



MyTower: Company Analysis

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Abstract

The new era of property management requires an original approach. MyTower provides exactly that with its cutting-edge property and service management solution which considers the current needs of owners, residents, managers, and vendors. MyTower’s smart property management platform uses a combination of AI and IoT to connect and enhance property and service management, bringing the entire ecosystem under one virtual roof.

Contrary to other facilities management systems that are often separated by vertical, MyTower takes a user-centric point of view and is horizontally-integrated, making it much more comprehensive and easy to use. The solution can be personalized and tailored to meet specific individual needs, and it works in synergy with other management platforms.

The MyTower platform consists of four building blocks: Property Management, Service Management, On-Demand Services, and an Integration Store (AppConnect).

Company ID

- Company Name: [MyTower](#)
- Industry: [PropTech / Facility Management](#)
- Business Model: [B2B & B2B2C](#)
- Revenue: [\\$4.6M as of October 2020](#)
- Employee Number: [12](#)
- [BuiltUp Ventures](#) (a member of the Besadno Group) investment: [\\$0.4M](#)
- Website link: www.mytowerapp.com/

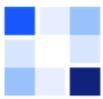
Why Are We Investing

[BuiltUp Ventures](#) (a part of the Besadno Group) invested in MyTower’s seed funding round in February 2019 and remains one of the company’s main shareholders.

We are proud to have MyTower in our portfolio due to the following:

■ **Growing Market**

The facility management market was valued at USD 40.41 billion in 2019 and is expected to reach a market value of USD 81.49 billion by 2025, registering a CAGR of 12.51% during the forecast period of 2020-2025. [Source: [Research and Markets](#)]



The PropTech market in general, and the facility management market in particular, are booming and will continue to grow in the foreseeable future. The opportunity for PropTech development is driven not only by the sheer size of the market but also by the limited amount of innovation up until now. [Source: [Proptech.Zone](#)] It is a market that is looking for innovative technology-based solutions, and being one of the first on the scene means that MyTower can quickly capture market-share in this industry that has huge potential for growth.

■ **MyTower Solution**

We believe in the high value and competitiveness of MyTower's product.

The new era of property management requires a new and original approach. MyTower provides cutting-edge property and service management solutions that take into account the current needs of owners, residents, managers, and vendors, and which help residential units to be managed in a smart, cost-efficient way, resulting in better service management, higher engagement, and most importantly - happier people.

■ **Strong Team**

MyTower's team consists of experienced professionals who love real estate and believe in technology. Their energy and experience will lead the company to success.

■ **Track Record**

MyTower is an early stage company that has already delivered strong financial achievements: their revenue progress is impressive \$4.6M as of October 2020 (cumulative since platform launch in 2018), of which \$3.5M was delivered in 2020.

Currently, over 200 leading residential towers in Israel are managed by MyTower and are benefiting from cost-efficiency, better service management, higher engagement and happier residents.

[Investment Overview](#)

■ **About the Company and the Product**

MyTower provides a cutting-edge property and services management solution that takes into account the varied needs of owners, residents, managers, and vendors. The unified all-in-one platform uses a combination of AI and IoT to connect and enhance property and service management and consists of four parts:



- Property Management
- Service Management
- On-Demand Services for tenants
- Integration Store (AppConnect)

The platform works in synergy with other management platforms and can be personalized and tailored to meet individual needs.

■ Product Status

MyTower's platform is fully developed and already in use by over 200 residential towers in Israel.

The company planned to expand to commercial real estate in 2020, but the Covid-19 pandemic put that plan on hold. Once the pandemic is over, MyTower will resume the CRE platform development. They also intend to expand to the hospitality (hotel) sector.

■ Company Partnerships

MyTower is seeking to capture the property management market from different angles, creating valuable connections and strong strategic partnerships within its market ecosystem, including the following:

1) [Strategic partnership with Gindi](#), a leading international **real estate development company** in Israel.

MyTower's property management tool provides Gindi with the means to create the ultimate residential experience in the middle of urban Tel Aviv. Gindi wanted to build a unique, residential complex, with a combination of innovative architecture, smart technology, and the highest building standards in the world - MyTower's property management solution was the perfect fit. MyTower developed a white label facility management platform for Gindi properties in Tel Aviv, which was launched in 2019 with new buildings and features continuing to be added.

This partnership is highly valuable for both parties: Gindi gets an exclusive innovative technology fully adapted to their specific needs, and MyTower gets the chance to further refine and improve their building management system based on the experience with Gindi - and they can then apply what they've learned to other properties.

2) Strategic partnership with in the residential real estate sector



MyTower has partnered with the [Natoon Group](#) and is providing a solution to help Natoon scale-up their customer base and foster increased engagement and higher satisfaction. During the COVID-19 pandemic, MyTower and Natoon worked together to manage business continuity and to ensure that all facilities continued working smoothly and efficiently despite the challenges caused by the pandemic.

3) Strategic partnership in the commercial real estate sector

[Mekdan Properties](#) is an Israeli property management company serving commercial real estate owners and entrepreneurs. MyTower plans to partner with Mekdan as a first step towards expansion into the commercial real estate sector. The impact of COVID-19 on commercial real estate has changed the way these types of properties are managed and will be managed in the future, and this is an issue that MyTower is exploring.

4) Partnerships with the best building technologies suppliers

As part of efforts to keep the platform's technological features up to date, MyTower seeks out the best technologies in the market (IoT / IoB market specifically) and integrates them into the MyTower platform. Through these partnerships, MyTower's product is always innovative, comfortable, smart, and safe for its users, and it is becoming smarter every day with additional features. One such partner is [AnyVision](#) which provides the facial recognition technology necessary to enable the keyless entry feature for the front door of a building, specific rooms or even individual apartments. . Another partner is [Pal Wintec](#), the biggest Israeli hardware integrator for items such as entrance control or intercoms.

5) Marketplace partners

MyTower's platform includes a "marketplace" in which users can purchase a range of products or services directly through the MyTower app. As people were spending more time at home during the COVID-19 pandemic, MyTower had a huge opportunity to increase revenue from the marketplace. They took advantage of this opportunity and created partnerships with large Israeli companies such as grocery stores, flower shops and others that were added to the marketplace section of the MyTower app.

6) Main investor and important strategic partner – [BuiltUp Ventures](#) (BUV) joined MyTower in its seed investment round and continues to work with the company, helping build a strategy for penetrating the US market. BUV has significant expertise in go-to-market strategy combined with a strong US-based business development team which accelerates value for their portfolio companies and increases the chances of a successful exit.



■ About the Market Future

MyTower operates in the facility management space, which was valued at USD 40.41 billion in 2019 and is expected to reach USD 81.49 billion by 2025, registering a CAGR of 12.51% during the forecast period of 2020-2025. [Source: [Research and Markets](#)]

■ Current Funding Round Goal

Total funding to date (previous rounds): \$1.4M

Current round of funding: \$1.5M under SAFE

■ Past Investors in the Company

[BuiltUp Ventures](#) (\$400k), Founders (\$700k) and Angels (\$300k)

Management Team

■ [Pini Shemesh](#)

Co-Founder & CEO

Pini is an experienced real estate developer and entrepreneur, who served as a captain in a special intelligence unit of the IDF. He holds a BA in government, diplomacy, and strategy from the Interdisciplinary Center Herzliya.

■ [Meiri Shemesh](#)

Co-Founder & CFO, Business Development

Prior to joining MyTower, Meiri served as the Chief Promoter of numerous businesses and facilities in Tel Aviv for 5 years. He holds a B.A in Business Administration.

■ [Yuval Shahak](#)

Co-Founder & CMO, COO

Yuval has over 20 years of experience in sales, commodity commerce and project management. She holds a B.A in Business Administration.

■ [Amit Giladi](#)

Director of Business Development

Amit is an accomplished business and marketing strategist with 18 years of experience creating concepts and executing lasting go-to-market strategies

■ [Tom Tassa](#)



Sales Executive

- [Omer Banon](#)

Product Manager

- [Nikolai Tursky](#)

CTO

Nikolai has over 14 years of experience in development with architecture expertise, leading payment, transactions, ecommerce processes and implementations.

Challenges and Opportunities

- **The biggest challenge facing the facility management market is the gap between industry needs and existing solutions in the following areas:**
 - There are limited solutions that are scalable for multiple property types and participants,
 - There is a separation between property and service management requiring the use of multiple systems to manage everything,
 - Most existing solutions are built from a building-centric point of view (as opposed to user-centric),
 - The field is plagued with inefficient management and resource utilization.

Currently, this versatile and complex industry is only being offered one-track solutions that fail to answer its needs. MyTower addresses these challenges by bringing service and property management under one virtual roof with one tool that meets the needs of owners, residents, managers and vendors.

- **Market opportunities in the property management sector** are significant, as the market is showing an essential growth trend (see [Market Overview](#) section). While North America is attractive in terms of having the highest facility management market share due to early adoption of technology and presence of solution providers, the facility management market in the Middle East and Africa (MEA) is expected to grow at the highest CAGR during next 3 years which makes this location the most attractive for investors. [Source: [Markets and Markets](#)]
MyTower is taking advantage of this opportunity and started its business in the Israeli market, which despite the size of the country, is quite big in this sector, and the company has made great strides.
- **One of the main challenges MyTower is facing currently is an expansion to the international market** - starting with the US. The main goal of the current investment round is to support this activity.

The main challenges facing the US market are:



- **Major competitors are concentrated in the huge cities such as Manhattan, where there is also the most potential** (although there is also a large market outside of New York City with less competition). Nevertheless, MyTower does want to focus on Manhattan and plans to win it with the help of its strategic partner, BuiltUp Ventures, which has an office and existing connections with real estate players there. MyTower is already working on creating new partnerships with significant property management companies there.
- **The big property management companies have around 20% of the market share and would be stiff competition for MyTower.** The company's strategy is to go for the "Mom and Pop" smaller landlords who represent 80% of the total US market and represent a sector that faces less competition. [See: [Forbes](#)]
- **There are plenty of unique solutions based on advanced technology being offered to the US market**, but they do not necessarily integrate with each other and separate providers and platforms are needed for each different service. MyTower is bringing something different with its end-to-end solution that combines all of the different verticals together in one platform (hence the horizontal integration approach), using AI and other business intelligence tools to provide an all-in-one service that can be adapted to suit the needs of any property manager and tenants.
- **COVID-19 brings new opportunities for the facility management players.**

With people leaving their homes much less frequently than ever before, there is high demand for online services. To catch the moment and benefit from the profit growth opportunity, facility management tools have to be up to date and able to satisfy tenants' demand in a wide range of services such as laundry, housekeeping, car wash, deliveries and groceries, restaurants, taxi ordering, insurance, home visits from a doctor, fitness, spa treatments, airport VIP service, ordering flowers, unlimited internet and other e-commerce services. The e-commerce market in general is currently booming and leading to changes in all other markets, including retail, real estate, and also the property management market. Now is the time for companies to capitalize on the margin they can earn from services provided to tenants.

Another positive consequence of COVID-19 in the property management space is the growth of tenants' engagement with the MyTower platform and the increase of property management efficiency:

 - Tenants began using new services offered on the platform, such as booking gym/swimming times. Having access to this tool meant that the building management could easily limit and track the number of people in the gym or pool at any given time according to health regulations, allowing them to keep these amenities open and available to their tenants.



- New reality features: through the app, management is able to: easily communicate to all of the residents informing them about new regulations, etc.; track the availability of common areas to ensure that they do not become too crowded; monitor visitors, vehicles, deliveries, and other building services, as well as remotely facilitate tenant communication and report maintenance issues.

Market Overview

■ Market Definition and Size

MyTower operates in the facility management space, which was valued at \$40.41 billion in 2019 and is expected to reach a market value of \$81.49 billion by 2025, registering a CAGR of 12.51% during the forecast period of 2020-2025. [Source: [Research and Markets](#)]

The key factors driving the growth of this market are:

- Increasing demand for integrated facility management to achieve economies of scale,
- New and changing focus on virtual workplaces and mobility,
- Increasing development of sustainable infrastructures,
- Emergence of the SaaS deployment model,
- Growing adoption of IoT and smart connected devices for building automation.

In addition, government initiatives for the development of smart cities is another factor supporting facilities management market growth. The development of smart cities means new infrastructure is being built across the cities, such as commercial spaces, educational zones, logistics, and transportation centers. These centers require facilities management services for their efficient management and maintenance. The growing number of universities, airports, and hospitals in smart city development projects create lucrative business opportunities for facilities management services such as cleaning, security, and landscaping.

The PropTech market in general and the facility management market in particular are booming and will continue to grow in the foreseeable future. The opportunity for PropTech development is driven not only by the sheer size of the market but also by the limited amount of innovation up until now.

[Source: [Proptech.Zone](#)]

As part of a growing start-up community in this industry, so much new technology is beginning to be offered to the market, hence the facility management market as part of the PropTech industry has huge potential.



Regional Outlook and Trend Analysis

North America (the US and Canada) is the biggest contributor to the facility management market based on size and the overall interest in adopting new technologies. In addition to the private sector, there is an increase in government and public administration ventures that are implementing facility management solutions. The addition of this vertical increases the chances of the market reaching its growth targets. [Source: [Crystal Market Research](#)]

While North America is attractive due to the market size, the facility management market in the Middle East and Africa (MEA) is expected to grow at the highest CAGR during 2018-2023. In recent years, the MEA region has witnessed high levels of adoption of tech-savvy solutions across various verticals. Increasing construction activities and government plans for improving education systems and healthcare facilities are the major factors expected to drive the market growth in this region. Moreover, the growing private sector, investments in transportation and logistics, and the need to enhance the asset life cycle may further increase the demand for effective facility management and automation solutions.



Source: [Markets and Markets](#)

Currently, the MyTower app is only available in Israel where over 200 leading residential towers use MyTower for their facility management and benefit from the cost-efficiency, better service



management, higher engagement and happier residents. Despite the small size of the country, the facility management market is large and offers a lot of potential - from 2018 to October 2020 MyTower generated \$4.6M of revenue, which is quite a significant amount for an early stage startup.

While continuing to grow Israeli operations, MyTower is also focused on penetrating the USA facility management market. MyTower's main strategic investor - BuiltUp Ventures - has a go-to-market team in New York whose aim is to help the companies within their portfolio accelerate their US growth, and helping MyTower gain market share in the US is a priority of the team. Expansion to the US market is the main target of the current investment round for MyTower.

■ **Market Segmentation**

The facilities management market is segmented based on services and industry.

The services market is further divided into hard services (including planning, design, workplace, construction, lease, occupancy, maintenance and furniture) and soft services (including cleaning and pest control, laundry, catering, waste management, security, and more).

Industry market segments include corporate, government and public, healthcare, manufacturing, residential, educational, retail and commercial, and more. Currently, the MyTower platform is only available for residential properties, but in the future it will also cover commercial and hospitality real estate (once these sectors' performances recover from Covid-19's negative impact).

■ **Internet of Buildings (IoB) in facilities management**

The Internet is making buildings smarter. IoT (Internet of Things) is a network of electronic applications and devices comprised of sensors and meters that are capable of exchanging data with each other. Simply put, all things connected in the loop can communicate with each other without human intervention.

When IoT is integrated into buildings, it creates a system of optimum utilization of energy and equipment along with other benefits. Appliances and other devices such as refrigerator, AC, central heating system, lights, media, entertainment gadgets, air purifier, and security alarm can all be connected to each other for cost-effective operation management.

IoT applications in a building are referred to as IoB and fall into 4 categories:

- 1) **Energy:** this includes wireless energy-monitoring applications.
- 2) **Equipment:** to optimize HVAC (Heating, Ventilation and Air conditioning) use and lighting.
- 3) **Air quality:** devices measuring particulate matter or carbon-dioxide.



- 4) People or spaces: applications measuring occupancy or space utilization, for example to determine how many people are living in a room or how many people are passing through a particular entrance.

These types of systems result in substantial financial savings on utility spending and equipment costs for occupants and building owners. Given the rapid urbanization all over the world and the accompanying resource crunch, Internet of Buildings is set to be instrumental in facilities management. Using IoT to create smart buildings will mean the delivery of the right information at the right time to the right people, enabling them to act promptly and more responsibly.

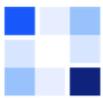
Connected devices in smart buildings all over the world generated over \$1.2 billion in revenue in 2018. This number is expected to reach \$2.7 billion in 2022.

One of the prime objectives of IoB has been energy efficiency, which is often seen implemented in HVAC and indoor lighting. That being said, the modern construction industry is witnessing a major change when it comes to IoB, and the primary driver is shifting from cost-reduction and energy efficiency to enhanced user experience by making it possible for residents and other relevant personnel to be able to interact directly with the building.

The Internet of Buildings, of which MyTower is a part, is more than a list of tools and technologies - it is an entirely new state of mind. By connecting buildings through automation and AI algorithms and turning them from passive objects into engaged contributors, MyTower can improve countless aspects of daily life and workflow.

You can learn more about facility management and the Internet of Buildings market in the links below:

- 1) Businesswire: [Global Industry Analysis of the Smart Buildings Market by Technology, Infrastructure, Solutions and Regions 2020-2025 - ResearchAndMarkets.com](#)
- 2) Wikipedia: [Facility management: definitions and scope](#)
- 3) Financial Express: [How facilities management is benefiting both developers and home buyers](#)
- 4) Goldstein Research: [Middle East Facility Management Market](#)
- 5) Facilitiesnet: [What Is the Building Internet of Things?](#)
- 6) Future Mind: [PropTech: The future of real estate is now](#)



Competitive Landscape

Currently MyTower operates only in Israel where they don't have any direct competitors. The local property management market in Israel is limited to solutions that address specific individual features, but there is no other comprehensive property management platform.

The US is a potential near-term export market for the company. The US built-world is vast, and existing companies have merely scratched the surface when it comes to technology. MyTower is leading the way in built-world technology with a full suite of products, solutions and services that enhance property value while creating a new generation of asset lifecycle management.

Service management is at the heart of what MyTower does. Their vision is to empower the built-world with a set of technology products that use artificial and business intelligence tools to analyze data and provide recommendations and knowledge to enhance services.

Having created a base platform, infrastructure and an end-to-end solution, now MyTower is able to leverage their assets to create a lifecycle management system that can be adopted across a variety of built world verticals horizontally.

MyTower's main benefits:

1) End-to-End Solution - The company offers a comprehensive, horizontally integrated end-to-end solution for the real estate industry, built entirely around the user. The unique and easy-to-use solution breaks down walls and offers a unified approach to property management that brings every aspect into one vertical.

2) Reduce Management Costs and Increase Operational Efficiencies - The platform offers a digital environment that organizes the entire property management process of real estate. Using the most advanced AI technology, it helps save time and allows for a proactive approach to data-driven decision making. This is a far more efficient and cost-effective way of managing a property than traditional methods.

3) Improve Residents' Experience - With the many tenant's in-app features that MyTower offers, property owners can successfully maintain tenant loyalty, improve tenant and landlord relationships, improve security, raise the standard of living and build a genuine online community that connects tenants, property managers, and landlords.

4) Integration with Other Applications – MyTower's AppConnect platform connects to a large range of API and app integrations to help automate, organize and effectively manage smart property solutions from one, easy-to-use control panel.



Below is a table of MyTower’s main competitors in the US. The benefits offered by MyTower as compared to competitors are clear in the table, and it is easy to see that MyTower has many more features and is smarter than any other existing solution. Unique technology and experience in the Israeli residential market are key success factors for MyTower in the US market.

MyTower Competitive Landscape 2020:

Parameters	MY TOWER	Hqo	ResMan	Entrata	Appfolio	Building Link	LiveBix by	Equiem
HQ Location	Israel	Boston, Massachusetts - US	Plano, Texas - US	Western US	US	New York - US, Europe	New York - US	Melbourne - Australia, US
Revenue	\$4.6M	\$4M	\$16M	\$125M	\$288M	\$60M	N/A	\$5M
Funding	\$1.4M	\$46.9M (JLL Spark)	\$36M	N/A	\$104M - public company	Self-funded - do not believe in VC's	\$1.4M	\$8.4M
Founding Year	2017	2015	2000	2003	2007	1999	2016	2011
Pricing	\$3.5 per unit	N/A	N/A	N/A	\$1.25 per unit	N/A	\$1-5 per unit	N/A
Company Exit			Yes		Yes		Yes	
Residential & Commercial	◆		◆	◆			◆	
Data grid (organize databases into one)	◆	◆	◆	◆				
Interface apps kitchen, phone, mirror, assistance	◆							
All in one interface - One Ux & Ui	◆		◆					
IoT management & billing architecture	◆					◆		
App Connect - App store for total solution	◆	◆	◆					
Dynamic hardware as phone camera for face recognition	◆							
People capsules management architecture	◆							
Access control-based architecture	◆	◆	◆			◆		
Marketplace for vendor B2B	◆	◆						
Marketplace on demand B2C	◆	◆						
2 parties management	◆			◆				
Messaging tools	◆	◆	◆	◆	◆	◆	◆	◆
Tenants buying power club	◆					◆		◆



Parameters	MY TOWER	Hqo	ResMan	Entrata	Appfolio	Building Link	LiveBix by	Equiem e
Accounting integration (Yardi, SAP...)	◆	◆	◆	◆	◆	◆	◆	◆
Payment processing	◆	◆	◆	◆	◆	◆	◆	◆
Maintenance requests management	◆	◆	◆	◆	◆	◆	◆	◆
Smart energy BMS app	◆		◆	◆				
People capsules and temperature	◆							
AI cameras people management	◆							
AI access control App	◆	◆	◆	◆		◆		
Door locks app	◆							◆
AI Intercom and Doorbell app	◆							
AI parking management app	◆							
On demand amenities app (energy & locks)	◆		◆	◆		◆		◆
Smart lights app	◆							
Smart water & leaks prevent app	◆			◆		◆		
Employees efficiency app	◆							
Smart wallet app	◆							
Predictive maintenance app	◆		◆	◆				
Short & Long rental check in app	◆							
Listings integration app (as Zillow, Airbnb)	◆	◆	◆			◆		
Short & long - rental management app	◆		◆					
Voip PBX app	◆		◆					
Rental marketing App	◆		◆	◆				
Human concierge app	◆							
Bots / Assistant app	◆		◆			◆		
Behavior patterns analysis	◆					◆		◆

Competitors description:

Company	Focus	Short Description
Hqo	SaaS for Property Managers - Commercial office buildings	HqO is a SaaS-based platform for commercial real estate firms to deliver unique tenant experience in a single building or across global portfolios, also having onsite



Company	Focus	Short Description
		retail and services, and a sense of community directly into the tenants' app.
ResMan	SaaS for Property Managers - Multifamily	ResMan is a platform for owners, operators and investors across the multifamily landscape and in the commercial real estate marketplace. It offers an open and scalable architecture that offers flexibility of an expanded product and streamlines comprehensive accounting, reporting, and property management capabilities within a leading-edge UI/UX. ResMan acquired Razz Interactive on Jan 14, 2020.
Entrata	PaaS for Property Managers - Residential	Entrata aims to be a comprehensive property management software provider with a single-login, open-access Platform as a Service. Offering online tools including websites, mobile apps, payments, lease signing, accounting, and resident management. An open API and selection of third-party integrations are offered, to choose the best solution for the specific need.
Appfolio	Residential	Cloud-based property management software that allows apartment, residential, commercial, student housing, and HOA property managers to manage their business.
Building Link	SaaS for Property Managers - Residential	Used in up to 4000 properties, providing management, seamless communication, and living experience for residents.
LiveBixby	SaaS for Property Managers - Residential & Commercial	A building amenity platform that makes it easy for property managers to provide top quality service to tenants and residents. Hello Alfred Acquires Building Management Technology Platform Bixby
Equieme	SaaS for Property Managers - Commercial Real estate	Equiem's vision is to offer a complete platform for commercial real estate landlords to engage, delight, and improve the working lives of their tenants. Trying to transform a building into a vibrant, connected community.

Problem Overview

The facility management industry today faces a lot of inefficiencies, including:

- Limited scaling solutions for multiple property types and participants.



- Property management and service management are offered as two completely separate services with different vendors, pricing, etc.
- Existing solutions are designed from a building-centric point of view rather than a customer-centric one, resulting in inefficiencies and inconveniences for the residents.
- Inefficient management and resource utilization.
- Too many vertical solutions which do not integrate with each other.

The following statistics show the strong need for a revolution in the way facility management is offered:

- 97% of all facility and real estate managers say that maintaining high tenant satisfaction is a top priority.
- 61% of property companies believe a tech investment today will positively impact their revenues for years to come.
- \$24 trillion of assets are still managed by using disconnected systems and printed spreadsheets.
- 81% improvement in retention of tenants is correlated with implementing PropTech in commercial real estate facilities.

In addition, it is important to highlight that the Covid-19 pandemic has introduced new issues that facility management solutions must take into account, as property owners and landlords have to protect the health and safety of tenants and staff while balancing the needs of workers and businesses.

Solution Overview

MyTower offers a user-centric, comprehensive, horizontally integrated, end-to-end solution for the real estate industry that answers the major challenges described above.

MyTower's advanced platform has 4 key elements:

1) Property Management - Turn Residences into Smart Buildings

Allowing proactive and preventive maintenance, efficient use of resources, BI platform to anticipate needs, adapt to changing circumstances, and more.

2) Service Management - Communication is Key



CRM system to manage residents, visitors, vehicles and deliveries, allowing for better and easier tenant communication, enabling them to easily make payments, report maintenance issues, and more.

3) On-Demand Services - Concierge Assistance

Immediate access to an array of service providers, such as: room service, spa treatments, housekeeping, laundry, delivery, ecologic car wash, and more.

4) Integration Store - AppConnect - A World of Upgrades and Seamless Integrations

Mobile facial recognition-based self-check-in, leak sensors and proactive maintenance for shared and private areas, API integration and endless other solutions.

Key advantages of MyTower:

- 1) A comprehensive, horizontally integrated end-to-end solution: the advanced PropTech platform provides property management companies with one horizontal system that “breaks down the walls” rather than requiring the use of many separated vertical services, which are very difficult to manage;
- 2) The first of its kind user-centric point of view property management solution: the AppConnect platform connects to a large range of API and app integrations to help automate, organize and effectively manage a Smart Property Solution from one, easy-to-use control panel;
- 3) Combination of AI and IoT within the property management’s day-to-day operation: MyTower offers countless solutions that are easily tailored and integrated to fit companies’ existing workflow and needs:

- People and places - facility and personnel
- BI platform to anticipate needs
- Proactive and preventive maintenance
- Unified property dashboard
- Finance and lease management
- Employee and attendance supervision
- Suppliers’ and contractors’ management
- Platforms’ synergy

The MyTower platform allows clients to advance to the IoB era and enjoy property that is:



- 1) **Connected:** Smart property is engaged and self-aware. It connects with utilities (water, gas, electricity, etc.), tenants, suppliers, and other buildings. Connected property allows synergy between online and offline solutions and integrates centralized and decentralized networks.
- 2) **Adaptive:** Connected property can anticipate and adjust to changing circumstances such as climate, time, occupants, and more. Smart buildings become multifunctional and have modular systems that can be personalized based on user behavior and predefined needs, improving the wellbeing of people and communities.
- 3) **Efficient:** The IoB revolution reduces cost while boosting functionality. Optimized resource utilization helps tenants and protects the environment we all share. Smart buildings are better prepared for emergencies and non-resource situations and can trade and share resources with other property. Their performance is easily measured and tracked.
- 4) **Automatic:** The above benefits take place smoothly and automatically. Specific needs, preferences and behaviors are all taken into account. Advanced machine learning algorithms study the property and its residents, getting better and more sophisticated at predicting needs based on user feedback and aggregated data.

MyTower's solution helps facility management teams to develop sustainable buildings and optimize functions at the most efficient level. It enables facility managers to identify the underutilized and poor performing facilities, assets, processes, and resources, and help improve facility assets.

MyTower's impact on property management companies includes:

- 1) reduction of properties' operational costs by up to 50%,
- 2) profit increase by adding new revenue channels,
- 3) improvement of property lifecycle ROI by up to 25%.

MyTower's platform has been updated to meet both tenant and personnel needs in the current pandemic situation. The solution includes following additional features which are important for real estate management during COVID-19:

- SLA: disinfection and cleaning tasks,
- visitor temperature control,
- face recognition (door opening without a touch),
- gym, swimming pool and amenities control.

It is important to highlight that currently the MyTower platform is only available for residential properties, but in the future it will also cover Commercial and Hospitality real estate.



Business Model & Go-To-Market Strategy

■ Business Model

MyTower's income derives from the following streams:

1. Payments from property management companies (FM Platform): SaaS (\$3.5 per month per unit), customer on-boarding fees (one-time fee in amount of \$1,750.00 per tower).

2. Margin from the services provided to tenants using the tenant concierge app: transaction fees (5-20% from marketplace purchases depending on the type of services), management fee (0.5-1.5% from transactions).

Concierge services can cover the following: laundry, cleaning, window cleaning, car wash, fruits & vegetables, restaurant bookings, taxi, pass control, electricity, insurance, doctor visits to your home, fitness, airport VIP service, flowers, unlimited internet and other ecommerce services.

3. AppConnect integrations of IoT devices and other technologies: add-ons (\$5 per month per unit per add-on, or 20% of hardware & add-on licenses price).

4. Affiliate Program: one-time commission (fixed fee which will grow every year for new affiliates based on audience expansion).

5. Vendor bidding process management in commercial buildings (B2B tenders): transaction fees (5-20% from marketplace purchases depending on type of services).

6. White label FM Platform for real estate developers: \$0.3-1M depending on features and size of the building/neighborhood.

■ Go-To-Market Strategy

In Israel, where MyTower currently operates in more than 200 buildings, the company targets property management companies who can use the MyTower Platform both to manage the operations and efficiencies of their buildings, and also to communicate with the tenants daily.

MyTower targets real-estate developers and property management companies dealing with all types of properties: high-rise buildings, multifamily housing, commercial buildings, business parks, airport cities and more.

Geography: Israel, with plans to expand to the US market.



Industry: The facility management space, including property management and service management.

Financial Overview

The system currently runs in over 200 leading towers and real estate projects in Israel. The US is a potential near-term export market for the company which MyTower plans to penetrate in 2021.

MyTower revenue to date (as of October 2020) is \$4.6M, the main part of which was delivered in 2020 from myTLV app for GindiTLV project.

Below you can see a detailed financial plan from volume to EBITDA which is presented in two following parts:

1) actual performance till October 2020:

All amounts are in kUSD

Budget Line	act				
	2017	2018	2019	2020 YTD Oct	Total 2017-10.2020
Volume:					
New Projects	3	30	70	90	193
Gross Revenue by Stream:					
Facility management platform: SaaS license	15	142	351	508	1,016
Facility management platform: customer on-boarding fees	-	-	-	-	-
Concierge app: marketplace on-demand	10	94	177	140	421
Concierge app: transaction fees	-	58	199	2,900	3,157
AppConnect integrations: add-ons fees	-	-	-	-	-
Affiliates	-	-	-	-	-
Total Gross Revenue:	25	294	727	3,548	4,594
Total Expenses:	385	461	674	3,050	4,570
EBITDA:	(360)	(167)	53	498	24
Margin, %	-1433%	-57%	7%	14%	1%

2) 5-year plan with projected performance until 2025:

All amounts are in kUSD

Budget Line	act Total 2017-10.2020	forecast						Total 2017-2025	
		2020 Nov-Dec	2021	2022	2023	2024	2025		
Volume:									
New Projects	193	-	190	290	490	690	1,290	2,950	3,143
Gross Revenue by Stream:									
Facility management platform: SaaS license	1,016	100	958	1,462	2,466	3,466	7,499	15,950	16,966
Facility management platform: customer on-boarding fees	-	-	175	175	971	1,008	2,016	4,345	4,345
Concierge app: marketplace on-demand	421	30	936	9,079	21,363	46,578	95,872	173,858	174,279
Concierge app: transaction fees	3,157	580	3,828	4,211	4,632	5,095	5,605	23,950	27,107
AppConnect integrations: add-ons fees	-	150	900	1,900	30,756	71,986	148,657	254,350	254,350
Affiliates	-	-	67	142	284	568	1,137	2,199	2,199
Total Gross Revenue:	4,594	860	6,864	16,968	60,473	128,701	260,786	474,652	479,246
Total Expenses:	4,570	720	5,483	12,078	21,833	33,942	44,221	118,276	122,846
EBITDA:	24	141	1,381	4,890	38,641	94,759	216,565	356,377	356,401
Margin, %	1%	16%	20%	29%	64%	74%	83%	75%	74%



Highlights of financial results and projections:

- The company reached breakeven in October 2020, driven by the profit from SaaS model (which is based on constant volume growth) and Concierge App model.
- The main driver of significant revenue growth in 2020 vs previous periods was volume increase and the launch of new services as part of the concierge app for Gindi TLV.
- Current open round (FY21) projected revenue is \$6.9M and projected EBITDA is \$1.4M.
- Total projected revenue until 2025 is \$479M of which \$4.6M has been delivered to date (as of October 2020).
- Main drivers of significant revenue growth in 2022-2025 are add-ons (integration of the best smart and innovative solutions for buildings with MyTower platform) and marketplace on demand (due to adding new services to concierge app which reflect the full spectrum of user needs).
- YoY margin growth reflects the efficiency of the business model and product scaling.

Funding Overview

Total funding to date in pre-seed and seed rounds: \$1.4M - raised from Founders (\$0.7M), [BuiltUp Ventures](#) (\$0.4M) and Angel investors (\$0.3M).

Current round of funding: The goal for this round is \$1.5M to be raised under a SAFE, with conversion price based on a post-money valuation cap of US\$5.5M + Actual Purchase Amount or discount of 25% of the price of the Qualified Financing, whichever lower.

Current round period is 12 months starting January 2021. During this time MyTower plans to achieve the following targets:

- 1) Expansion to the US market which includes:
 - a. one white label project launch and one contract with a property management company,
 - b. additional team recruitment in the US: operation manager, sales manager, product manager,
- 2) Revenue growth in Israel by 20% to 2020,
- 3) On-going product fit to the latest features of the market, adding more features to the platform and starting to receive revenue from AppConnect integrations of IoT devices and other technologies,
- 4) Platform development for commercial real estate properties including office towers, business parks, and airport cities.



Go-to-market scope for this new round includes:

- 1) Countries: US and Israel only,
- 2) Property type: residential, neighborhood, commercial, airport city/business parks.

MyTower expects that the next investment round will be significant. The fundraising process will start in the middle of 2021 with the deadline of Dec'21: they will raise approx. \$5M at \$15M valuation pre-money.

Investment Risks & Mitigation

The classification of business risk is broken down into internal business risks and external business risks. External business risks tend to arise due to economic events that occur outside the organization itself. They are not as easily controlled as internal risks and the business risk exposure cannot be forecast with reliability.

1. Internal Risks

1.1 Product Risk

Product risk (quality risk) - the possibility that the system or software might fail to satisfy or fulfill reasonable expectations of the customer, user, or stakeholder.

MyTower works closely with real estate developers and builds the product based on understanding the market needs. Before launching any new feature / implementing a new business model in the platform, MyTower conducts pilots to test innovations, receives feedback from the users, and only after positive results and when they are confident about the quality of the product do they launch it for all properties.

1.2 Technological Risk

Includes server and software problems that lead to equipment downtime which can increase the risk of production shortfalls and financial costs due to less revenue.

MyTower mitigates technological risk by securing computers, servers and wireless networks; the use of anti-virus and anti-spyware protection, and firewalls; regularly updating software to the latest versions; the use of data backups that include off-site or remote storage; securing their passwords; training staff in IT policies and procedures.

1.3 Data Security Risk

Many high-profile data breaches have occurred because of physical security weaknesses. The importance of these processes is elevated for companies using smart building management services or integrating corporate data into the provider's data and analytics platforms.

MyTower protects both physical and virtual corporate data assets with best practices and access control: password-protecting computing devices, applying fine-grained access



controls, and encrypting sensitive data. In addition, MyTower follows regulation rules for each type of sensitive data. The database and the system are built using permissions and with a strong defense strategy. MyTower plans to hire a data security expert, and they already have connections with professionals in this area.

1.4 Financial Risk

Includes credit risk, liquidity risk, and operational risk:

- **Credit risk** comes from companies giving their customers a line of credit; also, a company's risk of not having enough funds to pay its bills.

MyTower's business model implies no credit lines for their clients.

When launching a new add-on, MyTower first tests the model in a limited volume before putting significant resources into launching widely. Instead of buying expensive equipment, MyTower negotiates with suppliers and follows a revenue-share model which enables the option of easy cancellation in case a new business model fails.

- **Liquidity risk** refers to how easily a company can convert its assets into cash if it needs funds; it also refers to its daily cash flow.

MyTower has a strong team of founders who have BA degrees and know how to create financial plans to prevent cash flow issues. MyTower has a short-term and a long-term financial plan which is transparent, clear, and reflects when and at which amount the company needs to raise additional funds to be able to fulfill its business goals.

- **Operational risks** emerge as a result of a company's regular business activities and include fraud, lawsuits, personnel problems, and business model risk, which is the risk that a company's models of marketing and growth plans may prove to be inaccurate or inadequate.

Mitigation of this risk is already partially covered in two above paragraphs. In addition to this, MyTower keeps strong business to business relationships with its team and partners, maintains directors' insurance which covers the risk of business losses from any claims (limited by amount of the claim).

1.5 Contractor Management Risk

There are a number of ways to reduce such contractor risk. MyTower's platform provides the ability for facilities managers to add and monitor their own network of contractors. This approach ensures that all relevant information is documented, contracts are signed and insurance/credentials are in place.



MyTower's strategy is to combine new innovative technology and the best local solutions. To be able to do this, MyTower searches and sources the best contractors who are committed to bring value to the end users and have a stable business relationship with MyTower.

2. External Risks

2.1 Market Risk

Market risk is what happens when there is a substantial change in the particular marketplace in which a company competes.

In the current pandemic situation, one example of such market change is a shift from city to countryside: more people prefer to rent/buy property and to live outside of the city where they can have more personal space and reduce the risk of getting COVID. Another example is the fact that working from home, self isolation, and travel bans have all resulted in a downturn in the commercial/retail/hospitality real estate market.

MyTower's strategy is to diversify this risk by developing their platform for different types of properties: residential city towers, multifamily housing, commercial buildings, business parks, airport cities and more. Being present in different sectors means the loss of revenue in one sector can hopefully be offset by gains in another.

2.2 Economic Risk: changes in market conditions

Includes economic slowdowns, leading to lower revenue.

No economic system is immune from strong fluctuations and the global crises that happen from time to time. This year – 2020 – showed how much we are all connected to each other and there is almost no industry which hasn't been impacted by the COVID crisis. The best action to take in response to global or local crisis is to be flexible and to be ready to respond to the market and economic changes quickly by adapting your solution to the new economic conditions and user needs. MyTower's actual financial results of the first half of 2020 prove their openness to the needs of the market and the ability to continue the business even during a huge economic crisis by focusing first of all on end user needs.

2.3 Political Risk

Includes international business risk factors, changes in the political environment and government policies that could affect financial affairs.

Responding to social and political risk can happen in four ways: insuring against risk when possible, avoiding risk, mitigating risk or some combination of these.



MyTower is currently present in its local market – Israel - and plans to penetrate the US market in 2021. Because the company has limited geographic exposure (and both are relatively stable countries), they are able to easily identify and assess the impact that political risks, such as election results, may have on their business. As it is an external factor, the company’s influence on this type of risk is limited.

Sources:

1. ServiceChannel: [5 Biggest Risk Management Issues For Facility Managers](#)
2. Facilitiesnet: [Seven Top Facility Management Compliance Risks](#)
3. Service Futures: [The 5 biggest risks in Facility Management outsourcing and how to avoid them](#)
4. Kylie Davis: [Innovation Versus Legislation: Is PropTech Also Disrupting Government?](#)

COVID-19 Overview

“Physical distancing has directly changed the way people inhabit and interact with physical space, and the knock-on effects of the virus outbreak have made the demand for many types of space go down, perhaps for the first time in modern memory. This has created an unprecedented crisis for the real estate industry. Beyond the immediate challenge, the longer this crisis persists, the more likely we are to see transformative and lasting changes in behavior.

Most real estate players have been smart to begin with decisions that protect the safety and health of all employees, tenants, and other end users of space. The smartest will now also think about how the real estate landscape may be permanently changed in the future and will alter their strategy. Those that succeed in strengthening their position through this crisis will go beyond just adapting: they will have taken bold actions that deepen relationships with their employees, investors, end users, and other stakeholders.” [Source: [McKinsey](#)]

The above describes the strategy of MyTower which automated building service solution allows in a pandemic condition to use property in a most smart and efficient way. Following features have been already implemented and this is not a limit of MyTower solution development:

- “No touch” automated building services are now being employed in residential and office buildings throughout the world, including property management platforms that can anticipate building occupants’ needs and remotely adapt to changing circumstances, such as air quality and rapid temperature fluctuations. MyTower is spearheading this technology.
- The creation of a base platform, which provides for the management of a building or system and also allows for the management of people and their life experience within the facility. With a robust CRM, an infrastructure and an end to end solution, MyTower is able to create a



first of its kind lifecycle management system that can be adopted horizontally across a variety of built world verticals. The system can monitor visitors, vehicles, deliveries, and other building services, as well as remotely facilitate tenant communication and report maintenance issues.

- Business Continuity. MyTower released an agile and flexible business continuity plan during COVID-19, adapting fast to the new reality. This continuity plan included new amenities, new services and new ways of communication during the quarantine period and allowed property management companies to keep an efficient and cost effective facility and tenant management under new government laws and public fear, while upgrading the experience of tenants and the way they live in more than 200 buildings in Israel.