



FraudAT Territorial License for Canada

This document covers information required to build a road map to commercial viability for the FraudAT territorial license for Canada.



Canada Population

38.25 Million

GDP

\$1.988 Trillion

Companies in Canada with revenue greater than \$30k

4.15 Million

Phishing emails are a mainstay, pervasive and highly effective form of cyber attack that can cause significant damage to individuals and organizations.

The financial impact of phishing attacks quadrupled over the past six years, with the average cost of a single successful phishing attack rising to \$14.8 million per year for large corporations. In addition to the direct financial impacts of phishing attacks, there are also indirect costs which are difficult to quantify, but are significant and can have long-term effects on an organization's financial health and success.

Exclusive License for FraudAT in Canada

Germany has a strong economy and is a major business hub, with a large number of companies operating in various sectors. These companies are interested in implementing measures to protect their employees and systems from phishing attacks, which can cause financial losses and damage to reputation.

FraudAT is an easy to install solution to have an impact on these attacks while demonstrating to customers and employees that you have a pro-active phishing policy.

Deal Breakdown

Two steps to value and recurring revenue

1. Buy \$50,000 in FraudAT units: ilocx.com/territory to reserve your territory and receive an option agreement valid for 12 months.
2. Execute the option agreement to get:
 - The exclusive license to sell and market FraudAT in Canada
 - Building and delivery of a FraudAT sales website localised for the territory and language
 - Full sub-licensing rights within Canada
 - Localised affiliate program
 - Localised FraudAT ILOCX listing
 - All media and images, data and point of sale aids, HQ assistance for news and localised promotion of FraudAT in the territory, email addresses and details report covering competition, USP's, market size, and list of prospective clients.

Terms: Once the option fee (\$50,000) and deposit (\$300,000) are paid a local legal entity needs to be formed to hold the license. This is formed by the potential licensee.

Total cost €3,000,000 with zero coupon funding available for up to \$2.7m (\$50k option fee, \$300k deposit, \$2.7m funding)

The FraudAT Opportunity

Phishing emails are a mainstay, pervasive and highly effective form of cyber attack that can cause significant damage to individuals and organizations. These attacks involve the use of fraudulent emails to trick individuals into disclosing sensitive information, such as login credentials or financial information, or into visiting malicious websites or downloading malware.

These attacks have serious consequences, both for the individuals targeted and for organizations that are affected, from financial losses, fraud, identity theft, misuse of sensitive corporate data, to costs associated with remediation.

Phishing attacks lead to loss of customer trust and erosion of the organization's reputation causing financial losses and damage to the organization's bottom line.

FraudAT is a simple and intuitive system powered by sophisticated algorithms and checks that allows users to forward a suspicious email to a single email address, fraud@companyname.com, and immediately get verification of whether an email they have received is legitimate or not.

By purchasing the Canadian territorial license for FraudAT you receive the software master license allowing you to make sales within Canada through the provided localised sales website, complete with affiliate software.

FraudAT is sold to corporations based on user count and licensing costs varying from \$5,000 to \$150,000 per annum. Revenues are split 20% to FraudAT HQ, 40% to sales reps and 40% to the local licensee.

With 10 agents working from home making 3 sales per month, the German operation would see monthly revenue of:

3 sales per sales rep = \$15,000 x 10 (10 agents) = \$150,000

40% to Sales agents = \$60,000

40% to Licensee = \$60,000 (\$720,000 P.A.)

You hold full sub-licensing rights for the whole of Germany, allowing you to sub-license city by city or region by region enabling you to engage at home sales reps to make sales, generate income and all of it can be funded through your own ILOCX listing.

The Canadian Opportunity

Citizens and organizations operating in Canada feel the wrath of ransomware attacks, malicious hacks, phishing schemes, and more. There is strong awareness of cyber crime in the country and businesses are making efforts to stay ahead of the game, but it's difficult to sidestep the advancing technologies employed by cyber criminals.

Successful attacks affected 78% of Canadian companies in one year

The 2020 Cyberthreat Defense Report (CDR) by CyberEdge Group provides a wealth of information about cyber-attacks across the globe. It found that 78 percent of Canadian organizations experienced at least one cyberattack within a 12-month period. In 2021, this figure rose to 85.7 of Canadian companies. This highlights the rapidly increasing cybercrime levels that Canadian organizations face and represents a 7.7 percent rise in attacks compared to the year before.

In Canada, the average spend on security is 11.1% of an organization's IT budget

The 2021 CyberEdge report also reveals how much organizations are spending on cyber security. According to the latest study, Canadian firms spent 11.1 percent of their annual budget on security. This is down from 12.1 percent the year before.

65% anticipate being hit with a ransomware attack

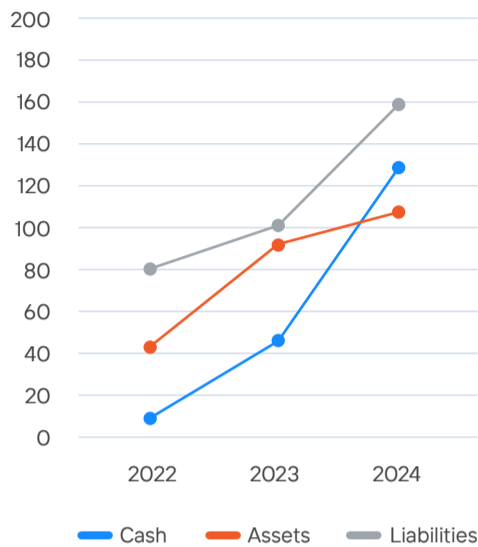
Of those who had not been hit with ransomware in 2021, 65 percent told Sophos that they expect to be hit with a ransomware attack in the future. This indicates that Canadian respondents are highly alert to the issue of ransomware.

The average cost of a data breach is over \$5 million

The IBM Cost of a Data Breach Report 2021 focuses on how much organizations lose when a data breach occurs. The average cost for Canadian organizations was 5.4 million in 2021, up from 4.5 million a year before.

This puts it behind only the US (\$9.05 million) and the Middle East (\$6.93 million). Worryingly, the cost of data breaches is growing steadily in Canada with the 2020 figure being 6.5 percent higher than in the previous year, and the 2021 figure being a whopping 20 percent higher than in 2020.

Financials



Balance Sheet

Company name, FraudAT Canada Inc

Dec, 31, 202X

Assets

Current Assets

Cash	7,314	-392,686
Accounts receivable		
Inventory	5,560	5,560
Prepaid expenses		
Short-term investments		

Total current assets	12,874	-387,126
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Fixed (Long-Term) Assets

Long-term investment	2,310	102,310
Property, plant and equipment	14,442	14,442
(Less accumulated depreciation)	-2,200	-2,200
Intangible assets		3,000,000

Total fixed assets	14,552	3,114,552
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Other Assets

Deferred income tax		0
Other		0

Total other assets	0	0
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Total Assets	27,426	2,727,426
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Liabilities and Owner's Equity

Current Liabilities

Accounts payable	9060	9,060
Short-term loans		0
Income taxes payable	3349	3,349
Accrued salaries and wages		0
Unearned revenue		0
Current portion of long-term debt		0

Total current assets	12,409	12,409
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Long-Term Liabilities

Long-term debt	3450	2,703,450
Deferred income tax		
Other		

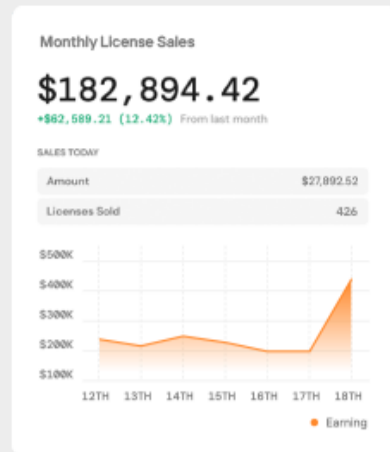
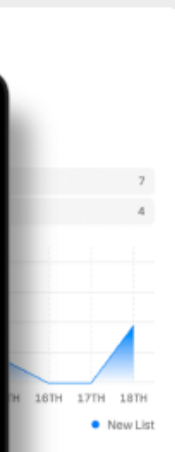
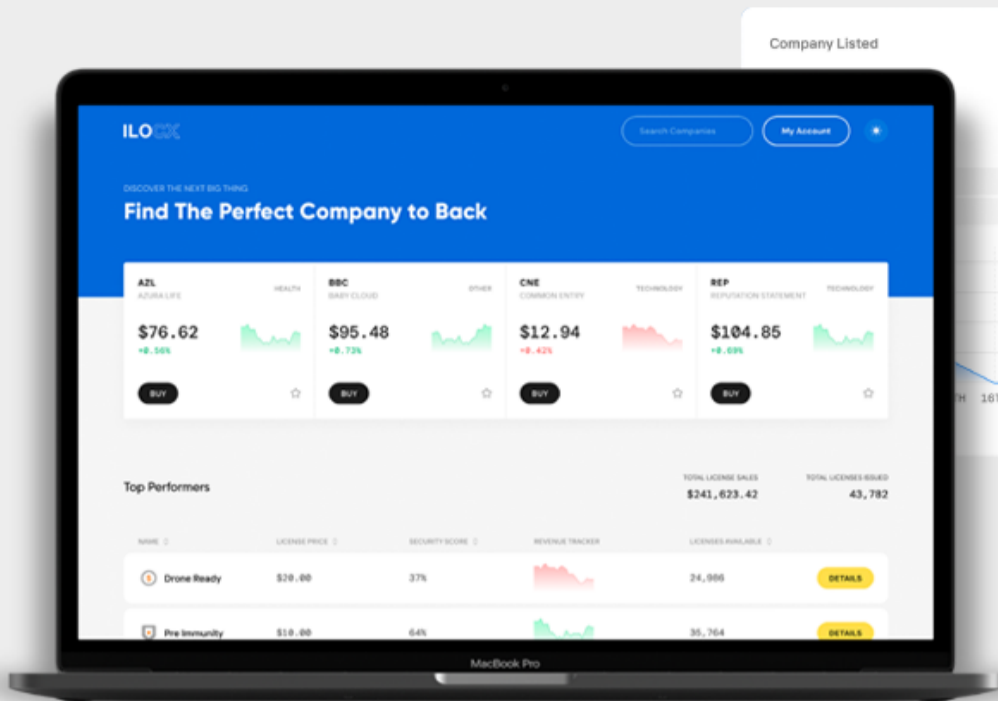
Total fixed assets	3,450	2,703,450
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Owner's Equity

Owner's investment	6000	6,000
Retained earnings	5567	5,567
Other		

Total owner's equity	11,567	11,567
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Total Liabilities and Owner's Equity	27,426	2,727,426
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Your ILO listing

List using the ILO Framework to raise money to finance your exclusive iLamp license while building local support and an online sales team to drive pre-sales.



RAISE MONEY AS YOU NEED IT

Get access to the funds you need, as you need them, smoothing your fundraising process.



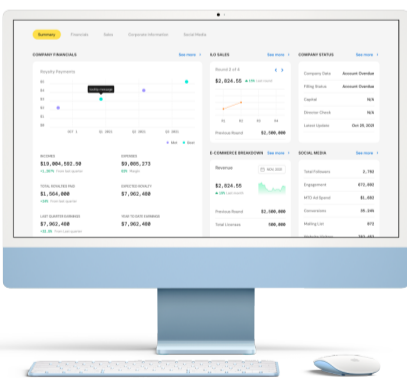
BUILD A TEAM

ILOCX framework helps companies to build effective teams that are properly rewarded.



REWARD PARTICIPATION

Incentivize buyers with ILOCX rewards, your own affiliate program, and license classes.



Listing Requirements

iLamp licenses are prequalified to list and receive an ILO instance and will be priority listed through our streamlined process with a dedicated listing manager.

Listing fees for iLamp licenses are waived for the first year, then only \$25,000 per year.

Listings with over \$1 million in sales are listed on the board at ILOCX.com.

100+
Total companies listed

Millions
Total licenses issued

10X
Returns already booked