



DigitalTown.com

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DigitalTown, Inc

Solution Overview

What is DigitalTown

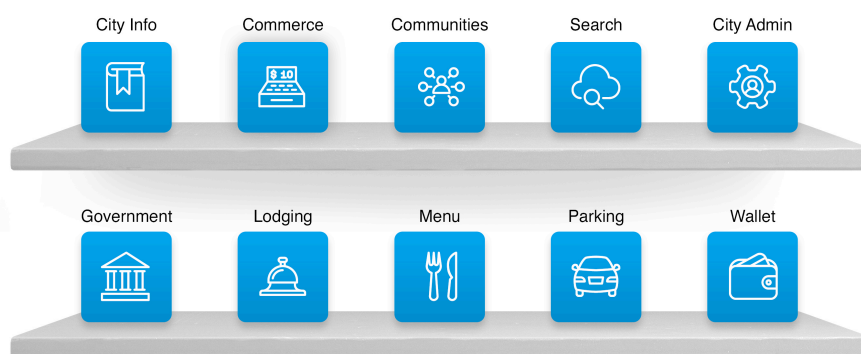
DigitalTown (OTC: DGTW) is a cloud hosted smart city platform that brings cities into the digital age making it easier for residents and visitors to search, connect, and buy local in any city of any size. With DigitalTown, a city website becomes the preferred homepage for residents and visitors providing every merchant an online storefront to sell services as part of the 23,000+ .city network.

We enable citizens to co-create quality of life through integrated solutions for economic development, civic engagement and digital inclusion. Imagine a world where every city will be connected with a single-sign-on and mobile application allowing citizens to roam seamlessly from place to place with the convenience of portable identity and cumulative reputation across a network of participating cities.

DigitalTown works with city innovators globally. In addition to working with private partners, we work with city managers, county administrators, state governors, federal agencies, trade associations, chambers of commerce, Destination Marketers, and non-governmental organizations (NGOs) who may be influencers or budget sources in the effort to bring standards, efficiencies, and interoperability across population centers.

The DigitalTown Platform

DigitalTown transforms the city website into a unified platform on web and mobile that allows a city, town or community to become fully digital both for the public and private sector. More money stays in the local economy as consumers shop locally. Government services are accessible 24/7 via web and mobile.



The DigitalTown software solutions are maturing rapidly. A typical city site can be found at Greenwich.city or OKC.city. A typical restaurant site can be found at Wada.Menu. A robust online booking platform can be seen at WhistlerReservations.com, a site that power more than \$10 million in bookings per year. The iOS and Android mobile apps are also free to download.

Why DigitalTown's Smart City platform makes sense *now*

We believe there is a compelling opportunity to provide cities with cloud-hosted software solutions that make cities more *effective*, while at the same time making them more *interoperable* for residents and visitors that travel *between* cities.

- Civic leaders have historically provided residents with physical infrastructure. Since the early 2000's, governments have also invested in city websites. However these city sites go largely unvisited. In recent years, peer-to-peer marketplaces such as Uber and Airbnb as well as national ecommerce providers such as Amazon have caused cities to lose revenue. Digitaltown is a catalyst in helping cities to implement formal strategies to improve local *online* competitiveness and improve community safety.
- Smart Phone penetration is approaching saturation in both developed and developing economies. In the US, a 2016 Comscore report shows 79% SmartPhone penetration with 97% of these SmartPhones using either Apple's iOS or Google's Android operating systems. These Smart Phones, along with Single-sign-on to websites are the enabling technology for a universal SmartWallet, a core feature of DigitalTown.
- Cities and towns are the economic hubs in a global economy. As the world becomes more global, national, state/province and county boundaries are likely to become less important. However, residents and visitors will generally identify with the cities where they are located. Sports teams, shared history, local institutions, and cultural traditions further enforce this "tribe loyalty" to cities. DigitalTown is focused on providing city management with the solutions that will help cities to thrive.

For the first time in history, the enabling technologies are in place for cities to become digital, and for these cities to be able to adopt interoperable digital standards.

Bringing Local Commerce into the Digital Age

At the core, DigitalTown is focused on working with local government to make cities smart by providing a unified digital platform for both the public and private sector. Within the *private* sector, we are targeting what we refer to as the *6 pillars of local commerce*: retail, dining, lodging, property, services and transportation.

Retail: DigitalTown's secure e-commerce platform enables approved merchants to sell both locally and globally. Merchants can begin selling in minutes with no technical skills and no fixed costs of any kind. The process of providing store fronts to all local businesses in a city is easily tied to existing processes for business registration or business licensing.

Dining: Cities can provide interactive menus via web and mobile. Food service providers are able to use integrated solutions for reservation management, wait list management, and delivery management. An integrated courier application allows merchants to offer delivery services to the end customer. Most restaurants don't use OpenTable, not because they don't value it but because the fee structure, e.g. up to \$9/cover, is cost-prohibitive.

Lodging: Cities can provide central reservations for lodging, and thereby capture a portion of the high fees (up to 28%) third-party vendors such as Expedia, AirBnB, Travelocity and TripAdvisor charge community hotels. Visitors can make real-time bookings at local establishments through dedicated mobile applications or the web. In less developed economies where tourism is so critical to the economy, this enables travel operators to invest more in their assets, provide wage increases to staff, or expand their service offering.

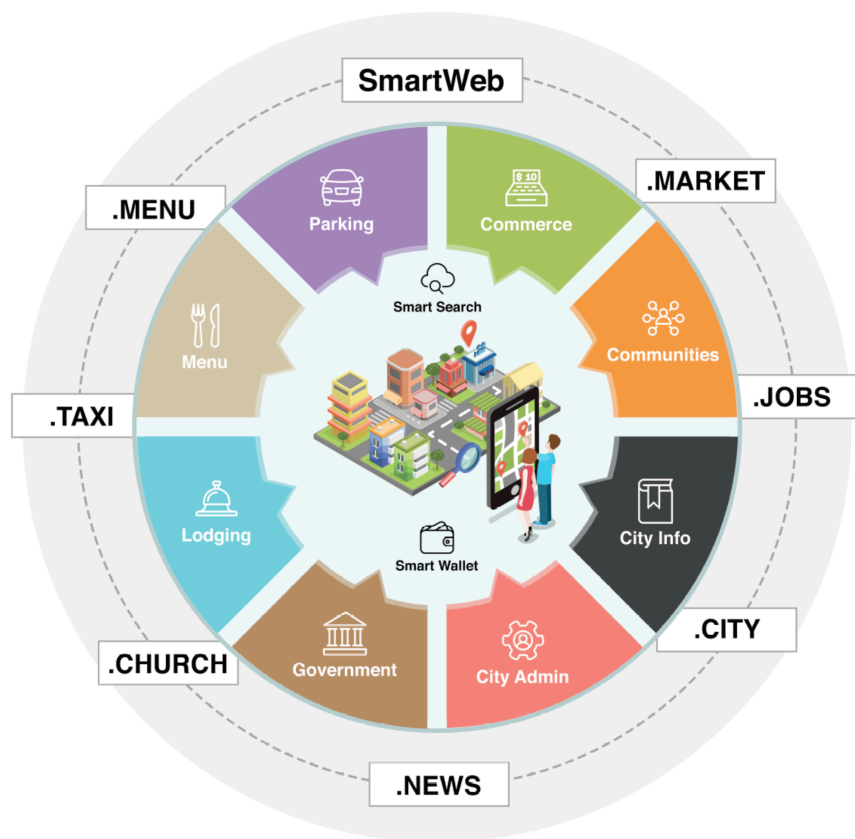
Property: Similar to the lodging marketplace, DigitalTown enables residents to rent their private property on a short term basis while allowing cities to retain revenue currently being lost to Apartments.com, Rent.com, HotPads.com and other rental platforms while also ensuring code/ordinance adoption and public safety.

Services: The search for a service provider, e.g. a plumber, or an attorney, is typically mediated through a search engine. Major search engines such as Google and Bing are often full of non-local service providers that serve as lead brokers. As a result, a local service provider may never see a local opportunity as the lead was first captured by a non-local provider and then fulfilled by a non-local service provider. As a result, the consumer may pay more than they should have, purchasing a service from a non-local provider, and more money left the local economy.

Transportation: DigitalTown provides an integrated solution for parking discovery and payment available on iOS and Android mobile apps. In addition, DigitalTown provides a solution that allows the city to operate its own private ridesharing network, as an alternative to Uber and Lyft, who have adopted an identical fee structure whereby the first \$1.80 and 25% of the rest of any fare are deducted as commissions.

DigitalTown's Approach

DigitalTown's vision of the future is depicted graphically below. We believe that citizens and residents of cities will have a Smart Wallet, accessible via web or mobile devices. They will be able to interact with Smart City Services that are adopted by both the private sector and by municipalities. Lastly, the web will become a SmartWeb with a growing amount of content being easily discoverable through the adoption of global standards for navigation, e.g. .CITY for city information.



Working with DigitalTown

When a city becomes a DigitalTown, every registered business in the city is provided with a free storefront that is suitable for their business type. The implementation of DigitalTown is most easily done through the Business registration or licensing workflow. As a business is registered or licensed, the required information for setting up their store front is captured. Once a business is approved, DigitalTown provides the business owner with their login information with which they can manage their online presence, and begin processing online transactions. There are no technical skills required to work with DigitalTown, and DigitalTown provides businesses with 24/7 support. As businesses process transactions, they are both promoting the city through their online storefront, and at the same time, generating fee income for the city.

Feature Summary

Branded Web and Mobile Presence

- Custom.city URL
- Custom Portal and CMS
- Shared Mobile Application (DigitalTown)
- Optional City-specific Custom Mobile Application

Turn-Key Commerce Management

- Retail - Full eCommerce platform
- Services - Online appointment booking for service providers
- Dining - Smart.Menu for table booking and online ordering
- Lodging - Online lodging and activity booking
- Property - Long term property rentals (available March 2017)

Smart Wallet

- Secure Single Sign On
- Stored Payment Methods: Paypal, Credit Card, Bitcoin, Account Credit
- Optional Verified Identity
- Reputation (available February 2017)
- Location Management
- Personal Preferences

Civic Engagement features

- Problem Reporting
- Crime Reporting
- People Search
- Interest Groups
- Citizen Journalism
- Broadcast Messaging (scheduled) and Civic Alerts (instant)

Event Management

- Places of Interest
- Event Calendar
- Event Ticket Management (available March 2017)

Courier Management

- Android Courier Application used by local delivery staff
- Merchant Transaction Tracking

Parking Management

- Mobile App for parking space location

GovTech

- City Portal - Full CMS
- Business Registration Management
- Case Management
- Equipment Management (optional / custom)
- Permit Management (optional /custom)

Search Engine

- Proprietary branded Web crawler searches only approved sites
- Smart Search FAQ with pre-written answers to frequent searches

Dashboard (coming Q1 2017)

- User Activity
- Problem Resolution
- Environment
- Public Safety

Additional Features

- Job Board
- Classifieds
- Promotions and Offers
- Advertising and Sponsorship Management

Mobile Applications for iOS and Android

- SmartCityGuide App
- Smart.Menu for Restaurant Search/Booking

System Capacity

- Unlimited bandwidth, unlimited storage
- Unlimited users and administrators
- Unlimited business storefronts and transactions

Cloud Hosting

- Service Level Agreement guarantees 99.9% availability
- 24/7 Systems Monitoring and Support



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Licensing Models

There are 3 primary pricing models, making it possible for any city to get started with little or no up front investment.

1. Public Private Partnership — no setup fee or service fee, with revenue share on transaction fees. In this arrangement, transaction fees are shared 50/50.
2. Term License: setup fee of \$1/capita with annual maintenance cost from year 2 of 30% of the setup fee.
3. Perpetual License: We offer a perpetual, exclusive, assignable license with a *one time* cost of \$3.5/capita, with no further costs whatsoever.