Industry 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)

→ AⱯR ←
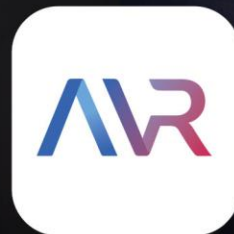
AUGMENTED REALITY
(digital content overlayed on real world)

IDC Inauguration
Italy Bologna
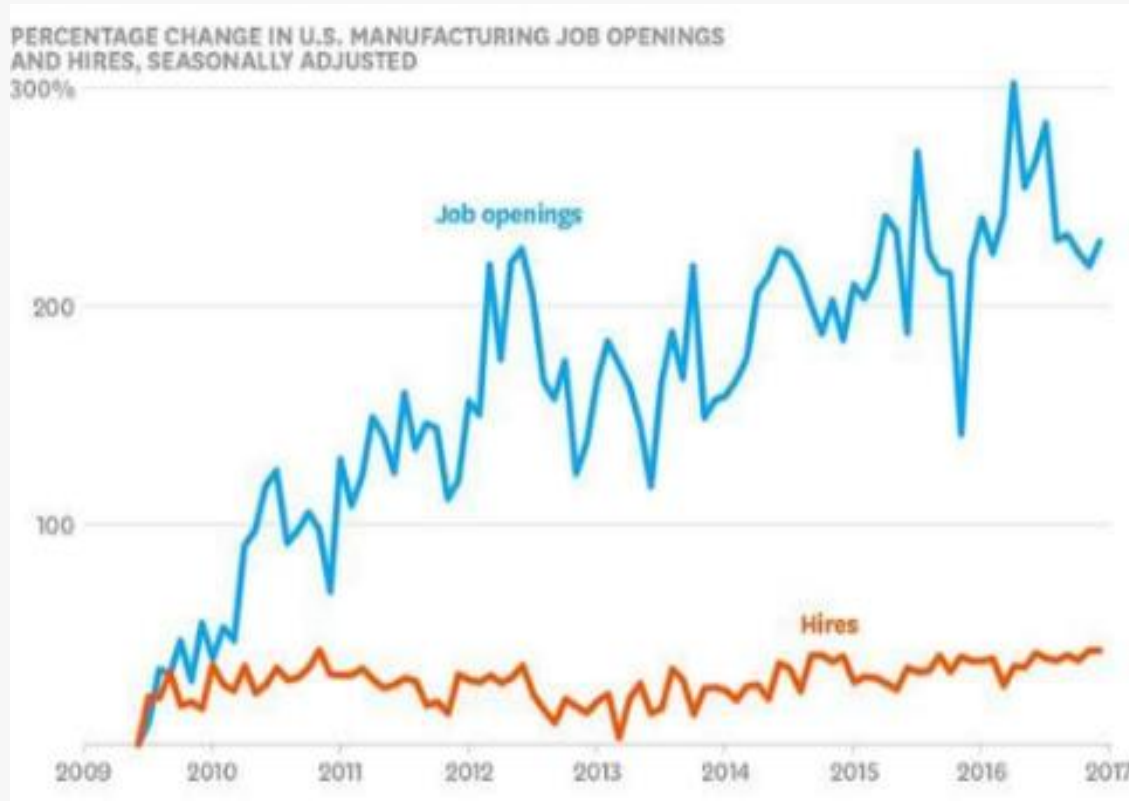# November 14, 2018

The Workforce Problem

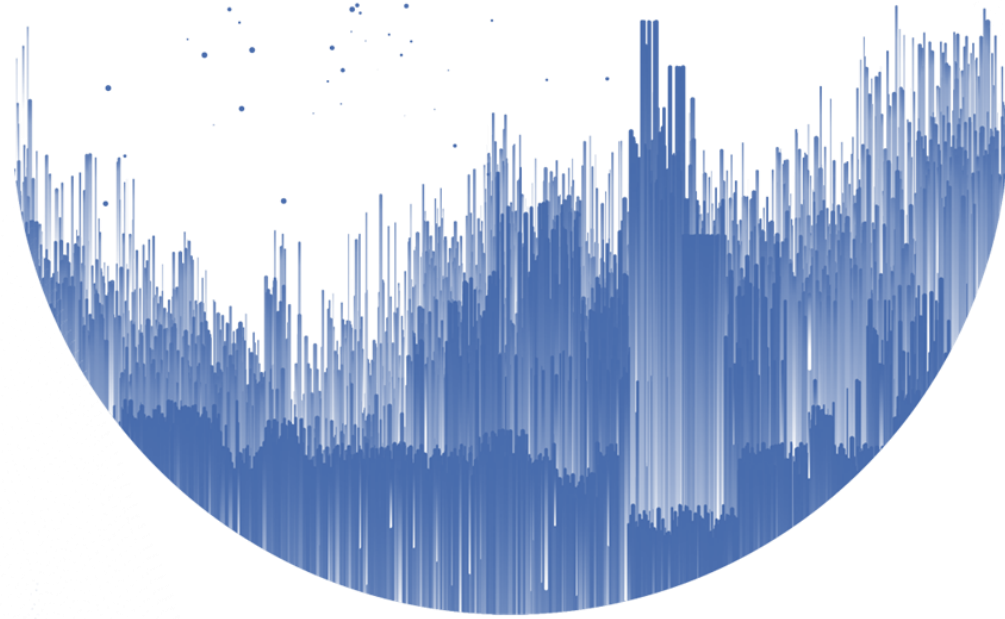# Technology Disruption Kills Jobs But It Also Creates Them

- 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

PERCENTAGE CHANGE IN U.S. MANUFACTURING JOB OPENINGS
AND HIRES, SEASONALLY ADJUSTED

300%

Job openings

200

100

Hires

2009   2010   2011   2012   2013   2014   2015   2016   2017

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**

BY2030, 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

What Will The World Look Like In 2030 ?

- 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**
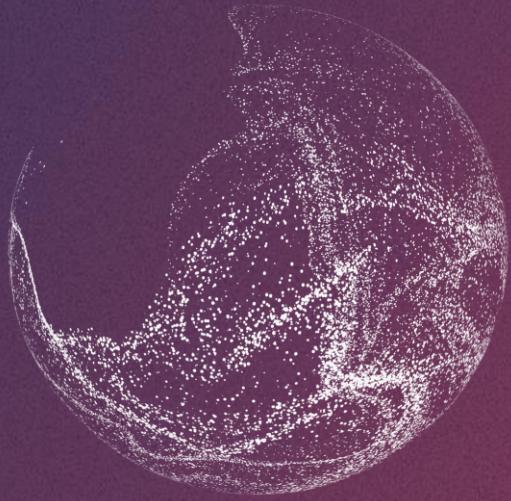
Which Jobs Are In And Which Jobs Are Out

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

	Highly exposed to automation	Increasingly exposed to automation	Less exposed to automation
Cognitive	**Routine, Cognitive** > Example occupations: Office assistants, sales agents, brokers	**Non-routine, Cognitive** > Example occupations: Management, health care, technical / engineers, creatives	
Manual	**Routine, Manual** > Example occupations: Construction, mechanics, factory line	**Non-routine, Manual** > Example occupations: Service (e.g. waiters, aged care) and protection (e.g. security)	

Routine → Non-routine

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.
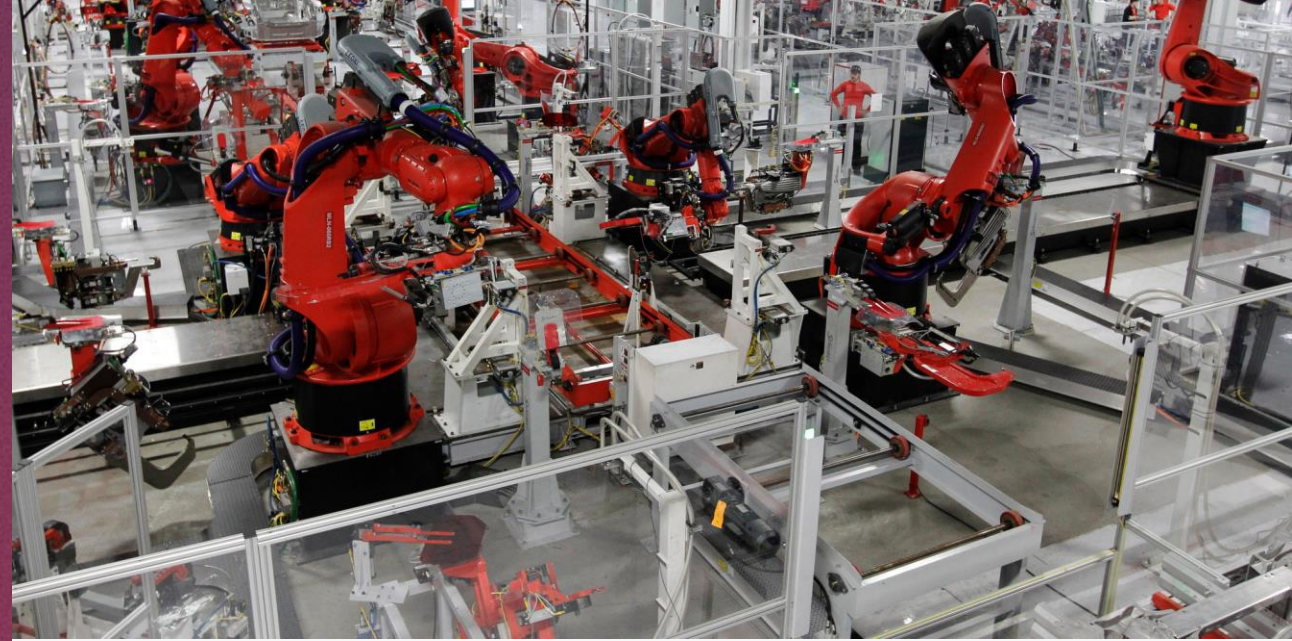
Elon Musk Replaces Robots At Tesla Factory:

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
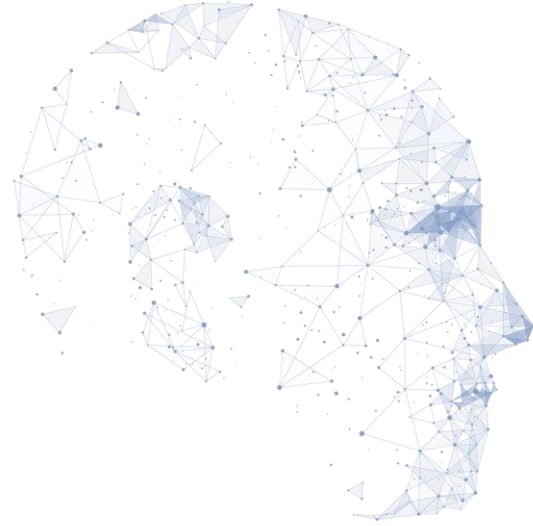
The Positive Scenario:

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
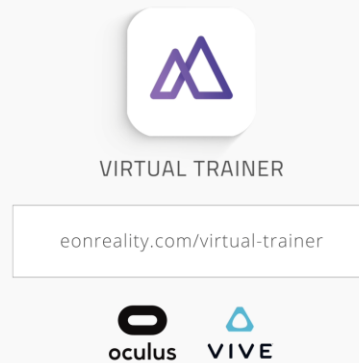- Contextual knowledge on the spot

Learn   # Train   # Perform

VIRTUAL TRAINER

eonreality.com/virtual-trainer

EON CREATOR AVR

Available on the App Store   GET IT ON Google Play

oculus   VIVE

AR ASSIST

CREATOR AVR   ## VIRTUAL TRAINER   ## AR ASSIST

Onboarding
Familiarization
Pre-training
Sales Training

Procedure Practice
Remote Training
Virtual Certification

AR Assisted MRO
Remote Expert Assistance
Real Time Data Display

Industry Adoption

EON Industry Customers

63% Reduction in Training Costs with AVR

Service Technicians Training

12 times faster
Cost Savings: 92%
For Shank Adapter Change
SOP using **AR Training**

2000 * 32 EUR/h * 2
= 128 KEUR

2000 * 32 EUR/h *
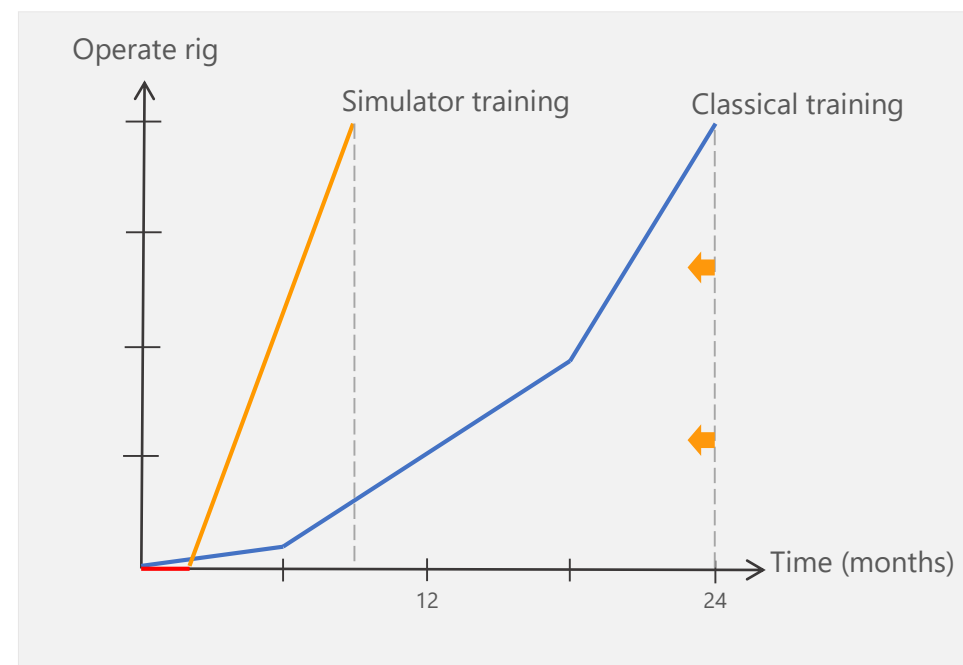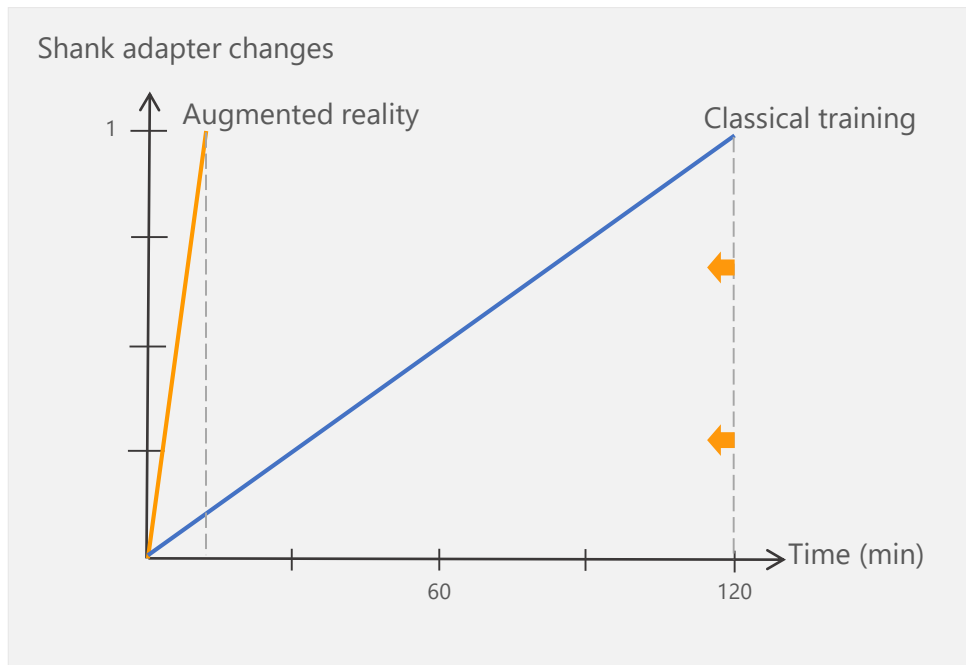1/6 = 10,7 KEUR

Savings: 117 KEUR

Operators Training

2.7 times faster
Cost Savings: 63%
For Oil Rig Operator Training using
a **Simulator**

2000 * 32 EUR/h * 2 * 225 * 8
= 230 400 KEUR

2000 * 32 EUR/h * 9/12 * 225 *
8 = 86 400 KEUR

Savings: 144 000 KEUR

Source: The diagrams are from Atlas Copco's http://en.wikipedia.org/wiki/Atlas_Copco, an EON customer that have implemented VR and AR

34% Increase in Productivity

Independent Analyst ROI Studies

- In this [AVR Benefits](#) document we have compiled a number of studies made by global leading analysts
- They conclude that that using Augmented and Virtual reality provides significant **improvements in knowledge transfer**
- **along with 34% to 40% productivity** improvements

Harvard Business Review

MANUFACTURING

Augmented Reality Is Already Improving Worker Performance

by Magid Abraham and Marco Annunziata

MARCH 13, 2017

+34%

Boeing's use of augmented reality for technicians has increased productivity by 40% and reduced wiring production time by 25%.

Industry Use Cases

ExxonMobil

IMMERSIVE 3D TRAINING ENVIRONMENT

ExxonMobil and EON Reality Inc. partnered to deploy the AVR immersive training platform that improves the way field training is done.

0 MISTAKE

PULL
TO APPLY
**PARKING
BRAKE**
PUSH TO
RELEASE

SPEED LIMIT 30KM/H

R MODE

N ▲

D ▼

Development Build
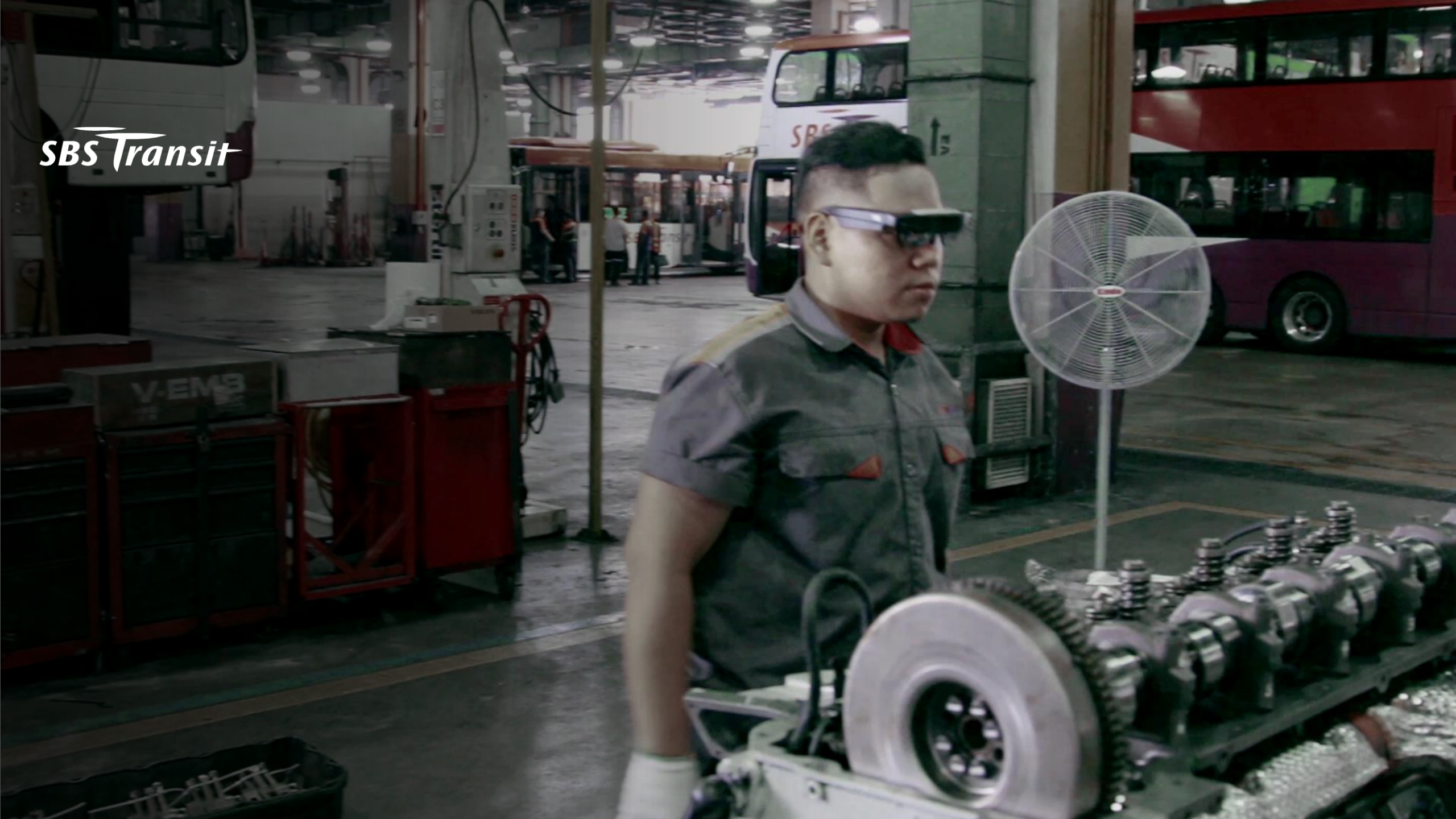
The EON AVR Platform

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
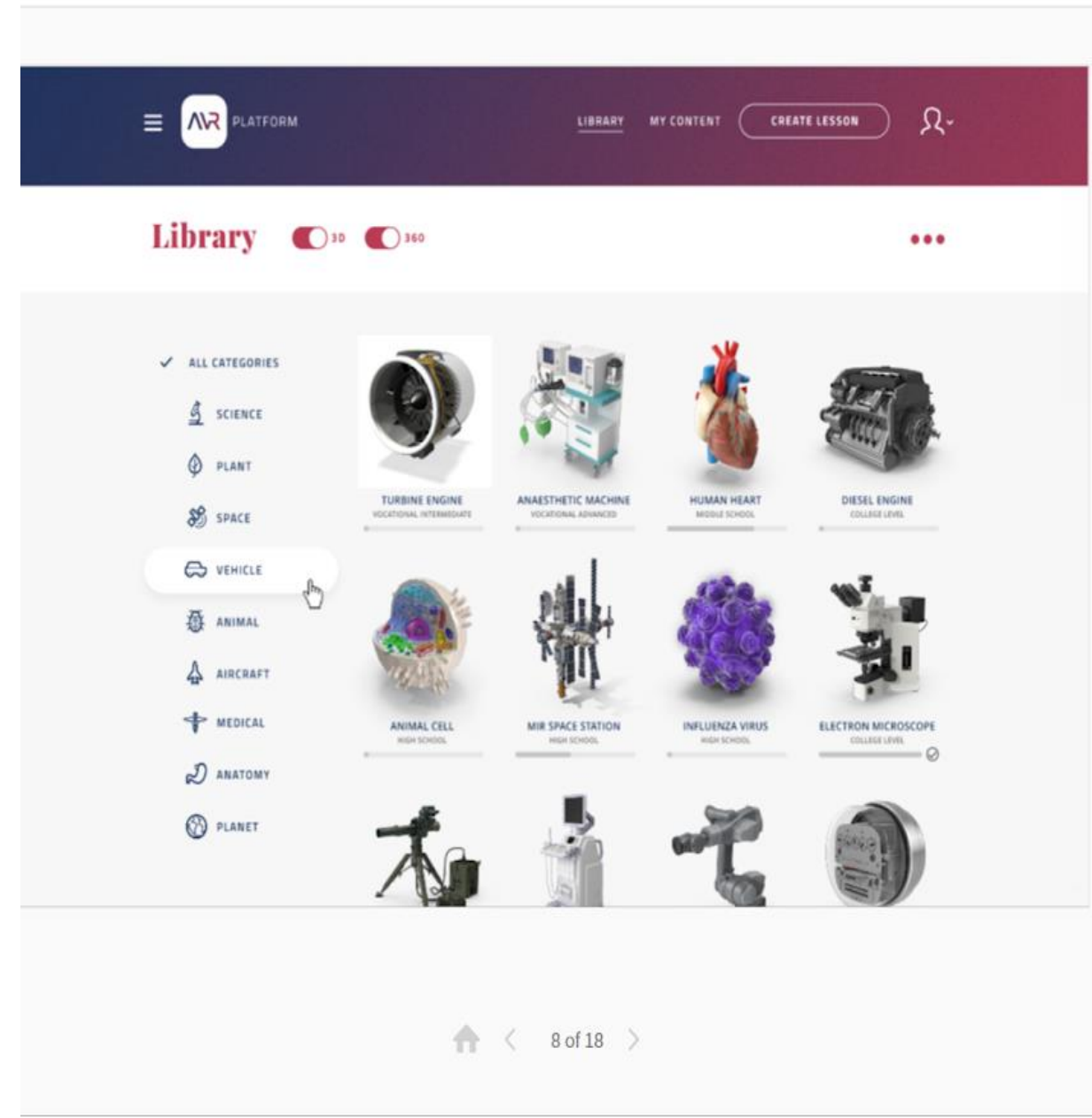
Affordable

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)

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		●	●	●	●

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

LIBRARY   MY CONTENT   CREATE LESSON

Import 3D Assets

DRAG FILE HERE
OR CLICK TO BROWSE

Accepted formats:

GEO, 3DS, ASC, ASE, PRJ, FBX, COB, SCN, 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, SLDPRT, PRT, SLDDRW, STEP, STP, STPZ, STP, ZIP

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
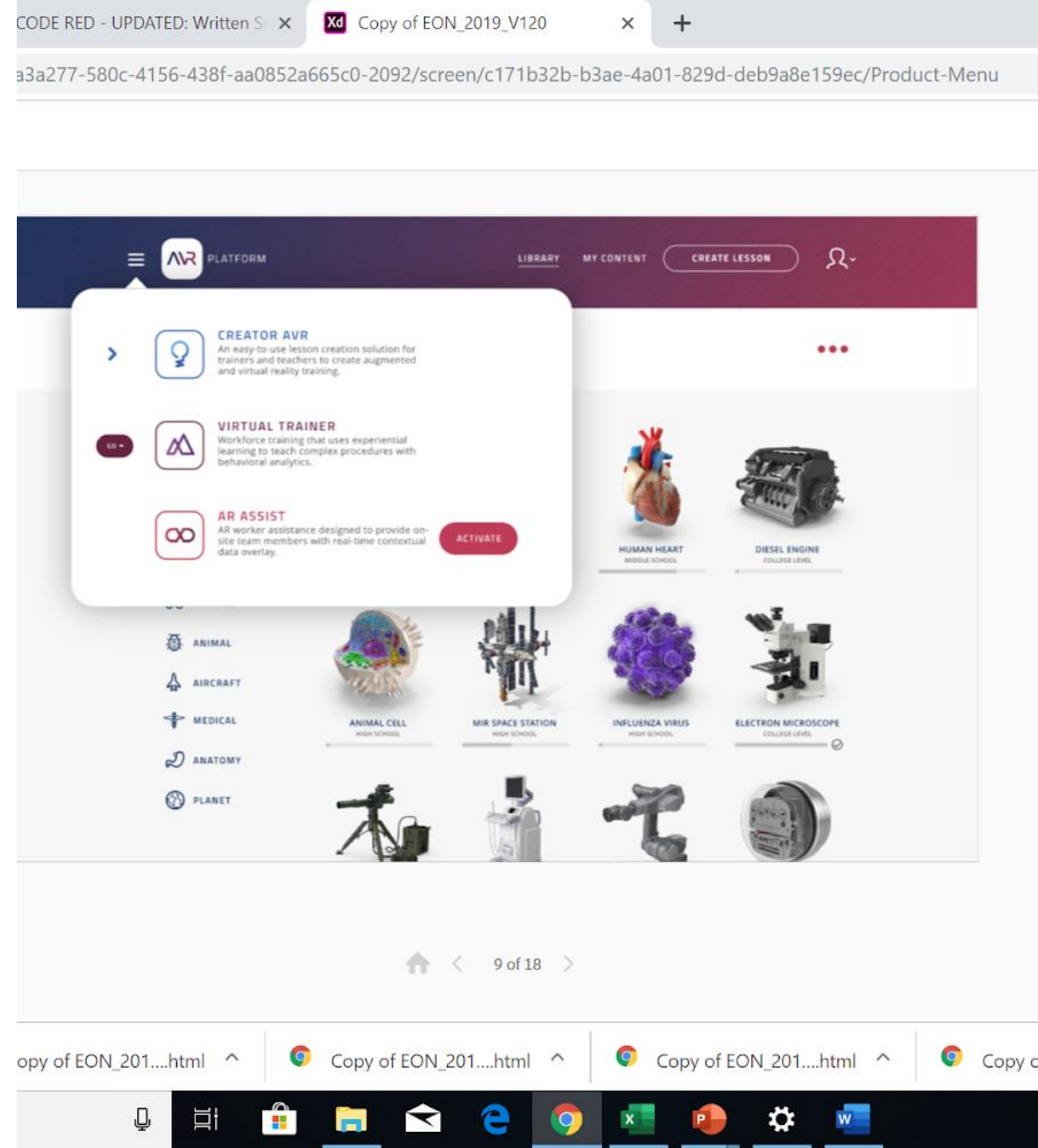
End To End Solution For AVR Knowledge Transfer

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
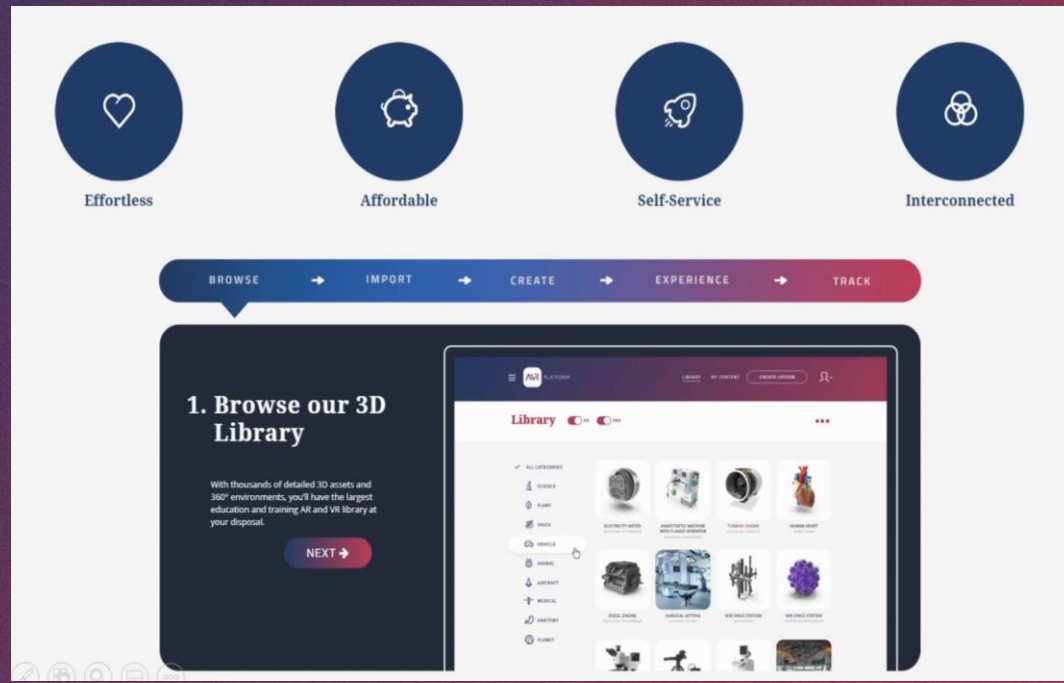
VAULT - Vast Catalog of Augmented and Virtual Reality Applications

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

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

https://www.eonreality.com/press-releases/eon-reality-vault-announcment/

End To End Solution For AVR Knowledge Transfer

Vault

- Complete AVR applications that address specific needs and support advanced systems
- $67MUSD worth of content

Marketplace

Partner Developed Applications

- Partners and customers developed applications for the AVR platform - uploaded on the Marketplace and secure passive revenue
- OR outsourced applications to EON partners for example Moldova or India
- OR use VR Academy resources in centers

AVR Platform

- Effortless
- Affordable
- Self service
- Interconnected
- 870,000 assets

Top Down Bottom Up Approach

AVR Platform Vs. Project Approach

THE AVR PLATFORM IS COST-EFFICIENT, FASTER AND BETTER

PROJECT APROACH

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

- SERVICE, CONTENT, INTEGRATION
- REAL-TIME REMOTE GUIDANCE
- KNOWLEDGE MARKERS
- GUIDANCE AND ASSESSMENT
- INTEGRATED COMMUNICATION
- MULTI-PLATFORM
- MULTI-USER
- USER MANAGEMENT
- CONTENT MANAGEMENT
- AVR PUBLISHING
- USER GENERATED INTERACTION CREATION
- CAD/MODEL & DATA
- CLOUD BASED
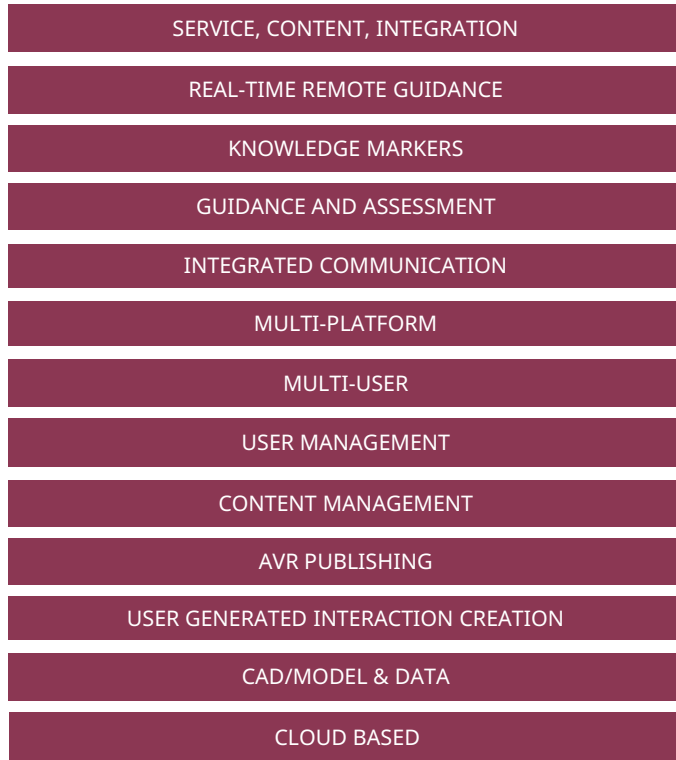
AVR PLATFORM

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

AVR ♀ ⩲ ∞

Cloud Based, Cad/Model & Data, User Generated Interaction Creation, AVR Publishing, Content Management, User Management, Multi-User, Multi-Platform, Integrated Communication, Guidance And Assessment, Knowledge Markers, Real-Time Remote Guidance and service, content, integration

GAME ENGINES

unity | Unreal | CRYENGINE
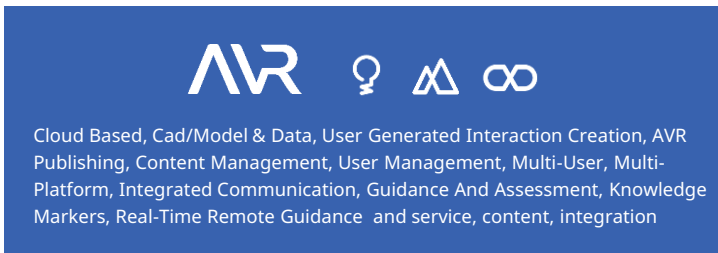
>60% MORE COST EFFICIENT

- 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

AVR Landscape

AVR Landscape

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

magic leap

Google

Microsoft

htc

oculus

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

blippAR

Wevr

amazon

JAUNT

NEXTVR

B2B Enterprise & Education AVR Platform
Knowledge Transfer

eon reality

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

unity

UNREAL ENGINE

CRYENGINE

Global Strategy

IDC

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
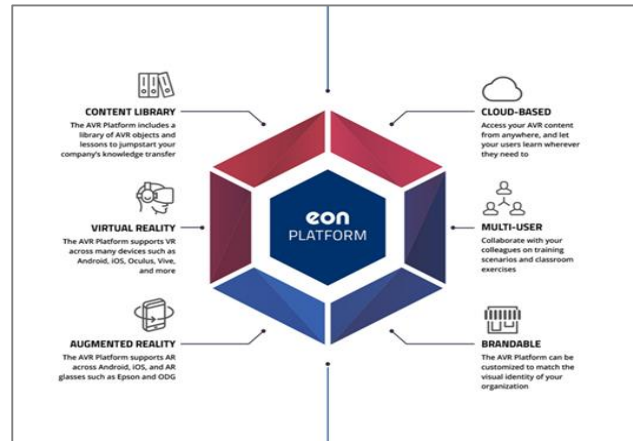
AVR Content & IP Creation
Teachers, subject matter professionals and students create new AVR lessons and knowledge modules.

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.).*
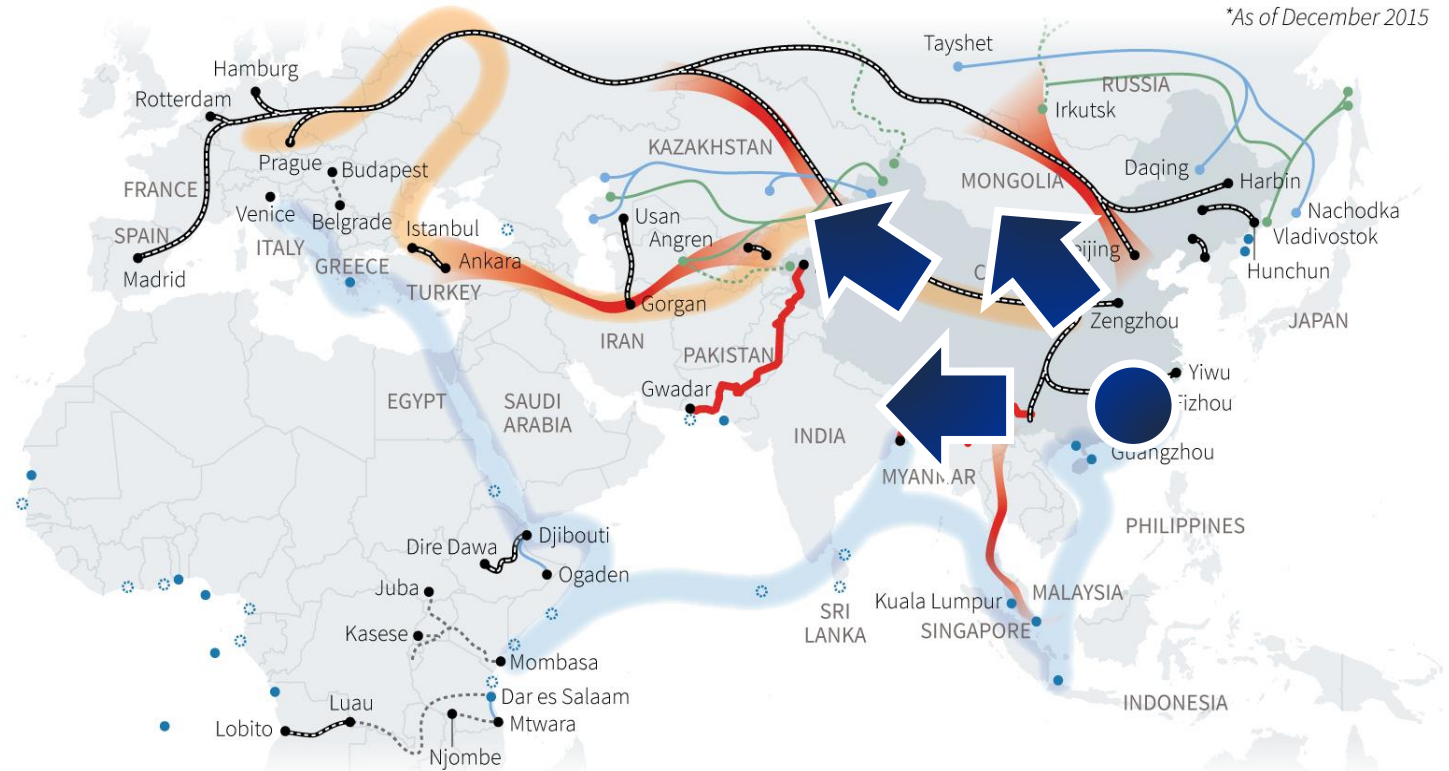
Source: Mercator Institute for China Studies.

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

EON reality

- ✓ 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)

AR ASSIST
$42
per user per month,
billed annually,
minimum 30 users

VIRTUAL TRAINER
$42
per user per month,
billed annually,
minimum 30 users

CREATOR AVR
$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
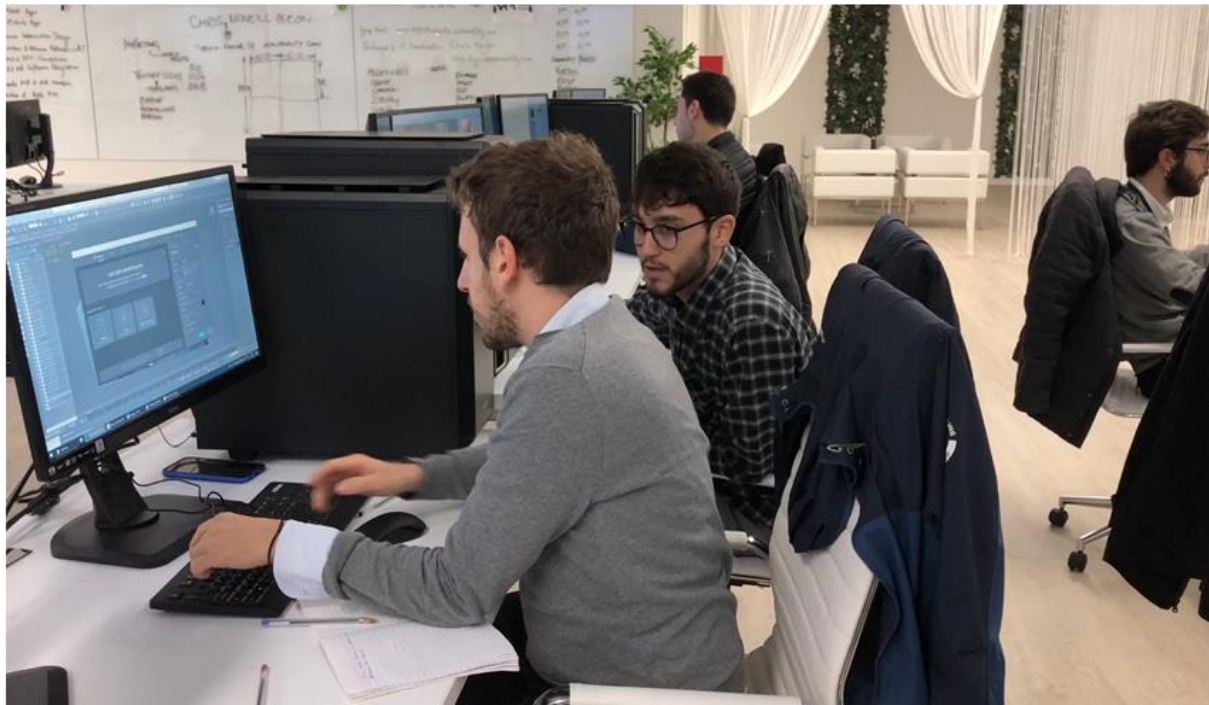
Revenue Sharing

- **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 Propert**y 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

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

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

From $500,000

- **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

IDC Junior Business Developer Revenue
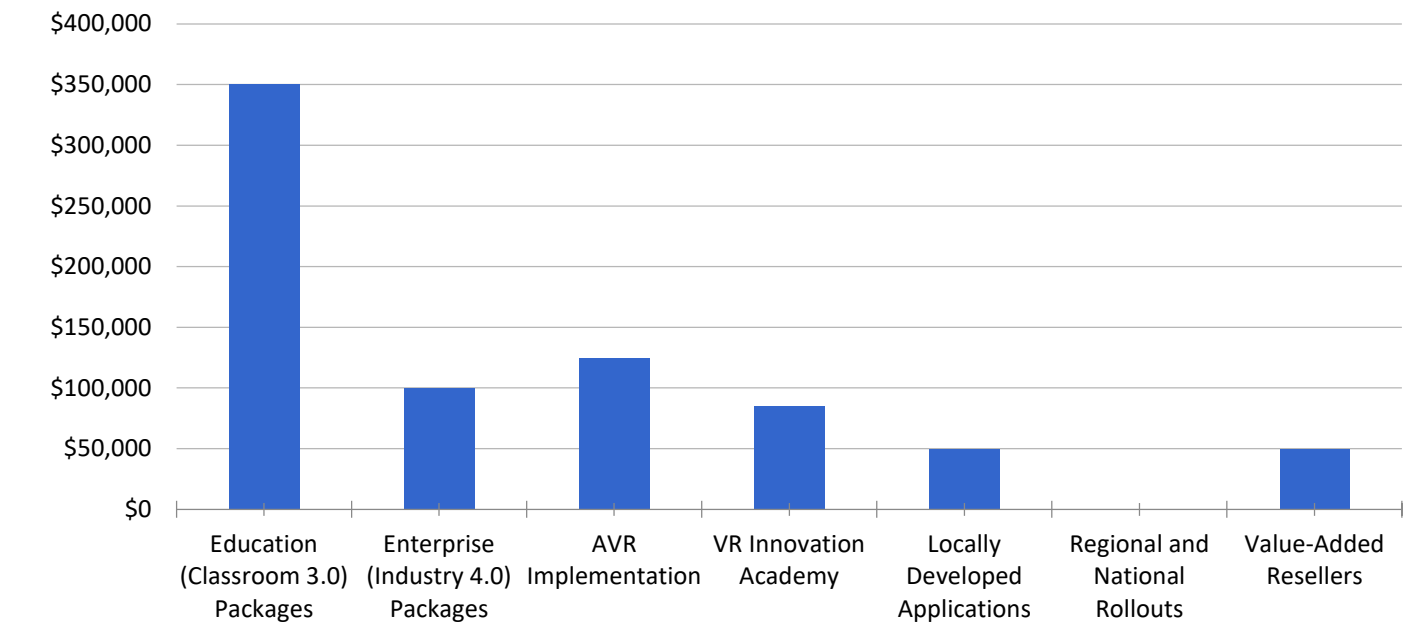
Revenue - From JR BD

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 VRIA 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
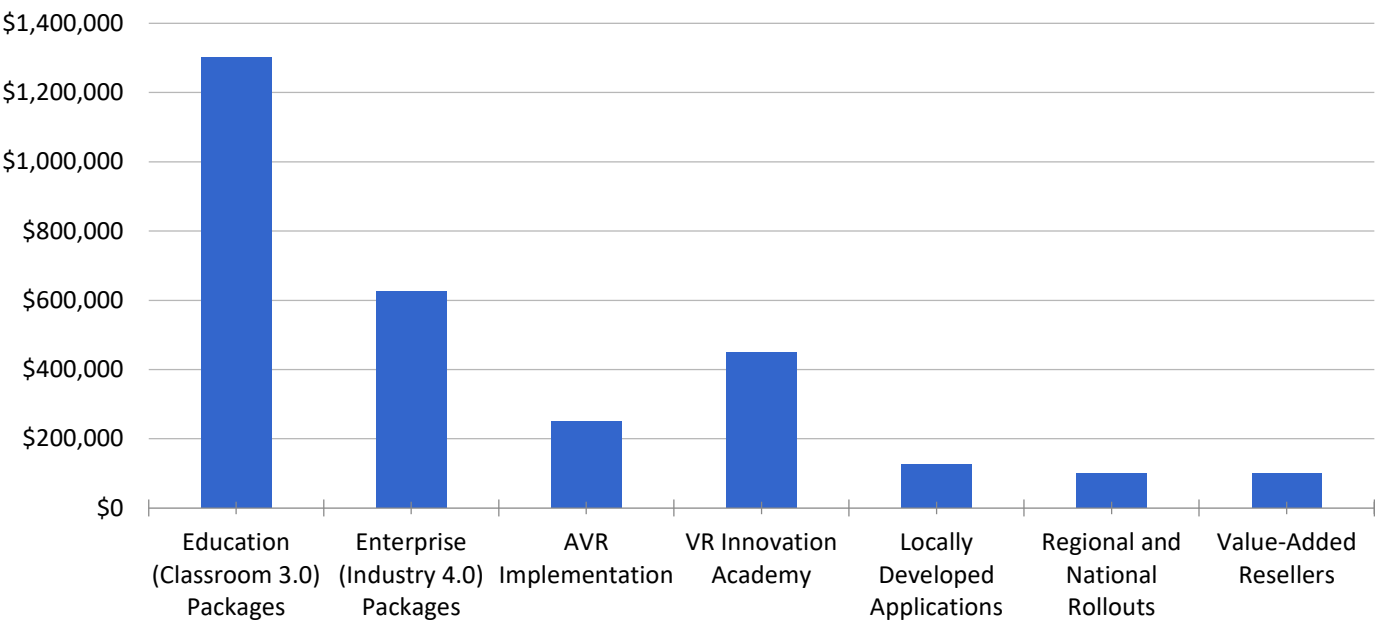
Revenue - From SR BD

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 VRIA 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
Perecntage 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
Revenue							
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
Cost of Revenue							
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

($)	Year 1	Year 2	Year 3	Year 4	Year 5	*CAGR*
Revenue	1,520,000	4,970,000	11,762,500	26,267,500	43,950,000	*132%*
Cost of Revenue	904,000	2,834,000	6,651,250	14,734,750	24,335,000	
Gross Margin	616,000	2,136,000	5,111,250	11,532,750	19,615,000	*138%*
	41%	*43%*	*43%*	*44%*	*45%*	
General & Administrative Expense:						
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 & Acounts 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 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

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

IDC Hub

Education
Fast-track Employable Students

Industry
Deliver Industry Competitive Advantage

Edutainment
Awaken Curiosity

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 .

Thank You