



CONFIDENTIAL

# IDEAL CONCEAL, INC.

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*CARRY THE REVOLUTION*

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**Business plan**  
Prepared February 2020

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# Executive Summary

## Opportunity

### The Problem

Out of the millions of people who hold a conceal carry permit, there are a great many people who can't easily carry or efficiently operate a traditional semi-automatic pistol. A large percentage of those permit holders deeply fear others seeing that they are carrying. In today's divided society, people want to be sure coworkers, neighbors and customers don't react negatively if they notice you're carrying a pistol.

Terrorism and terribly random acts of violence are creating situations where more and more citizens need to provide the first line of defense for themselves, their families and friends!

It is our mission to be sure that people from all walks of life have a reliable way to carry a pistol for self-defense without the concern that comes with the operation of a traditional pistol while providing the most excellent concealment option on the market.

### Solution

In order to help solve these issues, Ideal Conceal created a pistol that is similar in dimension and appearance to a cellphone. This design feature grants the IC380 the ability to simply hide in plain sight.

**Ease of concealment combined with ease of operation will allow more citizens to defend themselves against violence and terror.**

Having a safe, easy to operate pistol with you allows peace of mind, self-protection, and the ability to avoid becoming a victim.

No matter how you dress, you can carry a gun that doesn't look like a gun!

## Market

It is estimated that 18.66 million permits to carry a gun were issued in 2019, one of the HIGHEST numbers on record.

***In 2019, the total FBI - NICS background checks for the year were 25,432,856. This number reflects the number of guns purchased that required a background check.***

Nearly all concealed carry license holders and gun owners in states without permit requirements are in our target market.

In addition, this pistol is much easier to open carry, and appeals to the many individuals such as mothers who don't feel comfortable carrying around a firearm with an exposed trigger (even with a safety) or even that looks like a gun.

Not to mention a vast and ready international market.

Our pistols are not only being shipped domestically; they have already been exported to countries such as Jordan and South Korea. Brazil is easing regulations regarding the rights of citizens to own and carry guns, which will open another large and hungry market.

At the 2019 Shot Show, (largest industry show in the USA), in four days Ideal Conceal had more than 10,000 visitors come to the booth including many inquiries from all over the world.

## Competition

There are many large competitors in the firearms industry. However, due to holding both Design and Utility Patents, no one can make a pistol similar to the IC380 (Cellphone Pistol) or other caliber pistols in the works from Ideal Conceal.

Ideal Conceal is a very specialized pistol for best concealment, and with its utility and design patent(s) protection, it is more likely that a licensing deal could be made

than direct competition with a pistol of the same nature/design coming from a competitor.

Ideal Conceal firearms are filling a void in the current handgun landscape with a focus on self defense. Therefore, many (if not most) of our customers purchase the IC380 as a new and unique addition to their collection or because they weren't able to find what they were looking for from the competition.

## **Why Us?**

There have not been any significant innovations like Ideal Conceal pistol in the firearms market for MANY, many years.

When this was still just an idea, just as a 3D drawing, we had over a million Facebook visits and an equally impressive amount of website hits. We received 15,000 emails in April of '16 alone, even before any production or capital raising took place.

We pre-sold 750 units before we could even accept credit cards. Today, Ideal Conceal has more than 700 registered dealers and many pending orders. Even without the benefit of marketing or even having a public facing page to order from (until recently) orders have continued to come in.

Why us? No matter what obstacles that came our way, we have produced the finest of pistols, no short cuts...

We produce a pistol with comparable quality to any big-name manufacturer. This was accomplished within 3 years, which is a similar timeline to HUGE firearms companies that have been in business for decades longer.

## **Expectations**

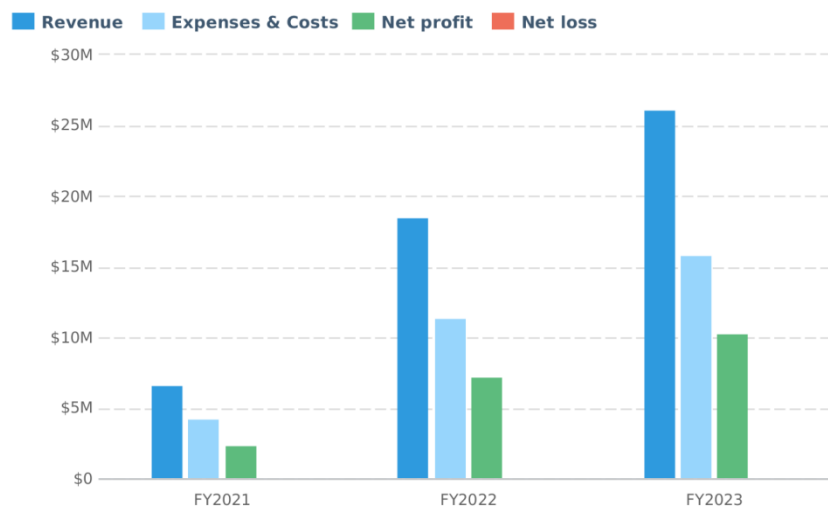
### **Forecast**

We expect to sell approximately 5,000 pistols in the balance of 2020. Our sales should see an increase as exports begin later in the year. As we start to scale

production and clear out the backlog sales will increase due to immediate shipping capabilities, particularly from dealers who are waiting to make large orders until they can be filled upon purchase.

Since we only recently made sales to the public available on our website we anticipate obtaining better sales data to adjust our forecasts over the next few months. Thus far, we've kept our forecasts on the conservative side, despite having great demand from dealers who are anticipated to order more in the thousands as soon as we can produce enough inventory.

## Financial Highlights by Year



## Financing Needed

We are raising up to \$2 million between a 506c and Reg CF offering to allow for the following:

- Large quantity purchases of parts inventory using the benefits of scale to drive manufacturing costs down.
- Hire several additional employees to support in-house assembly of products.
- Produce enough excess inventory to fulfill large quantity orders from our dealer network.

- Expand infrastructure to support international and expanded domestic sales.
- Implement marketing and sales strategies for sustained growth.
- Continue research and development of additional products and accessories.
- Retire some of the current debt from R & D efforts.



# Opportunity

## Problem & Solution

### A Problem Worth Solving

In these increasingly unpredictable times, incidents of random violence and terrorism are seemingly on the rise; more people wish to be armed with a pistol to protect themselves and their families.

In fact, over 18 million people were licensed to conceal and carry in 2019.

From our perspective, there is a significant disconnect between getting a permit and carrying a gun. Providing a highly concealable easily to use pistol will certainly help bridge that gap. There are also times when even the most avid conceal carry person will want to carry something more discrete.

A Chief of Police contacted us last summer and said if a field test with our pistol worked out, he would order one for every one of his 40 officers on the force.

When asked why, he mentioned that a lot of his officers don't carry off duty in the summer due to wearing clothing, (shorts and t-shirts), that doesn't conceal a pistol very well, if at all, he stated that he never wants his officers to be unarmed.

The same can be said for people who wear dress clothes to work, for example, bankers, lawyers, and realtors who don't necessarily want their clients or co-workers to know that they carry a pistol.

We have had people who work in hospitals and wear scrubs contact us, happy they may be able to carry a pistol that doesn't appear to be a pistol when seen through their clothing, (often referred to as printing).

Many people have reached out to us in response to a terror attack, wanting to be armed, but wish to do so simply and safely. With Ideal Conceal, you open the handle, and you're ready to defend yourself and your family!

## Our Solution

### **Our solution is a smart, safe alternative to the ordinary pistol.**

It's light, it's tight and more much more concealable than any other pistol currently on the market.

This pistol is a .380 caliber for great stopping power with very manageable recoil. A 9mm version will be introduced at the Shot Show 2020 in Las Vegas! We have plans, (and patent coverage), for a semi-automatic and a lighter caliber as well.

The IC 380 is quite safe because the trigger is covered unless you open it.

The pistol is constructed with a patent-pending over/under striker firing control group which make the pistol reliable to fire, yet also prevents drop-fire accidents.

The user must pull the trigger in order to load the firing pin spring with tension, making accidental firing impossible.

## Target Market

### Market Size & Segments

As mentioned before, approximately 18 million people currently have a license to conceal and carry a pistol for self-defense in the United States of America. Those kinds of numbers along with states that allow carrying without a permit create enormous market potential. We have seen a keen interest in our pistol from many foreign countries as well!

We exist to help with those people who desire maximum concealment of their everyday carry pistol or people who are already avid concealed carriers and would like to have this as a backup.

We believe our 9mm version will be popular with special forces troops in addition to other government entities who rely on deep concealment and as an excellent backup for their operators out in the field.

Once people understand how easy it is to carry and operate this pistol, we believe sales could skyrocket.

## Competition

### Current Alternatives

There are a large number of alternatives to conceal and carry; however, none of them have accomplished what we have in terms of being able to conceal a pistol virtually in plain sight.

There are many larger and older companies who offer conceal carry solutions.

***The simplicity of this pistol is also something I believe far exceeds that of our competition. Once the grip is deployed the pistol is ready to fire.***

***This pistol is a double action, never allowing it to be "cocked" or fired without the owner's knowledge. There are no complicated magazines to load, no slides to rack***

***as with a semi-auto pistols. Nor are there external buttons to operate that may cause a serious time delay in the owners' response time.***

## **Our Advantages**

Here is a summary of the many advantages to an Ideal Conceal pistol:

- Ease of use.
- Ease of loading.
- Ease of concealment.
- Always ready once handle is deployed.
- Safety features that make it hard for a child to operate.
- Being a small business makes us more nimble to react to market trends.
- Being from a small business family, we genuinely VALUE our customers.
- The pistol can be carried either open or closed, depending on the situation.
- Optional laser and holster are ready for production.
- Additional calibers will be available in the future.

# Execution

## Marketing & Sales

### Marketing Plan

Ideal Conceal has been very fortunate to have gone "viral" during April and May of 2016. There has been worldwide press coverage and millions of website visits. We currently have over 30,000 friends on Facebook. The continued love of this pistol has amazed me. There have been several instances of people driving hundreds of miles just to see and hold one at the shows we attend.

Our primary marketing efforts to date have been attending the NRA and USCCA public shows as well as being in our third year of The Shot Show in Las Vegas.

While we will need a robust marketing effort, at present, we are more concerned with getting up to speed with the orders we are currently generating. Word of mouth, show participation, and Social Media as currently generating as much business as we can handle. The biggest driver for doing this capital raise is to grow our production capability. Having a large inventory of all the parts readily available, hiring assembly and shipping personnel is the best way to ramp up our production numbers.

We will continue to market by doing industry shows as well as live shooting events.

### Sales Plan

Ideal Conceal's sales will be handled through our exclusive distributor, Gun Runner Distributing, Inc. (GRDI). GRDI is wholly owned by Kirk Kjellberg). GRDI will sign up dealers and arrange for all inventory and shipping of the pistols and accessories as well as reporting sales to the ATF.

There are already over 700 dealers, and we have just begun production. Retail customers will assist in driving dealers to sign up.

Customers who are following us on Facebook and other firearm websites will want to order. Dealers have had as many as 20 people a day come in and ask for our pistol!

There is also a large contingent of foreign distributors who are interested in carrying our products.

## Operations

### Locations & Facilities

All manufacturing and management operations are Minnesota based.

Minnesota has all of the necessary qualities, such as a skilled and available workforce, to ensure our growth and success.

We have recently consolidated our office and assembly into one 2,000 sq foot facility.

### Technology

The technology for this pistol is already developed. The pistol is already in production. We are ready to begin ramping up existing production.

While it has taken a couple of years to get here, R & D operations are now complete on our existing model.

There are several more iterations of the pistol to be developed, extending the target market with different options to fit the diverse and growing number of concealed carry permit holders.

Our skeleton clip holster will allow for open carry in 40+ states! (Holsters are not yet in production, the necessary holster molds will be purchased from this raise.)

The pistol has been granted both a Design and Utility patent, giving us as much protection for our technology as possible. We also have a Patent Pending status on the design of the firing control group and the holster.

The Ideal Conceal name has a registered trademark status as well.

## Equipment & Tools

Ideal Conceal outsources manufacturing of its parts to contract manufacturing companies with excellent reputations for quality.

This eliminates the monstrous cost of creating a machining/manufacturing facility.

The pistols are currently assembled in our assembly facility in Monticello, Minnesota.

We have the tools and space need to ramp up production on hand.

## Milestones & Metrics

### Milestones Table

Milestone	Due Date	Details
Successful Capital Raise	March 19, 2020	Raise enough capital to start scaling and taking in higher volume of orders.
Finish R&D of laser and holster.	July 15, 2020	All of the necessary development work is complete on these two accessories. Bringing them into production is next!
Clear Backlog	August 20, 2020	Fulfill last pending orders and begin carrying inventory.
Start selling internationally	September 30, 2020	Open in select international markets.
Start Selling 9mm Pistol	November 02, 2020	Production of 9mm pistol to commence.

## Key Metrics

The two key metrics in this industry are sales and reliability.

Sales numbers of even 250 units a month make us profitable. We believe we can build as many as 1,500 units a month at our current facility.

Our reliability metric is always tracked by the number of repairs and returns we have.

Our goal, of course, is zero issues, making reliability the most critical metric to making our production process 100% accurate.



# Company

## Overview

### Ownership & Structure

Ideal Conceal was founded by Kirk Kjellberg in August of 2015.

Kirk is a 99% owner with remaining 1% belonging to the 2016 crowdfund participants.

## Team

### Management Team

Our management team consists of Kirk Kjellberg and Brian Kinn.

We have known each other for 40 years and have worked together for more than ten years in years past.

We are a balanced team in that we both bring strengths to the table. Kirk's life work gives him unique skills in his selling and marketing duties. Kirk is also free to travel to set up shows and events as an ongoing marketing method.

Brian is very organized and methodical, with the ability to keep track of and manage our growth. Brian has many kids and grand-kids that he would rather stay closer to home. Trust is also a considerable factor given the depth of their long-standing friendship.

We will hire as needed. However, we both believe in running a lean company and using outsourcing to fill any temporary gaps.

## **Advisors**

We are fortunate enough to have a great team of advisors, including legal, accounting, and operations.

Having made friends in the firearms industry, we also have several industry veterans to call on who have been "down that road" before for advice.

# Financial Plan

## Forecast

### Key Assumptions

We have a strong expectation of sales based on our history of going viral, willingness to pre-order. We have reports of 20 people walking into a single gun store and asking for our pistol in one day. This level of interest has survived the years of development, noting that 10,000+ visitors made their way to our booth at Shot Show 2019, as measured by the RFID tags worn by visitors.

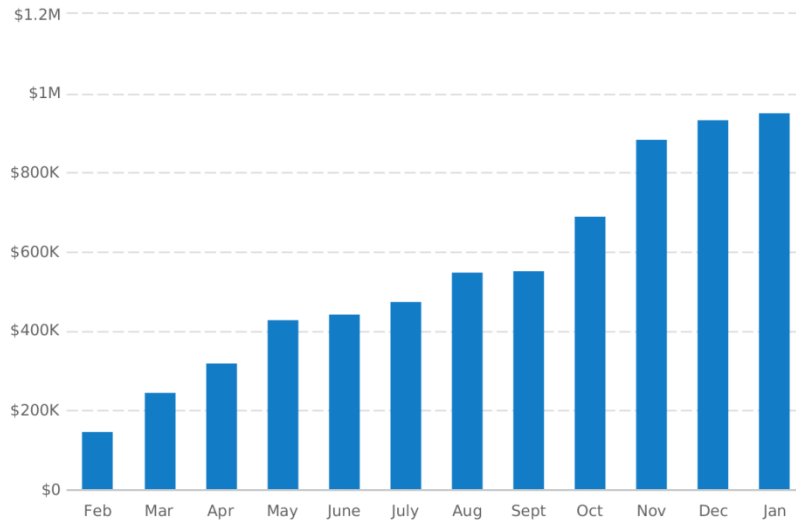
We have substantial domestic sales expectations and believe we have a robust worldwide interest in our pistol as well. As sad as it is to say, the way things are going in the world, the need to carry a pistol will steadily increase due to upticks of terror attacks as well as other major crimes.

We have chosen an MSRP of \$600 and a dealer price of \$410. Currently, our production cost is \$280. This creates a solid margin; not only for ourselves but for the dealers who sell our pistol. We will also take steps to reduce production costs wherever possible. With larger purchasing power we can achieve a better price on our parts. I strongly believe we will push our cost for the pistol much closer to \$200 a unit.

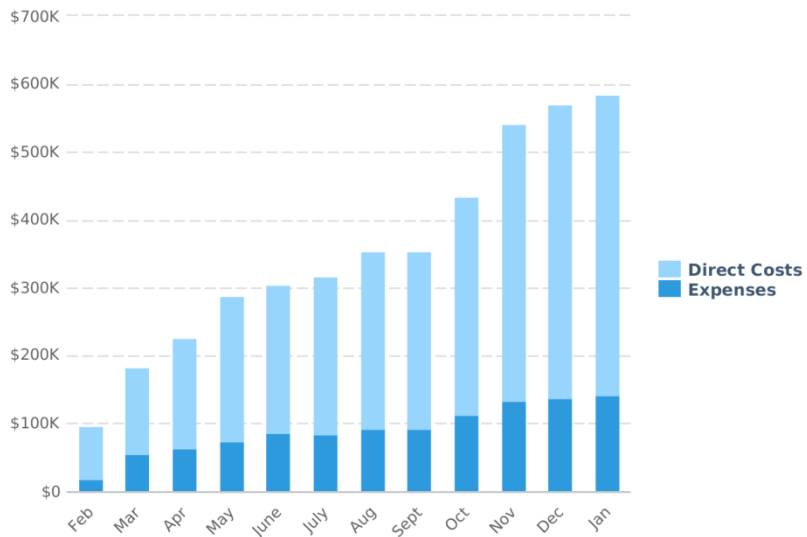
We have taken particular concern and effort to be sure that this pistol is not only very dependable but also to be the most comfortable pistol to conceal in the world today.

We believe that the extraordinary excitement surrounding going viral, as well as the original pre-sales, gives us the basis to believe that once we reach full production, we will be able to sell upwards of 1,500 pistols a month in the USA alone. We currently have a world market that is hungry for this pistol as well.

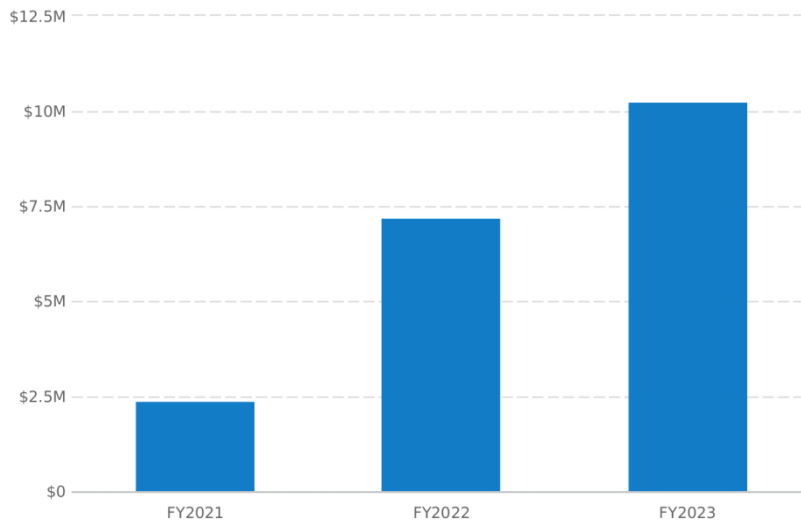
## Revenue by Month



## Expenses by Month



## Net Profit (or Loss) by Year



## Financing

### Use of Funds

Ideal Conceal will use available investment funds first to ramp-up the building and marketing of the IC380 pistol.

There are many expenses to building a pistol, such as tooling, making molds, purchasing parts, on-going engineering, cost reduction efforts, and hiring new team members. Cost reduction plans include fees for molds and engineering to lower prices of some of the more expensive pieces.

We are by nature, a frugal group and plan to maximize dollars invested in making profits for ourselves and our investors alike.

### Use of Funds

### Production

Pongratz Engineering for next generations \$40,000

Custom holster molds of \$10,000 plus making an inventory of 1,000 holsters  
\$25,000

Lasers molds \$8,000, 1,000 units at \$39 each \$39,000. Total costs \$47,000

Parts for next 2,000 units \$560,000

**Production Costs Subtotal \$672,000**

**Tour/shows**

NRA, SHOT SHOW, USCCA, and self-made shows \$35,000

**Subtotal \$35,000**

**Current obligations**

Pongratz Engineering \$60,000

Legal \$20,000

Clear 500 pre-orders x \$280 = \$140,000

**Current Obligations Subtotal \$220,000**

**Totals**

Production \$672,000

Tour and shows \$ 35,000

Current obligations \$ 220,000

Working Capital \$ 250,000

**Present needs total: \$1,177,000**

R & D Debt retirement \$500,000

**Total: \$1,677,000**

## **Sources of Funds**

We will use two offerings to achieve our goals, Regulation D (506c) raise via debt, convertible notes, or the sale of equity from accredited investors as well as a Reg CF crowdfunding offering for non-accredited investors.

## Statements

	Starting Balances	FY2021	FY2022	FY2023
Cash		\$2,421,657	\$8,732,772	\$17,244,441
Accounts Receivable		\$0	\$0	\$0
Inventory				
Other Current Assets				
<b>Total Current Assets</b>		<b>\$2,421,657</b>	<b>\$8,732,772</b>	<b>\$17,244,441</b>
Long-Term Assets		\$550,000	\$2,150,000	\$4,750,000
Accumulated Depreciation		(\$39,286)	(\$307,143)	(\$946,429)
<b>Total Long-Term Assets</b>		<b>\$510,714</b>	<b>\$1,842,857</b>	<b>\$3,803,571</b>
<b>Total Assets</b>		<b>\$2,932,371</b>	<b>\$10,575,630</b>	<b>\$21,048,012</b>
Accounts Payable		\$548,363	\$974,272	\$1,187,912
Income Taxes Payable		\$0	\$0	\$0
Sales Taxes Payable		\$0	\$0	\$0
Short-Term Debt				
Prepaid Revenue				
<b>Total Current Liabilities</b>		<b>\$548,363</b>	<b>\$974,272</b>	<b>\$1,187,912</b>
Long-Term Debt				
<b>Long-Term Liabilities</b>				
<b>Total Liabilities</b>		<b>\$548,363</b>	<b>\$974,272</b>	<b>\$1,187,912</b>
Paid-In Capital				
Retained Earnings			\$2,384,008	\$9,601,358
Earnings		\$2,384,008	\$7,217,349	\$10,258,743



<b>Total Owner's Equity</b>	<b>\$2,384,008</b>	<b>\$9,601,358</b>	<b>\$19,860,100</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$2,932,371</b>	<b>\$10,575,630</b>	<b>\$21,048,012</b>

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