



Academic Partnership Presentation

The World Leader In Augmented Virtual Reality (AVR) Based Knowledge Transfer

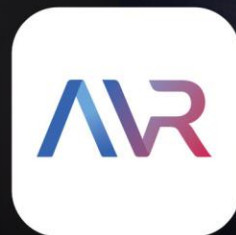
Company Highlights

- **Market-leading Position:** world leader in Augmented Virtual Reality (AVR) based knowledge transfer
- **Proven Staged Strategy:**
- **Eon Human 2.0** government solution that can uplift millions of smart student & smart workers
- **Classroom 3.0** that enables academic institutions to help students Learn faster, remember longer and make better decisions and
- **Industry 4.0** that enable enterprises to upskill their workers
- **Mission-driven Organization:** EON Human 2.0 is bridging the gap between man and machine
- **Track Record With Blue-chip Customers:** including Exxon, GSK, Honeywell, GE, Mercedes, China Merchant Group, NTU, J&J, Shell and Pearson.
- **Massive, Disruptive And Growing Market:** AVR \$100B by 2020.
- **Enterprise-class Avr Saas Platform:** Securely creates, stores, analyzes, distributes and publishes AVR agnostically fueled by AI, IoT and GIS
- **Industry-leading Management Team:** proven experience in Enterprise solutions, Education and ICT.
- **Scalable Saas Based Platform:** compound annual growth rate of the order values is expected to grow with over 50% annually over the next 3 years





VIRTUAL REALITY
(encapsulated environment)



AUGMENTED REALITY
(digital content overlayed on real world)



AR VR IA



HUMAN 2.0
GOVERNMENT



CLASSROOM 3.0
ACADEMIC



INDUSTRY 4.0
ENTERPRISE

**IDC Inauguration
Italy Bologna
November 14, 2018**

IDC Singapore Event

April 27, 2019

IDC Morocco Inauguration Event
Rabat, May 10, 2019





Interactive
Digital
Centre

AUGMENTED & VIRTUAL REALITY



Royaume du Maroc
Ministère de l'Industrie,
de l'Investissement, du Commerce
et de l'Économie Numérique



المملكة المغربية
وزارة الصناعة والاستثمار
والاقتصاد الرقمي والتجارة

Kingdom of Morocco



Ministry of National Education
Vocational Training
Higher Education and Scientific Research

The Workforce Problem

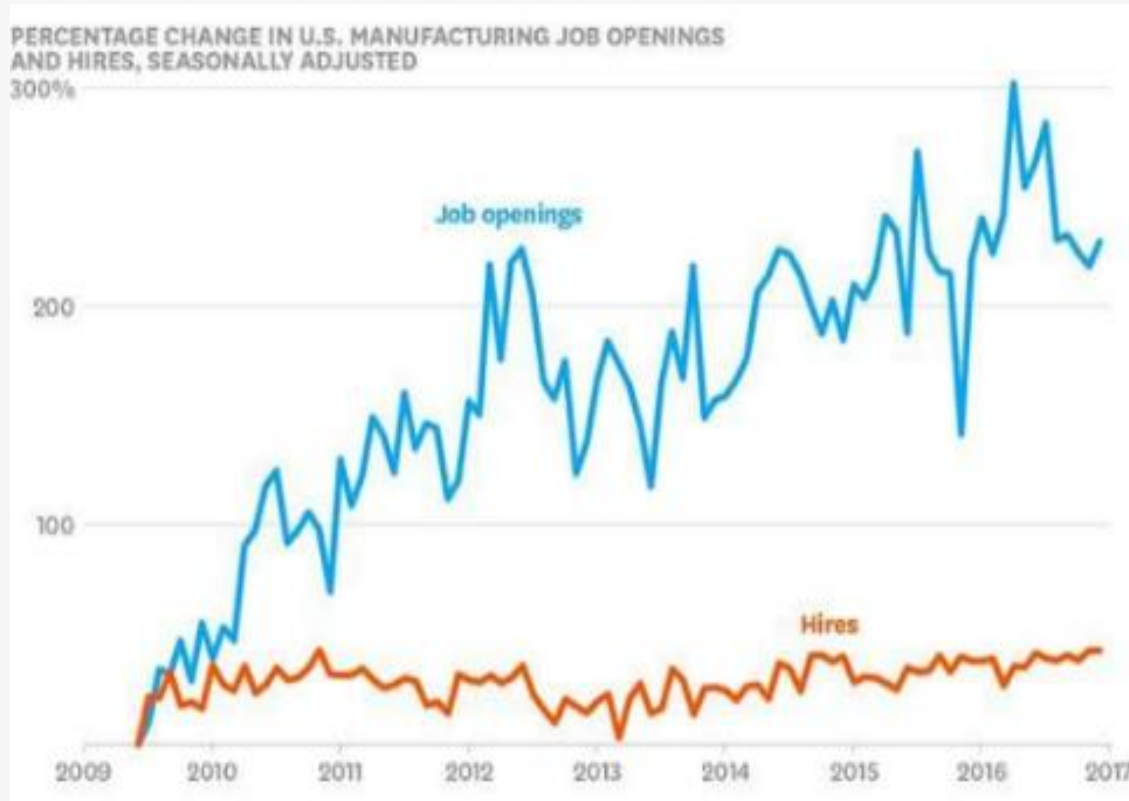


Technology Disruption Kills Jobs But It Also Creates Them

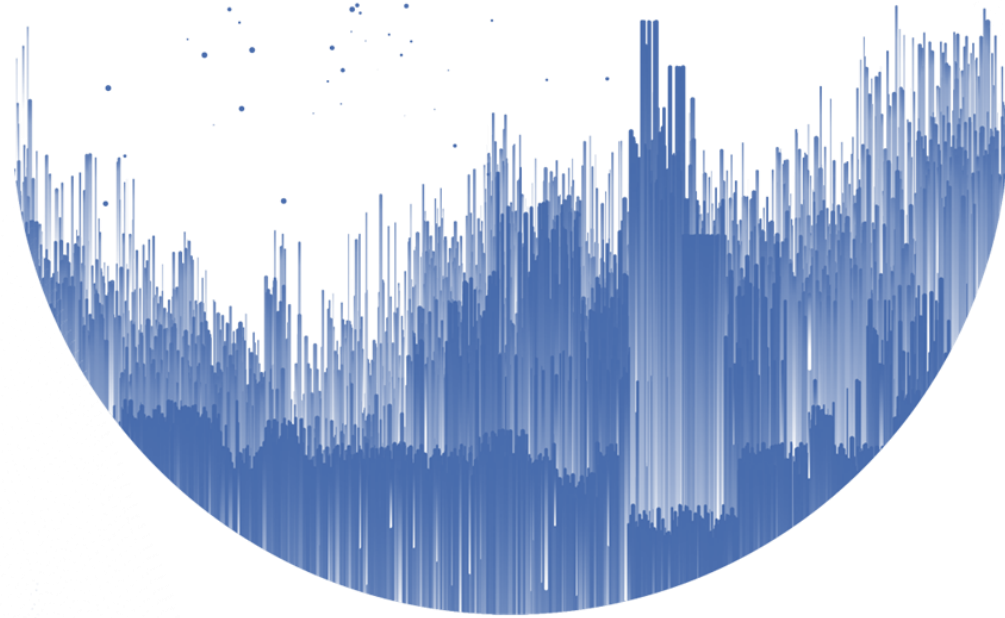
- The rapid technology disruption kills millions of jobs every day.
- Paradoxically, technology disruption creates also most of the new jobs.
- The disruption of killing existing jobs and creating new ones is accelerating.
- Traditional knowledge transfer in the education and work sector cannot cope with this rapid pace of change.

The Growing Gap Of Skilled Smart Workers

Lack of skills needed for full-time employment



There are 3 billion workers in the world of which increasingly too many will **not have the skills needed** for employment
Of the 3.5 million new smart manufacturing jobs that will be available in the US, 2 million will go unfilled



What Will The World Look Like In 2030 ?

BY 2030, HALF

**Of All Workers In Japan And 33
Percent Of The U.S. Workforce
Will Require Retraining**

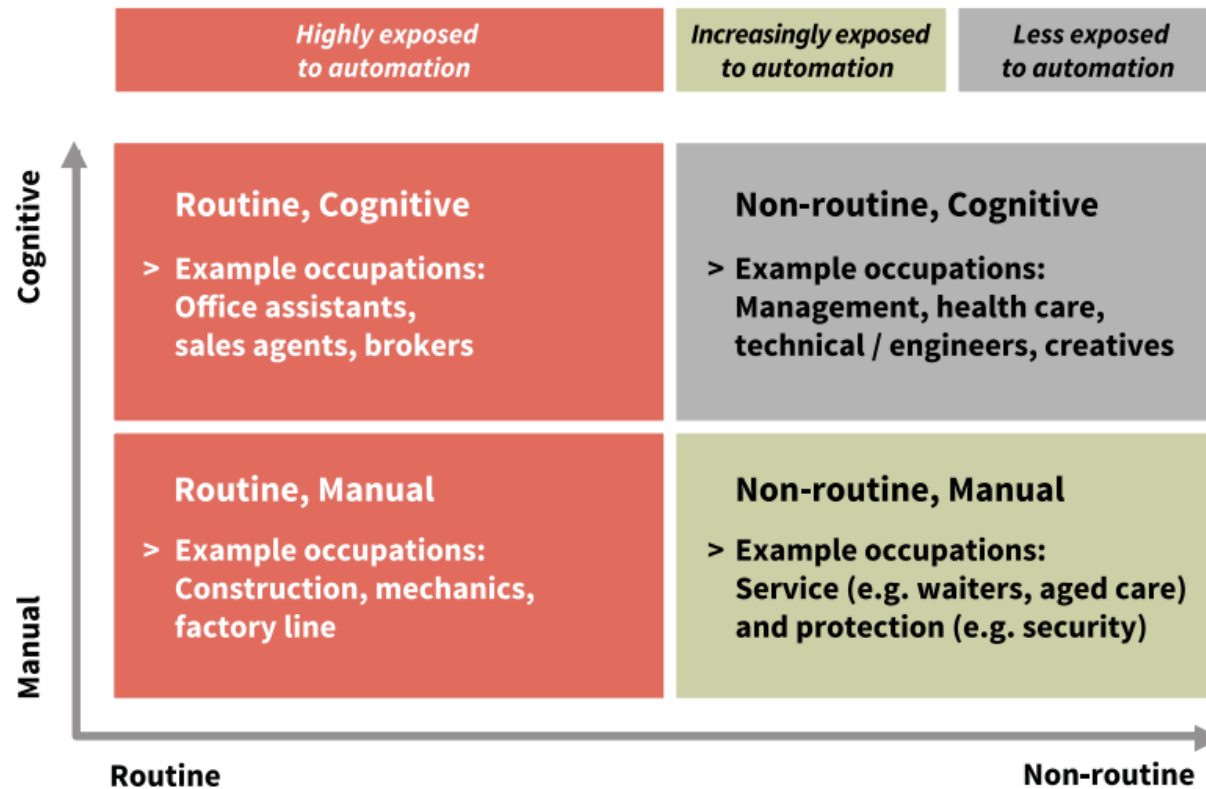
A McKinsey Global Institute report

[McKinsey Global Institute report](#)

- A McKinsey Global Institute report estimates that automation will **displace between 400m and 800m people worldwide by 2030**, but the report also suggests that automation can **create enough new jobs if the workers are retrained**
- McKinsey says that **countries should invest heavily in retraining workers** that need to change careers.
- **375 million workers who lose their original jobs** may need to **switch careers and retrain by 2030**.
- The shift could be on a scale **not seen since the transition of the labor force out of agriculture** in the early 1900s in the United States and Europe
- Governments, Academic institutions and enterprises need to **invest in a new innovative knowledge transfer solutions**

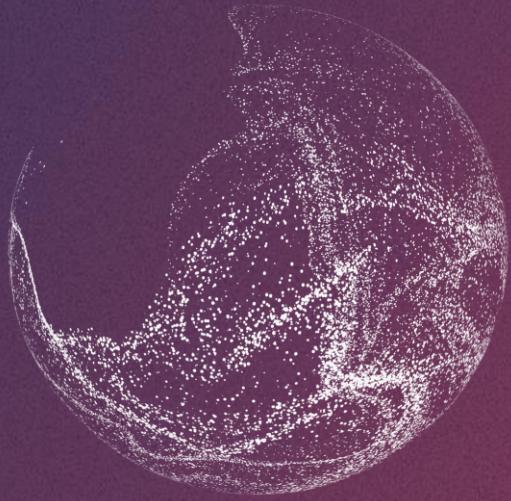
Which Jobs Are In And Which Jobs Are Out

Fig 1. Smart machines will impact different types of jobs in different ways



Source: Adapted from Autor, Levy and Marnan (2003)

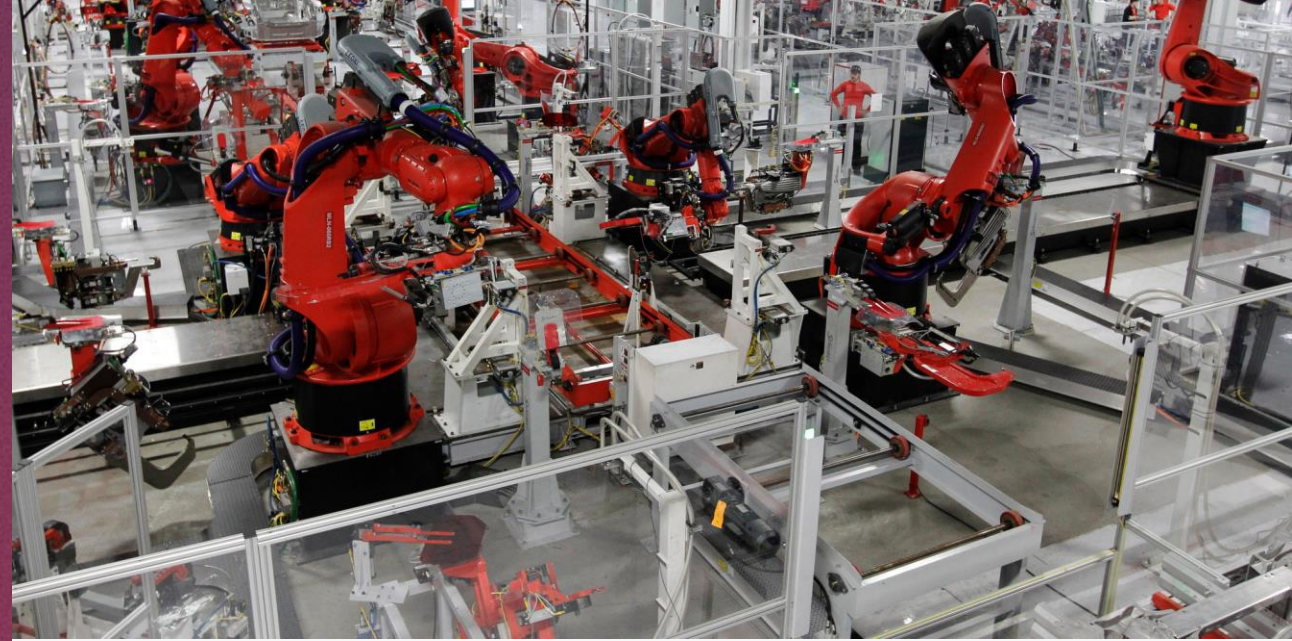
Source: Future of Work Report 2017, FYA



The Negative Scenario: Ai Empowered Machines

Most jobs that exist today will disappear within decades.

- As artificial intelligence empowered machines outperform humans in more and more tasks, it will replace humans in more and more jobs. Consequently, by 2050 a new class of people might emerge – the displaced & useless class.
- People who are not just unemployed, but unemployable
- However, this is not a humane solution: a job is more than salary: it's purpose, it's meaning, it's identity and it is dignity.

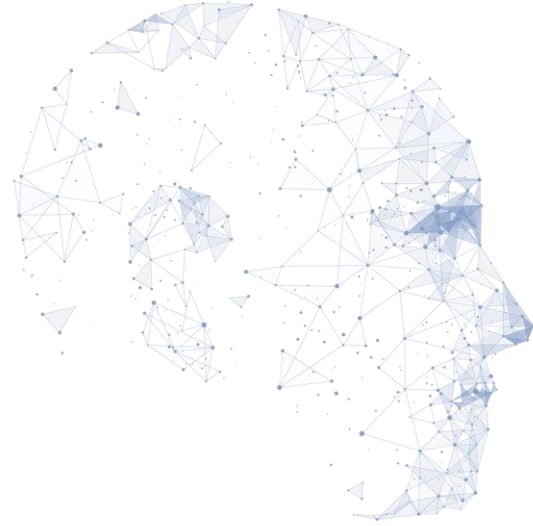


Elon Musk Replaces Robots At Tesla Factory:

Humans Are Underrated

- Elon Musk has replaced the highly-touted automation system at Tesla with a better, more intelligent paradigm: humans.
- Tesla's Model 3 production facility is regarded as one of the most advanced car manufacturing plants in the world but has been a complete failure.
- Musk chose to make the 'last mile' of production entirely automated, and it blew up in his face.

The Workforce Solution



The Positive Scenario:

Human 2.0: Enhanced Humans

- Empower 3.8 billion people to grow beyond their current human constraints
- EON Human 2.0 Vision is to blend man & machine in a symbiotic partnership,;
- Democratize access to fast knowledge transfer for everybody on the planet,
- Ask the big questions and Create new exciting job opportunities

Increasing The Speed Of Communication Between Man & Machine

- “Speed Of Thumb” Too Slow, Neural Lace Too Far Away
- Today the bandwidth is too slow, we communicate at the “speed of thumb” with mobile devices.
- While futuristic technologies such as **neural lace** supported by Elon Musk could achieve instant connection with machines, they **will take too long time** to develop to prevent the negative scenario.
- **Humanity Needs A Solution Today!**
- We believe that **EON H2.0** can provide this solution and significantly increasing the speed of communication between man-machine by using **Augmented Virtual Reality (AVR)** fueled by Artificial Intelligence (AI) and Internet of things (IoT)





2.5B Workers Need Fast-knowledge

- 2.5 billion workers are not supported by ICT today
- Contextual knowledge on the spot

The Academic Problem

Academic Institutions Date Back A Millennium...



Nālandā
UNIVERSITY

Al-
Karaouine
Morocco
859 CE



Bologna
1088 CE



Paris
1150 CE



Oxford
1096 CE



Cambridge
1209 CE



NANYANG
TECHNOLOGICAL
UNIVERSITY
SINGAPORE

Nanyang
Technological
University

Nalanda
University
400 CE

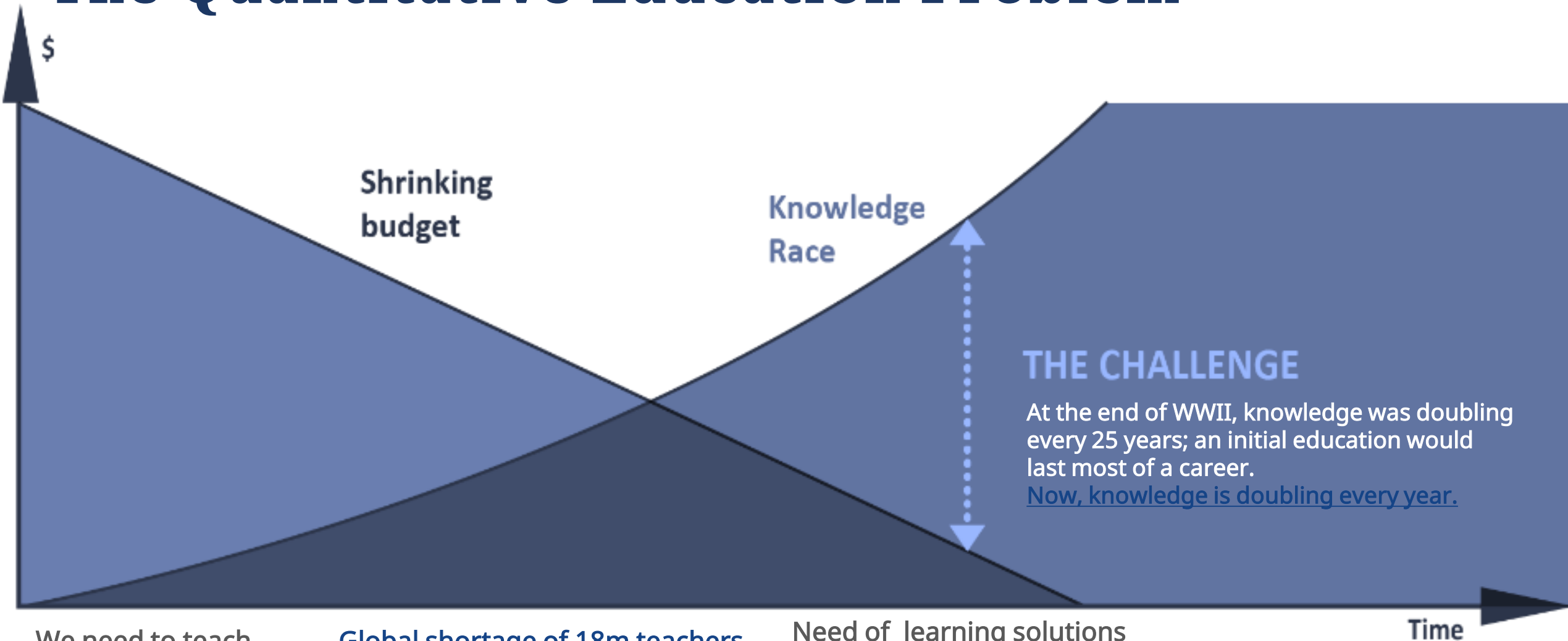


Academic Mission

Deliver research to solve challenges and
Educate the next generation to do the same



The Quantitative Education Problem



We need to teach more with less
Less time and less money!

Global shortage of 18m teachers

India needs another 1,2m teachers

America needs 2,3m teachers

Sub-Saharan Africa needs a miracle

Need of learning solutions

We have to invent new learning solutions that address the increasing gap between the accelerating knowledge raise and the shrinking education budgets or we are as good as writing off this generation. In short we need to teach more with less; less time and less money to address the growing educational gap..

The Qualitative Education Problem

Traditional skills acquired through traditional education – namely memorization – is easily replaced by automation

Future jobs require new skills such as Creativity, Problem solving, Critical Thinking, Curiosity, Collaboration, Communication , Grit, Imagination – that will enable future employees to *conceptualize, create* and *collaborate*.

		Cognitive Process Dimensions					
		REMEMBER	UNDERSTAND	APPLY	ANALYZE	EVALUATE	CREATE
		Retrieve relevant information from long-term memory	Construct meaning from oral, written, or graphic messages	Carry out or use a procedure	Break material into constituent parts and determine how they relate to one another and to overall structure	Make judgments based on criteria and standards	Reorganize or put elements together to form a new structure or pattern
Knowledge Dimensions	FACTUAL KNOWLEDGE	Define Identify Label List Name Order Outline Recall Recognize State	Classify Identify Indicate Recognize Restate Select Summarize	Complete Fill out Translate	Organize Arrange	Rank Grade	Combine Join Merge Personalize
	CONCEPTUAL KNOWLEDGE	Arrange Describe Match Recite	Classify, Compare Contrast, Differentiate Explain, Generalize, Infer Locate, Map Match	Apply Choose Complete Determine Interpret Modify Sketch	Analyze, Debate Determine, Differentiate Discriminate, Distinguish, Illustrate, Integrate	Appraise, Argue Assess, Defend Classify, Justify Compare, Recommend Relate Select, Support	Arrange, Assemble Categorize, Combine, Compile Compose, Illustrate Plan, Predict Synthesize, Visualize
	PROCEDURAL KNOWLEDGE	Order Recite	Conclude Demonstrate Exemplify	Compute, Employ Formulate, Illustrate Implement, Perform Produce Solve Use	Structure Revise	Coordinate Estimate Measure Score Test	Conclude Construct Design Formulate Generate Modify Reconstruct



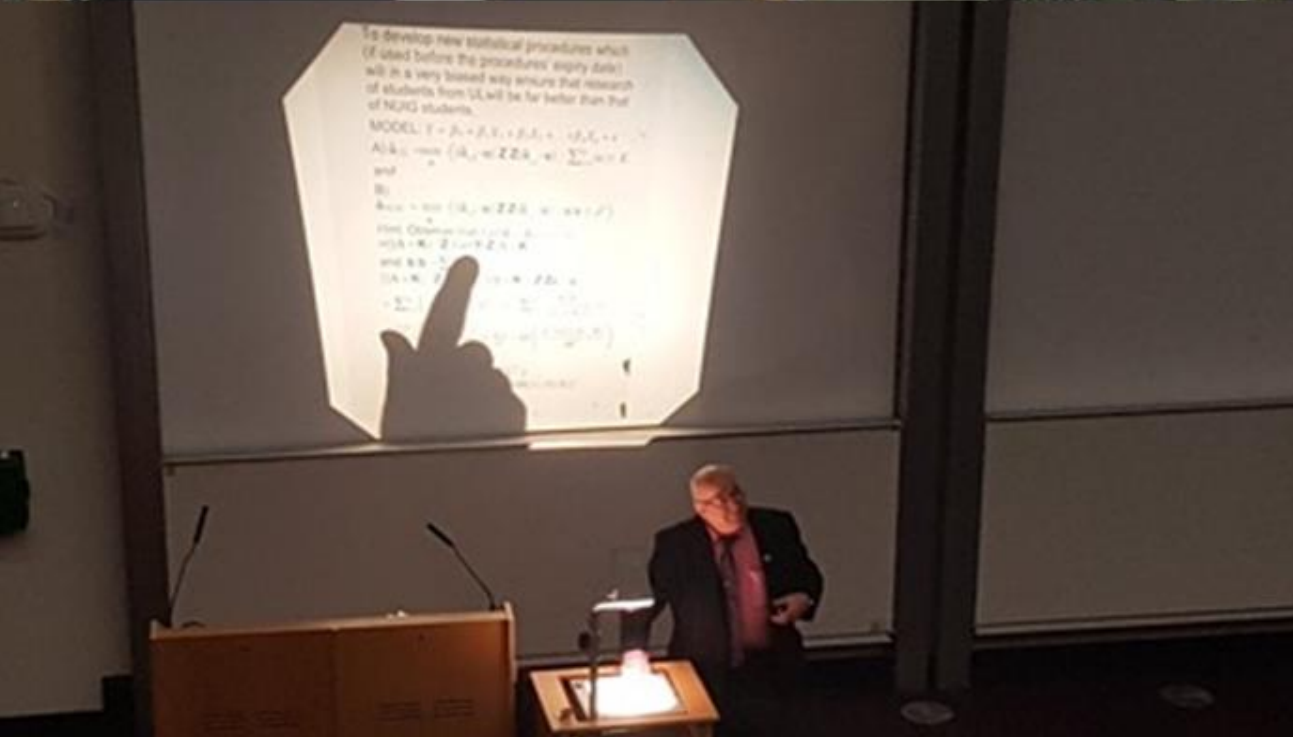
Skills Easily Replaced by Automation

Skills Needed For Future Jobs that AVR Based Learning Enables



Sage On A Stage

14th Century Teaching Method



Sage On A Stage

21st Century Teaching Method



What do you think are the characteristics of learners today? (Choose 3 options)

- A. Resilient
- B. Social learners
- C. Enjoys lectures
- D. Access content in school
- E. Multi-taskers
- F. Short-attention span



Old Methods Are No Longer Acceptable

*"If we teach today's students as we taught yesterday's,
we rob them of tomorrow."*

John Dewey

Out with old school?

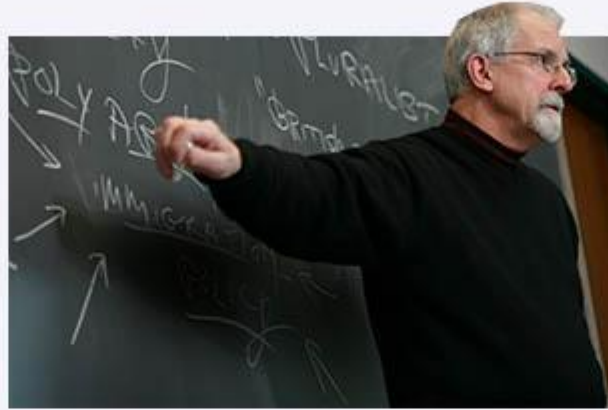
"Our education systems are derived from another age. Most of our education systems came into being in that structure in the 19th century, they modelled on the interests of the industrialists..."

*Sir Ken Robinson
July 8, 2010 at The Aspen Institute*

Introduction Of New Technologies, But Is It True Disruption & Innovation?



BOOKS



BLACKBOARD
INSTRUCTION



LECTURE
MONOLOGUES

The Academic Solution

The Natural Way Of Learning Is In 3-dimension

- The real world is in 3-D
- Our eyes and brains gives us a 3-D picture of the world
- Traditional teaching is based largely on text and 2D images
- Abstract thinking required to turn that information to the real world structure/function and 3D images



1.3B Students Need Fast-knowledge

- Student Statistics
- Primary: 719,059,053
- Secondary: 568,019,151
- That's about 17% of the world population.



Why AVR leads to better retention

Situated Cognition: Learning is better when knowledge is transferred within the context with which it is applied in.

Immersion and Flow: Learning when exploration and mastery development can occur allows for maximum engagement and drives intrinsic motivation, which in turn leads to deeper learning

Pattern Recognition and learning in 3D: Mimics how people learn in real life; subconscious and conscious learning and in 3D, rather than 2D

Personalisation and Psychosocial moratorium: Scenarios that react differently, just like in real life, matches level of mastery with the right scaffolding. Also gives a safe space for learners to take risks where consequences are lowered

Learn Faster

Remember Longer

Decide Better



Imagine the future

When a teacher can create an AVR lesson as easy as one can make a power point today today... and the students can experience it it on their Ipad or Iphone

Can and SHOULD teaching remain in the 2D mode?

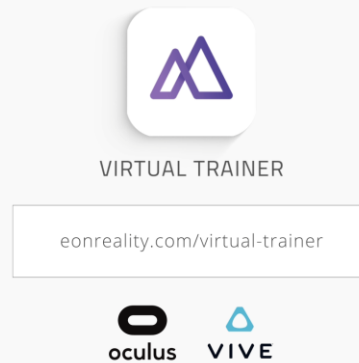
Learn



CREATOR AVR

Onboarding
Familiarization
Pre-training
Sales Training

Train



VIRTUAL TRAINER

Procedure Practice
Remote Training
Virtual Certification

Perform



AR ASSIST

AR Assisted MRO
Remote Expert Assistance
Real Time Data Display

Academic Adoption

EON Academic Customers & Partners





35% Increase in Test Scores

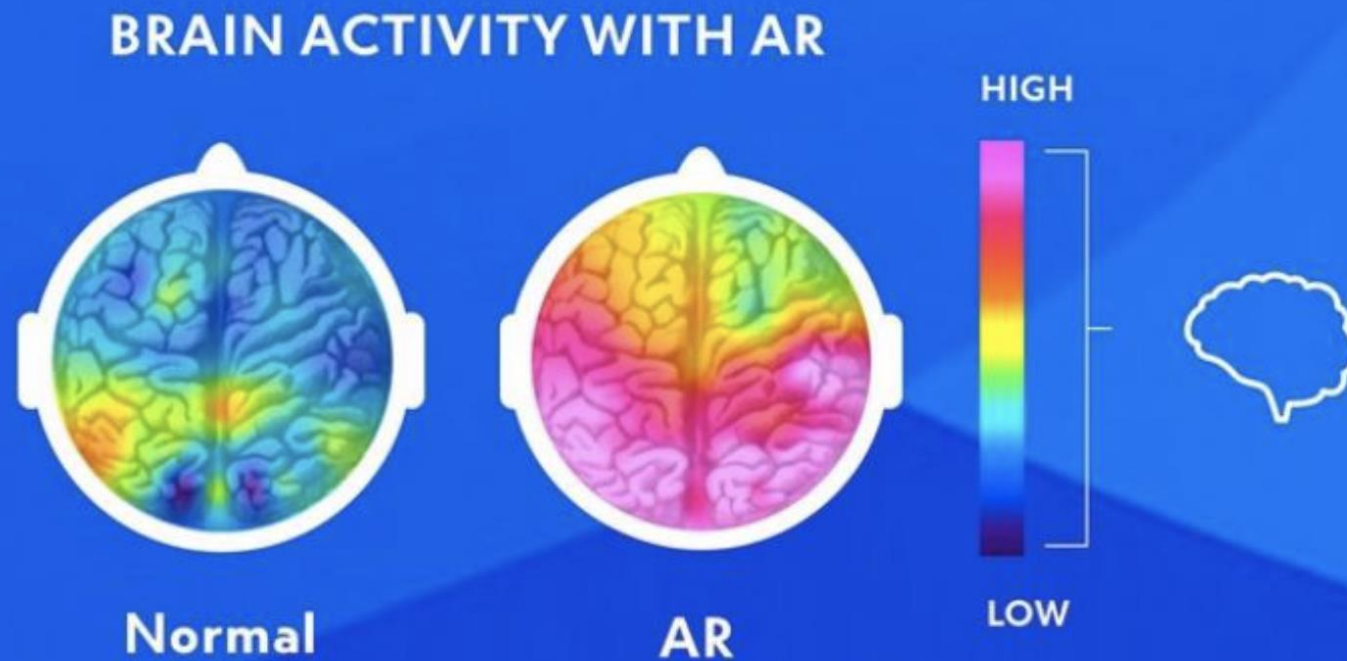
Students Remember Longer And Increase Test Scores
86% of Students in the VR Classroom improved their Test Results
Attention levels doubled (92% vs 46%)
Test Scores increased with 35%

BBC Published study
"Students can see how things function. Instead of learning about the heart statically they can see it in a solid way, literally see blood passing through the valves, see exchange of oxygen, rotate it, tilt it and zoom in," Said Prof Bamford.

BBC

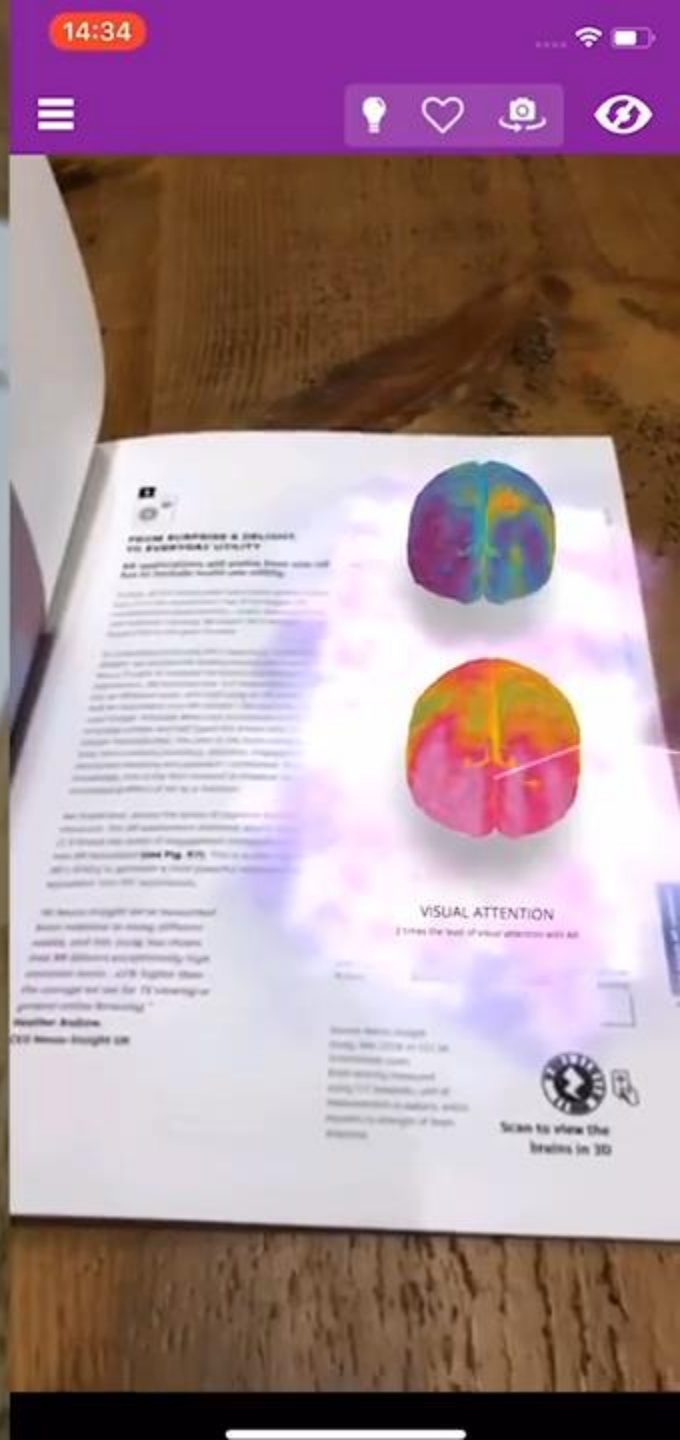
1) From <http://www.bbc.co.uk/news/technology-15115059>
2) From <http://www.dlp.com/downloads/DLP-CaseStudy-Classroom3.pdf>

70% Increase in Memory Encoding



AR delivered almost double (1.9 times) the levels of visual attention compared to their non-AR equivalent.

What they found was that memory encoding was **70% higher** in the AR tasks compared to the non-AR tasks.



Learning In Virtual Reality: Effects On Performance, Emotion And Engagement

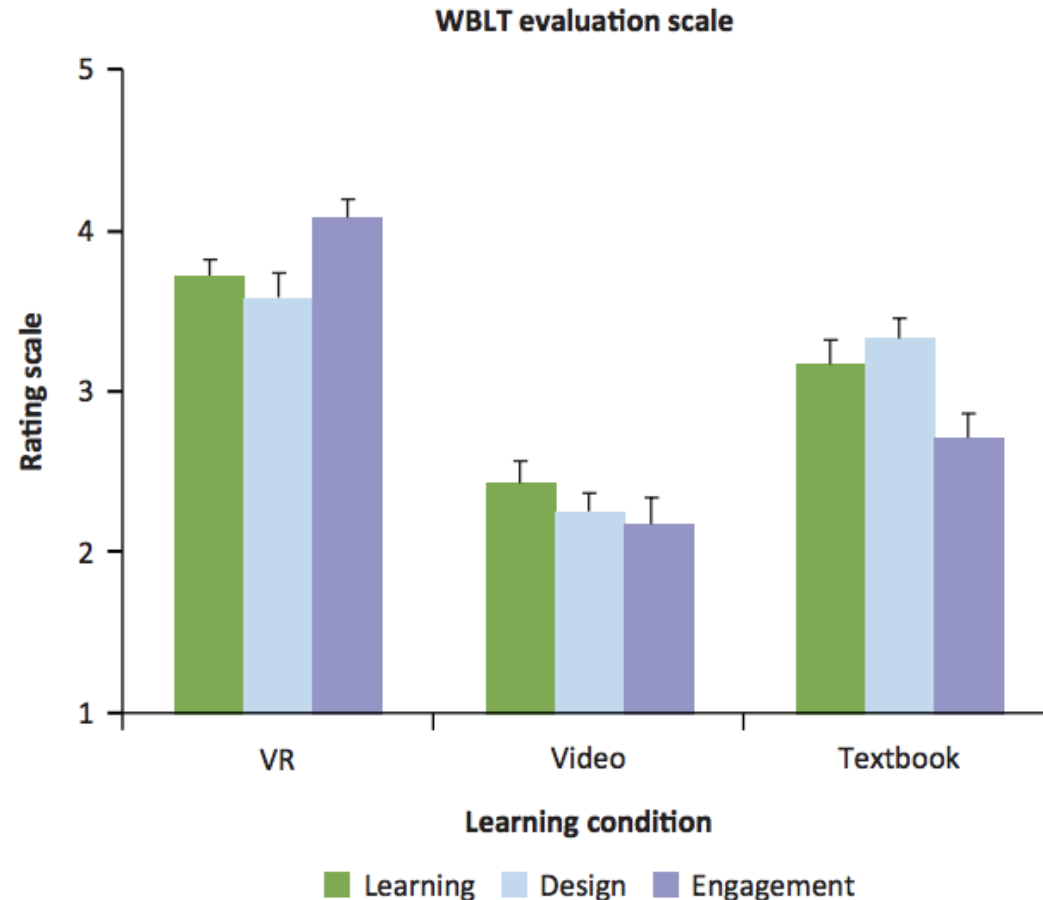


Figure 5. Mean WBLT ratings and SEM (error bars) for learning, design and engagement. WBLT, Web-based Learning Tools.

"Post- test results showed that participants in the virtual lab condition **outperformed participants in the traditional condition** on conceptual understanding. ...

...Participants in the virtual lab condition also **outperformed participants in the traditional condition** with regard to procedural skills."

Journal of Engineering Education, 2008
Bas Kollöffel and Ton de Jong University of Twente

"Conceptual understanding of electrical circuits in secondary vocational engineering education: Combining traditional instruction with inquiry learning in a virtual lab"

Journal Of Engineering Education

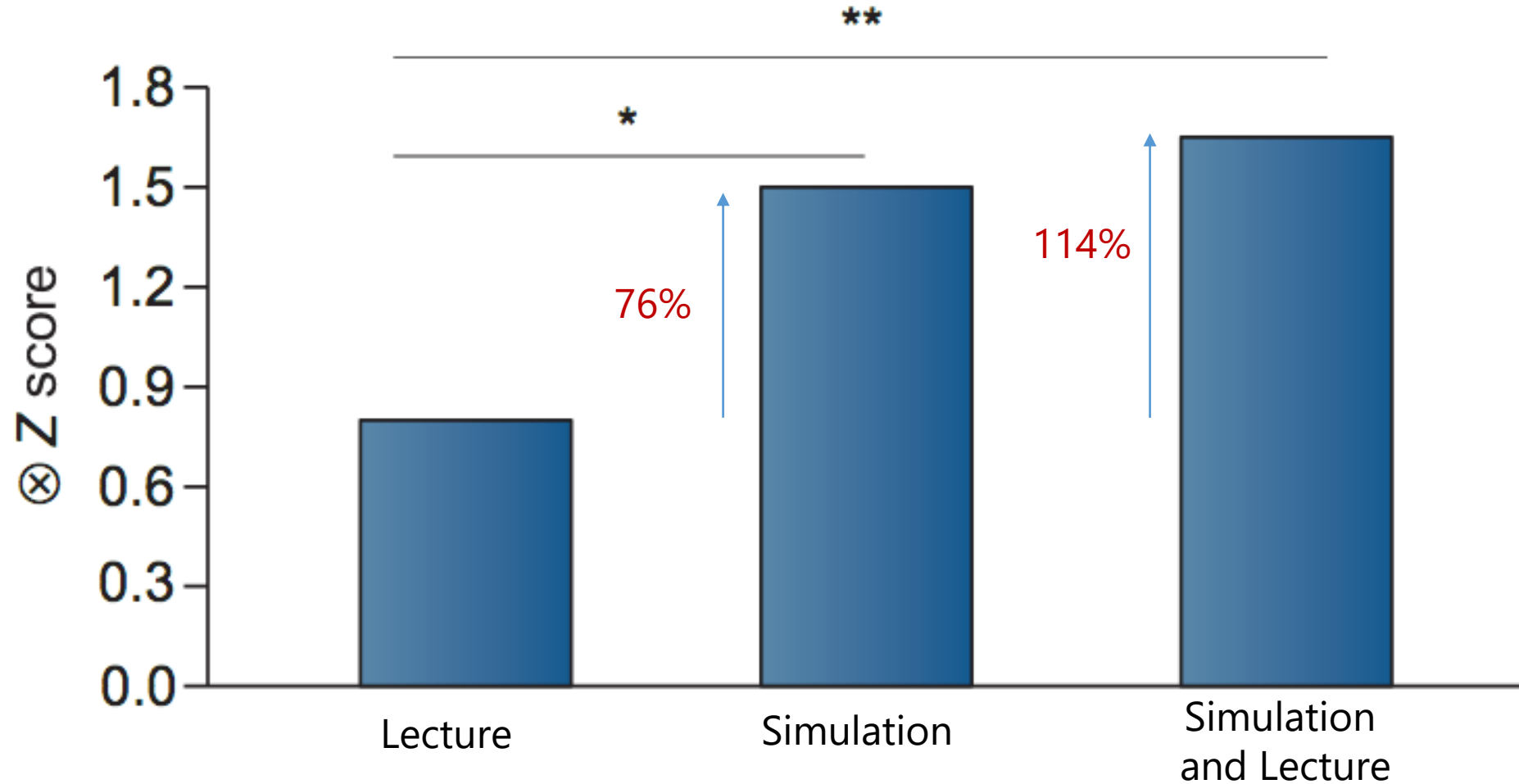
"Overall, well-designed combinations of virtual and physical experiments compared with either one alone allow students to **gain a more nuanced understanding of scientific phenomena and a more robust understanding of inquiry.**"

Science, 2013
Ton de Jong, Marcia C. Linn, Zacharias C. Zacharia

"Physical and Virtual Laboratories in Science and Engineering Education"

Improving Biotech Education Through Gamified Laboratory Simulations

b



PUBLISHED IN NATURE BIOTECHNOLOGY 2014



28%

of Higher Education institutions (>26,000)
have engaged in some level of VR
deployment.

82% of which remain in pilot stages

**2018 VR/AR IN RESEARCH AND EDUCATION SURVEY CONDUCTED BY INTERNET2*

Academic Use Cases

Pupillary Dysfunction

Diseases

None

Left Eye

Right Eye

☐ Relative Afferent Pupillary Defect

☒ 1st order Horner's syndrome

☐ 2nd order Horner's syndrome

☐ 3rd order Horner's syndrome

☐ 3rd nerve palsy

☐ Adies pupil

☐ Physiologic Anisocoria

Medications

None

Apraclonidine 0.5%

Cocaine 4%

Hydroxyamphetamine

Phenylephrine

Pilocarpine 2%

Pilocarpine 0.1%



Left Pupil: 4 mm
Right Pupil: 2 mm

Eye

Left

Right



LOYOLA
UNIVERSITY CHICAGO

EYESIM - OPHTHALMOLOGY VR

A VR ophthalmic training simulator
designed for the classroom.

Light intensity

1 Low

2 Med

3 High

"Please do not blink."

"Look straight ahead."

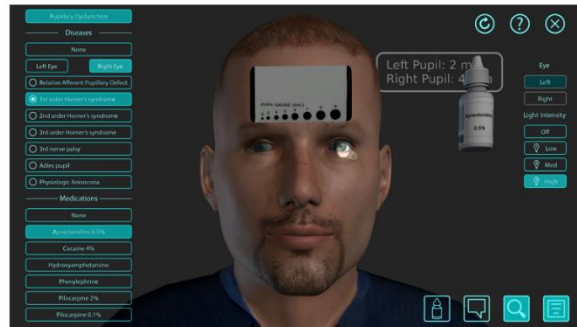


Learning pupillary examination using the Advanced Pupil Simulator among medical students and residents

Sachin Kedar^{1,2}, Jideofor K Ndulue¹, Deepta Ghatge¹,

¹Stanley M. Truhlsen Eye Institute; ²Department of Neurological Sciences, University of Nebraska Medical Center, Omaha, NE, United States.

Advanced Pupil Simulator®



- We recently designed a virtual reality-based application, Advanced Pupil Simulator® (APS) in collaboration with EON Reality Inc. and A Nu Reality
- EyeSim APS is a virtual reality application that allows trainees to work in a simulated environment to identify and master pupillary examination
- The APS consists of a monitor (HP Zvr), 3D goggles and a stylus. The stylus replicates the experience of holding a handheld light used in eye exams. The goggles gives a 3-dimensional representation of the image on the monitor and helps the image track the eye movement of the user.
- The APS has an interactive interface that simulates how medications and lighting affects the pupil. Eight pupillary conditions (normal, relative afferent pupillary defect (RAPD), Horner's, 3rd nerve palsy, Adie's pupil and physiologic anisocoria) can be simulated and confirmed using appropriate pharmacologic eye drops.

Methods

- 145 trainees (126 first-year medical students, 15 neurology and 4 ophthalmology residents) participated. All trainees reviewed an online power-point module, received a 15 minute demonstration and practiced pupillary examination in groups of 3 assigned to an expert faculty on the APS for 30 minutes.
- All trainees completed a Likert-type questionnaire (1 = not confident, 5 = very confident) before and after the session to assess confidence in performing pupillary examination.
- All trainees were objectively assessed for knowledge, comprehension, application and analysis using test mode on the APS.
- Statistical methods: Differences in pre-and post-training confidence was tested using

Results

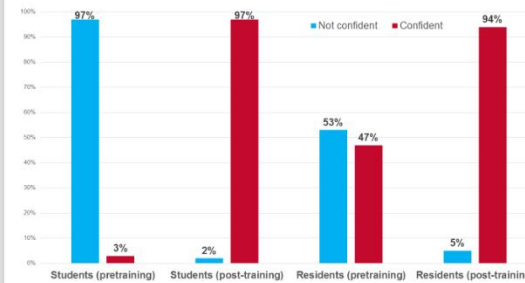


Figure 1. Participants confidence to perform pupillary examination before and after training with the Advanced Pupil simulator.

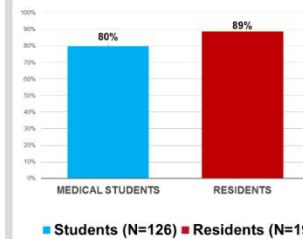


Figure 2. Proportion of participants who correctly demonstrated all steps of pupillary examination after training with the Advanced Pupil Simulator

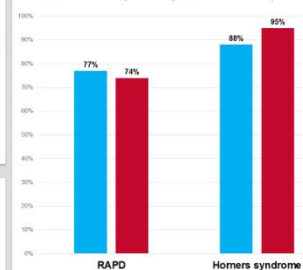


Figure 3. Post training assessment: Correct diagnosis of RAPD and Horner syndrome

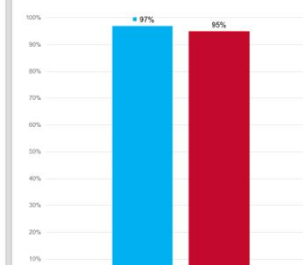


Figure 4. Post training assessment: pharmacological confirmation of Horner's syndrome



- 97% (122) students and 10 (52%) residents reported improved confidence in performing pupil examination after training with APS.
- 80% (101) students and 89% (17) residents were able to correctly list and demonstrate all steps in pupillary examination.
- 77% (97) students and 74% (14) residents correctly identified RAPD while 88% (111) students and 95% (18) residents correctly identified Horner's syndrome.
- Post training, students reported improved confidence in identification of all pupillary abnormalities ($p=0.00$), while residents reported improved confidence in diagnosing Adie pupil ($p=0.00$) and using pharmacologic agent to confirm anisocoria ($p=0.00$).

Conclusion

- Virtual-reality based practical training can shorten time to competency for critical medical examination techniques
- All trainees showed improved confidence in pupillary examination after using the APS.

Results

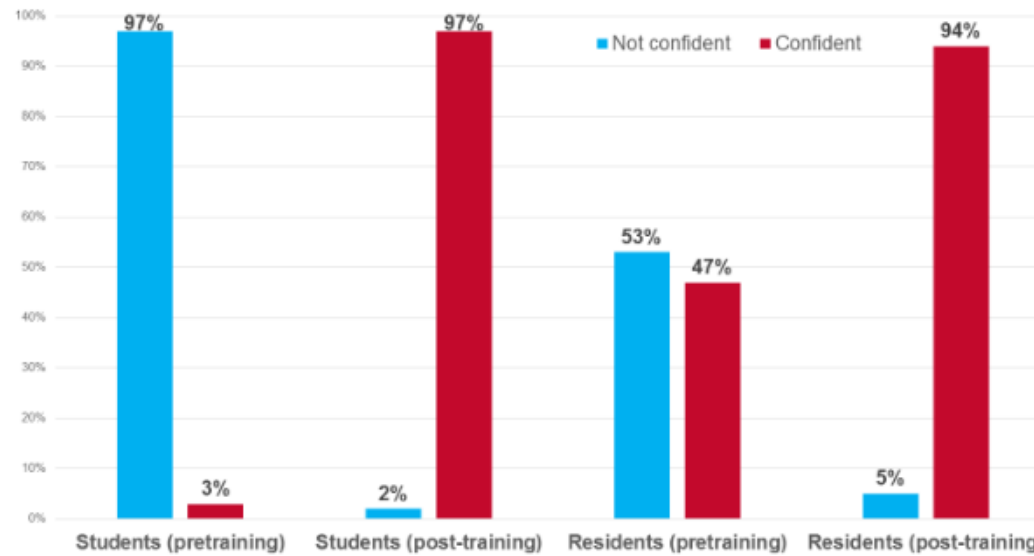
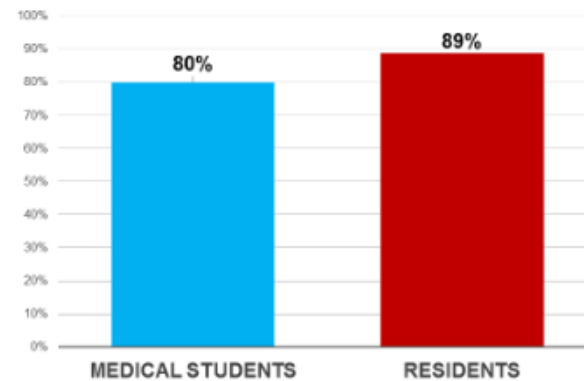


Figure 1. Participants confidence to perform pupillary examination before and after training with the Advanced Pupil simulator.



■ Students (N=126) ■ Residents (N=19)

Figure 2. Proportion of participants who correctly demonstrated all steps of pupillary examination after training with the Advanced Pupil Simulator

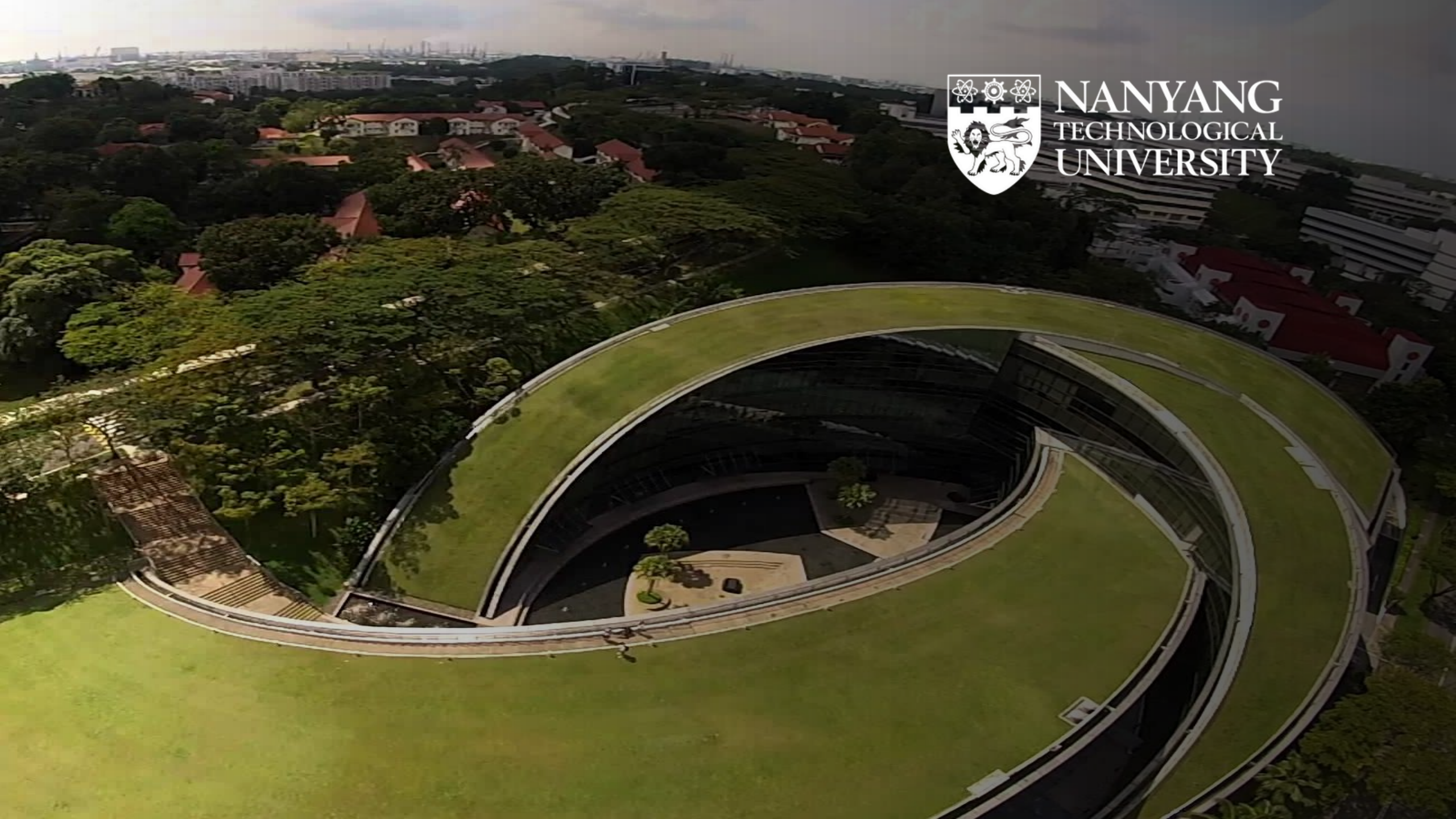
UIMM

LA FABRIQUE
DE L'AVENIR






NANYANG
TECHNOLOGICAL
UNIVERSITY



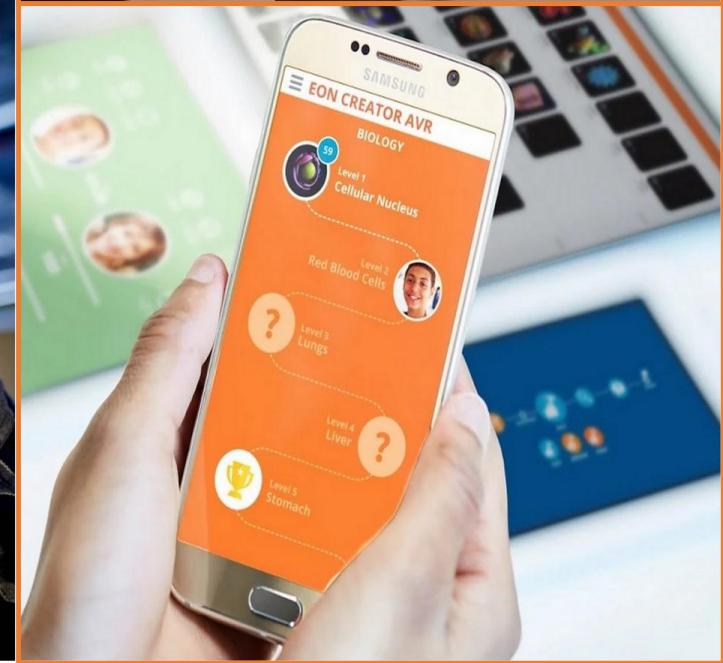
AVR For Education

In 2015 NTU launched a 5 year, **\$75 million** project in TEL (Technology Enhanced Learning) to further enhance its strength in the face of global competition. Read more [here](#). 

In 2017 EON Reality was selected to provide the needed **AR/VR infrastructure** – including a scalable software platform, a wide range of AR/VR systems and more.

The use of AR and VR in education enables a “**flipped classroom**” solution for millennial generation:

- **On campus**, Virtual Labs for Engineering, Physics, Social Sciences and more
- **Off campus**, students experiencing AVR contents on their own devices









Institute of Technical Education

Institute Of Technical Education

ITE, Institute of Technical Education, educates and trains over 25,000 students each year.

ITE is using EON Reality's technology platform for delivery of education and training in courses within:

- Marine and Offshore
- Aerospace Technology
- Space Design
- Facility Management
- Hospitality
- and more.

eCampus – Public Education in Province of Ontario

31 Higher Education Institution implementation, testing and delivery of the AVR Platform.

- Training Certification Level 1
- 1,400 Licenses deployed
- Large student pool in Ontario public higher education

Once Pilot is complete, EON has the opportunity to secure somewhere between 100,000 to 300,000 users annually

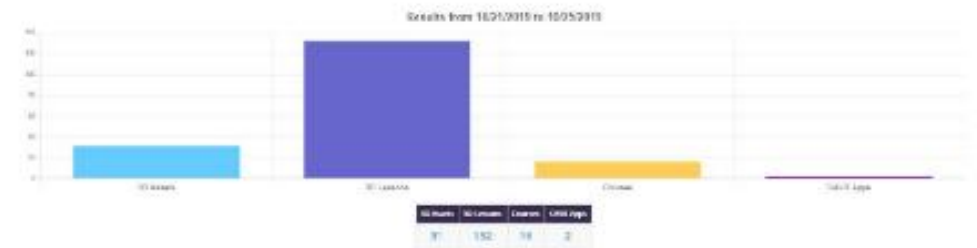


Post Workshop Data:

Creator AVR

181

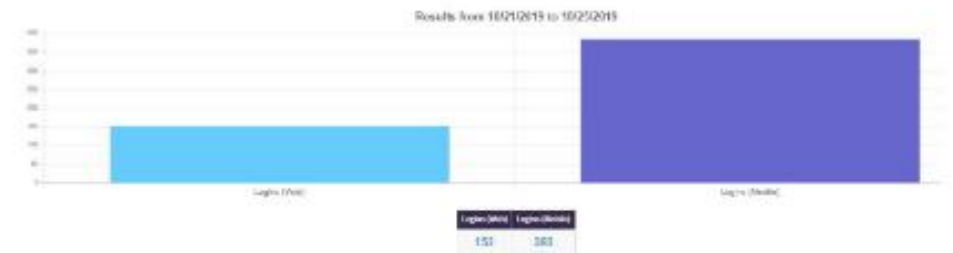
Items Created



Logins

535

Total Logins







Incorporating cARdiac ECG into the teaching on ECG helped me to learn this material in a new way



cARdiac ECG contributed to my understanding in a way that would not have been possible by attending a lecture or reading a textbook



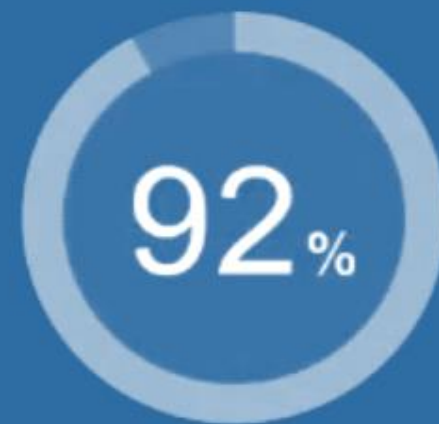
I would like similar applications to be implemented into other topics/ teaching



cARdiac ECG was easy to use and understand



I found the cARdiac ECG app motivated me to learn more about the ECG



I would like to use cARdiac ECG again

Advancing AVR Education & R&D

Eon Reality Education

ACADEMIC EXPERTS DRIVE INNOVATION
IN EDUCATION

EON Reality Education is a non-profit focused
on advancing the cause of Augmented and
Virtual Reality (AVR) education and research.





Led By Professor Bertil Andersson

Who reformed teaching through
introduction of educational technology
and collaboration with Eon Reality at
Nanyang Technological University

- 2007 -2011 PROVOST
- 2011-2017 PRESIDENT



Eon Reality Education Advisory Board Members



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Chairman
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NTU



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Deputy Director of the
Directorate for
Education and Skills,
OECD



Jose Ignacio Wert
Former Minister
of Education,
Culture and
Sports, Spain



Jan Carlstedt
Senior Advisor
– Medicine,
NTU



Peter Looker
Head of
Learning,
Teaching &
Pedagogy, NTU



**Chee Yeow
Meng**
Interim Dean,
College of
Science, NTU



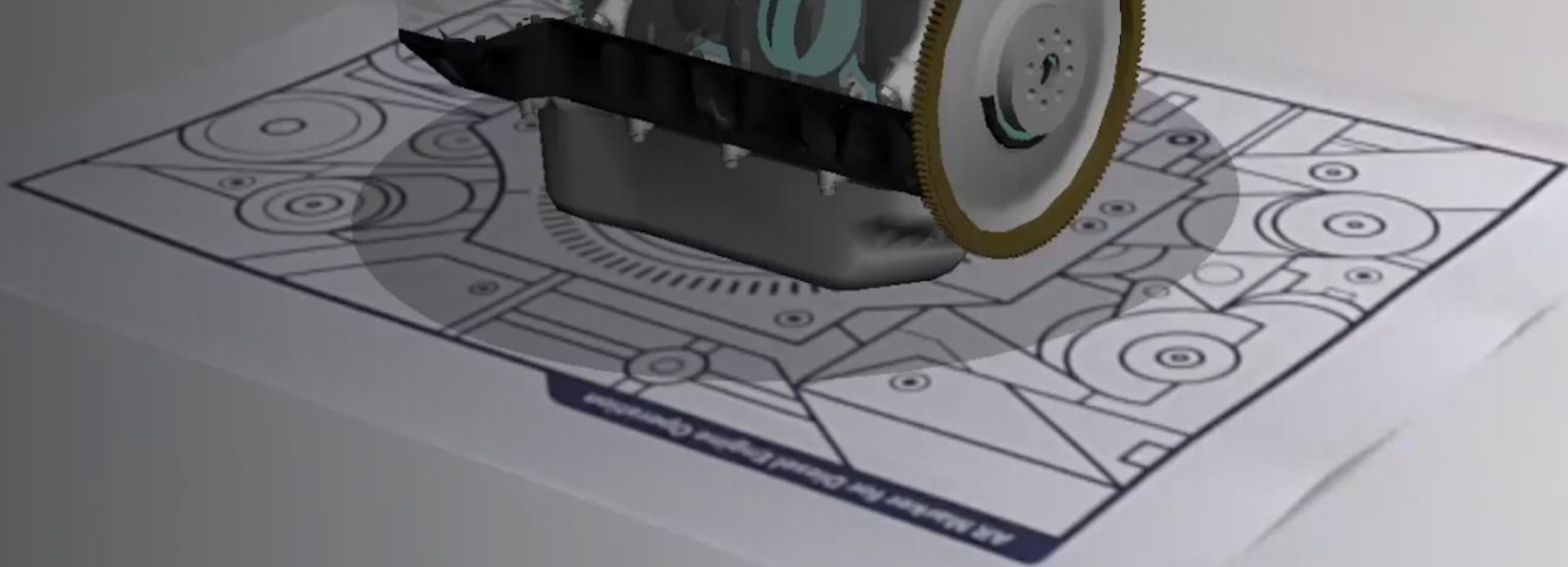
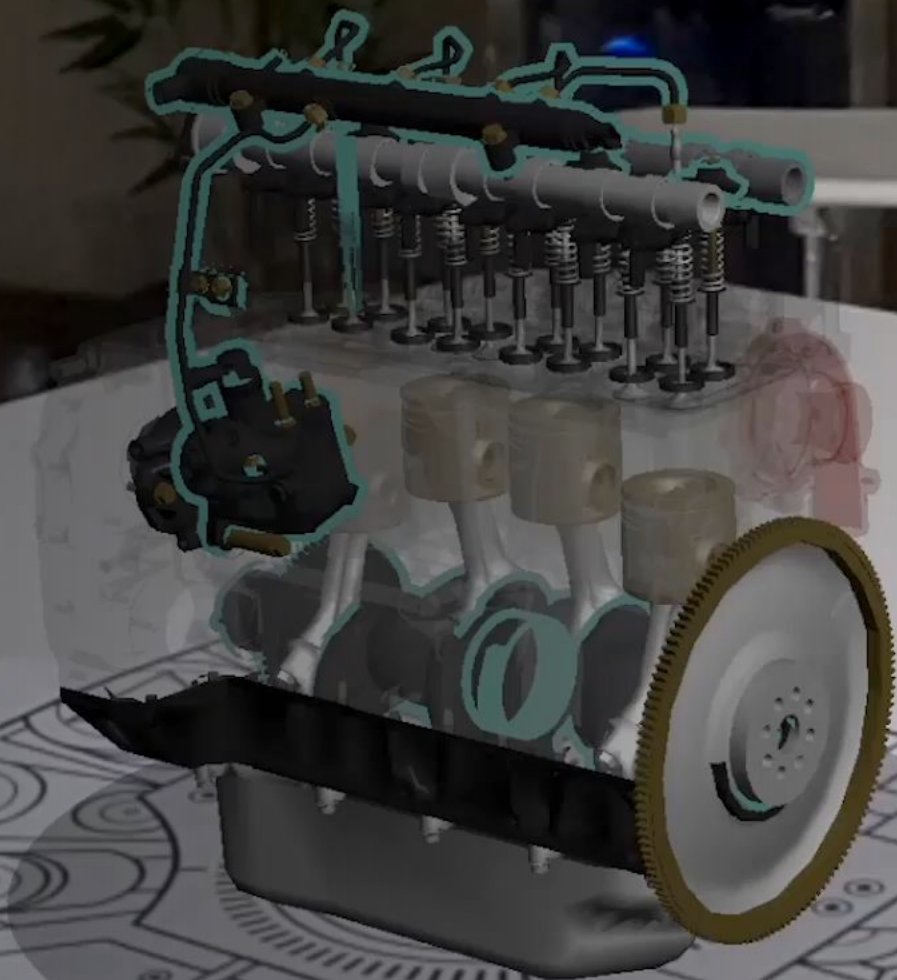
José Escamilla De Los Santos
Education Innovation
Director, Tecnológico de
Monterrey

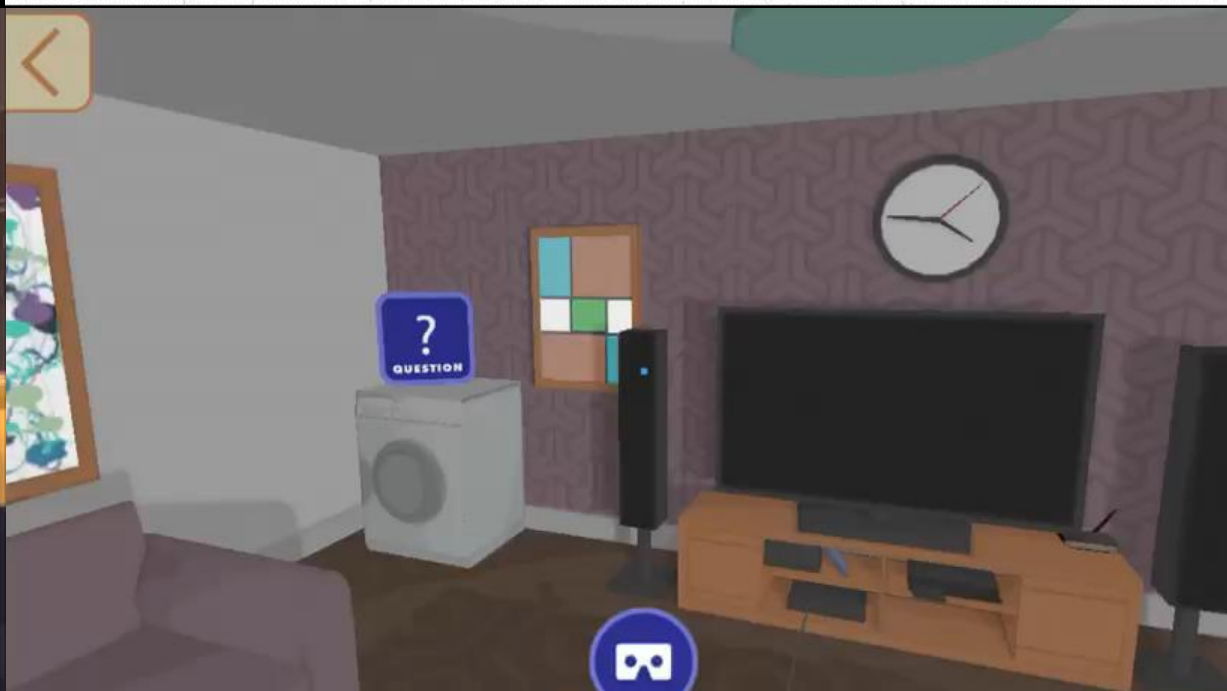
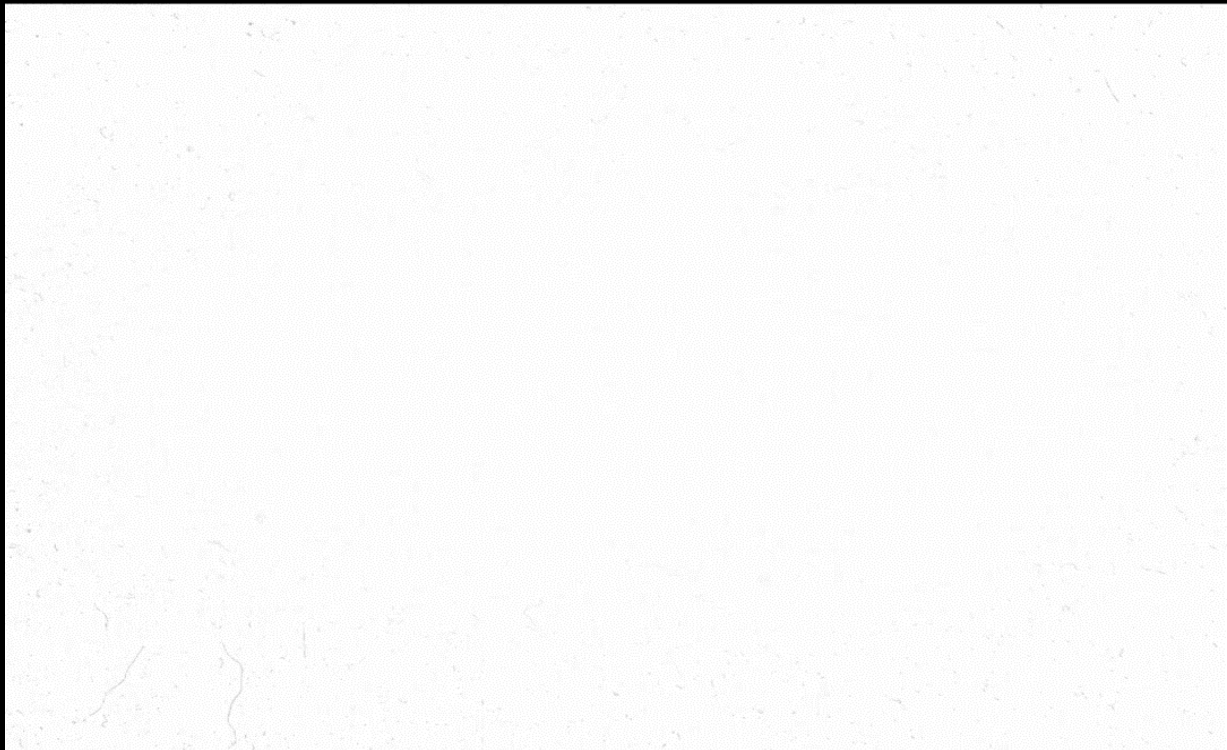
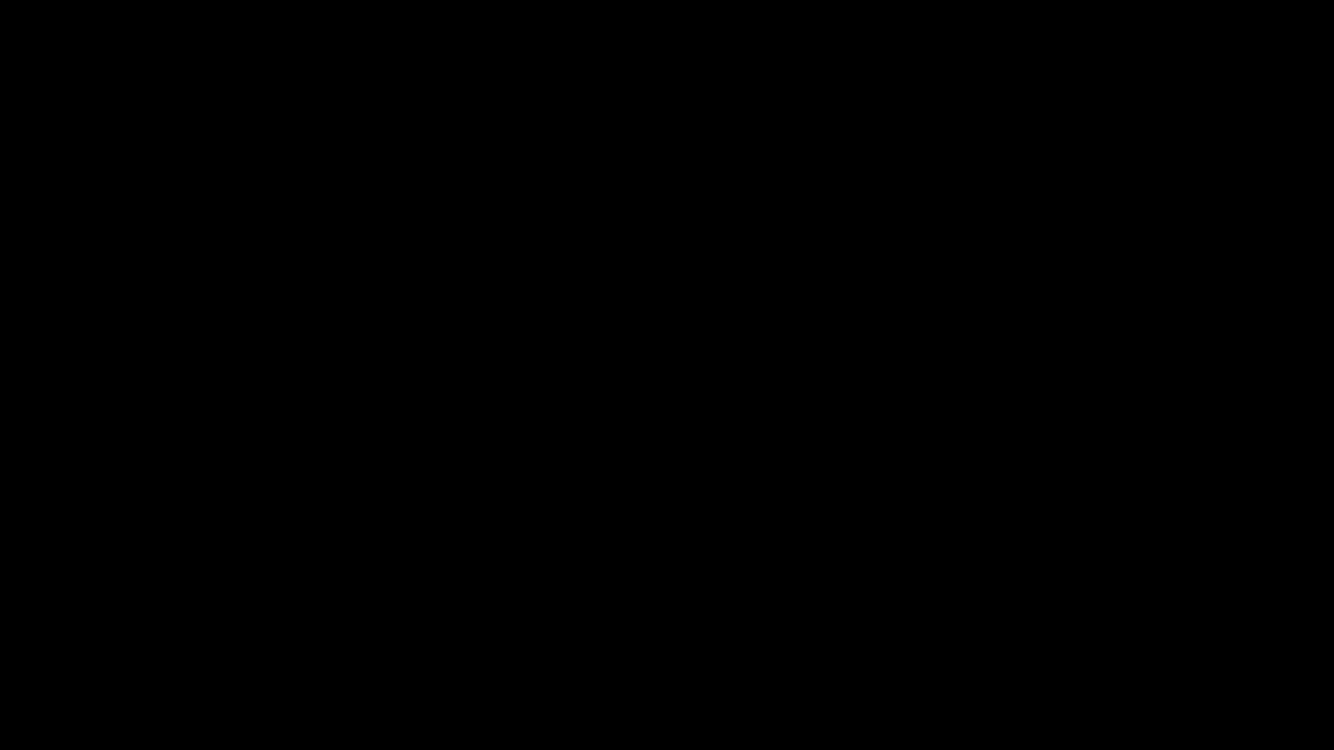
Knowledge Is A Human Right

eon Learn for Life

The EON Learn for Life Program dedicated to fostering vocational skills, technical training, and education in the immersive arts throughout the developing world.







Research Grant Leverage

NTU EON CORPORATE LAB GRANT

[NTU: Nanyang Technological University](#)

After the successful investment from NTU in the IDC 2017, NTU invited EON in May 2017 to jointly develop an NTU EON CORPORATE LAB, modelled after existing NTU corporate labs

- NTU have anchored a grant based on the following components:
 - Focus on Security, Health and Safety
 - Partnership of 5 years
 - 90 people strong lab
 - National Research Foundation/NRF \$20M cash
 - NTU \$4M cash + \$6M in-kind

■ [\\$30M USD Singapore Government Grant](#)

\$30M GRANT

Research grant Leverage - help securing grants through EON's industry partnership that provides leverage through in-kind contribution and commercialization opportunities of the research outcome



The EON AVR Platform

AVR

PTC

AUTODESK

SIEMENS

DASSAULT
SYSTEMES

LMS 360°
VIDEO

GIS

iOT

EON AVR
PLATFORM
AGNOSTIC

IMAGE
RECOGNITION



ODG



Google Lens

SLAM

LRS

oculus

Microsoft
HoloLens

FACEBOOK
AR STUDIO

SAP

Tango

VIVE

ARTIFICIAL
INTELLIGENCE

SCORM

UNREAL
ENGINE

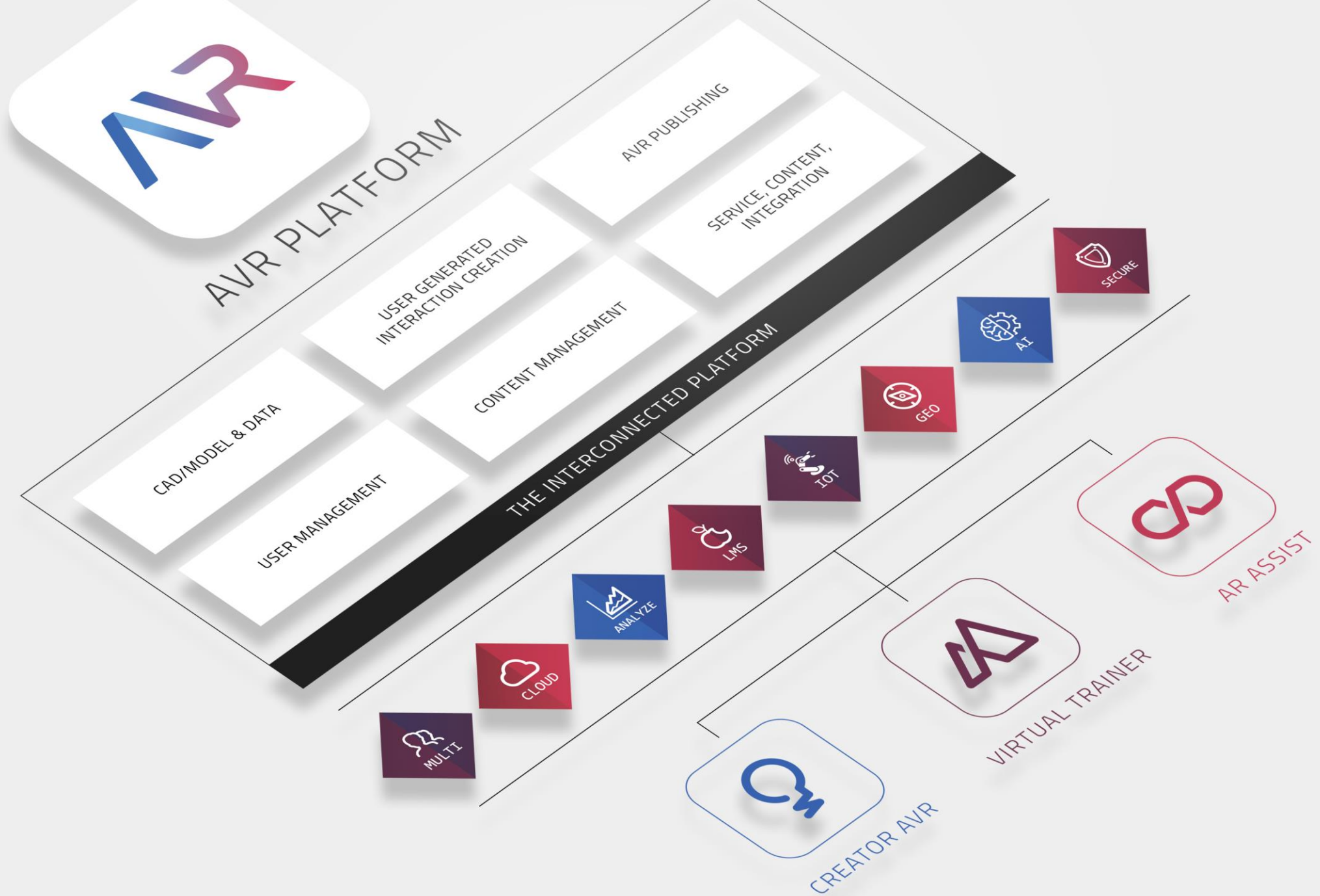
ORACLE

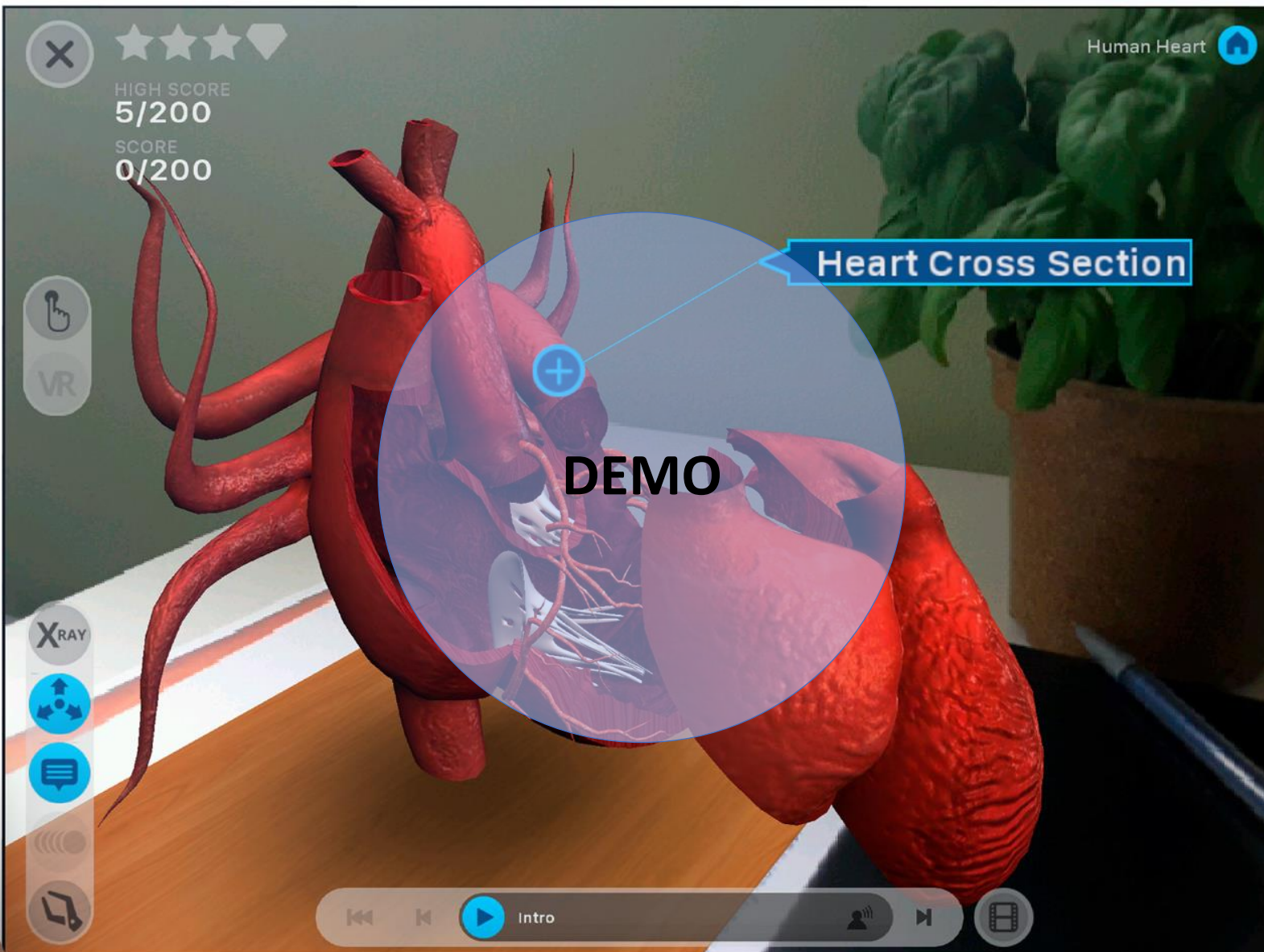
xAPI

OGRE



unity





EASI Platform

Effortless

- New Easy-To-Use User Experience On Desktop And Mobile

Affordable

- 870,000 New 3D Assets Integrated With The Platform,
- New AVR Application Vault

Self-Service

- New First Time User Experience,
- New 360 Content Creation,
- New CAD Cloud Conversion To AVR Portal

Interconnected

- New Virtual Trainer Interconnected Product Features

Effortless

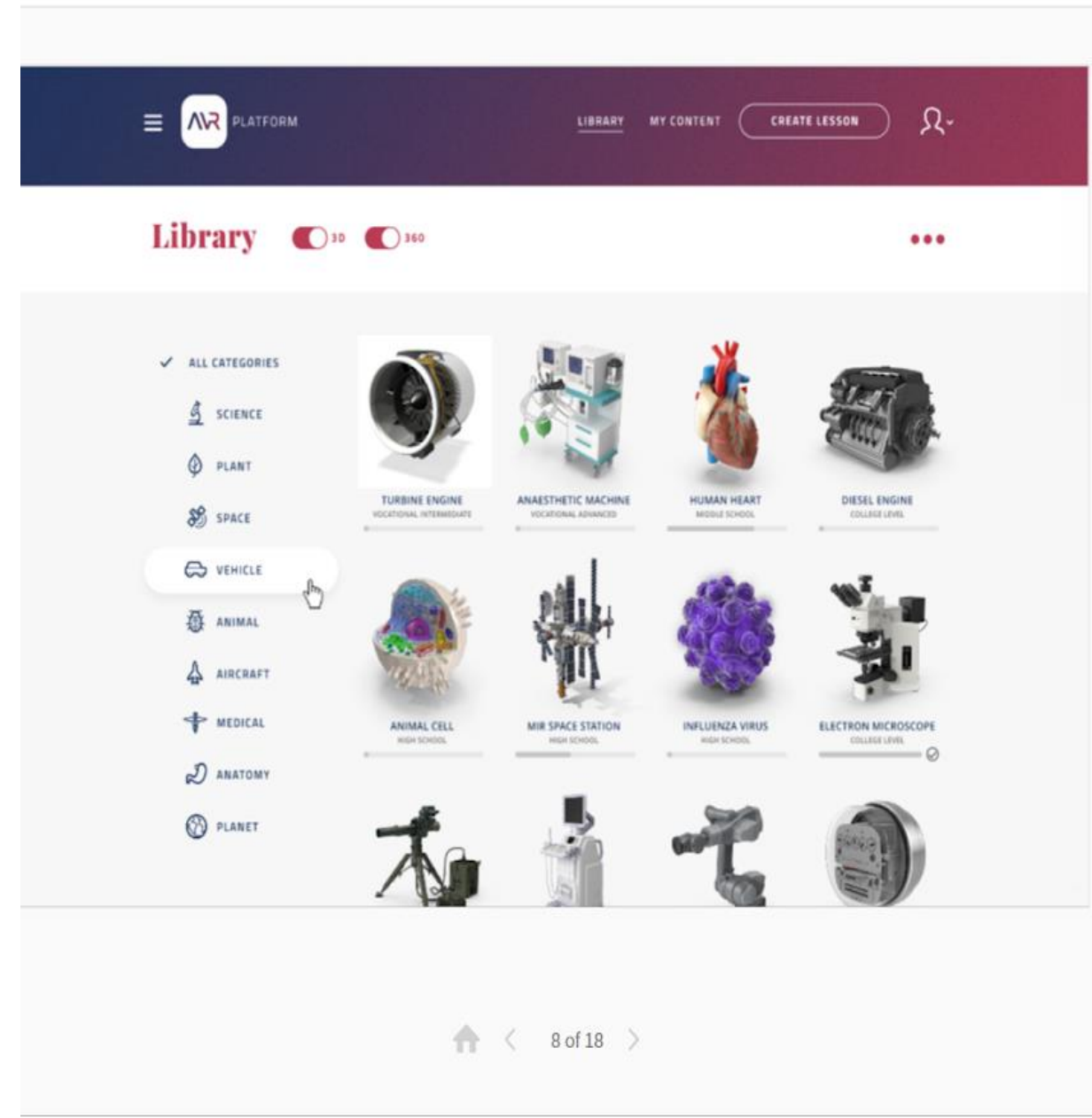
INTERACTION SIMPLIFIED

Pre-made lessons and 3D assets available for customization or immediate deployment

Intuitive, Easy-to-Use user interfaces makes lesson creation a breeze

Make lessons readily available outside the classroom anywhere and anytime

Capability to create and refine individualized lessons for different learners



Affordable


NO EXTRAVAGANT SET UP COSTS

No major investments in hardware required to get started

Lowered opportunity costs from time savings




Find an affordable package to suit your profile

EON can co invest in establishing an AVR enabled Center in your institution (conditions apply)

COMPANYCASE STUDIESEDUCATION PLANSENTERPRISE PLANSIGN INSIGN IN / REGISTER

Educational Plans for Students, Teachers, & Schools

Subscriptions	STUDENT	TEACHER	CLASS	SCHOOL	CAMPUS
STARTING AT	Free	\$W/Month	\$X/Month	\$Y/Month	Same Day Quote
		START NOW	START NOW	START NOW	GET QUOTE
Experience 3D Lessons	●	●	●	●	●
Web	●	●	●	●	●
Mobile	●	●	●	●	●
Virtual Reality		●	●	●	●
Augmented Reality		●	●	●	●

2 of 18



Self-service


DO IT YOURSELF

Take your pick from **more than 870,000 3D models** and environments in 360° to create and refine your own lessons


Linked to Google to **make information retrieval and content population** ready at a click

Can't find a 3D model? **Upload your own** in a wide range of formats supported by the EASI AVR platform

 PLATFORM




LIBRARYMY CONTENTCREATE LESSON

Import 3D Assets


DRAG FILE HERE
OR CLICK TO BROWSE

Accepted formats:

GEO, 3DS, ASC, ASE, PRJ, FBX, COB, SCH, C4D, DAE, X, GBR, GBP, GPT, GTL, GTO, GTS, GKO, GBL, HPGL, PLT, IOB, ISO, NC, LWO, LW, LWS, MAX, MA, MB, OFF, IV, FLT, PTS, PLY, PGM, RAW, PRO, PDB, 3DM, RH, SIA, SKP, XSI, STL, U3D, VDS, VZXML, RHZ, WRL, VRML, OBJ, XAML, SAT, DWF, DWG, DXF, DST, SESSION, EXP, DLV, MODEL, CATPRODUCT, CATPART, CATSHAPE, CATDRAWING, 3DXML, CGR, ASM, XAS, NEU, PRT, XPR, DRW, IFC, IGES, IGS, IAM, IPT, JT, DGN, PRT, X_B, X_T, PLMXML, ASM, PAR, PSM, PWD, DFT, SLDASM, ASM, SLDPRG, PRT, SLDRAW, STEP, STP, STP2, STP, ZIP

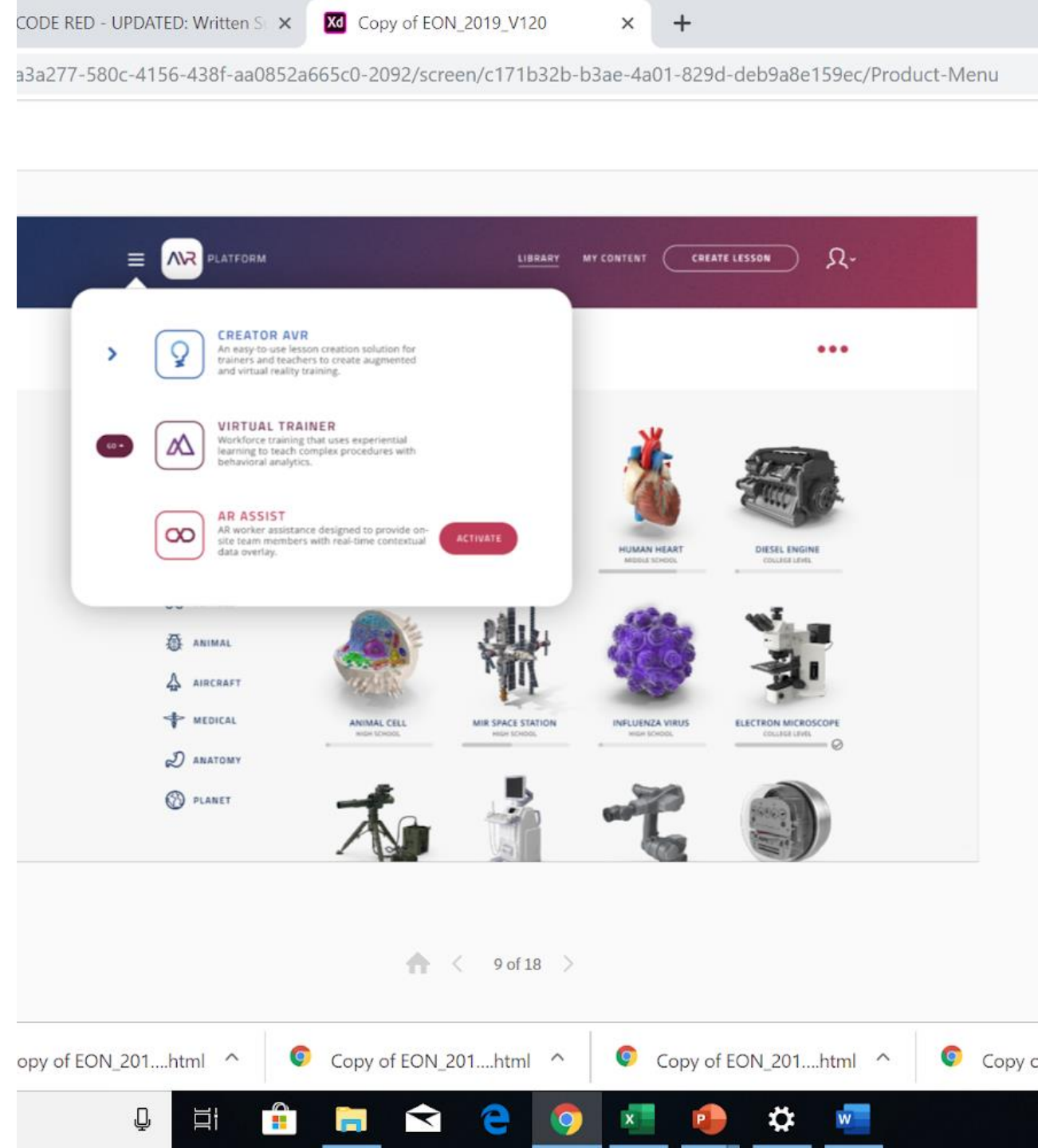
 16 of 18 

Interconnected

MULTI-MODAL LESSONS ACROSS ALL REALITIES

Find a presentation mode that best suits your teaching and learning objectives

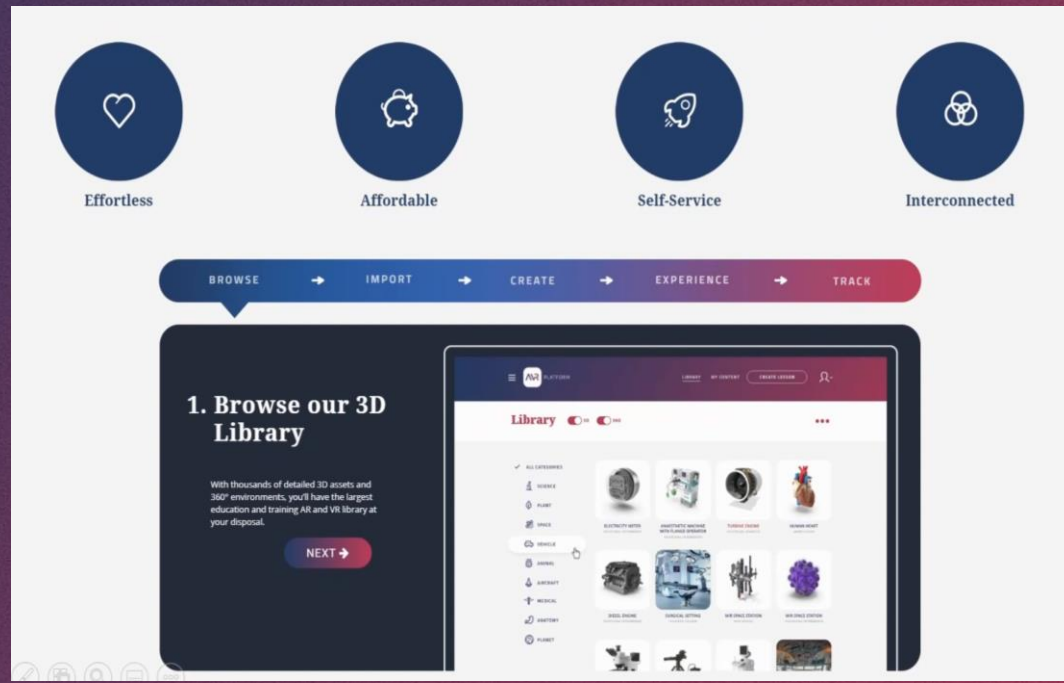
Immediately customizable lessons can be created in **all modes of mixed reality** using vast library of digital assets



End To End Solution For AVR Knowledge Transfer

AVR PLATFORM – Comprehensive AVR Platform to Develop, Run, Manage, Access, Store, Host & Distr. AVR

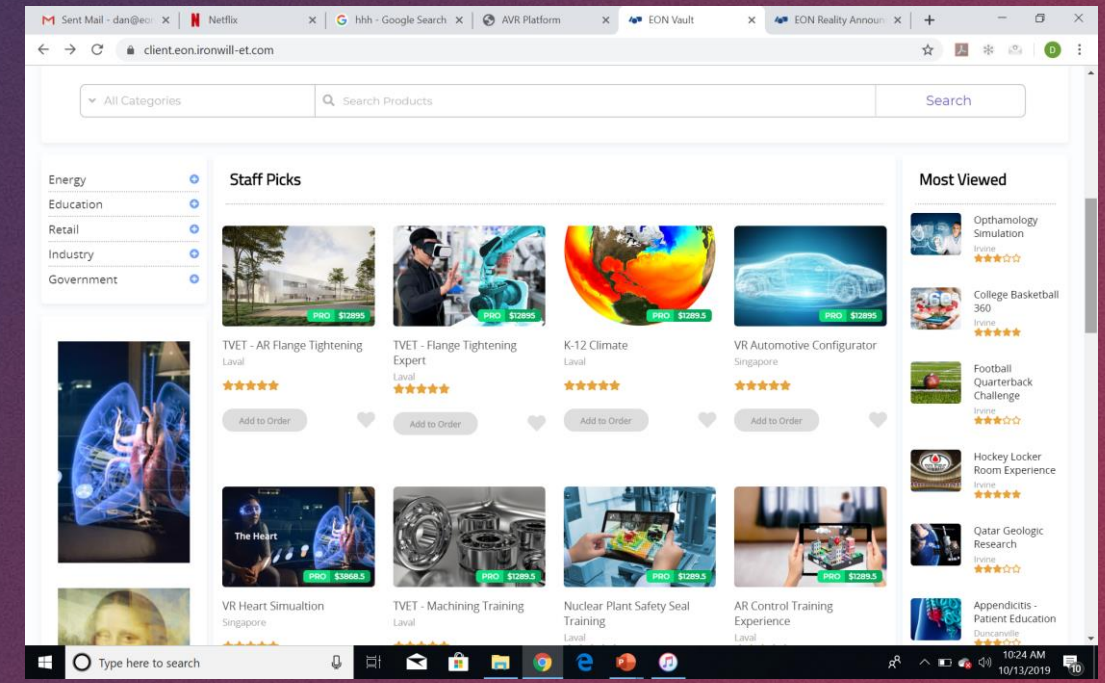
- Effortless
- Affordable
- Self service
- Interconnected VR AR Mobile
- Access to 870,000 3D assets



<https://betaaccount.avrplatform.com/Home/IndexV2>

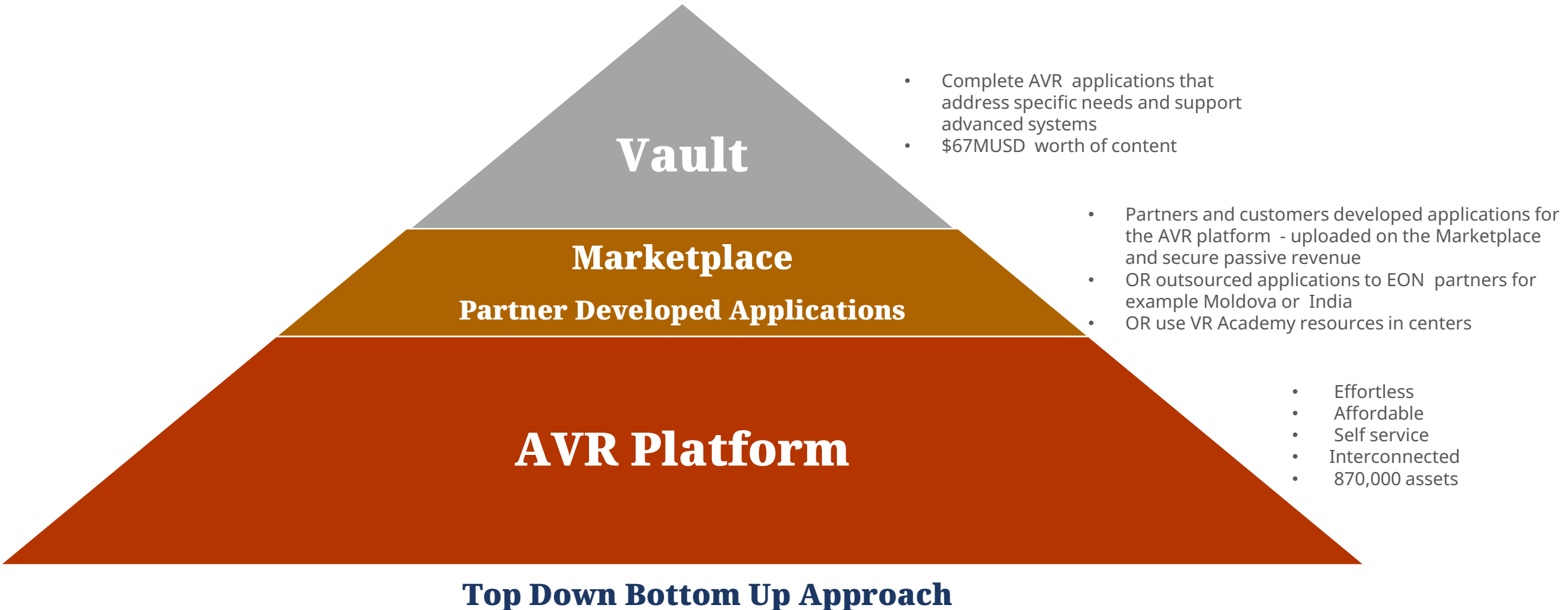
VAULT - Vast Catalog of Augmented and Virtual Reality Applications

- Advanced Complete Application
- Addresses Specific Needs
- Supports advanced AVR Systems
- Certified by Academic Customers
- Marketplace with Revenue opportunities



<https://www.eonreality.com/press-releases/eon-reality-vault-announcement/>

End To End Solution For AVR Knowledge Transfer

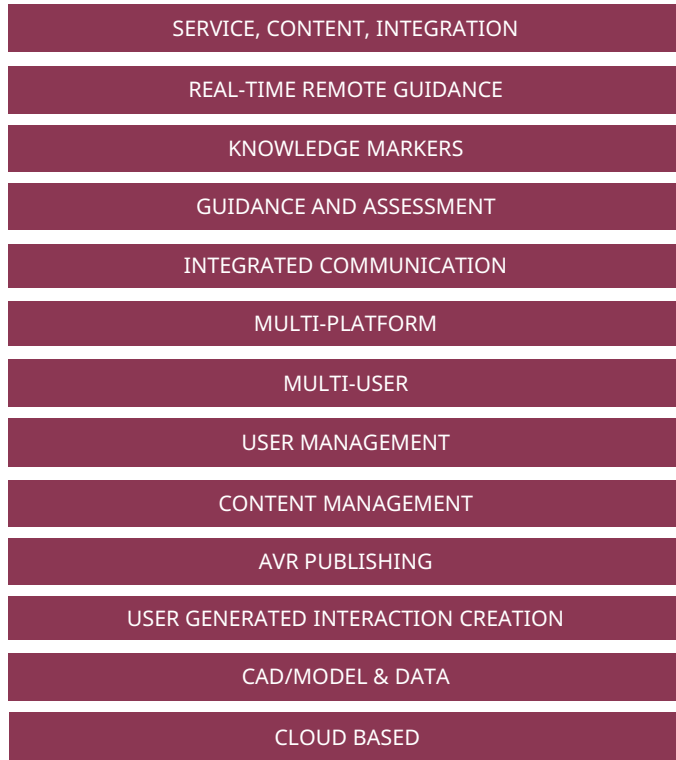


AVR Platform Vs. Project Approach

THE AVR PLATFORM IS COST-EFFICIENT, FASTER AND BETTER

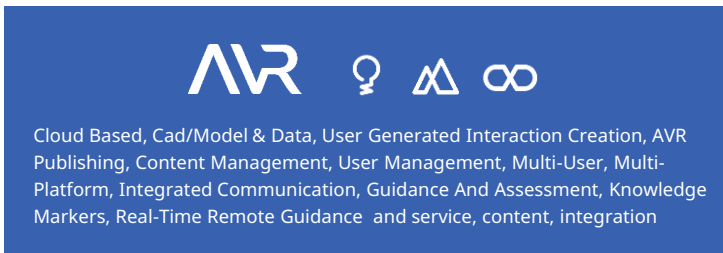
PROJECT APPROACH

Need to build the AVR functionality for knowledge transfer from scratch, requires skilled coders, time & significant investment



AVR PLATFORM

Uses existing Build-in functionality, does not require skilled coders, nor significant time & investment. In addition service & integration costs are included.



>60% MORE COST EFFICIENT

- Less upfront investment with the AVR Platform as:
- The key required AVR functionality is already developed & included
- \$25K of service, content & integration is already included
- No need to use programmers to build the required functionality from scratch on top of Game Engines
- Typically cost savings are in the range 60% to 80% for pilots and more for implementations

> 70% FASTER

- Less Time required for implementation as:
- AVR platform can deliver the required functionality upfront
- We have seen an average reduction in time > 70% up to several hundred percent depending on the scope of the implementation

BETTER

- Scalable & interconnected platform from pilot to corporate wide deployment
- Existing knowledge transfer products for learning, training and performing
- Built-in Features needed for a vast majority of use cases.
- Architecture allows for reuse of assets between AVR products
- Data integration and sharing between AVR platform and legacy systems
- Robust backend capabilities that use AVR platform products as a front end

GAME ENGINES



AVR Landscape

AVR Landscape

Hardware Platform Providers - Eon Partners Not Competitors
Eon's AVR Platform Agnostically Publishes To These Hardware Devices



B2C Entertainment, Gaming & Consumer
Eon Does Not Compete In This Space



B2B Enterprise & Education AVR Platform
Knowledge Transfer



For details please see [Competitive Landscape & Why is EON uniquely positioned](#) (33 pages PP)

Game Engines - Eon Partners Not Competitors
Eon's Avr Platform Can Agnostically Integrate With These Engines



Global Strategy

Interactive Digital Center

EON Reality's Interactive Digital Centers (IDC) are regional Augmented and Virtual Reality Centers designed to help enhance regional knowledge transfer and grow a region's digital economy. They are key to the growth of EON Reality's Human 2.0 vision and empower their regional workforce to better adjust to economic disruption and job displacement. IDCs also develop applications targeted at specific regional needs, localize existing EON Reality content, and educate the next generation of AR and VR professionals, through the VR Innovation Academy.

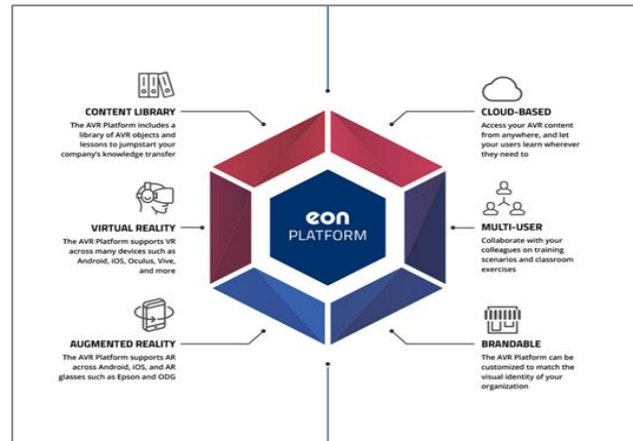


Interactive Digital Centers

Global Initiative to realize the Human 2.0 Vision by Partnering with Governments & Academic Institutions

Regional Platform & Vault Deployment

Regional deployment of AVR platform to uplift millions of smart students & smart workers for the jobs of the future starting with Testbed of 7000 students, 1500 workers per Year for 5 Years & Implementation phase >100,000 users



AVR Content & IP Creation

Teachers, subject matter professionals and students create new AVR lessons and knowledge modules.

Global AVR Marketplace

Access to EON's global Marketplace and network in more than 70 countries that provides revenue opportunities from IDC developed AVR applications (70% goes to local partner)



EON Investment

Significant EON Investment Contribution >75% co-investment in the center with selected Partners, subject to the fulfillment of the qualification requirements

References

Global Center Target 100 IDC's in 36 Months

Signed

Awarded
Irvine, CA
Gothenburg, Sweden
Singapore
Manchester, UK
Jeddah, Saudi Arabia
Toledo, Ohio
Buenos Aires
New York
Cape town
Denmark
Spain
Vietnam
Italy
Taiwan
Russia
Oman

Oklahoma, US

Iowa, US
Nebraska, US
Norway
Dominican Republic
Jinshui, China
China, Xiamen
Spain
Tokyo, Japan
Kyoto, Japan
Kosovo
Moldova
Kyoto
Canada
Kentucky
Ethiopia
India
Malaysia
Morocco

High Probability

Swiss
Kuwait
Romania
Brazil
Southampton UK
Jordan
Indonesia
Mississippi
Aalborg
Thailand
Wales
Bulgaria
Italy North East
Vietnam

In Negotiation

Austria
India
Estonia
Lithuania
Naples
Nebraska
Dallas
Bergen
Arizona Univ
Gdansk
Odense
Slovenia
Serbia
Johannesburg
Durban
Turin
Malta
Basque

Candidates visited IDC's

Finland
Barcelona
Zimbabwe
Concordia
Jamaica
Bulgaria
Spain 2
India 2
Sweden
Poland
Israel
Austria
Germany
Australia
Trondheim
IDC China 3

EON Visited Candidate

Korea
China 3
Madrid
Seychelles
Malaga
Korea 2
Portugal
Cuba
Netherlands
Zimbabwe
Canada
Colombia
Albania
Armed forces SA
Uganda
Kenya
China 4
UofL Lafayette
Colombia
Peru

Chile
Costa Rica
El Salvador
Panama
Germany 2
Ireland
Iceland
Uzbekistan
Kazakhstan
Tajikistan
Czech
Latvia
Nigeria
Egypt
Mexico 2 Morelia
Italy Tuscany
USA 5
Spain 3 Madrid
Macedonia
Malaysia
Thailand 2
Spain 2
Cyprus
Nepal
Botswana
Belarus
Indonesia
France
Orleans
China 5
China 6
India 3



IDC Hub Singapore

NTU, Nanyang Technological University, is one of the top Universities world-wide, 1st In The World Amongst Young Universities and [ranked Top 10 globally](#) in several subjects.

NTU has over 30,000 students and is led by its President, former Nobel Prize Committee Chairman in Chemistry, Professor Bertil ANDERSSON. In 2015 NTU has launched a 5 year, **\$75 million** project in Technology Enabled Learning to further enhance its strength in the face of global competition. Read more at <http://www.channelnewsasia.com/news/singapore/ntu-to-spend-s-75-million/2204774.html>

In 2015 NTU also selected EON Reality's technology platform for an initial facility consisting of EON Icube, EON Ibench Mobile, tablet solutions and EON Reality's scalable software platform.



IDC Hubs In China

China Merchants Group (CMG) is a leading state-owned conglomerate based in Hong Kong, under direct supervision of State-owned Assets Supervision and Administration Commission of the State Council. By the end of 2016, the company had the total assets of 1.06 trillion RMB, the total assets under management of 6.92 trillion RMB. The company's profits hit a record high in 2015, with the revenue of 505.3 billion RMB, the total profit of 111.28 billion RMB. It has been recognized as Level-A SOE for twelve consecutive years from 2004 to 2015

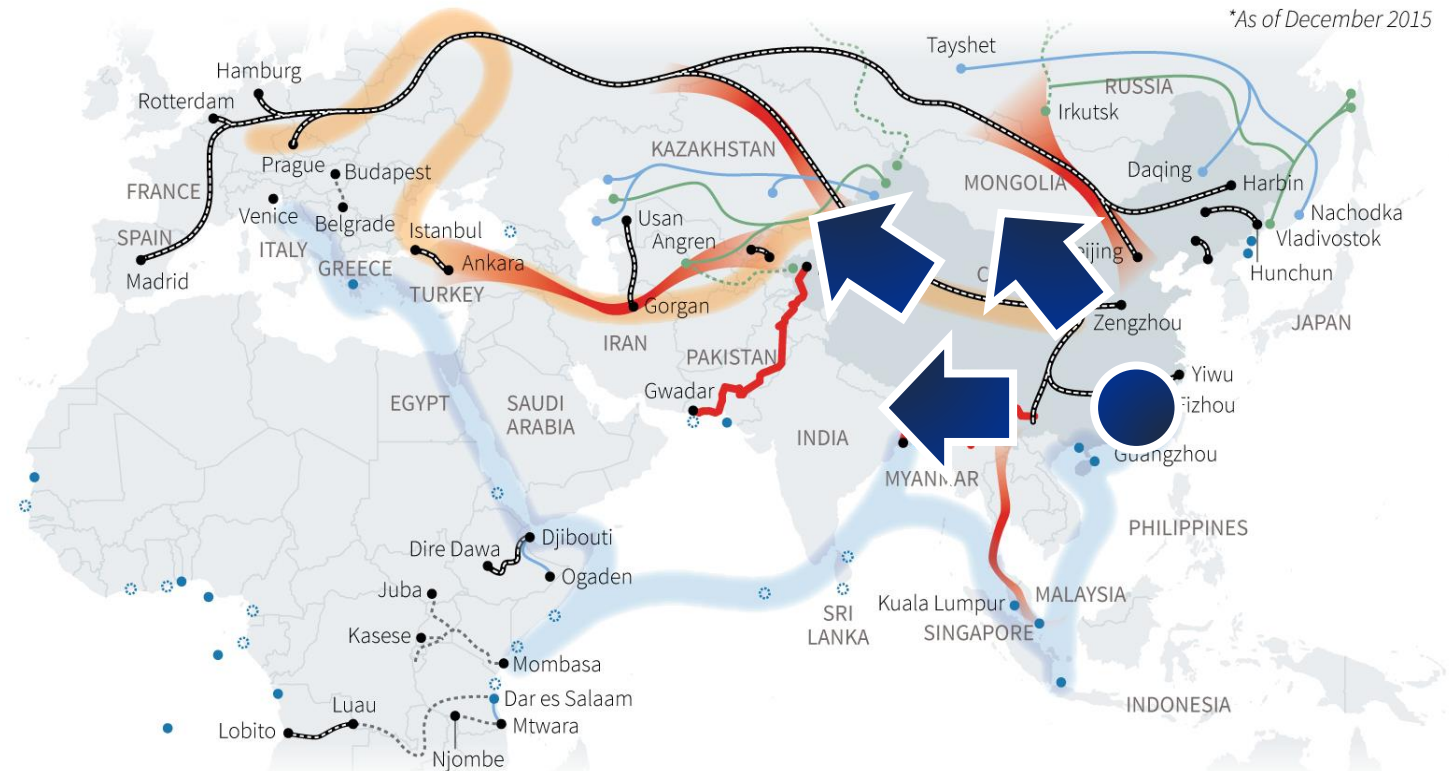
Belt and Road Initiative

UNDER DISCUSSION – CONFIDENTIAL

As part of the OBOR – **One Belt, One Road** – EON Reality and China Merchants Group has initiated discussions on the initiative to roll-out additional Top Down Account (Top Down Account's) in China and overseas. First oversee Top Down Account already verbally committed in Central Europe.

The first Top Down Account Hub in Zhangzhou would be the Hub from which to build capability and capacity to support this roll-out.

*Top image: Chairman **LI Jianhong** (centre) of China Merchants Group meeting with EON Reality founder **Dan LEJERSKAR** in China (2017 Sept.).*





H.E. Dr. Shiferaw Teklemariam, Minister of Education in Ethiopia and Dan Lejerskar, Chairman EON Reality during the signing ceremony

IDC Hub In In Ethiopia

A new IDC hub partnership was signed with the **Minister of Education in Ethiopia targeting a national rollout of AVR applications** for knowledge transfer to millions of students and workers throughout the country. The Center will be located in the city of Addis Ababa and will be the third Interactive Digital Center in Africa. With nearly 100 million inhabitants Ethiopia is the second-most populous nation on the African continent and has the largest economy (by GDP) in East Africa and Central Africa. The country has registered over 10% in economic growth over the last decade and the government is currently implementing a **Growth Plan which aims to transform the country into a manufacturing hub and turn Ethiopia into a lower-middle-income country by 2025 with growth targets of 11% on average and 20%.in the industrial sector.**

Partner Structure And Funding

Shared Model



- ✓ Globally proven and sustainable IDC Model
- ✓ Co-investment of USD \$19,804,752 in the center infrastructure:
 - ✓ AVR Systems - Virtual Demo Showroom and R&D lab \$857,369.00
 - ✓ AVR Enterprise Platform \$8,046,000.00
 - ✓ Development Lab - AVR Applications & Services \$905,489.50
 - ✓ AVR Education Platform \$6,709,000.00
 - ✓ Support, Upgrades, Training and Installation: \$908,749.80
 - ✓ EON VR Innovation Academy - Capacity Building Apps & Services \$2,378,143.80
- ✓ VR Innovation Academy curriculum USD 300,000
- ✓ Project experts/teachers during 5 years USD 840,000
- ✓ **Total contribution of USD 20,944,752 (76%)**

Local Partner

- ✓ Facilitate Student recruitment to ES school
- ✓ Provide access to subject matter experts
- ✓ A co-investment of USD 6,692,752 (24%) in the center infrastructure (R&D Lab, Factory equipment, School equipment, Development Lab)
- ✓ **Total contribution: USD 6,692,752 (24%)**

VIRTUAL SHOWROOM	TEACHERS VR EXPERTS	ENTREPRENEUR SCHOOL	VR/AR Library	IDome	PROJECT ROOM	DEVELOPMENT LAB	5 YEARS SUPPORT AND MAINTENANCE
							
Awareness Demos And Seminars	Understanding With Education 2 EON Teachers & Project Experts	100 Resource/Year Expert Building For Content & App Development	> 1500 Man Year resource Largest Library For Knowledge Transfer	Interactive 8D Experience To reach out to the masses	Belief With Pilot projects	Evaluations And Validation Application Dev	Acceptance Implementation Services

Sustainability & ROI



AVR PLATFORM

ENTERPRISE PRICING

\$49,000 ANNUAL FEE (FREE >299 USERS)



CREATOR AVR

\$42

per user per month,
billed annually,
minimum 30 users



VIRTUAL TRAINER

\$42

per user per month,
billed annually,
minimum 30 users



AR ASSIST

\$42

per user per month,
billed annually,
minimum 30 users

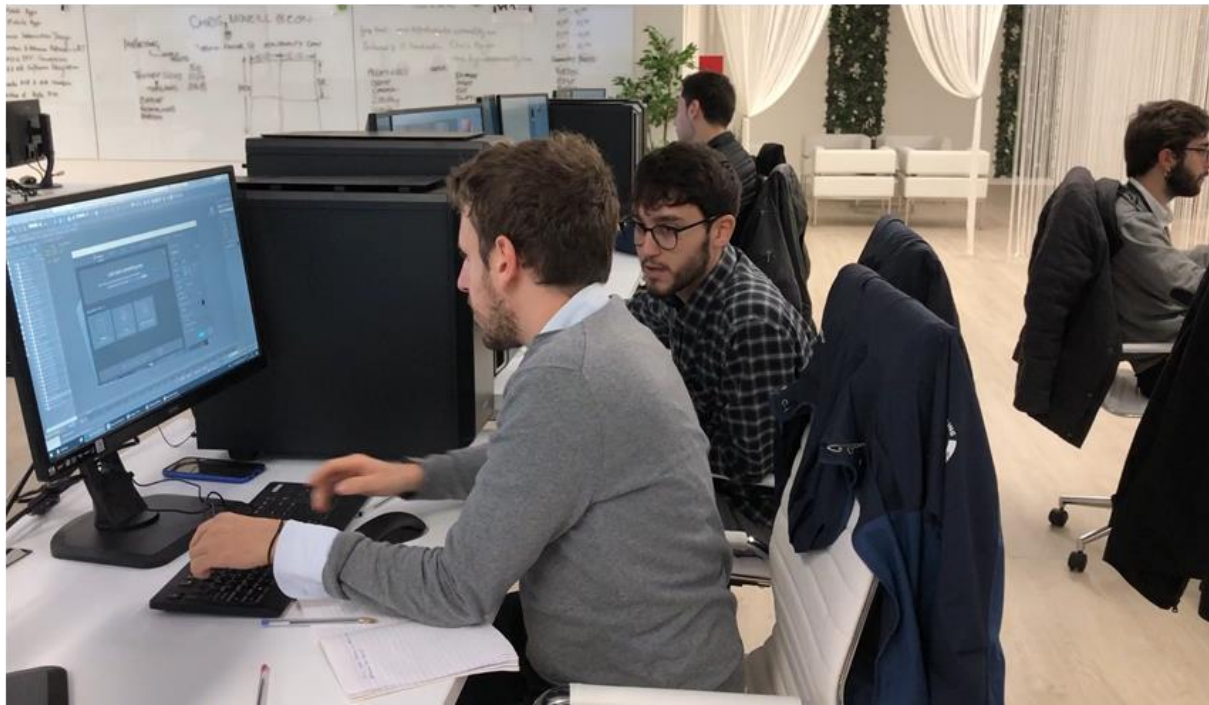
Center Business Model

- **IDC Hub AVR Cluster, a lifelong learning dissemination vehicle** for national and regional rollouts
- AVR solutions to **academic institutions** and **local industry**
- **Vibrant, open incubating center** where most AVR activities in the region take place
- Tight collaboration with **local AVR companies, academic institutions, local government** and **industry** to secure **national and regional rollouts**
- **Revenues from the AVR platform** are expanded and services are outsourced **to local partners and AVR companies**, thus diminishing the requirements to employ vast amounts of people through the IDC, and instead **stimulate the local ecosystems**.
- This also **improves the center's gross profitability** as software sales have a much higher gross margin than on services.



Two Key ROI

- 1# Use the Center for the Local partners own benefit - to uplift 7000 students/year and 1500 industry partners/year and Transform Education for the 21st century (EON Covers 95% of the Cost)
- 2# IDC revenue sharing - Opportunity to receive additional income from IDC revenue sharing





Revenue Sharing

- Project based collaboration in the Region between EON and Local Partner
- Local Partner receives Exclusivity in the Region
- Revenue Sharing :
 - Locally Developed Application and Intellectual Property sold locally 100% goes to Local Partner
 - Locally Developed Application and Intellectual Property sold globally by EON 70% goes to Local Partner and 30% goes to EON
 - Local Projects developed by Local partner 100% goes to Local Partner
 - AVR Platform Sales, 35% goes to Local Partner, 65% goes to EON





CLASSROOM 3.0 Kit



\$50,000

\$5,000 FREE CREDIT FOR THE VAULT

\$500 WORTH OF PREMIUM 3D CONTENT, FOR FREE

3 YEAR CREATOR AVR LICENSE

100 STUDENTS

100 HOMIDO MINI VR HEADSETS

100 AR MARKERS

1 SAMSUNG 360° CAMERA AND TRIPOD

COMPREHENSIVE NEEDS ASSESSMENT ANALYSIS

ACCESS TO FREE AVR LIBRARY

IMMERSIVE LEARNING AND TEACHING GUIDE

ONLINE SELF-SERVICE CONTENT CREATION PORTAL

ADMIN & USER MANAGEMENT PORTAL

CONTENT HOSTING

TRAINING (LEVEL 1)

TEACHER TRAINING AND SUPPORT)

100 STUDENTS
3 YEAR CREATOR AVR LICENSE
ACCESS TO FREE AVR LIBRARY
CREATE 10 CERTIFIED LESSONS PER YEAR

THE GATEWAY TO CLASSROOM 3.0





CLASSROOM 3.0

School



\$250,000

\$25,000 FREE CREDIT FOR THE VAULT
\$2,000 WORTH OF PREMIUM 3D CONTENT, FOR FREE

EXTENDED 3 YEAR COMPLETE AVR PLATFORM LICENSE

250 STUDENTS

250 HOMIDO MINI VR HEADSETS

250 AR MARKERS

FOUNDATION TEACHER TRAINING (LEVELS 1 AND 2)

- TEACHER TRAINING AND SUPPORT
- LESSON CREATION TRAINING

AVR EXPERIENCE LAB INCLUDING

- ICATCHER PANORAMA
- VR HEADSETS
- AR GLASSES
- TABLETS

250 STUDENTS

3 YEAR COMPLETE AVR PLATFORM LICENSE
ACCESS TO FREE AVR LIBRARY
\$2,000 CREDIT FOR PREMIUM LIBRARY
CREATE 40 CERTIFIED LESSONS PER YEAR

LOOK OUTSIDE THE BOX FOR AN
UNPARALLELED LEARNING EXPERIENCE



ACC EDUCATION

Campus

\$1,200,000

**UNLIMITED ACCESS TO OUR VAULT
\$50,000 WORTH OF PREMIUM 3D CONTENT, FOR FREE**

**ALL THE FEATURES FROM CLASSROOM 3.0
SCHOOL PACKAGE, PLUS:**

EXTENDED 5 YEAR COMPLETE AVR PLATFORM LICENSE

1,200 STUDENTS = 1,200 HOMIDO VR KITS 1,200 AR MARKERS

FULL TEACHER TRAINING (LEVELS 1 TO 2)

- TEACHER TRAINING AND SUPPORT
- CUSTOM LESSON CREATION + TRAINING

ULTIMATE AVR EXPERIENCE LAB INCLUDING

- EVERYTHING FROM SCHOOL PACKAGE, PLUS
 - IDOME MOBILE
 - HOLOGRAPHIC I



1200 STUDENTS
5 YEAR COMPLETE AVR PLATFORM LICENSE
\$50,000 CREDIT FOR PREMIUM LIBRARY
ACCESS TO FREE AVR LIBRARY
CREATE 200 CERTIFIED LESSONS PER YEAR

BE THE BEST IN CLASS WITH
CAMPUS READY, FUTURE PROOF SOLUTIONS



AVR INDUSTRY HUB

\$1,200,000

**UNLIMITED ACCESS TO OUR VAULT
\$50,000 WORTH OF PREMIUM 3D CONTENT, FOR FREE**

**MAKE YOUR TRAINING CENTRE A REVENUE CENTRE,
NOT A COST CENTRE**

EXTENDED 5 YEAR COMPLETE AVR PLATFORM LICENSE
1,200 TRAINEES = 1,200 HOMIDO VR KITS 1,200 AR MARKERS

FULL TRAINER COACHING AND CERTIFICATION (LEVELS 1 TO 2)

- TEACHER TRAINING AND SUPPORT
- CUSTOM LESSON CREATION + TRAINING

ULTIMATE AVR EXPERIENCE LAB INCLUDING

- UGE PHYSICAL IMMERSIVE SYSTEMS:
 - IDOME MOBILE
 - HOLOGRAPHIC I



1200 TRAINEES
5 YEAR COMPLETE AVR PLATFORM LICENSE
\$50,000 CREDIT FOR PREMIUM LIBRARY
ACCESS TO FREE AVR LIBRARY
CREATE 200 CERTIFIED LESSONS PER YEAR

**A READY-MADE INDUSTRY 4.0 HUB
FOR IMMERSIVE LEARNING ACROSS THE ENTERPRISE**

Locally Developed Applications & Intellectual Property

- Locally developed IP consisting of AVR Applications, Lessons and Content developed by the Local Partners, local Academic institutions and local AVR companies due the AVR Platform's user generated content capabilities
- Monetarized as a part of the AVR platform and EON library
- Applications developed by the local network are sold internationally, local AVR partner will receive **70% of revenues, while the global partner that sells the products receives 30%.**
- Part of AVR Growing Development IDC Community with outsourcing and other networking opportunities
- Academic R&D - by **encapsulating knowledge applications in area where academic partner excels** and thus generating new intellectual property that can be **commercialized globally**

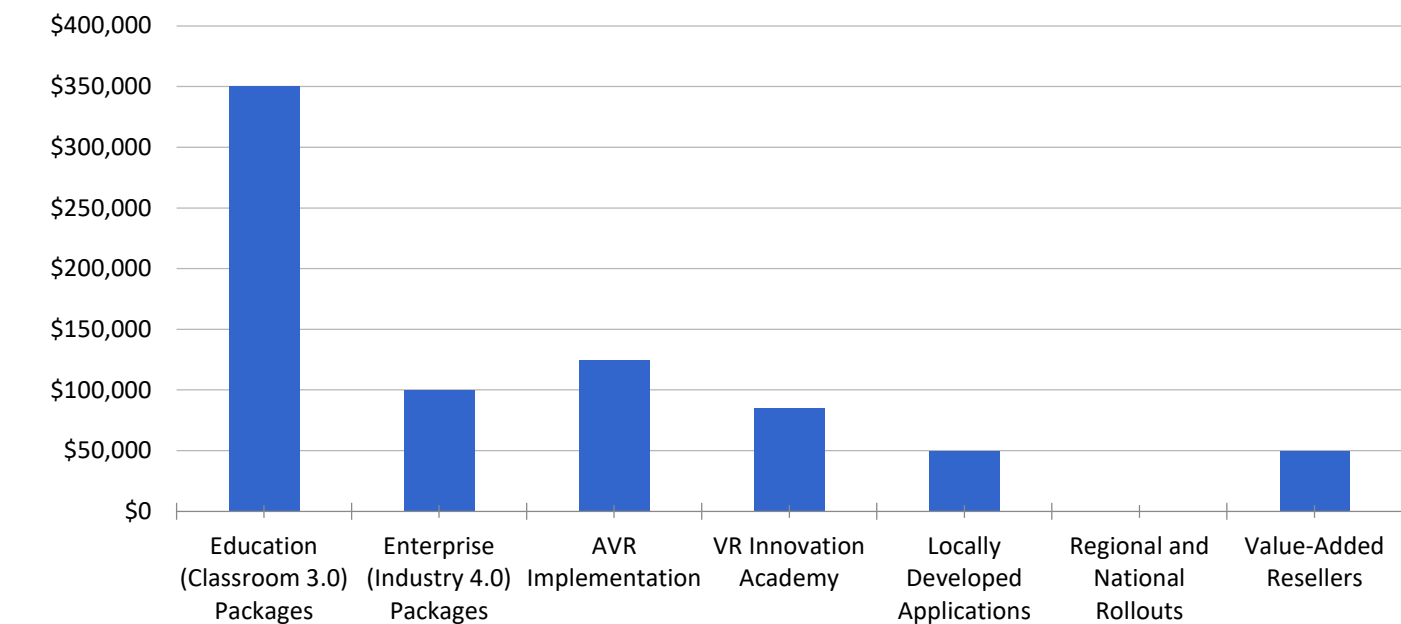


Regional And National Rollouts

- **Stage I** Establish the IDC, deliver 6,500 licenses including deliver 220 boxes, the equipment, etc., install and inaugurate within 4 months
- **Stage II Needs assessment** - jointly develop and agree upon the needs assessment with the local partner within 6 months, Send the team of 2 VRIA teachers and specialists to conduct a needs assessment
- **Select Target academic level**, University technical vocational training or elementary school, They will review out existing library
- **Select Regions teachers and students** for the VR innovation Academy knowledge transfer activities For each of the 3 levels outlined Above Under the AVR knowledge transfer mechanism
- **Stage III pilots** in selected regions and academic institutions within 8 months
- **Stage IV National rollouts** adapted based on feedback from the pilots within 18 months
- A concrete Example is the national rollout in Singapore & the implementation plan for Morocco developed together with USAID

From \$500,000

IDC Junior Business Developer Revenue

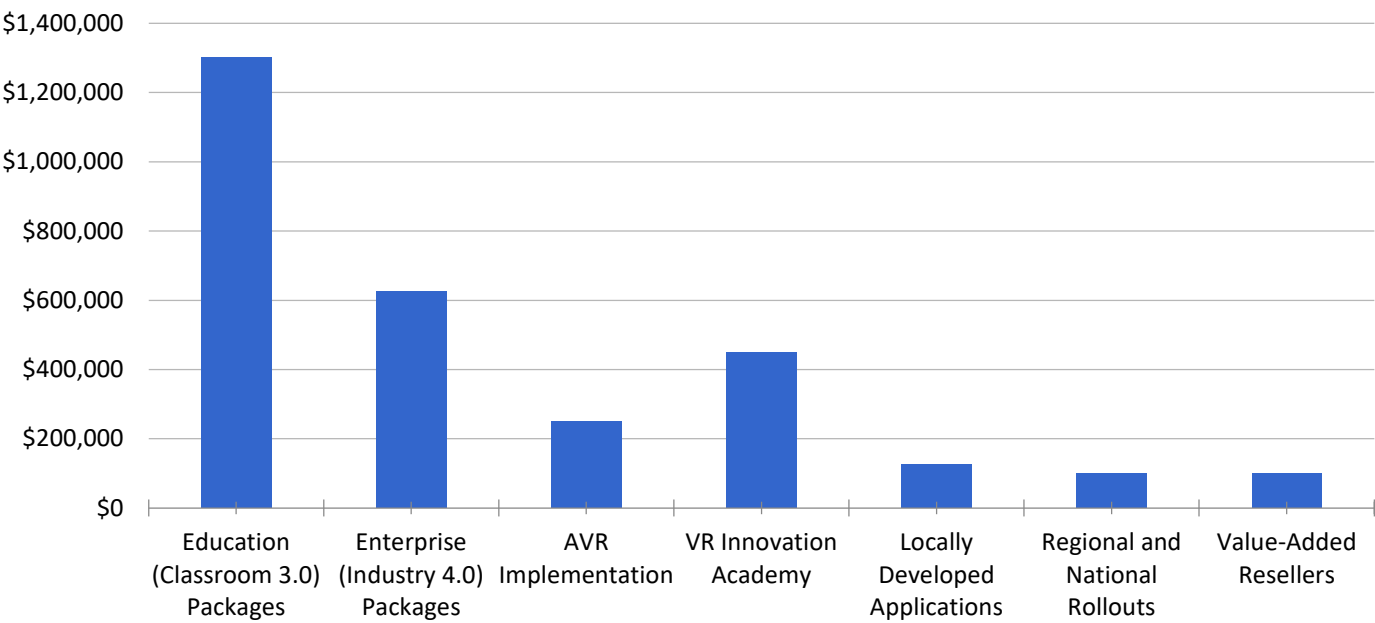


Revenue - From JR BD					
Description	Year 1	Year 2	Year 3	Year 4	Year 5
Number of JR BD Employed	2	2	5	8	10
Revenue Type					
Education (Classroom 3.0) Packages	700,000	700,000	1,750,000	2,800,000	3,500,000
Enterprise (Industry 4.0) Packages	200,000	200,000	500,000	800,000	1,000,000
AVR Implementation	250,000	250,000	625,000	1,000,000	1,250,000
VR Innovation Academy	170,000	170,000	425,000	680,000	850,000
Locally Developed Applications	100,000	100,000	250,000	400,000	500,000
Regional and National Rollouts	-	-	-	-	-
Value-Added Resellers	100,000	100,000	250,000	400,000	500,000
Recurring License Revenue	-	500,000	1,000,000	2,250,000	4,250,000
Total JR BD Revenue	1,520,000	2,020,000	4,800,000	8,330,000	11,850,000

IDC Junior BD Quota

Revenue Type	Education (Classroom 3.0) Packages			Enterprise (Industry 4.0) Packages					AVR Implementation		VR Innovation Academy			Locally Developed Applications	Regional and National Rollouts	Value-Added Resellers	Total
Revenue Component	Kit	School	Campus	Learn (Creator AVR)	Train (Virtual Trainer)	Perform (AR Assist)	EON Application Sales	Implementations	Services	Systems	Classroom 3.0 Training	Developer Training	New VR/IA Sales	Developed by local partners	Human 2.0	Indirect Sales	
Units	2.00	1.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00	0.50	200.00	10.00	0.00	200.00	0.00	1.00	
Price per unit	\$50,000	\$250,000	\$1,200,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000	\$50,000	\$150,000	\$300	\$2,500	\$2,500,000	\$250	\$1,000,000	\$50,000	
Total	\$100,000	\$250,000	\$0	\$50,000	\$50,000	\$0	\$0	\$0	\$50,000	\$75,000	\$60,000	\$25,000	\$0	\$50,000	\$0	\$50,000	\$760,000
Percentage	13.2%	32.9%	0.0%	6.6%	6.6%	0.0%	0.0%	0.0%	6.6%	9.9%	7.9%	3.3%	0.0%	6.6%	0.0%	6.6%	100.0%
Total Per Revenue Type	\$350,000			\$100,000					\$125,000		\$85,000			\$50,000	\$0	\$50,000	\$760,000
Perecntage Per Revenue Type	46.1%			13.2%					16.4%		11.2%			6.6%	0.0%	6.6%	100.0%

IDC Senior Business Developer Revenue



Revenue - From SR BD

Description	Year 1	Year 2	Year 3	Year 4	Year 5
Number of SR BD Employed	0	1	2	5	8
Revenue Type					
Education (Classroom 3.0) Packages	-	1,300,000	2,600,000	6,500,000	10,400,000
Enterprise (Industry 4.0) Packages	-	625,000	1,250,000	3,125,000	5,000,000
AVR Implementation	-	250,000	500,000	1,250,000	2,000,000
VR Innovation Academy	-	450,000	900,000	2,250,000	3,600,000
Locally Developed Applications	-	125,000	250,000	625,000	1,000,000
Regional and National Rollouts	-	100,000	200,000	500,000	800,000
Value-Added Resellers	-	100,000	200,000	500,000	800,000
Recurring License Revenue	-	-	1,062,500	3,187,500	8,500,000
Total SR BD Revenue	-	2,950,000	6,962,500	17,937,500	32,100,000

IDC Senior BD Quota

Revenue Type	Education (Classroom 3.0) Packages			Enterprise (Industry 4.0) Packages					AVR Implementation		VR Innovation Academy			Locally Developed Applications	Regional and National Rollouts	Value-Added Resellers	Total
Revenue Component	Kit	School	Campus	Learn (Creator AVR)	Train (Virtual Trainer)	Perform (AR Assist)	EON Application Sales	Implementations	Services	Systems	Classroom 3.0 Training	Developer Training	New VR/IA Sales	Developed by local partners	Human 2.0	Indirect Sales	
Units	4.00	2.00	0.50	3.00	3.00	3.00	1.00	0.25	2.00	1.00	500.00	20.00	0.10	500.00	0.10	2.00	
Price per unit	\$50,000	\$250,000	\$1,200,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000	\$50,000	\$150,000	\$300	\$2,500	\$2,500,000	\$250	\$1,000,000	\$50,000	
Total	\$200,000	\$500,000	\$600,000	\$150,000	\$150,000	\$150,000	\$50,000	\$125,000	\$100,000	\$150,000	\$150,000	\$50,000	\$250,000	\$125,000	\$100,000	\$100,000	\$2,950,000
Percentage	6.8%	16.9%	20.3%	5.1%	5.1%	5.1%	1.7%	4.2%	3.4%	5.1%	5.1%	1.7%	8.5%	4.2%	3.4%	3.4%	100.0%
Total Per Revenue Type	\$1,300,000			\$625,000					\$250,000		\$450,000			\$125,000	\$100,000	\$100,000	\$2,950,000
Perecentage Per Revenue Type	44.1%			21.2%					8.5%		15.3%			4.2%	3.4%	3.4%	100.0%

Financial Model

Generic IDC Hub Revenue & Gross Profit Analysis

		Year 1	Year 2	Year 3	Year 4	Year 5	Accumulated
<u>Revenue</u>							
Education (Classroom 3.0) Packages		700,000	2,000,000	4,350,000	9,300,000	13,900,000	30,250,000
Enterprise (Industry 4.0) Packages		200,000	825,000	1,750,000	3,925,000	6,000,000	12,700,000
AVR Implementation		250,000	500,000	1,125,000	2,250,000	3,250,000	7,375,000
VR Innovation Academy		170,000	620,000	1,325,000	2,930,000	4,450,000	9,495,000
Locally Developed Applications		100,000	225,000	500,000	1,025,000	1,500,000	3,350,000
Regional and National Rollouts		-	100,000	200,000	500,000	800,000	1,600,000
Value-Added Resellers		100,000	200,000	450,000	900,000	1,300,000	2,950,000
Recurring License Revenue		-	500,000	2,062,500	5,437,500	12,750,000	20,750,000
Total Revenue		1,520,000	4,970,000	11,762,500	26,267,500	43,950,000	88,470,000
<u>Cost of Revenue</u>							
Education (Classroom 3.0) Packages	50%	350,000	1,000,000	2,175,000	4,650,000	6,950,000	15,125,000
Enterprise (Industry 4.0) Packages	50%	100,000	412,500	875,000	1,962,500	3,000,000	6,350,000
AVR Implementation	80%	200,000	400,000	900,000	1,800,000	2,600,000	5,900,000
VR Innovation Academy	70%	119,000	434,000	927,500	2,051,000	3,115,000	6,646,500
Locally Developed Applications	70%	70,000	157,500	350,000	717,500	1,050,000	2,345,000
Regional and National Rollouts	50%	-	50,000	100,000	250,000	400,000	800,000
Value-Added Resellers	65%	65,000	130,000	292,500	585,000	845,000	1,917,500
Recurring License Revenue	50%	-	250,000	1,031,250	2,718,750	6,375,000	10,375,000
Total Cost of Revenue		904,000	2,834,000	6,651,250	14,734,750	24,335,000	49,459,000
Gross Margin		616,000	2,136,000	5,111,250	11,532,750	19,615,000	39,011,000
Gross Margin percentage		41%	43%	43%	44%	45%	44%

Generic Income Statement Plan

Income Statement
Plan

(\$)	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>CAGR</u>
Revenue	1,520,000	4,970,000	11,762,500	26,267,500	43,950,000	<i>132%</i>
Cost of Revenue	904,000	2,834,000	6,651,250	14,734,750	24,335,000	
Gross Margin	616,000 <i>41%</i>	2,136,000 <i>43%</i>	5,111,250 <i>43%</i>	11,532,750 <i>44%</i>	19,615,000 <i>45%</i>	<i>138%</i>
<u>General & Administrative Expense:</u>						
Salaries & Related Expense	291,354	851,452	1,216,046	2,043,594	2,940,359	
Rent	164,825	168,619	172,500	176,381	180,350	
Project Acquisition & Support Expenses	33,592	109,837	259,951	619,913	1,026,233	
Miscellaneous Expenses	45,671	82,755	113,548	168,608	262,167	
Total General & Administrative Expense	535,442	1,212,663	1,762,045	3,008,496	4,409,108	
Depreciation	748,295	748,295	748,295	748,295	748,295	
Interest Expense	-	-	-	-	-	
Principal Reduction	-	-	-	-	-	
Net Income before Taxes	(667,737)	175,042	2,600,910	7,775,958	14,457,596	
Estimated Tax Allowance %	25%	25%	25%	25%	25%	
Estimated Tax Allowance \$	-	43,760	650,227	1,943,990	3,614,399	
Net Income	(667,737)	131,281	1,950,682	5,831,969	10,843,197	
Net Income Percentage	-44%	3%	17%	22%	25%	
EBITDA	80,558	879,577	2,698,978	6,580,264	11,591,493	
EBITDA Percentage	5%	18%	23%	25%	26%	

Head Count

HR Recruitment Year 1

Finalize positions Write job descriptions

- Center Director (Internal resource Local Partner)
- Business Development Manager (Provided by EON)
- 2 teachers/Project Technical staff/Experienced development staff (Provided by EON)
- Admin function (part time Internal resource Local)

Manpower Plan - Headcount

Manpower Plan - Headcount					
Department	Y1	Y2	Y3	Y4	Y5
Operations (Operations Manager)					
# of employees	-	1	1	2	3
Employee Additions	-	1	-	1	1
VRIA Training (Training Manager)					
# of employees	-	1	1	2	4
Employee Additions	-	1	-	1	2
Executive Management (Managing Director)					
# of employees	1	1	1	1	1
Employee Additions	1	-	-	-	-
Finance Department (Finance Manager & Accounts Payable Associate)					
# Finance Manager	-	1	1	1	1
# AP Associates	-	1	1	2	2
Employee Additions	-	2	-	1	-
HR Department (HR Manager)					
# of employees	-	1	1	1	2
Employee Additions	-	1	-	-	1
Administrative Support (Office Manager & Administrative Assistant)					
# of Office Managers	-	1	1	1	1
# of Administrative Assistant	1	1	1	2	3
Employee Additions	1	1	-	1	1
Marketing (Marketing Managers and Professionals)					
# of Marketing Managers	-	-	1	1	1
# of Marketing Professionals	-	1	1	2	3
Employee Additions	-	1	1	1	1
Business Development & Sales					
# of Sr employees	-	1	2	5	8
# of Jr employees	2	2	5	8	10
Employee Additions	2	1	4	6	5
Total Headcount	4	12	17	28	39
Fiscal Year Additions	4	8	5	11	11
		200%	42%	65%	39%

Key Center Benefits

Benefits For Academic Institutions

- **Accelerate AVR Campus wide and National Roll-outs** helps people with knowledge transfer, learn faster, remember longer, make better decision, experiential learning
- **Multi- Campus Collaboration & rollouts**
- **Challenge based and experiential AVR curriculum** Vault with a vast catalog of AVR applications on 20 years of development helps to get a flying start
- **Innovative** – Transform education for the 21st century with AVR Experiential learning based on AVR Platform
- **Regional Center of Excellence** - Become the Exclusive Regional Center of Excellence, Hub vs. Satellite
- **Pioneering AVR volume roll-outs** – Be first to do wide roll-outs to more than 8,500 users
- **It Works** – Hard Evidence that AVR works, see statistics
- **R&D & IP partnership** Commercialization opportunities for your existing IP
- **Research grant Leverage** - help securing grants through EON's industry partnership that provides leverage through in-kind contribution and commercialization opportunities of the research outcome
- **The AVR Marketplace** - provides you with opportunities to have passive income from your developed AVR applications
- **EON's global network** - international collaboration in more than 70 countries that you can access
- **Students Love AVR based Education** – Higher retention and engagement from students
- **Scale AVR online** – Enables AVR Experiential Education Online
- **Virtual labs** – Expand Lab equipment at lower Costs Virtually
- **EON is covering 75% of the initial investment** for qualified regions and partners



Benefits For The Region

- Fast-track employable students through AVR classroom 3.0
- Fast tracking & uplifting workers for the job of the future with AVR Industry 4.0
- Strengthen Partners academic Institutions by benefiting from the faster knowledge transfer capabilities & VR/3D based learning
- AVR Knowledge Hub for the region will develop workforce to address exploding demand
- Competitive Advantages for local Companies up to 12 times faster knowledge transfer & improved Quality assurance up to 40%
- Global distribution for Region Access to the worlds leading AR VR distribution network
- State-of-the-Art AVR Center Leading State-of-the-Art VR AR Center in the Region
- Local IP Development New own IP yields sustainable revenues through global IDC network distribution
- Local produced AVR curriculum Develop own VR AR curriculum that enables its own students to learn up to 12 times faster while remembering longer and deciding better



Benefits For Local AVR Companies

- **Actively assist to commercialize & distribute local AVR Companies products,** intellectual property and applications. Global distribution of locally developed IP, applications and products.
- **Evolve the local Region AVR eco system,** enhancing the awareness understanding and belief around augmented virtual reality solutions
- **Scale local engagements with local customers from pilots to large mass deployment,** to avoid proof of concept (PoC) dead-ends. Helping the local company to expand customer accounts from a few users to thousands of users
- **Share EON's 20 years of experience and EON's global AVR network.** Provide mentorship and advisory position to the Association companies in augmented virtual reality as well as introduce the Association companies to Silicon Valley based leaders in AVR as well as Eon's network of 50 centers.
- **Free access for the Association companies to the AVR Platform** and EON Reality software development tools.
- **Free training on the AVR Platform**
- **Commission on Sales:** For any sales on AVR Platform, Association companies will receive commissions of at 30%.
- **Services executed by Association companies** All services related with the AVR Platform will be executed by local companies.
- **Global revenues from AVR company products and applications:** Selected product developed by the local companies will be sold internationally, local AVR partner will receive 70% of revenues, while the global partner that sells the products receives 30%.
- **Becoming part of AVR Growing Development IDC Community** with outsourcing and other networking opportunities .



Benefits For Local Companies

- **Segment focus** Initial focus is segments where Region is strong such as in industry & advanced manufacturing followed by medical and energy
- **Improve the competitiveness** of these companies by
 - Increasing their **productivity**
 - **Decreasing their training costs** using “Learn-Train-Perform” approach
 - Lowering their **maintenance, repair and operation costs**
 - **Making their products more attractive** based on digital support in knowledge transfer and sales globally
 - **Securing Access to recruit new talent** consisting of local AVR resources from the IDC VR Innovation Academy





Thank You

AVR PLATFORM EVOLUTION – 3 YEARS

AVR PLATFORM 1.0 INITIAL AI INTEGRATION IDC GENERATED CONTENT

Deployment Formats

- Virtual Trainer – Vive, Oculus, VR Gear etc.
- AR Knowledge Injection – ODG, Epson , HoloLens etc.
- Creator – Mobile, Tablets



AVR Platform 1.0 Initial Integration of AVR, AI, IOT,GIS, Image Recognition, Natural Language based on Agnostic Phone to Dome Deployment

2017

20 Seconds Bandwidth (Speed of Thumb phone Interaction with limited AVR, Text , Images, Video)

AVR PLATFORM 2.0 PROFESSIONAL AI INTEGRATION IDC & USER GENERATED AVR CONTENT

Deployment Formats

- Virtual Trainer – HMD & AVR Glasses
- AR Knowledge Injection – AR Glasses, Magic Leap, ODG,
- Creator – Mobile & AVR Glasses



AVR Platform 2.0 Initial Personalized of Integrated AVR, AI, IOT,GIS, Image Recognition, Natural Language with Agnostic HMD &AVR Glasses to deployment

2018 -2019

10-15 Seconds Bandwidth (Visual & Voice Interaction with Personalized & Contextual AVR Knowledge injections)

AVR PLATFORM 3.0 SEAMLESS AI INTEGRATION USER GENERATED AVR CONTENT

Deployment Formats

- Virtual Trainer – Light AVR Glasses
- AR Knowledge Injection – AR Glasses, Magic Leap
- Creator – AVR Glasses



AVR Platform 3.0 Complete Personalized Integration of AVR, AI, IOT,GIS, Image Recognition, Natural Language with Agnostic AVR Glasses to Retinal Display deployment

2020

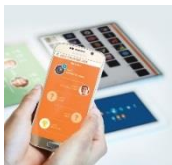
\$685M

8-10 Seconds Bandwidth (Visual & Voice Interaction with Personalized & Contextual AVR Knowledge injections)

* Bandwidth (the speed of the connection between your brain and the digital version of yourself)

AVR PLATFORM EVOLUTION FORECAST > 10 YEARS

AVR PLATFORM 1.0
INITIAL AI INTEGRATION
IDC GENERATED CONTENT



AVR Platform 1.0 Initial Integration of AVR, AI, IOT,GIS, Image Recognition, Natural Language based on Agnostic Phone to Dome Deployment

2017

20 Seconds Bandwidth (Speed of Thumb phone Interaction with limited AVR, Text , Images, Video)

AVR PLATFORM 3.0
SEAMLESS AI INTEGRATION
USER GENERATED AVR CONTENT



AVR Platform 3.0 Complete Personalized Integration of AVR, AI, IOT,GIS, Image Recognition, Natural Language with Agnostic AVR Glasses to Retinal Display deployment

2020

\$685M

8-10 Seconds Bandwidth (Visual & Voice Interaction with Personalized & Contextual AVR Knowledge injections)

AVR PLATFORM 10.0
PREDICTIVE UTILITY AI
AI GENERATED AVR CONTENT



AVR Platform 10.0 Predictive Utility AI with AVR Contact Lenses to AVR Hologram deployment

2027

400 Million Users \$47B

2-3 Seconds Bandwidth (Visual & Voice Interaction with Predictive AI AVR Knowledge injections)

AVR PLATFORM HUMAN 2.0
SEAMLESS INTEGRATION
LIKE NEURAL LACE



AVR Platform Human 2.0 Neural Lace seamless Man and Machine Integration empowering people to grow beyond their Current Human Constraints

2037 -2047?

3,8 Billion \$251B

Instant Mind Blend Bandwidth (Speed of Thought 156-270 miles per hour[mph])

* Bandwidth (the speed of the connection between your brain and the digital version of yourself)

EON HAS BEEN SELECTED AS THE
SINGLE SOURCE IDC EQUIPMENT
SUPPLIER BY 30 GOVERNMENTS



EVIDENCE OF DECISION TO AWARD EON THE EXCLUSIVE IDC CONTRACT

LEGAL CONCLUSION FROM OTHER EU GOVERNMENTS THAT EON REALITY IS THE GLOBAL SOLE SOURCE
PROVIDER AND INVENTOR OF THE IDC EQUIPMENT AND THAT THE IDC CAN ONLY BE PURCHASED
FROM EON

ACKNOWLEDGEMENT RECEIVED FROM GOVERNMENTS THAT EON REALITY IS THE GLOBAL SOLE SOURCE PROVIDER AND INVENTOR OF THE IDC EQUIPMENT AND THAT IT CAN ONLY BE PURCHASED FROM EON

- The reason that the IDC has to acquire the Equipment from EON Reality, Inc. is that **EON Reality, Inc. is the sole source inventor and manufacturer** of the equipment required and holds the patents for the equipment.
- Due to the **international intellectual property held by EON Reality, Inc. via its patents**, the equipment cannot be replicated by another provider.
- Consequently, according to **EU law, Article 42 of Ordinance 2015-899**, the contract can **ONLY be awarded to EON Reality, Inc.** due to technical reasons, **exclusive rights global patents** which enables only EON to carry-out the fulfillment as evidenced under the following pages where governments in France, Belgium, Italy, UK etc. have acknowledged this fact

EUROPEAN UNION REGULATION

European Union regulation demonstrating that Governments can provide IDC purchase order (including AVR engineering education) to EON without tender

EU regulation provides the right to award the IDC contract Without publishing a call for tenders

Further to our discussion today here is our response regarding the justification of EU regulation which provides the right to award the IDC contract to eon reality without requiring a call for tenders.

1. EU regulation provides the right to award the IDC contract without publishing a call for tenders

The EU regulations provide in specific cases public authorities the right to award contracts without publishing a call for tenders.

The EU procedure without a call for tender is stipulated in Article 42 of Ordinance 2015-899 of 23 July 2015. Negotiation without prior publicity or competitive bidding can be implemented in certain cases that are extensively listed in Article 30 of Decree number 2016-360 of 25 March 2016 regarding public procurement.

One of this specific cases identified which is applicable with regards to our case for the Interactive Digital Center (IDC) is for contracts that for technical reasons or because of exclusive rights - can be carried out by one particular company only, see
<<http://europa.eu/youreurope/business/public-tenders/rules-procedures/index.en.htm#Thresholds-EU-rules>> link:

"In specific cases public authorities may award contracts without publishing a call for tenders:

* contracts that - for technical reasons or because of exclusive rights - can be carried out by one particular company only"

IDC UK - REGIONAL GRANT

United Kingdom / Manchester government
Letter confirming that EON is the sole
provider of the IDC technology and that
that they have provided IDC purchase
order (including AVR engineering
education) to EON without tender



Strategic Development

Eddie Smith

Telephone: +44 0161 234 3030

e.smith@manchester.gov.uk

Town Hall Manchester M60 2LA

8 November 2016

TO WHOM IT MAY CONCERN

Dear Sir/Madam I hereby confirm that we have engaged with EON Reality Inc. for the establishment an Interactive Digital Center (IDC) in our region.

Furthermore, due to the nature of the IDC structure and contributions, we have concluded that no tender is required for the financial support we provided in conjunction with the setup of the IDC.

If you have any questions, please contact me at 0161 234 3030.

Yours faithfully

A handwritten signature in black ink that reads "Eddie Smith".

Eddie Smith
Strategic Director, Development

IDC ITALY - REGIONAL GRANT

REGIONE EMILIA-ROMAGNA

Atti amministrativi

GIUNTA REGIONALE

Atto del Dirigente a firma unica DETERMINAZIONE

Num. 18580 del 17/11/2017 BOLOGNA

Proposta: DPG/2017/19014 del 14/11/2017

Struttura proponente: SERVIZIO ATTRATTIVITA' E INTERNAZIONALIZZAZIONE
DIREZIONE GENERALE ECONOMIA DELLA CONOSCENZA, DEL LAVORO E DELL'IMPRESA

Oggetto: POR FESR 2014-2020 - BANDO PER L'ATTRAZIONE DI INVESTIMENTI IN SETTORI AVANZATI DI INDUSTRIA 4.0: BIG DATA FOR INDUSTRY, INTERNET OF THINGS, INTELLIGENZA ARTIFICIALE, REALTA' VIRTUALE E AUMENTATA. (L.R. 14/2014, ART. 6) - ESITO FASE I

Autorità emanante: IL RESPONSABILE - SERVIZIO ATTRATTIVITA' E INTERNAZIONALIZZAZIONE

Firmatario: RUBEN SACERDOTI in qualità di Responsabile di servizio

Allegato parte integrante - 1						
Allegato 1) - elenco delle istanze presentate						
RAGIONE SOCIALE	CODICE FISCALE	PROTOCOLLO ISTANZA	AMBITO (ART. 2 DEL BANDO)	NOME DEL PROGRAMMA	INVESTIMENTO PROPOSTO	CONTRIBUTO RICHIESTO
EON REALITY INC	AZIENDA ESTERA (ART. 3.3)	PG/2017/551064	REALTÀ VIRTUALE E AUMENTATA	ESTABLISHMENT OF INTERACTIVE DIGITAL CENTER HUB FOR ITALY, SPECIALIZING IN VIRTUAL AND AUGMENTED REALITY CONTENT AND APPLICATION DEVELOPMENT.	24.350.003,74	6.321.430,45
ENERGY WAY S.R.L.	03543480366	PG/2017/637484	BIG DATA FOR INDUSTRY	THE ENERGY OF DATA: IL CENTRO DI RICERCA SUI BIG DATA PER L'EMILIA ROMAGNA	2.800.938,00	1.214.273,00
SOCIETÀ COOPERATIVA SOCIALE DESY ONLUS	04516280650	PG/2017/637516	INTERNET OF THINGS	CARE GIVER 2.0	195.878,00	91.128,00
AETNA GROUP SPA	01551781204	PG/2017/0637593	INTERNET OF THINGS	TECHLAB 4.0	3.489.000,00	1.439.000,00
IBM ITALIA S.P.A.	01442240030	PG/2017/637650	INTELLIGENZA ARTIFICIALE	CENTRO DI RICERCA SU ACTIVE INTELLIGENCE	5.012.000,00	1.496.000,00
BUCCI AUTOMATIONS S.P.A.	00082790395	PG/2017/637553	INTERNET OF THINGS	CENTRO DI RICERCA "BUCCI INDUSTRIES LAB" – SERVIZI IOT PER L'AUTOMAZIONE INDUSTRIALE	3.544.000,00	1.438.000,00

https://www.dropbox.com/s/w5g9oetz3wxj0h5/Documento_fi nale_DPG201719014.pdf?dl=0

IDC SINGAPORE NTU

GOV. GRANT

Singapore Government Owned University
NTU letter confirming that EON is the sole provider of the IDC technology and that that they have provided IDC purchase order as the sole source for the IDC technology

NTU Public-sector contract of an Interactive Digital Center

NTU started during July 2016, a process to identify the leading global supplier for setting up a virtual reality and augmented reality Interactive Digital Center at our campus.

After an extensive study, see attached Appendix of the global Interactive Digital Center solutions offered within the area of augmented and virtual reality based knowledge transfer that took more than nine months we have arrived to the conclusion there is only one supplier globally, namely Eon Reality, that can provide the Interactive Digital Center platform and solution.

Based on this conclusion we selected to award a purchase order to Eon Reality as the sole supplier this month on the 6th of April 6 2017 for the Interactive Digital Center.

Do not hesitate to contact me if you have any further questions.

Sincerely,

Prof Chee Yeow Meng
Chair, School of Physical & Mathematical Sciences

Division of Mathematical Sciences
School of Physical & Mathematical Sciences
College of Science

Email: YMCHEE@NTU.EDU.SG

Phone: [\(+65\)6513 7188](tel:+6565137188)

Office: SPMS-05-01A

For More Details please see [link](#)

IDC Singapore NTU

Gov. Grant

Singapore Government Owned University NTU Detailed Justification

Appendix NTU

Justification for NTU's selection of Eon Reality as the sole source supplier for the Interactive Digital Center and associated AVR Engineering Education

NTU's AVR Needs

- NTU wishes to make an impact to Smart Cities and Learning with R&D in Augmented Virtual Reality (AVR)
- Become the leading Augmented Virtual Reality (AVR curriculum) for engineering education to NTUC and WDA as part of Skillsfuture
- Generate world's class IP & contents for education particularly for use at NTU as well as for the global education market.
- Globally Commercialize AVR R&D technologies including iNTULearn

NTU's Objectives

- NTU wishes to establish, fit out, staff and maintain an Interactive Digital Center (IDC). NTU targets the following objectives with Interactive Digital Center (IDC):
- Operate an IDC School to qualify local development of AVR Engineering resources and ensure proper ramp up of these engineering resources;
- Conduct world's class Research and Development of AVR technologies for Smart Nation aligned with Singapore Smart Nation's agenda

IDC ORU

ORU Letter confirming Letter that EON is the sole provider of the IDC technology and that that they have provided IDC purchase order (including AVR engineering education) to EON without tender

Oral Roberts University's Interactive Digital Center called the Global Learning Center

ORU started during July 2015, an intense process to identify the leading global developer and supplier for setting up a virtual reality and augmented reality enterprise solution. It was of utmost importance to find a global provider and developer who could quickly and extensively provide a five year partnership that transformed education and engaged students around the world.

After through 6-month research, Oral Roberts University Executive team felt comfortable that the only provider that has proven success in what we needed was EON Reality. In April of 2016, ORU entered a five year partnership with EON Reality. 12-months later, ORU maintains that this is the premier partnership on campus that is a win-win-win-win for education, industry, students, and the world. We have been transferring knowledge around the world and industry for the betterment of education and students for 12-months.

Our five year partnership and \$8.5M investment in the Global Learning Center leveraging EON Reality has allowed ORU to increase grades, retention, recruitment, research grants, and student enrollment. Never before have our main stakeholders been able to touch and see knowledge transfer in action at this level.

Do not hesitate to contact me if you have any questions.

Sincerely,

Michael L. Mathews

Michael L. Mathews

CIO, and AVP for Innovation and Technology

715-379-9530

EON Norway – Government set up a Cluster

EON Reality Partners with the cities of Hamar and Elverum to establish Norwegian Interactive Digital Center

Hedmark University of Applied Sciences, Hedmark County, and local industry joined these municipalities to establish a strong regional Augmented Virtual Reality development presence.

Link: <https://goo.gl/88ppg6>



EON NORWAY – GOVERNMENT SET UP A CLUSTER

Hedmark University of Applied Sciences, Hedmark County, and local industry joined these municipalities to establish a strong regional Augmented Virtual Reality development presence.



Suggestion to establish a “National AVR Institute Cluster”

The cooperation is based on using EON and government support, fully compliant with EU legal frame (and utilized currently by one of our Nordic partners). The idea is to form a new entity, the *AVR Institute*, which will provide access to the IDC HUB Infrastructure for users on a transparent and non-discriminatory basis in line with Commission Regulation (EU) [No 651/2014 article 27 paragraph 3](#). The following shall apply:

- As EON finances more than 50% of the investment costs in the AVR Institute, EON will be provided with preferential access to 50% of the time for 10 years in order to achieve a sustainable development of the IDC HUB.
- Access to University/*ies* & other Academic Institutions in the REGION will be provided in such a manner that University/*ies* are able to provide its/their educational program and relevant R&D projects and activities.
- Other users (commercial and non-commercial) will have equal access to the remaining time, as well as non-utilized time.

For further details regarding Article 27, see extract of Article 27 at <http://bit.ly/2s8Hvjc>.

As this approach has been scrutinized by more than three different independent lawyer teams from municipality and government in Europe, we are confident that the government by using such an approach will be able to achieve a legally compliant structure that enables it to provide the required aid to make the IDC a reality.

Best Regards,
Dan Lejerskar

Extract of Article 27

Article 27

Aid for innovation clusters

1. Aid for innovation clusters shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty, provided that the conditions laid down in this Article and in Chapter I are fulfilled.
2. Aid for innovation clusters shall be granted exclusively to the legal entity operating the innovation cluster (cluster organisation).
3. Access to the cluster's premises, facilities and activities shall be open to several users and be granted on a transparent and non-discriminatory basis. Undertakings which have financed at least 10 % of the investment costs of the innovation cluster may be granted preferential access under more favourable conditions. In order to avoid overcompensation, such access shall be proportional to the undertaking's contribution to the investment costs and these conditions shall be made publicly available.
4. The fees charged for using the cluster's facilities and for participating in the cluster's activities shall correspond to the market price or reflect their costs.
5. Investment aid may be granted for the construction or upgrade of innovation clusters. The eligible costs shall be the investment costs in intangible and tangible assets.
6. The aid intensity of investment aid for innovation clusters shall not exceed 50 % of the eligible costs. The aid intensity may be increased by 15 percentage points for innovation clusters located in assisted areas fulfilling the conditions of Article 107(3)(a) of the Treaty and by 5 percentage points for innovation clusters located in assisted areas fulfilling the conditions of Article 107(3)(c) of the Treaty
7. Operating aid may be granted for the operation of innovation clusters. It shall not exceed 10 years.
8. The eligible costs of operating aid for innovation clusters shall be the personnel and administrative costs (including overhead costs) relating to:
 - (a) animation of the cluster to facilitate collaboration, information sharing and the provision or channelling of specialised and customised business support services;
 - (b) marketing of the cluster to increase participation of new undertakings or organisations and to increase visibility;

EU procedure without a call for tender

The EU regulations provide in specific cases public authorities the right to award contracts without publishing a call for tenders. The EU procedure without a call for tender is stipulated in Article 42 of Ordinance 2015-899 of 23 July 2015. Negotiation without prior publicity or competitive bidding can be implemented in certain cases that are extensively listed in Article 30 of Decree number 2016-360 of 25 March 2016 regarding public procurement.

One of this specific cases identified which is applicable with regards to our case for the Interactive Digital Center (IDC) is for contracts that for technical reasons or because of exclusive rights - can be carried out by one particular company only, see [link](#):

“In specific cases public authorities may award contracts without publishing a call for tenders:

- *contracts that - for technical reasons or because of exclusive rights - can be carried out by one particular company only”*

In our case multiple governments under EU regulation have already conducted comprehensive legal due diligence looking into whether the Interactive Digital Center platform qualifies under this EU regulation and arrived to the conclusion as evidenced by the attached letters that indeed, the IDC Platform is compliant with the regulation as EON Reality is the global sole-source inventor, manufacturer and supplier for the Interactive Digital Center platform which contains exclusive EON technical intellectual property and exclusive EON copyrights. The documentation utilized to arrive to this conclusion has been summarized below and attached.

Consequently, there already exist precedent legal decisions from several EU governments that unanimously have concluded that the IDC platform for technical and exclusive rights reasons can be carried out by only one particular company, i.e. EON Reality Inc. and thus they ruled in accordance to EU law as public authorities to award the IDC contract to EON Reality without publishing a call for tender.

Supporting documents:

- Legal Opinion EU Tender Regulations (French version) @ <http://bit.ly/2f6OQC�>
- Legal Opinion EU Tender Regulations (English version) @ <http://bit.ly/2f3wiWh>
- IDC Manchester letter @ <http://bit.ly/2f3oLHe>
- IDC Laval letter @ <http://bit.ly/2eJbOH1>
- Sole-source justification @ <http://bit.ly/2fYMRUa>

In conclusion, the combination of:

- EU governments/municipalities signed letters confirming their legal decisions to fund the IDC platform supplied by EON without tender as per EU regulation
- the EU lawyer's legal opinion that these decisions conform with EU regulation
- and the sole-source justification document that we have summarized below and attached

provide objectively sufficient support to legally proceed with the IDC without a call for tender.

IDC CAP TOWN

Academic IDC with University of the Western Cape, South Africa

We signed the Academic IDC with the University of the Western Cape, a national university, that focuses on Designing curricular and research programmed appropriate to its southern African Region



INTELLECTUAL PROPERTY OVERVIEW

SUMMARY OF INTELLECTUAL PROPERTY

AttorneyRef	Country	Title	Status	FilingDate	ApplicationNum	IssueDate	PatentNum	Link to Patent
EON1.PAU.01.CN	China	INTERACTIVE VIRTUAL REALITY SYSTEMS AND METHODS	Pending	8/31/2016	2015800117395			
EON1.PAU.01.EP	EU	INTERACTIVE VIRTUAL REALITY SYSTEMS AND METHODS	Pending	10/3/2016	15777402.7			http://google.com/patents/EP3129111A2
EON1.PAU.01.PCT	PCT	INTERACTIVE VIRTUAL REALITY SYSTEMS AND METHODS		4/3/2015	PCT/US15/24222			https://www.google.com/patents/WO2015157102A3
EON1.PAU.01.ZA	South Africa	INTERACTIVE VIRTUAL REALITY SYSTEMS AND METHODS	Pending	8/24/2016	2016/05895			
EON1.PAU.01-1	US	INTERACTIVE VIRTUAL REALITY SYSTEMS AND METHODS	Issued	4/8/2014	14/247,970	6/20/2017	9,684,369	https://www.google.com/patents/US9684369
EON1.PAU.01-2	US	INTERACTIVE VIRTUAL REALITY SYSTEMS AND METHODS	Issued	4/8/2014	14/247,977	1/10/2017	9,542,011	https://www.google.com/patents/US9542011
EON1.PAU.03	US	VIRTUAL LASERS FOR INTERACTING WITH AUGMENTED REALITY ENVIRONMENTS	Issued	1/2/2015	14/588,789	6/20/2017	9,685,005	https://www.google.com/patents/US9685005
EON1.PAU.04	US	SYSTEMS AND METHODS FOR TRANSITION BETWEEN AUGMENTED REALITY AND VIRTUAL REALITY	Pending	4/25/2016	15/137,856			https://www.google.com/patents/US20160314624
EON1.PAU.05	US	3D AUGMENTED REALITY WITH COMFORTABLE 3D VIEWING	Issued	11/24/2015	14/951,369	3/21/2017	9,600,938	https://www.google.com/patents/US9600938
EON1.PAU.06	US	SYSTEMS AND METHODS FOR NONLINEAR 360 VIDEO MAPPING	Pending	11/8/2016	15/807,226			N/A
EON1.PAU.07	US	SYSTEMS AND METHODS FOR MULTI-USER VIRTUAL REALITY REMOTE TRAINING	Pending	3/29/2018	62/650042			N/A

Legend: Green - Issued; Orange - Pending

SUMMARY OF INTELLECTUAL PROPERTY

Subject Matter, Application Information and Description

Matter	Country	Status	Title	Application No.	Filing Date	Brief Description
EON1.PAU.01-1	United States	Published	Interactive Virtual Reality Systems And Methods	14/247,970	4/8/2014	A method for providing an immersive virtual reality environment for a plurality of users. More specifically the interaction modalities for multi-user system.
EON1.PAU.01-2	United States	Published	Interactive Virtual Reality Systems And Methods	14/247,977	4/8/2014	A method for providing an immersive virtual reality environment for a plurality of users. More specifically the interactive hand-held device for each user.
EON1.PAU.01.PCT	World Intellectual Property Organization	Published	Interactive Virtual Reality Systems And Methods	PCT/US15/24222	4/3/2015	See above.
EON1.PAU.03	United States	Published	Virtual Lasers For Interacting With Augmented Reality Environments	14/588,789	1/2/2015	Systems and methods enabling users to interact with an augmented reality environment. More specifically, hand-held devices employ virtual pointers and virtual control buttons to enable users to interact with the virtual objects.
EON1.PAU.03.PCT	World Intellectual Property Organization	Published	Virtual Lasers For Interacting With Augmented Reality Environments	PCT/US15/67631	12/28/2015	See above.
EON1.PAU.04	United States	Pending	Systems And Methods For Transition Between Augmented Reality And Virtual Reality	15/137,856	4/25/2016	A display device system providing augmented reality and virtual reality displays in the same device and a method for switching between augmented reality and virtual reality modes in the embodiments of the device.
EON1.PAU.05	United States	Pending	3d Augmented Reality With Comfortable 3d Viewing	14/951,369	11/24/2015	Systems and methods directed to augmented reality environments on mobile devices with a single camera. Alignment errors between the lower end of the virtual object and the real-world markers are reduced, improving stereoscopic immersion.
EON2.PAU.01	United States	Pending	Virtual Reality Sports Training Systems And Methods	14/694,770	4/23/2015	Virtual and augmented reality sports training environments are disclosed. More specifically a user interacts with virtual teammates in a simulated environment of a virtual reality sporting event, where the user's actions and decisions are monitored and evaluated.
EON2.PAU.02.0	United States	Pending	Virtual Reality Baseball Simulator	62/294,195	2/11/2016	A pipeline for mixing photo, video footage, data and 3D assets is disclosed specifically for virtual and augmented reality baseball training environments. The amount of work to recreate baseball training scenarios are reduced while full immersion is achieved.

SUMMARY OF INTELLECTUAL PROPERTY

Subject Matter, Application Information and Description

Matter	Country	Status	Title	Application No.	Filing Date	Brief Description
EON1.PAU.06	United States	Pending	SYSTEMS AND METHODS FOR NONLINEAR 360 VIDEO MAPPING	15/807,226	11/8/2016	A method and computer program product render 360-degree images with improved bandwidth efficiency and reduced media storage space.
EON1.PAU.07	United States	Pending	SYSTEMS AND METHODS FOR MULTI-USER VIRTUAL REALITY REMOTE TRAINING	62/650042	3/29/2018	VR remote training system place trainer and trainees inside a fully immersive environment for efficient and effective hands-on training of tasks and procedures. It offers real-time visual feedback, video/audio communications, remote monitoring trainee's actions and progress, providing instant guidance to the trainees, and learning management.

LIST OF TRADEMARKS

Here is the list of trademarks:

AR VR Library

[EON Experience VR](#)

[EON Experience](#)

Multi-User Collaboration

[EON Coliseum](#)

User Generated Content Creation Tool

[EON Creator](#)

[EON Creator AVR \(Q4 2015\)](#)

Advanced Developer Tools

[EON Studio](#)

[EON Professional](#)

[EON SDK](#)

[EON Sales Assistant](#)

[EON Space Planner](#)

Public Applications

[SIDEKIQ](#)

[EyeSim](#)

[3D OTS](#)

[Worldbuilder](#)

Personal Systems

[EON Mobile](#)

[EON Mobile AR](#)

[EON Idesk](#)

[EON Ibench Mobile](#)

Group Systems

[EON Artificial I](#)

[EON Interactive Mirror](#)

[EON Holopodium](#)

[EON Holographic I](#)

[EON Icatcher](#)

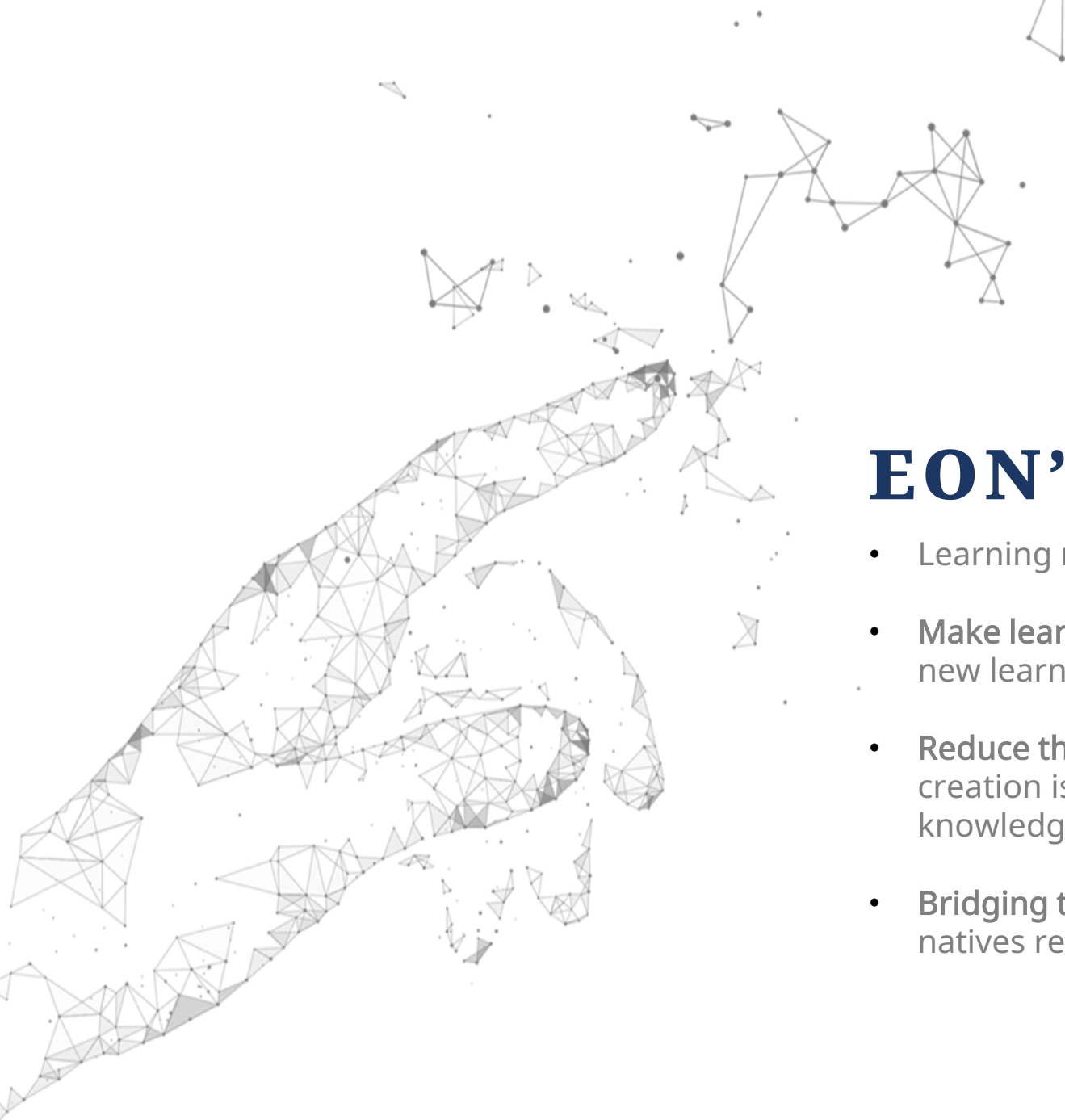
Immersive Systems

[EON Ibench](#)

[EON Icube Mobile](#)

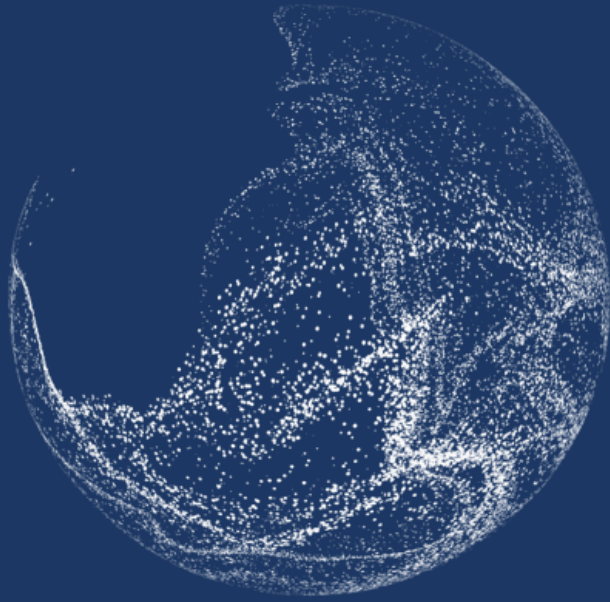
[EON Icube](#)

[EON Idome](#)



EON's Vision Of Learning

- Learning needs to be **experiential, personalized and adaptive**
- **Make learning twice as effective in half the time** – VR and AR delivers new learning architecture for more to efficient and effective learning
- **Reduce the burden on teachers** - Easily scalability and agility for lesson creation is key to keeping up with the need for new skills and knowledge
- **Bridging the technology and skills gap** - Create a generation of digital natives ready for the future



Lifelong Learning

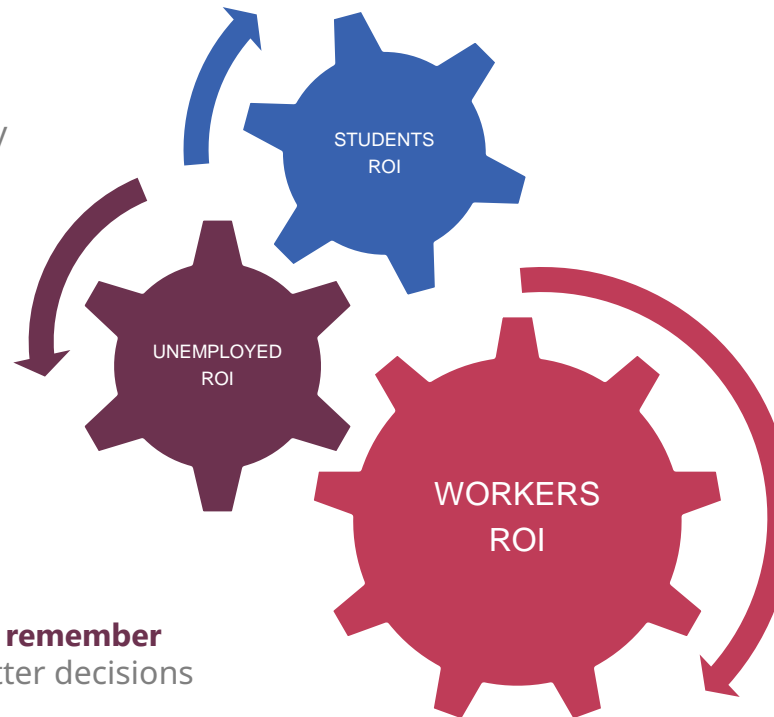
Learning: New Economic Catalyst

- Knowledge is now the base for meeting challenges of the new century
- Lifelong learning and consistent upskilling will become a norm, with education tailored to people's individual needs as they move through their life cycles
- Learn the skills needed to succeed in an age of technology and automation, empower with EdTech

AVR Positively effects tax revenues

POST-GRADUATION EMPLOYMENT

- Better (practical) educated students entering the workforce based on AVR experience learning
- Demand for trained AVR students, increases starting salaries
- Increased Tax revenues from higher entry salaries



RETRAIN UNEMPLOYED

- Unemployed **learn faster, remember** longer and can make better decisions to get the new jobs
- Decrease number of individuals on government subsidy
- Increased Tax revenues by moving workers from unemployment benefits

INCREASE WORKER PRODUCTIVITY

- Mass improvement in employee efficiency and productivity
- Faster retraining for new job tasks
- Increased Tax revenues from higher salaries and higher company profits