



FraudAT Territorial License for Germany

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



Germany Population

83.13 Million

GDP

\$4.223 Trillion

Number of companies
in Germany

5.25 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 Germany

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 Germany
 - Building and delivery of a FraudAT sales website localised for the territory and language
 - Full sub-licensing rights within Germany
 - 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 German territorial license for FraudAT you receive the software master license allowing you to make sales within Germany 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 German Opportunity

Citizens and organizations operating in Germany 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.

Over 70% of German companies were the subject of a successful attack within 12 months

The CyberEdge Group 2022 Cyberthreat Defense Report (CDR) reveals information about cyber-attacks across the globe. Responses from IT professionals in Germany suggest that 72.6 percent of organizations in the country dealt with a successful cyber attack in the year prior to the study.

Germany saw the first death by ransomware

CyberEdge reported in 2021 that a woman from Düsseldorf was rushed to a hospital 19 miles away in Wuppertal because her local hospital in Düsseldorf was targeted by a ransomware attack. 30 of the hospital's servers were compromised as part of the attack which prevented new patients from being processed. Sadly, the woman died.

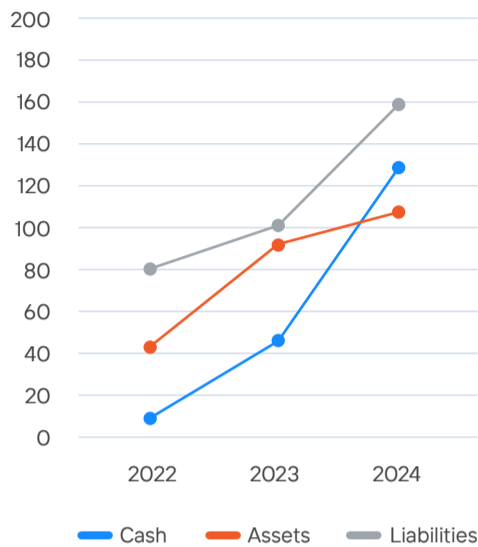
CyberEdge found that German firms spend 10.8 percent of their IT budget on security. Sophos found the average cost of a ransomware attack in Germany was \$1.73 million in 2021, a 48 percent increase on 2020 (\$1.17 million). IBM's Cost of a Data Breach Report 2021 found that in Germany, the average cost of a data breach was \$4.89 million (up from the \$4.5 million of 2020). This put it in the top four regions.

Germany has had the highest number of data breaches

DLA Piper dove into the number of personal data breaches each region experienced. It found that Germans have experienced the largest number of personal data breaches since the GDPR came into effect. With 106,731 breaches so far, it's significantly ahead of the Netherlands (92,657) and well ahead of third place, the UK (40,026).

German companies are actively looking for solutions to an ever increasing, costly and damaging cybersecurity threat and have considerable budgets and motivation to combat the threat.

Financials



Balance Sheet

Company name, FraudAT Germany GmbH

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
-----------------------------	---------------	-----------------

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
---------------------------	---------------	------------------

Other Assets

Deferred income tax		0
Other		0

Total other assets	0	0
---------------------------	----------	----------

Total Assets	27,426	2,727,426
---------------------	---------------	------------------

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
-----------------------------	---------------	---------------

Long-Term Liabilities

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

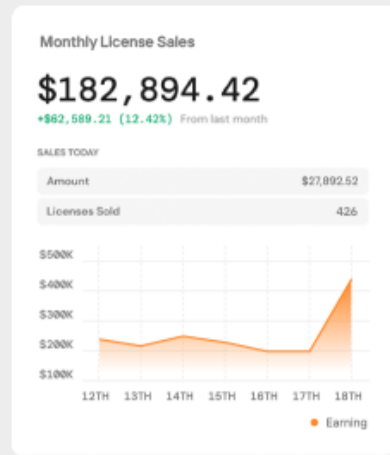
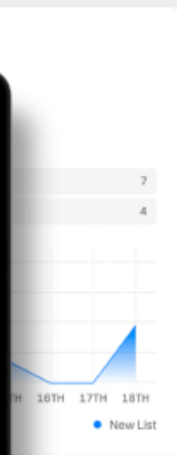
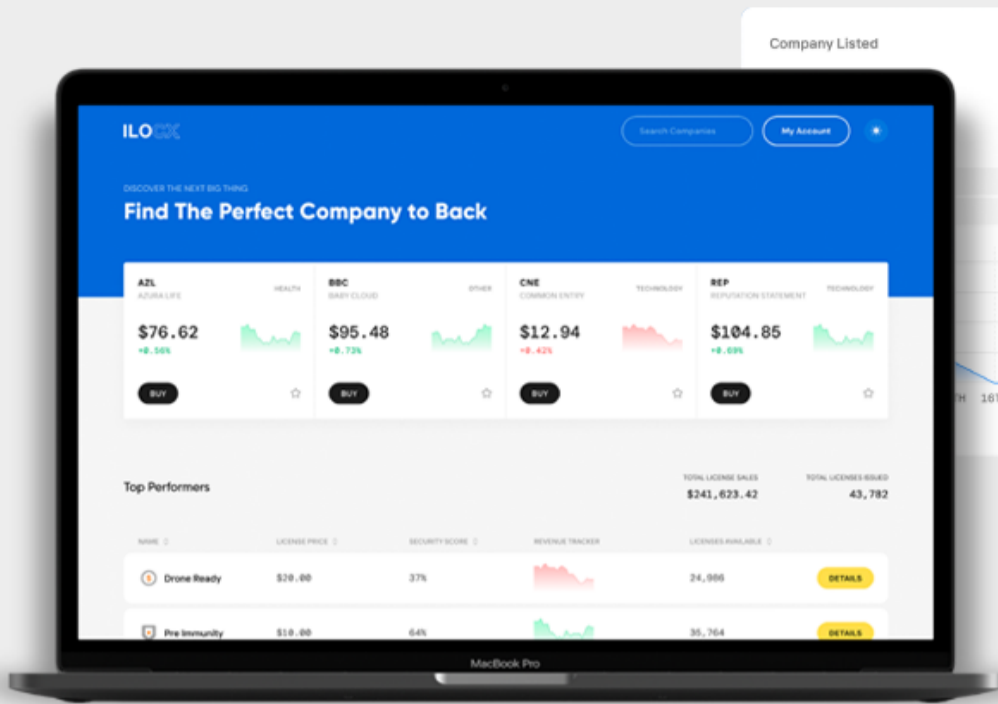
Total fixed assets	3,450	2,703,450
---------------------------	--------------	------------------

Owner's Equity

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

Total owner's equity	11,567	11,567
-----------------------------	---------------	---------------

Total Liabilities and Owner's Equity	27,426	2,727,426
---	---------------	------------------



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.



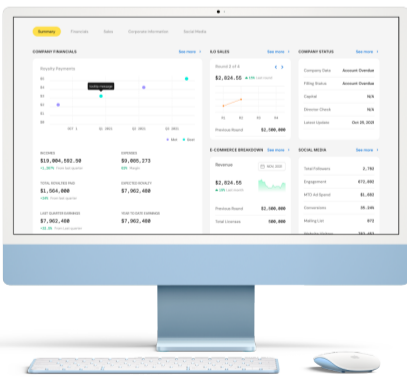
BUILD A TEAM

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