



BUSINESS PLAN

For

Formula Motion

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1) Brief introduction to Formula Motion. The 'pitch'

WHAT PROBLEM DOES FORMULA MOTION ADDRESS?

Falls prevention in the elderly.

Ageing and disability lead to poor mobility, a deterioration of balance and weakening of the musculoskeletal system. This can be addressed by targeted balance training which decreases the risk of accidents and falls.

Every year, 1 in 3 elderly people in the EU and the UK will suffer a fall, resulting in 3.5 million fractures and a £44bn cost of treatment.

(Reference 1 and 2, see page 49)

33% of those people with a hip fracture will die within a year.

(Reference 3)

Balance training reduces the rate of falls and hospital admissions by up to 55%, in addition to speeding up recovery times.

(Reference 4)



THE SOLUTION

Formula Motion, will satisfy an unmet market for a low cost, simple and effective multifunctional rehabilitation and balance training machine.

A patented system in UK, USA and Europe, it enables a wide range of beneficial movements.

The benefits have been confirmed by medical and sports professionals after assessing the prototype.

"Loss of muscle mass, function and balance are key factors associated with falls and disability in older adults."

Dr James Brown

Associate Professor in Biosciences Aston Research Centre for Healthy Ageing.

We already have interest from a number of commercial end-users/customers.

EXAMPLES OF NEED AND EVIDENCE OF FALLS IN ELDERLY

Formula Motion answers one of the UK government's 'four grand challenges' Mission statement: Ensure that people can enjoy at least 5 extra healthy, independent years of life by 2035.

(Reference 5 and 6)

Strength and balance training has been identified as an effective intervention to reduce falls by the UK government's National Institute for Health and Care Excellence (NICE).

(Reference 7)

The annual cost of fragility fractures to the UK £4.4 bn.

(Reference 8)

NOT JUST FALLS PREVENTION IN THE ELDERLY

Formula Motion also has major uses and benefits in other market places:

Rehabilitation of strokes, Parkinson's, trauma, rheumatoid arthritis, cerebral palsy, spina bifida, muscular dystrophy, multiple sclerosis and other neurological and vestibular conditions.

With the current pandemic, it could be used by people recovering from Covid 19, where their muscles have wasted and strength training for long Covid patients.

It can also be used in:
 Elite athlete centres.
 Gyms and Health clubs.
 Sports injury clinics.
 Research establishments.
 Physiotherapy clinics.
 Virtual reality.

WHAT IS FORMULA MOTION?

New concept multi-functional rehabilitation/exercise machine.

Patented design. (See page 45)

Gives movements with many end user benefits as confirmed by medical and sports professionals.



Used for falls prevention in the elderly, rehabilitation, performance training, general exercise and virtual reality.

Incorporates latest digital technologies to monitor performance and capture data to show progress.

Achieved at a market competitive cost of £ 5,750.

Formula Motion is a truly unique offering and is the only solution capable of fulfilling a multitude of wide-ranging market needs.

For clinical practitioners and patients/users alike, it is simple to use and will significantly aid rehabilitation and training regimes.

Our primary Unique Selling Point is our ability to provide a wide range of different rehabilitation modes within one single, compact, user-friendly and affordable system thanks to our patented motor-driven cam configuration and cam followers. This enables the seamless mode transition from active 'powered' drive to 'free' wobble mode.

Formula Motion proof of concept prototype videos

- 1) Formula Motion brief intro 18.12.18. <https://vimeo.com/307122285>
- 2) Formula Motion Falls prevention in elderly 25.11.19. <https://vimeo.com/375598860>
- 3) Formula Motion main movements 09.02.19. <https://vimeo.com/316297873>
- 4) Formula Motion engineering 09.02.19. <https://vimeo.com/316306621>
- 5) Formula Motion user screens 09.02.19. <https://vimeo.com/316299216>
- 6) Formula Motion virtual reality use. <https://vimeo.com/295624703>
- 7) Formula Motion wheel chair user. <https://vimeo.com/294515322>

See <http://formulamotion.com/>

2) Executive summary

Introduction

Formula Motion has been developed to exploit the need for a high volume main-stream balance and core strength rehabilitation / exercise machine.

The product

It is a new concept machine. It works like a flight simulator and is operated via an intuitive touch screen. The user can sit, stand, kneel or lie on the platform. It can raise, lower and tilt in all directions and combine to give sophisticated movements. The machine can move the user, and or the user can move the machine like a wobble board. The user can also start movements via their body acting on pressure sensors. There are no other products with these features and benefits.

Set programmes can be run to exercise specific sets of muscles or to enhance skills for a particular rehabilitation or sport. The user or a medical professional can also create programmes tailored to particular needs. It can be driven and or works like a wobble board. This hybrid design is unique and adds a whole new dimension to the fields of rehabilitation, performance training, exercise and virtual reality.

Formula Motion is not a Power Plate.

Formula Motion is a new concept machine and has a multitude of innovative movements from a patented mechanism. It is completely different to machines such as Power Plate.

What is it used for?

- 1) Falls prevention in the elderly.
- 2) Rehabilitation.
- 3) Performance training.
- 4) Exercise.
- 5) Virtual reality enhancement and 'virtual reality sickness reduction'.

Key points

- 1) Granted patents in USA, UK and EU.
- 2) Working prototype.
- 3) Very positive feedback from industry leaders and medical professionals.
- 4) It is a product for the current world. It can be programmed from mobile phones. It can collect valuable data.
- 5) Unique range of platform movements.
- 6) A product for the growing market of the ageing community.

The team

The team has 120 years of experience in the design, manufacture and marketing of medical, rehabilitation and exercise products.

Tim Henson, the inventor of Formula Motion, has 40 years' experience in engineering, specialising in the design and development of new products. He has won numerous product design and industry awards.

The business model and market sectors

In the UK, the route to market will be selling direct. In other countries, distributors will be used, who have been identified.

The proposed list price and average selling prices are lower than other rehabilitation machines because of the inherent design and the ability to capitalise on high volume sales due to its greater benefits and multi markets.

The market potential for Formula Motion is large and expanding. Initially, falls prevention in the elderly will be targeted then, other rehabilitation markets, elite sports, fitness gyms and virtual reality.

Market research

Throughout the development, Tim Henson has been involved in numerous detailed discussions and product demonstrations with key industry leaders, doctors, physiotherapists and other healthcare professionals. Feedback has been very positive and has been used to refine and finalise the launch specification.

Aston University and The ExtraCare Charitable Trust, a major retirement village group, have been involved regarding falls prevention in the elderly. Loughborough University have been involved regarding elite sports.

The availability of a fully working prototype during the pre-marketing phase has been extremely beneficial both as a means of finalising the specification and confirming the need and enthusiasm for the product.

Manufacturing

Manufacturing will take place at Formula Motion's assembly facility in North Warwickshire, UK.

Unit costing and pricing

The development team have fully costed the design and the production cost is £1,783. This price is based on firm quotations.

The average selling price in the UK will be £5,750 and sold direct.

The average selling price for the rest of the world will be £4,600 and via distributors. This gives a good margin for the distributors and allows for a similar end user purchase price.

Benefits for the user

- 1) Improved coordination.
- 2) Injury recovery and performance enhancement.
- 3) Reduced risk of injury.
- 4) Stronger, more flexible joints.
- 5) Improved muscle tone.
- 6) Improved agility.

Uses

- 1) Falls prevention in the elderly.
- 2) Rehabilitation following surgery, injury, Covid 19 or stroke etc.
- 3) Exercise or treatment for people with reduced mobility.
- 4) Postural improvement.
- 5) Balance improvement for vestibular disorders.
- 6) Reducing back and joint pain.
- 7) General fitness and wellbeing.
- 8) Sports development and training.
- 9) Eye/body co-ordination training.
- 10) Proprioception training (where your body is in space.)
- 11) Improving circulation to help prevent deep vein thrombosis.
- 12) Research.
- 13) Virtual reality enhancement and the reduction of virtual reality sickness.

Markets

- 1) Retirement communities.
- 2) Rehabilitation and stroke units.
- 3) Care homes.
- 4) Physiotherapy clinics.
- 5) Hospitals.
- 6) Elite athlete centres.
- 7) Sports excellence centres.
- 8) Sports injury clinics.
- 9) Gyms.
- 10) Health clubs.
- 11) Hotels.
- 12) Research establishments.
- 13) Military training and rehabilitation.
- 14) Emergency services training.
- 15) Virtual reality gaming.

Investment required

Total investment required £1,055,383.

This money will be spent on:

- 1) Design of the production version.
- 2) Production tooling.
- 3) Production set up.
- 4) Stock.
- 5) Sales and marketing.

Financial projections

Year 7 Earnings before interest and tax (EBIT) = £5,093,057.

Year 2 to 7 Earnings before interest and tax (EBIT) cumulative = £10,876,058.

Exit plan for investor(s)

Because Formula Motion is a new innovative product, there will be great interest in the purchase of the company once it has proved itself by obtaining sales. By way of example, the company could be sold to rehabilitation device manufacturers, exercise machine manufacturers or virtual reality companies. Alternatively, if the decision is made not to sell, the company will continue to deliver high returns.

Conservatively, the return on investment will be 9.3:1 at year 7. Subject to the investors shareholding percentage.

Company valuation based on 5X at year 7 = £25,465,283.

Risk profile

Formula Motion is a unique innovative product which will capitalise on an unmet market need. It is felt that the risk level is low because all technical hurdles have been overcome and the potential uses and market sectors are so many and varied that the goal of obtaining sales is believed to be realistic and obtainable.

Why invest in Formula?

- 1) Committed experienced team.
- 2) Confirmed market needs/opportunities.
- 3) Patented solution for the market need.
- 4) Interested end users.
- 5) EIS tax benefit approved.
- 6) Corporation tax at 10% due to patent box, due to patented technology.
- 7) Low barriers to obtaining sales due to no one fulfilling the market need.
- 8) Good return on investment. 9.3:1 return on investment (subject to shareholding).
- 9) Good growth productions.
- 10) Significant equity stake will be offered.
- 11) Opportunity for large grant funding.
- 12) Scalable business model.
- 13) Clear exit plan.

3) Introduction to the business

Project Design Innovation Ltd (For background knowledge)

Project Design Innovation Ltd (PDI) was founded by CEO Tim Henson in 1998 as a company specialising in the design and development of new and innovative products, including all aspects of development, from concept through to launch. Our successful portfolio includes medical devices, stair lifts, exercise machines and mobility products. Tim Henson has been the recipient of many industry awards, including an Innovate UK Smart Innovation Award. Income comes from selling consultancy, development of products and selling and licencing new products. Formula Motion is an invention that has been funded and developed by Tim Henson/PDI and has got to a stage where it is now to be a company in its own right and funding obtained to capitalise on the technology.

Formula Motion Ltd

As detailed above, Formula Motion Ltd has been set up to further develop and exploit the new concept rehabilitation exercise machine. Tim Henson identified the need and opportunity for a machine that could move in particular ways and importantly do so for a reasonable cost. Then came 'the eureka moment' of how to achieve the goal. The idea was novel and innovative enough to gain patents for the way the machine obtains the movements and its safety guards.

There is a working prototype, patent protection and an identified massive market, so investor(s) are sought to fund the final production version and allow the product to go to market.

Shareholders

Formula Motion Ltd. The current shareholders are Tim Henson and Cheryl Henson with an equal split.

Shares on offer

The shares on offer for the investment will be in Formula Motion Ltd.

Company type

Formula Motion Ltd. Private. Registered at Companies House, UK. Registration number 08007078.

Sectors

Health tech.
Digital health tech.
Deep tech.
Health and fitness.
Wellbeing.
Virtual reality.

Company development stage

Pre-revenue.

Funding to date

Funding to date has been by Tim and Cheryl Henson. Actual cash invested is approximately £100,000 which has mainly been spent on patents and developing the prototypes. Tim Henson has also spent the equivalent of £200,000 in sweat equity.

Trademark

Formula Motion is trademarked in the UK.

Domains

www.formulamotion.com and www.formulamotion.co.uk are both owned by Formula Motion Limited.

Factory address

4A Carlyon Road, Carlyon Road Industrial Estate, Atherstone, Near Tamworth, CV9 1JE.
It is owned by Tim and Cheryl Henson.

Manufacturing

Most parts will be manufactured by UK based subcontractors and assembly will take place at the above facility.

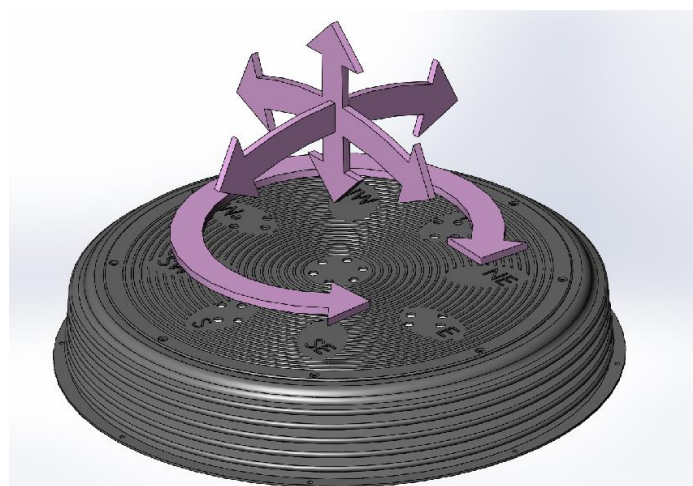
4) The Product

Formula Motion is a new concept rehabilitation and exercise machine which has unique, innovative movements to improve balance, agility and coordination.

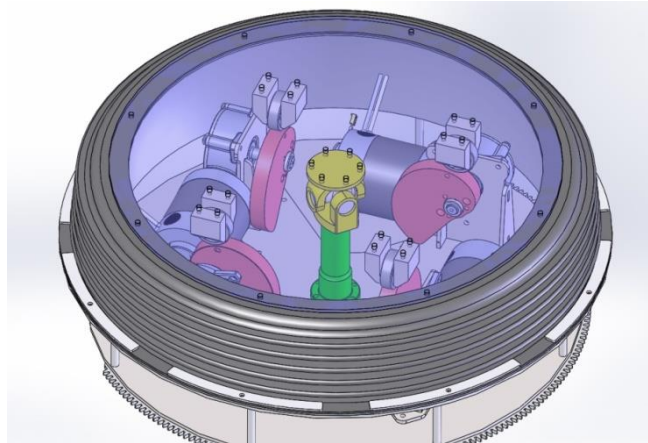
It works like a flight simulator. The user can stand, sit, kneel or lie on the platform. It can rotate, raise, lower and tilt in all directions, as well as combine these movements to give sophisticated sequences such as wave motion. This can happen in three ways, all of which can be combined:

- 1) The platform moves the user by the user selecting a programme.
- 2) The user can also move the platform like a wobble board. (A wobble board is a basic exercise device used to improve balance)
- 3) The user can also move the platform by standing on it in a certain way, causing the platform to respond.

The development of Formula Motion was rooted in the need to find a way of introducing a driven motion to a compact, low-cost, 'free wobble' device. Thereby achieving the best of both solutions without their individual limitations.



From this, we arrived at the core innovation behind the Formula Motion machine, its unique CAM motor system that enables the rise and fall of the platform at four different points combined with a universal joint that stabilises the centre point. This system enables a comprehensive suite of movements, achieved through the mechanical drive of the machine or through a free 'wobble' system that can either be used independently or with an instant transition between movement control types.



The instant transition is in part made possible because of the shape of the CAM system, where the contact point of the motors can instantly become removed from the platform whilst maintaining contact with the central universal joint. The system also results in a lower profile that means the overall height of the platform (<300mm) is much closer to the ground than alternatives, resulting in a more compact, more accessible device. Users can stand, sit, kneel or lie on the platform; it can even be accessed with the user in a chair/wheelchair.

There are no other products with this flexibility. (See page 46 and 47 for list of competitors)

Set programmes can be run for particular uses and requirements. The user or medical professional can also create their own programme. Furthermore, the control system offers a gamification element, which has been shown to boost balance rehabilitation and make training more engaging. For example, a user will be able to navigate an on-screen maze using the feedback that they input into the balance platform. This hybrid design is unique and adds a whole new dimension to the fields of rehabilitation, performance training and exercise.

It has numerous rehabilitation and sports applications.

A patented, internal 'hard' safety guard is also provided, eliminating the risk of getting caught in the mechanism whilst also protecting all the motors and drive control from external influence, debris or contamination. A second safety protection is provided by the bellows which concertina with the rise and fall of the platform. Some competitors have health and safety issues hence only being used with someone in attendance.

How does it work?

Targeted exercises create improved neural pathways and muscle function which lead to improved balance and mobility.



Benefits of Formula Motion

The benefits offered by Formula Motion are detailed below:

(Reference 9 and 10)

The limiting factors in using existing balance machines are their size, limited movements and cost. Typically, hospitals and rehabilitation clinics want an all-in-one, low cost and compact solution. However, this means they are limited to smaller and cheaper devices that only offer free-wobble balance training. Conversely, devices that offer driven movement tend to be large and very expensive and are therefore out of reach for most centres of rehabilitation.

None of the devices currently on the market fulfil all of the characteristics of an effective balance rehabilitation device at a reasonable cost and size specification.

In line with this, we have identified an unmet market need for a low-cost, compact, effective balance rehabilitation and training system that combines the benefits of both passive 'free wobble' motion and active 'mechanically driven' motion.

This unlocks the potential to blend the two movement types within training and rehabilitation routines, being of benefit to clinicians and patients, both in the innovative quality of care they will be able to provide/receive and their efficiency and outcomes.

Markets for both general rehabilitation devices and equipment and fitness and wellbeing equipment are expected to grow over the next five years with a CAGR of 5.2% and 4% respectively. *(Reference 11)*



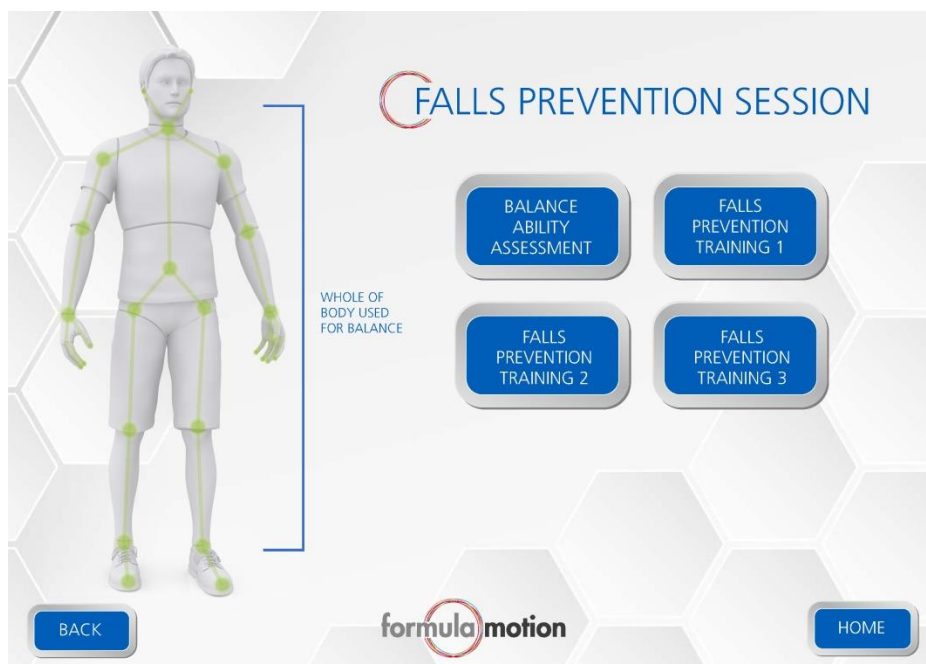
Falls prevention in the elderly

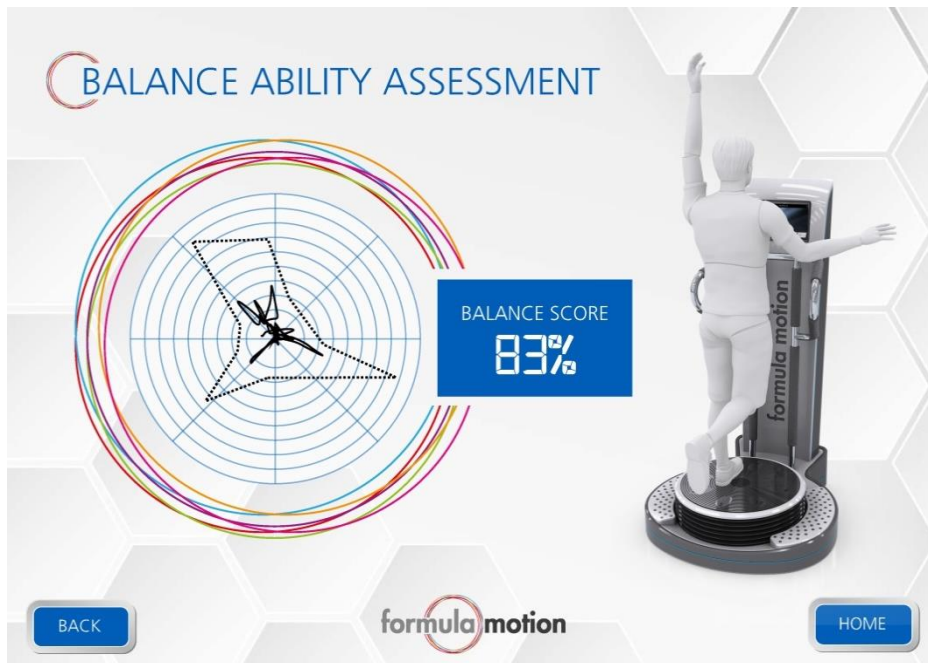
Balance is a critical factor for reducing falls in the elderly, people with a disability or those recovering from injury. Therefore, balance training can become a very important asset in maintaining and improving the level of mobility that an individual has. Exercise based strength and balance rehabilitation training has been shown to reduce the rate of hospital admissions by up to 55% (*Reference 4*).

As we age, our balance and coordination deteriorate, and a lack of exercise and reduced movement can weaken the musculoskeletal system. Older people are therefore more likely to fall and sustain a serious injury as a result. For example, falls within the elderly population (as many as one in three per year) costs Europe €44bn and with an ageing population, this is rising. Approximately 3.5 million new fragility linked fractures occur annually in the EU. A bigger concern is that 10% of older people with a hip fracture die within a month, and 33% within a year. The NHS and The American Geriatrics Society recommend conducting activities that improve strength, balance and flexibility for at least two days a week. It is also suggested that exercise prevents falls in older people, with greater relative effects seen in programmes that challenge balance. Otago (strength and balance exercises delivered by a physical therapist) and postural stability programmes have been shown to prevent falls by as much as 35% and 55% respectively.

(*Reference 1, 2, 12, 13 and 14*)

Formula Motion will be used to assess a person's balance ability by generating a 'balance score' and then improve via falls prevention training. The following are examples of the screens related to falls prevention.





Accelerated recovery from severe illness.

Used by people who have been in a coma or on a ventilator. Especially important for Covid 19 patients.

Accelerated recovery from injury.

This is particularly important in elite sports, where a full and rapid recovery is critical. Formula Motion allows the user to exercise in a controlled and targeted way, which expedites recovery and minimises the risk of further damage.

Improved coordination and balance.

Because muscle systems must work cohesively to achieve balance, coordination is naturally improved. The benefits extend beyond workouts to improve sports performance and daily life in general.

Reduced risk of injury.

Improving core stability enhances balance and helps a person to become more body aware, improving their sense of where their limbs are orientated in space. This helps to reduce the risk of falls, bumps and all the injuries that they can cause.

Stronger, more flexible joints.

Balance training exercises strengthen shoulders, hips, knees and ankles, improving the range of motion and reducing the risk of falls and injury.

Improved muscle tone.

Muscles are strengthened by exercise. Strength training is an effective way to work and strengthen many different groups of muscles.

Improved agility.

Agility training involves both the musculoskeletal and nervous systems (brain and spinal cord). Agility exercises train the brain to become more efficient, resulting in quicker reaction times and movements.

Increased enjoyment of workouts.

Balance, agility and coordination training is different and fun! It can inject a new sense of motivation and enjoyment into a gym routine.

Advantages over traditional floor exercise

Formula Motion has the following advantages:

More controlled.

Safer.

Analytical.

Full set of movements.

Programmable by end user.

Digital health analysis and collection of big data.

Patented movement mechanism and safety methods.

Technology and data capture

Users can programme Formula Motion themselves. These programmes can be created on mobile devices or direct onto the machine screen. If desired, the users programme a video of themselves using Formula Motion and the benefits of the programme can be uploaded to a website where it can be shared. This gives several key and unique benefits:

Standard programmes can be used or the users and/or their medical professionals are able to design bespoke programmes precisely tailored to their needs.

Users can monitor their progress and measure improvements.

Users can share results and compete with each other via an online community. It could simply be a game, or a programme designed to improve performance in a specific sport. This can create a craze which adds a whole new dimension to the use of the product and has the potential to increase its popularity.

Control

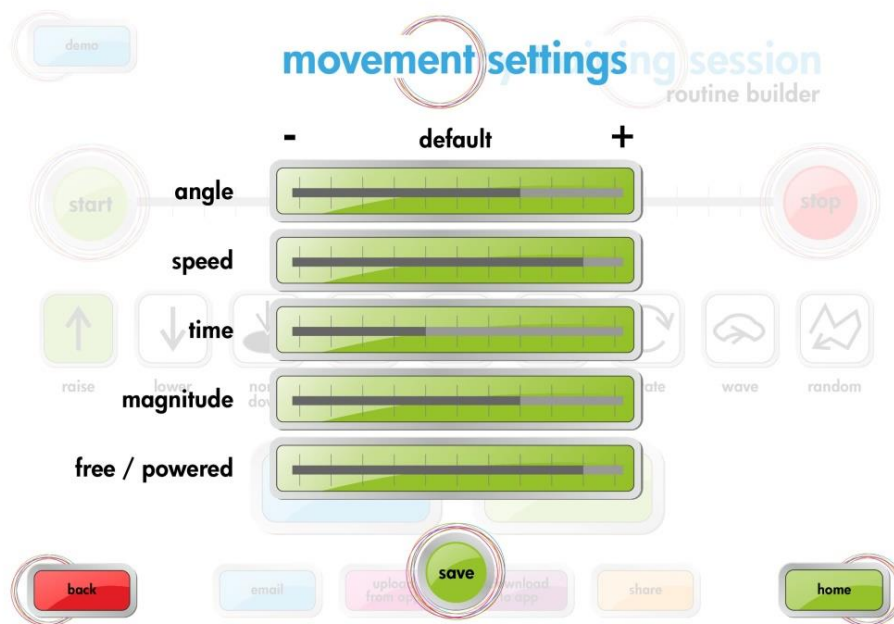
Formula Motion is controlled via an intuitive touch screen. The following is an example of a sports screen:



Routine builder

Formula Motion uniquely offers the user or medical professional the ability to drag and drop movements onto a programme timeline i.e. they can formulate and run their own training programmes. To do this, they would go to the My Training area from the Home screen and input various parameters, including details of the exercise they are formulating and its purpose. The user drags and drops movements onto the routine builder bar and sets parameters. See screen examples below:



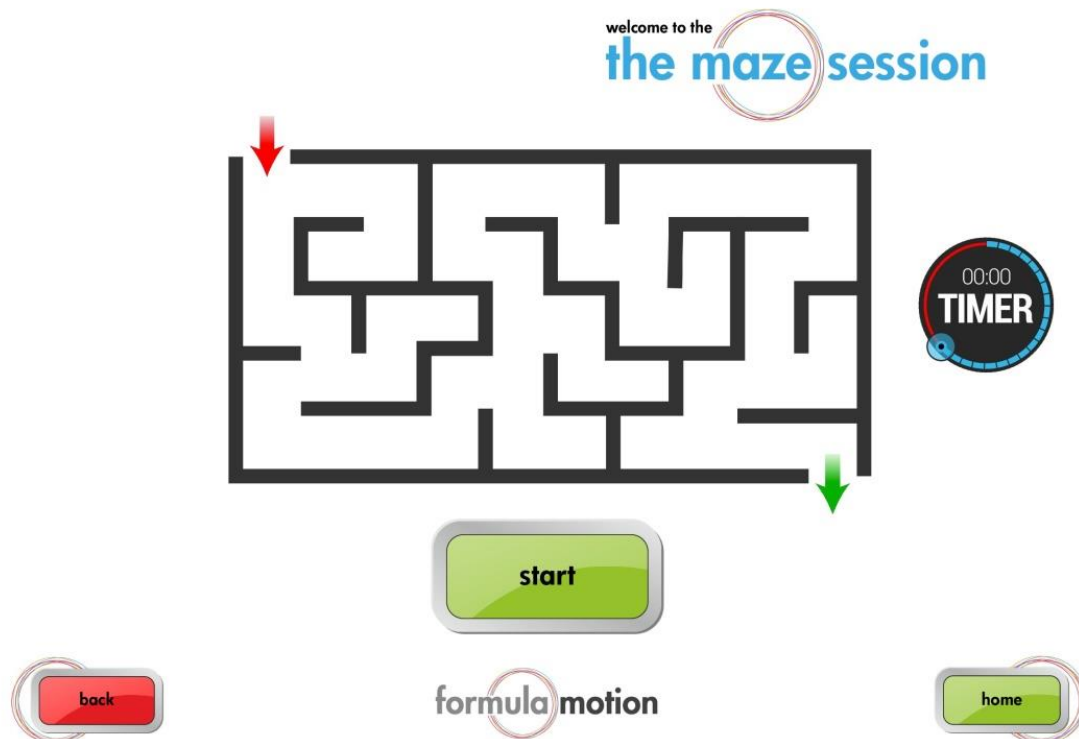
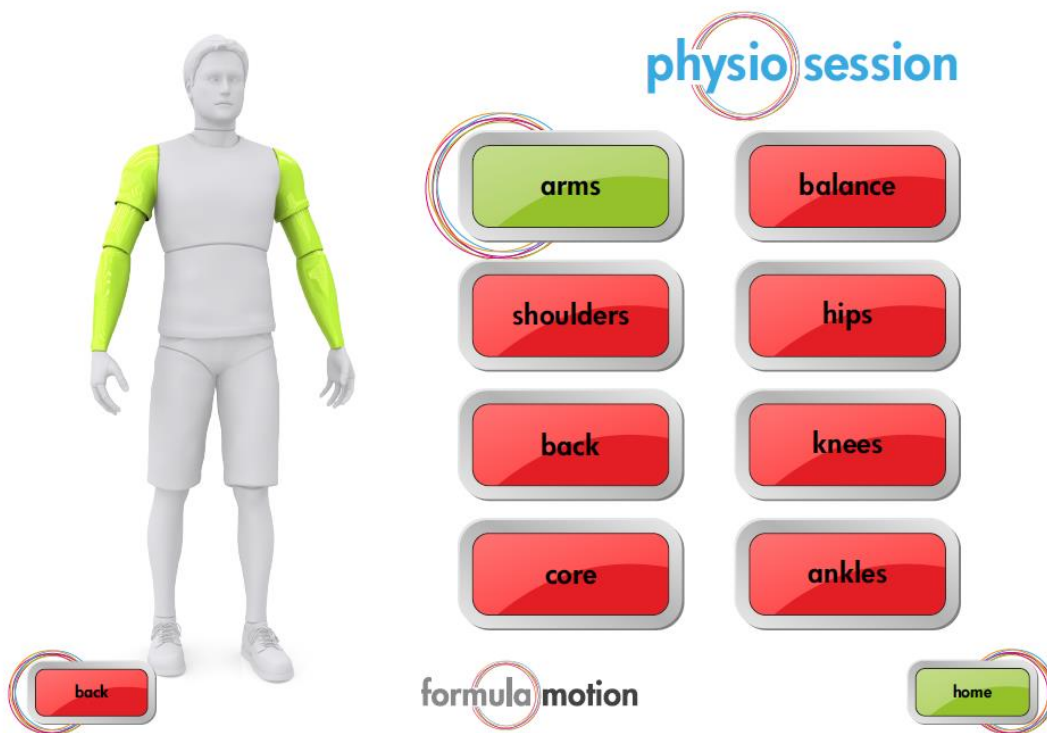


Big data

The data can all be captured and then analysed to show many different things – e.g. how good the exercise was, how many times it was used and how much / how quickly the person improved. This type of big data capture can be extremely useful in formulating specific optimised exercise and treatment programmes. It is also a valuable commodity in its own right. The collection of digital health data and smart analysing will lead to improved results and greater understanding of rehabilitation.

Further examples of Screens





5) Testimonials

Dr James Brown

Associate Professor in Biosciences & Undergraduate Admissions Tutor

Director of Aston Research Centre for Healthy Ageing (ARCHA)

Communications Officer – British Society for Research on Ageing (BSRA) <http://bsra.org.uk>

"Loss of muscle mass and function, and balance are key factors associated with falls and disability in older adults, Formula Motion could potentially have benefits for older adults related to these areas, which in turn will have benefits of helping to prevent falls in the elderly. Aston University is very interested to undertake research into Formula Motion in pre-frail and frail older adults."

Dr Daniel T.P. Fong, PHD, FISBS. Senior Lecturer in Rehabilitation Science, National Centre for Sport and Exercise Medicine, School of Sports, Exercise and Health Sciences, Loughborough University.

"We hypothesise that the programmed wobble board (Formula Motion) is effective in (1) reducing lateral ankle muscle reaction time, (2) bringing back any laterally deviated foot pressure during treadmill running back to the mid-line, (3) reducing ankle joint laxity."

Alberto Garcia Ruiz-Olivares MCSP, Director at Soma Salud

"It is undoubted that Formula Motion has the potential to become a key form of rehabilitation from many disorders. Soma Salud Clinic in Spain and The Royal Orthopaedic Hospital in Birmingham are keen to assist in the clinical aspects of this project".

Dr Michael J. Grey. Reader in Rehabilitation Neuroscience at the University of East Anglia.

"I am confident that Formula Motion has great potential as a training aid for exercise and sport, and as a rehabilitation aid for people with foot/leg injuries or deficiencies with balance."

Professor Dawn Skelton. BSc PhD. Professor of Ageing and Health, School of Health and Life Sciences, Institute of Allied Health Research, Glasgow Caledonian University.

"WOW, so much better than other machines! It allows you to safely perturbate them and allow them to get used to all the postural responses they need to use to stay upright. This is exciting stuff! "

Natalie Hale. BSc. Sports Therapist.

"I especially love the versatility that this machine, could not only be used in my industry but also can be adapted for hospital rehabilitation, for wheel-chair users and in care homes, the list is endless."

Lee Matthews. Customer Experience Director, Fitness First Gyms.

“I can certainly see the potential value from a physical therapist offering as it looks as though it could be ideal to support movement in a stable and unstable environment, whilst providing data that would no doubt add value for the therapist and patient. There is no doubting it is an interesting concept.”

Andrew Leask. Principal osteopath, Guild Hall Practice.

“I can immediately see many benefits for prevention and recovery from injury as well as sports training and general exercise.”

See also letters of support.

6) Achievements to date and future milestones

Achievements to date

- 1) Identification of the need for the product in the following key areas:
 - a. Falls prevention in the elderly.
 - b. Rehabilitation.
 - c. Elite sports.
 - d. Virtual reality.
- 2) Developing a low cost way to achieve the movements.
- 3) Finding key team members.
- 4) Patents granted in the USA, Europe and UK. The patents are based on the low cost way in which the machine moves, and a method of further ensuring safety. It is considered that the patents are a strong business asset.
- 5) Manufacturing a working prototype.
- 6) Working with medical professionals and market leaders to confirm need.

Future milestones

- 1) Obtain funding for next stages.
- 2) Finalise the engineering design of the production version.
- 3) Tool up production version.
- 4) Test tooled version.
- 5) Employ/appoint further team members.
- 6) Working with universities and other market influences to gain further marketing material.
- 7) Launch of sales campaign.

Long term future milestones

- 1) Once the main Formula Motion machine is successfully on sale, the patented technology will be exploited further by developing a home version.
- 2) Again, once time allows, it is intended to develop Formula Motion versions of more traditional exercise machines such as cross trainers, bikes and treadmills. Tim Henson has innovative ideas for these types of machines.

7) The markets and route to market

Business model

Implementation strategy based on 3 stages.

1) Productionise final product 2021/2022.

2) Commercial launch 2022/2023.

3) Business growth 2023/2027.

Cumulative profit forecast by 2027 = £10,876,058.

Total funding required £1,055,383.

Return on investment (company) by 2027 = 9.3:1.

Market size example UK

The potential market size is very large. The following are just a few examples of numbers of establishments that could use Formula Motion in just the UK alone:-

Hospitals in NHS and private = 1,750

Homes and nursing homes = 40,000

Elite athletes = 2,000

Health clubs and gyms = 6,000

Physiotherapists etc. = 6,000

Total = 55,750. UK only.

Falls prevention in the elderly

Balance is a critical factor for reducing falls in the elderly, people with a disability or those recovering from injury. This is seen as the main market in the first instance and has been detailed at length in section 4 'The Product'.

Elite Athletes

Sports excellence centres.

Sports establishments.

Sports injury clinics.

It is estimated that there are 5,000 elite athletes in the UK and 100,000 worldwide. This market is characterised by large sums of money invested in order to maximise and maintain fitness and performance. Formula Motion has great benefits for elite athletes.

Example. Premier League Football. A UEFA-approved formula calculated that in the 2014-15 season alone, the injury bill for the Premier League was £270 million. Injuries cost each Premier League club on average £13.5 million over the season. The Premier League paid out an average of £413,000 a month for every player injured.

(Reference 15 and 16)

Wages earned by injured players, the costs of treating injuries, insurance premium costs and the financial implications from fielding weakened teams in domestic and European competitions are all factored into the calculation.

Figures such as these clearly demonstrate that the effort to minimise time to fitness and the need to optimise player performance is paramount.

In addition, initiatives such as UK Sport funding and advances in sports technology are fuelling growth and expenditure in this sector.

Expensive athletes are critical to the financial success of the organisation they belong to. It is therefore critical that injury days are kept to an absolute minimum. Formula Motion allows the user to exercise gently, which expedites recovery and minimises the risk of further damage.

In addition, improved agility, balance and coordination will enhance performance in many different disciplines – football, rugby, cricket, athletics, racquet sports, skiing, martial arts and gymnastics to name just a few.

The infinite range of movements, technological capabilities and tailored programming that Formula Motion uniquely offers means that specific workouts can be designed for each sport, athlete and body area. Workout data can be collected and analysed to refine programmes and improve results. The user can measure (and try to beat) both their own and others' performances.

General population

- 1) Physiotherapists.
- 2) Sports injury clinics.
- 1) Gyms.
- 2) Health clubs.
- 3) Hotels.

An illustration of the fitness market is in 2016 there were 6,435 fitness facilities in the UK with 9.2 million users/members. [\(Reference 17\).](#)

Formula Motion is in line with the way the gym market is heading - less 'pumping iron' and more technical, analytical, targeted exercise which appeals to, and is appropriate for, a much wider range and type of user.

Some industry experts are predicting that the global fitness market could grow by up to 300% over the next decade, taking the number of participants worldwide to over one billion. [\(Reference 18\).](#)

It is estimated that the top five exercise machine builders currently have a combined annual turnover of well over \$1 billion.

All the benefits listed for older people and elite athletes can equally apply to the general gym-attending population. Fitness industry experts believe that the combination of wearable technology, smartphones etc. and better use of the resultant data will profoundly affect the way people think about their wellbeing and fuel significant industry growth. [\(Reference 18\).](#)

The older population

- 1) Falls prevention in the elderly.
- 2) Care homes.
- 3) Retirement communities.

As we age, our balance and coordination deteriorate, and a lack of exercise / reduced movement can weaken the musculoskeletal system. Older people are therefore more likely to fall and sustain a serious injury as a result.

In the UK 10% of older people with a hip fracture die within a month, and 33% within a year. One in three people over 65 suffer from a fall each year, costing the NHS £4.6 million per day. Falls account for over half of accidental injury admissions to hospital, and can be reduced by up to 55% by doing basic strength and balance exercises.

(Reference 19 and 20)

Fitness gyms are no longer filled with younger people only interested in cardio and weight training. A 2015 study by Nuffield Health, which has 75 gyms nationwide, found its most frequent attendees were in the 70 – 79 age group. Moreover, almost 10 percent of its 211,000 members were over 65. *(Reference 21)*

Formula Motion is an ideal product for older people, because it can be programmed to suit individual needs and capabilities. Improved balance, coordination, agility and strength can help to reduce the risk of falls and injuries. It is zero impact, and therefore a safe form of exercise for many older people whose health precludes them from more strenuous workouts.

Injured and unwell population

- 1) Hospitals.
- 2) Rehabilitation and stroke units.

Military and emergency personnel

- 1) Training units.
- 2) Rehabilitation units.

Research establishments

- 1) Universities.

Virtual reality.

Formula Motion is a low cost way of enhancing the experience of virtual reality. There is a condition called virtual reality sickness that is prevalent in 10% of users. It is when the eyes of a user are stimulated via being in the virtual world, but the balance system of the ears is not being stimulated or moved.

Therefore the VR world is keen on VR movement systems. There is nothing available as compact or low cost with as many movements.



Marketing country priority.

The UK home market will be the main emphasis in the first instance. This will be followed by Europe, USA and then rest of world.

Market sector priority.

The order in which the various sectors will be attacked, will be dependent on test marketing once production units are available. However, at this stage it is to be falls prevention in the elderly and rehabilitation followed by elite sports.

Route to market.

The UK will be sold directly and other countries via distributors.

Market research.

Throughout the development of Formula Motion, Tim Henson has been involved in many detailed discussions and product demonstrations with key industry leaders. Feedback has been very positive and has been used to refine and finalise the launch specification.

8) The team

Tim Henson – CEO and Project Director/Coordinator



Role in Project:

Tim is the founder and CEO of Project Design Innovation Limited. Due to the close alignment of this project to the company's core strategy, Tim will oversee the day to day management of the project and ensure it is successfully delivered. Tim will assume the role of Project Director/ Coordinator and will be responsible for the development of the Formula Motion machine throughout the project, ensuring the project timelines are met.

Summary

Tim Henson is a qualified design consultant with 40 years' experience specialising in inventing new innovative products and has many patented products on sale today.

- His key skills are the ability to innovate and manage change by leading from the front using energy and commitment. Tim has the ability to identify a market need and invent a solution.
- His working life centres on taking concepts and ideas and turning them into reality.
- His experience includes all aspects of development from concept through to launch.

He has developed countless products that are on sale today including:

- Devices to help in emergency caesarean births.
- Stair lifts for two of the leading UK companies.
- Exercise machines.
- Mobility products such as portable lifting frames.
- Microphone systems for the world's leading windshield company.
- Aircraft parts - Tim developed the laptop docking systems used by pilots.
- Industrial products such as plasma cutting machines for a world leading company.

Tim has also developed products that have won awards such the Innovate UK Smart Award and many industry awards.

Education

HNC Mechanical Engineering (with awards and endorsements in design calculations);
Walsall College of Technology.

Brendan Delaney – Commercialisation and Business Manager



Role in Project:

Commercialisation and financial management - Brendan will be responsible for keeping the project operating in accordance with the agreed business strategy and to the budget, reporting on cost and manpower criteria.

Background - overview

40 years' experience within the engineering, manufacturing, quality and surface coating sectors. General & senior management roles with full P&L and balance sheet responsibility, eventually acquiring and setting up other business ventures. First tier supply of pressings, castings, surface coatings, turned parts, assemblies etc. into predominately automotive companies including Bentley, JLR, Honda, Ford, Toyota, Triumph etc. and a number of second / third tier sub suppliers.

Other sectors interfaced with include Disability, Brewery, Electronic, Fashion, Hardware etc. 10 years dealing with China in the supply of product and tooling. He has worked mainly for SME companies e.g. HA Light group, Bostrom PLC, Baxi Partnership etc.

Initiated the China sourcing strategy for tooling and products taking place over a 10 year period, spending significant periods of time in China and Hong Kong.

He also sat on the SEA (Surface Engineering Association) national UK committee being part of the lobbying team that was involved with Chromium six, interfacing with Government.

Career Highlights

Successfully restructured management and poorly performing businesses to become profitable and cash generative. A successful time creating opportunity and driving change through people and capital investment.

Involvement with the development of Queen Elizabeth's state car with Bentley Motors resulted in being part of the key supplier network that was invited to Windsor to meet the Queen and Prince Philip on the presentation of the state car.

Education

Mechanical engineering degree and MBA, Chartered engineer and fellow of the Institute of mechanical engineers.

Recent Activities

Brendan owns two very small SME businesses supplying solutions to predominately aftermarket automotive customers, but not exclusively. This may be just a simple supplier sourcing resolution or more complex involving say reverse engineering to make a replacement product where tooling had been lost or destroyed, or supplier closure.

Terry Mann – Chief Technical Officer

Role in Project:

Technical Management - Having designed, built and programmed the electrical control system for the Formula Motion prototype, Terry will oversee all technical and safety aspects of the project. Working on refining product specification and developing user interface & control.



Summary

Terry started his career as an Engineering Apprentice in 1977, followed by roles as a Tool setter, then Production/Planning Engineer. He has spent a number of years working within a production environment learning different manufacturing techniques and improving manufacturing methods to reduce costs and increase productivity.

He studied Industrial Electronics for 5 years to HNC level and has experience in Electronic Circuit design and PCB design.

Terry has spent the last 30 years working on, and designing special purpose machinery. He has a great deal of both Mechanical design and Electrical Control System design experience, including Data Acquisition and Instrumentation. He also has Hydraulic & Pneumatic System experience and has programmed many types of systems such as PLC's, Microcontrollers and PC's with an assortment of different high and low level languages such as Statement List, Ladder, Structured Text (three of the IEC 61131 languages), Mnemonic, Motion Basic, LabView, Visual Basic, C/C++ etc. and Java.

He designed, built and programmed the Electrical Control system for the Formula Motion prototype and worked very closely with the Formula Motion team on the project. Terry is also very experienced in the Safety aspects of Machinery.

Lucy Clark – Marketing and Research Manager

Role in Project:

Marketing, research & social media: Lucy will primarily be responsible for market research, trend analysis and the generation of marketing material. Responsibilities will also include heading social media channels, website management and general Formula Motion promotion.



Profile

Lucy is experienced in both internal and external communications, with an extensive background in writing copy for print magazines, websites and sales literature. A strategic thinker with a clear attention to detail, she brings a lot of value to the organisation.

Key Skills

- Excellent copywriting and researching skills.
- Proofreading and attention to detail.
- Clear understanding of the importance of consistent branding and tone of voice.
- Compassionate customer relations and communications ability.
- Highly IT literate.
- Time management and prioritisation.
- Agile project management.

Career Summary

2011-2020 Communications Officer, The ExtraCare Charitable Trust

2011 Proof reader, Packt Publishing

2008-2011 Web designer, freelance

Education and Qualifications

2009-2010 University of Salford, MA Journalism

2010 NCTJ Journalism

Shorthand (110wpm), Portfolio, Law, Public Affairs, News Writing

2006-2009 University of Manchester, BA(Hons) English Language

First Class Honours Degree

Extended team.

In addition to the above, we have an 'extended team' of people who have worked with us to expand our knowledge base. This is particularly so in the medical world.

Future team.

As we grow additional staff will be employed directly or as subcontractors as required. For example, sales personnel and medical advisors are identified.

9) Financing requirements and deal for investor

Finance required

Formula Motion requires an investment of £1,055,383.

This amount of money will take the product from 'now' through to revenue generating in a long term sustainable manner.

Equity

In return for the above investment an agreed shareholding will be given in Formula Motion Ltd.

Other funding sources

- 1) Small local grants £35,000
- 2) Large grants. In June 2021 we will be applying for a European grant called Horizon Europe, and are optimistic because we have previously won a 'Seal of Excellence' from the EU for this project. This grant will be in the region of £1,000,000. If we win this grant, it will mean the sales and marketing can proceed at a greater pace.
(Reference 22)
- 3) R and D tax credits £101,500 over first two years.

What will Formula Motion Ltd own?

The key asset of the company is the intellectual property on the invention, namely patents etc.

Use of funds

- 1) Design of the production version.
- 2) Final patent costs.
- 3) Production tooling.
- 4) CE, UL and other approvals.
- 5) Premises, rent and rates.
- 6) Production set up.
- 7) Stock.
- 8) Marketing.

Exit plan for investor(s)

Because Formula Motion is a new innovative product, there will be great interest in the purchase of the company once it has proved itself. Alternatively, staying with the company will deliver good returns. See points detailed in 'Executive Summary'.

10) Key financial data and financial projections

Profit and loss.

The following is the profit and loss. See separate spread sheet.

Formula Motion - Profit and Loss								
Key data	Selling price in UK (to end user)	£5,750	Direct sell, no distributor					
	Selling price to EU (to distributor)	£4,600	The distributor in each country adds their margin onto this figure					
	Selling price to USA (to distributor)	£4,600	The distributor in each country adds their margin onto this figure					
	Selling price to ROW (to distributor)	£4,600	The distributor in each country adds their margin onto this figure					
	Manufacturing cost	£1,783	See sheet ' Product high volume costing'					
	Overhead Rate year 1 to 3	33.70%	See sheet ' Details for profit and loss'					
	Overhead Rate year 4 to 7	20.00%	See sheet ' Details for profit and loss'					
	Shipping cost UK	1.50%						
Shipping cost USA, EU & ROW	2.00%							
Units sold	Year number	Y 1	Y 2	Y3	Y4	Y 5	Y 6	Y 7
	Year (Actual year depends on start)	2021	2022	2023	2024	2025	2026	2027
	UK	0	15	65	130	190	280	375
	EU	0	0	65	210	350	510	790
	USA	0	0	55	160	290	460	980
	ROW	0	0	35	110	220	400	625
	Total units sold	0	15	220	610	1050	1650	2770
Sales turnover (revenue)		£0	£86,250	£1,086,750	£2,955,500	£5,048,500	£7,912,000	£13,173,250
Cumulative Sales turnover		£0	£86,250	£1,173,000	£4,128,500	£9,177,000	£17,089,000	£30,262,250
Total manufacturing costs		£0	£26,752	£392,361	£1,087,909	£1,872,630	£2,942,704	£4,940,176
Overhead costs		£0	£29,066	£366,235	£397,900	£1,009,700	£1,582,400	£2,634,650
First years development costs less R & D tax credits		£526,800	£427,083	£0	£0	£0	£0	£0
Distribution costs UK		£0	£1,294	£5,606	£11,213	£16,388	£24,150	£32,344
Distribution costs EU, USA and ROW		£0	£0	£14,260	£44,160	£79,120	£126,040	£220,340
Distribution costs total		£0	£1,294	£19,866	£55,373	£95,508	£150,190	£252,684
Total costs		£526,800	£485,489	£798,328	£1,596,554	£3,073,345	£4,825,484	£8,080,193
Net profit (EBIT, Operating profit)		-£526,800	-£399,239	£288,422	£1,358,946	£1,975,155	£3,086,516	£5,093,057
Net profit as % of Revenue			-463%	27%	46%	39%	39%	39%
Cumulative net profit		-£526,800	-£926,038	-£637,616	£721,330	£2,696,485	£5,783,001	£10,876,058
Funding request	£1,055,382.50							
Return on Investment (ROI) Based on cumulative net profit			-1.88	-1.60	-0.32	1.55	4.48	9.31
Company valuation on sale 5X net profit						£9,875,776		£25,465,283
Sensitivity analysis around the impact of reduced sales expectation , see percentage achieved below (ALSO LOWERING COSTS TO SUIT)								
90%	Total units sold	0	14	198	549	945	1485	2493
Revenue per year		£0	£77,625	£978,075	£2,659,950	£4,543,650	£7,120,800	£11,855,925
Cumulative revenue		£0	£77,625	£1,055,700	£3,715,650	£8,259,300	£15,380,100	£27,236,025
Total costs		£474,120	£436,940	£718,495	£1,436,898	£2,766,010	£4,342,936	£7,272,174
Net profit		-£474,120	-£359,315	£259,580	£1,223,052	£1,777,640	£2,777,864	£4,583,751
Cumulative net profit		-£474,120	-£833,434	-£573,854	£649,197	£2,426,837	£5,204,701	£9,788,452
Return on Investment (ROI) Based on cumulative net profit			-1.79	-1.54	-0.38	1.30	3.93	8.27
Company valuation on sale 5X net profit						£8,888,198		£22,918,755
Sensitivity analysis around the impact of reduced sales expectation , see percentage achieved below (NOT LOWERING COSTS TO SUIT)								
90%	Total units sold	0	14	198	549	945	1,485	2,493
Revenue per year		£0	£77,625	£978,075	£2,659,950	£4,543,650	£7,120,800	£11,855,925
Cumulative revenue		£0	£77,625	£1,055,700	£3,715,650	£8,259,300	£15,380,100	£27,236,025
Total costs		£526,800	£485,489	£798,328	£1,596,554	£3,073,345	£4,825,484	£8,080,193
Net profit		-£526,800	-£407,864	£179,747	£1,063,396	£1,470,305	£2,295,316	£3,775,732
Cumulative net profit		-£526,800	-£934,663	-£754,916	£308,480	£1,778,785	£4,074,101	£7,849,833
Return on Investment (ROI) Based on cumulative net profit			-1.89	-1.72	-0.71	0.69	2.86	6.44
Company valuation on sale 5X net profit						£7,351,526		£18,878,658

Sell pricing.

Average selling price £5,750 in the UK and £4,600 rest of world.

Manufacturing price

Manufacturing price to be £1,783.

Cash flow.

See separate spread sheet.

See separate spread sheet which details the following:

Profit and loss with sensitivity.

Cost of project first 2 years.

Cost of materials first 2 years.

Detailed profit and loss.

Cash flow.

Investor return.

Product high volume costing.

R and D tax credits.

Sales discount structure.

Sales potentials.

Potential sales sites.

Balance sheet.

Working capital.

Funding to date

Funding to date has been by Tim and Cheryl Henson. Actual cash invested is approximately £100,000 which has mainly been spent on patents and developing the prototypes. In addition over the last 5 years, Tim Henson has spent the equivalent of £200,000 in sweat equity.

11) Risk Analysis

Technical

There is a working prototype that proves the patented technology; therefore, there are no perceived technical risks.

The team

The team is experienced in 'making things happen'.

Sales


Obtaining sales for a new technology can sometimes carry a risk. However, in the case of Formula Motion the following are reasons why it is felt that the risk is mitigated.

- 1) The prototype has been shown to many people who have all shown a positive interest.
- 2) The market need is definite. The Formula Motion solution is the best and the technology is patented.
- 3) Two existing exercise machine builders have shown interest in marketing / distributing Formula Motion. Whether these options will be used is to be decided further down the line.
- 4) The fact that Formula Motion has many different market sector potentials will help ensure success.

12) Business benefits in UK

EIS

Approval for EIS investment tax benefits has been obtained.

 **HM Revenue & Customs**

Wright & Co Partnership Limited
The Squires
5 Walsall Street
Wednesbury
WS10 9BZ



Small Company Enterprise Centre
Cardiff
Wealthy & Mid-sized Business Compliance
Insight Understanding & Risk
S0970
Newcastle
NE98 1ZZ

Phone 0300 123 1083
Fax 03000 582 456
Email enterprise.centre@hmrc.gsi.gov.uk
Web www.hmrc.gov.uk

Date 17 July 2017
Our ref WMBC/MSB/S0970/54882 13664/SCEC
Your ref

Dear Sirs

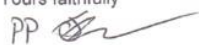
Formula Motion Limited – Enterprise Investment Scheme (EIS)

Thank you for your application dated 22 June 2017.

I am pleased to confirm that, on the basis of the information supplied, I would be able to authorise the company to issue certificates under Section 204(1) ITA 2007 in respect of the Ordinary Shares issued to individuals, following receipt of a properly completed form EIS1 within the time limit prescribed by Section 205(4) ITA 2007.

You are reminded that:

- Responsibility for the accuracy of the information supplied and considered by me rests wholly with the company.
- This provisional assurance is based solely on the information supplied in and with the clearance application and will not apply in circumstances that vary from those described therein. You are therefore advised to forward particulars of any proposed changes, and the draft of any shareholders subscription, investment or similar agreement, for clearance prior to the issue of shares.
- This clearance does not guarantee the availability of any form of relief under the Enterprise Investment Scheme to any particular subscriber.

Yours faithfully

Vicci Meredith
HM Inspector of Taxes

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



Assistant Director: Tim Bowes

Patent box

Under Patent Box rules UK Corporation tax will be only 10%. Formula Motion has granted patents in UK, USA and Europe.

13) Letters of support

Tim Henson
Project Design Innovation Ltd
2A Hardwick Road
Sutton Coldfield
B74 3BU

18 September 2020

Letter of support, Formula Motion.

Dear Tim

Following our discussions, it is evident that your vision for falls prevention and rehabilitation for the elderly is excellent.

As you know, The ExtraCare Charitable Trust operates a large group of retirement villages and our vision is better lives for older people. It is refreshing to hear about ideas like Formula Motion, which show significant potential.

We look forward to seeing the production machines and helping the project where possible.

Yours Sincerely



Shirley Hall
Head of Innovation and Wellbeing
The ExtraCare Charitable Trust

The ExtraCare
Charitable Trust

7 Harry Weston Road
Binley Business Park, Binley
Coventry, CV3 2SN

T 024 7650 6011
F 024 7650 6299
E betterlives@extracare.org.uk
extracare.org.uk

Better lives for older people

The ExtraCare Charitable Trust Registered Office: 7 Harry Weston Road, Binley Business Park, Binley, Coventry, CV3 2SN | A company limited by guarantee registered in England and Wales No. 2205136



Peter Hope Associates
Specialist Training Consultancy
Suite 209, 61 Victoria Road
Surbiton
Surrey KT6 4JX

September 25, 2020

Ref: Formula Motion

To Whom It May Concern:

I spent 25 years in the Fitness and Rehabilitation Industries as Sales Manager and Sales Director of companies supplying equipment to these sectors.

I have watched with interest the development of Formula Motion and would welcome the opportunity to discuss an involvement. I can see many benefits to athletes of all ages and to those recovering from injury. It could also help those with conditions or illnesses where gentle exercise is beneficial.

Furthermore, I wish the product had been available during my time as an athlete. It would have lengthened my career!

Yours sincerely,

Peter Hope



Tim Henson
Project Design Innovation Ltd.
2A Hardwick Road
Sutton Coldfield
B74 3BU

3rd September 2020

Dear Tim,

Letter of support, Formula Motion

Thank you for taking the time to explain your project. It is a very interesting and worthwhile idea, so we would welcome the opportunity to trial Formula Motion in one of our clubs. We feel confident that the technology will give benefits to the users.

Lifestyle Fitness is a UK leader in community-focussed fitness clubs, offering high quality facilities and a broad range of health and fitness related services to members of all ages and abilities. You mentioned that you are applying for European funding and I hope that this letter will be helpful in that process. We look forward to being involved with the future development.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Tim Curtis".

Tim Curtis
Chairman



Letter of Support

1st September 2020

To whom it may concern

Smorgasbord work with companies in innovative fields such as within sport and technology providing access to funding, mentoring and a variety of other advice and services for people with a business idea, or business that is new and innovative.

We were introduced to Formula Motion in November 2019 and have watched with interest the development of the product; we would welcome the opportunity to discuss a potential involvement. We can see great potential and benefits of the product within its chosen sectors and in the future with broader applications.

Regards,



Patrick Burge
Director



To:

Tim Henson
Project Design Innovation Ltd
2A Hardwick Road
Sutton Coldfield
B74 3BU

Friday 4th September 2020

Letter of Support

Dear Tim,

Further to our recent meetings we look forward with interest to the development of Formula Motion and would welcome the opportunity to discuss a potential investment involvement if your European funding application is successful.

We can see great potential and benefits of the product along with its commercial viability within the market.

Please continue to update us with your progress in all areas of the product and its funding.

Yours Sincerely

Ben Crutchley
Managing Director

Expo Floors Ltd, Units A4 & A5, Walsall Enterprise Park, Regal Drive, Walsall WS2 9HQ
Tel: 01922 721177 Fax: 01922 659540
E-mail: sales@expo-floors.com Website: www.expo-floors.com



Director: B Crutchley

VAT NUMBER 555 2953 22

Registered in England No: 2613814

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www.reach-wellness.com

Ref: JRD/FM/TH/EHF/090920

Tim Henson
Project Design Innovation Ltd.
2A Hardwick Road
Sutton Coldfield
B74 3BU

9th September 2020

Dear Tim

It was good to hear Formula Motion is progressing well. I was impressed with the product when you demonstrated it to me last year and I can see many benefits for end users.

As discussed, my company Reach Wellness has significant experience in the field of products for development and training in proprioception, coordination and balance.

In my capacity as a director of Progressive Sports Technologies (at Loughborough University), I can see the potential for Formula Motion and would be interested to discuss being involved in trials in some way.

I understand that you are applying for European Horizon 2020 funding, and I would like to wish you well with the application, as it would certainly be good to see Formula Motion available in the rehabilitation and training worlds.

Yours sincerely

Jeff Davis
Managing Director
Reach Wellness Ltd.

Reach Wellness Ltd.
Unit 3 Aurillac Court
Aurillac Way
Retford, Notts. DN227PX
United Kingdom
Tel: 01777 711798

Letter of Support for Formula Motion from Barons Eden

Background. Barons Eden is a group of high end hotels / health clubs.

From: André Elshout [mailto:andre.elshout@baronseden.com]
Sent: 03 September 2020 06:16
To: Tim Henson
Subject: Letter of support, Formula Motion

Hi Tim

Very good to catch up again and I am very impressed how much the design and concept of Formula Motion has evolved even further. I can see our business and our industry in general genuinely very interested to purchase such a unique piece of equipment and I am more than happy to introduce you to many of my industry contacts.

To this extent I write the following and hope it goes a little way to helping your business develop.

I consider the Formula Motion Technology to be very exciting and would welcome trialling and or purchasing a machine when available, for our health clubs. I have also known Tim Henson for many years and consider him to be more than capable of successfully completing the project that is the subject of this European funding application.

My very best wishes to you and for continued success.

André

André Elshout
CEO

07831 858 434 | andre.elshout@baronseden.com
baronseden.com

BARONS EDEN

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Letter of Support for Formula Motion from Tornado Antriebstechnik GmbH

Background. This company's head office is based in Germany and will most likely be the motor supplier.

From: Franck Poirier [<mailto:poirier@tornado-drives.com>]
Sent: 25 September 2020 14:25
To: tim@timhenson.com
Cc: Philip Turney
Subject: Tornado (ASI)

Hi Tim,

My name is Franck Poirier, sales director of Tornado Antriebstechnik GmbH and I have been involved in the follow-up of sales project of ASI since it joined the ACCEDIA GmbH (Tornado being sister company of ASI Drives) earlier this year.

We at Tornado have watched with great interest the development of Formula Motion and we are excited to be a supplier bearing in mind the potential.

We are all looking forward being part of this venture

Thank you

Mit freundlichen Grüßen / Best regards

Franck Poirier

Tornado Antriebstechnik GmbH
Vertriebsleiter (Prokurist) / Sales Director

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Web: www.tornado-drives.com

AG Berlin-Charlottenburg 93 HRB 1598
USt-ID DE 138 753 845 - GF: Norbert Mensing
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14) Intellectual Property


USA patent **granted**.

UK patent **granted**.

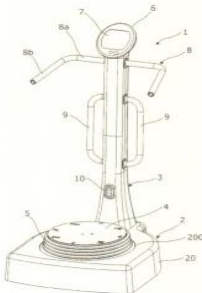
EU patent **granted**.

UK Trade mark **granted**.

The patents are strong and cover the concept that is used to obtain the low cost, safe, multiple movements.


 US009731163B2

<p>(12) United States Patent Henson</p> <p>(54) EXERCISE MACHINE</p> <p>(71) Applicants: Cheryl Mary Henson, West Midlands (GB); Timothy George Henson, West Midlands (GB)</p> <p>(72) Inventor: Timothy George Henson, Birmingham (GB)</p> <p>(73) Assignee: CHERYL MARY HENSON, Birmingham, West Midlands (GB), part interest</p> <p>(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 58 days.</p> <p>(21) Appl. No.: 14/351,379</p> <p>(22) PCT Filed: Oct. 11, 2012</p> <p>(86) PCT No.: PCT/GB2012/052519 § 371 (c)(1), (2) Date: Apr. 11, 2014</p> <p>(87) PCT Pub. No.: WO2013/054116 PCT Pub. Date: Apr. 18, 2013</p> <p>(65) Prior Publication Data US 2014/0256526 A1 Sep. 11, 2014</p> <p>(30) Foreign Application Priority Data Oct. 11, 2011 (GB) 1117550.2</p> <p>(51) Int. Cl. A63B 22/18 (2006.01) A63B 26/00 (2006.01) (Continued)</p> <p>(52) U.S. Cl. CPC A63B 22/18 (2013.01); A63B 26/003 (2013.01); A63B 21/00058 (2013.01); (Continued)</p>	<p>(10) Patent No.: US 9,731,163 B2</p> <p>(45) Date of Patent: Aug. 15, 2017</p> <p>(58) Field of Classification Search CPC A63B 22/18; A63B 26/003; A63B 22/16; A63B 22/08/0204; A63B 22/14; (Continued)</p> <p>(56) References Cited U.S. PATENT DOCUMENTS 2,707,465 A * 5/1955 Nemeth A61H 1/0292 482/146 2,827,894 A * 3/1958 Meyers A61H 1/0266 601/31 (Continued)</p> <p>FOREIGN PATENT DOCUMENTS DE 20 2010 004545 U1 7/2010 EP 1 880 702 A2 1/2008 (Continued)</p> <p>OTHER PUBLICATIONS Search Report from GB 1218227.5, date of search Nov. 19, 2012. (Continued)</p> <p><i>Primary Examiner</i> — Andrew S Lo (74) <i>Attorney, Agent, or Firm</i> — Hamilton, Brook, Smith & Reynolds, P.C.</p> <p>(57) ABSTRACT The present invention provides an exercise machine comprising a base, a platform having an upper side adapted in use to support a user and an underside, a support column supporting the platform in a position spaced apart from the base wherein the platform is secured to the support column such that the platform can rotate about two perpendicular axes, and three or more means independently operable to move all or a part of the platform, wherein one or more of the means independently operable to move all or part of the platform is capable in use of adopting at least two positions relative to the platform.</p> <p style="text-align: center;">23 Claims, 16 Drawing Sheets</p>
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15) Competition

Formula Motion has no direct competition. The mechanism employed by Formula Motion is unique and patented, and the combinations of movements it can achieve which competitors' products cannot are as follows:

- Completely rise
- Completely lower
- Fully rotate
- Partly rotate
- Be completely free to wobble in any direction and magnitude
- Combinations of all these movements at the same time

The flexibility, benefits and potential applications / markets of Formula Motion are therefore many.

Formula Motion is not a Power Plate.

Formula Motion is a new concept machine and has a multitude of innovative patented movements. While it looks similar in shape to some other machines, there are no other products on the market which are the same as Formula Motion. An example of this is Power Plate, which only vibrates. Formula Motion is completely different to Power Plate, with far more uses and benefits. It is interesting that Power Plate has had great success and serves to show the even greater success that Formula Motion will gain due to its many and varied movements and uses.

Where known the machines detailed below are considerably more expensive than Formula motion. See separate document on competition

The key innovation behind the Formula Motion machine is its unique ability to achieve active mechanically driven movements into a passive 'free-wobble' platform, without increasing overall cost or product size. As well as enabling the rise and fall of the platform at the four different contact points, the CAM motor system allows for the ability to instantly transition between 'powered' driven and free movement control types. This novel feature cannot be achieved by any of the alternative solutions outlined in the chart below.

The lower profile of Formula Motion results in superior accessibility, which also makes the machine safer to use and more compact. The protective bellows that skirt the platform and the patented hard guard system within the internal drive mechanism mean there is the elimination of the risk of feet or hands getting caught under the platform during movement.

The overall range of movements and sequences offered by Formula Motion far exceeds those of any competing solutions, making it truly multi-functional with applications in rehabilitation, injury prevention and sports and exercise. It is fully programmable to achieve precise and repeatable control through an intuitive touch screen interface or through other devices.

Balance machines have been shown to be an improvement on existing floor rehabilitation techniques, yet there is no device that combines all potential capabilities into one. The Formula Motion design team believe that the combination of movement types, namely, 'powered', free wobble and pressure sensitive and the resulting range of movements available within one device is not possible with any other system within the current cost and specification parameters.

It can be seen from the chart there is no real competition.

FEATURES FOR SUCCESS	PRODUCTS												
	Formula Motion	Imoove	Huber 360	Technobody	Balance Master	Biodex	Gea HD	Korebalance	Perry Dynamics	Movendo	Wobble boards	Bosu trainers	Balance boards
Active / powered	Yes	Yes	Yes		Yes		Yes		Yes	Yes			
Passive 'free' wobble	Yes			Yes		Yes		Yes			Yes	Yes	Yes
Compact	Yes			Yes	yes	Yes					Yes	Yes	
Competitive price	Yes				Yes						Yes	Yes	Yes
Gamification element	Yes	Yes	Yes	Yes	Yes	Yes		Yes					
Virtual reality capability	Yes												
Programmable by end user	Yes												
Intensity graduation	Yes												
Up and down at all compass points	Yes								Yes				
Completely rise and lower	Yes	Yes											
Rotate	Yes												
Wave / orbital movement	Yes	Yes	Yes		Yes				Yes	Yes			
Combination movements	Yes												

16) Professional services

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