

Intellectual property protection, if any:

- US 8929226, US 8929226, Trade Name (SimpleWan & vMPLS)

### Part 1: "Elevator" Introduction

#### Brief elevator pitch for your company.

We sell network automation technology to multi-location businesses to solve the increased cost of technology management and cyber security. Unlike Cisco or SonicWall, our solution provides a cloud-based technology that automates many of the tasks traditionally dominated by legacy, high cost human capital and hardware solutions.

### Part 2: Market and Industry Analysis

#### How large is your market? What market segments are you going after and why?

- This market represents approximately \$ \$50,000,000 in annual purchases today
- 800,000 franchise locations in the US will be forced to move to an SDN (Software Defined Networking) solution.
- There are over 1 Million corporate owned multi-location businesses within the US in need of cyber security and remote network management.

#### Is this market growing? How fast?

- SD-WAN (Software Defined Wide Area Networking) market expected to grow beyond \$1.3B by 2020 (Gartner).

#### Who is in the market already? What is the nature of competition – direction, indirect, substitutes?

Cisco, SonicWall and Velocloud - All of these are legacy, hardware-based technologies that are focused on selling a one-time solution. Once these products are installed they cannot be updated to protect against new threats or technologies without manual updates that are usually field technicians. Given the rate of change in the world of cyber threats, these once-useful products become essentially defenseless shortly after they are installed.

### Part 3: Go-to-Market Plan

**Who are (will be) your customers? Describe your engagement / discussions with them to date. Have you validated their needs? Prove they are buying (or will buy) your product from you.**

Our customers are MSPs (Managed Service Providers) that buy our solution and resell to the end customer. Our best customers focus primarily on multi-location, franchise and corporate owned companies. To-date we have end users like Domino's and NAPA. We also have telecom service providers like Nextiva and Jive Communications selling our product to their customer base.

**Describe how you win customers today. Describe your future customer acquisition strategy.**

We currently have two paths to market. We wholesale channel through telecom service providers and we have a direct channel through partners (MSPs) that sell to large customers and organizations.

**How will you displace any incumbents/competitors? How are you better/different than your competitors? What's your channel/partnership strategy, if any?**

Firewalls have been around for 20 years, mostly in the form of a stand alone device and has been considered a necessary (sometimes large) capital expense. With increased availability of "SaaS", such remote and unintelligent technologies have become stale. The incumbent competitors are unwilling to move to a SaaS model because of the ease and wide acceptance of the profitable hardware-only products. We estimate that SimpleWan has at least a 24 month lead over these competitors once they decide to pursue a similar SaaS model (if they do). By marketing the SimpleWan solution through established reseller channels, we are quickly expanding into this space while the incumbents are still clinging to the legacy model.

#### **Part 4: Technical Product Description and Plan**

**Briefly describe your product or service.**

SimpleWan brings enterprise-class network management, diagnostics and cybersecurity technology to the multi-location business market in the form of a cloud-based service, resulting in reduced IT hours and time invested in rolling trucks to these locations for support.

**Technology Validation. (What evidence can you present that your product works as advertised? Future validation plans?)**

To date we have an installed user base of over 2,800 paying customers and locations.

**Describe the remaining product development risks and your plans to overcome them.**

The product is in active use by thousands of clients. SimpleWan continually manages a software product development and adaptation to the continuously changing cybersecurity developments. We also continually add more paid features. The risks involve staying in front of the competition's development resources on a conservative budget.

**Describe your product's advantages (features, for example) for end-users vs. substitute solutions (not just direct competitors).**

Our simple software-based product replaces multiple hardware vendors and combines it into one solution. For example: a typical multi-location company must buy a firewall, cyber security services, PCI & HIPAA compliance services, managed wifi and VoIP prioritization individually and from different providers. With SimpleWan that end user now gets all of that in one solution with our product and they are all just software add on modules.

**Describe your company's current intellectual property status and plans for the future. (Issued patents? Licensing agreements? Pending patent applications? Trade secrets?)**

We have one fully issued patent (issued August 15, 2016) and another under review by the US patent office. One more application is completed and ready to submit and a fourth is being written up now.

**Discussion of any non-IP barriers to entry for your market. Include what you have done to make it difficult for others to challenge you as well as what challenges you may face such as manufacturing arrangements, distribution contracts, partnerships, etc.?**

We have multiple exclusive distribution agreements and some private label arrangements with partners offering our solution as their own (white label). The largest barriers to entry in our market involve market development time--the amount of field testing time required for deployment and compatibility integration with other technologies that affect networking.

**Part 5: Risk vs. Talent Narrative****What risks has your team mitigated so far (business-related and technical as it relates to your business)? What are the next few major risk-reduction milestones?**

- Hardware supply risks
- Real world need and usability for the product
- Credibility with partners and ability to build field confidence with companies with big logo's
- System stability
- Scaling proof of concept with constant reduction in SaaS costs

**Briefly list and describe your key team members.**

- Erik Knight CEO - Multiple startups & M&A experience. Last exit--2014--was ComVoice sold to Jive Communications.
- Ryan Blanchard Operations - MBA, finance, business development and operations experience. Worked with Erik at ComVoice
- Will Bradley Lead Front End Mgr - Experienced developer, including startups.
- Jim Locker Lead Back End Mgr - Experienced high tech developer, including startups.
- Brian Perdue Channel Sales - Built the sales channel for hosted VoIP product at Mitel.
- Charles Ogle Wholesale Sales - 20+ year career in sales and marketing.

**Briefly describe any holes in your leadership team. What are your plans to address any recruiting needs in the next 18 mos.?**

We currently have a large hole in marketing. Our next major hire will be an experienced marketing executive.

**Briefly list and describe your key advisors, and their contributions to date.**

On our board today is Michael Wolf and Warren Carsey. Michael has a well-known and extensive background in startup investing as well as software companies. Warren has a deep background in finance and investment banking. Advising us is Gary Heath, a long time Arizona private company investor and entrepreneur with multiple successful business exits. Also advising us is Tom Blondi, well known for both his sales and marketing expertise and his Arizona private company investing background.