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**Otto Background:**

Otto Connect, Inc. is a subsidiary of The Otto Project, LLC. Our team began working together over 10 years ago at IBM – providing enterprise level system and automation management solutions. Fast-forward through a spin out to Blade Networks (with IBM as our customer), acquisition by IBM, divested to Lenovo, a move to Security First Corp (also with IBM as our customer), and adding friends from Cisco - we develop highly scalable, enterprise and consumer ready solutions that provide “ottomation” help for our customers – taking good IDEAS and develop them into SOLUTIONS. Otto Connect, Inc. is dedicated to development and delivery of the Otto-CAST solutions: Otto SportsCAST, Otto CommunityCAST, Otto ParkingCAST, and derivative products.

- CAST for Sports: Coaches, Athletes, Spectators, Teams
- CAST for Community: Communication, Activity, Schedule, Teams

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**Our Team**

- Jim Varner: President and CEO - with 36 years of experience at IBM, has 3 startups under his belt as GM of DCT, GM and CEO of SFC, and now Otto.
- Aysegul Berenson: CFO - former CFO at SFC, previously was controller/assistant CFO at Cisco-Linksys. She has a diverse background in FP&A, Financial Operations, Sales Ops, Market Intelligence, and Project Management.
- Dave Irons: COO - with 30 years at IBM, recently as VP of QA and Operations at SFC – having significant experience managing multiple WW teams in Development, Test, Marketing & Support
- Trevor Brown: CTO – with over 13 years of design and architectural development building enterprise-grade centralized systems management solutions and managing IT systems for IBM, DCT, Lenovo, and SFC
- Marc Stracuzza: VP of Product Development - with 20 years in the design and development of diverse products at IBM, DCT, Lenovo, and SFC
- Jeanne Pugh: Development Program Director with 21 years of hands-on software development to develop close customer support, solve issues, and developing solid products
- Marc Nicholls: VP of Sales and Business Development - formerly Director of Sales Operations at SFC, with extensive background at IBM in logistics, acquisitions, and sales support
- Janine Wald: VP of Marketing - and former VP of Marketing at SFC with extensive experience running her own marketing organization
- Jose Cifuentes: Sr. Software Engineer – with extensive development experience at IBM, DCT, Lenovo, and SFC
- Alyssa Irons: Marketing Associate – digital marketing
- Emily Irons: Marketing Associate – graphics and web development
- Maxim Dynov: Software Engineer – mobile app development (contractor)

**Team Engagement and Commitment**

- Jim Varner – Full-time (unpaid founder). Jim is responsible for specification development aligned with early customer identification to clearly represent their needs and priority for development integration.
- Jose Cifuentes – Full-time (partial salaried) – is responsible for the web/cloud/network development of the SportsCAST solution.
- Dave Irons – Part-time (unpaid founder) – is responsible for the operations of Otto Connect and technical and business operations for customer needs.

- Aysegul Berenson – Part-time (unpaid) – has moved into our CFO position recently and is working to find additional funding options and supporting Dave in operations.
- Maxim Dynov (Sub-Contractor) – is responsible for the mobile app development of the SportsCAST solution.

All other team members are Part-time (unpaid) providing design, architecture, marketing, and sales support - and have other employment. Key milestones include early funding to support MVP (Minimum Viable Product) development and broader market assessment combining sports and other community opportunities needing similar services.

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### Our Advisors

Business & Technical advisors actively engaged

- Mary Ellen Randall: IEEE Fellow, former IBM Exec
- Paul Russert: former VP Marketing – SFC and Otto Connect Board Member
- Al Reyes: Business Development and Otto Connect Board Member

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### Elevator Pitch

The IDEA behind Otto SportsCAST/CommunityCAST is to develop and deliver an all-in-one mobile application providing end-to-end support of any sport or community-based activity. Focus is on ease of use for Leagues and coaches to communicate, schedule, and update. For players, parents, and spectators: the added ease of registration and payment with access to any interested party. We've engaged with local customers and have facilitated a slight pivot to provide a ParkingCAST solution aligned with CommunityCAST – a mobile payment parking solution. Four key features are common to the CAST solutions:

1. Communication: to the community, groups, teams, or specific individuals
2. Scheduling: of games, practices, events with immediate notification of changes, cancellations, etc.
3. Registration: to join the CAST community and to associate and register for specific leagues, teams, or activities
4. Payment: secure payment of fees and dues from the app for associated activities

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### Problem Statement

Through discussions with nearly 100 people and groups, we've found a common theme with youth sports programs and local or group communities of interest. Here are some of the most common comments:

- I'm a league owner – and the complexity and cost of multiple applications is a significant concern for me and the parents who I have to pass the cost on to
- I'm a coach – and have to depend on 5 web applications to coordinate my team. Email communications to parents get lost or ignored and I lack the ability to quickly notify everyone of game or practice cancellations or rescheduled activities.
- I'm a mom – and I have 3 kids, each in 4 activities – my refrigerator is covered with schedules and it is hard to keep track.
- I'm a college athlete – I forget to tell my Dad that my lacrosse game has been moved to another stadium at another time (and he shows up at the wrong place).

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- I'm a church leader – and we need a better tool to keep track of all the adult and youth activities – esp. with changes, and opportunity notifications.
  - I'm the local manager in a mixed tourist/local town with lots of services that no one seems to know about – including emergency notifications. Email, Text, Phone calls, and Facebook all seem to be haphazard and only reach a few people.
  - In the same town, we need to manage visitors and parking solutions – allowing residents to park for free, local communities to have a seasonal rate, and a daily rate for visitors – without incurring significant capital equipment costs.

Net: There are over 100,000 local/regional youth and young adult sports leagues. There are even more community-based groups. All of them are challenged with scheduling activities and communication.

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## Solution

Otto SportsCAST (and its companion product Otto CommunityCAST) is an all-in-one mobile app with web/cloud enablement that offers full function activity management for any sport or community of interest activity. Ease of use features allow for scheduling and communication of all activities whether formal games, practices, events of interest, weekly get-together, tailgating, and quick, direct notification of any changes – directly to the mobile app. Communication to individuals and groups is easy – with notes directed to the app, completely separate from the bulk set of emails, texts, and other social platforms. With one-stop secure registration, payment, and links to the league and coaches – you are always informed and close to the information you need. Multi-activity, and multi-athlete capability are built in for parents managing several kids and several activities per kid – and provisions are included for anyone interested in keeping track - like grandparents and general spectators – specific for the group and teams/activities that they are interested in.

While our early focus is on the development and delivery of SportsCAST as a single focused product, the differences to enable CommunityCAST are minimal and mostly in the naming of the various functions (i.e. a League becomes a Community, a Team becomes a Group or Activity, Players become Participants, etc.). As a result, the functional capabilities are the same and as we add capability to one, the other benefits immediately.

Customization is an integrated capability based on the needs of the organization, but every effort has been made to consolidate registration needs into a common set of requirements. There is an opportunity to customize the look and feel or registration specifics - as well as customization per sport – esp. as related to scoring, team stats, records, and reports.

ParkingCAST is a pay by app, parking fee solution, leveraging the Group feature (Parking group) and participants who associate or join that group. Features include local resident acknowledgement providing free parking and visitor seasonal rates and daily rates, etc. with low cost scanners for enforcement.

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**Defensibility in the Market**

What makes this product unique is the integration of all the features needed to provide 1-stop support of all activities associated with a sports league or local community – all in a simple, easy to use mobile application. Key areas of capability and leadership include:

- Supports any sport or Community of Interest group
- A full-function mobile app with league level coordination at either the app or web level
- Allows communication to the team, group, or individual interaction – based on association with joined teams or groups – and supporting unlimited notes in all cases
- Polling capability with easy entry and reports
- App enabled scheduling for games, practices, events
- All registration and participant-based association and activities via the app (Apple or Android phone or tablet)
- Change notices with immediate push to all associated personas (weather, sickness, etc.)
- Personas setup for League officials, Coaches/Captains, Participants/Player/Player-Parents, Parents, Spectators (and equivalent for non-sports communities) – with each persona having unique permissions and security profiles
- Easy and secure payment options at all levels, including registration fees
- Payment Options: Credit, Debit, PayPal, Apple Pay, Google Pay
- Low Annual costs for SportsCAST: \$540/league or group, \$3/participant (typical league)
- Multi-Sport, Multi-League, Multi-participant capability within a single app
- CommunityCAST/ParkingCAST fees to be determined based on group or local requirements

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**Risks**

- Market Acceptance and timing. Note that we are working to time delivery of our solutions with the end of the worst part of COVID-19 (YE'2020 assuming potential vaccines) and in time for spring 2021 activities.
- Fear of Change/Inaction. If people have a solution, regardless of cost or complexity – it is often difficult to help them facilitate change to something easier and at lower cost.
- Market Awareness and getting the message to decision makers

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**Customer and Market:****1. Discovery**

We have initiated engagement with a several potential customers who have expressed significant interest in either SportsCAST or CommunityCAST. The purpose is to better understand and focus development features needed for early customer use and migration. We have also initiated a combined digital/social marketing effort to build on the early customer success (noted in Traction).

Websites obtained to date:

[www.theottoproject.com](http://www.theottoproject.com)

[www.ottoconnect.us](http://www.ottoconnect.us)

[www.ottosportscast.com](http://www.ottosportscast.com)

**2. Customer Description**

Sports Customers will be driven by 3 factors: 1) League level integration and cost reduction, 2) Integration of tools into a single solution, and 3) youth parent participation to improve communication of activities. Customers will be league level organizers/owners, but league drivers are more often parents/parent volunteers.

Community Customers have already expressed interest in the communication and scheduling integration aspects of the solution as applied to their specific activity. Customers will be team/group leaders, could be community (town, village) leaders, or local communities (neighborhoods, etc.).

Parking solution customers will be smaller communities who need parking control, but don't want the significant capital outlay needed for meters and other equipment.

### 3. Revenue Model – framework

The revenue model for SportsCAST will be based on a subscription model and includes 2 factors: 1) League/Organization level integration and storage of information – which will be priced at \$540 per year based on an average league or organization size (and may be adjusted for larger groups), and 2) Athlete/Participant subscription – which will be priced at \$3 per year per participant activity. The combination provides an on-going revenue stream (annuity + growth) with the customer values of: low annual cost for both league and individuals, ease of use, and significantly improved registration process, communication and schedule awareness.

Our projections indicate that we need 136 average size leagues or groups to break even in 2021 (based on our current/planned run rate), and the market growth rate supports a 5X growth rate over the next 2 years. Scalability is built into the solution given the experience of the Otto team with enterprise level solutions. To achieve this growth, we have already obtained early potential customers with significant interest and intend to leverage them as reference customers as we pursue digital and social marketing to expand our sales reach. Scalability is built into our products for both mobile app (multiple participants, multiple activities, etc.) and at the web/cloud backend level.

CommunityCAST and ParkingCAST pricing has not yet been determined and will be dependent on the business case and cost of incremental development (although expected to be minimal).

### 4. Market Opportunity

We have engaged with several early customer opportunities spanning the broad range of sports and community activities. These represent several different markets and their acceptance will help drive capability and market opportunity. Their input and early evaluation has helped and continues to help with basic and advanced feature definition.

Youth Sports alone is a \$41.2B industry in the US (2019) and as we come out of the COVID-19 environment will see significant interest in participation at all levels. Estimates put the number of youth sports leagues in the US at greater than 100,000. Target penetration at 10% would indicate a huge success with continued upside.

Community activities is an untapped and unknown market for a coordination/scheduling app, whether at the local municipality, church, neighborhood, social group, work team, or other. There is a constant set of communication and scheduling opportunities to exploit. Anything identified in this market (and there are lots of opportunities) will represent significant growth for the company.

Parking activity is still unknown to us. Payment by app can be a growing market and we have identified some basic apps with limited adoption in the market. This may be a niche, but a fairly lucrative niche as towns and municipalities struggle with parking infrastructure and early capital expenditures that can be eliminated with our ParkingCAST solution.

#### 5. Competition

There are several tools in the market today that provide one or more services for youth and young adult sports organization. We have assessed over 20 and highlight what we believe to be the top 5 for SportsCAST:

- JerseyWatch is a full function, web-based application with app passthru access (web access via the app). Key feature is the customization by sport and personas for the athlete/parent, coach, and league roles. Costs have changed in the past year (reduced to be more competitive), but still places limits on text/email communication for all but the highest priced tier. At the time of this review, we have not yet identified and talked to a JerseyWatch customer.
- TeamSnap is the predominant solution in the market today providing a full function website with app passthru access. Personas include parents, coaches, team managers, and group organizers. They also have links to personal calendars. Communication is generally text, email, with a private online forum. They do support photo sharing, stats reporting, etc. General feedback from customers is poor and everyone we've engaged using TeamSnap is extremely excited about SportCAST.
- SportsConnect is a Customized per sport, full function website with app passthru access. Personas represent Athlete(parent), Volunteers, Admins, Organizers. Costs are competitive within the segment but have seen complaints regarding hidden fees associated with league dues/fee collections. Other features include reports, in-game analytics, fan wear.
- PlayerSpace is a full function web application with app passthru access – specifically designed for the YMCA. All functions are tailored to any/all activities offered by the Y including sports, camps, after school programs, etc. Function by Function, this is the closest to SportsCAST/CommunityCAST capability, but with limited mobile app capability.
- rSchoolToday is a conference & school sports web application. And while fairly comprehensive, it is a challenge to learn (multiple days and cost of education).

For CommunityCAST – competition is limited to various solutions targeting just communication (team or social applications such as Facebook groups, Skype groups, etc.) or just scheduling (Google calendar, etc.). Each of these has various limitations and challenges within the larger framework of these applications.

For ParkingCAST:

- PassportParking is the one app that we are aware of at this time. It is basic with hourly parking payments via the app but has additional options for buses and train fees.

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#### Traction

For SportsCAST:

- Ultimate Frisbee (Raleigh based) – to coordinate/communicate with 3000 local members.
- Club Lacrosse (Univ. Of Delaware) – uses 4 different tools and would like to migrate to a single tool for end-to-end management of the team and activities, a seamless way to keep spectators in the loop, esp. for time and location of games, scores, rankings, and tournaments.

- St. Thomas More Academy High School – has several tools to manage the various sports. A recent change required 2 days of education due to the complexity that was very poorly received.
- Amazing Athletes of Raleigh – is a locally owned franchise providing sporting skills and education opportunities to pre-school and kindergarten aged children in 23 schools. They, like others, use 6 different tools to manage registration, coach education, classes, etc. that they would like to simplify and drive reduced cost.
- Lochmere Golf Club – to provide communication coordination among staff and potential add a tee-time utility in the scheduling portion of the app.
- Raleigh Club Volleyball League (Raleigh, NC) – is a volunteer group needing better communication and scheduling capability.

For CommunityCAST:

- Boardman Swim and Tennis Club – Seasonal/recreational group with a mix of activities, classes, training, and events including swim meets and tennis leagues.
- Independent Sr. Living Center – Raleigh – has many activities for residents and wish to get the message out for participants to join in, post the restaurant menu, etc. Would also like to get immediate notices to the residents
- Montgomery Trinity Presbyterian Church – has many adult and youth based programs with schedule and communication requirements. Would like to make the parishioners more aware of the opportunities to engage in church and social activities.
- Surf City, NC – has numerous activities and communication requirements relative to the beach town with local owners, rental agencies, renters, and emergency notification requirements that could all be consolidated into a single app for ease of use.

For ParkingCAST:

- Surf City, NC has a near term need to control their visitor parking and has expressed interest in our ParkingCAST solution to allow homeowners free access to parking, while charging competitive rates to visitors from outside the immediate area.
- Additional tourist towns in the area and up/down the east coast do or will have similar situations.

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**Equity Investment**

- The company is actively seeking funding to raise \$250K by YE'2020 for development and customization of our solutions for each target, and early marketing for traction early in 2021.

Investment to Date:

- \$40,000 from founders, and members/family of the team.

**Funding Impact / Milestones / Use**

**Impact**

- With several part time, non-paid employees, this investment will allow us to focus on and accelerate development and delivery of the MVP solution – specifically to bring a sub-contractor on board to accelerate the app development – aligned with early partners and customers who have provided significant input into the product requirements.
- We have also engaged in a significant marketing effort with an aim to grow our social-digital market footprint by YE'2020.
- This investment, with our target revenue projected in Y'2021 will allow us to break even by yearend 2021.

### Milestones

All dates are based on grant or other funding enablement:

- Our web-based version and cloud backend is currently in development – due for MVP capability by Oct 1<sup>st</sup>, 2020.
- Mobile MVP - Beta product for early customer evaluation in 4Q'2020
  - At this time, we would also have a broader market assessment complete
- Generally available product in the 1<sup>st</sup> Quarter of 2021
  - Includes both SportsCAST and CommunityCAST solutions.

### Use of Funds

There are two key uses planned for our incremental funding thru YE'2020:

1. Development and funding of the MVP – through our own team and sub-contractor/accelerator enablement as needed (\$40K)
  - Mobile App – Android and iOS
  - Backend cloud services (AWS)
2. Funding for the market assessment service – this would be coordinated by PT team members and 3<sup>rd</sup> parties (\$10K).

The additional funds will enable Development and Marketing Scalability in 2021 for significant customer engagements.

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### How is SportCAST/CommunityCAST differentiated? Is it Better, Faster, Cheaper?

SportsCAST and CommunityCAST are designed for flexibility and quick market pivot capability based on needs of the various customer opportunity segments – while minimizing the risks:

- 1) Flexible for Use Case Specifics – esp. as needed for registration and local regulations as related to sports activities/leagues
- 2) Easily customized and tailored for any sport (baseball, football, soccer, lacrosse, volleyball, etc.), any community activity, and has already supported the pivot to support mobile app based parking fees
- 3) Ease of Use - intuitive and simple, pre-designated responses where applicable, few clicks, no waiting
- 4) Speed & Scale - architected for near real-time acknowledgement of receipt for enterprise level volume & speed to response
- 5) Reporting and Polling - near instantaneous reporting and tabulation, including sort and count type functions on type, urgency, context, with customized report types per targeted use case

Areas of differentiation:

- A Full-function mobile app with league level coordination at either the app or web level
- All registration and participant-based activities via the app (Apple or Android phone or tablet)
- Personas: Athlete/Athlete-Parent, Parent, Coach/Admin, League/Admin, Spectator – with community based equivalent personas
- Payment Options: Credit, Debit, PayPal, Apple Pay, Google Pay
- Low Annual costs: \$540/typical league or group, \$3/participant – with Community environments supported based on size and scope
- Communication notices – unique to participant/league/personal association – all via the app with immediate notice. Unlimited notes in all cases.

- Change notices with immediate push to all associated participants/parents/spectators
- Multi-Sport, Multi-League, Multi-participant capability within a single app

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### Customer Acquisition Model

The model for customer acquisition is a multi-pronged effort associated with:

- 1) Identification of the Target Audience. Aspects include identification of youth sports leagues, digital advertising, and the current activity associated with customer pain points. However, we've found the single most influential factor in youth league activities is the Sports MOM! They drive league integration activities, volunteer to help, and push leagues and coaches to improve communication.
- 2) Understanding the competitive landscape. There are a few serious, web-based, competitors, but we believe a mobile app solution is superior and has values that appeal to leagues and users – as a single end-to-end solution.
- 3) Branding. Key to awareness – leverage the “Otto” name as part of the official “Otto SportsCAST” and “Otto CommunityCAST” solutions. Domains have been acquired.
- 4) Advertising - is a digital/social approach. Digital for the league and coach personas who subscribe to youth sports forums (paper or web based). Social for the MOM persona who regularly views Facebook, Twitter, Instagram, Snapchat, etc.

### Distribution & Sales

The app portion of the product through the Google and Apple App Stores as a free download to end users.

The web portion of the product will be supported by Otto via Cloud services and made available to participants via subscription service.

B2B model: Paying customers are those organizations who initiate a league or group association and would coordinate, send, and receive the data to and from end users. Customer acquisition will be dependent on one of two development paths: 1) sports league connections and parent interest/drive to obtain the product services, and 2) community groups and community of interest participants who desire to have a stronger schedule and communication link with all participants.

B2C model: Will be the individual participants and athletes (or athlete parents) who desire to participate in the league or community group.