

Background

Following our meeting on 5-April-2016, we have prepared per your guidance:

- *Levitaction – Investors briefing* - short PDF document you can use freely with others as well
- *This document – For yourself only. To have the additional financial terms*

What are we looking for?

We are looking to start the heavy-lifting part for developing Q, as follow:

Stage	Estimated timeline	Estimated Cost	
Stage1: Q Prototype	12 Months	1.5 – 2 M Dollars	[OCS approved 320 K\$]
Stage2: Q Beta product	18 Months	3.5 – 4 M Dollars	[Potential to further involve OCS]

OCS = Office of the Chief Scientist

In order to start the above, we are looking for funding of stage1, as per the details above.

[2M – OCS Investment = 1.7M Dollars]. The funding can be done in multiple steps, with minimum first step of 320 K\$, matching OCS funding that was approved.

What is in it for the investor?

As requested, attached table summarizes and simulates the future scenario of equity for investments in 2 stages:

Stage1 (Seed Round1): Total investment (can represent also a group of investors) of 1.7M Dollars for 33% of ordinary shares, will enable us to build the Q prototype. This step will yield a company value of 5M\$ for the Seed-Round.

Following a successful prototype, company evaluation is expected to elevate to 15 M\$, and with that the value of shares for our investors from 1.7M\$ to 4.9M\$.

Stage2 (Seed Round2): Total additional investment of 4M Dollars for 21%, will enable us to build the Q Beta product. This step will yield a company value of 19 M\$ for this round. This round will bring the investors percentage to 47% (as per Cake split).

Following a successful deployment of Beta Product, company evaluation is expected to elevate to 30 M\$, and with that the value of shares for our investors from to 14M\$.

Note: This model shows a scenario that we will allocate 10% for ESOP in pre-round.

Stage 1: Prototype Build			Stage 2: Beta Product		
Seed Round #1	Post Evaluate		Seed Round #2	Post Evaluate	
Company value = 5M\$			Company value = 19M\$		
funds in K\$	%	15,000	funds in K\$	%	30,000
1,700	33%	4,904	4,000	21%	6,316
		Total:		47%	14,059

