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**Exelot—Summary**

Exelot has developed technology based on artificial intelligence and data analytics that enhance the logistics chain efficiency in international e-commerce. Exelot applies a unique model of multiple logistic suppliers, with which it performs online data analysis and optimization to streamline cross-border shipments. The company responds to the growing logistical need for a solution that lies between standard mail options that, in many countries, remain inadequate to meet all e-commerce needs, and express delivery companies such as FedEx, DHL, and UPS.

For approximately four years, Exelot has been serving e-commerce vendors and logistics integrators that bring together dozens of e-commerce outlets, including suppliers of Alibaba in China, among others. The company manages and integrates air, marine, and land delivery systems from various countries including China (a main supplier), as well as the UK, the U.S., Turkey, and countries in Eastern Europe. It also manages, by means of the platform that it has developed, a front-end logistical warehouse in Cyprus for suppliers of Alibaba and others; soon it will open similar warehouses around the world as well as a branch in the United Arab Emirates. Given the ongoing growth of e-commerce, further boosted during the COVID-19 pandemic, Exelot is continuing to grow at a rate of hundreds of percentage points per year.

The capabilities of the system that Exelot developed for the smart routing of deliveries became pronounced in unprecedented ways during this time. With the air-transport industry nearly halted, airlines and planes grounded, and traditional logistics firms struggling to fly cargo, Exelot has managed to transport e-commerce cargo in various ways and from numerous places of origin while optimizing its methods of shipping, customs clearing, and distribution to end customers.

Exelot was established in the middle of 2016 by Daniel Cohen together with founding partner Yitzhak Varsanno who serves as CTO. Cohen was previously VP of Business Development and Marketing at several high-tech firms, and then served about four years as VP of Business Development and Strategy with Israel Post. Varsanno was chief officer and program developer for MAANA, formerly part of the Computers and Information Systems Center, and engaged in logistics software development. Afterwards Varsanno served as development director and CTO for several firms, including IT infrastructure manager for Partner Communications Co., Ltd. After Exelot was founded, members of the Alibaba group from China, graduates of FedEx and Aramex from the UAE, and Yaakov Gazit, who managed foreign trade with Israel Post, joined the company.

Exelot’s platform was designed to be cloud-based from the outset. Predicated on Varsanno’s vast experience in developing such systems since the early 2000s, it rests on Amazon’s AWS cloud infrastructure and Micro Services technology. The Exelot platform gathers copious logistical information on packages sent, delivery specifications, and logistics suppliers from various countries all along the logistic chain—such as pick-up companies; air, marine, and ground shippers; customs agents, air terminals, and distribution companies. The company routes deliveries in accordance with suppliers’ performance and prices and sends alerts about irregularities and failure to meet requisite service quality in order to apply supervision, improve performance, and report to suppliers.

The Exelot platform also supports international automatic VAT collection processes, a matter that has become central in the e-commerce field in view of Brexit and the new European trade rules that went into effect in 2021.

Due to the system’s strong performance and its ability to surpass the average speed of deliveries by postal entities—usually arriving within two to eight days, depending on the country of origin—in a way that allows it to track and trace delivery routes as effectively as the leading express companies, and given Exelot’s ability to offer prices that compete well with those of express providers, logistics shippers and e-commerce outlets prefer to use the Exelot system for their deliveries.

Exelot’s annual revenue is expected to reach $\_\_\_ million in 2021. The company began making a profit in late 2019. Compared to revenue of $1 million in 2018, the company’s first full year of activity, revenues were $6 million in 2019, and leapt to more than $\_\_\_ million in 2020.

Cohen, the chair and CEO of the Company, traces the rapid growth to several factors: adding new and larger customers and logistics suppliers that aggregate multiple stores and deliveries, impressive growth in existing customers’ sales due to their trust in Exelot and its logistical efficiency, improvement in Exelot’s performance in shortening turnaround times, and also the effect of coronavirus restrictions, which diverted large numbers of sales and shoppers to online commerce. Given the new backlog of orders (including new customers who are waiting for service to begin in the next few weeks) and the opening of additional destination countries, Cohen expects the company to enjoy another year of accelerated growth in 2021.

In its last funding round, held in August 2020, Exelot raised $5.6 million at a market cap of nearly $30 million. Exelot is an example of a company that managed to attract “smart money” investors from its very outset. Its shareholders include distinguished investors, among them tech entrepreneurs who established companies that have already made business exits. Examples are the entrepreneurs behind the British Travelfusion, sold in 2015 to the Chinese tourism company C-Trip for $160 million, and Replay, acquired by Intel for $174 million. The investors also include Eran Yarkoni, among the entrepreneurs behind CyOptics, and leading shareholders in American venture-capital funds such as Carlyle, which manages over $200 billion in investments, Rutthenberg Lytical Ventures, and others.

On the Israeli side, Overseas Commerce is a partner to Exelot, and is traded on the Tel Aviv Stock Exchange. Overseas invested in several of Exelot’s seed rounds, back when FIMI Opportunity Funds held Overseas’ shares and again in 2019, when control of Overseas was sold to Oded Feller’s Emilia holdings group. Given Overseas’ favorable business results in 2020, it appears that its entry into e-commerce and its investments in Exelot were highly successful for Overseas, especially regarding activity at the terminal that it operates at Ben-Gurion International Airport. Other Israeli logistical entities that have owned shares in Exelot since the company’s beginning are Mentfield Ship2You, owned by the Yitzhari family and Assaf Shalev (former CEO of Fritz Co. and Dror Transport) and E-Cargo Logistics, co-owned by Eitan Varman and Cargo Amerford. Ship2You and E-Cargo provide Exelot with various services in Israel, the UK, and the U.S., and Exelot serves as a logistical platform for some of their services.

Veteran personalities in the Israeli and American high-tech and venture-capital fields also serve on the company’s Board of Directors and advisory committee. Noteworthy among them are Haim Kopans, who in the 2000s engineered the remarkable exit of the Israeli firm Precise Software Solutions to Veritas of the U.S. for more than $600 million. They also include Ido Ophir, one of the most prominent executives of Actimize, which was sold to Nice Systems for an estimated $340 million, and presently he serves as product manager for the U.S.-based Personetics. Tuvia Barak and Daniela Bendor, both from the U.S. and known for their longstanding connections with leading American funds, are also among the board and committee members.

[Another partner in Exelot is Ilan Maimon, who has been active in China in the past twenty years and carried out the impressive exit of a development company in the coffee industry to a leading holding company in Europe. Maimon was a founder of China’s first technological accelerator established in conjunction with Israel, for which he drew much praise from senior Chinese and Israeli officials. Today Maimon also represents Jiangsu Province, China, where Shanghai is located, in the new center established for this purpose at the Alon Towers in Tel Aviv—לוודא עם אילן שבסדר]

Daniel Cohen, the CEO, reports that the Company will use the proceeds of the planned round to expedite its growth in additional foreign markets, expand its infrastructure in the centers that it runs (including the new branch that the company will soon inaugurate in India), and, of course, propel the development of its technological system in order to support additional delivery and distribution options and enhance its ability to carry out tens of millions of quick deliveries each year.