



BUSINESS DEVELOPMENT PLAN

Imagine a world where anyone can profit by joining a massive processing and storage space. Powered by Artificial Intelligence to connect users to services and decentralized applications. Easy to use features and functionalities are synced across all smart platforms. Whether you are a single user or a full blown enterprise. We provide you fully secured cloud services that are catered to your needs.

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V3.6

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1.0 EXECUTIVE SUMMARY

INTRODUCTION

IAGON is a platform for harnessing the storage capacities and processing power of multiple smart devices over a decentralized blockchain/tangle grid. IAGON utilizes and enables storing big data files and repositories, as well as smaller scales of files, and carries out complex computational processes, such as those needed for artificial intelligence and machine learning operations. IAGON operates a fully secure and encrypted platform that integrates Blockchain/Tangle, cryptographic and Artificial Intelligence (AI) technologies in a user-friendly way. We focus on delivering Decentralized Cloud Computing and Artificial Intelligence services. In order to develop the IAGON platform, we continuously use cutting edge technologies, including machine learning, big data, data mining, decentralized and distributed systems, as well as Blockchain and tangle technologies. Under IAGON's platform you can imagine a world where anyone can profit by joining a massive processing grid. IAGON will provide a fully automated platform for carrying out the storage and processing tasks of users on the basis of unutilized storage and processing capacities that are contributed by the "miners". The miners will be able to convert the tokens back to fiat money, to accumulate them or to pay for similar services that they need with the tokens. For each transaction, IAGON will charge 10% commission and the rest of the tokens will be transferred to the miner. This decentralized cloud platform will operate two grids, i.e. a storage grid and a processing grid. Both grids operate on a Blockchain platform powered by Machine Learning capabilities to optimize the allocation of tasks and files to miners.

LOCATION

IAGON is a company legally registered in Hamar, Norway and will provide its services globally.

LEADING TECHNOLOGY

IAGON uses the world's leading technology for developing and establishing two online grids to connect users that demand storage capacities for Big Data and large processing capabilities for Artificial Intelligence computations. The allocation of storage space and computational tasks to miners who contribute unused storage and processing capacities will be conducted via a series of Machine Learning (ML) algorithms. The processing tasks will be largely distributed to miners on the processing grid according to the characteristics of each task and its creator (the user). The results will be stored and managed on the Blockchain and will be visible only to the user that initiated it.

OBJECTIVES

IAGON aims at revolutionizing the cloud industry by providing a fully secure and decentralized cloud storage and processing platform based on the Blockchain and Tangle technologies.

TARGET MARKET

User Market - IAGON's main share of the user market consists of corporates, public institutes and SMEs that require large secure storage and processing capacities (including cloud services, database storage, historical data archiving, data analytics, batch processing, etc.).

Miner Market - The major part of the miner market consists of data centers that do not fully utilize their storage and server capacities and can dedicate portions of them to IAGON's grids.

MISSION

IAGON aims at supporting the growing demand for cloud computing due to the emergence of Big Data storage and Artificial Intelligence processing by developing and providing decentralized cloud computing based on the Blockchain.

1.0 EXECUTIVE SUMMARY

VISION

Our vision is to provide a safe and secure cloud service powered by Artificial Intelligence and Blockchain/Tangle technologies. Our goal is achieved through the integration of information technologies across all smart devices and platforms, thus creating a seamless experience that fully serves the specific needs of its users.

SALIENT FEATURES OF IAGON SERVICES

- Provision of cloud computing for processing tasks and for storage by joining the abundant computational capacities that are not used by personal smart device owners and data centers (CPU, GPU and disk space).
- The storage and the processing will be fully protected by encryption on the Blockchain, and therefore they are 100% secure and resistant to hacking.
- 24/7 operation of the storage grid, the processing grid and the Blockchain/Tangle.
- Attracting large numbers of users and miners to match the demand and supply of storage and processing power.
- Valuation of the IAGON token.
- Harnessing together the storage capacities and processing power of multiple smart devices over a decentralized Blockchain grid.
- Unique proprietary, secure and encrypted distributed storage solution that utilizes the Blockchain/Tangle and sharding protocols.
- Trusted and integrated decentralized applications within a single platform that serves any type of users from Fortune 500 companies, through SMEs to daily users.
- Miners generate revenue on our platform by sharing their smart device's resources, including storage and computing power.
- We use a combination of machine learning algorithms, neural networks and the Blockchain/Tangle to develop a reliable, secure and efficient platform.
- Integrated cryptocurrency wallets help manage the transactions across different decentralized applications.

2.0 THE COMPANY

IAGON is a platform for harnessing the storage capacities and processing power of multiple smart devices over a decentralized Blockchain/Tangle grid. IAGON utilizes and enables storing big data files and repositories, as well as smaller scales of files, and carrying out complex computational processes, such as those needed for Artificial Intelligence and Machine Learning operations, within a fully secure and encrypted platform that integrates Blockchain/Tangle, cryptographic and Artificial Intelligence (AI) technologies in a user-friendly way.

Cloud computing is an emerging computing paradigm that enables both information technology infrastructure and software to be delivered directly over the Internet as a service. IAGON delivers these services by utilizing the vast capabilities of Artificial Intelligence to connect users to services and decentralized applications in a secure and efficient way. Easy to use features and functionalities are synced across all smart platforms for single users or full-blown enterprises.

As the impact of AI and Big Data technologies on every field of our daily and professional lives increases, IAGON focuses on the delivery of Decentralized, Cloud Computing and AI services that fulfill this growing demand. We continuously implement cutting edge and evolving technologies, including Machine Learning, Big Data, data mining, decentralized and distributed systems, as well as the Blockchain/Tangle technology. The decentralized nature of the IAGON platform opens a world where anyone can profit by joining our massive processing and storage platform. Users can benefit and enjoy a share of the revenues.

2.1 IAGON PLATFORM

IAGON is developing a secure platform for cloud computing services that are supported by the Blockchain technology (eventually Tangle as well), which fulfills the following aspects of its operation:

- Secure and decentralized storage of data and files on a grid of data centers and smart devices that contribute their unused storage capacities to generate profits.
- Secure altering of computational processing tasks and programs by utilizing unused processing power of smart devices and servers on a processing grid during their idle time (including both CPUs and GPUs).
- A crypto-token system that enables users of the storage and processing grid to pay for services that they consume (i.e. securely storing files and processing information) while those who contribute their resources to the grids benefit from these tokens. The tokens can be traded and converted to money via cryptocurrency exchanges.

Currently, the market is dominated by four major players: AWS, Google Cloud, Microsoft and IBM which all utilize central and less trusted storage and computation facilities. Due to their oligopolistic dominance, the four providers of cloud services set high pricing levels. These providers are also capable of hampering any competition and preventing new market entrants from competing with them, due to the broad scale of their operations and their substantial investments in data centers, servers, storage facilities and marketing. IAGON is able to compete with these companies by uniting multiple unused smart device resources into one grid and offering decentralized storage capacities and processing power over the Blockchain/Tangle grid with a competitive and lower pricing.

2.2 BUSINESS MODEL

The cloud services market that provides both storage capacities and computational processing capabilities to companies and to corporates is estimated by 45 billion USD per annum and is characterized by ongoing and steady growth. The demand for computational processing and storage capacities is expected to dramatically increase in the near future due to two major trends in the business and computing worlds: Big Data and Artificial Intelligence.

LAGON's major aim is to revolutionize the cloud and web services market by offering a decentralized grid for storage and processing tasks. By joining the unused storage capacity of servers and personal smart devices and their processing power into one computational grid and allocating processing tasks and uploaded files, we can create a super-computer and a super data center that can compete with any of the current cloud computing moguls. Our solution is based on joining multiple servers and smart devices by utilizing their free storage capacities to store file fragments in an anonymous and highly secure manner and by operating their processors during idle times for parallel conduction of allocated tasks. Powering the computational processing and storage grid with the Blockchain/Tangle technology ensures the complete security of both miners and users, their anonymity and privacy and the complete integrity of the tasks and the files transferred, processed and stored on IAGON's Smart Computational Grid (SCG).

Consumers of these services – both companies and individuals – can enjoy vast storage and processing capacities at a fraction of the market prices on a fully secured cloud platform. We overcome any entry barriers imposed by the high level of investments required to compete in this market, by connecting data centers, business computers and personal users and utilizing their free storage capacities and their CPU and GPU processors in a seamless manner during idle times.

Three major aspects of the developed platform are addressed by IAGON's technology and solutions:

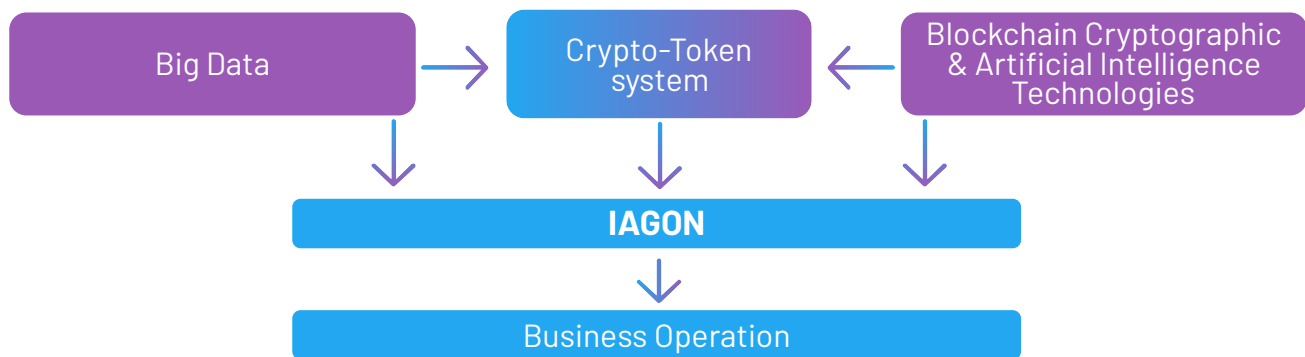
- **Big Data** is the collection, management and storage of vast amounts of information obtained from any internal or external sources (such as the company's IT systems, social networks, sensors, medical instruments, production line machinery and so on). The data management of companies promotes collection and storage of any data related to its operations, clients and competitors should a need to analyze any of these data ever present itself.
- **Artificial Intelligence** is a collection of mathematical and statistical methods that "learn" from data on previous operations, finds patterns and business rules and predicts future behavior. AI-based processes require vast amounts of computations and consume significant processing power of CPU and GPU processors. The demand for storage and for processing power is expected to exponentially increase with the broadening use of AI applications in new areas and with the widespread adoption of data collection from multiple channels (such as sensors, social networks, data providers, etc.) and later with their advanced processing and analysis.
- **LAGON's Token Economics** is based on smart device, server and data center owners who join the storage and processing grids. In return for sharing the capabilities of their machines, they will be granted IAGON tokens that can be converted back to fiat money. Any party who wishes to utilize the storage and processing capabilities provided by our decentralized cloud platform will purchase IAGON tokens to distribute them to the contributors of the grid (i.e. "miners") that provide their services to the grid. The storage mechanism will be based on blockchain encryption and delivery of encrypted file fragments to multiple storage facilities, so that none of the attributes of the file slices (origin, name, owner, data, storage place, etc.) can be identified or deciphered by any party, other than the user who uploaded the original file. Miners can publish their skills and their free storage and processing capacities and can offer their service on the basis of their experience, available resources and storage space and bidding on price. Advanced Machine Learning and AI algorithms will assist in recommending prices to users and miners connected to the Smart Computational Grid (SCG) and will classify them according to their price levels, continuity of services and access to files. Investors and holders of the IAGON tokens are likely to benefit in the long run due to the increasing network externalities of the growing adoption of the technology and its use. As more and more companies recognize the benefits of IAGON's platform for storing files and processing them, the demand for these services will increase and so will the demand for the token – the way users pay the miners on the Smart Computational Grid (SCG).

2.3 SALIENT FEATURES OF IAGON'S SERVICES

- IAGON provides cloud computing services for processing tasks and for storage by joining the abundant computational capacities that are not used by personal smart device owners and data centers (CPU, GPU and disk space) in a decentralized manner.
- 100% Secure Storage and processing of computational tasks, fully protected by encryption on the Blockchain, and therefore files stored via the Smart Computational Grid (SCG) are 100% secure and fully resistant to hacking.
- 24/7 operation of the storage grid, processing grid and the Blockchain/Tangle are guaranteed by our platform. The decentralized nature of our Blockchain-based services ensures 100% availability of the stored files, without any "blackouts" (technical failures preventing access to files) that often happen in other centralized cloud platforms by applying Machine Learning techniques and predictive analytics for forecasting and preventing these events.
- Storage and processing power are provided with minimal operation and energy costs by attracting large numbers of users and miners to match their demand and supply of storage and processing power.
- Storage capacities and processing power link multiple smart devices over a decentralized Blockchain/Tangle grid. The platform forms a fully secure computational "power grid" that links between the smart devices and servers of miners and users for data transfers, storage and processing.
- Valuation of the IAGON token.
- Unique proprietary, secure and encrypted distributed storage and processing solution utilized the Blockchain/Tangle and file sharing protocols.
- Support for both CPU and GPU based processing, essential for AI and advanced Machine Learning tasks, such as the operation of complex Artificial Neural Networks and Deep Learning, as well as supporting more conventional data mining techniques.
- User Friendly Platform for trusted operations of decentralized applications on a single platform for every type of users - from Fortune 500 companies and SMEs to daily users.
- Miners that are connected to our platform can generate substantial static streams of revenue sharing free storage and computing power of their smart devices and servers.
- The combination of Machine Learning and Artificial Intelligence algorithms, neural networks and the Blockchain/Tangle used to optimize the allocation of stored files and processing tasks to miners connected to our Smart Computational Grid provides a reliable, secure and fully accessible platform.
- Integrated cryptocurrency online wallets assist in managing transactions across different decentralized applications.

2.4 SALIENT FEATURES OF IAGON'S SERVICES

IAGON will provide an automated platform for carrying out the storage and processing tasks of users on the basis of unutilized storage and processing capacities that are contributed by the miners. Users willing to carry out storage and processing tasks will purchase IAGON tokens (traded via cryptocurrency exchanges) and will use them to pay the miners for the services that they consume. The miners will be able to convert the tokens back to fiat money, to accumulate them or to pay for similar services that they need with the tokens. For each transaction, IAGON will charge 10% commission in IAGON tokens to support its operations and its ongoing R&D efforts. The rest of the tokens (90%) will be transferred to the miners and distributed between them according to the amount of their resources that serves the user's operations. This decentralized cloud platform will operate two grids: a storage grid and a processing grid, both run on a Blockchain/Tangle platform powered by Machine Learning capabilities to optimize the allocation of tasks and files to miners. In addition to operating the grids and the Blockchain, IAGON will conduct research and development in the fields of Blockchain/Tangle technologies, security, Big Data and Artificial Intelligence to continuously learn from its Blockchain/Tangle operations and improve the performance of its grids and the allocation of storage and processing tasks to miners.



2.5 LEADING TECHNOLOGY

IAGON establishes two online grids to connect users demanding storage capacities for large processing capabilities for Artificial Intelligence computations, such as Machine Learning and Deep Learning and for processing vast Big Data databases, as well as more conventional storage and processing tasks of any size (such as SQL queries). The allocation of storage space and computational tasks to miners who contribute unused storage and processing capacities will be conducted via a series of Machine Learning (ML) algorithms. The ML will assess the availability of these resources for different types of accessibility (such as 24/7 accessibility, archiving old files, etc.) and will also store and manage copies of them on different miner locations for maximal redundancy. The files will be fully encrypted, sliced and distributed to multiple locations for maximal security and privacy of the files. Their identity and reference to the original file will be secured on the Blockchain and will be accessible only to the user that uploads the file to the grid. Similarly, processing tasks will be largely distributed to miners on the processing grid. The nature of each task, as well as its creator (the user) and its end result will be stored and managed on the blockchain and will be visible only to the user that initiates it.

Importantly: IAGON's operations will be operated and supported by both the Ethereum Blockchain and the new and innovative Tangle technology.

2.6 TARGET MARKET

- **User Market** - IAGON's major market share consists of corporates, public institutes and SMEs that require large secure storage and processing capacities (including cloud services, database storage, historical data archiving, data analytics, batch processing, etc.) and a high level of security.
- **Miner Market** - The major part of the miner market consists of data centers that do not fully utilize their storage and server capacities and can dedicate portions of them to IAGON's grids to generate additional profits.

2.7 REVENUE STREAMS

IAGON will charge a 10% commission in IAGON tokens from every transaction that users carry out to utilize the miners' storage and processing capacities.

2.8 BUSINESS OWNERSHIP

IAGON is owned by 4 founders and is registered as a Norwegian company. Dr. Navjit Dhaliwal, Bogna Kaczmarek-Dhaliwal, Dr. Claudio Lima, and Dr. Elad Harison.

Dr. Navjit Dhaliwal: CEO

Dr. Elad Harison: COO & Chief Architect

Dr. Claudio Lima: CTO

Bogna Kaczmarek-Dhaliwal: Silent Partner

CanPol AS (Company co-owned by Navjit and Bogna);

Dr. Elad Harison, Dr. Claudio Lima, Dr. Rohit Gupta

2.9 FUNDING VS. REQUIREMENT

The founders invested a seed capital of 190,000 Euros.

3.0 WHY IAGON?

3.1 MARKET NEEDS

The global market is going to experience exponential growth in the demand for low-cost and reliable storage with the increasing collection and generation of huge volumes of data. For example, corporates are expected to collect large amounts of omni-channel (meaning: multiple channel) data about customers and competitors. Other data will be collected from IoT devices, such as sensors, medical devices, autonomous cars, Industry 4.0 controllers, smart home systems and more.

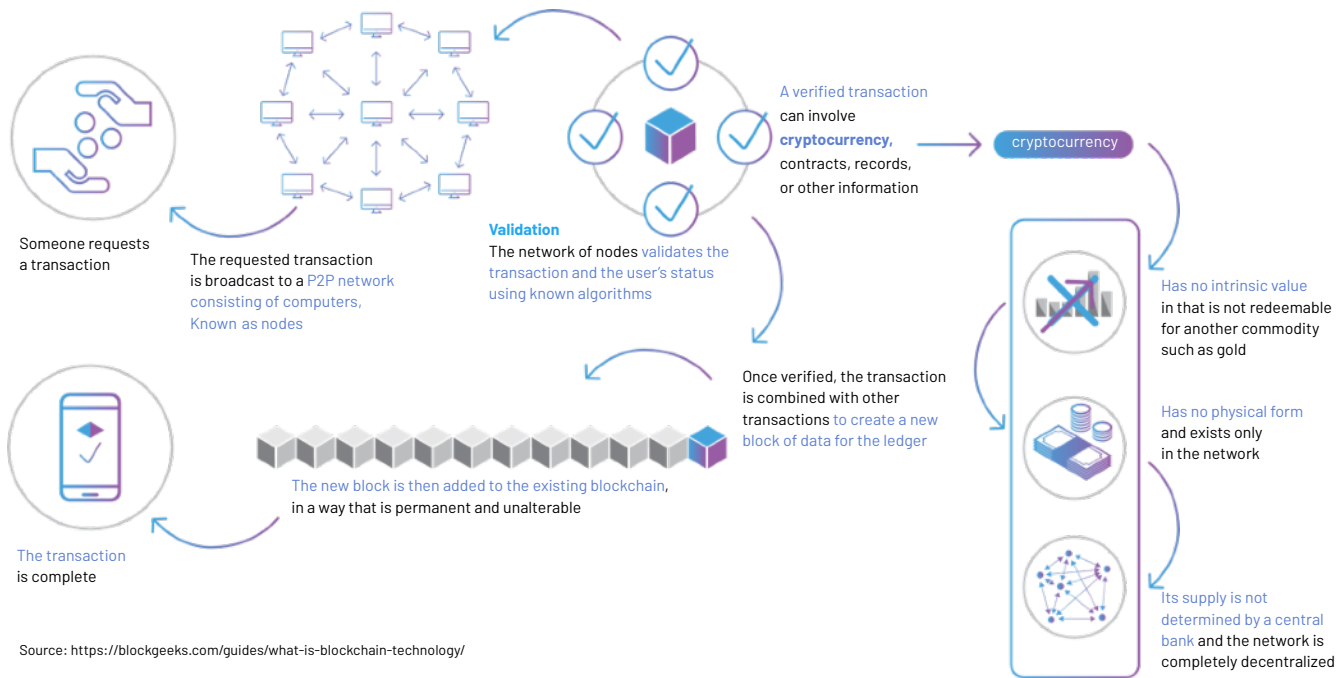
Companies will need to analyze these vast amounts of data by applying advanced analytics and Artificial Intelligence techniques to derive managerial, operational, business and functional insights to react to changes and trends in their environment. The application of AI-based tools (such as Machine Learning and Deep Learning) requires vast processing power. Additionally, many companies gradually shift from on premise architecture of their information systems to cloud computing. Thereby, IAGON'S solutions will support all these trends.

3.2 CLOUD COMPUTING-COST CUTTING TECHNOLOGY

Cloud computing is a cost cutting technology for businesses. It is based on the use of computing resources that are delivered to customers with the help of Internet technologies and communications, regardless of their locations. When a company moves to a cloud-based service model, in practice it moves away from the traditional capital expenditure model to an operating expenditure model. Cost cutting is a major task for the CFOs for the smooth running of their business, where most of the times the IT budget is a worrisome matter for them. It is difficult to manage the IT Infrastructure with a small number of IT workers within the organization to keep on changing, maintaining and managing the IT infrastructure of the company. Additionally, most of the costly IT hardware is employed for occasional computing purposes and is not fully utilized. For each and every node, smart device or server, IT people spend long hours installing, configuring and making it ready for the use. Consequently, businesses that are clearly concentrating through their online portals find it scaling up their operations difficult. Agility, performance and capacity planning become increasingly difficult for IT managers to handle. IAGON will provide very cost effective and reliable solutions to the CFOs, IT managers, and CEOs in any sector.

3.3 HARNESSING THE INNOVATIVE BLOCKCHAIN TECHNOLOGY

The Blockchain is an undeniably ingenious invention, which created the backbone of a new type of Internet communication. Originally devised for the digital currency, Bitcoin, the tech community is now finding other potential uses for the technology. Bitcoin has been called “digital gold” and for a good reason. To date (as of February 9th, 2018), the total value of the currency is close to \$142 billion USD. Yet, the Blockchain can make other types of digital value as well.



The Blockchain sphere offers the following unique benefits:

- **Decentralization** – This is a core concept and benefit of Blockchain: There is no need for a trusted third party or intermediary to validate transactions, but rather a consensus mechanism is applied to agree on the validity of transactions.
- **Transparency and Trust** – As Blockchain is a shared ledger and everyone can see what is on the blockchain, the architecture allows the system to be transparent and, consequently, trust is established. This attribute is relevant when disbursement of funds or benefits with personal discretion is of importance.
- **Immutability** – Once data is written into the Blockchain, it is extremely difficult to modify them. Unauthorized changing of data is extremely difficult and virtually impossible, thereby maintaining an immutable ledger of transactions.
- **High Availability** – As the system is based on thousands of nodes inter-connected in a peer-to-peer network and data is replicated and updated on every node, hence the system becomes highly available. Even if nodes leave the network or become inaccessible, the network as a whole continues to work, thus making it fully available at any time.
- **Highly Secure** – All the transactions on the Blockchain are secure at the highest cryptographic level and provide complete data integrity.
- **Simplification of current paradigms** – The current model in many industries (such as finance and healthcare) is rather disorganized, as multiple entities maintain their own databases. Data sharing can become very difficult due to the disparate nature of the systems. Nonetheless, as the Blockchain can serve as a single shared ledger among interested parties, it can simplify the data model and management by reducing the complexity of separate systems maintained by each entity.
- **Faster Dealings** – In the financial industry, especially in post-trade settlement functions, Blockchain can play a vital role by allowing the quicker settlement of trades, as it does not require a lengthy process of verification, reconciliation and clearance, as a single version of agreed upon data is already available on a shared ledger between financial organizations.
- **Cost Savings** – As the Blockchain model does not require any third party or clearing houses, it can massively eliminate overhead costs in the form of fees paid to clearing houses or to trusted third parties.

3.4 BIG DATA: THE NEXT FRONTIER FOR INNOVATION, COMPETITION, AND PRODUCTIVITY

The amount of data in our world has been exploding, and analyzing Big Data becomes a key basis of competition, underpinning new waves of productivity growth, innovation and consumer surplus, according to research by MGI and McKinsey's Business Technology Office. Leaders in every sector will have to grapple with the implications of Big Data, beyond the few data-oriented managers that currently do so. The increasing volume and detail of information captured by enterprises, the rise of multimedia, social media, and the Internet of Things (IoT) will fuel the exponential growth of data in the near future.

Some examples of sources from which Big Data repositories are generated are as follows:

1. **Medical Sensors and Equipment Data:** Data generated from medical examinations and from continuous recordings of indicators of the patient's health condition (from multiple sensors and devices) generates vast amounts of data per patient. This data is highly sensitive and private due to the awareness and legislation of the patient's privacy rights in most countries.
2. **Black Box Data:** Data generated by airplanes, jets and helicopters. Black box data includes flight crew voices, microphone recordings, and aircraft performance information.
3. **Social Media Data:** Data developed by social media sites such as Twitter, Facebook, Instagram, Pinterest, Google+ and more.
4. **Stock Exchange Data:** Financial data from stock exchanges, including prices at any time, share selling and buying decisions made by customers.
5. **Power Grid Data:** Data from power grids that hold information on particular nodes, such as usage information.
6. **Transport Data:** Data includes capacity, vehicle model, location, availability and distance covered by a vehicle. With the introduction of autonomous cars, research suggests that each autonomous car will collect and generate more than 25GB of data per hour, including sensor data, inter-car transmissions, geographical data, video and audio.
7. **Search Engine Data:** One of the largest sources of big data. Search engines have vast databases from which they obtain their data

4.0 MARKET ANALYSIS

4.1 CLOUD COMPUTING INNOVATION

In the IT industry, as well as in the cloud computing industry, technology is always developing and innovation comes at a fast pace. The early adoption of cloud computing came from three distinct layers of services provided from the IT industry: Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS). From the IT perspective, several trends grouped into the four distinct layers, mentioned previously, focus on increasing the efficiency of software distribution and hardware utilization have converged to enable the cloud computing model. The cloud made storing and accessing data much easier than saving it to a USB flash drive or having to access a remote physical computer.

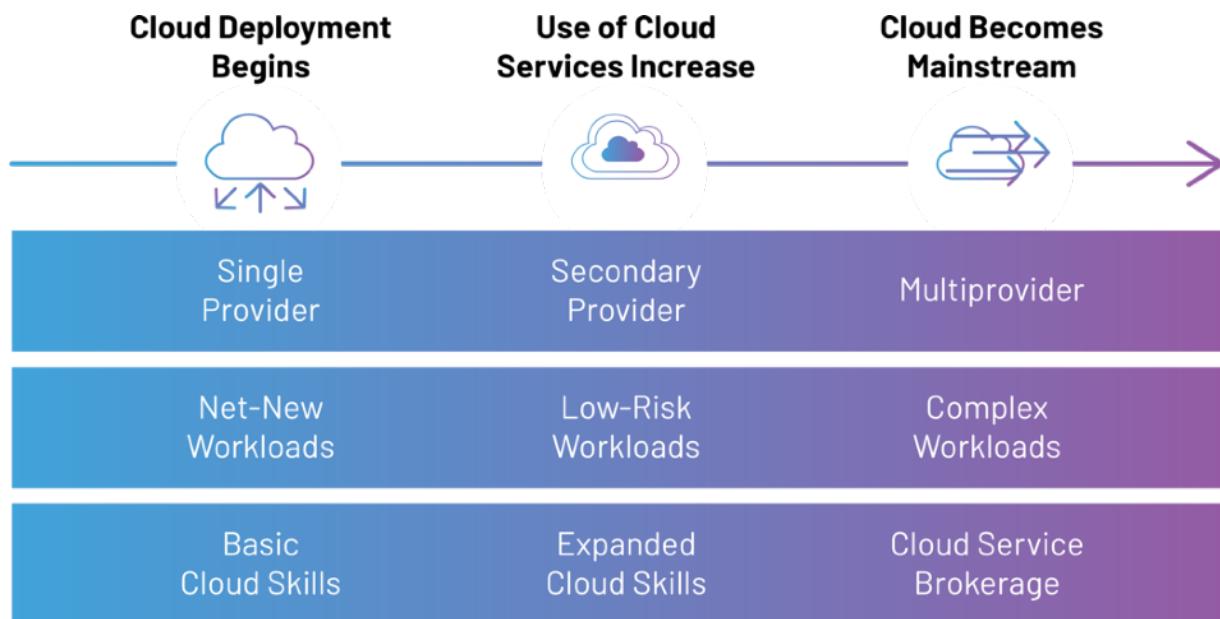
4.2 MARKET SIZE

The market size of the cloud computing industry will continue to show robust growth if adoption tends to persist at its current pace. Annual expenditures for worldwide consumption of applications that utilize cloud computing reached nearly \$70 billion USD in 2016. This figure represents roughly 250% growth in expenditures on cloud computing from 2011. With the introduction of more powerful hardware and software that enable the logical separation of the computing power into virtual machines, the cloud computing market will continue to grow. The only hindrance to the continued growth of this market will be the availability of skilled professionals for organizations to hire. Nonetheless, the limited talent pool that has the capabilities to implement and administer the complexities of cloud based computing does not seem to affect the surveyed expectations of the expenditures of organizations on cloud computing systems.

4.3 CLOUD COMPUTING TRENDS

Organizations are in need of a scalable architecture to support on-demand capacity and the ever-increasing amounts of data. Thereby, organizations continuously investigate public cloud solutions to address these scalability requirements. This also challenge that they address managing their databases and repositories. Public clouds allows organizations to augment data center capacity and to take advantage of other value-added services. Organizations that decide not to leverage the public cloud or take a "wait and see" approach may run into risks of being disrupted by others in their industry. To illustrate the scale of these changes, Gartner expects that public cloud will reach a level of maturity where organizations will embrace cloud computing and build strategies to leverage cloud services, thereby predicting that by 2020 24% of the total addressable IT market will be based on cloud services.

Nearly one in five virtual machines (VMs) worldwide is in the public cloud, reflecting only the beginning of the growth and the adoption of public cloud services among traditional enterprises. Though cloud computing is not the sole technical innovation to focus upon, cloud services are the most pervasive and broadly impactful technical innovation underpinning many other technical advancements, such as Big Data, Artificial Intelligence, Advanced Analytics and IoT. Therefore, in today's environment a business strategy without a cloud strategy is risky and analogous to deliberately ignoring the importance of a foundation to a building. Many organizations were using cloud services for some time for SaaS initiatives. Today, organizations commonly engage in central IT to implement a better structure for accelerating the adoption of cloud services. Consequently, many organizations move beyond initial deployments and make investments that will enable cloud computing to be deployed in a repeatable and governed manner. Organizations that leverage technology to deliver disruptive business models will succeed and may displace their competitors. Organizations that avoid technical innovation will run the risk of being disrupted in their own core businesses, potentially resulting in catastrophic outcomes for them. Figure below presents stages of companies along this digital disruption curve.



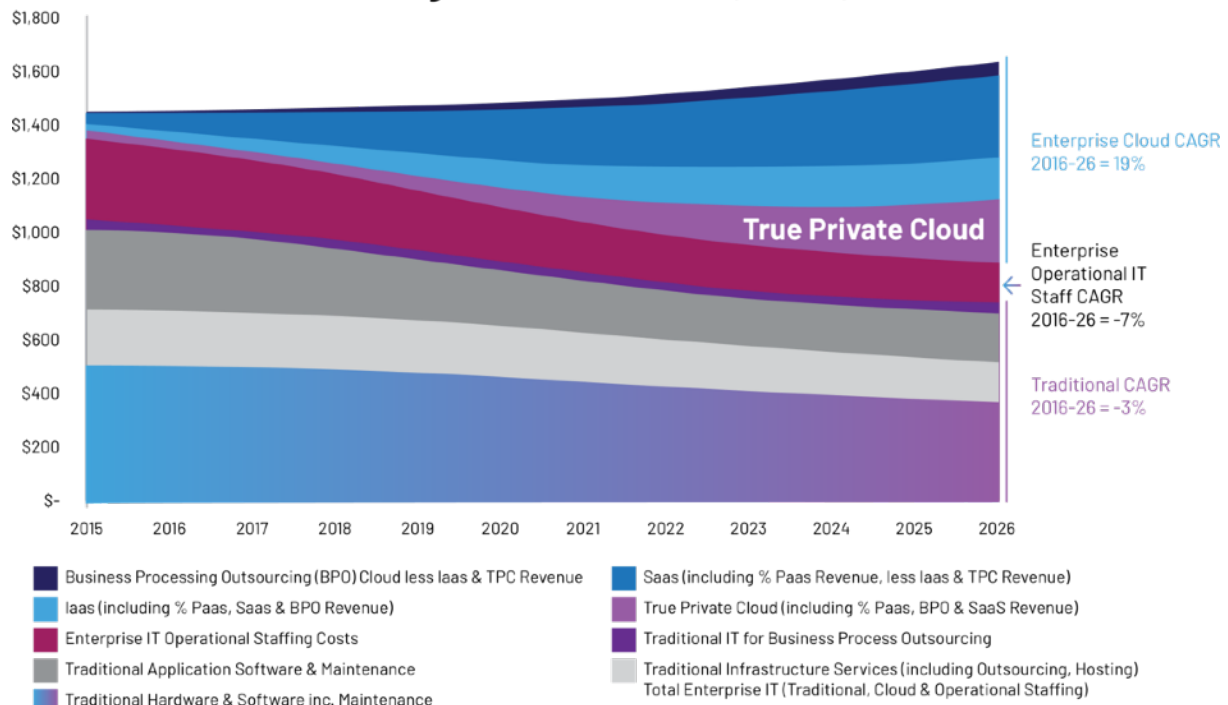
Source: Gartner (October 2016)

4.4 CLOUD COMPUTING FORECASTS

As the adoption of cloud services grows among mid-tier and small and medium enterprises (SMEs), leading researchers (including Forrester) are adjusting their forecasts of cloud computing usage upward. Amazon's latest quarterly results reveal that Amazon Web Services (AWS) attained 43% year-over-year growth in revenues, contributing 10% of its consolidated revenues and 89% of its consolidated operating income. Additional key takeaways from the roundup include the following:

- Gartner predicts that the worldwide market of public cloud services will grow 18% in 2017 to \$246.8B, up from \$209.2B in 2016.
- 74% of the Tech Chief Financial Officers (CFOs) argue that cloud computing will have the greatest impact on their business in 2017, as cloud platforms enable new and advanced business models, in addition to substantial cost savings. Wikibon predicts that enterprise expenditure on cloud services is growing at a 16% compound annual growth (CAGR) rate between 2016 and 2026.
- The research firm also predicts that by 2022 Amazon Web Services (AWS) will reach \$43B in revenue, representing 8.2% of all cloud expenditure.
- Since 2009, expenditure on cloud computing grows at 4.5 times the rate of IT expenditure and is expected to grow at more than 6 times the rate of IT expenditure from 2015 to 2020. According to IDC, worldwide expenditure on public cloud computing will increase from \$67B in 2015 to \$162B in 2020 attaining a 19% CAGR.

Wikibon Worldwide Enterprise IT Projection by Vendor Revenue Segmentation 2015-2026 (\$Billion)



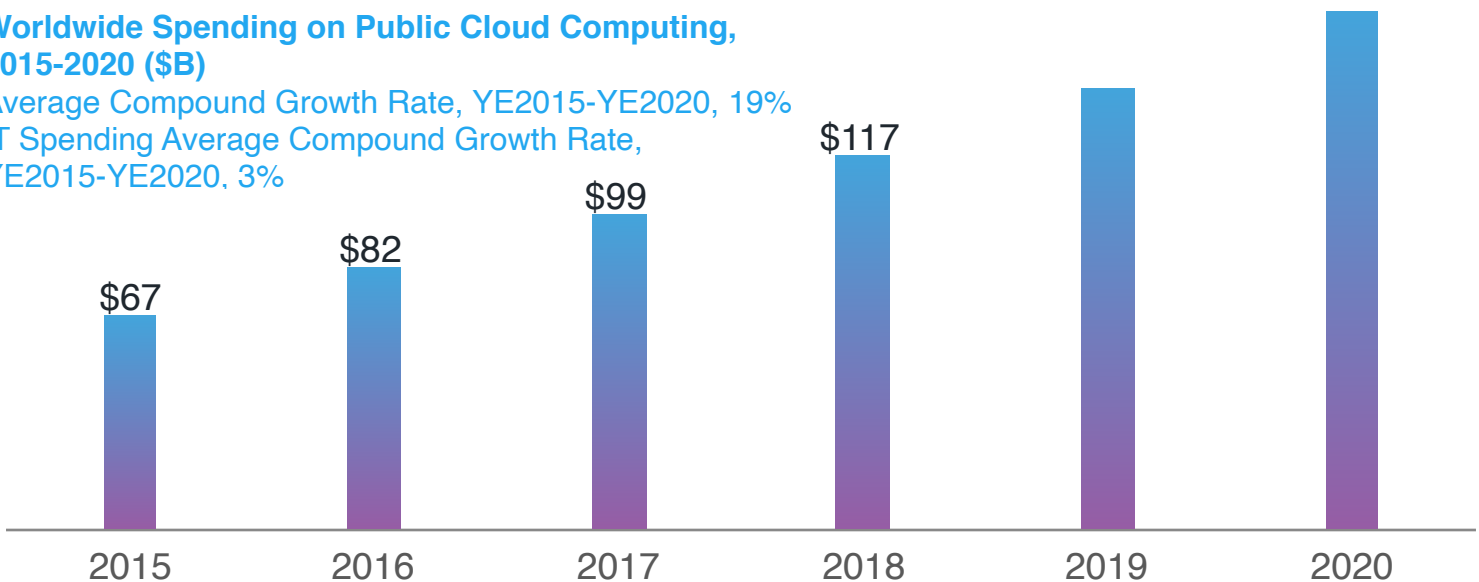
Source: © Wikibon 2017, Wikibon Cloud Vendor Revenue Projection Project

The Rapid Growth of Cloud Computing, 2015-2020

Worldwide Spending on Public Cloud Computing, 2015-2020 (\$B)

Average Compound Growth Rate, YE2015-YE2020, 19%

IT Spending Average Compound Growth Rate, YE2015-YE2020, 3%



Source: IDC 2016

Infrastructure-as-a-Service (IaaS) is projected to grow 36.8% in 2017 and reach \$34.6B. Software-as-a-Service (SaaS) is expected to increase 20.1%, reaching \$46.3B in 2017¹.

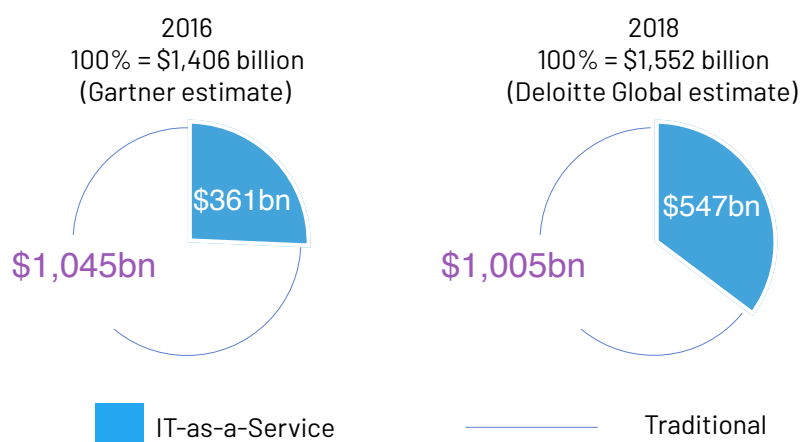
	2016	2017	2018	2019	2020
Cloud Business Process Services (BPaas)	40,812	43,772	47,556	51,652	56,176
Cloud Application Infrastructure Services (Paas)	7,169	8,851	10,616	12,580	14,798
Cloud Application Services (Saas)	38,567	46,331	55,143	64,870	75,734
Cloud Management and Security Services	7,150	8,768	10,427	12,159	14,004
Cloud System Infrastructure Services (IaaS)	25,290	34,603	45,559	57,897	71,552
Cloud Advertising	90,275	104,516	118,520	133,566	151,091
Total Market	209,244	246,841	287,820	332,723	283,255

Source: Gartner (February 2017)

By the end of 2018, spending on IT-as-a-Service for data centers, software and services is expected to reach \$547B. Deloitte Global predicts that procurement of IT-as-a-service technologies will accelerate in the next 2.5 years from \$361B to \$547B. At this pace, IT-as-a-Service will represent more than half of IT expenditure by the 2021/2022 timeframe².

The total expenditure on IT infrastructure products for deployment in cloud environments (server, enterprise storage, and Ethernet switches) will increase by 15.3% year over year in 2017 to \$41.7B. IDC predicts that public cloud data centers will account for the majority of this expenditure (60.5%), while off-premise private cloud environments will represent 14.9% of it. On-premises private clouds will account for 62.3% of the expenditure on private cloud IT infrastructure and will grow 13.1% from 2017³ forward.

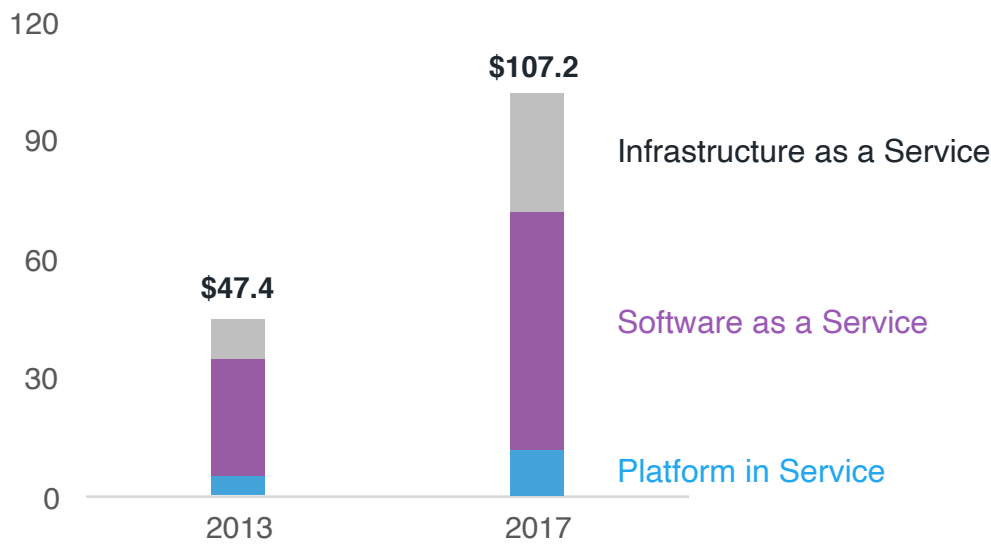
DELOITTE GLOBAL ESTIMATES FOR IT SPENDING MARKET FOR DATA CENTERS, SOFTWARE AND IT SERVICES (\$ BILLIONS)



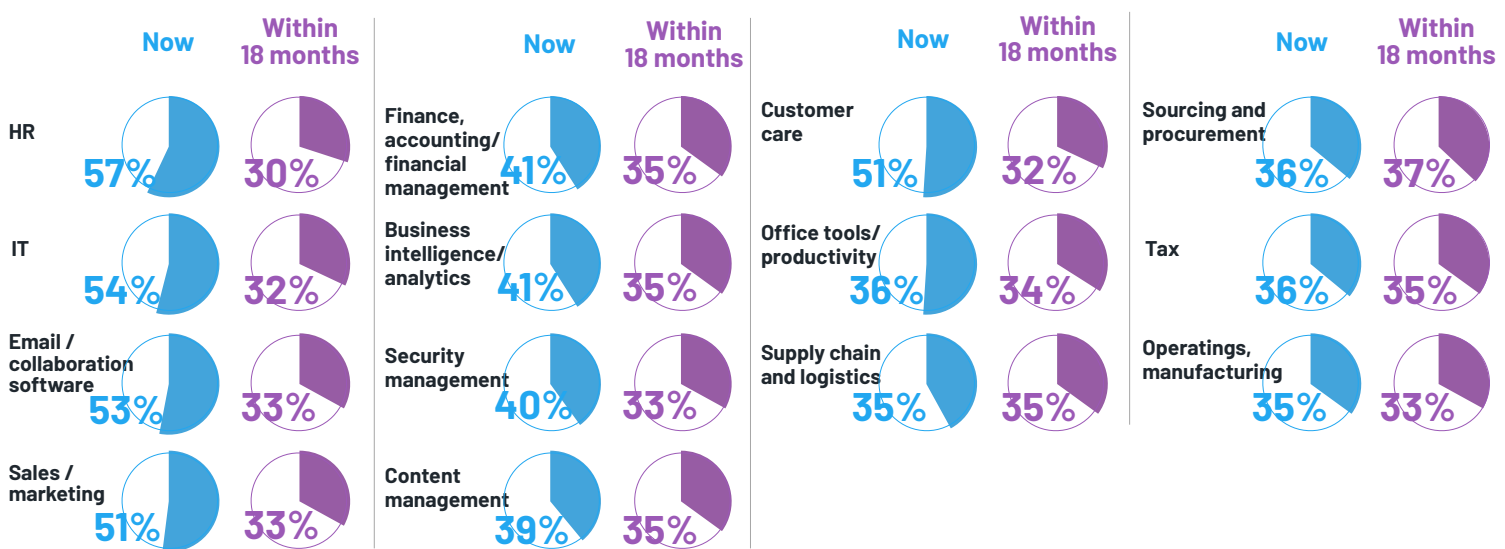
4.5 MARKET GROWTH RATE

Cloud computing matures in the IT industry domain, as many enterprise companies adopt it into their infrastructure and business processes. Research of International Data Corporation (IDC) predicts that the cloud computing industry will grow from a multimillion to a multibillion dollar industry. IDC reported that in 2013, the market growth rate in cloud computing had hit a \$47.4 billion mark, predicting increase to \$107.2 billion in 2017. In addition, Figure below presents the diffusion of cloud computing virtually to any sector and use.

WORLDWIDE PUBLIC IT CLOUD SERVICES SPENDING
BY SEGMENT (IN \$ BILLION)



In which functional areas of your business are you using cloud-enable services **today**, and which are you **likely to adopt** within the next 18 months?



Total respondents (n = 674)
Source: KPMG International's Global cloud survey: the implementation challenge

4.6 TOP PUBLIC CLOUDS USED

PLACE	ENTERPRISE (1,000 + employees)	SMB (under 1,000 employees)
#1	AWS	AWS
#2	VMware vCHS	Rackspace Public Cloud
#3	Azure Paas	Google App Engine
#4	Azure Iaas	VMware vCHS
#5	Rackspace Public Cloud	Azure Paas
#6	Google App Engine	Google Iaas
#7	SoftLayer / IBM	Azure Iaas
#8	Google Iaas	SoftLayer / IBM
#9	HP Cloud	HP Cloud

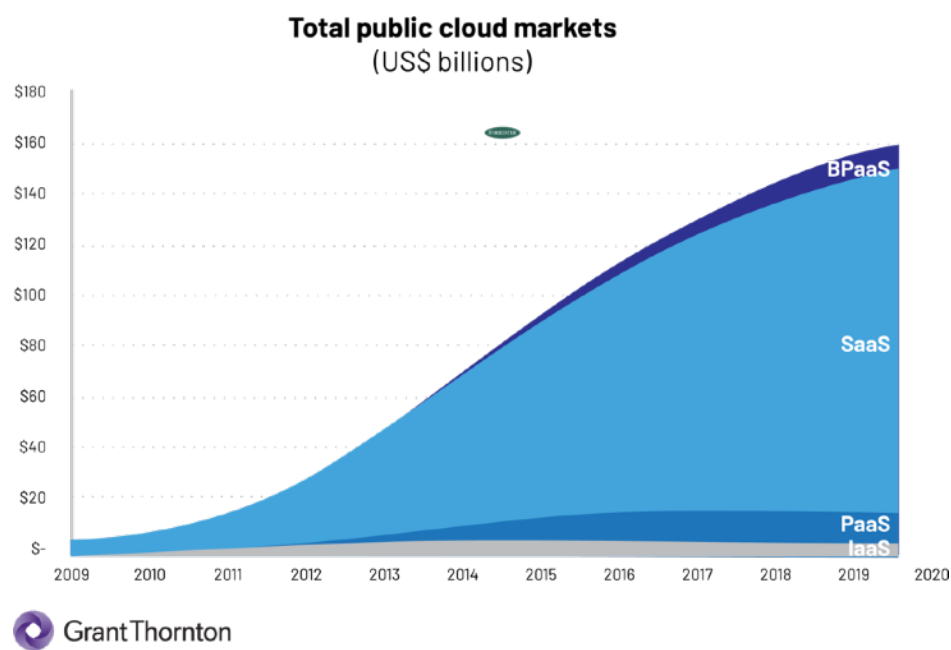
4.7 TOP PRIVATE CLOUDS USED

PLACE	ENTERPRISE (1,000 + employees)	SMB (under 1,000 employees)
#1	VMware vSphere/vCenter	AWS
#2	VMware vCloud Director	OpenStack
#3	Microsoft System Center	Microsoft System Center
#4	OpenStack	VMware vCloud Director
#5	Citrix CloudStack	Citrix CloudStack
#6	Eucalyptus	Eucalyptus

According to Right Scale, there are four types of customers adopting the cloud: cloud watchers, cloud beginners, cloud explorers and cloud focused. Cloud watchers are future customers who actively incorporate the cloud into their strategic planning. These watchers scan the market for vendors and providers to initiate a subscription or a service contract. Cloud beginners are users in the initial stages of their cloud implementation. Cloud explorers already utilize the benefits of cloud services, including platform, software or Infrastructure-as-a-Service. Cloud focused customers usually consist of smaller companies and organizations with less than a thousand employees heavily invested in utilizing cloud utilities. Although most enterprise customers fall into the categories of cloud beginners and cloud explorers, they often employ more than one cloud solution. According to Right Scale, 75% of the enterprises use multi cloud systems and half of the enterprises plan to use hybrid cloud systems. 96% of the enterprises are already cloud customers, while only 4% of the enterprises have not yet incorporated the cloud into their strategic plans.

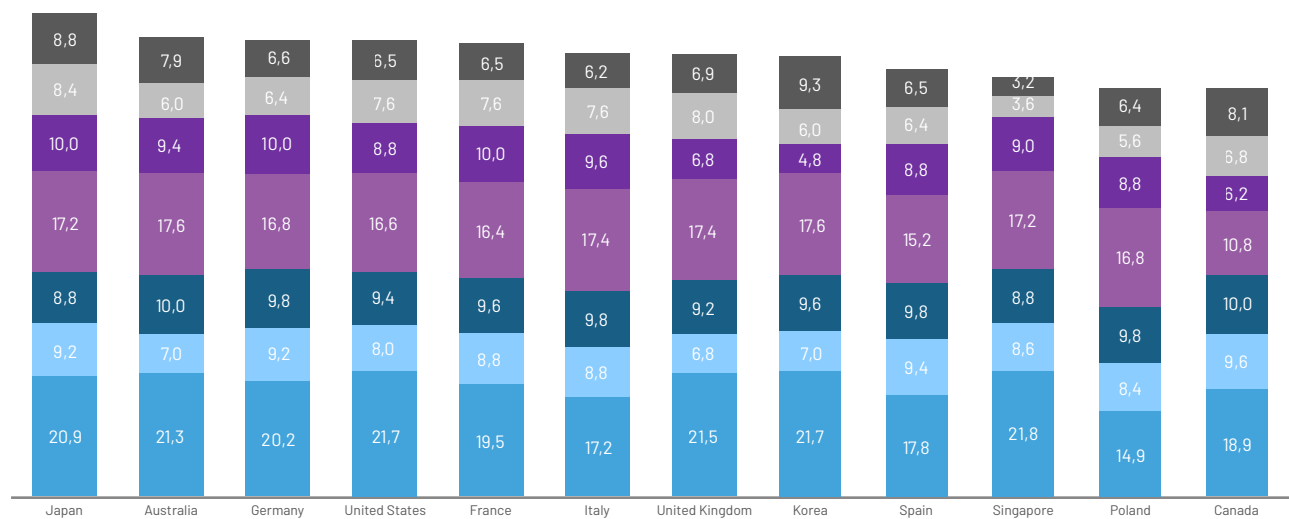
4.8 GROWTH OPPORTUNITIES FOR CLOUD COMPUTING SEGMENTS

According to Sizing the Cloud report, Software-as-a-Service (SaaS) offers more growth opportunities than any other segment in the largely vague market for cloud computing services. SaaS retains its position as a leading segment in cloud computing with the SaaS market tripling its size, and reaching \$92.8 billion in 2016. In contrast, Infrastructure-as-a-Service (IaaS) will witness a rapid growth in the next few years, though Forrester expects dynamic infrastructure services to perform better than IaaS in the long term.



4.9 GLOBAL CLOUD COMPUTING SCORECARD

In recent years, cloud computing has emerged as an important trend in IT. As the world’s foremost advocate for the software industry, the Business Software Alliance (BSA) is actively involved in addressing the opportunities and challenges raised by cloud computing. Millions of consumers have embraced cloud services that allow them to access applications and data from almost any location. A growing number of businesses, particularly smaller companies, lease server capacity and use Internet-based applications to perform key business functions. The first-of-its-kind BSA Global Cloud Computing Scorecard ranks 24 countries that account for 80 percent of the global ICT market based on seven policy categories that measure how countries are prepared to support the growth of cloud computing, as listed in Figure below⁴.



⁴ Source: <http://portal.bsa.org/cloudscorecard2012/>

4.10 BIG DATA

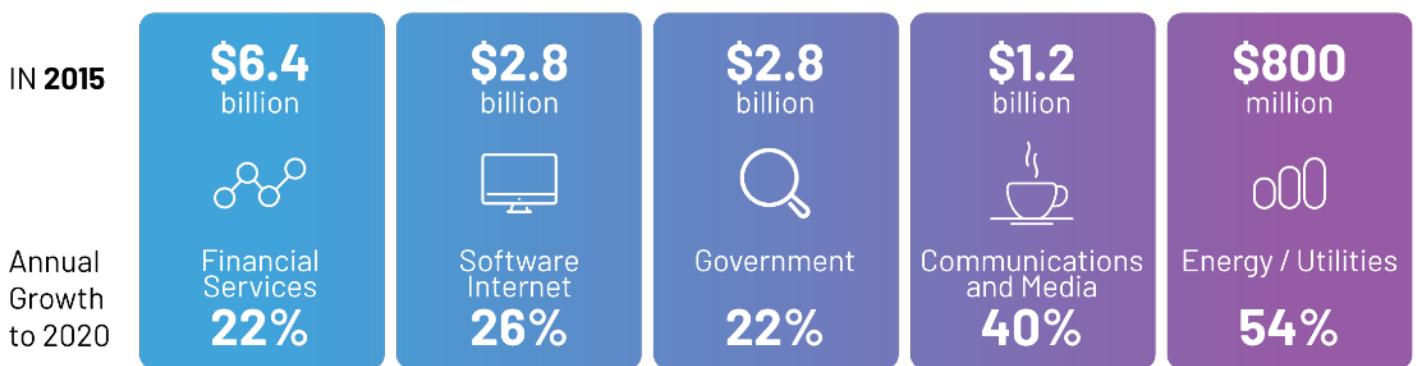
The economy produces a constant stream of data that is being monitored and analyzed. IDC estimates that in 2011, the amount of information created and replicated surpassed 1.8ZB (1.6 trillion gigabytes), which since then has quadrupled. Social interactions, mobile devices, facilities, equipment, R&D, simulations, and physical infrastructure all contribute to the flow. IDC defines the aggregate and high volume of data called Big Data - a new generation of technologies and architectures designed to extract value economically from very large volumes of a wide variety of data by enabling high-velocity capture, discovery and analysis.

4.11 BIG DATA: A NEW COMPETITIVE ADVANTAGE

The use of Big Data becomes crucial for companies that aspire to outperform their peers. In most industries, established competitors and new entrants alike leverage data-driven strategies to innovate, compete and capture value. For example, health outcomes of pharmaceuticals widely prescribed are analyzed to discover benefits and risks that were not evident in the limited clinical trials. Other adopters of Big Data use data from sensors embedded in products ranging anywhere from children's toys to industrial goods to determine how these products are actually used in the real world. Such knowledge contributes to the creation of new service offerings and to the design of new products.

Big Data contributes to new growth opportunities and entirely new categories of companies, such as those that aggregate and analyze industry data. Many of these companies that are positioned in the center of large data flows about products/services, buyers/suppliers, consumer preferences and intentions can be captured and analyzed for profit⁵.

COMPANIES ARE INVESTING IN **BIG DATA**



Data Source: HRBoss.com

4.12 WHY IS BIG DATA ANALYTICS IMPORTANT?

Big data analytics helps organizations harness their data and use it to identify new opportunities. That, in turn, leads to smarter business moves, more efficient operations, higher profits and more satisfied customers. In the Big Data in Big Companies report, IIA Director of Research Tom Davenport interviewed more than 50 businesses to understand how they use Big Data. He found several ways in which they generate value from their data⁶:

- **Cost reduction:** Big Data technologies, such as Hadoop and cloud-based analytics, bring significant cost advantages when it comes to storing large amounts of data and can identify more efficient ways of managing businesses.
- **Faster, better decision making:** With the speed of Big Data analytics combined with the ability to analyze new sources of data, businesses are able to analyze information immediately and rapidly make calculated decisions based on the insights from the data.
- **New products and services:** With the ability to gauge customer needs and satisfaction through analytics comes the power to give customers what they want. Big Data analytics enables more companies to create new products that meet their customers' needs.

4.13 BIG DATA TECHNOLOGIES AND SERVICES WORLDWIDE

WORLDWIDE BIG DATA TECHNOLOGY AND SERVICES REVENUE BY SEGMENT
2010 - 2015 (\$M)

	2010	2011	2012	2013	2014	2015	2010-2015 CAGR(%)
Servers	495.0	665.0	802.8	1,031.6	1,270.2	1,657.2	27.3
Storage	317.5	560.3	1,224.1	1,968.1	2,719.1	3,479.2	61.4
Networking	106.0	146.0	242.0	368.0	485.0	620.0	42.4
Software	1,062.3	1,415.4	1,851.0	2,476.8	3,367.9	4,625.9	34.2
Services	1,236.3	1,979.0	2,721.8	3,883.3	5,098.5	6,537.8	39.5
Total	3,217.1	4,765.7	6,841.7	9,727.8	12,940.7	16,920.0	39.4

Note: See Table 3 for top 3 assumptions and table 4 for key forecast assumptions.

Source: IDC, March 2012

IDC's estimate of the growth of the Big Data market through 2015 is presented in the following table. The worldwide CAGR for the market through the five-year period is approx. 40%. However, the growth of individual segments of the market varies from 27.3% for servers to 61.4% for storage. The high CAGR for storage compared with other infrastructure components is attributable to the current dual use of storage in Big Data environments. The most well-known use case is the use of low-cost, high-capacity HDDs and DAS systems as a shared-nothing cache for servers in Hadoop grids (and similar applications). This "brute force" use case is a major driver for the current demand for storage, although future solutions may moderate the implementation of this approach. Additionally, growth demand for storage systems functioning as archival storage systems that are installed to enable sustained reanalysis of data for months or years.



4.14 ARTIFICIAL INTELLIGENCE (AI)

Artificial Intelligence (AI) software performs complex tasks of identifying patterns and producing insights from data. The business of AI, while quietly advancing in relative obscurity for decades, has finally emerged into an entirely new industry with its own multi-billion dollar investments, technologies and potential profits. It is projected that the value of M&A and Private Placement transactions in AI over the next 5 years will exceed that of the previous 50 years, with several acquisitions topping the \$1 billion mark.

4.15 WHY HAS AI EMERGED AS A LARGE INDUSTRY NOW ?

Artificial intelligence is a technology that already impacts the ways in which users interact with and are affected by the Internet. In the near future, the impact of AI is likely to substantially grow, dominating more businesses and personal domains. AI has the potential to vastly change the way that humans interact, not only with the digital world, but also with each other, through their work and through other socioeconomic institutions.

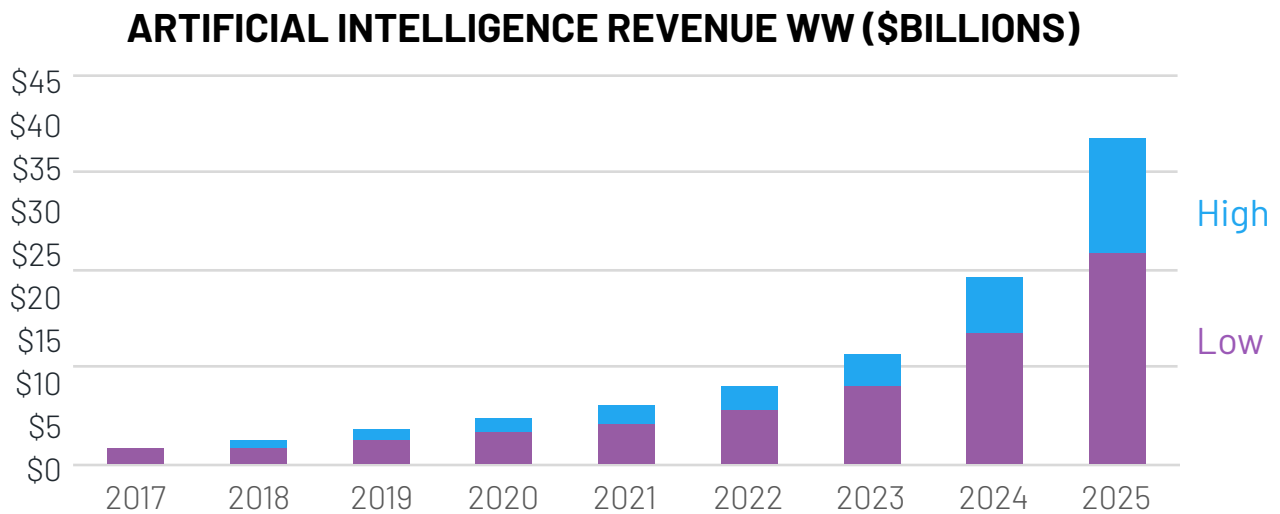
AI refers to an artificial creation of human-like intelligence that can learn, reason, plan, perceive or process natural language. These traits allow AI to bring immense opportunities in the medical, industrial, educational and business fields, among others. To see why AI has entered into a new era, we must present the enabling factors of AI:

- **Technological Factors:** As with many sudden disruptions, the emergence of AI is the product of not just a single enabling factor that could be predicted with linear projections, but combination of multiple enabling factors.

- **Inexpensive Parallel Processing:** Traditional computer processors could only process information linearly, but many aspects of human intelligence require parallel processing capabilities. For example, in order to understand a word, each syllable has to be assessed in relation to each syllable around it, and then each word within the context of a sentence. To see an image, each pixel has to be seen in relation to the other pixels surrounding it, and only then can the image be recognized. Serial computing cannot tackle these tasks with efficiency, but the new capacities developed in AI require (and to an extent also enable) these operations. The increasing diffusion of AI technologies virtually to every aspect of our lives demands high volumes of inexpensive parallel computing. Initially, it was Gaming, rather than AI, that was the initial catalyst for a consumer-level parallel computing capability. When the highly visual demands of the video game industry proved too much for regular computer CPUs, this gave rise to parallel processors like Nvidia's Graphical Processing Unit (GPU), which currently process AI-based computations.
- **Big Data:** The learning process of AI requires minimal volume of data that describes the past occurrences of the attributes that it processes to identify patterns and reasoning and to predict the future "behavior" of it under different conditions. AI learns through an iterative process and thousands or millions of past data examples (e.g. photos, music, texts, videos or database records) have to be processed to complete a particular task. The level of data available for an AI program to access has significant impact on the speed and quality of learning and on ultimate competence that it can attain. For example, Google has been delivering more precise results in searches, both of websites and photos, due to the unprecedented volumes of data available to Google's AI algorithms collected in the company's databases.
- **Market Factors:** AI suffers from a peculiar form of treatment from the media, where any advancement in AI is often not recognized as such. For the last three decades, whenever a form of AI became a successful product in the market, it was often reclassified into a new industry of its own, and hence no longer considered a part of the AI complex. Search engines, speech recognition, voice recognition, autonomous vehicles, industrial robotics and high-frequency trading are examples of this notion. When the mainstream believed that AI was a fad that had vanished, in reality AI was already everywhere.

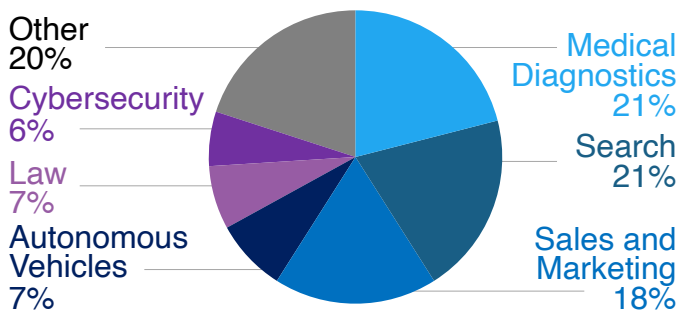
4.16 ARTIFICIAL INTELLIGENCE INDUSTRY SIZE

The rapid growth of the AI sector is the result of a perfect storm of factors: supply of parallel processing power via data centers, vast creation of big data and competitive needs of businesses across multiple sectors that recognize the need for AI to augment their productivity. This combination of factors is expected to generate a virtuous cycle of advances in AI over the next decade, with even the more conservative estimates of growth are as high at 50% per year from 2017 to 2025. Additionally, as sensors are embedded virtually in every sector (including industry, medicine, transportation, security and more) as the IoT that collects and stores data, these trends are expected to intensify.

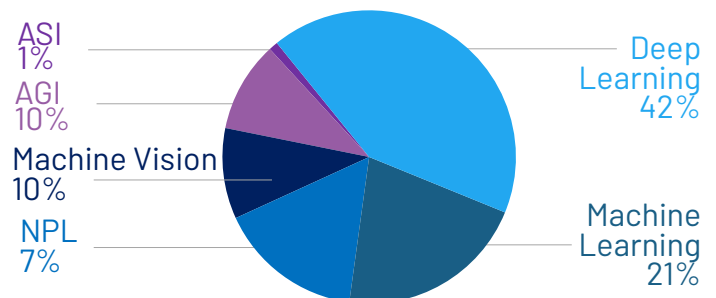


It is noteworthy that each industry listed here previously had little in common with most of the other industries in the chart. This is the essence of AI as innovation that disrupts many industries at once, hence M&A activities in AI will present a number of novel buyer-seller match-ups. The projected AI revenues by industry vertical are estimated as follows:

AI PROJECTED REVENUE DISTRIBUTION BY VERTICAL, 2017-25



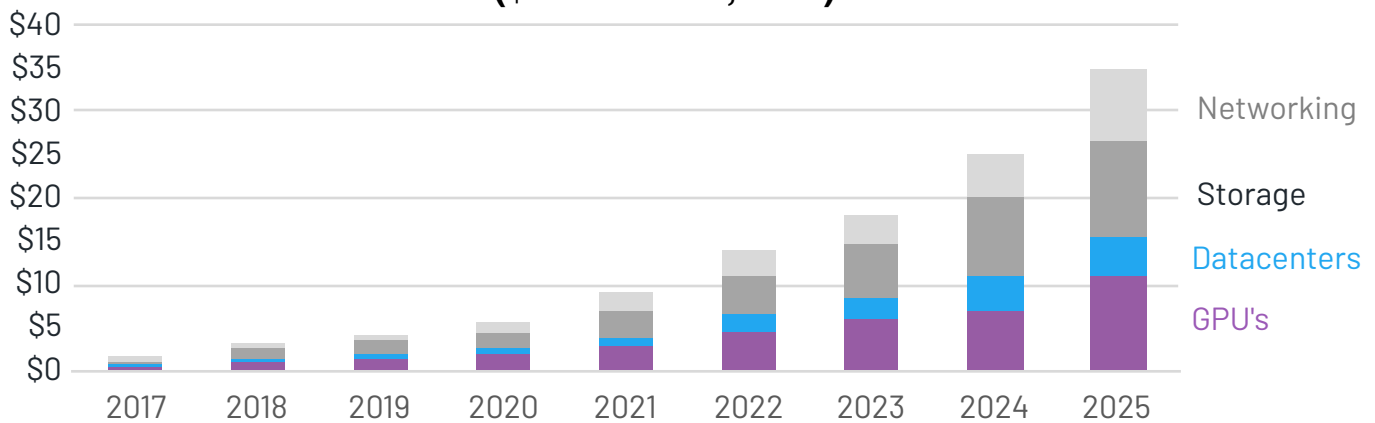
AI PROJECTED REVENUE SHARE BY TECHNOLOGY



4.17 OTHER HARDWARE AND SERVICES REVENUE BOOSTED BY AI

Since neural networks and other forms of computation were bottlenecked by the slow rate of processing available through ordinary CPUs, the arrival and price declines of parallel processors, such as Nvidia's GPU, sped up the processing of neural networks by 20-50 times. At present, Nvidia and ATI controls almost 100% of this market. Nvidia's stock price has risen over 10x in just two years due to the extremely high demand for its GPUs. In addition to GPUs, other forms of hardware, such as servers, datacenter hardware, networking equipment, and storage will also be boosted by the wide spread of AI. The revenue generated from these associated hardware sales is projected to rise from \$3 Billion in 2016 to over \$35 Billion by 2025. Companies benefitting from this momentum include Google, Cisco Systems, Intel, Nvidia, IBM and EMC, among others.

AI-DRIVEN PROJECTED HARDWARE SALES BY TYPE (\$ BILLIONS, WW)



4.18 SUPPORT FOR AI FROM GOVERNMENTS

Leading digital economies are acting to grow their national AI capabilities and subsequent market shares.

- **UK:** It's possible that the UK will need to raise its level of investment to match the support of other global competitors for their AI sectors.
- **France:** Launched an AI strategy in March 2017. The government's recommendations include: Establishing a strategic committee for AI; establishing a program for identifying, attracting and retaining AI talents; funding a mutualized research infrastructure; a public-private consortium to identify or create an AI center; ensuring that AI is a priority for all innovations in public bodies; investing €25 million in ten AI startups within five years.
- **Singapore:** The National Research Foundation (NRF) is investing up to S\$150 million into a new national program aimed at boosting Singapore's AI capabilities over the next five years.
- **United States:** The government invested US\$1.1 billion in unclassified R&D for AI systems in 2015 and an estimated US\$1.2 billion in 2016. The Information and Intelligence Systems Department of the National Science Foundation and the programs related to AI from the DARPA are reported to have been around US\$300m-\$400m a year for the last 15 years. The 2016 White House reports include strategic planning for National Artificial Intelligence Research and Development.
- **South Korea:** The government announced that it will invest 1 trillion KRW in AI research over the next five years, a 55% increase in annual funding for AI.
- **Germany:** The Research Center for AI (DFKI) was founded in 1988 and has an annual budget of €41m. It is one of the world's largest AI labs, with nearly 500 researchers.
- **Canada:** A Pan-Canadian AI Strategy funds research and talent acquisition. The funding is worth C\$175m and aims at attracting and retaining top academic talents in Canada.
- **China:** China's ambition is to create a US\$15 billion AI market by 2018 and its government prepares a comprehensive AI strategy for this purpose.

AI – VALUE OF VC FUNDRAISINGS AMONG INTERNATIONAL COMPETITORS, 2010 – 2016

Country	2010	2011	2012	2013	2014	2015	2016	Total
United States	£112m	£171m	£228m	£399m	£843m	£1,503m	£1,578m	£4,833m
China	£6m	-	£1m	£15m	£55m	£124m	£199m	£401m
United Kingdom	£6m	£9m	£24m	£18m	£19m	£67m	£152m	£294m
Canada	£3m	£17m	£11m	£4m	£2m	£23m	£11m	£71m
Germany	£3m	£8m	£8m	£0m	£0m	£7m	£9m	£36m
France	£3m	£1m	-	£1m	£1m	£9m	£15m	£31m
Total	£132m	£206m	£272m	£438m	£920m	£1,733m	£1,964m	£5,666m

4.19 AI: THE NEXT DIGITAL FRONTIER?

Artificial intelligence is poised to unleash the next wave of digital disruption, and increasing numbers of companies are preparing for it, experimenting with AI, studying and implementing it. The real-life benefits that are evident for a few early adopting firms make the acceleration of digital transformation via AI more urgent than ever for other companies and organizations. Robotics and autonomous vehicles, computer vision, language, virtual agents and machine learning, which includes deep learning and underpins many recent advances in the other AI technologies, are among the technologies that companies need to implement in their business operations. With more companies understanding these trends and the urgency of AI adoption as means for their long term survival, AI investment is growing fast and it is dominated by digital giants, such as Google and Baidu. Globally, we estimate the expenditure of large technological companies on AI in 2016 between \$20 billion to \$30 billion, with 90 percent of this spent on R&D and deployment and 10 percent on AI acquisitions. VC and PE financing, grants and seed investments also grew rapidly, albeit from a small base, to a combined total of \$6 billion to \$9 billion per year. Machine learning, as an enabling technology, received the largest share of both internal and external investments. AI adoption outside of the IT industry is at an early, often experimental stage. Few firms have deployed it at scale. In a survey of 3,000 AI-aware C-level executives across 10 countries and 14 sectors, only 20% said that they currently use any AI related technology at scale or in a core part of their businesses. Many firms say that they are uncertain of the business case or the return on investment. A review of more than 160 use cases show that AI was commercially deployed in only 12 percent of the cases. Adoption patterns illustrate a growing gap between digitized early AI adopters and others. AI promises benefits, but also poses urgent challenges that cut across firms, developers, government and workers. The workforce must be reskilled to exploit AI, rather than compete with it. Cities and countries serious about establishing themselves as a global hub for AI development, need to join the global competition to attract AI talents and investments, and progress must be made on the ethical, legal and regulatory challenges that could otherwise hold back AI.

4.20 BLOCKCHAIN TECHNOLOGY ADOPTION & GROWTH

Blockchain technology is emerging as a business focus for many companies in many industries. Consumer products, manufacturing, technology, banks, media and telecommunications are the sectors most likely to already have Blockchain projects in production, while healthcare and life sciences lead all sectors in plans to deploy Blockchain projects this year. According to a survey by Deloitte, a new IBM study found that one-third of C-level executives are using or considering adopting Blockchain technology in their organizations. The study found that executives hope to enable new transaction applications that could help establish trust, accountability and transparency among their organizations and trade partners.

80% of 3,000 executives surveyed indicated that they were using or considering using the technology either to develop new business models or in response to a financial shift in the industry. Additionally, 71% of the business leaders who actively use Blockchain believe that it plays a key role in advancing the technology, suggesting widespread support for industry standards. The Blockchain is a disruptive technology that promises to change the world as we know it. The technology does not only alter the ways of using the Internet, but also revolutionizes the global economy. By enabling the digitization of assets, Blockchain fosters a fundamental shift from the Internet of information, where we can instantly view, exchange and communicate information to the Internet of value, where we can instantly exchange assets. It disrupts hundreds of industries that rely on intermediaries, including banking, finance, real estate, insurance, legal, healthcare and many others. Some of the facts regarding adoption of the Blockchain technology are as follows:

1. Bitcoin, a money exchange system, pioneering the Blockchain technology has grown by more than 100% per year since its introduction in 2010, though the identity of the person or the team behind the service, known by the pseudonym Satoshi Nakamoto, is cloaked in secrecy.
2. Blockchains can be public (like the Internet) or private (like an Intranet).
3. In terms of its development, Blockchain is where the internet was 20 years ago.
4. Only 0.5% of the world's population use Blockchain, but 50% or 3.77 billion people use the Internet.
5. There are significant investments by technology giants, such as IBM and Microsoft, in Blockchain technologies. IBM dedicates \$200 million and 1,000 employees to Blockchain-powered projects. The average investment in Blockchain projects is \$1 million.
6. Over the last five years, VCs have invested more than \$1 billion into Blockchain companies.
7. The global Blockchain market is expected to be worth \$20 billion by 2024.
8. 90% of major North American and European banks are exploring Blockchain solutions.
9. Blockchains are highly transparent, as anyone with access to a Blockchain can view the entire chain.
10. Similar to a Google Doc, all the participants within a network see all the changes in the ledger. The ledger is constantly updated and each participant its own copy copy of it.
11. 9 out of 10 bankers agree that Blockchain will disrupt the banking and financial industry. It is estimated that banks could save \$8-12 billion annually if they used the Blockchain technology.
12. One-third of C-level executives are considering adopting the Blockchain technology or use it by now.
13. Just like with the Internet, there will be jobs that will become obsolete due to the adoption of the Blockchain technology. However, new professions that we never dreamt about will be created as a result of the Blockchain transformation.

4.21 BLOCKCHAIN TECHNOLOGY TRENDS

According to Gartner, by February 2017, Blockchain was the second top search word on its website, a 400% increase in just a year. This is no surprise as the technology is gaining significance with 20% of the global trade finance expected to use it by 2020. The financial sector will lead the way in the use of that -Blockchain technology that later will be applied in other areas, including:

- Public administration
- Supply chain management
- Tracking of digital rights in music and movies
- Smart contracts
- Recording of patient health data

In 2018, investments in Blockchain technology will continue to grow as has been the trend since 2016, when a total of \$1.1 billion of venture capital was invested in the sector. The continued investment is informed by the potential of the technology to transform the way business is conducted. However, most investment today is in the financial services sector, which is perfectly understandable as there is a close association of Blockchain with cryptocurrency.

Deloitte predicts that Blockchain may soon overtake other technologies, such as cloud computing, data analysis and the Internet of Things in venture capital investments. However, it may take long before attaining the level of the hype that surrounded the Internet in the late 1990s.

Scalability has been a major setback for the application of the technology. Traceability, a key feature of Blockchain can only be achieved by storing full details of every stage of a transaction. This increases the size of blocks and consequently the time required to validate a transaction. The number of storage nodes also increases, making synchronization more difficult with the result that a transaction takes longer to be confirmed in the Blockchain network. While fast paced industries, such as financial services, need to process thousands of transactions every second, Blockchain can only validate and record 7 transactions per second. Fortunately, Blockchain networks like Bitcoin and Ethereum are developing capabilities for multiplying transaction volumes to about 45,000 per second

4.22 TYPES OF BLOCKCHAIN NETWORKS

Presently, there are four ways to establish a Blockchain network, with a consortium being the most accepted model for business.

1. Consortium Blockchains

In a consortium Blockchain, the consensus process is controlled by a pre-selected group - for example, a group of corporations. The right to read the Blockchain and to submit transactions to it may be public or restricted to participants. Consortium Blockchains are considered to be "permissioned Blockchains" and are best suited for use in business.

2. **Semi-Private Blockchains**

Semi-private Blockchains are run by a single company that grants access to any user who satisfies pre-established criteria. Although not truly decentralized, this type of permissioned Blockchain is appealing to business-to-business use cases and to government applications.

3. **Private Blockchains**

Private Blockchains are controlled by a single organization that determines who can read it, submit transactions to it and participate in the consensus process.

4. **Public Blockchains**

Anyone can read data on a public Blockchain, send transactions to it or participate in the consensus process. They are considered to be "permissionless." Every transaction is public, and its users can remain anonymous. Bitcoin and Ethereum are prominent examples of public Blockchains⁷.

5.0 THE COMPETITIVE LANDSCAPE

The size of the cloud services market providing both storage capacities and computational processing capabilities to companies and to corporates is estimated to be 45 billion USD per annum and it steadily grows. The market is dominated by four major players: AWS, Google Cloud, Microsoft and IBM - all utilize central and less trusted storage and computation facilities. Due to their oligopolistic dominance, the four providers of cloud services set high pricing levels. These providers are also capable of hampering any competition and preventing new market entrants from competing with them, due to the broad scale of their operations and their substantial investments in data centers, servers and storage facilities.

5.1 THE INDUSTRY LEADERS

The cloud computing industry ranges back to the 1990s. It is dramatically growing throughout the past decade. Although the cloud computing industry is not small, many of its competitors are small to midsize companies. There are nearly 200 recognized cloud computing providers given that include large companies like Amazon, Red Hat, IBM, Oracle and Microsoft that have a fraction of their organization broken down into multiple divisions offering different cloud computing platforms. Microsoft has three major divisions in cloud computing, including Microsoft Azure, Azure Web Services and Microsoft 365. Other companies, such as Cloud.bg, Cloud Sigma and GoGrid largely focus on cloud computing but make up a smaller percentage of the market by revenue.

Amazon, mainly known for its online shopping platform, has its own cloud computing division - Amazon Web Services (AWS). AWS was ranked as a 2014 top leader in Infrastructure-as-a-Service by the Computer Business Review. The division started in 2006 and made a profit of \$99 million by the end of its first year. In 2013 the company's revenues exceeded \$1.69 billion and over \$2.5 billion by the end of 2014. Red Hat is another major provider in open sources cloud computing solutions and a top Platform-as-a-Service provider. During its 2014, Red Hat generated revenues of over \$1.53. The major software provider Microsoft has generated \$156 million over 2014 through its public cloud IaaS or Infrastructure as a Service. Microsoft is also considered as one of the top IaaS provider for 2014 and is a major competitor against Amazon Web Services. In 2014, Google, a company that earns a majority of its \$40+ billion in revenues through advertising, generated \$66 million from its cloud services. Google was recognized a top cloud storage provider in 2014. Oracle reports that its cloud revenue has increased by 30% in their first fiscal 2015 quarter. It generated \$475 million in revenues from its Software-as-a-service and Infrastructure-as-a-service offerings.

The growth of software development, infrastructure, security and storage solutions contributes to the demand for cloud-based storage, security and data processing solutions. According to Forbes, Gartner estimated that by 2016 nearly 50% of the world's largest enterprises invested in cloud computing solutions, making it the bulk of worldwide IT expenditure. It also estimated that companies worldwide spent over \$3 billion on cloud based security service solutions alone. That is \$1 billion more than what companies spent in 2013 for similar cloud based solutions. As the cloud computing industry continues to thrive off companies investments and expand, opportunities for growth and new entries will continue. In the past five years, companies as Boundary, Couchbase, Cloudkick, Dotcloud, Fluid Info, Open Stack and Tidemark joined the market and since then continue expanding.

5.2 THE SCOPE OF COMPETITIVE RIVALRY

The cloud computing industry is varied and nuanced with each competitor offering niche services. Depending on what the consumer trend will be over the long run, many of these offerings will probably be phased out. Google, Microsoft, Red Hat and Salesforce are the predominant organizations that offer cloud based enterprise solutions.

1. Amazon Web Services (AWS)

In 2006, Amazon Web Services (AWS) began offering IT infrastructure services to businesses in the form of web services, now commonly known as cloud computing. One of the key benefits of cloud computing is the opportunity to replace up-front capital infrastructure expenses with low variable costs that scale with your business. With the Cloud, businesses no longer need to plan for and procure servers and other IT infrastructure weeks or months in advance. Instead, they can instantly spin up hundreds or thousands of servers in minutes and deliver results faster. Today, Amazon Web Services provides a highly reliable, scalable, low-cost infrastructure platform in the cloud that powers hundreds of thousands of businesses in 190 countries around the world. AWS offers low, pay-as-you-go pricing with no up-front expenses or long-term commitments. AWS provides a massive global cloud infrastructure that allows you to quickly innovate, experiment and iterate. Instead of waiting weeks or months for hardware, you can instantly deploy new applications, instantly scale up as your workload grows, and instantly scale down based on demand. Whether you need one virtual server or thousands, whether you need them for a few hours or 24/7, you still only pay for what you use. AWS is a language and operating system agnostic platform. You choose the development platform or programming model that makes the most sense for your business. You can choose which services you use, one or several, and choose how you use them. This flexibility allows you to focus on innovation, not infrastructure⁸.

2. Google Cloud

Google will continue to be the most utilized search engine and search analytics provider in the world. With the adoption of niche services and platforms Google can capture a slice of the growing cloud computing market. Google's large installed base (it claims 30,000 paying customers) consists of many small Web innovators and some very large Web business sites. The vendor also claims that over 90% of its internal IT runs on App Engine. The practice of the internal use of App Engine, as well as the App Engine experience of supporting the high number of isolated tenants, sets the stage for Google's enterprise campaign. Google's outstanding reputation as a cloud services provider and an early big data innovator lends credibility to Google App Engine.

Google Cloud Storage is a flexible, scalable, and durable storage option for virtual machine instances. Users can write files to Cloud Storage buckets from almost anywhere, can use buckets as common storage between instances, Google App Engine, on-premises systems, and other cloud services. If Cloud Storage buckets do not meet performance and latency requirements, user can use Cloud Storage in combination with other instance storage options.

3. Microsoft Azure

Microsoft has dominated the private and public sectors' productivity software. The introduction of Azure demonstrates Microsoft's focus on the future of cloud computing. Microsoft's offering, Windows Azure, has evolved into an environment that supports IaaS and PaaS models. The vendor's approach is to focus on a "cloud first" push toward frequent updates and an aggressive approach to features and enhancements. Its long-term goal is to deliver the full range of .NET application infrastructure capabilities as Azure services. Its capabilities include its SQL Database as well as messaging middleware services (Windows Azure Service Bus), in-memory data grid services (Windows Azure Cache) and Windows Azure BizTalk Services. It has also recently added Windows Azure Mobile Services, a cloud mobile back-end service offering that supports multiple clients beyond its own mobile client strategy. Its presence in other cloud environments (for example, SaaS through Dynamics CRM Online and Office 365, including SharePoint Online) also contributes to the vendor's broad cloud strategy.

4. IBM Cloud

When it comes to public cloud computing vendors, IBM doesn't always enjoy the same mindshare as Amazon Web Services (AWS), Microsoft Azure and Google Cloud Platform. However, some analyst reports have claimed that IBM actually has a larger share of the infrastructure as a service (IaaS) and platform as a service (PaaS) market than Google. Other analyses place it solidly in fourth place behind the "big three." Either way, IBM is one of the largest cloud computing providers on the planet. Telling the story of IBM's public cloud computing capabilities is complicated by the fact that IBM uses a lot of different brand names for its cloud services. The "IBM Cloud" label is an umbrella category that encompasses its hardware, software and services for helping enterprises build private clouds, as well as its Bluemix public cloud services. The "Bluemix" name used to be reserved for IBM's PaaS services for developers, but now Bluemix also offers some IaaS services. In addition, IBM has another IaaS service called SoftLayer. Organizations can still purchase cloud computing services under the SoftLayer brand name, but IBM seems to be migrating toward the Bluemix brand.

5. Red Hat

Red Hat's collaboration with the open source community gives the organization an advantage to the newest innovation. Finding practical applications and monetizing these innovations is a difficult task. Red Hat is a leading provider of the open-source Linux OS technology and the open-source JBoss family of middleware products. The vendor has utilized these to enter the market with its high-control, cloud-based, shared-OS OpenShift Online offering, and also offers an on-premises CEAP called OpenShift Enterprise, which can be used by IT organizations to create a private Platform as a service (PaaS) environment.

6. Salesforce.Com

Salesforce continues to make strong gains in the software as a service (SaaS) and the platform as a service (PaaS) markets. Salesforce.com has been a pioneer in the cloud computing industry offering a market-leading SaaS since 1999 and a market-leading PaaS since 2007. Force.com, a cloud-native, high-productivity, shared-everything cloud platform service remains their star cloud computing platform.

The scope of competition in the cloud computing market is vast and each organization has their own proprietary offering to sway consumers. What consumers will inevitably settle on is a cloud computing service that affords the purchaser data security while delivering performance

5.3 CUSTOMERS

Thanks to the large amount of cloud service provider companies of any size can deploy a scalable cloud solution. According to Forbes, Oracle alone has over ten thousand customers with twenty-five million users. To scale the customer base, Oracle has over ten thousand customers, yet it does not fall on Right Scale's Top Ten List of Public Clouds Used. AWS is the top public cloud provider for both enterprises and small businesses and has nearly 200,000 customers in 190 countries worldwide. Some of Amazon's largest customers include HTC, Expedia, Pinterest, Comcast, the Food and Drug Administration and even the National Aeronautics and Space Administration. VMware has over 500,000 customers including the Fortune 100 companies making VMware's vSphere/vCenter the top private cloud used for both enterprises and small businesses. Other top private cloud providers including: Red Hat, Microsoft and Citrix have thousands of customers worldwide.

5.4 EASE OF ENTRY:EXIT

The ease of entry and exit in the cloud computing industry is based off the entry into the IT industry. Cloud computing is still being improved by many IT companies to condense processes as appose to pre-cloud computing. In addition, it is difficult for one to enter. The difficulty of entry into the industry is due to major companies, such as Red Hat, Google, Amazon, and especially Microsoft, being around for quite some time as well as being the major technology innovators in the IT industry; along with that, it possess many barriers for one to enter into the IT/cloud computing industry. One must have a strategic business analysis, investment requirements, patents, knowledge assets, etc., and the competitive edge to compete with other IT companies. It is hard for one to enter the industry. Some start by building a small IT base company to build software/web applications through the technologies being introduced such as the cloud. Others are created as integration services providing support for integrating other companies' platform onto another platform such as the cloud for better processes and work flow. This allows most start-ups to ease into the IT/cloud computing industry. It makes it much easier to gain private investment and build up the company's portfolio by doing so. However, this takes away the expansion of the cloud computing industry as many small companies are offering or providing better support for integration, software products and, rarely, resources.

5.5 COMPETITIVE EDGES

All the competitors of IAGON (besides Sonm) base their operations and offerings on centralized storage and processing. IAGON, however, is going to revolutionize the cloud and web services market by offering storage and processing services that are based on a decentralized grid. By joining the unused storage capacity of servers and personal smart devices and their processing power, IAGON will create a super-computer and a super data center that can generate massive volumes of storage and processing power and will compete with any of the current cloud computing companies. IAGON has the following competitive edges over its competitors:

- IAGON revolutionizes the cloud industry by providing a fully secure and decentralized cloud storage and processing platform based on Blockchain technology.
- IAGON is a platform for harnessing the storage capacities and processing power of multiple smart devices over a decentralized Blockchain/Tangle grid.
- IAGON enables to store big data files and repositories, as well as smaller scales of files, and to carry out complex computational processes, such as those needed for AI and machine learning operations, within a fully secure and encrypted platform that integrates Blockchain cryptographic and AI technologies in a user-friendly way.
- IAGON is powered by Artificial Intelligence to connect users to services and decentralized applications.
- IAGON has easy to use features and functionalities synced across all smart platforms for all types of users – from individuals to full blown enterprises.
- Under IAGON's platform, one can imagine a world where anyone can profit by joining its massive processing and storage grids.
- IAGON will launch a crypto-token system that enables users of the storage and processing grids to pay for services that they consume, while those who contribute their resources to the grids benefit from these tokens.
- IAGON tokens can be traded and converted to fiat money via cryptocurrency exchanges.
- IAGON provides 24/7 operation of the storage grid, processing grid and the Blockchain.
- IAGON provides users with a friendly platform.
- Trusted, integrated decentralized applications on a single platform for every type of user, from Fortune 500 companies to SMEs.
- Users can create their own smart contracts on a simple to use interface, without writing any line of code.
- Miners generate revenue on IAGON's platform by sharing their smart device or servers free resources of storage and computing power.
- Integrated cryptocurrency wallets help manage transactions across different decentralized applications.
- The storage and the processing are fully protected by encryption on the Blockchain and therefore they are 100% secure and resistant to hacking.

6.0 SWOT ANALYSIS

Cloud computing promises significant opportunities for growth, if inimitable services are provided at low costs. The market research and analysis reveals that there is tremendous growth potential in the market and IAGON will penetrate it at a fast pace. The market and business analysis shows that this business is secure and presents profitable investment opportunities. To determine a strategic planning that would best benefit to the IAGON, the SWOT analysis presents the various aspects of the business. More importantly, this analysis serves as the groundwork to back up and steer the marketing efforts valuable to the business.

INTERNAL

STRENGTHS

Presently, there are no direct competitors of IAGON, as they are offering centralized storage and processing, whereas IAGON is going to offer decentralized storage and processing.

IAGON will create a super computer by joining unused storage capacity in servers and personal smart devices and their processing power.

IAGON is going to revolutionize the cloud industry through fully secure and decentralized cloud storage and processing platform based on Blockchain/tangle technology.

IAGON will store big data files and repositories, smaller scales of files and will carry out complex computational operations.

IAGON will provide a fully secure and encrypted platform using the Blockchain's cryptographic power, Artificial Intelligence technologies, and will eventually implement the innovative Tangle technology.

WEAKNESSES

IAGON is new in the market, while many cloud computing companies are already there - especially the four big companies i.e. Amazon Web Services (AWS), Google Cloud, Microsoft Azure, IBM Cloud. It will take time to penetrate in the market and to realize the customers that IAGON offers unique services that are different from its competitors.

Heavier marketing and advertising expenditures and efforts are required to create awareness.

EXTERNAL

OPPORTUNITIES

Cloud Computing is the most prominent technical innovation in IT and it will continue to grow in demand and in capabilities in the coming years. Cloud Computing is an innovative technology growing at fast pace.

Organizations increasingly demand public clouds to address their scalability requirements. This trend creates tremendous growth opportunities for companies like IAGON.

It is predicted that 24% of the total IT market will be cloud based by 2020 as it increases at 19% CAGR.

The use of Big Data becomes crucial for leading companies to outperform their peers and creates new growth opportunities for data storage and processing companies.

In the next 5 years AI will exceed its development in the past 50 years with many opportunities emerging in this field.

AI is being considered the next digital frontier.

The Blockchain technology emerges as a business focus for many companies in multiple industries and creates marvelous growth opportunities for companies associated with the Blockchain technology.

THREATS

The market is already moving towards intense competition of cloud service providers, and new entrants can easily join it. The existing large companies, i.e. Amazon Web Services (AWS), Google Cloud, Microsoft Azure and IBM Cloud, may also offer services similar to IAGON's at lower prices. If this situation prevails, it may lead to stiff competition.

The number of cloud computing, Big Data and Blockchain companies' increases with a fast pace all over the world. This increasing trend may decrease IAGON's market share.

7.0 MARKETING STRATEGY

IAGON's marketing combines the latest international advertising technologies to effectively promote its operations. The company will rely on the Internet for most of its marketing needs. The aim of IAGON's marketing is to generate the highest levels of revenues from its network and to strengthen customer loyalty. One of the key responsibilities of the marketing team will be lead generation. The methods used for lead generation include: advertising in trade journals, IT events and conferences, telemarketing, user groups, direct mailing, targeted sales calls and customer referrals. The basic marketing activities carried out to sell the services of IAGON are listed as follows:

- Marketing will be done mainly through the creative leadership of the CEO and Operational Director.
- Effective and timely Customer Support is one of the best marketing tolls. The management team will go a long way toward providing a timely professional response to calls, emails and online queries.
- IAGON also intends to work closely with marketing professionals to ensure that it is on the cutting edge of the advertising technology.
- Cloud Computing, Big Data, Blockchain/Tangle and Artificial Intelligence are very potential markets and can be tapped with the right team of marketing personnel. The risk is only associated with available resources. Our strategy is to have maximum output from highly paid, highly focused, minimal resources.

7.1 MARKETING TARGET

- The target of IAGON's marketing are the users that consist of corporates, public institutes and SMEs that require large secure storage and processing capacities, including cloud services, database storage, historical data archiving, data analytics, batch processing, etc.
- The other target of IAGON's marketing are the miners that consist of data centers that do not fully utilize their storage and server capacities and can dedicate portions of them to IAGON's grids.

7.2 CONTENT MARKETING

IAGON will effectively use online content tools for marketing, as its marketing team will launch integrated campaigns that not only increase engagement and generate revenue but that also leverage the products and the services that IAGON provides. The company will use message maps and one-page documents that will illustrate the most important emphasis on each given aspect of its services. The company will set the main points to support any online channel, from blog posts to videos. In addition to its main message map, IAGON will create a map before starting most of its content generation and distribution. Since these maps will reinforce the company's core message, they are conceptual offshoots of the main visionary map that was created by its executives.

- We will distribute digital and printed IAGON profile and leaflets to large companies and digital leaflets to SMEs to help them understand how cost effective and profitable IAGON's platform is. We will also provide a comparison on how IAGON's platform is better than its competitors.
- We will target every type of user from fortune 500 companies, SMEs, to daily users and help them realize how IAGON can cut their costs through provision of a fully secure and encrypted platform using Blockchain cryptographic (eventually Tangle Technology as well) and Artificial Intelligence technologies.
- IAGON will lead the market by offering a revolutionized cloud computing market and fix the data security issues of its customers.
- IAGON will use user experience and design at the forefront of the customer-driven marketing campaign.

7.3 PRINT AND ELECTRONIC MEDIA MARKETING

The most effective marketing channels are Internet-based. Hence, the marketing costs of advertising the company and its services will be relatively low compared to more traditional local and print media campaigns. However, we will not ignore print media marketing at all. The following include the breakdown of the company's print media marketing strategy:

- **Newspapers and Magazines Campaign** – IAGON plans to generate awareness through print media campaigns that are based on PR and media coverage. These campaigns can deliver the essence of the company plans and the benefits to potential customers.
- **Posters/brochures** – Posters might be placed to the Chamber of Commerce, SME sector Associations, and other business hubs in the local market. The printed brochures and leaflets will be distributed throughout the target markets in conferences and trade shows.
- **TV Ads** – IAGON will use ads on all major TV channels locally and nationwide.
- **Free Basic Study Material** – The Company will provide basic study material free of cost to create awareness in the public about the services offered.

7.4 INTERNET MARKETING STRATEGY

Since studies have proved that the most effective marketing channels to market the cloud computing business is Internet, we will focus on online advertising channels. The following is a breakdown of the company's Internet marketing strategy.

- **Website Development** – The website of IAGON exists and will further be developed in the first step of the Internet marketing campaign. The website will be updated regularly and provide information regarding the benefits of decentralized cloud computing services and their adoption. Additionally, the online user platform will further be expanded to include online support and interactive Q&A.
- **Search Engine Optimization (SEO)** – IAGON will hire a part time SEO specialist to work on improving the visibility of the website on all major search engines, primarily on Google.
- **Marketing Communications (MARCOM)** – Major efforts in addition to SEO and development of new website features and contents will be dedicated to marketing communications that include blog posts and promotion via independent professional bloggers, development of a Youtube channel, posts in social networks in IAGON's business page and in related groups (Facebook, LinkedIn, Pinterest, Google+, Twitter, Medium and Reddit) and in online mainstream and professional news sites.
- **Paid Advertisement (Google AdSense, Facebook, etc.)** – Organic SEO takes longer time to show results. It could take from 3 months to as long as 6 months to promote a website to Google's first search results. Therefore, along with traditional search engine techniques, the company will use paid advertisement to rapidly gain a broad customer base. Paid advertisement on Google and Facebook will link to the company's website on all major search results and Facebook pages.
- **YouTube Commercials** – Another important channel to market the website effectively to a selected range of target audience is through YouTube commercials. The company will place properties promo videos on YouTube in a cost-effective and customer focused manner.
- **Professional Networking** – IAGON would build a professional network of industry experts mainly through online efforts, such as LinkedIn.
- **Blog** – A dedicated blog to educate website visitors about the important information and latest happening in the area about cloud computing will be developed.

7.5 MARKETING BUDGET

IAGON has planned to set a side adequate budget for marketing and advertising campaign. In cloud computing business marketing is very critical for its business and attracting new customers. The company will use 10% of its total gross revenue to fund its marketing campaign in FY-1, 8% in FY-2, 5% in FY-3 and in the same way 3% up to FY-5.

Marketing Budget	FY-1	FY-2	FY-3	FY-4	FY-5
Revenue	\$3,300,000	\$6,600,000	\$11,550,000	\$23,100,000	\$46,200,000
Marketing Expenses (%)	10%	8%	5%	4%	3%
Total Marketing Budget	\$330,000	\$528,000	\$577,500	\$924,000	\$1,386,000

8.0 PERSONNEL PLAN

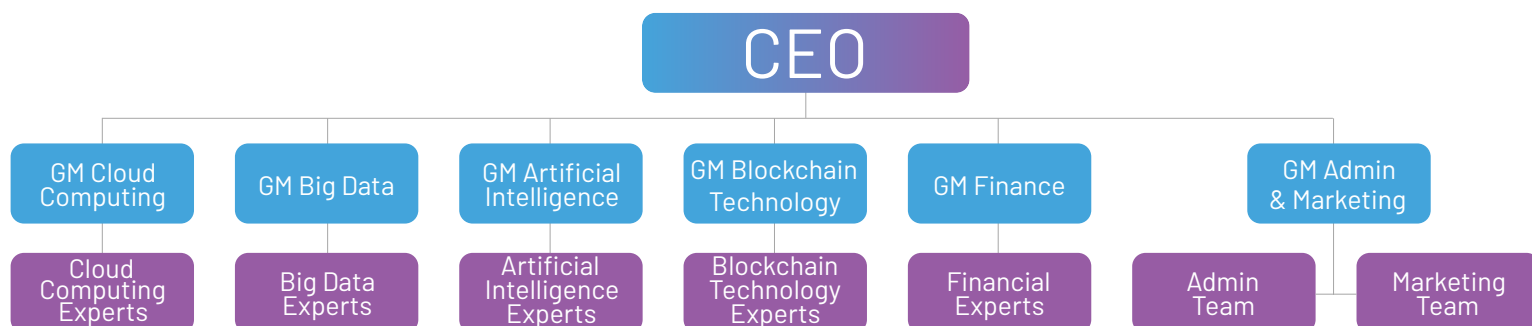
The top management team of IAGON has extensive experience of Cloud Computing, Big Data, Artificial Intelligence and Blockchain/Tangle technologies. The senior management team has passion and a future vision of the cloud computing industry that will be powered by the advanced capabilities of AI and Blockchain/Tangle, thereby competing in price, efficiency of storage, processing and security of data. The management teams core strength includes its extensive understanding of decentralized storage capacities and processing power coupling multiple smart devices into a decentralized Blockchain/Tangle grid.

IAGON's business model and strategy are based on extensive research done to determine both market viability and technical feasibility, including testing of a minimal viable product (MVP) of the users' platform, computational grid and miners' application. Analysis of the market was conducted especially in the following areas before launching the IAGON platform:

- What are the potential market opportunities for IAGON's platform?
- What type of competition exists in the target market?
- What type of service has higher potential of return?
- Can the targeted market support the business?
- What types of customers will the business attract?
- What are the rules and government legislations for operating this business from Norway?
- How much funding is needed in startup and then to expand this business?

8.1 ORGANIZATION ORGANOGRAM

To carry out the IAGON mission, its organizational strategic team would be divided into six sections. The core team will be expert on Cloud Computing, Big Data, Artificial Intelligence and Blockchain/Tangle Technology, with many years of experience. Our organizational structure is similar to that of any other high-profile IT companies. The initial management team consists of 3 founders and 14 team members, as the business continues to grow, the company will hire more experts. Following is the planned organogram of the overall management team structure.



9.0 FINANCIAL ANALYSIS

9.1 FINANCIAL ASSUMPTIONS

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses and disclosure of contingent revenue and expenses at the date of the financial statements during the reporting periods. Estimates may include those pertaining to accruals and going concern assumptions. Actual results could materially differ from those estimates.

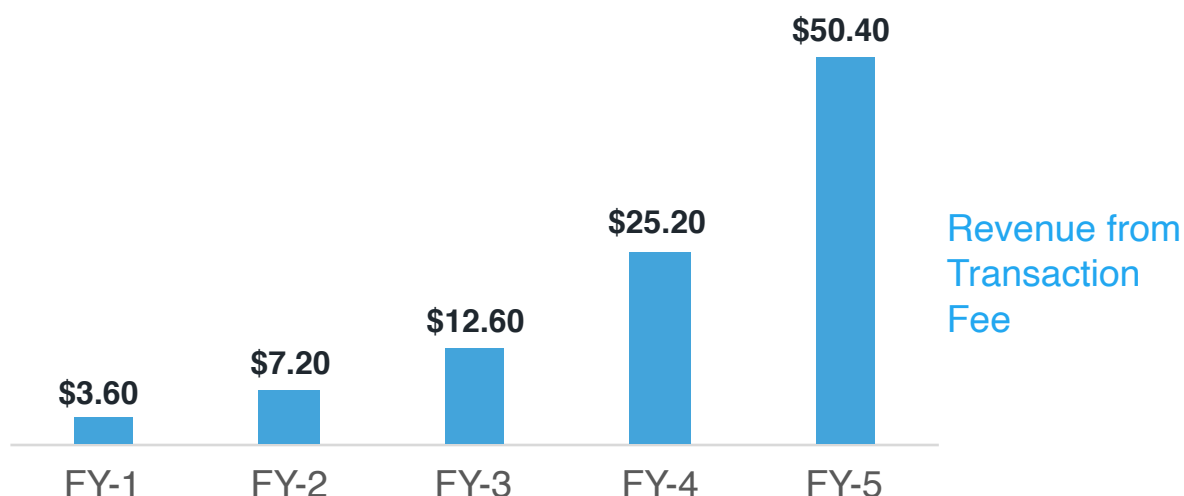
The table below presents the major assumptions made during this business plan, that are important to highlight. According to [tradingeconomics.com](https://tradingeconomics.com/norway/inflation-cpi), inflation rate in Norway (consumer price) is recorded 1.1 percent year-on-year in November 2017 from 1.2 percent in the previous month, missing market expectations of 1.2 percent. It was the lowest rate since February 2013. In the course of this business plan, we have assumed average 2.5% inflation rate throughout the next 5 years⁹. Norway's corporate income tax rate is 24% in 2017 (reduced from 25% in 2016)¹⁰. Therefore, tax rate was assumed as 24% of the revenue throughout the next five years projections. We have assumed 8% interest rate on debt financing for the next five years. The central bank of Norway left its key policy rate unchanged at a record low of 0.5 percent on December 14th, 2017. Policymakers said that inflation is expected to remain below 2.5 percent in the next years, although a higher rate is possible due to a weaker Krone. In addition, the upturn in the economy continues, the output gap is narrower than projected and wage growth is likely to edge up. Interest rate in Norway averaged 4.21% from 1991 until 2017, reaching an all-time high of 11 percent in September of 1992 and a record low of 0.5% in March of 2016. In this business plan we have assumed 0.5% interest rate throughout next five years.

9.2 REVENUE PROJECTIONS

IAGON will charge commission of 10% in IAGON tokens from every transaction that the users carry out to utilize the miners' storage and processing capacities. The commission will be charged from the tokens transferred from users to miners, which are tradable and can be converted into fiat money. In FY-1, \$10.5 million in revenues will be generated, whereas up to FY-5 gross revenues will reach to \$147 million. Five years financial projections are depicted in the following table:

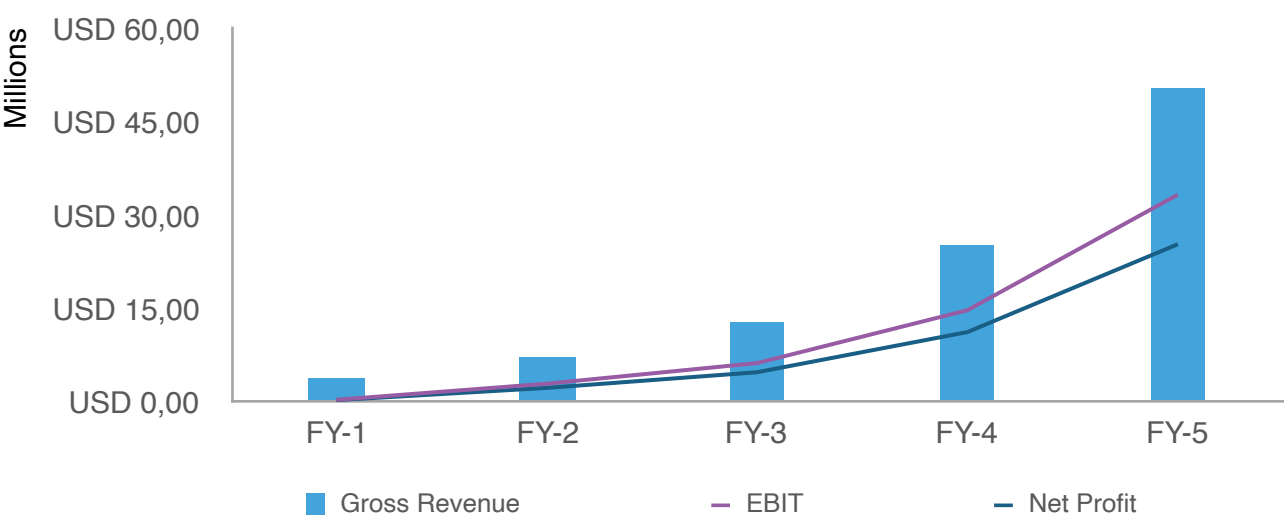
Revenue Projections	FY-1	FY-2	FY-3	FY-4	FY-5
No of Transmitted Tokens	300,000,000	600,000,000	1,050,000,000	2,100,000,000	4,200,000,000
Book Value of each Token	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12
Total Transaction Value	\$36,000,000	\$72,000,000	\$126,000,000	\$252,000,000	\$504,000,000
Transaction Fee	10%	10%	10%	10%	10%
Revenue from Transaction Fee	\$3,600,000	\$7,200,000	\$12,600,000	\$25,200,000	\$50,400,000

5 Years Revenue Projections (in Millions)



9.3 FIVE YEARS PROFIT & LOSS PROJECTIONS

5 Years Financial Projections (Millions)



The Market analysis, competitive analysis and business model of the company reveals that IAGON is a unique business model and its target market has sufficient potential to achieve its financial goals. As presented in the graph above, revenues and net profits of the company will increase every year. Up to fifth year of expanding the operation, the company will be able to secure more than \$50,4 million revenues and \$25,2 million net profits. The complete 5 years profit and loss projections are in the table below. Monthly Profit and Loss projection are at Annex Table 10.1 and Quarterly Profit and Loss Projections are at Annex Table 10.2.

9.4 FIVE YEARS PROFIT & LOSS PROJECTIONS

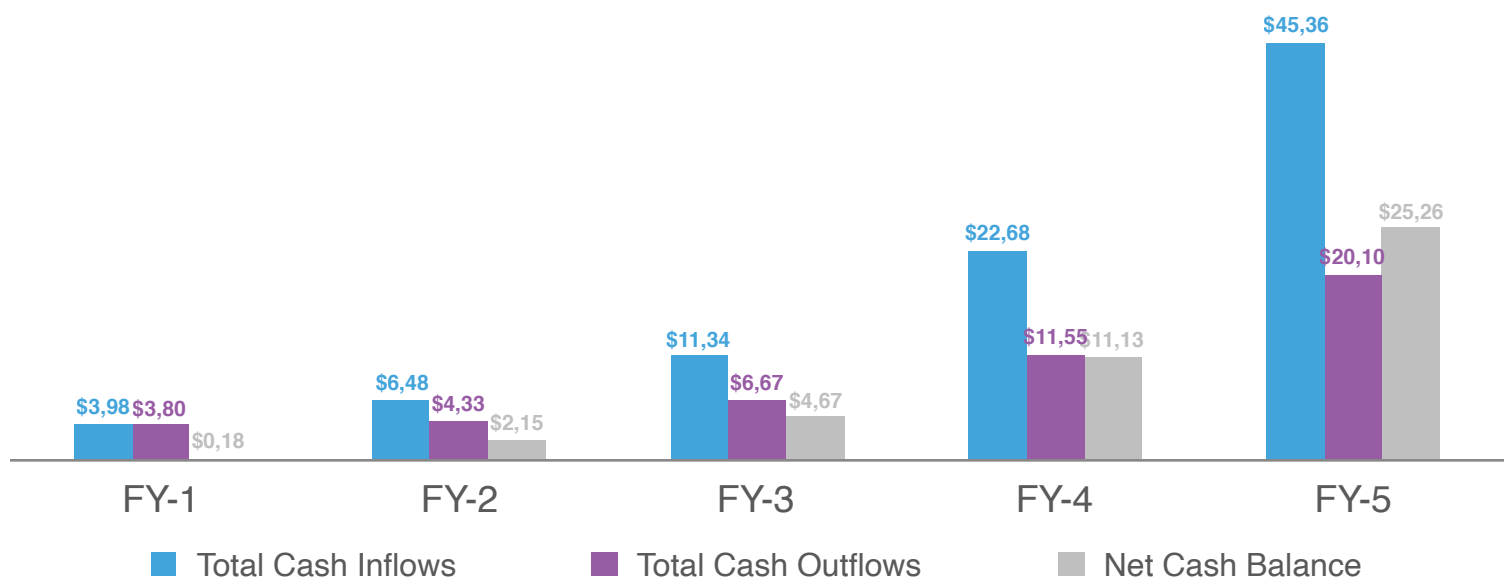
Profit and Loss Projections	FY-1	FY-2	FY-3	FY-4	FY-5
Gross Revenue	\$3,600,000	\$7,200,000	\$12,600,000	\$25,200,000	\$50,400,000
Direct Cost (10%)	\$360,000	\$720,000	\$1,260,000	\$2,520,000	\$5,040,000
Operating Income	\$3,240,000	\$6,480,000	\$11,340,000	\$22,680,000	\$45,360,000
Gross Margin (%)	90.00%	90.00%	90.00%	90.00%	90.00%
EXPENSES					
Payroll	\$500,000	\$600,000	\$700,000	\$1,000,000	\$1,200,000
R&D Expenses	\$1,200,000	\$1,500,000	\$2,500,000	\$4,000,000	\$6,000,000
Marketing Expenses	\$500,000	\$576,000	\$630,000	\$1,008,000	\$1,512,000
Professionals/Consultants Fzes	\$250,000	\$300,000	\$350,000	\$400,000	\$500,000
Insurance Costs	\$30,000	\$35,000	\$40,000	\$50,000	\$60,000
Management and Operational Cost	\$300,000	\$360,000	\$630,000	\$1,008,000	\$2,016,000
Depreciation/Amortization of Assets	\$25,000	\$35,000	\$50,000	\$70,000	\$90,000
Misc. Expenses	\$200,000	\$250,000	\$300,000	\$500,000	\$750,000
Total Operating Cost	\$3,005,000	\$3,656,000	\$5,200,000	\$8,036,000	\$12,128,000
EBIT	\$235,000	\$2,824,000	\$6,140,000	\$14,644,000	\$33,232,000
EBIT Margin (%)	6,53%	39,22%	48,73%	58,11%	65,94%
Taxes (24%)	\$56,400	\$677,760	\$1,473,600	\$3,514,560	\$7,975,680
Interest Expense	\$0	\$0	\$0	\$0	\$0
Net Profit	\$178,600	\$2,146,240	\$4,666,400	\$11,129,440	\$25,256,320
Net Profit Margin (%)	4,96%	29,81%	37,03%	44,16%	50,11%

9.5 PROJECTED CASH FLOW

The business will have sufficient cash coming from commission fees to meet its operational requirements. The company will have sufficient cash every year to meet its operational expenses. Five-year projected cash flow of the company depicted in the table below.

Pro Forma Cash Flow	FY-1	FY-2	FY-3	FY-4	FY-5
Cash from Operations	\$3,240,000	\$6,480,000	\$11,340,000	\$22,680,000	\$45,360,000
Cash from receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Flows	\$3,240,000	\$6,480,000	\$11,340,000	\$22,680,000	\$45,360,000
Other Cash Inflows					
Equity Investment	\$740,000	\$0	\$0	\$0	\$0
Debt Financing	\$0	\$0	\$0	\$0	
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$0	\$0	\$0	\$0	\$0
Total Other Cash Inflows	\$740,000	\$0	\$0	\$0	\$0
Total Cash Inflows	\$3,980,000	\$6,480,000	\$11,340,000	\$22,680,000	\$45,360,000
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
Cash Spent on operations	\$3,005,000	\$3,656,000	\$5,200,000	\$8,036,000	\$12,128,000
Payment of Interest and Taxes	\$56,400	\$677,760	\$1,473,600	\$3,514,560	\$7,975,680
Startup Costs	\$740,000	\$0	\$0	\$0	\$0
Total Cash Outflows	\$3,801,400	\$4,333,760	\$6,673,000	\$11,550,560	\$20,103,680
Net Cash Balance	\$178,600	\$2,146,240	\$4,666,400	\$11,129,440	\$25,256,320
Accumulated Cash Balance	\$178,600	\$2,324,840	\$6,991,240	\$18,120,680	\$43,377,000

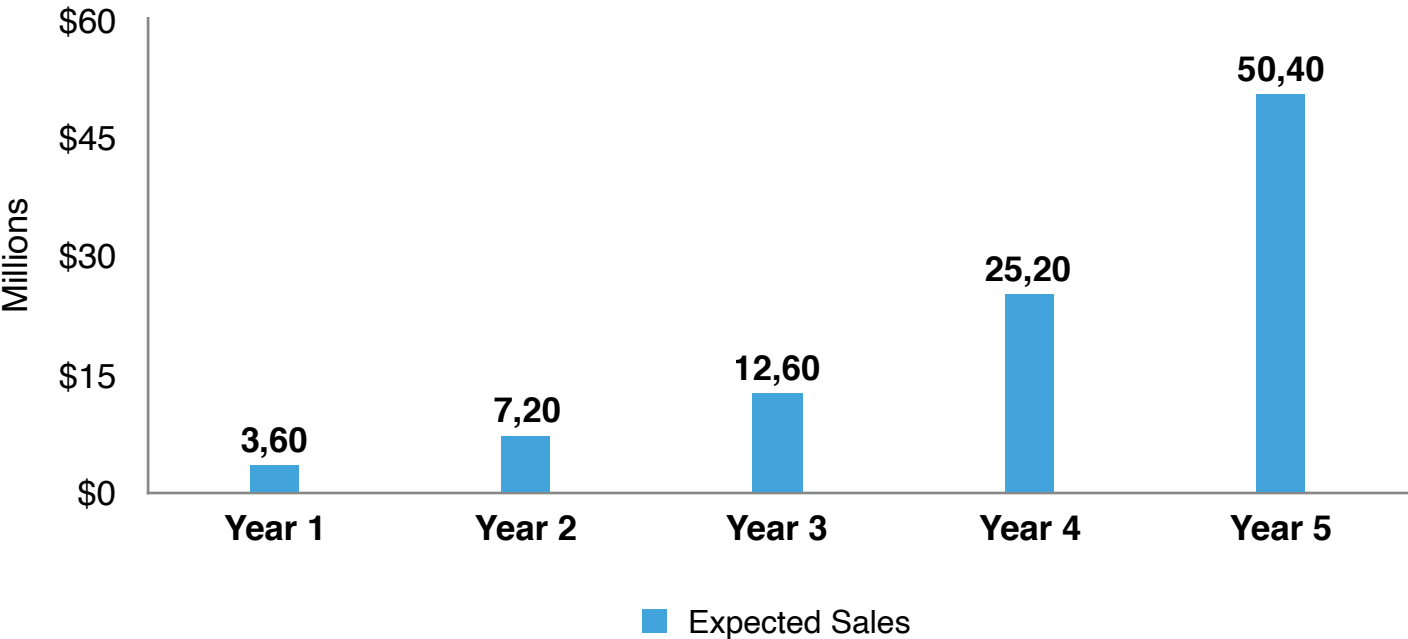
5 Years Cash Flows (Yearly) (in \$Millions)



9.6 BREAK-EVEN ANALYSIS

Breakeven Sale	Year 1	Year 2	Year 3	Year 4	Year 5
Expected Sales	\$3,600,000	\$7,200,000	\$12,600,000	\$25,200,000	\$50,400,000
Yearly Break-even Sales	\$3,338,889	\$4,062,222	\$5,777,778	\$8,928,889	\$13,475,556
Monthly Breakeven Sale	\$278,241	\$338,519	\$481,481	\$744,074	\$1,122,963
Breakeven Percentage	93%	56%	46%	35%	27%

5 Years Expected Sales
(in \$Millions)



10.0 APPENDIX

The following information is presented to illustrate the financial details, projections, general assumptions and expected results. As in any business plan, success is solely dependent on the business execution and the circumstances that surround its operations.

10.1 MONTHLY PROFIT & LOSS PROJECTIONS OF FY-1

Monthly Profit and Loss Projections

	Month-1	Month-2	Month-3	Month-4	Month-5	Month-6	Month-7	Month-8	Month-9	Month-10	Month-11	Month-12	Total Year 1
Gross Revenue	\$216,000	\$216,000	\$216,000	\$216,000	\$252,000	\$252,000	\$288,000	\$324,000	\$360,000	\$396,000	\$432,000	\$432,000	\$3,600,000
Direct Cost (10%)	\$10,800	\$10,800	\$10,800	\$10,800	\$12,600	\$12,600	\$14,400	\$16,200	\$18,000	\$19,800	\$21,600	\$21,600	\$360,000
Operating Income	\$205,200	\$205,200	\$205,200	\$205,200	\$239,400	\$239,400	\$273,600	\$307,800	\$342,000	\$376,200	\$410,400	\$410,400	\$3,240,000
Gross Margin (%)	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	90.00%
EXPENSES	0												
Payroll	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$500,000
R&D Expenses	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,200,000
Marketing Expenses	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$500,000
Professionals /Consultants Fees	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$250,000
Insurance Costs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$30,000
Management & Operational Cost	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$300,000
Depreciation/ Amortization of Assets	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$25,000
Misc. Expenses	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,000
Total Operating Cost	\$253,750	\$253,750	\$253,750	\$253,750	\$253,750	\$253,750	\$253,750	\$253,750	\$253,750	\$253,750	\$253,750	\$253,750	\$3,005,000
EBIT	-\$48,550	-\$48,550	-\$48,550	-\$48,550	-\$14,350	-\$14,350	\$19,850	\$54,050	\$88,250	\$122,450	\$156,650	\$156,650	\$235,000
EBIT Margin (%)	-22%	-22%	-22%	-22%	-6%	-6%	7%	17%	25%	31%	36%	36%	7%
Taxes (24%)	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$56,400
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit	-\$48,550	-\$48,550	-\$48,550	-\$48,550	-\$14,350	-\$14,350	\$19,850	\$54,050	\$88,250	\$122,450	\$156,650	\$156,650	\$178,600
Net Profit Margin (%)	-22%	-22%	-22%	-22%	-6%	-6%	7%	17%	25%	31%	36%	36%	5%

10.2 QUARTERLY PROFIT & LOSS PROJECTIONS

	YEAR 4					YEAR 5				
	Q1	Q2	Q3	Q4	Year 4	Q1	Q2	Q3	Q4	Year 5
Gross Revenue	\$5,292,000	\$6,048,000	\$6,552,000	\$7,308,000	\$25,200,000	\$10,584,000	\$12,096,000	\$13,104,000	\$14,616,000	\$50,400,000
Direct Cost (10%)	\$264,600	\$302,400	\$327,600	\$365,400	\$1,260,000	\$529,200	\$604,800	\$655,200	\$730,800	\$2,520,000
Operating Income	\$5,027,400	\$5,745,600	\$6,224,400	\$6,942,600	\$23,940,000	\$10,054,800	\$11,491,200	\$12,448,800	\$13,885,200	\$47,880,000
Gross Margin (%)	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
EXPENSES										
Payroll	250,000	250,000	250,000	250,000	1,000,000	300,000	300,000	300,000	300,000	1,200,000
R&D Expenses	300,000	300,000	300,000	300,000	1,200,000	300,000	300,000	300,000	300,000	1,200,000
Marketing Expenses	158,760	181,440	196,560	219,240	756,000	317,520	362,880	393,120	438,480	1,512,000
Professionals / Consultants Fees	100,000	100,000	100,000	100,000	400,000	125,000	125,000	125,000	125,000	500,000
Insurance Costs	\$12,500	\$12,500	\$12,500	\$12,500	\$50,000	\$15,000	\$15,000	\$15,000	\$15,000	\$60,000
Management & Operational Cost	\$252,000	\$252,000	\$252,000	\$252,000	\$1,008,000	\$504,000	\$504,000	\$504,000	\$504,000	\$2,016,000
Depreciation / Amortization of Assets	\$8,750	\$8,750	\$8,750	\$8,750	\$35,000	\$8,750	\$8,750	\$8,750	\$8,750	\$35,000
Misc. Expenses	\$125,000	\$125,000	\$125,000	\$125,000	\$500,000	\$187,500	\$187,500	\$187,500	\$187,500	\$750,000
Total Operating Cost	\$1,207,010	\$1,229,690	\$1,244,810	\$1,267,490	\$4,949,000	\$1,757,770	\$1,803,130	\$1,833,370	\$1,878,730	\$7,273,000
EBIT	\$3,820,390	\$4,515,910	\$4,979,590	\$5,675,110	\$18,991,000	\$8,297,030	\$9,688,070	\$10,615,430	\$12,006,470	\$40,607,000
EBIT Margin (%)	72%	75%	76%	78%	75%	78%	80%	81%	82%	81%
Taxes (24%)	\$878,640	\$878,640	\$878,640	\$878,640	\$3,514,560	\$1,993,920	\$1,993,920	\$1,993,920	\$1,993,920	\$7,975,680
Interest Expense	158,760	181,440	196,560	219,240	756,000	317,520	362,880	393,120	438,480	0
Net Profit	\$3,661,630	\$4,334,470	\$4,783,030	\$5,455,870	\$18,235,000	\$7,979,510	\$9,325,190	\$10,222,310	\$11,567,990	\$40,607,000
Net Profit Margin (%)	69%	72%	73%	75%	72%	75%	77%	78%	79%	81%

11.0 DISCLAIMER

By participating in the IAGON AS' ("IAGON") Pre-sale and/or Token Generating Event (the "TGE") Crowdsale (the Pre-sale and the TGE together referred to as the "Crowdsale"), as defined in the IAGON whitepaper (the "Whitepaper"), or making use of any information in the Whitepaper or in IAGON's business plan or available on the iagon.com website, you agree to the statements provided in this disclaimer (the "Disclaimer"). You further understand and accept that the information provided in the Whitepaper and on the website are of descriptive nature only, and does not provide any legal rights to the user unless explicitly stated.

GENERAL WARNING – By using the services provided by IAGON, you as either a Crowdsale participant or User of IAGON's alpha products or services (the "User"), fully understands and agrees with the following:

- IAGON AS is a Norwegian incorporated entity, being subject to Norwegian laws and regulations. The TGE is being performed from Norway under Norwegian rules and IAGON does not intend or issue any tokens in any other jurisdiction. The User understands and accepts to be subject to the laws and regulations in the jurisdiction in which the User is domiciled and that IAGON accepts no responsibilities for the legal status of the User as a Crowdsale participant or otherwise being linked to IAGON (e.g. as token holder after the TGE). The User should obtain local legal advice to clarify the legal status of the User in its own jurisdiction before participating in the Crowdsale.
- By transferring Ether (ETH) to the Smart Contract System and the Smart Contract System creating IAGON tokens ("IAG tokens"), the User understands and accepts that the User makes a contribution into a Smart Contract System for the development of the IAGON platform, as described in the Whitepaper. The User understands and acknowledges that IAG tokens will be provided by the Pre-sale and/or TGE smart contract in the order that transactions are received by it and no alteration of this can be made by any party. However, the User understands and accepts that smart contract technology is still in an early development stage and its application of experimental nature, which carries significant operational, technological, financial, regulatory and reputational risks.
- User understands and accepts that IAGON AS, including its shareholders, directors, management, employees and any other person affiliated with IAGON, carries no liability for the ability to take part in the Crowdfunding for reasons beyond the control of IAGON including but not limited to the Pre-sale and/or TGE duration, transaction mining delays and node-related issues.
- Pending a successful Crowdfunding, the IAGON team members will be focused on completing the company start-up and delivering on milestones according to the Whitepaper. Furthermore, the User understand and accepts that while IAGON will make reasonable efforts to develop and complete the IAGON platform, as described in the Whitepaper, it is possible that such development may fail and that User's IAG token may become useless and/or lose its value due to reasons of technical, commercial or regulatory nature or any other reason, within or outside IAGON's control.
- The User is also aware of the risk that even if all or parts of IAGON's platform is successfully developed and released in full or in parts, that the IAGON platform could be fully or partially closed, remain commercially unsuccessful or shut down due to lack of public interest or for any other reason. IAGON has the right to engage subcontractors to perform the entire or partial development and execution of the IAGON platform. The scope and extent of the development of the IAGON platform will be determined by the amount of contribution received during the Crowdsale, as set forth in the Whitepaper

- The User understands and accepts that IAGON undertakes no obligations to act on behalf and in the interests of the User in any Pre-sale and/or TGE being held in the future.
- By transferring ETH through the IAGON Crowdfunding address under the smart contract system of the Ethereum blockchain protocol (address TBD (to be decided)) (the "Smart Contract System"), the User expressly agrees to all of the terms and conditions set forth in the Smart Contract System code existing on the Ethereum blockchain and in this Disclaimer. The User further confirms to have carefully reviewed the Smart Contract System code, its functions and this Disclaimer, and hereby confirm to fully understand the risks and costs of creating the IAG token and contributing into a Smart Contract System for the development of the IAGON platform.
- The User understands and accepts that by transferring ETH or other assets to IAGON as part of the Crowdsale through the Smart Contract System, the User makes such decision upon his/hers own discretionary consideration and has no right of refund of the transferred amount, unless explicitly provided by the Pre-sale and/or TGE smart contract code itself as stipulated in the Whitepaper (that being, a 100% refund when capital raised during the Crowdfunding is under the minimum cap after the Pre-sale and/or TGE period has expired). The User therefore understands and accepts that the transfer of ETH through the Smart Contract System thereby creating IAG token, carry significant financial, regulatory and/or reputational risks (including the complete loss of value of created tokens, if any, and attributed features of the IAGON platform).

TAX WARNING – The User understands and accepts that IAGON does not act as a tax agent of User. The User bears the sole responsibility to determine its tax responsibility of the contribution into the Smart Contract System to create and obtain IAG token(s), and to determine whether the ownership, usage, the potential value appreciation or depreciation, or any gain or loss by the purchase or sale of the IAG token, have tax implications for such User. More specifically, the User fully understands and agrees to the following:

- The User and IAGON carry their own tax obligations solely under the applicable laws of the jurisdiction they reside in.
- If Value Added Tax (VAT) obligations or other indirect taxes will apply as a result of trade of products/ services provided by IAGON or by third parties, we reserve the right to adjust the product/service price by adding a VAT/ indirect tax as applicable for each respective country (e.g. 25% for Norway and as applicable in other jurisdictions) which are sold from the time the VAT / indirect tax obligations comes into place. We will spend time and resources with qualified personnel to structure the IAGON platform optimally within legal frames to ensure transactions flow as efficient as possible.
- The User understand and accepts that IAGON may have to disclose information on the User, including but not limited to the value of any IAG tokens held, if explicitly requested by any government authorities in accordance with any applicable jurisdiction.
- By creating, holding or using the IAG token, and to the extent permitted by law, the User agrees not to hold IAGON or any associated third party, including developers, auditors, contractors or shareholders, liable for any tax liability associated with or arising from the creation, ownership or use of IAG token or any other action or transaction related to the IAGON platform.

NO WARRANTIES – All information provided within the Whitepaper and within IAGON’s business plan is provided “AS-IS” and with no warranties whatsoever on the IAG token, the Smart Contract System and/or the success of the IAGON platform, including the accuracy, completeness or the use of any information provided therein, to the extent permitted by any applicable law. This includes, but is not limited to, express or implied warranties of title, merchantability or fitness for a particular purpose, are made with respect to the information, or any use of the information, on this site or platform.

DISCLAIMER OF LIABILITY – The User acknowledges and agrees, to the extent permitted by any applicable law, that the User will not hold IAGON or any associated parties, including but not limited to any group entity, management, developers, contractors or shareholders, liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use the IAG token, the Smart Contract System or the IAGON platform, under any cause or action whatsoever of any kind in any jurisdiction. IAGON specifically, without limitations, disclaims liability for any loss or damages, including incidental or consequential damages, and assumes no responsibility or liability for any loss or damage suffered by any person as a result of the use, misuse or reliance of any of the information or content in the Whitepaper or in IAGON’s business plan or on the www.iagon.com website.

Under no circumstances shall IAGON, or any associated parties as stated above, be liable to the User for any special, indirect, incidental, consequential, exemplary or punitive damages (including lost or anticipated revenues or profits and failure to realise expected savings arising from any claim relating to the services provided by IAGON) whether such claim is based on warranty, contract, tort (including negligence or strict liability) or otherwise or likelihood of the same.

The User further specifically acknowledges that IAGON, or any associated parties as stated above, are not liable, and the User agrees to not hold them liable, for the conduct of any third parties, including other creators of IAG token(s), and that the risk of creating, holding and using IAG token(s) rests entirely with the User.

USE AT YOUR OWN RISK – By utilizing the Crowdsale Smart Contract System for IAGON, the IAGON platform or the www.iagon.com website, including but not limited to, the transferring of any assets to IAGON AS, the User undertakes and understands all possible risks that directly or indirectly arise from the activity connected with the User’s participation in the Crowdsale and/or use of IAGON’s services and products.

FORCE-MAJEURE – User understands that IAGON will not be liable to User for any breach hereunder, including for failure to deliver or delays in delivery of the Services occasioned by causes beyond the control of IAGON including but not limited to unavailability of materials, strikes, labour slowdowns and stoppages, labour shortages, lockouts, fires, floods, earthquakes, storms, droughts, adverse weather, riots, thefts, accidents, embargoes, war (whether or not declared) or other outbreak of hostilities, civil strife, acts of governments, acts of God, governmental acts or regulations, orders or injunctions, or other reasons, whether similar or dissimilar to the foregoing (each a “Force Majeure Event”).

MISCELLANEOUS / FINAL WARNING – Pre-sale and/or TGE participations can be considered high-risk trading; utilising IAG tokens via the Crowdsale or utilising services offered in the Whitepaper, through the Smart Contract System, the IAGON platform and on the www.iagon.com website, may result in significant losses or even in a total loss of all value submitted and obtained.

- This Disclaimer, the IAGON Whitepaper, the IAGON website and platform or any related documents or site do not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an offering of securities in any jurisdiction.
- The User guarantees that he is a legally capable person of a sufficient age, and that the User complies with all legal rules and applicable laws of the jurisdiction where the User lives when transferring ETH to the Smart Contract System to create IAG token. The User further confirms to be legally permitted to hold and use the IAG token in the jurisdiction where the User is domiciled, and accepts to hold IAGON harmless should the User not be compliant to any such laws and regulations.
- IAG tokens are only functional utility tokens and its ownership carries no other rights other than being intended to be applied on IAGON's platform, if successfully completed and deployed as stipulated in the Whitepaper. In particular, the User understands and accepts that the IAG token do not represent or constitute any ownership right or stake, share or security or equivalent rights or any right to receive future revenues, IP rights or any other form of participation in or relating to the IAGON platform, other than enabling access for token holders and Users to IAGON's platform. IAGON tokens and IAGON's platform are not for speculative investment. No promises regarding value or future performance are made regarding IAGON tokens. No promises regarding any particular value of IAGON tokens are made. No other rights associated with holding IAGON tokens are given. Proceeds of the IAGON token Crowdsale may be spent as the company sees appropriate, which may change as deemed necessary in the maturation and advancement of the IAGON token and IAGON's platform.
- IAGON's team is investing heavily in the safety and security of the services that IAGON provides. However, we cannot protect against all possible sources of error and malicious deeds initiated by any party. Therefore all risks assumed by using IAGON's platform in any capacity, transferring, receiving and accumulating IAG tokens are solely assumed and accepted by the User.
- IAG tokens are meant to be held and used by those well experienced and knowledgeable in cryptographic tokens, their acquisition, transfer, and use only for accessing the services offered on IAGON's platform. By transferring ETH through the Smart Contract System for the creation of the IAG token, the User represents and warrants that it has deep understanding of the functionality, usage, storage and transmission mechanism associated with cryptographic tokens and blockchain-based software systems.
- The User further represents and warrants to have knowledge of the token creation process and that the User will have its own account on the Ethereum network, with a private key associated to this address and password. The password is used to encrypt the User's private key. Following the creation of the IAG token by the Smart Contract System, the IAG token will be transferred to the User's address by the Smart Contract System. The User understands that the User must keep his password and private key safe and that the User will not be able to generate a new password or recover his private key should this private key and/or password be lost or stolen. The User understands that if such private keys and/or password is lost, the IAG tokens associated with the User's account will be unrecoverable and will be permanently lost. In such instance, IAGON or any other no person or entity will not be able to help the User retrieve or reconstruct the lost password and/or private keys, and the User will not be able to access any lost IAG tokens

- The User understands and accepts that the IAGON platform will be run on a blockchain through a network of miners which will ultimately be in control of the Smart Contract System. The User understands that a majority of these miners could agree at any point to make changes to the official Smart Contract System and to run a new version of the Smart Contract System, which could lead to the IAG token losing its intrinsic value.
- By transferring ETH to the Smart Contract System and/or receiving IAG token, no form of partnership, joint venture or any similar relationship between the Users and/or other individuals or entities involved with the deployment of the Smart Contract System and the setting up of the IAGON platform is created.
- The User understands and accepts that no market liquidity may be guaranteed with regard to the IAG token and that its value may experience extreme volatility over time, including depreciation in full.
- Should the User be a consumer and should any applicable consumer legislation or cancellation rights apply to such User in relation to the creation and obtainment of the IAG token, the User waives any such consumer and cancellation rights, unless otherwise prescribed by mandatory law. The User further acknowledges and accepts that any applicable cancellation rights are waived and lost when the User transfer ETH through the Smart Contract System and thereby creates and obtains IAG token(s), unless otherwise prescribed by mandatory law.
- The User understands and accepts that the blockchain technology allows new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology based applications, which may be contrary to the current setup of the Smart Contract System and which may, inter alia, result in substantial modifications of the Smart Contract System and/or the IAGON platform, including its termination and the loss of IAG token for the User.
- By participating in the Crowdsale by either the Pre-sale and/or TGE, the User confirms that he has read, understood and agree to comply with all restrictions set forth above. The User further confirms to not obtain the IAG token for any illegal purposes and that the ETH transferred through the Smart Contract System has not been obtained by any illegal means, including but not limited through money laundering or corruption of any sort or any other illegal means in the jurisdiction in which the User resides.
- The User acknowledges and agrees that if any part of this Disclaimer or the Whitepaper is found illegal or unenforceable, in whole or in part, such provision shall be ineffective solely to the extent of the invalidity or unenforceability under the laws of the applicable jurisdiction without affecting the validity or enforceability thereof in any other manner, and without affecting the remaining provisions of this Disclaimer or the Whitepaper, which shall continue to be in full force and effect.
- This Disclaimer is governed by Norwegian law and any claims brought forward against IAGON arising out of or in connection with the creation of IAG token and the development and execution of the IAGON platform, shall be resolved and finally settled by the ordinary courts of Norway. IAGON and its team will in any case abide within the laws set forth in each of its operational country(ies), and each operational unit shall be subject to its local laws and jurisdiction for the explicit operation such unit provides.
- IAGON's Whitepaper, its business plan, its website and this Disclaimer, may be subject to changes by IAGON's discretion, either before, during or after the Crowdsale.

This Disclaimer is valid as of 2 April 2018, as amended from time to time.