



INVESTOR REPORT Q2 2021

01/08/2021

Hello All,

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

Whilst C-19 has continued to fast-track global demand for hands-free body measurement/scanning solutions, in parallel it has also had a negative impact in certain segments of the work-wear industry, which has slowed down the anticipated roll-out by some of our recently signed clients.

Highlights

- Wacoal white label app (US lingerie retailer) successfully released to production in April
- Live launch with Virgin Galactic
- Made major progress in the development of our Web-based only solution, with expected product release in the next quarter
- Commencement of largescale Sizer rebranding and new positioning project
- 2 larger-scale pilots with the PVH European Innovation Team and the Spanish Army
- 3 new hires, to fill the positions of Client Services Manager, Head of Product and VP Business Development

Financial Status

We reported last quarter that the company held signed commitments for \$1.1m, of which \$1.05m had been collected, as well as a verbal commitment for a further \$0.3m. All \$1.4m has now been collected. Two further verbal commitments have been secured - \$0.5m likely to be signed the first week of August (attorneys have agreed final docs), and a further \$0.6m pending signature.

This \$2.5m Round has taken substantially more time to conclude than originally planned, and as a result the company is likely to commence preparations for the next Round of funding at the end of August '21, aimed at a hard launch of the Round in Sept/Oct. Terms of this Round will be finalized in the coming weeks.



At the end of July, the company's runway stands at \$240K, and income receivable in the next 2 weeks of \$52K. Following the addition of 3 new team members - and a further new starter joining Aug 1st - coupled with constantly increasing activity with both existing clients and new pilots, the company's burn rate has grown to c \$140K per month, which will continue to increase in the months ahead. Accordingly, including the \$1.1m pending to close the \$2.5m Round (per the above), and excluding anticipated on-going revenues, the company has a runway of 7-8 months from the end of July '21.

For the 12-month period ending June 30th '21, the company generated revenues of \$312K, of which \$52K is yet to be collected, as mentioned above.

To accommodate the increasing business activity, and to add significant weight to the cap raising process via both supportive services and introductions, Sizer has secured the services of The Founders (TF), a Tel-Aviv based accounting, financial management & strategy team, that has a particular focus on start-up companies. Sizer's day-to-day bookkeeping was moved over to TF last week, so we anticipate TF to be fully operational by the end of August.

Technology

- Wacoal white label app released to production in April, following an intense 6-month development process, and is since running live successfully
- Development of Landau Uniforms white label app completed; company initial roll-out in process
- A new, larger internal environment and infrastructure has been established to enforce our automation capabilities in the areas of Deep Learning and AI.
- For bust measurement and bra clients, such as Wacoal, we have increased the automatic handling of scans to around 90%, creating a smoother shopper experience
- Major progress in the development of our Web-based only scanning solutions for online shoppers. Product is due to be released in Q3 2021
- Sizer dashboard has been enhanced with many new features - new reports added, ability to customize clients with their own terminology and structure
- Sizer's SIGMA engine (Sizer's Garments and Measurements AI engine) added new measurement types to support the Spanish Army requests
- Sizer KIOSK is in advanced development stages - which will provide the ability to multi-scan users using the same device in one location



New Hires/Operations

- 3 new hires, to fill the positions of Client Services Manager, Head of Product and VP Business Development with the aim to speed up our business growth
- Back-end developer - We are still struggling to find the right person to join the team, combined with a dramatic increase in demand for developers the high-tech sector over the last 6 months, driving salaries to new highs for all developer- related positions.
- We have engaged the services of the company The Founders, who provide external financial management services to start-ups <https://the-founders.co.il/>

Marketing & Sales

- Sizer continues to receive multiple approaches daily from companies spread across the globe, covering the spectrum of workwear, made-to-measure, and potential retail clients.
- On-going pilots with 25+ clients in the UK, Europe, USA, & Australia. Notable pilots, include the PVH Group Innovation Team, who are conducting an in-depth fit study partner evaluation, the Spanish Army, AlSCO Germany, and AlSCO UK. Specifically, the Spanish Army is a potential 3 year contract of +200K scans; next test phase planned for September.
- The **Wacoal App**, was launched into the market in April and has shown great traction with a lot of great PR exposure including coverage in Vogue, WWD and Forbes. Interest has been generated from several prominent European bra companies, with whom we are now in discussions. Initial feedback from Wacoal indicates positive user feedback and uplift in shopper basket – waiting to receive official data from them.



To read more see the articles see here:

- ❖ <https://www.vogue.com/article/virtual-bra-fitting-wrong-size-wacoal>
- ❖ <https://wwd.com/business-news/technology/wacoal-mybrafit-ai-driven-bra-fitting-app-1234825603/>



- Sizer's technology was deployed to measure crew members of one of the Spaceflight companies pioneering space tourism, which recently had a successful flight to the edge of space.
- In the UK, Sizer recently went live with Avanti, one of Hunter Apparel's largest customer's Avanti, which is part of the First Group, a major rail franchise in the UK. Sustainability considerations have influenced the First Group's move away from traditional sizing, as well as a concern over size sets being a possible vector for the risk of infection.



- In line with our strategic plan to drive brand awareness and growth, we have partnered with the amazing creative agency Awesome (recently merged with Deloitte) to work on the development of Sizer's new Brand Identity, Website & Product design. New Website expected to launch in Q3, in respect of which we are planning a big PR push and exciting pre-launch campaign. We look forward with excitement to sharing more details with you in our next report

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