



# Overview

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The world's first  
gCommerce Marketplace

*Dear Investors,*

*I'm so excited to bring you this opportunity to join us in this new journey as we embark upon bringing to market the world's first gCommerce marketplace through video games. At a time when more consumers are remaining home and online, commerce is booming, while traditional brick and mortar languishes, Scuti is looking to provide all brands and vendors with a direct portal to market and sell direct to players, through the games they play.*

*I started as a consumer marketer with brands such as Cadbury-Schweppes, L'Oreal, Revlon and Calvin Klein. I then went on to work alongside the greatest game makers of all, from Blizzard (World of Warcraft) and Valve (Steam, Half-Life and CounterStrike). Sixteen years ago I saw the opportunity to bring new revenue opportunities to game makers and joined the Massive Incorporated team to build the world's first in-game advertising network. After just a few years, Microsoft acquired our company. Fast forward fourteen years, and I am now bringing to life a new advertising and commerce platform, exclusively through games. This time around, I am accompanied by a top team of seasoned veterans who have built major games, major companies and transitioned these companies through major exits.*

*We endeavor to replicate our success with Scuti.AI.*

*We believe that what we are doing here is game changing, in that it will allow us to 'own' the world's first retail platform through games (gCommerce), which will bring tremendous benefits to all – our brand partners who seek a direct selling relationship with players, game makers who need to better monetize players, and for players who will now be served curated products that they want and earn rewards for their purchases, which they can use to improve their game experience.*

*I welcome you to join us in the exciting new frontier of advertising and commerce, and while Amazon is the largest rainforest on Earth, Scuti is the largest star in the Universe. And that's our ambition.*

*Nicholas Longano*

*CEO – Scuti.AI LLC*



## CEO, Nicholas Longano

Has worked in games for 20 years, launching World of WarCraft and selling his in-game advertising company, Massive Incorporated, to Microsoft.



## COO, Jamy Nigri

eCommerce and payments expert with decades of experience with Disney, ClickandBuy, Aria Systems, Monumental Games, Jagex and Wargaming Group.



## CPO, Jim Veevaert

Has a 25-year career in games producing and publishing hit products including Half-Life, Counter Strike & the Halo franchises at Vivendi, Microsoft, IGT and Zynga.



## VP Sales and Business Development, Monique Soares

Experienced brand strategist and consumer product licensing professional, working directly with brands including Kraft Foods, McDonald's, GM, Reynolds Consumer Products, Grupo Televisa, The Pebble Beach Company and many more.



## Board Advisor, Kim Nelson

Kym championed and created FOX Interactive Media's first vertical sales team representing both IGN and MySpace. She built the Twitch media group, which sold to Amazon.



## Director, Mike Yusko

FinTech industry veteran with 20+ years of experience with FactSet, S&P Capital IQ and RIMES Technologies.



## Studio Head, Chris Errato

History of developing high-performance software products for Fortune 50 companies. Spent the past decade inventing and integrating emerging technologies.



## Director, Patrick Dolan

Patrick is a 13 year veteran as President of the IAB. He has served in leadership roles at the advertising technology company DoubleClick (acquired by Google), and the Hearst/Cisneros JV cable channel Locomotion.

Scuti is a patent-pending gCommerce technology platform and the world's first AI-driven marketplace accessed through a global network of games.

Scuti is a B2B company created to provide game makers with an essential tool to enable new-found revenues, while providing brands the most efficient direct-to-player marketing and sales platform, delivering curated product to players and rewarding every purchase.

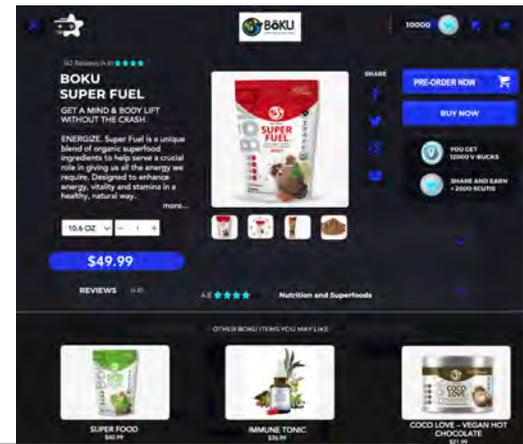
Scuti is poised to disrupt ecommerce as we know it today and provide brands and vendors with a 'walled-garden', a brand-safe environment where they can present their messages and their products directly to an engaged consumer who is rewarded for every purchase and engagement.

*"This groundbreaking platform offers a peek at the future of direct to consumer commerce and will very likely change the game forever."*

**Reno R. Rolle, Bōku Superfoods Co-Founder and Chairman**

*"I'm glad to have been offered the chance to test Scuti with an upcoming movie release from FOX Theatrical. The concept is new and fresh and unlike other digital offerings I've seen in a long time"*

**Scott Bishoff, VP, Twentieth Century Studios**



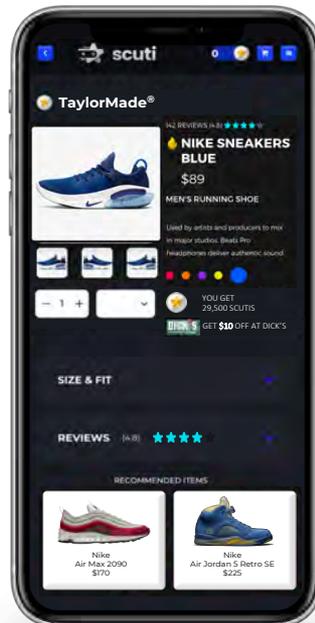
Scuti is a one-stop marketplace, providing players personalized, curated product offerings and rewards on every purchase which they can redeem for other goods or exchange for game credits.



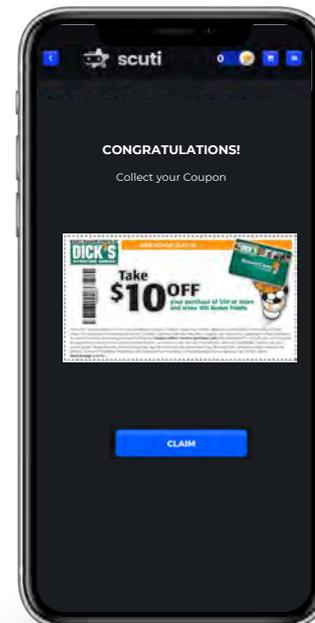
**1** Game Makers integrate the Scuti SDK into their game. Players access our store directly from the game.



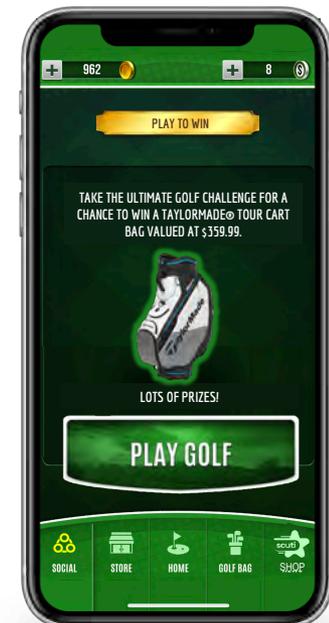
**2** Scuti launches and displays curated products based on the shopper demos and shopping profile. Scuti launches with 30 shopping categories.



**3** Players can click on any item and launch the respective item page with other AI recommended products.



**4** Players can purchase any item and are rewarded with either Scuti points or a coupon for in-store pick up.



**5** Game Makers can integrate immersive game elements to incorporate Scuti products and shoppable ads.

## Brands

- \* Traditional digital marketing through the internet and social media is broken with poor conversions of 1 to 2%.
- \* Attention spans continue to shrink. People process more information, faster and on multiple devices.
- \* Brick and mortar has changed for-ever and brands seek alternate ways to reach and sell to their audiences.
- \* Social Media is fraught with fraud, fake accounts and political distaste.
- \* Brands WANT to target gamers and spend billions a year in ads and sponsorships.

## Game Makers

- \* Most rely on unpredictable revenue streams.
- \* Most free to play mobile game-makers only monetize a small fraction of their players (<5%).
- \* Most advertising in games alienates players and forces them out of their game experience.
- \* Premium game makers have little revenue beyond the initial purchase.
- \* Most game makers cannot afford to recruit players in order to stand out in an app store with millions of titles.

## Players

- \* Players of free games are forced to watch ads which take them from the game experience and try to get to them to click out to a commerce browser.
- \* Players get no game benefit from purchasing through traditional eCommerce sites which are less about discovery.
- \* On the internet they are inundated with ad messages, and their privacy is infringed upon by traditional commerce and players go to extremes to stop these incursions – such as using ad blockers.



## Brands

- ★ Offers brands the most targeted shoppable ad and eCommerce platform with no waste, no distractions and no player alienation.
- ★ Lets brands reach players directly and will enhance their game experience.
- ★ Offers discovery and drives purchase impulse and incentives.
- ★ Presents actionable data to optimize campaigns in real time.
- ★ Eliminates fraud, fake accounts, and corrects a broken sales funnel.
- ★ Creates brand safe environments.

## Game Makers

- ★ Enables game makers to turn any game into a retail platform and a newfound revenue stream which can monetize EVERY player.
- ★ Takes away the reliance on unorthodox advertising practices which serve to alienate gamers.
- ★ Produces 100% new and incremental revenue stream, while maintaining all other existing revenues.
- ★ The Scuti Network Effect allows game makers to increase existing ad revenues by 6X to 10X.

## Players

- ★ Experience a unique product discovery through curated offerings.
- ★ Are presented rewards for every purchase, which can be used for future purchases or game credits.
- ★ Provides players with an uninterrupted game experience.
- ★ Enhances games through sponsored levels and real-world prizes.
- ★ More fun – no pop-ups, no interstitials, no game ejection
- ★ Convenience through one click shopping



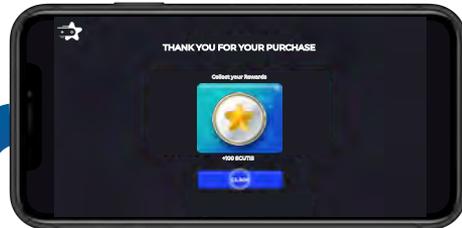
**1 EASY.** Lightweight SDK + Scuti Button



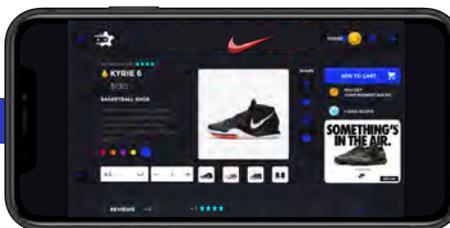
**2 AUTOMATED.** SKU details pulled from Shopify or Brand's Supply Chain Solution



**3 INTELLIGENT.** AI + Machine Learning profile creation + product curation

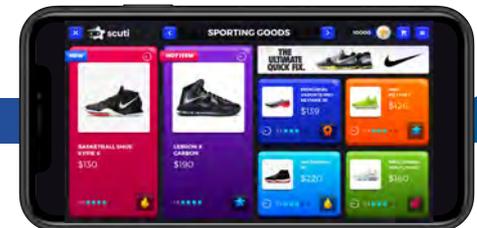


**6 REWARDS.** Every purchase or coupon redemption for in-store pickup



**5 DISCOVERY.** Product details and cross-promotions (recommendations)

Commerce



**4 SELF CURATION.** Players choose what they want to see +/- of. DISCOVERY



**7 LOYALTY.** Scuti points for eligible games or currencies in-network



**8 REDEMPTION.** Scuti points applied towards purchases



**9 MERCHANT OF RECORD.** 1<sup>st</sup> Party Data + 1<sup>st</sup> Level Customer Support + Full Order Reconciliation

- ★ There has been a **129%** year-on-year growth in the US and Canadian eCommerce orders. *(Source: Forbes April 2020)*

\$4.2T

Global  
eCommerce  
Market

Source: eMarketer

\$684bn

U.S.  
eCommerce  
Market

Source: eMarketer

\$358bn

Global Digital  
Ad Market  
Spending

Source: eMarketer

213MM

U.S. Mobile  
Game Players

Source: Statista Est 2020

16%

eCommerce  
CAGR (Compound  
Annual Growth Rate)

Source: eMarketer 2020

2.5bn

Players globally

Source: Newzoo 2020

Game makers need to monetize every one of their players – especially the free to play online and mobile games market.

The retail Industry, both brick and mortar and eCommerce are ripe for disruption and Scuti has built a platform which provides a direct gateway for brands to market and sell direct to hundreds of millions of “engaged” customers, through the games that they play.

## Current industry challenges:

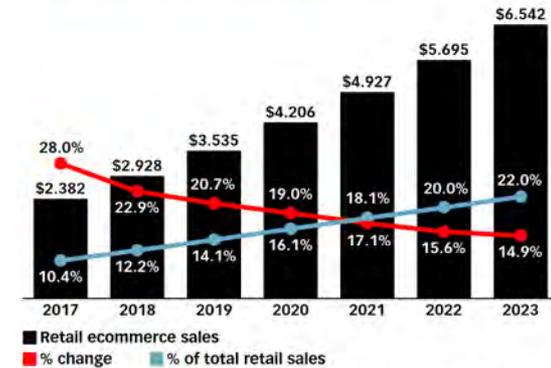
- ★ Declining foot traffic and sales of traditional brick and mortar stores
- ★ Brick & Mortar Store Closings Up 68% YoY to a Record 9,300 stores and the impact of Covid-19 is closing many more
- ★ Consumers are constantly distracted and brands struggle to get their attention
- ★ eCommerce is showing extraordinary growth, but the current conversion model for brands is broken.

## Global addressable market

Global eCommerce and Digital Advertising market of **\$4.6T**

- ★ UGlobal eCommerce of \$4.2T. Ecommerce is growing 5x the rate of total retail, and its share tripled in the last decade from 5% to 14%
- ★ E-Commerce market share will increase ~50% across all categories by 2023.
- ★ U.S. eCommerce spending at \$684bn per annum
- ★ Digital Ad spending of \$357bn per year, globally

**Retail Ecommerce Sales Worldwide, 2017-2023**  
trillions, % change and % of total retail sales

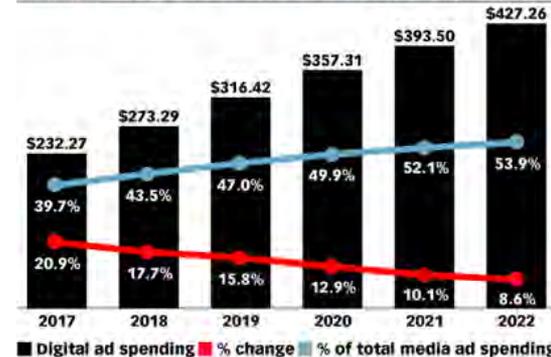


*Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales*  
Source: eMarketer, May 2019

T10305

www.eMarketer.com

**Digital Ad Spending Worldwide, 2017-2022**  
billions, % change and % of total media ad spending



*Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising*  
Source: eMarketer, March 2018

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www.eMarketer.com



# The Commerce Opportunity Through Games

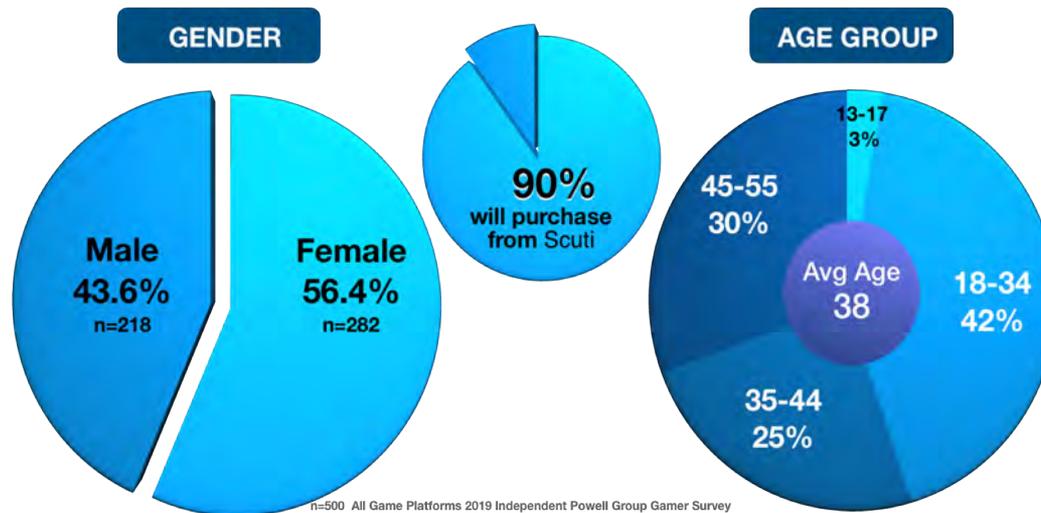
Video games represent the purest form of engagement to an eager consumer looking to spend.

- ★ There are over **213 million** U.S. mobile game players (*Statista 2020 Est*) and over **2.7 billion** gamers worldwide. (*Newzoo 2020*)
- ★ **72.3%** of mobile users in the U.S. are mobile phone players. (*Source: IAB Trends*)
- ★ Smartphone users spend **>43%** of their “smartphone time” playing games. (*Source: GO-Globe*).
- ★ **70%** of women play mobile games, representing 63% of all players. 60% play games every day (*Source: MediaKix*).
- ★ The average age of a female mobile gamer is **36** and the male average is **32**.
- ★ **56%** of mobile Players (both male and female) are playing 10+ times per week.

Scuti benefits from built in audiences – we never have to recruit consumers to our platform. They are already there playing games and in just 60 minutes to integrate our SDK, game makers can open their games and their players to a completely new opportunity.

# Players will Shop with Scuti

Scuti engaged The Powell Group in June 2019 to conduct an independent survey among 500 game players across all platforms, representative of the industry demographics. The research found an overwhelming acceptance and liking of the Scuti platform, with approximately 9 in 10 players saying they would shop with Scuti.



*"I pride my team in not working with every piece of technology that approaches us, it needs to be something truly new and innovating. I knew from the moment I saw Scuti that this was literally a game changer and I'm thrilled to be working with them to get it in the hands of Game Makers and publishers*

*around the world"*

**Jay Powell, CEO, The Powell Group**

- **Team** – Purpose Built. Can Execute.
- **Scale** – Platform that can scale globally and across platforms.
- **Inclusive** - We don't fight existing solutions. We work with them – Shopify, Frameplay. And we make them better. We improve game monetization. We help them sell merch. We bring the industry together.
- **Validation** – Players. Game Makers. eSports Leagues. Brands
- **Defendable** – Exclusive Walled Garden. Patent.
- **Stickiness** – Loyalty program. In-game integration. Necessary revenues.
- **Data and Curation** – Big, Hyper-targeted audience data. Cross platform, cross game network insights.
- **Vision** – Build and dominate gCommerce and be an integral part of the games ecosystem...expanding beyond games and borders. Beyond Commerce.

Scuti's business model is derived from the principle of diversifying risk across the business channels. Scuti monetizes whether a player purchases or not. Below are examples of revenue streams

- **Merchandise sales** and subscription commissions on real-world products.
- Scuti-sourced **advertising revenue** in-store (CPM-Based)
- Partner-sourced advertising revenue in-store (third party advertising providers)
- Immersive **product integration** / gameplay
- **Stocking fees** per product
- On-demand anonymized **data reports**
- Recurring anonymized data reports per seat license (**SaaS**)
- Activation - **coupon delivery** via Scuti for in-store brick and mortar purchase
- Branded **storefront takeovers**
- **MDF** (Marketing Development Funds) Rewards

- Scuti goes live in Holiday 2020.
- Sign on a sufficient diversity of games to provide 80 million MAU in the U.S. by November 30, 2020.
  - Leverage Powell Group – 500+ developers and OverWolf relationships
- Onboard 90 – 120 brands across 30 categories, working with third parties to onboard Shopify brands and Amazon brands directly onto our platform.
  - Scuti’s seed investor – Doneger group is engaging their client brands.
  - Relationships with Publicis, CAA-GBC, Brand Genuity, Beanstalk, Global Icons, DPI Promo.
  - InComm – the world’s largest distributor of gift cards, providing access to brands.
- Drive advertising interest utilizing key third parties: Brand Innovators. Bare Tree Media. Frameplay. Partners which have access to hundreds of national brands.
- Scuti is engaging with eSports leagues and game influencers (Kitty Plays. Indie) to bring attention to our platform among players.

# Technology

## PATENTS

Scuti has filed a provisional patent and filed utility patents under the following parameters for its SDK solution:

- Cross-game e-commerce functionality
- Cross-game analytics and machine learning
- Real-time distributed AI modeling with potential distribution of some models all the way down to mobile devices and game consoles
- Specifications for messaging and integration that leverage the event service related to specific domains (e.g., commerce activity logging, AI, distributed e-commerce, etc.).

Technology Stack:



# Progress To Date

eSports



*"Merch and integrated product are so crucial to the long-term success of a game, and Scuti has made it simple and clean. Their integration and capability benefits not just us as developers, but our players as well."*

Platform



RedVonix, CEO, Cerulean Games

Games



CERULEAN GAMES

In discussion



# Progress To Date - Brands



# Progress To Date

Press Coverage:

Venture Beat



<https://venturebeat.com/2020/05/07/scuti-fixes-monetization-by-letting-gamers-earn-rewards-and-buy-goods-from-in-game-stores/>

Gamasutra



<https://finance.yahoo.com/news/most-innovative-e-commerce-platform-brands-130200388.html>

Yahoo! Finance

**A first in video game history, brands can now promote and sell their items to a massive and highly engaged gamer audience, directly within the games themselves.**

NEW YORK, June 2, 2020 /PRNewswire/ -- Scuti, the eCommerce technology platform, today announced its new marketplace - the world's first retail store accessed directly through video games. Scuti's patent-pending platform lets brands market, sell and ship direct to game players from within any Scuti-enabled game.



Scuti provides brands a direct channel to over 320 million mobile, PC and eSports players across the U.S. and E.U. The marketplace is designed with proven gamification tactics that incentivize players with Scuti points, which are redeemed against future purchases.

<https://finance.yahoo.com/news/most-innovative-e-commerce-platform-brands-130200388.html>

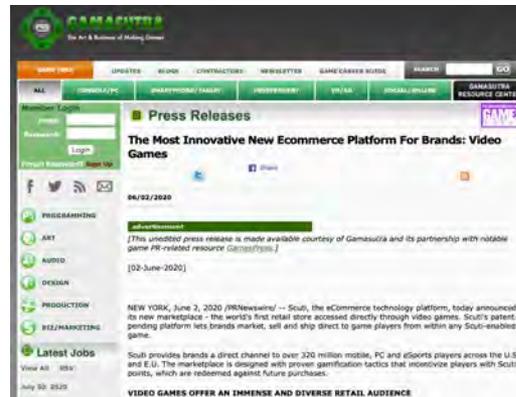
Business Insider

## The Most Innovative New Ecommerce Platform For Brands: Video Games

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[https://www.gamasutra.com/view/pressreleases/364082/The\\_Most\\_Innovative\\_New\\_Ecommerce\\_Platform\\_For\\_Brands\\_Video\\_Games.php](https://www.gamasutra.com/view/pressreleases/364082/The_Most_Innovative_New_Ecommerce_Platform_For_Brands_Video_Games.php)

# Proforma Projections

	Year 1	Year 2	Year 3	Total 3 Year
<b>Total gCommerce Sales</b>	<b>\$ 12,997,287</b>	<b>\$ 95,348,124</b>	<b>\$ 192,857,112</b>	<b>\$ 301,202,523</b>
<b>Revenue</b>				
Scuti eCommerce Fees	\$ 1,948,816	\$ 14,302,219	\$ 28,928,567	\$ 45,179,601
Scuti Ad revenue	\$ 2,723,005	\$ 8,953,421	\$ 18,109,753	\$ 29,786,180
Brand Integration Fees	\$ 474,600	\$ 453,600	\$ 604,800	\$ 1,533,000
Scuti Data	\$ 634,608	\$ 1,692,288	\$ 2,115,360	\$ 4,442,256
Scuti Rewards MDF Program	\$ 129,973	\$ 953,481	\$ 1,928,571	\$ 3,012,025
<b>Gross Revenues</b>	<b>\$ 5,146,421</b>	<b>\$ 23,709,240</b>	<b>\$ 47,643,120</b>	<b>\$ 76,498,781</b>
Returns Credit	\$ 314,808	\$ 2,611,269	\$ 5,493,997	\$ 8,420,074
<b>Net Receipts</b>	<b>\$ 4,831,613</b>	<b>\$ 21,097,971</b>	<b>\$ 42,149,123</b>	<b>\$ 68,078,707</b>
<b>Expenses</b>				
Head Office Team	\$ 2,213,333	\$ 2,811,375	\$ 3,289,325	\$ 8,314,033
Scuti Development	\$ 594,000	\$ 594,000	\$ 594,000	\$ 1,782,000
Rev share to Game Owner	\$ 1,308,901	\$ 7,772,825	\$ 16,577,915	\$ 25,659,640
Scuti Rewards Grants	\$ 330,322	\$ 1,046,504	\$ 2,116,724	\$ 3,493,550
Apple Fees	\$ -	\$ 555,956	\$ 1,152,399	\$ 1,708,356
Customer Service	\$ 149,794	\$ 715,111	\$ 1,446,428	\$ 2,311,333
Scuti Marketing + PR	\$ 690,000	\$ 1,510,000	\$ 2,690,000	\$ 4,890,000
General Expenses	\$ 193,000	\$ 412,500	\$ 546,000	\$ 1,151,500
Hardware/Software	\$ 47,965	\$ 76,896	\$ 135,554	\$ 260,415
Hosting/Servers/Infrastructure	\$ 384,285	\$ 1,137,291	\$ 2,173,557	\$ 3,695,133
Legal/Accounting	\$ 90,000	\$ 180,000	\$ 300,000	\$ 570,000
Insurance	\$ 48,000	\$ 57,600	\$ 69,120	\$ 174,720
Payroll/Benefits	\$ 259,217	\$ 335,364	\$ 395,514	\$ 990,094
<b>Total Expenses</b>	<b>\$ 6,308,817</b>	<b>\$ 17,205,421</b>	<b>\$ 31,486,536</b>	<b>\$ 55,000,775</b>
<b>EBITDA</b>	<b>\$ (1,477,205)</b>	<b>\$ 3,892,549</b>	<b>\$ 10,662,587</b>	<b>\$ 13,077,932</b>

- Very conservatively, the Scuti Proforma projects that 2.0% of game players will click through to our store, and that 2.0% of those will purchase an item. A total conversion of less than 0.04% of all players active every month in network games.
- Scuti generates revenue whether players purchase or not
- Based on independent research findings, over 89% of players said they would likely shop with Scuti, and we feel there is enormous upside to these numbers
- Scuti's projections are for the U.S. only – so we maintain full total upside on a worldwide scale. We have already began negotiations with game makers in Europe and Asia.
- To put the upside into perspective, just a 0.1% of the eCommerce market would generate \$4.2B in retail sales and revenues to Scuti of \$315M. Our Proforma projects just a .005% of the global market by Year 3

Scuti.AI LLC is seeking to raise up to \$2 Million to fund the launch and live operations of its new gCommerce platform.

Scuti's current valuation is at \$20 Million.

## Unique Business

- ★ Sales commissions – we work with existing commerce solutions – we simply facilitate the sale through games as a retail channel

## First To Market

- ★ Proven business model that derives revenue from five common revenue streams, through one direct-to-consumer advertising and sales platform

## Strong Management Team

- ★ Decades of experience with proven ability to build companies and exit (Massive Incorporated (sold to Microsoft) and Twitch (sold to Amazon))

## Provisional and Utility Patents filed

- ★ Our game maker relationships and patent filings will provide enormous barriers to entry to others

## Unique Business Model

- ★ Multiple revenue streams and ad serving, retail platform
- ★ Integrated into games who serve as the gateway to the marketplace and are reliant upon our new revenues

## Compelling Financial Model with significant revenue upside

- ★ Ability to scale rapidly globally and expand to any game platform and all apps available in the Apple and Google Play stores. Scuti enables direct commerce for all brands and apps

## Management Skin in the Game

- ★ The management has privately contributed over \$700K in capital and raised an additional \$150K in seed investments