RewardsForce®



Take everything with you while walking the floor with the first mobile player tracking and rewards club management system.



Executive Summary

Overview.

RewardsForce enables managers at card rooms and casinos to use mobile iPads for player tracking and rewards club management. After surveying an industry with layers of existing legacy systems and intensive hardware systems, our goal was to use the most advanced technology to reduce complexity, minimize hardware and increase mobility.

The result of using less on-sight IT infrastructure is that the startup costs of installing a system are affordable for the entire industry and not just the largest casino groups. Using iPads and a web-based system, we can significantly reduce the amount of hardware and can provide the software as a service, making advanced player-tracking techniques available to any size casino.

Customer Pain.

Our platform is most attractive in markets where large-scale loyalty programs solutions are simply out of reach. These companies do not typically have the resources to self-develop, and cannot afford to purchase and maintain the majority of current offerings that were developed for much larger companies.

Small and mid market casinos are in the dark ages when it comes to identifying, tracking and engaging repeat customers; they use arcane paper-based systems, or simply don't do it at all. The casino and entertainment industry is well known for its success with customer relationship management (CRM) and rewards programs. In fact, the Total Rewards program at Harrah's (now Caesars) is one of the most profitable systems from any fortune 500 company. However, the human capital, IT infrastructure and maintenance costs of such a system is largely unaffordable to the mid-market.

The RewardsForce Solution.

The RewardsForce platform allows our customers to design, manage and optimize their customer loyalty programs for one to two thousand dollars per month. For card rooms, our first market, RewardsForce offers a rewards club module, a marketing module, and an reports and analytics module. The signature product is our iPad application that assists floor managers ("Pit Bosses") with managing their rewards club and CRM system. The application transforms the iPad into a mobile customer service device and is paired with an analytics module, giving casinos precise tracking of their customers, whose spending patterns are analyzed, from which tailored rewards marketing programs are created that target a specific customer with a precise offering.

Business Model and Opportunity.

RewardsForce uses the Software-as-a-Service (SaaS) model by offering a monthly subscription to our software, updates and support. It is meant to be self-serve from our website and customers can choose from a number of set plans. All of our plans have a 1-year minimum contract and convert to month-to-month thereafter. The switchover costs for most competing systems is high, so we've experienced a low churn rate and high customer lifetime value.

Our strategy begins by addressing the unmet needs of 1,000 domestic independent card rooms that produce \$2.5 billion in revenue annually. Those card rooms are in 14 different states and are expected to grow by 15% over the next two years. Additionally, three new states have legalized gambling and will allow card rooms to open in 2011. With traction and validation in card rooms, we will then target the \$25 billion tribal casino domestic market and expand internationally.



Product Overview

An effective player tracking system pairs a customer relationship management system with a rewards program. Our four modules offers the most innovative solution for on the floor data collection with iPads and back office analysis and reports with our website dashboard.



Use iPads for Player Tracking.

Bring player tracking with you wherever you go. Spend less time at the pit station and more time managing and interacting with customers. Use our iPad software to check-in players by scanning or sliding their card, lookup players and view profiles, manage and print comps or promotions, and monitor activity on the floor. Never sync your iPad with a PC, your device automatically updates with the newest software. Provide a better customer service experience by knowing more about your customers from right next to them.

Give promotions, Comps, and Rewards.

Manage comps and promotions to be profitable. The iPad and dashboard provide updated customer data to help you quickly make decisions about whom to comp and for how much. Use our customer lifetime value and spending trends analysis to more profitably offer promotions to players. After the decision to comp has been made, wirelessly print coupons from the iPad and track redemptions with unique QR Codes that ensure fraud protection.



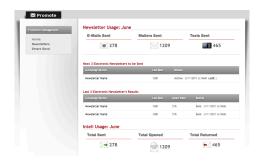
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Access Dashboards, Reports and Analytics.

Access data and reports quickly and from anywhere. Our dashboard provides a quick and secured way to view reports, interact with player tracking data and manage you rewards club. Instead of walking down to the terminal or having a trained employee export reports for you, login with authentication to your dashboard to view and analyze your casino data, create marketing campaigns and edit rewards club policies.

Use Advanced Tools for Marketing.

Use your customer relationship data to effectively target players with offers and promotions. Use our system to revolutionize the way your casino markets with print, e-mail and texting. For mailer campaigns, segment customers by groups and export the correct demographic and postal information. Send newsletters and e-mail promotions directly to customers from your dashboard and then track the usage results from the iPad and dashboard. Then manage all your marketing campaigns effectively by creating goals, leveraging analytics and tracking return on



RewardsForce was founded in August 2010 by Jordan Greene, Jeremy Wemple and John Brunsfeld. We spun out of the University of Idaho's VIEW business plan competition where RewardsForce won 1st place for innovative technology. We then moved to Seattle to join TechStars 2010 investment portfolio, a prestigious tech incubator that invests in less then 3% of applying companies. Following TechStars, we raised an investment round from a group of well-respected industry angels and have continued to grow. The founding team is made up of all Vandal alumni and you can find often find us tailgating at most home games.

Contact Information

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Profit and Loss Projection (12 Months) RewardsForce, Inc.

Fiscal Year Begins Jan-11

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Revenue (Sales)													
Setup & Install	500		500	1,500	1,500	2,500	1,250	1,250	2,500	3,500	3,000	4,000	22,000
Package A (750/mo)	750	750	1,500	1,500	1,500	2,250	3,750	3,750	4,500	4,500	5,250	5,250	35,250
Package B (1000)				2,000	5,000	10,000	11,000	14,000	17,000	21,000		21,000	122,000
Package C (1250)									2,500	6,250	8,750	11,250	28,750
Consulting Services	500	250	1,250	0	0	0	0	2,500	250	0	0	0	4,750
Total Revenue (Sales)	1,750	1,000	3,250	5,000	8,000	14,750	16,000	21,500	26,750	35,250	38,000	41,500	212,750
Cost of Sales													
Hardware	1,000		1,000	3,000	3,000	5,000	2,500	2,500	3,500	5,500	4,000	1,000	32,000
Total Cost of Sales	1,000	0	1,000	3,000	3,000	5,000	2,500	2,500	3,500	5,500	4,000	1,000	32,000
Gross Profit	750	1,000	2,250	2,000	5,000	9,750	13,500	19,000	23,250	29,750	34,000	40,500	180,750
Expenses													,
Salary & Payroll	12,563	12,124	15,456	18,674	21,984	21,550	21,550	21,550	25,982	25,982	28,900	35,101	261,416
Consulting / Outside	250	250	3,000	5,000	5,490	0	1,449	750	0	0	250	250	16,689
Supplies (office and													
operating)	857	857	857	857	857	857	857	857	857	857	900	900	10,370
Marketing	0	0	0	0	0	0	456	1,090	1,254	2,290	2,290	1,900	9,280
Travel	300	0	267	65	400	987	1,100	43	321	2,100	750	750	7,083
Accounting & Legal	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Rent	0	0	0	0	0	0	0	1,200	1,200	1,200	1,200	1,200	6,000
Product Dev	300	300	300	300	500	500	500	1,000	1,000	1,000	1,000	1,000	7,700
Communications	75	75	75	75	75	150	150	150	225	225	300	300	1,875
Insurance	0	400	400	400	600	600	600	600	600	600	600	600	6,000
Other expenses					347	475	679	142	468	689	345	124	3,269
Total Expenses	14,845	14,506	20,855	25,871	30,753	25,619	27,841	27,882	32,407	35,443	37,035	42,625	335,682
EBITDA	-14,095	-13,506	-18,605	-23,871	-25,753	-15,869	-14,341	-8,882	-9,157	-5,693	-3,035	-2,125	-154,932

Profit and Loss Projection (3 Years)

RewardsForce, Inc.

	2011	%	2012	%	2013	%
Sales Cost/ Goods Sold (COGS) Gross Profit	212,750 32,000 \$ 180,750	100.00% 15.04% 84.96%	\$ 596,250 28,500 \$ 567,750	100.00% 4.78% 95.22%	\$ 835,500 32,800 \$ 802,700	100.00% 3.93% 96.07%
Operating Expenses Salary & Payroll Consulting / Outside Supplies (office and operating) Marketing Travel Accounting & Legal Rent Product Dev	\$ 261,416 16,689 10,370 9,280 7,083 6,000 6,000 7,700	122.87% 7.84% 4.87% 4.36% 3.33% 2.82% 2.82% 3.62%	\$ 425,600 8,512 11,000 29,813 9,500 10,000 26,400 14,906	71.38% 1.43% 1.84% 5.00% 1.59% 1.68% 4.43% 2.50%	\$ 519,681 12,533 15,457 41,775 12,533 12,533 39,600 20,888	62.20% 1.50% 1.85% 5.00% 1.50% 4.74% 2.50%
Communications Other expenses Total Expenses	1,875 6,000 \$ 332,413	0.88% 2.82% 156.25%	2,504 11,865 \$ 550,100	0.42% 1.99% 92.26%	2,600 21,305 \$ 698,903	0.31% 2.55% 83.65%
Net Profit Before Tax	(151,663)		17,650		103,797	

^{*}Starting Capital (Jan. 2011) was \$300,000 in equity financing at a \$2.2 mil pre-money valuation. 2011 revenues include sales / distribution only to WA & beta clients, figures are actual up to Nov 1st. 2012 revenues include expansion into regional Indian casinos and national gaming chains. COGS includes hardware given to clients as a portion of their setup package, RewardsForce generally provides the first 2 iPads and clients purchase separately the remaining hardware.