**Sep. 6th, 2021**

**Exelot – Q4/2020 Results & activities – Executive Summary**

**Before the Jewish holidays and close to Q4/2021 I’m glad to send you this brief regarding our activity and an insight towards the end of 2021:**

**General:**

* Exelot continues its growth: We have ended H1/2021 with over 31 $M USD revenue and we maintain profitability and positive cash flow.

This is compared to 44 $M USD for the entire 2020, which was a very strong year as COVID pandemic had a very significant influence on our business.

We are also experiencing the moderation of Covid and therefore lower revenue between Q1/21 to Q2 or Q3/21. We still expect that Q4 is going to be stronger as Q4/20 or even over it.

We had 2.8 million shipments during the entire 2020, and already have in end August appx. 2.3 million.

**S&M:**

* We serve now more customers from China, USA, UK and Turkey. This includes now also UPS, i-Herb from the USA, more Alibaba sellers, Global-e from the UK and 2 new shops and integrator from the UK.

If everything will go according to our plan, we are also going to serve new customers since Q1/22 also from India, where we build new infrastructure and customers.

**Focus:**

* We are focusing on 3 major efforts:
1. preparing the company for the pick season of November – Mid January 2022 (Customers’ satisfaction during pick season would enable us to reach more destination with the same customers next year);
2. Operating our new international lines: UK to USA and to East Europe, China to UK/Europe, and Turkey to UK/Europe.
3. Developing new Modules for Exelot platform and My Exelot system. This will include in 4-6 month time also new AI & BI capabilities, new management system with the logistics partners and new shipping capabilities & control for the shippers/customers.
* **HR:** We have now 30 employees on the payroll and 27 outsourced (of them – 16 in customer service, 5 in R&D , and a 6 as freelance consultants).

Its clear that Covid sometimes limits the direct connection between various departments or employees, and we do the best to keep this tight and synchronized, including more online meetings and personal when possible. In general, I can tell that the company is working remotely very efficiently, including with the staff in China, USA, UK, Turkey, Estonia, and very soon we’ll do so also in India.

Last month we have celebrated with the team and indicated 5 years for Exelot founding and over 5 million shipments since March 2017, when we started the first tests.

**Shareholders’ Meeting:** We are expected to approve soon the audit for 2020 and plan to convene a shareholders' zoom during October. A summons will also be sent separately with a zoom link.

I want to take this opportunity before Jewish new year to thank all of you for the trust and for the cooperation with some of our shareholders, during these challenging times.

I hope that we can return soon to normal life and be able to meet also in person soon.

**Wishing you all much health and happiness, and to those who are celebrating - Shana Tova & Happy Jewish New Year!**

**All the best to you and you families!**

**Sincerely,**

**Daniel Cohen, CEO**

**Exelot**