



MONTHLY REPORT

03/2016

Note: This Report is classified and isn't transferable.

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Highlights

In March Reporty team was mainly focused on the following:

TECHNOLOGY:

- A) Reporty 0.8.6 Version (Hebrew & Android Support)
- B) Reporty Router 2nd Generation
- C) Integration with MDA

For a full detailed technology summary please see **page 5**.

LOGISTICS:

- a. We are in negotiation for an office at Maze 56 – the current office is now too small for the company needs.
- b. Israeli chief scientists: In March we received – ₪489,102.92.
- c. Insurances: In March I've checked a few global insurance companies for Reporty. I've decided to go with CFC. This insurance covers up to \$1M in case someone will sue us for body casualties. In addition we will renew our Directors insurance with Lloyd's.
- d. We hired Ms. Chen Shir for a Product Manager position – In April we will sign with a VP Sales.

Business Development:

PRODUCT & MARKETING:

1. **App versions (0.865 – Hebrew & Android 6.0 Support):**

After our launch we start to work on a Hebrew version for both operating systems including development a version for Android 6.0 (New permission system for Android devices). We will launched it at the first half of April.

2. **Reporty Official Launch:**

On the 16.3.16 we had an official Launch. We worked with 'Shalom Tel Aviv' on the media exposure. The launch was divided into the following:

- a. **Press conference:** Around 30 Journalist editors and photographers from Israel and abroad including TV channels came to the press conference, In addition, MDA CEO and the Mayor of Hod Hashron joined as well. We presented Reporty and answered everybody's questions. The event was good and created the effect we wanted. After the announcement we were invited to many interviews both TV and different magazines.
- b. **Reporty launch party:** We had a public party which took place in the beer Garden TLV. The place was branded with Reporty Logo and we build a station to download the App. We had more than 800 People in the event. The team was very proud, it was important for the teams spirt after the hard work in the last months.
- c. **Social engagement:** after the launch we used all of the social networks in order to increase the engagement with the users. We published on Facebook / Instagram/ twitter/ LinkedIn / Emails etc. we also made a google campaign to promote Reporty in the google play store and google resources.

TO OUR SHAREHOLDERS

Launch results: after two weeks that the App is available we can see:

- Around +20,000 Download and +14,000 Installs
- 1000 Daily active users
- 1600 reports to MDA
- 773 people that added more than one person to their Reporteam
- 400 accurate address was collected.

Marketing strategy: In order to maintain the awareness we are working on several levels:

- Advertising an newsletter every two weeks
- Current advertising in various social networks
- Advertising real cases which were solved by Reporty app
- Working with our PR Agency
- Usage & statistics tracking
- In April we will start some payed campaigns including at least 1 competition.

CLIENTS:

- 1. Singapore:** Singapore is Reporty major client for 2016, a successful project in Singapore will put Reporty in a totally different aspect in terms of Credibility and Branding. As discussed, we sent the offer to NCS. With product adjustment the pilot Price will be ~\$370K and 'as is' ~\$270K. I believe that we will face some hard obstacles in the future (Full deployment) regarding the information issue / Data base holdings / brand name etc.
- 2. Foreign Client:** We are getting many request worldwide for the system. For that Reason we are hiring a VP sales to join the team in order to take care of it. For example, we got some high interests from Indonesia, Columbia, U.S, Korea and more.
- 3. MDA:**

TO OUR SHAREHOLDERS

Few real cases were reported by Reporty App and we are working closely with MDA PR teams in order to maximize the user potential. In addition we are working with MDA in order to improve the system performance and adding more social features.

4. Municipalities:

- **Taldor** – We are at the final step of tech discussions with Taldor which will be our integrator for the Israeli market. We had a meeting with Haifa, Modiin, and Hadera where we evaluate together the client needs. Once we will finish the design for an Israeli client taldor will become our local integrator.
- **Ra'anana** – In April they will start to promote the system locally.
- **Modiin** – Are using the system daily. They want to move forward and integrate Reporty to their systems. They are waiting for a proposal for integration.
- **Haifa** – The contract is ready. We had a meeting with Taldor. We will close this contract in May.
- **Hadera** – Got an offer for a standalone station. We are waiting for their answer.
- **Ashdod** – We will install a standalone system in Ashdod at the beginning of May.
- **Hod Hashron** –They got an offer for 6000 Nis per month per 1 station (Stand Alone). It's at the LAW office, the mayor confirmed – expecting them to approve it at April.
- **Givatyiim** – Ask us for proposal for 2 stations. Proposal was sent.
- **Netanya** - Ask us for proposal for 2 stations. Proposal was sent.
-

5. Channel 2:

We had another meeting with the CEO of channel 2. I think that without the crowd on the one hand and 24/7 staffed dispatch center it won't work. The CEO summarized by telling the CTO to remove our systems to the operational room (Staffed 24/7) and he

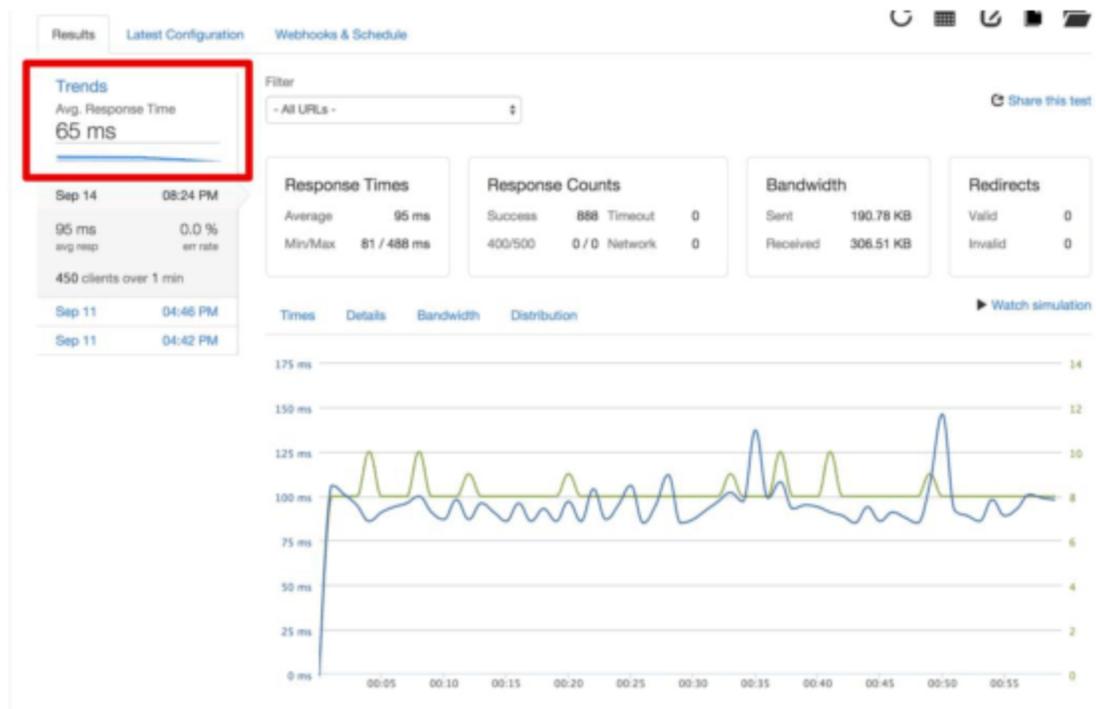
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wants us together with them to promote the fact that you can report by Reporty to channel 2 news desk.

Technological:

DEVELOPMENT:

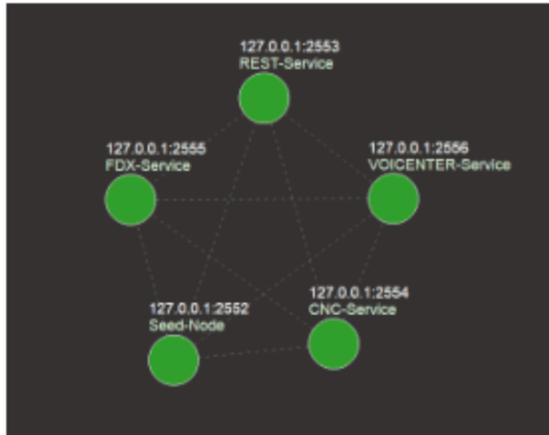
- 0.8.65 Version – We have finished developing the 0.8.65 version of Reporty which includes Android 6.0 support and Hebrew version of Reporty for iOS and Android
- APIServer and Command and Control Systems – We have added Load Testing framework in order to test the number of requests and users our servers are able to handle simultaneously.



(In the picture a stress test that is being performed in order to measure performance and scalability of the api servers).

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Cluster development – we are working on our auto-scalable and micro-services architecture which will increase robustness and fault-tolerance in the system



(In the picture – simulated cluster deployment with our micro-services)

MOBILE:

We are currently developing the 'Spot Me' feature which will provide much added value to the users and will increase our daily active users.

REAL-TIME:

We are currently working on the second version of Reporty Virtual Router as described in our patent. The virtual router will perform a network benchmark before launching the stream and will route audio according to the preferred channel moreover it will initiate the video stream with the optimal bitrate setting which will decrease the time it takes to the video stream to reach optimal bandwidth rates.

INTEGRATION:

We are working with Taldor on the integration to the CRMs and PBXs of different authorities. We have described the required API's between Reporty and Taldor and are waiting for their price quote in order to proceed with the integration. The cooperation with Taldor will provide us the ability to fully and quickly integrate with any authority.

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Financial Highlights

Bank balance (29/3/2016): 1,087,133.77 Nis + \$500,000 (Before VAT returns).

Burn rate (March): 388,000 Nis (Including Vat)

Expected burn rate for next month: ~ 410,000 Nis

2015 Annual Report: Sent.

Chief Scientists: We received – 489,102 Nis

ROUND A:

After evaluating the chances to raise Round A with the expected company valuation we've decided to go to a Convertible Bridge Loan. The papers were sent to 7 investors and we are expecting them to send it back ASAP. The target raising size is \$4M-\$6M – Due date May 1st.

Summary

In the next month Reporty team will be focused on:

- 1) Network Growth: Continue pushing the application in the different social media and traditional media platforms. Developing new corporations with insurance companies and other organizations in order to increase the amount of users.
- 2) Business: Continue the process with NCS to Singapore and the new leads from Paris, Columbia and Indonesia, Continue the process with Taldor, sign the deal with Hod-Hashron and develop new opportunities.
- 3) Continue brain storming & research regarding RNG – Reporty Next generation Solution.
- 4) Development: Finish development of 'Spot Me' feature and continue adding more social features. Finish Reporty router 2nd version.
- 5) Recruiting: Hire a VP Sales, Android Dev, Server Side, and Big Data.
- 6) Financial: Continue the Round A, Expected burn rate for February 410,000 Nis.
- 7) Logistics: Find new office, Renew the directors insurance.
- 8) We will have a board meeting at May 10th.

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