
From: Nicole Junkermann | Junkermanngroup <[REDACTED]>
Sent: Wednesday, October 18, 2017 11:22 PM
To: Ehud Barak WORLD ([REDACTED])
Cc: Jeffrey E.
Subject: Reporty

Dear Ehud

I hope this finds you well. It was so nice that you both could join Ferdinando and I for dinner in London the week before last. I hope you enjoyed it.

My apologies for my late reply, I was planning to make some introductions for your trip however I think these will now probably have to wait for your next trip.

I had in mind introducing you to Len Blavatnik as discussed at our dinner he could be a potential investor in Reporty and David Cameron who I am sure you know but could be helpful as a business adviser in the UK. Chris also caught up with Matthew Gould last week, who I understand you know well from his time as the UK's Ambassador to Israel. Matthew asked Chris to pass on his email address to you ([REDACTED])
<mailto:[REDACTED]>

In regard to the upcoming bridging round that Amir is proposing, as I have said before, I have some concerns about the current growth strategy of the business. Whilst I am indeed impressed with Amir and what he has achieved to date, a level of focus is going to be required to achieve the metrics that any top tier VC firm will be looking for to raise further capital at an elevated valuation. This becomes even more relevant in the context of Reporty given that they are essentially trying to build a global market from scratch, seeking to replace critical national infrastructure. In particular, future investors will be looking to see strong signals that their customers are repeating their orders (once verifying the product), and that this has been done in a few different geographies. As I understand it, the metrics in Israel are not yet of much substance, let alone other markets they are attempting to enter.

The problem at the moment is that the pilots take too long, and are not of sufficient scale. This is a very expensive way to scale this business and will run out of money before proving the model is scalable.

This leads me to think that there are a couple of ways forward. Firstly, as we have discussed before, Amir looks to raise money locally through the Joint Ventures he is setting up (e.g. America Movil in Brazil). This has the benefit of not diluting shares in the holding company, whilst also cost efficiently buying time to strengthen the metrics for the company as a whole to then take to VC investors to raise their Series B. He could look to do so in a few markets, with potentially a little sweetener offered to the first mover e.g. America Movil, in the form of some equity in the holding company. Alternatively, there could be terms put on the raising of the proposed bridging round, restricting the

management to focus on improving the key performance metrics. This will have the effect of =educing the number of markets that Reporty is currently operating in, for = short period of time, to focus on the major ones which have the best chan=ce of improving their key metrics.

It may well be that to get thes= JV's and new funding arrangements in place, the proposed \$4.5million bridging round needs to take place anyway. Either way, the extra ru=way it provides should be to prove out the strategy I have set out above, not to maintain the status of quo of costly expansio= at all costs which Amir is planning to do. </=>

I appreciate that the above is =otentially quite constrictive however my experience to date with early sta=e businesses is that focus is absolutely key. I believe that now is =ust that time when the Reporty team need to focus on building up their key performance metrics before they can take=the next leap forward, and the most efficient way of doing that is by way =f how I have set out above.

Lets talk

Nicole