

ContentWatch Company Overview

ContentWatch®, headquartered in Salt Lake City, Utah, is an innovative company focused on delivering Internet management solution for families, schools, businesses and government. It is a world leading provider of Internet filtering and management solutions with customers in more than 157 countries. It is available in English, Spanish, Turkish and Japanese. With nearly 200,000 users in Turkey alone and partnerships in Australia, Japan, and the UK, Net Nanny has proven its global market appeal.

ContentWatch's mission is to be the world leader in thought and technology in creating Internet management tools and services that provide users with a safe Internet experience. Our value lies in our core content analysis engine that has the potential for many uses beyond Internet filtering. We are the only company in the market place who provides flexible client side and server-based solutions for customers. Both Net Nanny and ContentProtect are built upon the company's proprietary dynamic contextual analysis patent-pending technology platform.

ContentWatch acquired Net Nanny in January 2007 as a key step towards realizing the company's vision for continued leadership in providing Internet management tools and services that provide homes and businesses throughout the world with a safer, more productive Internet experience.

The ContentWatch management team has more than 120 years of collective technology management experience with companies such as Hewlett-Packard, Novell, Verizon, Digital Equipment Corporation, Franklin Covey and Qwest Communications, among others.

Company Management **Finance & Administration**

Jack W. Sunderlage, President and CEO

Jack serves as President and Chief Executive Officer of ContentWatch, Inc. Mr. Sunderlage has enjoyed a long and successful career in the Information Technology industry. He has held key sales and marketing executive positions with Burroughs, UNISYS, Digital Equipment, Compaq Computer, and Hewlett Packard. His last assignment was Vice President of Global Accounts, West Region for Compaq, a part of HP. Jack took an early retirement from HP in July 2002.

Jack is the Past Chairman of the Board of Trustees for the Utah Information Technology Association where he continues to be a trustee with the newly formed Utah Technology Council. He currently serves as Chairman of the Board for the World Trade Center Utah. In 2006, he was appointed to the Utah Science Technology and Research (USTAR) Governing Board for the State of Utah.

He received the Utah Governor's Medal for Science and Technology in 2007 for special recognition of his contributions and significant impact to the State of Utah.

In 2008, for the fourth year, Jack was selected to the vSpring v100!, a group of the top capital entrepreneurs in Utah.

Jack received his bachelor's degree in Business Administration and Economics from Cornell College, Mt. Vernon, Iowa.

Scott Cleghorn, Sr. Vice President and COO

Scott joined ContentWatch in January 2004. As COO, Scott is responsible for the company's Engineering, Customer Support, Finance, Human Resource and IT functions. Scott brings more than 21 years of management experience in software development, Internet services and global communications.

Prior to joining ContentWatch, Scott served as the director of finance at Qwest Communications, where he managed planning and analysis of revenue and operational results for a broad array of data, voice and IP products in Qwest's Business Markets Group. Previously, Scott was director of finance at Verizon Communications, where he managed financial operations and planning for Verizon Online, the company's Internet service provider, including the launch of DSL. Scott began his career with GTE (now Verizon), where he held several key financial and management positions.

Scott earned a bachelor's degree in accounting from Brigham Young University.

Louie A. DiCristofano, Vice President of Engineering

Louie is a veteran in the technology industry with over 19 years of experience. He is skilled at building and leading organizations of highly diverse teams, both domestically and internationally. Louie has a proven track record of delivering high-quality, enterprise-level products while staying on specifications, on budget, and on time. Louie was the Director of Engineering for ten years at Novell and was responsible for creating and overseeing 14 releases of the Novell Consolidated Support Pack (CSP), which was Novell's largest product suite. Most recently, he was responsible for the ongoing development and maintenance of the NetWare Operating System and the Novell Client Suite. Louie has also been recognized for his focus on providing outstanding customer service.

Louie earned a Bachelor of Science in Computer Science from Weber State University and a Masters of Business Administration from Brigham Young University.

Products

ContentWatch is focused on delivering Internet protection solutions for the consumer, education, government, and business markets. We provide top-rated, Internet Protection tools specifically designed for small/medium business, and non-technical end users. Our product lineup consists of the ContentProtect Security Appliance, ContentProtect Professional, and Net Nanny Home.

Net Nanny

Recently given PC Magazine's Editors' Choice award for Net Nanny, ContentWatch is committed to providing web filtering for families across the globe. Today Net Nanny is being used in over 157 countries, and is available in English, Spanish, Turkish, and Japanese. Net Nanny has been designed to meet the unique needs of families around the world, and includes:

- Dynamic Contextual Analysis (using terms and phrases native to each language)
- Black/White list capabilities (allowing parents to customize lists of acceptable websites)
- Social Networking (i.e. Facebook, IM, and MySpace)
- Time Controls
- Individual User Customization
- And Much More

Net Nanny is the leading Internet filter keeping up with the latest Internet technologies, Web 2.0, and the constant dangers so easily accessible to families online.

ContentWatch CP Security Appliance

Recently named Government Computer News Reviewer's Choice, the ContentWatch CP Security Appliance provides business Internet filtering and bandwidth management in one box. The appliance also includes IM/P2P control, Anti-Virus/Anti-Spyware protection, and blocks proxy/anonymizer sites. The Appliance addresses key pain points faced by all IT departments.

ContentProtect Professional

ContentWatch is positioned to offer best of class solutions to distributed locations as well. Schools, sales organizations, or any business with mobile users, can benefit from ContentProtect Professional, a software solution which requires NO special server installation, and NO central administration. All policies, reporting, and setup are done from any browser location.

Market

International Data Corporation (IDC) forecasts the Web Security market to grow from US \$1.2 billion in 2006 to US \$2.3 billion in 2011. According to IDC, the demand and interest in web security solutions is being fueled by corporate concerns about Internet threats that have become increasingly complex. Some of the key web security trends identified by IDC include Web 2.0 technologies, blended web-based threats and data loss prevention (*Source: IDC, Worldwide Web Security Report, January 2008*). IDC also expects the Secure Content Management market including filtering to grow to \$11.6 billion by 2010 (*source: Worldwide Secure Content Management Forecast – 2006*)

“The increasing popularity of Web 2.0 is opening the door for both inbound and outbound security risks. Coupled with the growing sophistication of blended web-based attacks, IDC anticipates that web security vendors will absolutely need to be able to monitor web traffic bi-directionally,” said Brian Burke, program director for IDC’s security products program.

The Wall Street Journal recently stated that “Online video is taxing already-strained corporate technology networks. It poses a particular problem for smaller companies, which have limited bandwidth capacity to accommodate bulky video files.” (*Wall Street Journal, March 4, 2008*). The Bandwidth Shaping offered by the CP Security Appliance addresses this pain point directly.

IDC has earlier concluded that 30 to 40 percent of Internet use in the workplace is not business related. (*Source: IDC, Secure Content Management Report*). In the home market, the average of a child’s first exposure to pornography is age eleven (*Source: internetfilterreview.com*).

Competition

ContentWatch’s innovative dynamic contextual analysis filtering engine combined with a targeted URL list contrasts with many competitive products that rely almost exclusively on “blacklist” technology, *i.e.*, they create a list of categorized URLs, then update the list continuously. For example, Websense claims it adds or drops approximately 5,000 new URLs per business day to its database. The inherent flaw in this approach is the fact that there are some 30,000 new URLs created daily, making it extremely difficult to keep up, giving ContentWatch a natural advantage.

Consumer Competition

The largest companies in the consumer market, CyberPatrol, Child Safe (Webroot), CyberSitter, and SafeEyes have remained in the shadow of ContentWatch’s constantly growing parental control leader, Net Nanny. While SafeEyes and Child Safe are fairly new Internet filters, Net Nanny has been providing dependable Internet filtering for homes since 1993. With a robust feature set, routine updates of both new features and filter definitions, toll-free support, and simple to use interface, Net Nanny is the world’s most trusted Internet filter.

With Net Nanny you get rich, dynamic contextual content filtering on the fly. What this means is that Net Nanny is able to keep up with new and potentially objectionable web sites that are created and appear on the web every minute of every day. This is a leap in technology that surpasses other filters that use archaic list-based and keyword blocking mechanisms, which fail to keep up with the rapidly changing content on the web. Winner of PC Magazine's Editors' Choice award, Net Nanny leads the industry in home Internet protection and parental controls.

Business Competition

The largest players in the business market (enterprise), Websense and BlueCoat, target the upper end enterprise space, *i.e.*, companies with several hundred to many thousand computers tied to a network. They are both publicly traded. Both companies have targeted large, enterprise businesses, and do not address our target market—the small/medium business—and they tend to ignore the small/medium price point.

On the smaller scale, Barracuda Networks has been successful offering cheaper plug and play appliance boxes that provide Internet filtering, but fail to cover the important and growing need for bandwidth shaping on a deep and detailed level. ContentWatch is quickly gaining a reputation for quality and price, winning Government Computer News Reviewer's Choice award as the Top Stopper.

There is no competitor offering a software solution to compete directly with ContentProtect Professional, with no need for a dedicated server installation. And with the ContentWatch roadmap calling for complete integration between CP Pro and the CP Security Appliance, ContentWatch will soon offer an end to end solution unmatched in the industry.