



## THE NEW GENERATION OF **PARENTAL MONITORING**

### **Keepers Child Safety**

Shareholders Update, Q4 2020

4th February 2021

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### **A Word from Aviad and Hanan**

We would like to start with some words of thanks.

First, we would like to mention all our team members for helping us help keep children safe on a daily basis. Our team has never worked harder or been more focused than over the past 3 months in particular.

To you, our investors that have continued to support us during the challenges of the past 12 months.

And thanks to our clients and partners.

With kids spending their time at home, on screens all day every day. With parents across the world attempting to homeschool and keep up with their day jobs, Keepers has never been more in demand.

As our technology offering expands, we are focused on providing the tools to help parents keep their children safe on mobile devices.

Our business continues to evolve into the international launch phase. We are in the final stages of launching our first German version of the app. With Japanese soon to follow.

Lots of exciting news and updates outlined below.



## Business overview

### Revenue 2019-2020:

**2020 grow 471.4% higher than 2019**

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
<b>2019 [NIS]</b>	₪23,062	₪48,491	₪51,731	₪96,185	₪500	₪61,856	₪8,382	₪14,449	₪12,810	₪5,276	₪6,868	₪279,538	<b>₪609,148</b>
<b>2019 [USD]</b>	\$6,478	\$13,621	\$14,531	\$27,018	\$140	\$17,375	\$2,355	\$4,059	\$3,598	\$1,482	\$1,929	\$78,522	<b>\$171,108</b>
<b>2020 [NIS]</b>	₪4,484	₪5,422	₪10,592	₪211,215	₪209,711	₪148,642	₪177,680	₪438,085	₪255,785	₪23,442	₪293,487	₪742,557	<b>₪2,521,101</b>
<b>2020 [USD]</b>	\$1,435	\$1,735	\$3,389	\$67,589	\$67,107	\$47,566	\$56,858	\$140,187	\$81,851	\$7,501	\$93,916	\$237,618	<b>\$806,752</b>

\*Revenue Target FY2021 is \$3.5m

### Business Development:

During the fourth quarter, the company focused on creating a new outline of products for Telecom customers and insurance companies.

We focused on building B2B solutions built as a result of the tremendous development done for Rakuten.

In addition, we strengthened relationships with existing customers such as Vodafone Italy and prepared for the launch with Hutchison Drei Austria.

We attended a 5G conference that brought many leads in a variety of countries.

We started operating in Australia with a soft launch at first and are now embarking on a broader B2C move in the Australian market.

We have opened another vertical in the field of insurance companies and we are in advanced dialogue with Harel, and an initial dialogue with Menora and Call.

In the coming quarter, we plan to launch in Austria with Drei, with our next focus to enter into more German-speaking countries.

We have initiated dialogue with Vodafone Italy to alter the partnership, from a B2B2C model to a SDK integration into their Parental Control app.

And we are close to securing a contract with an Arabic-speaking operator, a contract with another operator in Israel, with many more new opportunities in the pipeline

To achieve the goal of **\$3.5M** we need to establish a stellar global sales team.

We have set objectives of:

1. **600** new leads,
  2. Converting to **60** proposals
  3. Turning into **4-6** deals.
- [Israel Fybi](#), who served as Chief Customer Officer for Pellophone for 20 years, has joined us to drive our marketing and help transform us from a start-up into a Global business. He brings hugely valuable experience from inside the Telco world
  - [David Orman](#), who has been working with us for the last year, sees the potential and the growth over the coming year. We are joining arms with David to answer the income demand.
  - **Hanan** is taking the lead for all the Business Development side to achieve and generate new leads.

### **Customers:**

- [Rakuten \(Japan\)](#)

After a great execution of the project, we are currently in the final stages of completing the integration phase. The project is planned to launch in Q3 2021.

#### A few highlights:

- Keepers have a robust technology suite of products for B2B partners which has been developed so we are able to sell it to companies all over the world and scale the company accordingly.
  - We have passed a stress test and our system can now **support 10M users!** This is a major advancement in our technical capabilities.
  - We have a solution for all Allot's clients and we will start marketing together with them during 2021.
  - Keepers as a company is now fully staffed and experienced to 'partner with the giants'
- [Hutchison](#)

As we look to close the investment from Hutchison's VC arm, Hutchison is becoming one of our key **strategic clients**. 2021 is a critical year for our relationship and we are excited on many fronts, outlined below:

- [Drei \(3 Austria\)](#)

Following the agreement we **signed with Drei**, we are in the final preparation for a soft launch on February 15th; to be followed by the official launch in Q2 2021. We will

be start by engaging with the 900 Drei employees to provide us with final user testing for our new UI, and to gather any thoughts or ideas they have to help us market Keepers ahead of our Austrian public launch.

Please see here the internal Drei employee promotion we will be sharing in the coming weeks in the lead up the full commercial launch. ([link](#))

- **3 UK and Ireland:**

Following a number of meetings in the past months, we are hoping the UK and/or Ireland will be our next market launch with Hutchison

- **Hutchison CKH IOD - Global:**

In parallel with the UK discussions, we have been asked to become a Global Integration Partner with Hutchison Global, so we can launch with Hutchison across the world with all of their OPCOs. Our technical team has already started the integration process.

- **Vodafone (Italy)** We are currently negotiating with Vodafone Italy to sell our SDK solution that may create a significant upsell with Vodafone.
- **Entel (Chile)** We have signed a licensing agreement in our first LatAm market, but have had to put this launch on hold, due to our resources and capital constraints at this time.

**Grants:** as shown in our previous investor update we have submitted to the FFG (Austria) and the IIA (Israel) and we are more than happy to announce that we have been successful with three projects!

- **Israel Innovation Authority** - The company won the Israel Innovation Authority grant for **3.2M NIS** for its NLP development tool.
- **Austria FFG** - the company won the FFG grant as well for approximately **€1.6M** to cover the Austria branch of Keepers' employees and G&A expenses.
- **Smart Money** - the company won the Israel economy grant for **300,000 NIS** for marketing efforts in Australia.

## **Investment:**

We are pleased to inform you that we have signed a **term sheet** with Hutchison Water (their VC arm, based in Israel) for a minimum **\$2.2M investment (maximum \$3m)** at a post-money valuation of **\$16M**. It will be added to the \$3.2M we have raised so far.

We are 80% of the way through the Due Diligence with their lawyers, but this deal will not close until we launch successfully with Hutchison Drei in Austria, planned for later this month. More news on this later.

## R&D updates

### Product

#### Major Achievements

- The new B2C UI/UX will be ready for a public launch in February 2021
- Weekly meetings led by our product team, with customers to learn about the market's needs
- Allot (Rakuten) B2B product successful product demo by the development team

#### Main Upcoming Challenges

- Integration of the NLP on our B2C product to provide better support for our customers while training our system
- Recruitment of a Product Owner position
- Adding more features to our SDK to improve our competitive positioning

During **2020 Q4** we continued investing with a **heavy focus** on creating valuable products for our customers and our business.

We continued to learn about:

- Children behaviour across digital devices
- Our users and their smartphone usage behaviour
- The Global market (450m kids on smartphones worldwide)
- Increasing usage and awareness of Parental Control apps

The main objective of this quarter was on **redesigning our B2C Keepers app** by creating a whole new app experience that is much more intuitive, user friendly and well-crafted.

In addition, we worked to strengthens our B2B partnership by:

- Working with **Allot (Rakuten)** team to prepare our SDK product for the launch in Rakuten's sandbox
- Working with the team at **Drei Austria** to prepare our product for the official launch on Q1 2021
- Improving the coverage of our text monitoring system for Italian to strengthen our partnership with **Vodafone Italy**

## **Key objectives for the upcoming quarter:**

- Increasing our revenues and generating additional leads to reach our goal of +\$3.5M income in 2021.
- Closing our 1st insurance partner (expected Harel).
- Closing our investment round with Hutchison.
- Expanding our team and building the Austrian subsidiary.
- Delivering success to Drei (Hutchison) in Austria leading to a Global partnership.

As our partners, if you have any question or thought, please reach out. If you have any ideas on how to help Keepers and generate more opportunities, we would be grateful for your assistance.

Yours Sincerely,

Aviad, Hanan, and all Keepers Child Safety Team.

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