



# THE SURFCAST CORPORATION

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## EXECUTIVE SUMMARY 1999-2000

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# INTRODUCTION

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The SurfCast Corporation was formed in 1999 based on a perceived need to make Internet and On-line life easier to manage. SurfCast develops software which is an useful, convenient and fun application that organises and guides user's On-line experience.

As experienced Internet users, the founders of the company have witnessed an increasing complexity in using PCs for Internet access, and a severe absence of basic tools and applications which give help in overcoming this complexity.

We have literally hundreds of bookmarks to keep track of, and we use several different kinds of applications to access the information available on the Internet. We are frustrated by the rapidly released versions of any Internet software packages which never really seem to address this problem.

We've decided to do something about it.

In the Spring of 1999 we came up with the idea which will vastly simplify user's entry to and use of the Internet. We also devised a complete development plan to take us from the idea level all the way through planning, development, test, release and marketing.

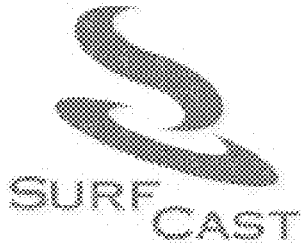
Our idea was put to test with the California office of the New York law firm of Pennie & Edmunds, who have investigated potential patent application opportunities and our right and freedom to implement and use our invention. The prospects and outlooks for being able to launch a patent application are bright, and as well, the road to implementation seems clear.

On the basis of our efforts sofar, we are setting out to make our ideas become reality. Our vehicle is "The SurfCast Corporation". We are ready to recruit the crew. Given a modest financial injection - we are on our way.

This document describes the idea, the plan, the numbers and why we believe that this will be a success.

# THE SURFCAST MISSION

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See it...

Do it...

... but look out for potential dangers.

PCs are faster than ever, but really they are slower than ever, because they have so much increasingly complex software loaded onto them rendering them inefficient. The faster chips made by the manufacturers are commensurately slowed down by the burgeoning and mips-consuming code of today's huge software conglomerates. Lots of potential users and generation 50+ will never get a computer or get On-line as long as PCs and Internet access devices are so confusingly difficult to use. This has to be a lot easier than it is today.

## Vision

To see something different than everyone else sees, thus figuring out where the world is going and get there first.

## Mission

The goal of The SurfCast Corporation is to develop a useful, convenient and fun way of accessing the Internet - and any other electronic information you desire. Our method organises and guides a user's On-line experience. In short: software that makes PCs easy to use, thus helping make the networking experience simple and fun.

## Challenge

The challenge is not to make the technology work, nor is it whether the market exists—there are now in excess of 100 million potential users of SurfCast products. Our greatest challenge is *building and scaling an organisation on 'Internet Time'*.

To meet that challenge, we have to:

- **create** a vision of products, technologies and markets.
- **develop** products for multiple markets and platforms concurrently.
- **attract** additional managerial, technical and marketing expertise.
- **build** the internal resources for a big company.
- **build** strategic relationships.

# THE SURFCAST TEAM

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The SurfCast vision of the product:

- A useful, convenient and fun application that organises and guides user's entire On-line experience.
- An end-user software application,
- and software components for Internet web servers

## The SurfCast Application

At its most rudimentary level, SurfCast is a simple easy-to-use interface which can be a system for organising a users information and interests.

Ultimately, SurfCast is a network solution with a dynamic GUI client, and big fat servers that carousel multiple types of content and even different types of networks--whether that be files, applications, Web sites, TV channels, or broadband channels or other types. A unique feature is that SurfCast can serve multiple streams of content of the viewers' choice.

A first time user goes to [www.SurfCast.com](http://www.SurfCast.com) and installs (at a single click of as button) a version of the SurfCast client software. The software allows PC users to uniquely and easily configure their own Desktop.

Here is what it is: First, we need a general purpose visual representation of anything we want from the Internet. It must be bigger than an icon, because we want it to contain information before we click it. And it must be better than a bookmark, because we want it to be able to represent other than web-sites.

We introduce: "The SurfCast **Tile**".

A Tile is a rectangular area, larger than an icon. It can be a picture representing a certain target, or it can be text and graphics in a small document telling us what we want. A tile is:

- clickable, to get you to your target.
- configurable, so you decide what it is and does.
- streamable, so you can get information without going places.
- live, so it updates when neccessary.
- - and a lot more, but this is enough for now.

Symbol	BT	Last
CPQ		28 11/18
IBM		136 3/15
DELL	D	43 1/16
MSFT	D	98 7/18
ORCL	D	38 3/4
AAPL	D	54 3/8
TY		85 3/8

# THE SURFCAST TEAM

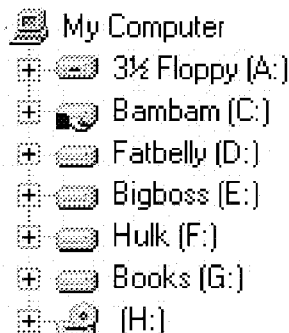
In the leftmargin you see three examples of tiles.



Tile representing your email inboxes

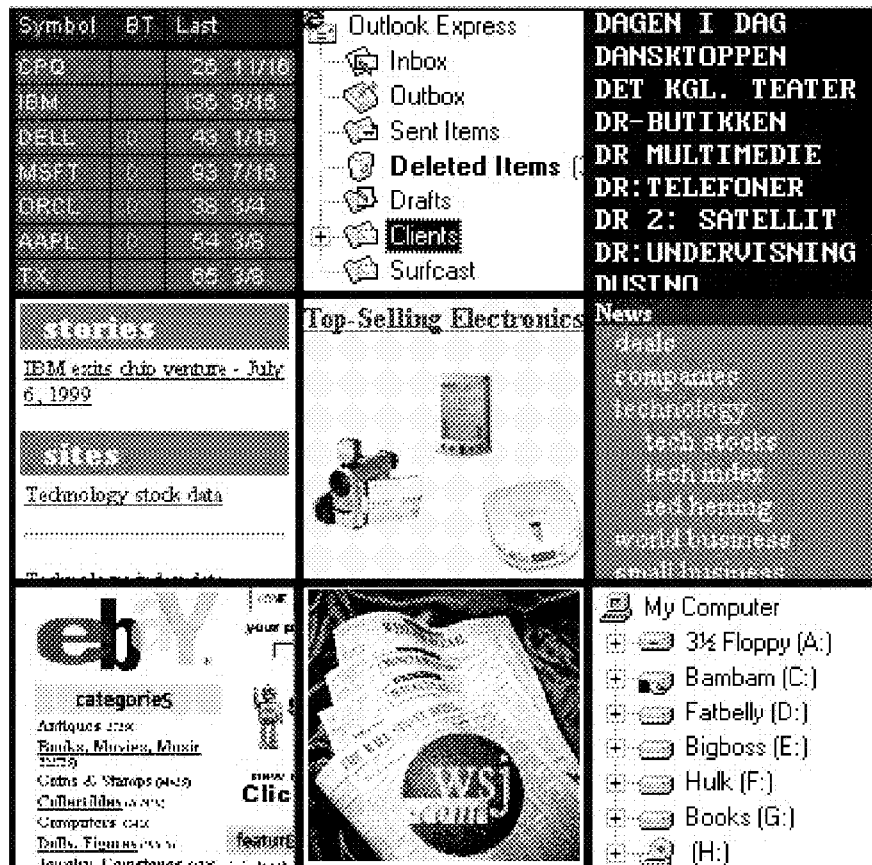


Tile representing a web site



Tile representing drives

Tiles are arranged in "The SurfCast Grid". This grid can be configured to contain anything from one tile, to as many tiles as can fit on your screen, or more if you use virtual desktops. A grid can look like this:



Grids can be nested, which means that any hierarchical structure can be visualized using grids and tiles. Grids can also:

- Contain configuration of Internet connection and bandwidth, so it can react on requests from your tiles.
- Know about your PC configuration, so if you have certain broadcast reception equipment, your tiles can display live tv, radio or data broadcast services.

# THE SURFCAST TEAM

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- Hold your private passwords to subscription services, so you don't have to remember them all the time.

Together Grids and Tiles comprise "The SurfCast Application", and this application has the following key functions

<u>FUNCTION</u>	<u>WHICH</u>
<b>1. Organiser</b>	organises one's On-line (Internet or intranet) life.
<b>2. Guide</b>	guides users to 'programmes', such as Web sites.
<b>3. Portal</b>	serves as a genuinely, hundred-per-cent user personalized home-page (whereas "portals" deliver 'their' taylormade content).
<b>4. Browser</b>	offers the user any number of concurrent / simultaneous Web sites or content channels.
<b>5. Wallpaper</b>	resides 'on-top-of' Windows and is clickable – but <i>does not</i> replace any applications.

## ***Key Properties***

The SurfCast application user configures each tile with properties. A user can 'dynamically bookmark' an address, place it as a tile in the grid where this tile is a clickable 'streaming tile' pointing to applications, files, and channels of content from different types of networks, and configure the refresh rate of each tile--for instance.

## **Platform Independence**

The SurfCast software is designed to be implemented initially on a PC; however it will be developed using object oriented methods and device independent abstraction, so consequently, the software will also be able to run on PDAs, smart mobile phones, and PC-TV hybrid appliances and settop boxes.

The navigational and organizational features of Surfcast applications can also be applied to other non-PC and non-Internet usage areas, such as information kiosks, booking systems, trading systems, auction systems because of its qualities as the man-machine interface.

# THE SURFCAST TEAM

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The SurfCast Corporation is founded and led by Ovid Santoro and Klaus Lagermann. The organisation will consist of a marketing and strategic business development office in Dublin, Ireland or London, U.K. and an R&D division in Copenhagen, Denmark.

The management team will expand as the company develops. (Bios, CVs, and references supplied upon request). We have assembled a group of people with talent, experience and drive. The SurfCast team has expertise in:

- web software design
- hardware design
- software programming
- data broadcast technology
- start-ups
- venture capital finance
- corporate business development
- investment banking
- financial operations
- and within the entertainment and media industries, from content development (music A&R, interactive entertainment software, television programming) to marketing, distribution and merchandising.

## Potential Board Members

<b>Ovid Santoro</b>	Founder and Shareholder
<b>Klaus Lagermann</b>	Founder and Shareholder
<b>Michael Cohrs</b>	Global Head of Equity Capital Markets; Head Of E-Commerce; Deutsche Bank
<b>Eric Stonestrom</b>	CEO of Airspan

## Potential Advisory Board Members

<b>Jim Cannavino</b>	Former President of IBM PC Division Former Chairman & CEO of Perot Systems CEO of Cybersafe Corp.
<b>Lyor Cohen</b>	President & CEO of Island/DefJam Records

## THE SURFCAST TEAM

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<b>Marc Meyer</b>	Former Director of Polygram (responsible for M&A, Strategic Planning, and Business Development)
<b>Martin Armstrong</b>	Chairman of Armstrong Int'l
<b>James Tanner</b>	Managing Director and Chief Executive Officer of Morgan Stanley International Asset Management. Original seed funder and Chairman of CATS Software, a successful NASDAQ company based in California. Active Board Member of the Royal Court Theatre in London
<b>Nigel Grierson</b>	Head of Corporate Business Development and Venture Capital, Intel Corporation, Europe, Middle East & Africa



# THE SURFCAST MARKET

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The market for SurfCast products fall in several categories:

The primary product to sell is the Surfcast Server. A tool for web hosts to enable them to deliver tile content. This way, the web host can specifically deliver specialised content to users who use Surfcast tiles. This component will be available for all major webserver packages; Microsoft, Netscape, Oracle, Apache and so on.

Secondary, as versions of the end-user application becomes more and more advanced, we will be able to charge for that software. Either directly with end users, or indirectly via OEM's and system integrators and PC manufacturers and ISP's.

Thirdly, corporations will pay for intranet and Internet server applications for inhouse use and Internet access device manufacturers will pay for bundling SurfCast software with their systems

The fourth business area is the largest in the longer term. SurfCast is easily extendable into a fullblown e-commerce application. And its Grid and Tile structure is very well suited for auction systems, classified ads, real-estate, automobiles and any other commodity sales environment. Providing ther tools, applications and server software for this will be a very significant business area for SurfCast.

The SurfCast Market Strategy is to use a stepwise approach

***Step One:***

*Launch product, create product awareness, give initial basic version away to end users: obtain ubiquity!*

***Step Two:***

*Once the user base is large, start charging for advanced versions or intranet version with pre-configured settings. Also launch ready-to-go configurations such as packages for certain audiences: kids pack; family pack; business pack; sports pack (like a cable/sat offering)*

***Step Three:***

*Enable SurfCast users to access E-commerce sites using the SurfCast user interface. Also enable corporate clients to access inhouse information databases using SurfCast applications. This server market is vast.*

# THE SURFCAST FINANCIALS

SurfCast cost budget for the first year of operation:



## ***SurfCast Cost Budget 1999/2000***

Operational Costs for First Twelve Months

		1999/00 US\$
<b>OFFICERS SALARIES &amp; COSTS</b>		
CEO	1	
CTO	1	
COO/CFO	1	
Mktg/Sales/Bus. Dev.	1	
Project Manager	2	
<b>STAFF SALARIES &amp; COSTS</b>		
Programmers & Testers	12	
Sales/Marketing asst	1	
Accounting asst	1	
Administrative assts	2	
Project mgmt asst	1	
Support assistants	1	
<b>Total Salaries</b>	<b>24</b>	
<b>PREMISES &amp; UTILITIES</b>		
Denmark, premises		
UK & Ireland, premises		
Equipment (\$5000 per prgmr) *		
Web Server & Pipe		
Travel		
Marketing		
Legal & IPR		
Communications		
<b>Total Operating Costs</b>		
Contingency		
<b>Total Burn Rate</b>		

# THE SURFCAST FINANCIALS

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The financial strategy of SurfCast is to use the proceeds of the seed funding round to develop products and bring it to market. SurfCast does not expect significant revenues within the first year of operation, but if the plans are carried out, revenues will commence early into the second year of operation. Forecasted numbers for the first three years of operation are as follows:

Our projections assume that SurfCast receives a capital increase of at least [REDACTED] during 1999. The entire capital increase will be invested over the subsequent 12 months. It is assumed that SurfCast invests an additional amount of at least [REDACTED] in year two and three from a second round of financing which will commence in Spring 2000.

US\$(millions)	Year 1	Year 2	Year 3
Operating Costs	[REDACTED]		
Revenues			
Earnings			
(before Interest, Tax, Depreciation and Amortisation)			

# THE SURFCAST SEED FUNDING PROPOSAL



SurfCast proposes that investors acquire up to a 20% shareholding in SurfCast for [REDACTED] We plan to complete the current round of financing by September 1999.

## Use of Proceeds and Investment Strategy

The use of proceeds of the financing will be:

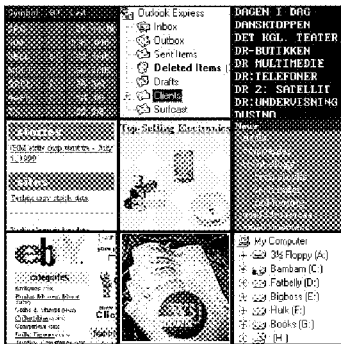
- to develop SurfCast client and server software
- to establish infrastructure and platform for rapid growth
- to create, implement and market

## Financial Strategy

Within twelve months of closing our initial financing (after we have completed stage one development) we expect to undertake a second round financing of at least [REDACTED] which will be used for additional development efforts and significant marketing tasks.

The company will likely apply for an initial public offering within three years on a U.S. stock exchange such as NASDAQ to raise additional finance for further expansion and provide an exit route for shareholders.

A trade buyer acquiring the company may also be a viable option for the shareholders to realise their investment and to position the company for the subsequent stage of its growth.



# THE SURFCAST SUMMARY

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In summary, The SurfCast Corporation sets out to do the following:

- develop product from prototype stages into market release
- attract significant talent for development, management, marketing and financial operations
- create a world class company around world class products
- provide extraordinary returns on investment
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# APPENDICES

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Appendix A - Founder CV's:

Ovid Santoro:

Klaus Lagermann:

## Appendix B - Development Schedule

### ***Phase one – SurfCast Web Client***

Task: To further develop the demo prototype into a full featured SurfCast web client. Using the SurfCast client web site, a user will get the complete look and feel for the SurfCast Tiles concept. Tile types to be completed are: Web, Email, Video, Satellite, Videophone.

Programming time: 6 man-months, 3 prgrmrs for 2 calendar months.

#### ***Development milestones:***

SurfCast Tiles Document, (how, what, when, who) Week 2

Fully working SurfCast client with tile type "web" Week 4

All tile types implemented Week 8

### ***Phase two – SurfCast Web Server Plug-In***

Task: To develop server plug-ins enabling any web host to serve up SurfCast Tiles. This will enable the full featured use of SurfCast Tiles for clients and content providers.

Programming time: 8 man-months, 4 prgrmrs for 2 calendar months.

#### ***Development Milestones:***

MS IIS Plug-In for SurfCast Tiles Week 3

All server types implemented Week 8

### ***Phase three – SurfCast Tiles as Client/Server System***

Task: To develop the complete client/server architecture based on the SurfCast Tiles concept. This will enable web-casting, e-commerce, tickers, direct marketing, and other commercial opportunities for the web hosts.

Programming time: 9-12 man-months 3-4 prgrmrs for 2-3 calendar months.

#### ***Development Milestones:***

SurfCast Client/Server Architecture document Week 4

SurfCast Server operational (phase 2 + 2 mmonths) Week 10

SurfCast Client operational (phase one + 2 mmonths) Week 12

### ***Phase four – SurfCast e-Commerce Server***

Task: To develop SurfCast's own e-commerce server which uses Surfcast client grids as the user interface. This will also contain auction systems, trading systems, payment systems and "classified adds"-style applications.

Programming time: tbd.

Development Milestones: tbd.