

In addition to shafts and putters, the company intends to sell high quality soft goods such as golf apparel and accessories such as golf bags, gloves, headwear, practice aids and more. The company is in the early stages of developing the soft goods business and may begin manufacturing these types of products in 2026.

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### INDEPENDENT PUTTER STUDY

The Golf Lab is an independent research and development organization that uses state-of-the-art technology to comprehensively test and re-test golf equipment and new innovations. In 2023, The Golf Lab found 15 volunteers with handicaps ranging from 8 to 15 to participate in a blind test using their own putter vs their choice of a Sacks Parente putter. These volunteers had not played with a Sacks Parente putter before their opportunity to test.

Each golfer was given 82 putts with their own putter and then 82 with a Sacks Parente ULBP putter that they never used before. The Golf Lab used its Gears full-body optical motion tracking system to provide “hard data” on the putts, swings, and ball contact. The Gears system measures the putting swing as it unfolds as 600 images per putt are generated and analyzed in less than a second.

The test results showed that Sacks Parente putters were empirically proven to make more putts, offer better aim/alignment, improve squared angle at impact, and improve club path during the swing. In addition, the tests showed an improvement in speed control by being naturally easier to align, providing a more consistent stroke/speed control, better club path, and squaring the putter at impact. The results showed a 56% increase in the number of putts made. On average, 32/82 putts were made by the golfers using their own putter vs. 50/82 made with the Sacks Parente putter which was a notable make increase from 39% to 62%.

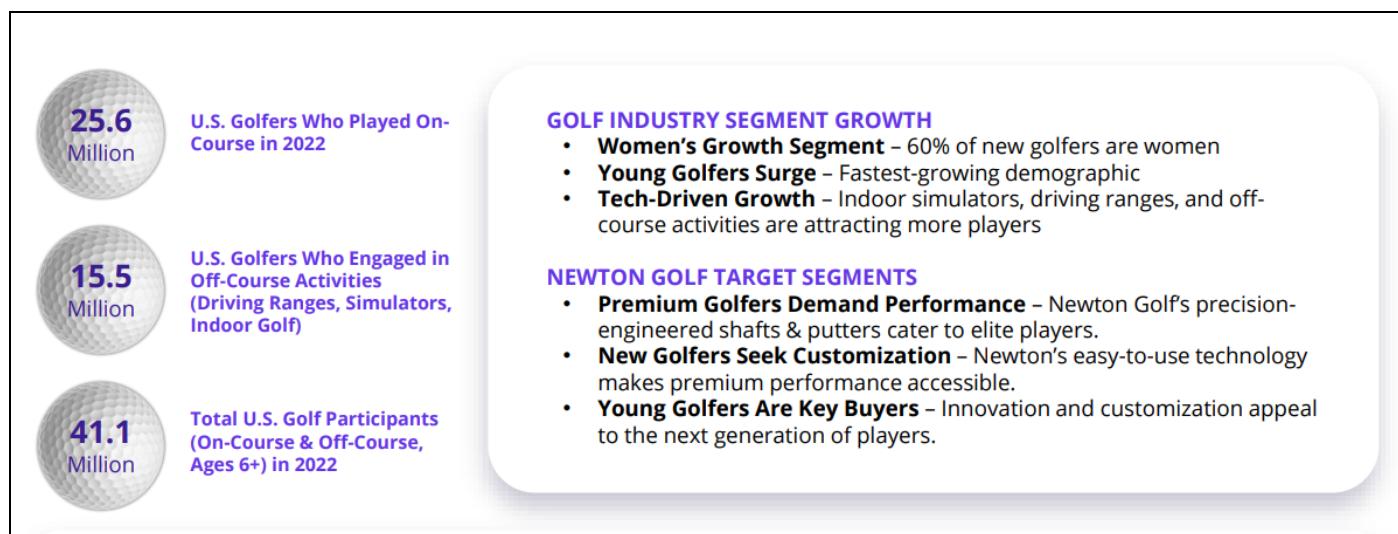
More details on the Golf Lab test results can be found [here](#).

## INDUSTRY & ADDRESSABLE MARKET

The golf equipment market size was estimated to be worth approximately \$13.0 billion in 2023 and is expected to reach \$17.6 billion by 2028 which is a CAGR of approximately 5.8%. The entire golf industry, which includes courses, equipment and related services is estimated at \$86.0 billion.

Recently, there has been an increase in young golfers which is causing equipment sales to rise and is a significant driver of golf equipment sales. In addition, growing middle-class income and the increasing number of professional golfers over the last few years are contributing to the substantial increase in demand. The participation rate in professional golf tournaments is increasing, especially among millennials, which is further boosting golf equipment sales worldwide.

Based on a survey by the National Golf Foundation, golf is now played in 206 out of 251 countries and there are approximately 38,000 golf courses worldwide. Globally, millions of people of all ages are attracted to golf and participate in the International Golf Federation's programs and events. Also, adding golf to the summer Olympic Games has contributed to a sudden increase in golfers worldwide. Certain European countries are investing heavily in infrastructure developments of the game and hosting many international golf events and competitions. These investments in golf courses are further anticipated to boost the inflow of sports tourists and influence the market positively during the study period.



Source: newtongolfir.com

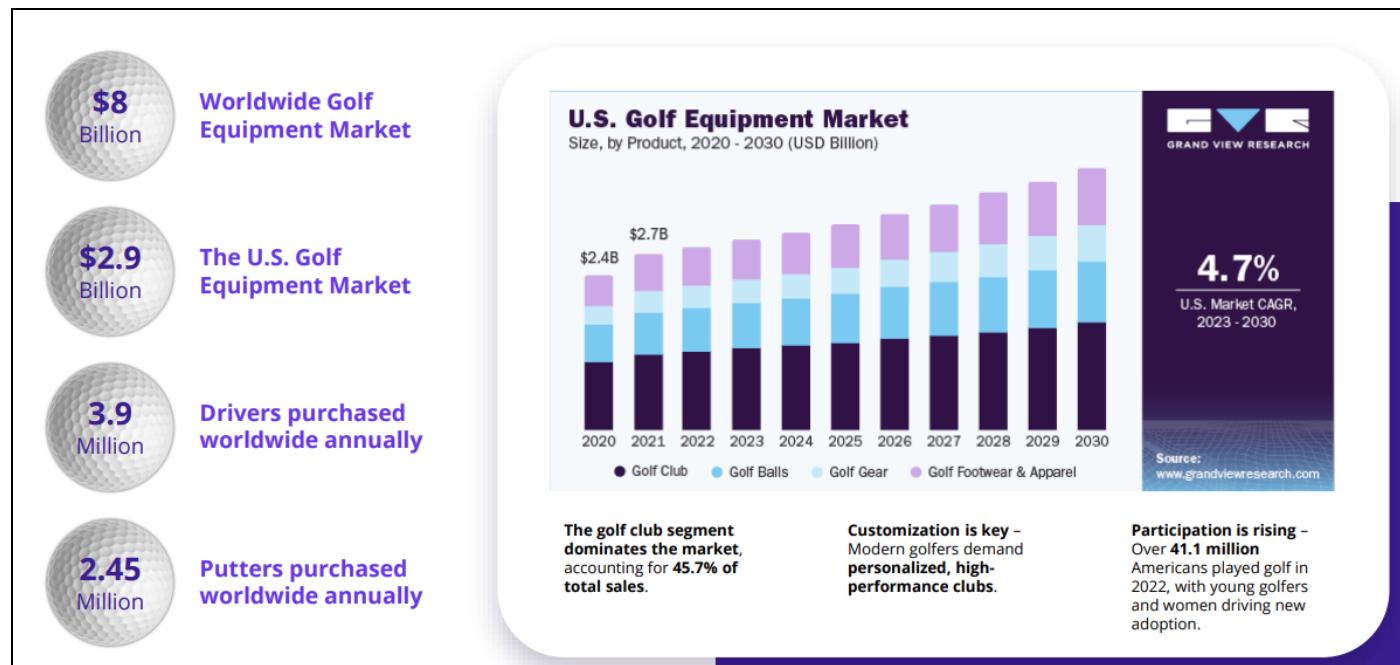
There has also been a rise in demand for golf equipment from the Asia-Pacific region. This golf equipment market is driven by the rising popularity of golf in Japan, China, South Korea, and Thailand. In coming years, the golf equipment and accessories market in the Asia-Pacific region is expected to grow with major countries such as China, India, Australia, and Japan contributing to the market growth as well. Japan is one of the major countries in the Asia-Pacific region in terms of the number of golf players, owing to the rising awareness about golf and an increase in the golfer population in the country. According to the Ministry of Economy, Trade, and Industry (METI), the golfing population in Japan increased from 8.9 million in 2018 to approximately 10.5 million in 2023.

As the population becomes more aware of sports and the disposable income of individuals rises, there is a strong likelihood that the regional market will continue to grow. In addition to already established international brands, the market in the region is being driven by a rise in participation in golf tournaments and spending money and time on sports activities. Increasing media exposure to international golf events

has aided the rise in the popularity of golf among the masses. This trend encourages the youth to play such sports, further boosting the sales of golf equipment in the region.

According to Golf Datatech, LLC, and Yano Research Institute Ltd, two of the golf industry's leading independent research and data firms, Japan and Korea rank second and third in the listing of the '*top five World Golf Markets*'. Furthermore, Korean golfers spend more per capita on their golf equipment and apparel than any other country, while the U.S. and Japan are responsible for about two-thirds of the world golf equipment market.

In addition, there has been a tremendous boom in indoor golf which is typically played within a high tech golf simulator where the player hits a ball against a large screen and shot results and scores are displayed digitally. Of the approximate 41 million golfers in the U.S., roughly 1/3<sup>rd</sup> are indoor golfers only. This category also includes participants at Topgolf, a large golf entertainment complex with approximately 80 locations currently on a global basis.



Source: [newtongolfir.com](http://newtongolfir.com)

## MANUFACTURING FACILITY

The company leases approximately 9,000 square feet of manufacturing, assembly, and distribution space in St. Joseph, Missouri (approximately 60 miles from Kansas City, MO). In January 2024, the Company relocated its primary golf putting instrument assembly facility from Camarillo, CA to the St. Joseph facility. The company believes this facility has the capacity to produce 160,000 shafts and 40,000 putters which would equate to over \$40 million in total revenues.

### THE COMPETITIVE EDGE OF U.S. MANUFACTURING

#### Quality & Performance

**Strict quality control** ensures consistency in every shaft and putter.  
**Every product is inspected** for precision and durability.

#### Supply Chain Efficiency

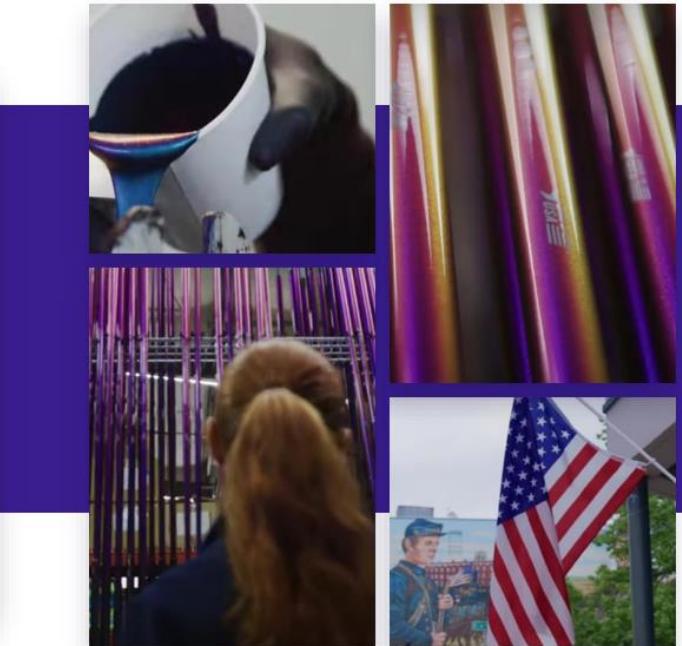
**Faster lead times** and improved responsiveness to demand.  
**More agile production** reduces delays and inventory risk.

#### Sustainability & Branding

**Lower carbon footprint** from domestic manufacturing.  
**Appeals to eco-conscious consumers** who value sustainability.

#### Economic & Strategic Benefits

**Supports local jobs** and strengthens U.S. manufacturing.  
**Simplifies compliance** with trade regulations and tariffs.



Source: newtongolfir.com

It is the company's goal to develop, design and manufacture as many of the company's products, as is economically feasible in the U.S. There are currently limited assembly/fitting capabilities in Japan and South Korea.

Overall, the golf club assembly process is fairly labor intensive, requires extensive supply chain coordination and utilizes raw materials that are obtained from suppliers both internationally and within the United States.

## TOUR PLAYERS

Newton Golf has over 60 professional golfers utilizing its Newton Shafts across the PGA TOUR Champions, LPGA, and Korn Ferry tours

### Miguel Ángel Jiménez

- Signed with Newton Golf in 2025
- Two PGA TOUR Champions wins using Newton Fast Motion shaft:
  - Principal Charity Classic (2025) – won in playoff
  - Chubb Classic (2025) – earlier season victory
- Currently leading the PGA TOUR Champions money list.



Source: newtongolfir.com

### Tour Pros Fuel Newton's Momentum

- Over 50 pros on PGA TOUR Champions and LPGA Tour gaming Newton shafts
- Chosen for elite feel, control, and performance
- Rising adoption boosts Newton's brand on Tour



KEN DUKE  
PGA Tour Champion



MARK O'MEARA  
PGA Tour Champion



JOHN DALY  
PGA Tour Champion



DOUG BARRON  
PGA Tour Champion



COLIN MONTGOMERIE  
PGA Tour Champion



CHRIS DIMARCO  
PGA Tour Champion

## COMPETITION

The company primarily competes based on its advanced technology and the ability to improve a player's experience and provide quality customer service at a level higher than some competitors.

To better understand industry trends, management receives and evaluates internally generated market research for U.S. and foreign markets, as well as periodic public and customized market research on a global basis. Research providers include Golf Datatech and The National Golf Foundation which include trends and data from on-course and off-course retailers. In addition, the company utilizes data from other market research firms in Asia.

Major competitors for putting instruments are TaylorMade, Ping, Acushnet (Scotty Cameron, Titleist brand) and Callaway Odyssey/Toulon brands. Major competitors for golf shafts include Fujikura Composites, Mitsubishi Chemical MCC, Graphite Design, (Asia) Co Ltd, Nippon Shaft. Ltd, and Paderson Kinetixx, Taiwan. All these competitors have extensive business histories and substantially greater resources than the company.



Source: newtongolfir.com

## MANAGEMENT

### **Dr. Greg Campbell, Executive Chairman**

Effective January 2, 2024, Greg Campbell was appointed as Executive Chairman of SPG. Prior to that, Mr. Campbell served as Chairman of the company since November 2018. He is currently also Chief Executive Officer at V-Grid Energy Systems, a California-based start-up focusing on converting agricultural waste into renewable electricity and valuable bio-carbon. Having received his Doctor of Philosophy, Electrical and Electronics Engineering from the University of California Los Angeles and BA/MA in Engineering from Cambridge University, Campbell's nearly 40-year career spans new and emerging technologies, product development, and philanthropy. He has successfully taken two companies public. He also served as SVP&GM for Lam Research where he managed a \$1.2 billion P&L.

### **Akinobu Yorihiro Director, Chief Technology Officer**

Akinobu Yorihiro, one of the company's co-founders, has been a Director, Chief Technology Officer, and Chief Legal Officer since March 2018. Mr. Yorihiro also served as Chief Financial Officer from March 2018–February 2022. Mr. Yorihiro has served as Chairman of the Board for Nippon Xport Ventures, Inc. since 2017. Mr. Yorihiro served as Chief Executive Officer of Yoshimoto Entertainment USA, the U.S. Subsidiary of Yoshimoto Kogyo of Japan, and the Chief Executive Officer of Bellrock Media, a digital media company backed by Dentsu, NTT Docomo and Yoshimoto Entertainment, from 2006–2017. He was a Corporate M&A Partner of Bingham McCutchen LLP, a large national U.S. law firm, where he specialized in cross-border transactions, representing Japanese and U.S. clients across a wide range of industries including manufacturing, pharmaceutical, technology, banking, sports and entertainment, from 1993–2006. Bilingual and Bicultural in Japanese, he earned his B.A. in Economics and Mathematics from Claremont McKenna College and J.D. from Georgetown University Law Center.

### **Jeff Clayborne Chief Financial Officer**

Mr. Clayborne brings over three decades of financial leadership across public and private companies in the consumer, technology, and entertainment sectors. He has led successful IPOs, built scalable financial systems, and helped grow design-led, consumer-facing brands. Jeff previously served as CFO of premium apparel brand Perfect Moment, public SaaS company Verb Technology, and e-mobility startup SONDORS, where he drove transformation using platforms like NetSuite and Shopify. His disciplined, tech-enabled approach to finance supports Newton Golf's mission to scale with operational rigor and long-term value creation.

## BOARD OF DIRECTORS

### **Dr. Greg Campbell** Executive Chairman

### **Jane Casanta** Director

Jane Casanta has been a member of the Board of Directors since January 2024. Jane Casanta brings a rich background in the golf industry to Newton Golf, having served in various marketing and product development roles at the Acushnet Company for 26 years, including as Director of Marketing for Titleist Gloves and Accessories worldwide. Her accomplishments during this time include doubling international sales, increasing domestic gear sales by 100%, and achieving a 15-point increase in Titleist golf bag industry share.

### **Brett Hoge** Director

Brett Hoge has been a member of the Board of Directors since March of 2022 and a Financial Advisor with Truist Investment Services, Inc. since 2008. Brett's deep understanding of investments, and capital management earned him a position in the Top 400 Financial Advisors by the Financial Times in 2017, 2018, 2020 and he was also recognized for Best-In-State Wealth Advisors by Forbes in 2022. Brett earned his bachelor's degree in business administration with majors in finance and insurance, from Appalachian State University in 1999. He is a passionate community volunteer and mentor, Brett received the 2007 Forsyth County United Way Volunteer of the Year Award, the Investment News Community Leadership Award, and is a past president of Big Brothers Big Sisters of Forsyth, Davie and Yadkin counties.

### **Dottie Pepper** Director

Dottie Pepper has been a member of the Board of Directors since April of 2022, and is a 17-time winner on the LPGA tour, including two major championships. She served 3 years as an Independent Director on the PGA of America Board of Directors. Dottie was the 2016 William D. Richardson Award winner, given by the Golf Writers Association of America for continuing contributions to golf and she was also the 2021 Gold Tee winner, given by the Metropolitan Golf Writers Association for career achievements that exemplify the best spirit and traditions of the sport of golf. Dottie also won on the JLPGA Tour and represented the U.S. 6 times in the Solheim Cup. She played the LPGA Tour from 1988 until her retirement in 2004 when she began a career in television. She was the first woman to announce live golf at The Masters beginning in 2016 and in 2020 became the first walking reporter to cover that same event. She is currently the lead walking reporter for CBS Sports' coverage of the PGA Tour, PGA Championship and Masters.

### **Akinobu Yorihiro** Director, Chief Technology Officer

Akinobu Yorihiro, one of the company's co-founders, is a Director and Chief Technology Officer, and Chief Legal Officer, he has served in such capacities since March 2018. Mr. Yorihiro also served as Chief Financial Officer from March 2018-February 2022. Mr. Yorihiro has served as Chairman of the Board for Nippon Xport Ventures, Inc. since 2017. Mr. Yorihiro served as Chief Executive Officer of Yoshimoto Entertainment USA, the U.S. Subsidiary of Yoshimoto Kogyo of Japan, and the Chief Executive Officer of Bellrock Media, a digital media company backed by Dentsu, NTT Docomo and Yoshimoto Entertainment, from 2006-2017. Bilingual and Bicultural in Japanese, he earned his B.A. in Economics and Mathematics from Claremont McKenna College and J.D. from Georgetown University Law Center.

## RISKS

- A reduction in the number of rounds of golf played or in the number of golf participants could negatively affect sales. The demand for golf-related products in general, as well as the demand for golf-related soft goods, is directly related to the number of golf participants and the number of rounds of golf being played by these participants. In the future, the overall dollar volume of the market for golf-related products may not grow or may decline. Any significant reduction in television coverage of, or attendance at, golf tournaments and events could reduce the visibility of the company's brands.
- Unfavorable economic conditions, future pandemics, or inflation could hurt consumer discretionary spending and therefore negatively impact company sales. The company's products are recreational and are therefore discretionary purchases for consumers. A significant or prolonged decline in general economic conditions or uncertainties regarding future economic prospects could adversely affect consumer discretionary spending in domestic and international markets.
- The company faces intense competition in all of its markets, and if they are unable to compete effectively, it could have a material adverse effect on business operations. Putters, shafts and grips operate in a highly competitive marketplace that is served by a number of well-established and financially stable companies with recognized brand names. In addition, downward pressure on pricing in the market for the company's products could have a significant adverse effect on business operations.
- The company has a limited operating history having been formed in 2018. The company has experienced limited sales since its inception and has largely been considered a development stage company. The company needs to substantially grow its revenue base in order to generate net profits and free cash flow. The company needs to raise additional capital to fund operations which may include high interest rate bank debt or dilutive equity financing.

## SUMMARY

We believe Newton Golf is positioned to deliver substantial revenue growth and sustained profitability over the next decade as its shaft and putter product lines scale and benefit from operational efficiencies. Our outlook anticipates strong double-digit annual revenue expansion over this period, accompanied by margin improvement toward industry norms. We further expect the company's higher-margin shaft segment to comprise the majority of sales as adoption increases.

Newton's innovative Gravity putters and performance-driven shaft technologies represent potentially transformative product introductions in the golf equipment category which are comparable, in impact, to the launch of Big Bertha drivers, 2-ball putters, and the broader adoption of cavity-back irons, each of which reshaped competitive dynamics within the industry.

At current levels, investors may have a rare opportunity to gain early exposure to a sporting goods company with meaningful growth catalysts ahead. We believe the present share price does not adequately reflect Newton Golf's long-term earnings potential, resulting in a valuation that appears significantly below intrinsic value. This discount provides an additional margin of safety for investors as the company executes its growth strategy.

## WHY NEWTON GOLF IS A HIGH-GROWTH INVESTMENT OPPORTUNITY



Source: newtongolfir.com

- **Expanding Market Opportunity** – Positioned in a **\$8B global golf equipment market**, growing with increased participation.
- **Strong Gross Margins** – Premium pricing and **U.S.-based manufacturing** support a clear path to profitability.
- **Competitive Advantage** – Proprietary **Motion Shafts & Gravity Putters** leverage cutting-edge engineering.
- **Omni-Channel Sales Strategy** – Combining **DTC, retail, OEM, fitters, and digital marketing** for maximum reach.
- **Attractive Valuation with Significant Upside** – Early-stage opportunity with room for exponential growth.

## PROJECTED INCOME STATEMENT

Income Statement	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
Net Sales	190,000	349,000	3,445,000	7,710,250	13,126,175
<b>Growth</b>	<b>-5.0%</b>	<b>83.7%</b>	<b>887.1%</b>	<b>123.8%</b>	<b>70.2%</b>
Cost of Goods Sold	99,000	195,000	1,006,000	2,076,558	3,141,412
%	52.1%	55.9%	29.2%	26.9%	23.9%
Depreciation & Amort	11,000	32,000	165,000	309,680	315,874
Gross Profit	80,000	122,000	2,274,000	5,324,013	9,668,889
<i>Margin</i>	<i>42.1%</i>	<i>35.0%</i>	<i>66.0%</i>	<i>69.1%</i>	<i>73.7%</i>
Selling General & Administrative Expenses	2,874,000	4,471,000	6,458,000	11,035,000	9,379,750
% of sales	1512.6%	1281.1%	187.5%	143.1%	71.5%
Research & Development	73,000	258,000	743,000	757,000	605,600
% of sales	38.4%	73.9%	21.6%	9.8%	4.6%
Other Expenses	0	0	0	0	0
% of sales	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	0	26,000	51,000	34,000	34,000
% of sales	0.0%	7.4%	1.5%	0.4%	0.3%
Operating Income	(2,867,000)	(4,633,000)	(4,978,000)	(6,501,988)	(350,461)
<i>Margin</i>					
<b>EBITDA</b>	<b>(2,845,000)</b>	<b>(4,517,000)</b>	<b>(4,762,000)</b>	<b>(6,158,308)</b>	<b>(587)</b>
<i>Margin</i>	<i>-1497.4%</i>	<i>-1294.3%</i>	<i>-138.2%</i>	<i>-79.9%</i>	<i>0.0%</i>
Other Expenses/(Income)	574,000	(8,000)	6,774,000	(1,281,000)	(69,911)
%	302.1%	-2.3%	196.6%	-16.6%	-0.5%
<b>EBIT</b>	<b>(3,441,000)</b>	<b>(4,625,000)</b>	<b>(11,752,000)</b>	<b>(5,220,988)</b>	<b>(280,549)</b>
<i>%</i>	<i>-1811.1%</i>	<i>-1325.2%</i>	<i>-341.1%</i>	<i>-67.7%</i>	<i>-2.1%</i>
Total Interest Exp (net)	64,000	0	0	0	0
%	33.7%	0.0%	0.0%	0.0%	0.0%
Net Profit Before Tax	(3,505,000)	(4,625,000)	(11,752,000)	(5,220,988)	(280,549)
<i>%</i>	<i>-1844.7%</i>	<i>-1325.2%</i>	<i>-341.1%</i>	<i>-67.7%</i>	<i>-2.1%</i>
Income Tax	0	0	0	0	0
% Effective Rate	0.0%	0.0%	0.0%	0.0%	0.0%
% Cash Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%
Minority Interests	0	0	0	0	0
Net Profit	(3,505,000)	(4,625,000)	(11,752,000)	(5,220,988)	(280,549)
<i>%</i>	<i>-1844.7%</i>	<i>-1325.2%</i>	<i>-341.1%</i>	<i>-67.7%</i>	<i>-2.1%</i>
	0.0%	0.0%	0.0%	0.0%	0.0%
Non-recurring income (expense)					
Average Diluted Shares Outstanding	10,433,820	40,791	65,899	3,345,000	4,752,000
Reported FD EPS					
Zacks Cash EPS	(0.34)	(112.75)	(177.56)	(1.55)	(0.05)
Zacks EPS	(0.34)	(113.38)	(178.33)	(1.56)	(0.06)

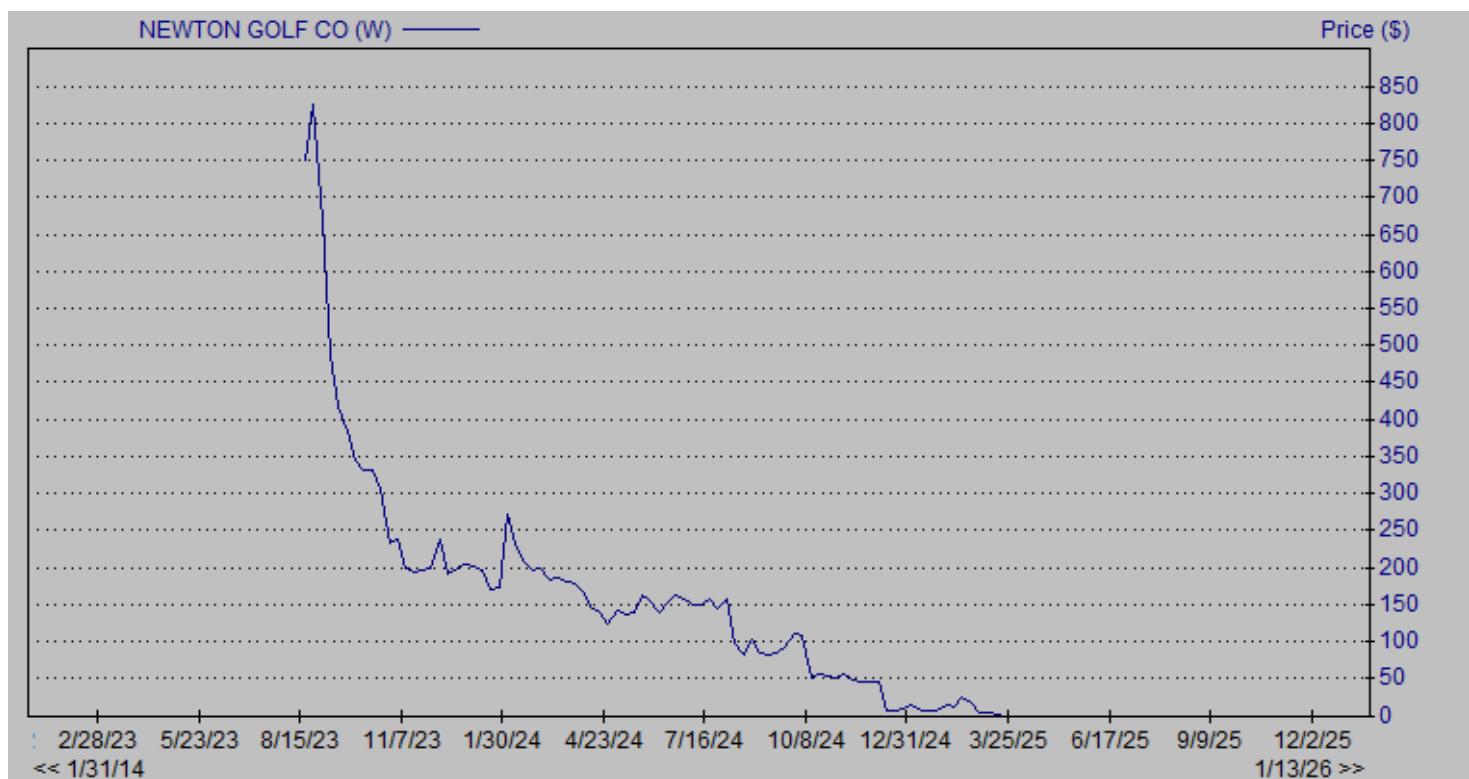
Source: Zacks SCR analyst

## PROJECTED QUARTERLY INCOME STATEMENT

	Q1/25A	Q2/25A	Q3/25A	Q4/25E
<b>Net Sales</b>	<b>1,210,000</b>	<b>2,068,000</b>	<b>2,582,000</b>	<b>1,850,250</b>
<b>Cost of Goods Sold</b>	<b>301,000</b>	<b>586,000</b>	<b>764,000</b>	<b>425,558</b>
%	23.2%	23.0%	25.0%	23.0%
<b>Depreciation</b>	<b>57,000</b>	<b>83,000</b>	<b>84,000</b>	<b>85,680</b>
<b>Gross Profit</b>	<b>852,000</b>	<b>1,399,000</b>	<b>1,734,000</b>	<b>1,339,013</b>
%	70.4%	67.6%	67.2%	72.4%
<b>Selling General &amp; Administrative Expenses</b>	<b>2,533,000</b>	<b>2,755,000</b>	<b>3,047,000</b>	<b>2,700,000</b>
%	209.3%	133.2%	118.0%	145.9%
<b>Research &amp; Development</b>	<b>282,000</b>	<b>143,000</b>	<b>182,000</b>	<b>150,000</b>
%	23.3%	6.9%	7.0%	8.1%
<b>Other Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
%	0.0%	0.0%	0.0%	0.0%
<b>Amortization</b>	<b>8,000</b>	<b>8,000</b>	<b>9,000</b>	<b>9,000</b>
%	0.9%	0.6%	0.5%	0.7%
<b>Operating Income</b>	<b>(1,971,000)</b>	<b>(1,507,000)</b>	<b>(1,504,000)</b>	<b>(1,519,988)</b>
%	-162.9%	-72.9%	-58.2%	-82.2%
<b>EBITDA</b>	<b>(1,906,000)</b>	<b>(1,416,000)</b>	<b>(1,411,000)</b>	<b>(1,425,308)</b>
%	-157.5%	-68.5%	-54.6%	-77.0%
<b>Other Expenses/(Income)</b>	<b>(1,446,000)</b>	<b>13,000</b>	<b>76,000</b>	<b>76,000</b>
%	-119.5%	0.6%	2.9%	4.1%
<b>EBIT</b>	<b>(525,000)</b>	<b>(1,520,000)</b>	<b>(1,580,000)</b>	<b>(1,595,988)</b>
%	-43.4%	-73.5%	-61.2%	-86.3%
<b>Total Interest Exp. (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
%	0.0%	0.0%	0.0%	0.0%
<b>Net Profit Before Tax</b>	<b>(525,000)</b>	<b>(1,520,000)</b>	<b>(1,580,000)</b>	<b>(1,595,988)</b>
%	-43.4%	-73.5%	-61.2%	-86.3%
<b>Income Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
% Effect Rate	0.0%	0.0%	0.0%	0.0%
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Profit</b>	<b>(525,000)</b>	<b>(1,520,000)</b>	<b>(1,580,000)</b>	<b>(1,595,988)</b>
%	-43.4%	-73.5%	-61.2%	-86.3%
Shares Outst.	953,959	4,509,619	4,602,070	4,752,000
<b>Reported FD EPS</b>				
<b>Fully Diluted EPS</b>	<b>(0.55)</b>	<b>(0.34)</b>	<b>(0.34)</b>	<b>(0.34)</b>

Source: Zacks SCR analyst

## HISTORICAL STOCK PRICE



## DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

### ANALYST DISCLOSURES

I, Tom Kerr, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

### INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

### POLICY DISCLOSURES

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