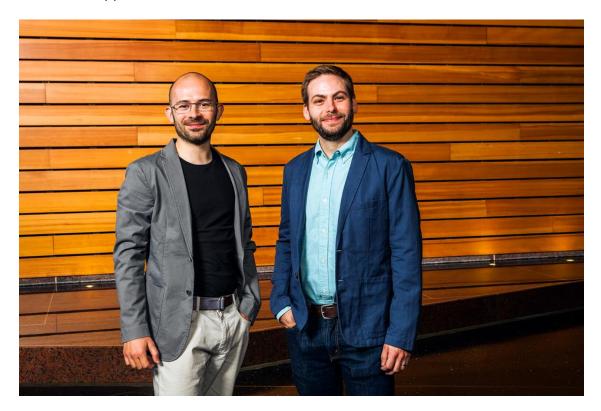
What does a winning application look like?

<u>Astropad</u>, the 2015 Grand Prize Winner, gave us permission to share their original, round one application. Read on for more details.



EXECUTIVE SUMMARY:

Artists and designers use graphics tablets for pressure sensitive input into their computers. The top of the line is the pen display which combines a display with a pressure sensitive stylus.

The problem is these pen displays are very expensive, costing thousands. Our app, built by former Apple engineers, transforms the iPad into a pen display for the Mac at a fraction of the cost.

Visit our website to see Astropad in action: http://astropad.com

OPPORTUNITY:

Our app, Astropad, is the combination of software running on the iPad and the Mac. Both apps connect over WiFi (or USB if you don't have wireless) and the iPad shows a mirrored copy of your Mac screen. You can then use a pressure sensitive Bluetooth

stylus to draw on the iPad live, and the input gets sent to your Mac. You are highly encouraged to watch our short demo video of an artist using it: http://astropad.com/#modal-video

Astropad solves the problem of how to draw in a natural way, digitally. How most artists have solved this is through dedicated hardware called the graphics tablet.

Traditional graphics tablets are split into two main types, those with displays and those with just a pad. The ones without displays are just black slates with styluses. While you move your stylus on the slate, you look up at your computer screen to see what is happening. This is contrary to how everyone learns to draw. You want to look where your hand is not the computer screen! So while they are inexpensive, these devices require learning new hand-eye coordination.

Graphics tablet manufacturers are aware of this frustrating learning curve, so they developed the pen display. The pen display combines the stylus with a built in display so you draw like you would on a piece of paper. The problem is these displays cost thousands of dollars, outside the budgets of most artists and designers.

Astropad combines the best of both. It uses the iPad to draw directly into Mac desktop software with a live preview on the iPad. Our price is competitive with the cheapest graphics tablets yet our functionality is comparable to the high-end pen displays. For the cost of an iPad, a stylus, and our app you can get a pen display for a fraction of the cost of the competition.

Creating Astropad required innovative new technology we call LIQUID. We tried existing technologies, but none of them delivered the performance we demanded. So we developed LIQUID, and we are now able to deliver incredible speed and image quality well beyond existing tools. It took us over a year of intense research and development to create LIQUID. To make Astropad possible, we needed super high-quality imagery with no lag. LIQUID delivers this with 2x the speed of Apple's Airplay and better quality than the highest quality JPEG.

Our target market is artists, designers and photographers. The market is currently owned almost entirely by Wacom, a publicly traded Japenese company with a market cap close to a billion dollars. In fiscal year 2014 they sold nearly \$300 million dollars worth of graphics tablets. Our estimates are they sold 1.3 million graphics tablet units in 2014. We see a massive opportunity to disrupt Wacom's business by undercutting them with our technology.

PLAN:

Astropad is sold directly via the App Store at \$24.99. We plan to add upsells for advanced features to increase the lifetime value of our customers. Additionally, we will annually roll out a major update that customers would then purchase again.

Our major marketing channels are the App Store and web. We've invested into a highly polished website with a demo video and photography that highlights Astropad. We drive traffic to our website to introduce the product and then work to convert them to purchase on the App Store.

We've found success reaching customers via online publications in the tech and design space. We've developed relationships with many journalists at tech publications that have been writing about Astropad. These include The Verge, The Next Web, Business Insider, Macworld and more.

We also have an ongoing relationship with Apple and their App Store editorial team. They are interested in what we are doing and have featured us in the Painting & Drawing category of the App Store.

We've been working closely with nearly every iPad stylus manufacturer and we've established a number of partnerships to cross-promote. Our most recent one was with FiftyThree the makers of Paper for iPad and the stylus Pencil. Their app has been downloaded 13 million times, and they partnered with us to highlight how powerful their stylus can be with Astropad.

Social media has been a very important factor for us. Many people have shared our website and continue to share their artwork made with Astropad. We are making sharing with Astropad even easier. Finally, we are experimenting with inbound marketing and paid marketing on Google and Facebook.

We launched February 18th, 2015 and our revenue since launch is \$120,000. We continue to sell about \$700 worth of Astropad every day, putting us about \$20,000 a month. After a spike at launch, our sales have stabilized at the \$700 amount.

Our monthly costs are about \$1000 for services like analytics and servers, \$3000 for salary for each us (for a total of \$6000 in payroll). Our launch had a one-time cost of \$17,000 for design and video services. The remaining money is being used for marketing and further research and development.

PROGRESS:

We spent a 1.5 years doing R&D and then we had a great launch in February that was covered by much of the major tech media. We've had 300,000 unique visitors to our website, and over 50,000 artists have tried Astropad. We now have 3,200 paying customers, and we're growing every day by about 40 customers.

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Some major players in the stylus industry have taken notice and are now launching upcoming stylus products with us. We've established partnerships with Adonit and FiftyThree, two of the largest companies producing iPad styluses.

We are aggressively marketing and simultaneously working on a new launch of Astropad for iPhone this summer. We are also optimistic about the rumors of a large screen iPad with an Apple stylus.

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