



INVESTOR REPORT Q3 2021

07/11/2021

Hello All,

This last quarter has been a solid quarter, with continued strong demand for our technology and we're excited about the progress we've made toward our goals.

Highlights

- Made major progress in the development of our Web Experience, and Sizer Kiosk (multi-scan platform).
- Launch of Sizer's rebranding and repositioning.
- Strategic agreements in final stages of signing with Spanish Army and European lingerie brand.
- Strong results following Wacoal mybraFit app launch in April.
- 2 new hires joined the management team: Yael Kochman VP Business Development, Tomer Lichtash, VP Product.

Financial Status

As of September 1, Sizer has been using the services of The Founders (TF), a Tel-Aviv based accounting, financial management & strategy team, that has a particular focus on start-up companies. This engagement will help manage our increasing business activity and will add significant weight to the forthcoming cap raising process via both supportive services and introductions. Financial Results are shown below:

<i>Description/Month</i>	<i>2021/07</i>	<i>2021/08</i>	<i>2021/09</i>
Revenues - Retail	\$ 9,000	\$ 9,000	\$ 9,000
COGS	\$ 12,083	\$ 13,414	\$ 7,914
Gross Profit	\$ -3,083	\$ -4,414	\$ 1,086
Management	\$ 33,240	\$ 30,885	\$ 30,854
Marketing	\$ 21,305	\$ 37,548	\$ 35,717
Research & Development	\$ 73,927	\$ 82,916	\$ 75,685
Total Operating Expenses	\$ 128,472	\$ 151,349	\$ 142,256
NET	\$ -131,555	\$ -155,763	\$ -141,170

*Confidential, not to be shared without prior written permission



In addition to the \$1.4m confirmed as raised, we reported last quarter that the company secured two further verbal commitments of \$0.5m and \$0.6m. To date \$875K of this \$1.1m has been received by the Co, with the remaining \$225K expected in the next 7-10 days.

As previously reported, this \$2.5m Round has taken substantially more time to conclude than originally planned, and as a result the company will launch the next Round of funding at the end of October '21. The Founders have played a key role in shaping the new Investor Pack, particularly as regards the forward-looking financials, incl the current and projected burn rate. - Although the terms of this new Round are yet to be finalized, the target raise will be \$6-8m.

At the date of drafting this report, the company's runway stands at \$706K. A number of new client contracts are in the pipeline that should result in an increase in the monthly revenues over the next 4-6 months. The projected aggregate revenue over this period is c \$180K. Accordingly, based on a current monthly burn rate of \$145K, the company has a runway of 5-6 months from the end of Sept '21.

Fundraising - we are getting ready to launch our A financing round in early November. We currently have a list of 60+ VCs in Israel and abroad, some of them have already received a heads up re the upcoming round and are waiting for our deck. In addition, we are working to build a list of potential strategic investors.

New Hires/Operations

- Two new management team hires - VP Business Development and VP Product - with the aim to speed up our business growth
- Back-end developer – in final hiring stages
- We have engaged the services of the company The Founders, who provide external financial management services to start-ups <https://the-founders.co.il/>

Technology

Web Experience

Major progress in the development of our Web Experience, which will provide a seamless experience for online shoppers, removing the need to download the app. Estimate roll-out to be Q2 2022.

Sizer KIOSK

Our multi-scan solution aimed at uniform clients, will provide the capability to scan multiple people using the same mobile device, in a single location. This is in advanced stages of development and should be launched by the end of Q4, 2021.



Business Development

We continue to be approached daily by companies spread across the globe, covering the spectrum of workwear, made-to-measure, and potential retail clients.

Leads that are moving towards closing:

Retail Fashion:

- Van De Velde - a Belgian Lingerie company with multiple brands who reached out to us following the Wacoal successful launch. Aiming for a \$60K development and monthly retainer contract, should be signed by the end of the month.

Uniforms:

- Spanish Army - pilot contract of 8K euros for a short pilot with 8,000 soldiers.
- ADA (Australian Defense Apparel) – a signed client who is in advanced discussions to deploy Sizer’s technology with the Australian Country Fire Authority and New Zealand Army.
- Barrier Technologies - a \$10K development and monthly retainer contract.
- Universal Studios – in final stages of completing contract.

Partnerships

Ongoing discussions with several potential strategic partners with the aim to add value to our product offering. Initial partnership signed with a European a company which specializes in 3D avatar creation and body rendering.

Pricing Model

Our pricing model has been updated to a SaaS model, with the aim to gain recurring monthly revenue to help us scale.

Marketing & Sales

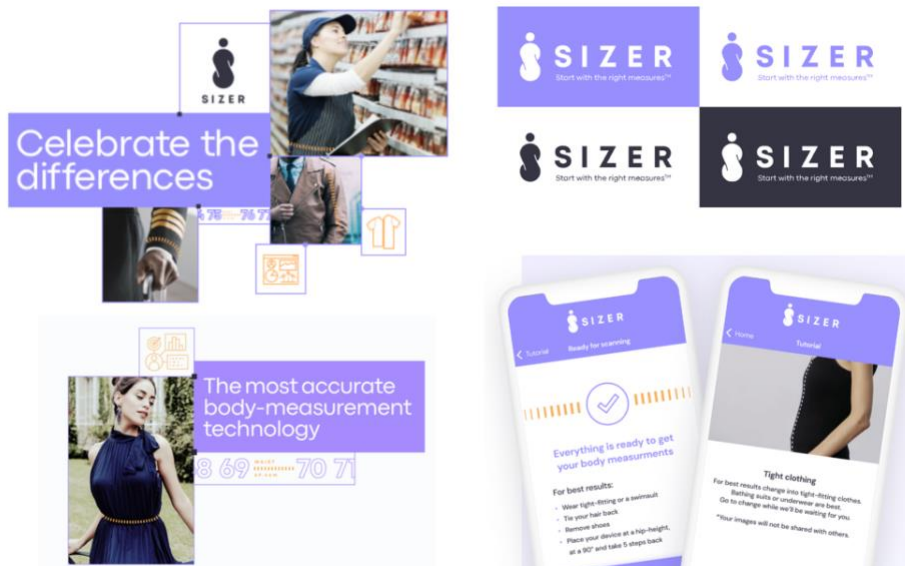
- April launch of Wacoal mybraFit App, has shown very good initial results - higher conversion rates, \$12 increase in average transaction, 300% increase in measurement accuracy. Miryha Fantegrossi, Vice President of Merchandising and Design at Wacoal - *“We scoured the digital measurement space and ran accuracy trials with several companies, Sizer had the highest accuracy”*. Media coverage from the launch created a lot of noise in the market, with several other prominent lingerie companies reaching out to us – one already in contract stages.

Check out Miryha’s testimonial here: https://www.youtube.com/watch?v=iQvzTu_RUBg&t=4s

- UK Roll-out continues with major UK rail franchise, Avanti, one of Hunter Apparel’s largest clients. Initial results are good.



- We are very excited for our November launch of Sizer's new Brand Identity, Website & Product design, which will be supported by a big PR push and social campaign. Here's a sneak review for you



If you have questions or feedback, please do not hesitate to contact me.

I look forward to bringing you further updates.

Thank you,

Adam Kaplan, CEO Sizer