



Newton Golf Company, Inc.

First Quarter 2026 Operating and Financial Results

May 14, 2026

C O R P O R A T E P A R T I C I P A N T S

Akinobu Yorihiro, *Interim Chief Executive Officer and Chief Technology Officer*

Jeff Clayborne, *Chief Financial Officer and Chief Operating Officer*

C O N F E R E N C E C A L L P A R T I C I P A N T S

David Marsh, *Emerging Growth*

PRESENTATION

Operator

Good afternoon. Thank you for joining us today to discuss Newton Golf Company's First Quarter of 2026 Operating and Financial Results.

Thank you. Before we begin today's call, I would like to provide the Company's Safe Harbor statement that includes cautions regarding forward-looking statements made during today's call.

The information that we have provided in this conference call includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to statements regarding the company's ability to support working capital needs, operational scaling initiatives and future growth opportunities, future revenue, future plans, objectives, expectations and events, assumptions, and estimates. Any forward-looking statements made during this conference call are not guarantees of future performance and involve certain risks, uncertainties, and assumptions which are difficult to predict, and actual outcomes and results may differ materially. For more information about risks and uncertainties associated with the Company's business, please refer to the Risk Factors section of the Company's SEC filings, including its Annual Report on the Form 10-K and subsequent quarterly reports on Form 10-Q. The Company expressly disclaims any obligations or undertaken to update or revise any forward-looking statements.

Hosting the call today is Newton's Golf Interim Chief Executive Officer and Chief Technology Officer Aki Yorihiro, and the Company's Chief Financial Officer and Chief Operating Officer Jeff Clayborne. Following their remarks, we will open the call to your questions. At any time during the call, you may join the Q&A queue by pressing star, one on your keypad.

I'd like to remind everyone that today's call is being recorded and it will be made available for telephone replay. Please see the instructions in today's press release that has been posted to the Investor Relations section of the Company's website.

Now, I'd like to turn the call over to Newton's Golf Interim CEO Aki Yorihiro. Sir, please go ahead.

Akinobu Yorihiro

Good afternoon everyone and thank you for joining us.

We believe Newton Golf remains in the early stages of scaling the Newton Motion shaft platform across additional product categories, professional fitting channels, retail relationships, and international distribution opportunities.

Following record net sales growth of 136% in 2025, we continued executing strategic initiatives during the first quarter, intended to support long-term growth, production scalability, and broader market adoption. These initiatives included investments intended to support future production capacity and manufacturing efficiency as demand for the Newton Motion platform continues to expand.

While these initiatives temporarily impacted shipment timing and near-term financial performance during the quarter, demand for Newton's Golf products remains strong throughout the period. As of quarter end, delayed shipments represented approximately \$1.2 million of customer deposits and open sales orders that we expect to convert into revenue as fulfillment activities continue improving during the current quarter.

During the quarter, we continued expanding our domestic and international distribution channels. We strengthened our international presence through an exclusive Voice Caddie distribution agreement in South

Korea, one of the world's leading premium golf equipment markets. We also secured a \$136,000 opening order under the partnership, which exceeded the minimum order requirement, and we expect to recognize that revenue in the second quarter of 2026.

We also expanded our professional club fitter network to approximately 235 accounts, an increase of 99% from the first quarter of 2025, continuing to strengthen our presence within the premium fitting market and broaden golfer access to the Newton Motion platform.

At the 2026 PGA Show, we introduced the Fast Motion Fairway wood shaft and hybrid shafts, which are expected to launch commercially in the third quarter of 2026. These product introductions extend the Newton Motion platform and the DOT fitting system across additional club categories and support a more integrated multi-club fitting approach.

Because golfers typically carry a driver, multiple fairway woods and multiple hybrid clubs, we believe this platform strategy creates the opportunity for multiple Newton shaft placements within a single golf bag rather than a single driver replacement. Over time, we believe this may support increased average revenue opportunities per golfer and per fitting transaction as adoption of the Newton Motion platform continues to expand.

With that, I'll turn the call over to Jeff to review our financial results.

Jeff Clayborne

Thank you, Aki, and good afternoon everyone.

In Q1, revenue decreased 18% to \$1 million. The decrease primarily reflected temporarily reduced manufacturing capacity and delayed order fulfillment associated with operational initiatives implemented during the quarter to support future growth opportunities.

Importantly, customer demand remained stronger in the quarter with approximately 1.2 million of customer deposits and open sales orders at quarter end that we expect to convert into revenue as fulfillment activities continue improving.

Gross profit totaled \$628,000, or 63% of net sales, compared to \$852,000, or 70% of net sales in the prior year quarter. Gross margin was temporarily impacted by lower production volumes during the quarter, which reduced fixed cost absorption and manufacturing utilization.

Total operating expenses increased 15% to \$3.2 million. The increase primarily reflected approximately \$0.2 million of bonus accruals and higher labor and manufacturing related costs associated with the temporary production inefficiencies during the quarter, as well as research and development activities supporting operational scaling initiatives. These increases were partially offset by disciplined expense management, including reductions of approximately \$0.2 million in sales and marketing expenses, and approximately \$0.1 million in professional service expense.

Net loss for the quarter of 2026 totaled \$2.7 million, or negative \$0.58 per share, compared to a net loss of \$0.5 million, or negative \$0.55 per share in the prior year quarter.

Turning to our balance sheet, cash and cash equivalents totaled \$593,000 at March 31, 2026.

During the quarter, we completed the initial \$500,000 convertible note closing under our previously disclosed securities purchase agreement dated March 16, 2026, which included a fixed conversion price of \$1.60 per share together with warrants to purchase 50,000 shares of common stock and an exercise price of \$1.75 per share. Subsequent to the quarter end, we issued an additional \$850,000 convertible promissory notes to unrelated third-party investors pursuant to the same financing agreement. We believe these financings, together with our existing ATM facility, provide additional flexibility to support working

capital needs, operational scaling initiatives, and future growth opportunities while maintaining what we believe are relatively shareholder-aligned financing terms, including fixed conversion pricing and limited warrant coverage.

I'll now turn the call back over to Aki.

Akinobu Yorihiro

Thank you, Jeff.

As I mentioned in my opening remarks, at the 2026 PGA Show, we introduced the Fast Motion Fairway wood shaft and hybrid shafts, which are expected to launch commercially in the third quarter of 2026. These launches build on our momentum within the professional fitting channel, where Newton Shafts ranked as the number one selling shaft for both drivers and fairway woods at Club Champion in 2025.

These product introductions expand the Newton Motion platform and extend our DOT fitting system across additional club categories. The DOT system is designed to provide golfers and professional club fitters with a more consistent fitting structure across driver, fairway wood, and hybrid configurations, supporting a more integrated multi-club fitting approach.

More than 60 professional golfers currently play Newton Motion and Fast Motion shaft across the PGA Tour, PGA Tour Champions, LPGA, and Korn Ferry Tours, supporting continued brand awareness and fitting adoption among golfers and professional club fitters.

Because golfers typically carry a driver, multiple fairway woods and multiple hybrid clubs, we believe this platform strategy creates the opportunity for multiple Newton shaft placements within a single golf bag rather than a single driver replacement.

As adoption of the Newton Motion platform continues to expand, we believe this structure may support increased average revenue opportunities per golfer and per fitting transaction over time.

We also continue expanding our international distribution presence through our Voice Caddie partnership in South Korea and believe the relationship supports continued growth opportunities within one of the world's leading premium golf equipment markets.

Operationally, we continued enhancing manufacturing management and production planning processes intended to support long-term scalability and future growth opportunities. During the quarter, we expanded operational oversight within management and in April, hired a manufacturing executive with more than 25 years of experience to support production scaling initiatives and future product launches.

As fulfillment activities continue improving and production volumes normalize, we believe the underlying demand trends for the Newton Motion platform remain strong. With approximately \$1.2 million of customer deposits and open sales order at the quarter end, expanding distribution relationships, continued growth within the professional fitting channel, and upcoming product launches across additional club categories, we believe the Company remains well positioned for continued growth in 2026.

Following a record net sales growth of 136% in 2025, we believe the investments made during the quarter strengthened the Company's foundation for future scaling opportunities. And while we are not providing formal guidance, we currently anticipate 2026 will represent another record year for Newton Golf.

With that, we'll open the call for questions.

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. If you would like to ask a question, please press star and one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star and two if you'd like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. For participants who are listening on the website, you may type your question in the Ask a Question box. One moment, please, while we poll for questions.

We take the first question from the line of David Marsh from Emerging Growth. Please go ahead.

David Marsh

Hey, thank you guys for taking the questions. I just wanted to start out with a capacity question. With your current operational capabilities, what do you think your production capacity is on an annual run rate basis at this point?

Jeff Clayborne

Well, I would say that's an evolving question, David, and I appreciated the question. Our capacity within that building is over 200,000 shafts per year. That would require us staggering some additional shifts. Our capacity as of steady state, not adding additional resources, is between 60,000 and 70,000 shafts right now.

David Marsh

Got it.

Jeff Clayborne

And commercially, we sold just over 40,000 shafts last year. So we have room to grow before we need to begin adding some additional shifts on a full-time basis.

David Marsh

Okay. Then just turning to kind of adoption at the tour pro level, you guys had announced the prior quarter something between like 60 and 70. Do you have any major signings in the most recent quarter that you can highlight and kind of provide an update of where you are in terms of tour pros playing your shafts at this point?

Akinobu Yorihiro

Yes. There are probably another dozen players that are playing the shaft for the first time this year, which is fantastic. Many of them I can't mention the name today because we do not have an NIL relationship with them yet. But what I will say is that as it relates to the current investment that we made in the factory to improve our production, that also leads to higher performance out of the shafts. And we've gotten tremendous reception on the tour, and also from amateurs when I do demo days and so forth. We really see that coming through. And so, so far it's been an exciting year.

We haven't had a win yet, unfortunately, but we've had numerous top 10s and I think it's hopefully it's going to be a great year.

David Marsh

Sounds good. Then just kind of my last question and I'll get back in the queue. I guess kind of the holy grail for you guys would be to get the original equipment manufacturers to adopt your shafts in their manufacturing. Could you guys give us an update today in terms of conversations that you may be having

and any progress and any kind of indications of interest for many of these major manufacturers in terms of potentially bringing your shafts into their kind of production facilities and such?

Akinobu Yorihiro

Sure. Jeff, you want me to take that or do you want to take that?

Jeff Clayborne

No, you can take it. If there's anything else you want to add, I'll pass it to you.

Akinobu Yorihiro

So David, this is a very large bucket that we have been trying to open and I think that process is here now. We're talking to multiple OEMs out there right now. One is a very large one. I can't, again, I can't name the, give you the name, but we are pretty far along with them. We are in their headquarters. We're getting into their national fitting program that they have. And we are also in their tour program officially. So, where our shafts are carried by their tour van as opposed to us being on the ground distributing the shafts. And so, that's where we are.

We have received—we have actively been shipping products to them to further that relationship.

I mentioned a little bit a month ago, I think the flow on the OEM relationship will probably look like the first stage is getting into their fitting program and that will be at their main location or satellite locations if they have them, and then certainly the national fitter network that they operate themselves. That's very exciting because we know that our shafts are really easy to fit and they perform really great and it's new and everybody likes to see the new offering. So, very, very excited about that.

There is another OEM relationship that we are talking to where we could potentially go straight into their web offering.

Those are the opportunities we're looking at and it seems like things are progressing nicely.

Jeff Clayborne

The piece I would add, connecting the dots related to that is we have been mentioning it for the past couple of quarters that this part of the business has been heating up, Q1 being typically the slowest quarter for the Company since there's a little bit of seasonality related to the golf business. In order to facilitate making major strides and taking the next steps with these OEMs, it was important for us to improve, make some adjustments in the factory, which is why we did what we did to accelerate those relationships. Otherwise, we could remain status quo.

David Marsh

I think that sounds pretty encouraging, guys. Keep up the good work and look forward to the progress. I'll jump back in the queue and let someone else have an opportunity here.

Akinobu Yorihiro

Thank you, David.

Operator

Thank you. Ladies and gentlemen, if you wish to ask a question, please press star and one.

Jeff Clayborne

All right. We have some in the Q&A written in so I'll read some of these. Aki and I will take turns answering depending whose lane they fall into.

The first question is, what is the current lead time for ordering a shaft? Have you seen any order cancellations from this \$1.2 million back?

Our current lead time, which factors in their existing backlog plus new orders that we will be receiving, is somewhere between six to eight weeks overall. If you're part of the backlog, you're going to be receiving your shaft faster than six to eight weeks.

Then as far as the cancellations are concerned, we had roughly \$300,000 canceled that were part of \$1.2 million. The initial orders was \$1.5 million. Roughly 20%. Overall, considering we've had some significant delays, the fact that we've only had 20% cancellations, I think really shows the demand and the strength of the brand that people are willing to wait a little extra time to secure a new shaft for their golf season.

The next question: Are you actively looking for a new CEO?

I think Aki and I can both take two different angles on that. Yes, we have been actively looking for a new CEO. We have quite a few really good candidate. I would probably leave it at that. Aki can add a little more as a founder of the Company and a Board member. Maybe you can add some specifics of what that candidate may look like.

Akinobu Yorihiro

Sure. Again, to confirm, we're very active. I think one of the principal decisions that we are looking at and discussing and trying to make decisions on is the overall long-term strategy for the business. That obviously affects the profile of the CEO and vice versa.

It's an exciting time, but we certainly want a great candidate. I think we want to all be aligned on where we want to be in the long term and having somebody who can help us execute those longer, broader visions. That is where we are.

Jeff Clayborne

Did we have any putter sales?

A few, nothing significant. The putter business will continue to take a backseat to the company, primarily because the shaft side is so robust. The putter business is, to put it together, we're selling a complete putter. There's a lot more to the manufacturing process. The other part is you really need to touch and feel a putter to secure a purchase. The putters are around \$400 to \$600. Once we begin securing OEMs, getting additional floor space in the retail world, that would be a good time for us to introduce putters, since it is such a personal touch. A golfer's relationship with a putter is completely different.

Did we see any revenue from the Japanese e-commerce platform? Yes, we didn't report any revenue in Q1 related to Japan because we didn't ship them products, but we have some revenue coming in. Not to the extent of what Korea was able to secure in their first order with us.

When will we see the actual payment for the \$136,000 from Voice Caddie?

That's in motion. I have no doubt that that would be funded here in Q2. Again, you saw the initial order. They already blew through their minimum, so I expect another reorder sometime later this year. Obviously, the factory delays impacted that a little bit, but overall, we feel pretty bullish about them. Our relationship with them is they need to pay in advance prior to them receiving product.

Is the new equipment able to run lights out? I'm not sure what that refers to.

Akinobu Yorihiro

I'm going to take a guess. I'm interpreting that question to be, is the factory or the equipment fully automated, meaning that you can set it up, press the switch button, press the on button, and then leave for the night and then come in the morning and you have finished shafts? If that is the intent of the question, the answer is no.

The way we manufacture our shaft, we certainly use a lot of machinery, but there's also a human being component to it at pretty much every step of the way. Other than the oven, when we put shaft in the oven, only the shaft goes in. The humans don't go in, obviously, but pretty much every other process, there's a human touch to it that accompanies the machine. So, it is not able to run lights out if that's the meaning of it.

But, what I would like to point out is that's one of the elements that differentiates us with a lot of our competitors, which is that we're producing in the United States. We have our own QC over everything, whether it's materials coming in or equipment coming in, obviously, operating the machinery, wrapping the shafts every day. All those things we do are internal QC. Everything is real-time. One of the big focuses during the first quarter investment in the infrastructure is, yes, definitely new equipment that's going to help us scale, but also upping the technique, the craftsmanship, the professionalism of the staff in our factory. I think we have come a huge way since the beginning of the year when we started this process. I'm actually in Missouri today, this week, and it's great. It's really great.

I hope that answers that question.

Jeff Clayborne

Yeah, and I can kind of finish it with a follow-up. What do you expect when we're back to normal operations with lead time to be two to three weeks? No, it's going to be substantially better than that. The real goal is that we'd like our product to be going out the door 48 hours from the time of order. That's part of the change in the factory. We brought in a new leader, as Aki mentioned in his script. He's got over 25 years of experience, actually 28; 18 of them have been at the vice president running a factory level. This gentleman has scaled factories from zero revenue to companies much bigger than ours. The goal and what we'll achieve during this year is to maintain a minimum of one month to two month supply of inventory using all the capabilities of demand planning, AI, to tighten in what we predict to be our forecast, allowing us the ability to shift things immediately once the order came in.

As it relates to the factory, that was one of the things. We had that tough decision in Q1. Do we start with this rework and fix everything now or wait until we build up the inventory? The decision we made was to take advantage of Q1 to do this because the reality is we wanted to come out of Q1 with a much stronger factory, virtually optimized, to really grow and maximize the opportunity of this brand and equally important, be able to send shafts from the new improved factory to our potential OEM partners during this year's golf season. It may have taken us a little bit more time to build up that inventory supply.

We thought over the long term—the short term is terrible. No one wanted to have \$1.2 million of back orders, but when we look at a longer time horizon, it was the best decision for the Company and the investor to make the changes we did in Q1.

This will be yours, Aki. Can you elaborate more on the manufacturing challenges? Are the issues you encountered fully resolved?

Akinobu Yorihiro

Sure. I'll start with the conclusion first. The issues have been resolved. We're very, very happy with it. It's a simple question, but it's somewhat complicated to answer but I'll take a crack at this.

Where we were before this revamp, our shafts were pretty good. I think it was evidenced by the tour usage. It was evidenced by our very fast growth and all of that. To me, and I'm the founder so I've been here since Day 1—I wanted more. Many of our key customers require more, whether that's an OEM. Japanese and the South Koreans, they're very, very picky, but it's also a very lucrative market and so we had to get better.

The success of our 2025 and before success, that's largely the designs that we have come up with. The improved factory, what it does is it enables more of the potential of the design to come out.

Let's say last year, we were at a certain percentage of the actual performance from the design; this year, I think we will add significant improvement to that potential of the design. I think that's what really excites us.

It was a very difficult decision, and I hope that we don't get beat up too much over this because of the first quarter financials, but it was the right thing to do. We chose to do all of it as opposed to doing some band-aids and then maybe tackling it later in the year or possibly next year.

I really wanted excellent products to be going out in 2026 and for '26 to be a banner year for us, whether through all of the additional channels that we're developing, tour performance, reviews, all of those things.

So, it's a lot. In our business we say every little thing matters, but every little thing adds up to a big thing and you see it out on the performance, and you see it in customer satisfaction.

On this platform, I'll keep it at that. If you have 24 hours, I can run all of it through.

Jeff, anything to add?

Jeff Clayborne

No, that was pretty good.

Next question, do we need more Angelos out there selling and having any plans for more staff here?

The short answer is yes. We hired an East Coast manager. We'll hire someone else to handle West Coast and the Midwest based on our hot markets as we continue to want to open up doors. Those doors not only will help us sell shafts, but ultimately start to begin selling a putter, which is ultimately a completely separate business for us because it's not a shaft. You have the shaft, but there's a lot of revenue opportunities there for putters, as we've seen with Lab Golf.

Do we have separate lines for the two types of shafts, or is there a long changeover time?

This feels just up your alley.

Akinobu Yorihiro

I can take that. Yes, that would be me.

We do not have separate designated lines for the different products, but there is pretty much zero changeover time.

If you think about the fact that on the Motion side, we have 1 through 6 DOTs up until now, we're going to expand that to 6.5 and 7 DOTs as well. Then we have the Fast Motion from 1 to 7 DOTs.. We'll be adding the fairways and the hybrids.

The way we operate our production is we have production planning and based off of the production planning, we will cut the materials.

We use different mandrels, and there are slightly different techniques for different shafts and certainly different layouts. But we have a system whereby at every changeover, basically it's delivering the new patterns that we're going to be wrapping, and then what I call the flight plan for that shaft, meaning that for this particular shaft that we're going to be running a batch, these are the mandrels that we're using, these are the procedures, these are the flags, these are the orders in which we'll be making the wraps.

It's a pretty fluid process. These guys are pretty used to doing that, and that makes it very efficient for us in terms of production planning. There's literally zero changeover inefficiency.

Jeff Clayborne

That's something that we're going to, as we enhance our marketing beyond Facebook and Google, Aki and I have been working pretty rigorous to change the way we're getting our message out there. PR, marketing, paid media. It's one of the things we haven't really done a good job of informing people that our shafts truly are handcrafted, not just American-made, but they're handcrafted, and the difference shows up in the performance. Because they're all handcrafted, it also required some of the changes that Aki and team implemented in the factory during this past quarter.

All right. What type of progress are we making on complying with our Nasdaq listing on the minimum listing requirement? I will be submitting a plan to them next week. That has always been near and dear to my heart as we go through this. It has been a matter of, because of the demand, because of the brand, raising capital and achieving the Nasdaq compliance has never been the issue. The issue is making sure we do deals and terms that are favorable, or I should say acceptable to the Company, which is good for the existing investor. The financing we did back in December of 2024 wasn't a very good financing. It was really important for us to show to the investor community that we're not just going to take any money that's thrown in front of us. That's why you see these converts. And those of you who've been in this game long enough and joining these calls are aware we've raised just under \$1.4 million with a fixed conversion rate of \$1.60, a warrant, basically a pro-rata basis, but the warrant coverage is roughly 16% to 18%, depending on which valuation model you use, with no OID. That is a company-friendly deal.

So, we're looking at other avenues. We've got a lot of opportunities to get into compliance and maintain compliance with Nasdaq, because obviously, we need to maintain our listing. That's critical. At the same time, it's really about growing and having accretive shareholder value, which is well beyond maintaining that minimum requirement.

But we will be submitting this week. We would look forward to hearing back from Nasdaq in a couple weeks after that. And obviously, we would be posting an 8-K, letting you know the outcome of that.

All right. Those were all the questions thus far, so if anyone has additional questions, now would be the time to tee them up or hit star, one.

All right. I don't see anything else coming in.

Operator

All right. At this time, this concludes our question-and-answer session. I would like to turn the call back over to Akinobu Yorihiro. Sir, please go ahead.

Akinobu Yorihiro

Ryan, thank you.

I'd like to just thank everybody again for joining us today and to discuss our results for the quarter, and in particular, our stockholders for their continued confidence in Newton Golf. We look forward to talking with you again soon and presenting our second quarter of 2026 results in August. Please take care and have a great rest of the day.

Ryan, please go ahead and wrap this up.

Operator

Thank you. Participants, I would like to remind everyone that this call will be available for replay starting later this evening. Please refer to today's earnings release for dial-in replay instructions available via the company's website at newtongolfir.com.

Thank you for attending today's presentation. This concludes the conference call. You may now disconnect.