

*Intellected Automated
Company*

CITADEL

White Paper

2018



CITADEL

INTELLECTUAL AUTOMATED
COMPANY

CONTENT

Glossary.....	3
PLATFORM	5
Problems.....	6
Solution.....	7
Technical stack	11
MARKET	15
Overview of the cashback services market.....	15
SWOT-Analyse	21
IAC's advantages on the cashback service markets.....	22
Blockchain-based cashback service market review.....	23
IAC's advantages on the blockchain-based cashback platform market	24
ICO	25
Tokens and internal currency of the platform	25
Token distribution	27
Bonuses and bounty	27
Funds distribution	30
Forecasts.....	32
Road map.....	34

GLOSSARY

Affiliate — a client of IAC's partner.

Affiliate programs — a form of business cooperation between the affiliates and partners in selling products or providing services on IAC platform. The program allows partners to reduce the cost of attracting the final buyer.

CITADELbonus — a mobile application for companies that have concluded a partnership agreement with IAC and for their customers. Application is a convenient and effective tool for attracting new and retaining loyal customers.

CITADELToken — a token that is an AutoUnit purchase discount. It is the equivalent of \$1.

CITADELUnit — a blockchain-certificate for purchasing goods and services placed on the IAC platform and offered by partner enterprises. The certificate provides all mutual settlements between IAC and goods and services suppliers as directed by the users. The certificate will be equivalent to \$0,1 at the time of blockchain launching.

Cashback service — a partial refund for purchases as a designation for a variety of bonus program to attract customers and increase their loyalty.

Corporate University — a system of internal training and mentoring operating under/in the IAC corporate ideology. Specially designed unique programs serve to educate all project participants.

IAC client — user, partner or other person who intends to use the platform functionality.

Intellectual Automated Company (IAC) — an automated platform bringing together the best features of payment systems, cashback services and partnership programs.

Participant — a person using the functional of the IAC platform (user, partner, VIP-partner, business owner or other person directly related to the corporation).

Partner — a user who has paid an entrance fee (one-time, once-only) contribution of \$100. The partner gets access to all the platform privileges, increased cashback, opportunity to participate in the affiliate program.

Partnership program — a form of business cooperation between the company and partners in selling products or providing services. It allows partners to reduce the cost of attracting the final buyer. The partnership program regulates payments for certain actions. Access to it can be obtained in your personal account on the IAC website.

Platform — a website and a mobile application of IAC corporation. The platform is currently involved in the work of the following elements: discount system, payment system, training block, account with partner program, all internal IAC projects.

Privileges — discounts, cashback, exclusive terms, training, support, earning/income opportunities.

Referral – a client who was invited to IAC platform with a referral link.

Referrer – an IAC's user or partner who shares the referral link.

Status – a level of access to the opportunities and privileges of the IAC platform.

Increase status – an access to additional opportunities and privileges of the IAC platform. You can enhance the status at any stage by paying a fee.

Supplier – IAC's partner or an enterprise that offers products and services on IAC's platform

The Academy of Beauty and Health – an internal IAC project that allows users to purchase products for beauty and health. The project provides the highest internal cash-back percentage in the IAC.

User – a starting status of the user who gets free registration on the IAC website. Users have reduced access to platform privileges as well as a referral link where new members can be registered.

VIP-Club. Investments. Property – a crowdfunding platform for joint investment in a "built-up" or "under construction" real estate. It implemented on the basis of consumer cooperation. An effective way of investing in the Russian Federation

The Cashback distribution system – the IAC distribution system for the cashback going to the platform. The size of the cashback interest to each participant depends on size of the cashback discount set by the partner enterprise and on the participant's status (user, partner, VIP partner). Specific levels and percentages of distribution are indicated in the personal account on the IAC website.

The IAC Corporation – a joint group of legal entities/persons who are members/belonging to the IAC.

VIP Partner – a partner who paid an additional entrance fee (one-time,once-only) contribution of \$800. VIP Partner gets access to the max level of platform privileges, increased cashback, exclusive training and support programs, additional investment opportunities, opportunity to participate in the VIP partner program.

PLATFORM

IAC is an automated platform bringing together the best features of payment systems, cashback services and partnership programs.

In 2014, a small group of like-minded people set an ambitious goal to make the life of consumers better and easier by providing them with the best quality goods and services at wholesale prices. The company is based on the idea of uniting people to jointly solve issues related to saving the family budget. As a result, the new corporation was established as Intellectual Avtomated Company. The website was launched.

proven its effectiveness. In fact, the first stage of company development has passed. IAC is not a startup and it's ready to develop business in other countries.

The corporation transfers all internal payments to the blockchain using internal currency called CITADELCoin. This is a system of mutual settlements that allows to increase the level of transparency and financial security of all registered users, to avoid system centralization and users dependency on the corporation, to accelerate development and to increase the turnover of enterprises that joined the platform.

It gradually began to be filled with suppliers providing privileges and users who use these privileges. Over three years, more than 70,000 partners have rallied around this idea. Over 600,000 users and over 12,000 enterprises have become IAC partners and agreed to provide discounts and special offers for participants. For ease of use, a mobile application was developed and launched. For the convenience of users, a payment system was launched.

The multi-level affiliate program demonstrated a particularly effective development, which made it possible to develop the platform with a minimum advertising budget in 250 cities of Russia and CIS countries.

New technological trends require new approaches to business development, especially with regard to the platform as a payment system. For 3 years, our technology has

PROBLEMS

- 1** A consumer wants to save money while business wants to make it. In this case, the consumer and business interests are in opposition to each other. The consumers strive for purchasing goods at profitable prices (to pay less), but businesses strive to increase profits, reduce costs and to gain a competitive edge. The existing cashback services and joint purchase services partially solve this problem. But they offer only a compromise between the consumer wishes and the business interests, although modern technologies allow both sides to give much more than just discounts and new customers.
- 2** At the moment, there is no cashback service among the market leaders, which would give an opportunity not only to save money on purchases, but also to earn on a multi-level referral system. The number of the system participants is not in direct correlation with the capabilities and benefits of the participants themselves. The number of users is always directly related only to the benefits of the service itself, not its customers.
- 3** Most of the existing cashback services focus on the online stores. It limits users and the offline business in obtaining the benefits.
- 4** Currently, many partner programs are associated with the network business. MLM-companies have compromised themselves by unscrupulous typical behavior in this market: the use of aggressive marketing, intrusive advertising, the supply of poor-quality and non-certified goods. At the same time, some reasonable methods and effective promotion mechanisms successfully working in MLM companies have been discredited. As a result, consumers abandoned really profitable offers, and enterprising people ignored the opportunity to earn on partner and referral programs.
- 5** Low level of client orientation. Cashback services are essentially intermediaries between business and customers. Such services do not take into account the interests of both parties and they give preference to a business with a larger cashback percentage.
- 6** Discount systems, cashback services, coupon services work in a welldefined segment, but it is inconvenient for the user. There are no services combining the possibilities of obtaining discounts and cashback, a payment system with the ability to pay in the cryptocurrency and with the option of obtaining passive income.
- 7** A business that wants to satisfy the demand for cashback from customers, instead of bonus and loyalty programs, lacks effective tools providing this demand and attracting new customers.
- 8** High marketing costs force the business to inflate prices for goods and services. The number of intermediaries involved in each sale makes prices even less affordable. Modern technologies that attract new customers with minimal costs are used rarely and inefficiently. Despite the development of the digital economy, the technological capabilities are not used.

SOLUTION

What is Intellect Aunomated Company?

Intellect Automated Company(IAC) is an automated platform bringing together the best features of payment systems, cashback services and partnership programs. At the moment platform already allows solving many of the problems. The blockchain technology will allow the platform to be brought to a new level, to meet new challenges and make the existing solution even more effective.

What is IAC?

One of the largest cashback services in Russia:

- ◆ More than 12,000 organizations provide discounts to platform users;
- ◆ Cashback in 12,000+ offline stores in Russia and CIS countries;
- ◆ Cashback in 700+ online stores;
- ◆ Best offers on cellular services, insurance, tourism and legal services;
- ◆ The only cashback service with its own payment system.

Payment system:

- ◆ Payments for all kinds of merchandise and services via an internal digital wallet;
- ◆ Rewards for participation in our projects: Corporate University, Beauty Academy and Real Estate Purchase Crowdfunding Platform;
- ◆ Rewards for participation in partners programs and status upgrades;
- ◆ Issuing of co-brand cards in collaboration with Alfa-Bank.

Unique affiliate program

- ◆ Ability to earn on connecting referrals and receive a percentage of their purchases;
- ◆ Opportunity to attract commercial enterprises and earn interest from their turnover;
- ◆ Turn key business model, which does not require significant financial investments;
- ◆ The advantage of the partnership and affiliate programs that work as a multilevel recommendation system includes 9 levels of accruals allocation.

How it works

For consumers:

- 1** Consumer registers free-of-charge in the system and gets access to all valid discounts, promotions and offers.
- 2** After registration, the customer has the opportunity to send a referral link to friends. Friends will also be able to make profitable purchases if register via that referral link.
- 3** The consumer receives percentage cashback of all purchases carried out by referrals and also to those to whom they submitted their referral link.
- 4** The consumer has the opportunity to withdraw the accumulated internal funds in fiat money in any convenient way.
- 5** You can pay more than 20 000 kinds of goods and services (state duty, credits, cellular service, TV, Internet, fines, withdrawal to plastic cards, to the account of any bank, etc.), pay for internal projects and upgrade the status within the system using internal currency.
- 6** You can recharge your internal account in any convenient way by simply clicking the button in your account: from card to card, through the card acquiring to the settlement account, through the cryptocurrency transfer to the company's wallet.

For businesses:

- 1** An enterprise registers free of charge on the IAC platform and has access to an ever-growing base of loyal participants.
- 2** After registration, the business offer (goods and services) is placed in a discount system. The percentage cashback paid by the business to the IAC platform is determined by the agreement.
- 3** The enterprises install the CITADELbonus program. It identifies and maintains a record of participants purchases.
- 4** The enterprise makes the payment in the cashback amount of all participants purchases specified in the contract.
- 5** The business employee has an opportunity to register new participants. At the same time, all new participants will be registered according to the business level in referral system. The business will get a part of the percentage cashback according to the distribution cashback system when participants make purchases.
- 6** The business is given an opportunity to use paid services with a significant discount:
 - advertising, internet marketing, SMM;
 - placement on the platform resources in the section of special offers (banners, recommendation);
 - participation in IAC projects;
 - creation of websites and mobile applications.

Platform capabilities for consumers and businesses

Consumer:

- ◆ Opportunity not only to acquire a wide variety of goods and services on profitable terms but also to earn on a referral program;
- ◆ Upgrade your system status to the level of Partner or VIP Partner and thereby significantly increase the amount of funds received;
- ◆ Access to partner programs in accordance with the status;
- ◆ Payment for goods and services by internal funds at profitable tariffs.

Business:

- ◆ New active customers from around the world in exchange for a reasonable discount;
- ◆ Free application; CITADELbonus (mobile loyalty program, monetization of its customers);
- ◆ Free placement of products and offers on the site (45,000 users per month);
- ◆ Free placement of offers in a mobile application;
- ◆ Business connected to the system can register users on the referral link and get a cashback part from their purchases and purchases of their friends to the 9th level of recommendations, even if they go to a competitor;
- ◆ Readymade system of management and motivation of its employees;
- ◆ Process large wholesale orders;
- ◆ Save on advertising.

Thus, the above-described problems of the industry are being solved. The best compromise between the needs of the consumer and the business is achieved. In addition to mutual benefits, both sides obtain more opportunities. Users can participate in the partnership

program and their own IAC projects. Business including offline stores can increase customer flow, access to a huge client base and also earn an income from the referral program. Blockchain provides additional transparency and security.

Based on blockchain technologies

The use of blockchain technologies is one of the most important conditions for the further successful development of the platform in the new technological paradigm.

Server decentralization keeps all the data safe even in cases if one of the server fails.

Absence of any server synchronization difficulties while using a centralized solution.

Easy and convenient conversion in any currency and in any country of the world.

CITADELCoin will be listed on the stock exchange.

An independent digital system.

Resistant to unauthorized access or infiltration by computer hackers. Since the system is decentralized, none hacker is able to cause any damage to the system even if a server gets hacked.

Security from the legal point means even if the initiating legal entity disappears the system will continue its existence, and users will not lose their funds. The funds on a decentralized system cannot be arrested.

TECHNOLOGY STACK

Ethereum

The Token is a standard Ethereum ERC20 token, with an additionally implemented role model, defensive math and functions for sales automation and interaction with the existing payment systems. CITADELToken is not used for exchange trading as it is designed to charge CC in the CITADEL system after being tested and debugged. CITADELToken is held on the user's balance and remains un-changed until CITADELCoin gets charged. Once an CITADELCOIN is charged, the CITADELToken gets destroyed.



Main Solution. Graphene

The CITADEL solution is built on the existing blockchain platform Graphene, also known as BitShares 2.0.

Technically this solution inherited all the existing infrastructure and capabilities that are turned off at the initial stage of system development.

The solution is a classic blockchain with a consensus mechanism DPoS that allows achieving high speeds in the field of generating transactions and block creating, as well as high speed of data synchronization.

The Coin

The CITADEL blockchain system uses the coin called CITADELCoin (CC). It is divided into 105 subunits.

Same as in many other blockchains, the base unit is inherited from BitShares and includes such property as

volume (value) that can be transferred by a note in the blockchain and protected with a public key algorithm that is defined in the elliptic curve secp256k1 used for creating a digital signature.

System's Elements

Delegates

The work of delegates in the CITADEL network includes collecting transactions, writing those into blocks, signing the blocks and sending the blocks to the network. Delegates receive a reward for their work which is determined by the network parameter and paid from the "reserve pool".

Vote

All elements of the system are selected and chosen by voting. Coin holders can take part in voting for a delegate or a member of the committee or for a committee member's proposal. Also, coin holders have the opportunity to transfer the right to vote to another coin holder.

Committee

The Committee is the administrative authority of the CITADEL network. The Committee can propose changes or additions, for example, change the block generation speed, the rewards for delegates, and so on.

Architecture

Data storage

The CITADEL data store is a chain of blocks assembled one by one.

Each full node in the CITADEL blockchain stores a complete copy of the chain of blocks, can verify the correctness of all the records and release new blocks.

Each block consists of

- the previous block's index;
- date and time;
- hidden key hash;
- previous block key;
- a set of transactions;
- block producer's signature.

P2P network

The blockchain database is distributed all over the world through a peer-to-peer network.

The network consists of open and private nodes, as well as seed nodes that are used for connecting to the p2p network. Anyone can connect to any known node and synchronize the data to the blockchain.

Once the node has synchronized the data through the p2p network, it starts accepting newly created blocks and helps other nodes get them to synchronize the network around the world.

In order to achieve minimum network latencies, it's recommended that 2 nodes located at different geographical points in the world have a ping duration of not more than 250 milliseconds to each other.

In order to minimize the delays each node sends the data to all other nodes to which it is connected as soon as it receives and checks the data.

Permanent Transaction

How to determine when the block becomes irreversible:

Take the number of delegates N and the last blocks that they signed. The irreversibility of the block determined by the number of blocks that follow it. If the number of blocks is greater than or equal to 66% of N then the block becomes irreversible. If we only have 17 delegates and a 3-second interval of block confirmation then, on average, it takes 34 seconds.

If we have 101 delegates and a 3-second block confirmation interval, then on the average it'll take 3.3 minutes to make the block irreversible.

Understanding this metric helps to avoid misunderstanding in the case of network problems and desynchronization of delegates.

Accepting transactions until final confirmation brings additional risks for the user who works with them.

Transactions

Inherited the structure from BitShares, blockchain CITADEL has a concept of "operation".

An operation can be called:

- money transaction;
- voting for the delegate;
- voting for a committee member; etc.

After defining the operations, a "transaction list" gets created and based on that list a "transaction" is created.

Transaction includes:

- expiration date;
- the block number index;
- the block prefix index;
- set of extensions;
- a set of signatures for each operation.

Consensus Mechanism

Consensus is the mechanism by which a group of people consistently chooses one rational action. The process of consensual decisionmaking means that all participants come to a single decision regardless of the fact that this decision may be not the preferred option for each of them separately. Bitcoin was one of the first systems to apply the method of decentralized consensus based on network technologies and peer-to-peer networks in order to more effectively conduct the assets transfer by the electronic means. The structure proof-of-work that strengthens and supports Bitcoin is a way to make people, who often cannot trust each other, act in the interests of all members of the network.

For finding the effective solution in the process of distributed consensual decision making CITADEL uses Delegated Proof-of-Stake (DPOS) inherited from BitShares. DPOS is an attempt to solve the problems of the Bitcoin system proof-of-work and the Peercoin system and NXT proof-of-stake. In order to compensate the negative effect of centralization, the so-called "technological democracy" layer is applied.

Historically, this technology is still called delegated proof-of-stake, even though those who were called "delegates" in BitShares 1.0 are now called "witnesses."

In DPOS, a group of N witnesses (previously called delegates) signs the blocks and receives votes from network users with each carried out transaction. Thanks to decentralized voting, DPOS is more democratic than other similar systems. Instead of a complete eliminating the need for trust, DPOS has builtin security measures to ensure that those who are trusted to sign the blocks on behalf of the entire network do so faithfully and fairly.

Additionally, each signed block must have a confirmation that the block before it was signed by a trusted node. DPOS eliminates the need to wait until a certain number of untrusted nodes checks the transaction before it can get confirmed.

This reduces the need for confirmation and increases the speed of transactions. With intentional trust the most reliable of those who can sign the block in the opinion of the network, there is no need to artificially slow down the process of signing the blocks. DPOS allows you to include much more transactions into the block than the proof-of-work and proof-of-stake systems.

Centralization is still inevitable in the delegated system of proof-of-stake however this is a controlled process. Unlike other methods of strengthening the network of cryptocurrencies, in the DPOS system each client can decide who should be trusted. Thus, the concentration of trust in those who have more resources is avoided. DPOS gives the network some of the main advantages of centralization while maintaining the necessary level of decentralization. In addition, as soon as the witness receives approval from shareholders and joins the group N of the most active witnesses and the witness is chosen for active participation in the block production process. So, his strength becomes equal to all other active witnesses. The system is controlled by the process of fair elections and as a result anyone can become a delegated representative (witness) of the users' majority.

It should be noted that the recommended confirmation in DPOS is 1-2 blocks against six blocks from Bitcoin.

DPOS is much more secure from forks for the following reasons:

When a fork appears, it is likely that all witnesses have seen and processed your transaction. As a consequence, no alternative transaction can be transferred and the next witness will most likely include your transaction.

Witnesses receive much more trust than miners.

With the DPOS regular work the participation of witnesses is 100%. If the participation is less than 100% it is often just because the witness left offline and did not generate the block and not because he generated the fork.

MARKET

CASHBACK SERVICES MARKET OVERVIEW

According to Cashback Industry Report¹, the world's cashback market reached \$80 billion in 2015. RetailMeNot's study "The State of Cash Back Offers²" showed that more than a third of the 1,000 service users would make purchases in a new store if it offered a cashback service.

In the US cashback services have already become an essential life part for an average consumer. One year savings can reach \$1,000 or even more. Forbes's author Rob Berger in his article on cards with cashback published in 2016 wrote that for two years the amount of his cashback on the Citi Double Cash Card was \$3,404.36³.

¹ [2015 Cashback Industry Report](#)

² [The State of Cash Back Offers](#)

³ [The Best Cash Back Credit Cards \(According To Consumer Reports\)](#)

The world leaders in this industry are the following cashback services (sales values of the year 2014):

• US:

-  Market America (sales – \$649 million),
-  RetailMeNot (\$264.7 million);

-  Shopathome.com (\$75.9 million),
-  Swagbucks (\$30 million);

• United Kingdom:

-  Quidco (\$1.22 billion)
-  TopCashback;

• Japan:

-  Rakuten (\$5.66 billion);

• India:

-  Flipkart (\$4 billion),
-  Snapdeal (\$2 billion),
-  Jabong (\$127 million);

• South Korea:

-  OK Cashbag (\$1.54 billion),
-  Coupang (\$320.9 million),
-  Wemakeprice (\$169.7 million);

• Singapore:

-  Lazada (\$384 million);

• Europe:

-  Germany – Ladenzeile (\$181.5 million),
-  Spain – Beruby (\$22 million),
-  France – iGraal (\$15 million);

• Latin America:

-  Lino (\$139.2 million);

• China:

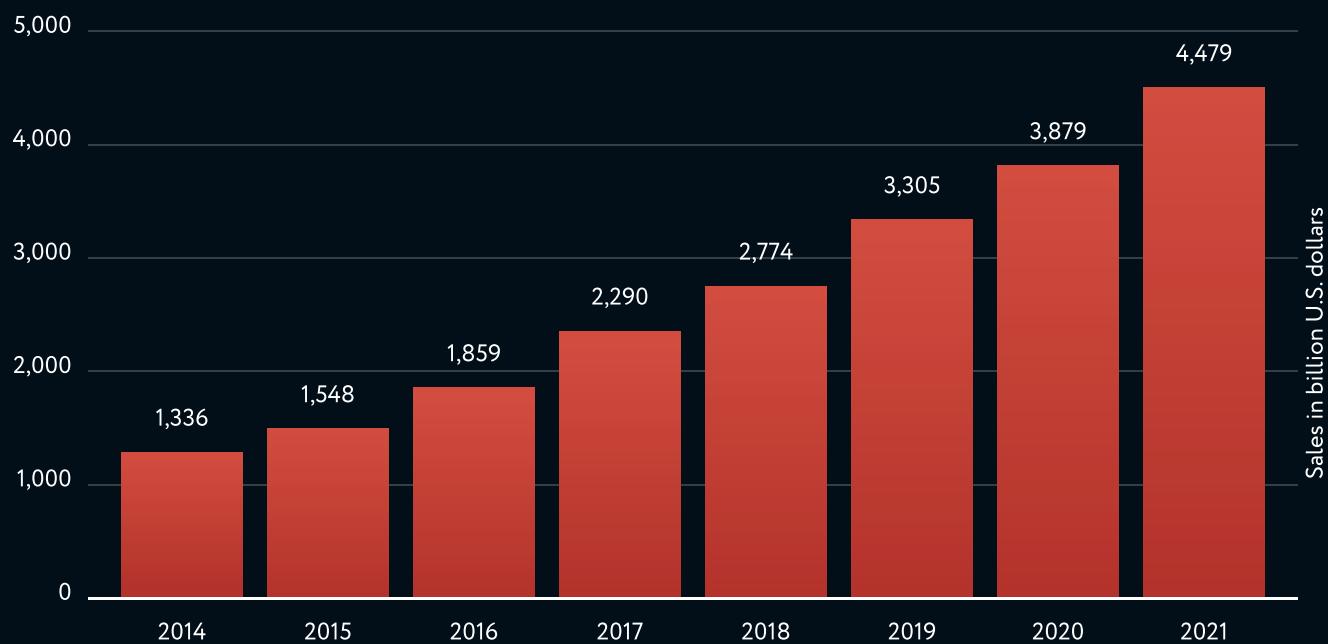
-  VIP.com (\$3.77 billion),
-  Geihui.com (\$57.6 million)⁴.

⁴ [Cashback Industry: Where's the Money?](#)

Russian credit institutions was 211,374. In 2016 those numbers grew by 16%. In 2016, 19.6 million people made at least one payment Internet transaction every month and 8.9 million people used a bank card for that.

Over the past 10 years due to e-commerce market fast growth, the cashback went beyond the banking sector and formed a separate business. Cashback services are increasingly popular nowadays.

According to Statista.com in 2016 the global e-commerce retail sales market earned \$1.86 trillion and will reach \$4.479 trillion by 2021. The growth of the e-commerce market stimulates the development of the cashback industry all over the world. In Russia, the e-commerce market changes have a significant impact on cashback services market.

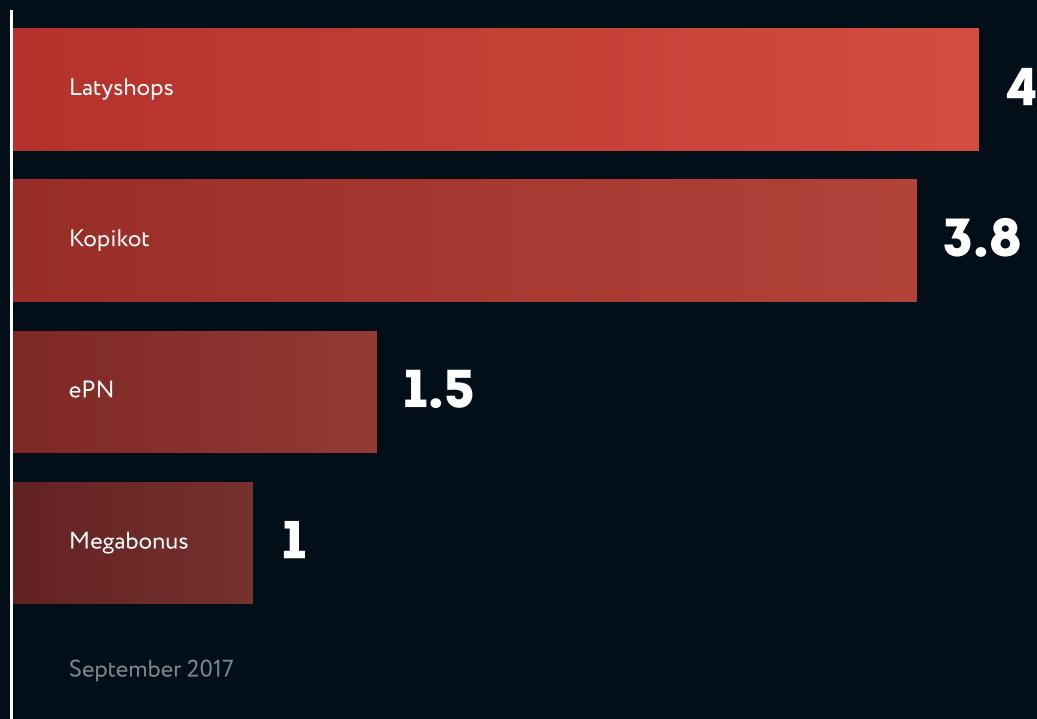


⁵ [Retail e-commerce sales worldwide from 2014 to 2021 \(in billion U.S. dollars\)](#)

According to the [Russian Association of Internet Trade Companies](#) (AITC), the volume of e-commerce market grew by 22% in the first half of 2017 in Russia and earned 500 billion rubles. At the moment the market continues its growth. The Russian Association of Internet Trade Companies forecasts the growth of the market volume to more than 1.1 trillion rubles by the end of 2017. Thus, based on AITC's data, the Internet trade in goods and services is 36% of the digital economy in Russia. With the growth of the e-commerce market the number of cashback users in Russia increases by almost 500,000 each month.

There are about a hundred cashback services today. By the number of customers, sales and attendance, the market leaders in 2017 are such cashback services as LetyShops, ePN, Megabonus and Kopikot.

The number of cashback users (in million of people)



LetyShops's network of partners consists of 1,091 stores, generates a turnover of \$20 million USD monthly. Megabonus.com generates a turnover of \$17 million USD to its partners (160 stores). About 1.5 million of goods are sold via LetyShops's cashback service every month. 1.35 million of goods are sold through Megabonus.com monthly. About 100,000 of active users of this service make up to 7 purchases per month through the Internet. Depending on the conditions of the store up to 40% of a purchase amount can be returned back to a customer. For example, the most active users of Megabonus.com make up to 1,000 purchases per year and receive up to \$100,000 USD cashback.

⁶ [Internet sales market research in Russia. Results of the first half of 2017](#)

At first, the cashback business faced preconceived notion in the e-commerce market. In 2014 when the Japanese company Rakuten announced the purchase of the cashback service Ebates.com, the value of its shares fell by 4% and analysts predicted a business failure. Nevertheless, time has demonstrated that experts can also be wrong. By the end of the Q2 of 2015 purchases through Ebates.com were made for over \$1 million USD. By the mid of 2017 these figures doubled and achieved \$2.32 million USD.

All of the aforesaid indicates that the world and Russian cashback services markets offer very attractive prospects. Given that the IAC platform is not a simple cashback service but it also combines a payment system together with the affiliate programs. IAC demonstrates its competitive advantages in comparing with existing Russian market leaders.

Russian cashback services

	LetyShops	Kopikot	ePN Cashback	MegaBonus	IAC
Registered customers	4 million	3.8 million	1.5 million	1 million	more than 600,000
Store Quantity	1,156	1,256	19	334	12,650
Sign-up bonus	Promo Codes (Lety codes) A 7 day free Premium account is offered at registration	Bonus at registration is 100 rubles	Promo Code for cashback at Ali-Express in EPN Cashback	No	Bonuses at registration
Affiliate Programs	Yes	200 rubles for every registered customer who will get 40 rubles cashback	10% from the cashback sum from an invited by you customer	You'll get a 50% cashback from each invited by you customer during 6 months	Up to 90% of each cashback based on the 9 levels of affiliate program for life
Withdrawal	PayPal, QIWI wallet, WebMoney, Visa/MasterCard, Cell phone, Yandex Money	PayPal, WebMoney, Visa/MasterCard, Cell phone, Yandex Money	PayPal, QIWI wallet, WebMoney, Visa/MasterCard, Cell phone, Yandex Money	PayPal, QIWI wallet, WebMoney, Visa/MasterCard, Cell phone, Yandex Money	PayPal, QIWI wallet, WebMoney, Visa/MasterCard, Cell phone, Yandex Money
Minimum withdrawal amount	From 500 ₽	From 500 ₽	From \$0,2 USD	From \$1,5 USD	From 1 ₽

International Cashback Services

	eBates.com	ExtraBux	TopCashback	ShopAtHome	IAC
Store Quantity	1,800	2,500	3,500	3,284	12,650
Sign-up bonus	\$10 Bonus at registration	\$5 Bonus at registration	No	\$5 Bonus at the purchase for more than \$150	Yes
Withdrawal	PayPal, Check	PayPal, Check	Amazon Gift Card, American Express, PayPal, Bank account	PayPal, Check	PayPal, QIWI wallet, WebMoney, Visa/MasterCard, Cell phone, Yandex Money
Minimum withdrawal amount	From \$5,01 USD	From \$10 USD	From \$0,01 USD	From \$20 USD	From 1 ₽

SWOT ANALYSIS

Strong and weak elements of the platform are represented in the table below including internal and external environments.

Internal Environment

- | | |
|---|--|
| <ul style="list-style-type: none">◆ Multilevel Affiliate Program.◆ Affiliate's base and their stores.◆ Cooperation with offline stores. | <ul style="list-style-type: none">◆ The absence of investments for company's marketing.◆ Website, weekly newsletters and SMM need to get updated and become regular.◆ Low speed of attracting new affiliates and stores. |
|---|--|

External Environment

- | | |
|---|---|
| <ul style="list-style-type: none">◆ E-commerce market growth◆ High potential of customers who use cash-back services.◆ Main market leaders have a stable linear programme.◆ Low awareness of the audience about the service's existence. | <ul style="list-style-type: none">◆ Small affiliate network in comparison with the market leaders.◆ 2. Small chain stores◆ 3. The company used to work as an MLM company in the past.◆ 4. Low brand awareness in the market.◆ 5. Competition in the market.◆ 6. The presence of other federal companies. |
|---|---|

IAC'S ADVANTAGES ON THE CASHBACK SERVICE MARKETS

Competitive analysis allows us to define the three main advantages that IAC has over its main competitors.

1. Multilevel recommendation system

All services from the top-10 list use a single level recommendation system. Unlike others, our affiliate system allows for broader and more lucrative possibilities for purchases. You can earn from recommendations continuously when cashback is being distributed across 9 levels (example: you invite a friend, they invite several of their friends,

who also invite their friends). You are rewarded for every purchase made by those who have received the recommendation. This is a key feature that distinguishes IAC from leading recommendation systems of the biggest cashback platforms and retailers of goods and services.

2. Cashback in offline business

The top 10 cashback services in the world offer cashback only in online stores. All of them are usually partnered with the same stores, the only thing that differs is the size of the cashback. Our service has the largest percentage cashback for all of the biggest stores presented on our platform.

We decided to include offline businesses as well since it brings together a large amount of stores

and service providers in Russia. There are more than 12,000 offline stores in our portfolio, located in various regions of the country and Russia's "near abroad". We have also created a mobile app for offline stores called CITADELBonus, which lets them provide discounts for clients in the form of cashback instead of a regular discount.

3. Internal currency

To date none of the cashback platforms offers the option to pay for purchases using internal currencies on the platform itself. More than 20,000 types of goods and services are available, such as: mobile networks, home internet, TV, state tax-es, virtual games, bank card transactions, recharging

digital wallets, insurance, tourism and others. Costs saved and bonuses acquired from purchases, as well as purchases made from referral links, can be used to purchase more goods, pay bills, increase one's status within the system or pay for goods, offered through IAC's projects.

BLOCKCHAIN-BASED CASHBACK SERVICE MARKET REVIEW

An analysis of blockchain-based cashback platforms revealed, that there are not many projects of this kind that work with rebates. All of them are currently in the development stage (and some are only ideas waiting for investors). Mostly, cashback programs are being implemented into blockchain-based payment systems, built on the infrastructure of VISA or other PS. Cashback earned by clients of such systems can usually be used only for internal purchases.

Another type of platform offering crypto cashback is niche platforms. They offer services in a selected field: car insurance, tourism and so on.

There are two complex platforms - trading platforms with their own payment systems built on blockchain and using internal tokens that are traded on stock exchanges: Bitlle and Pluscoin. They are both Russian startups. Both are either not ready yet (Bitlle functions as a test version) or implemented only as mobile applications (like DS PLUS, which does not offer anything of value).

Existing solutions have a number of serious flaws:

- ◆ The amount of partners in most project is too insignificant: 1,500 stores is not much in the context of a global market.
- ◆ Narrow focus: the desire to take a certain room in the market is understandable from the service provider's point of view, but ultimately the end user nowadays prefers to be able to access a wide range of service through a single platform.
- ◆ The business model of cashback platforms does not include growth through old users inviting new users. Due to this such platforms can't provide an increase in income to their users.
- ◆ Profit is usually minuscule. Cashback programs that return 1-2% to the buyer can not attract a large amount of users.
- ◆ Only online stores are presented.
- ◆ Most projects are startups that are still building partnerships and acquiring users, which can lead to cash gaps and unstable work of the entire system.
- ◆ Most teams that create such platforms are newcomers to the field of client loyalty and to this business in general. They are yet to learn trends and build up an effective system, which requires months of hard work and analytical effort.
- ◆ The use of their own cryptocurrency in such platforms is usually caused by certain architectural specifications of the blockchain-based system, and is not justified from their clients' point of view.
- ◆ Existing cashback platforms are monofunctional and do not provide additional services or bonus programmes to their customers (even though Pluscoin has the "invite a friend" programme and a lottery).

IAC'S ADVANTAGES ON THE BLOCKCHAIN-BASED CASHBACK PLATFORM MARKET

- ◆ A relatively large and growing number of active affiliates, online and offline stores and various services suppliers:
 - More than 12,000 organizations provide discounts for the platform users;
 - Cashback in 12,000+ offline stores in Russia and CIS countries;
 - Cashback in 700+ online stores.
- ◆ A wide range of goods and services: IAC does not limit itself to only one portion of the market, you can find nearly any goods and services on the platform – from grocery to insurance, from tourism to car washes.
- ◆ The platform has the unique feature of referral cashback – a loyalty programme consisting of 9 levels. Each level guarantees the user an increase in cashback and passive income from purchases made by referrals.
- ◆ IAC's cashback can be as high as 90% of what the platform receives, depending on the size of the cashback set by the supplier, and the status of the user (user, affiliate user, partner, VIP partner).
- ◆ Currently there are about 650,000 users registered on the platform and making use of cashback, discounts on goods and services and other bonuses. Among them there are more than 70,000 members of the CITADEL, who have the access to additional services and a higher cashback rate. The platform has been functioning smoothly for over 3 years which means that it is a successful and time-proven business. The platform is financially stable and cash gapproof due to the large number of active users, good trade turnover and a smart monetization system.
- ◆ IAC was created in 2014 by specialists in the client loyalty sector, and its goal is to provide high quality services and goods on bulk prices. Since then the project has grown and many new specialists and experts have joined the development team. The large number of active users provides the team with enough information and statistics, based on which a successful development strate-gy can be built.
- ◆ The integration of blockchain into the system will allow for transparent transactions, which will boost trust in the project. Our own cryptocurrency will simplify the fiscal relations between businesses, users and the platform.
- ◆ Besides receiving cashback, users and partners of IAC have access to many discounts and the company's own projects. Users can also make use of training programs that were developed in order to help them increase their income in the system. Every member of the Club can build their own business, while we provide free tools for advertising. Users also have access to corporate mobile services (which also includes cashback), beauty and health programmes, investment projects and mobile applications for Android and iOS.

ICO

Presale starts on 12 April 2018

**ICO will consist of 5 stages,
including Pre-ICO.**

TOKENS AND THE PLATFORM'S INTERNAL CURRENCY

85,982,639 CITADELToken tokens will be emitted. Token will be created gradually, as the sales proceed. The tokens price will be equal to \$1. The company also plans to emit **3,000,000** units of the internal currency called CITADELCoin (CC). After the end of the ICO (Q2 2018) token holders will be able to exchange CITADELToken for CITADELCoin at the rate

1 CITADELToken = 10 CITADELCoin

CITADELCoins's liquidity is ensured by several factors:

CITADELCoin is a universal payment instrument with-in the existing payment system, used by more than 600,000 users, which is a proof of a high lev-el of trust.

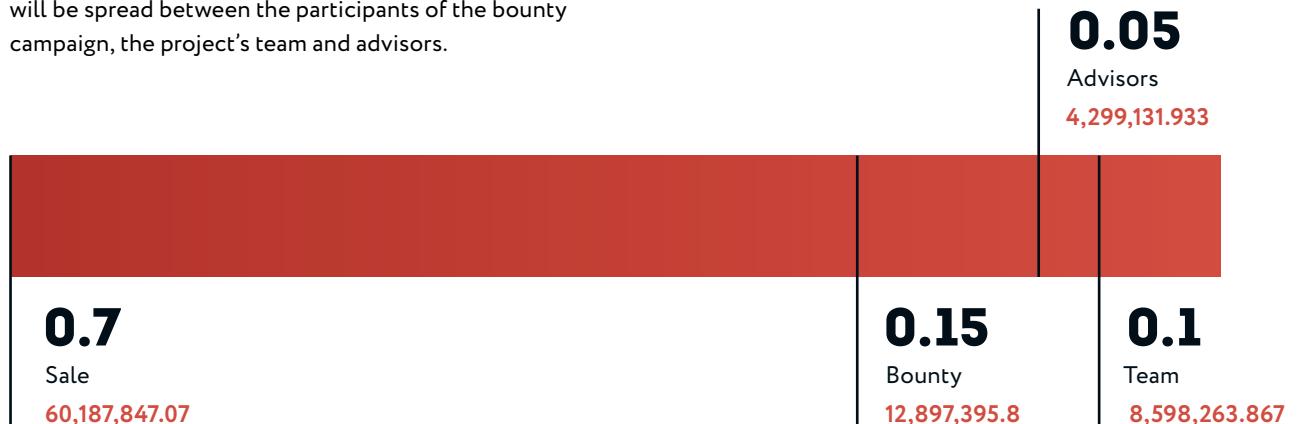
IAC's mechanics allow for a natural steady growth of the users' number.

The number of transactions per month exceeds 300,000 and is constantly growing.

IAC is not a startup, it is a functioning business project that has been around for four years and is growing rapidly to date.

TOKEN DISTRIBUTION

The company plans to sell 70% of its tokens. The rest will be spread between the participants of the bounty campaign, the project's team and advisors.



BONUSES AND BOUNTY

Bonuses are discounted prices at which CITADELToken can be purchased. There will be a separate discount on tokens at each stage of the sale. Two types of discounts will be used: discounts for Partners of IAC and discounts for the rest of the buyers.



The CITADELToken distribution diagram indicates that 15% of the tokens are planned to be distributed among the campaign participants. The IAC project with a multi-level partner network involves the use of two approaches in CITADELTokens distribution over bounty campaign:

- traditional bounty is the distribution of a certain percentage of the total number of sold tokens for performing certain actions;
- referral bounty is a program only IAC's partners and VIP partners can participate (see Glossary). To become an IAC's partner you need to register on the company's website and pay the appropriate status.

Within the traditional bounty program, 3% of the total number released tokens will be allocated. In case of reaching the hard cap it will be 2.1% of the total number sold tokens and will be distributed among the campaign participants in accordance with the rules that will be published later.

Within the referral bounty program, 12% of the total number emitted tokens will be distributed among IAC's participants with statuses Partner and VIP partner. A large percentage is due to the fact that tokens will be distributed throughout the IAC's referral network where more than 70,000 people are currently engaged.

Referral Bounty Program Terms

The referral bounty is a reward program for recommending the tokens purchases during ICO and Pre-ICO. Only IAC Corporation's partners and VIP partners (see Glossary) can participate in the program. To become an IAC's partner you need to register on the company's website and pay the appropriate status.

Partners of IAC receive additional benefits:

- ◆ Bigger discounts depending on the current stage of the ICO:
 - Stage 1 (Pre-ICO) 20% for everyone, 22% for Partners, 30% for VIP Partners;
 - Stage 2 (ICO) 15% for everyone, 17% for Partners, 20% for VIP Partners;
 - Stage 3 (ICO) 10% for everyone, 12% for Partners, 15% for VIP Partners;
 - Stage 4 (ICO) 7% for everyone, 8% for Partners, 10% for VIP Partners;
 - Stage 5 (ICO) 3% for everyone, 4% for Partners, 5% for VIP Partners.
- ◆ Receiving additional income via the partnership programme for inviting new partners (personal and group registrations alike). Rewards are calculated according to the terms of the partnership programme. 95% of the reward is being used to pay for work done + privileges (discounts, cashback, courses, support, and everything else that applies).

- ◆ Bounty campaign (runs during the whole period of the ICO) Terms of participation: Only Partners and VIP Partners of IAC who have purchased tokens for the minimum amount of \$1000 can participate. Rewards are distributed for each token bought, as per the table below:

Stage	1	2	3	4	5	6	7	8	9
Partner (%)	28.5	13.5	13.5	13.5	5.5	5.5	-	-	-
VIP Partner (%)	30	15	15	15	7	7	6	2.5	2.5

FUNDS DISTRIBUTION

Fund, acquired during the ICO will be allocated in the following fashion:

58%

of the funds will be spent on the development of the payment system, which includes:

- connecting offline companies to the payment system;
- implementing payment solutions within the CITADEL system;
- opening our own bank (NSCA);
- opening branches of the bank in other countries;
- implementing the option to make payments inside the system using any cryptocurrency.

32%

of the funds will be spent on marketing.

This includes:

- market analysis, media research;
- development of marketing strategy for the expansion to foreign markets;
- rework of current positioning and all marketing tools, including the website and landings;
- creation of new marketing tools;
- all marketing budgets (internet, television, radio);
- consulting, PR agency fees.

10%

of the acquired funds will be spent on technological development and support of the platform. This includes:

- development of subprojects using modern technologies;
- staff expansion, creation of additional highly skilled work teams;
- further training for specialists, technical consultations;

- development and support of the whole system and separate subprojects based on various modern technologies, including clusterization, scaling, blockchain and others;
- purchase of modern, highperformance hardware and costs associated with maintenance, modernization and servicing;
- workplace setup (offices, office hardware and software).

In case the project succeeds in acquiring the desired funding,
the funds will be allocated as follows.

\$50 000 000

\$16 000 000

Marketing

\$5 000 000

Platform tech development

\$29 000 000

Payment system development.
Establish a bank (NSCA) and open
its branches in other countries

PROGNOSIS

Main goals for the following 4 years:



Implement a payment service operating with leading cryptocurrencies through the IAC platform, which can be used to purchase goods and service around the world;



Increase the number of users from 600,000 to 60,000,000;



Expand our supplier base from 12,000 to 1,200,000;



Increase trade turnover by 1,000 times;



Open 1,500 offices. Currently there are 150 offices located mainly in the Russian Federation;



Scale the company's operations to include all advanced countries;



Develop and grow the service to the point where it is internationally recognized and easy to use.



Implement a system for payment for goods and services through Autobonus using CITADELCoin;



Develop the system so that all bonuses and privileges can be used only through CITADELCoin;



Opening our own bank (NSCA).

Currently the corporation is experiencing steady turnover growth – around 280% per year. It is important to note, that IAC does not invest especially large sums of money into marketing campaigns. This lets us predict that a big marketing budget and a well done marketing strategy will let the company attract many more new users and partners and spread to many other countries.

Firstly the company plans to expand its network of customers (users and businesses alike) and increase the average cost of purchase. Currently there are more than 600,000 users registered in the system, the annual turnover of the corporation equals \$8.3 million USD. Based on retrospective data on the growth of these numbers in previous years, we can expect the following rate of growth in the coming 4–5 years:



The main driving forces behind the growth of these numbers should be:

- ◆ the creation of a marketing strategy for expansion into foreign markets;
- ◆ a marketing campaign developed based on the marketing strategy and media studies;
- ◆ constant monitoring of tendencies on the cashback platform markets, as well as on the markets of payment systems, FinTech, blockchain and crowdfunding; expansion of the referral network, perfection of advertising methods;
- ◆ technological development of the platform, new ways of using the blockchain technology.

ROADMAP

