



Dear,

We are writing to you regarding the latest articles related to the ban imposed on variety of the smart watches for kids.

MyKi™ Products, MyKi™ Watch and MyKi™ Touch, are smart watches designed for children over 4 years of age. They work with a SIM card and are next-generation devices that enable parents to monitor their children's location and simultaneously to communicate with them via calls and text messages at any time. They serve as GPS, GSM and watch altogether, and help them feel calm about the safety of their most beloved ones.

The focus of the ban in Germany, subject to the public interest in the last few days, are only devices with security breaches built in them where "neither the watch-wearer nor their conversation partners can notice" the monitoring. The MyKi™ watch's integrated microphone **cannot** be activated using a mobile app. MyKi™ Watch does not have the "voice monitoring" function referred to by the media and some local EU regulators as a possibility to listen to "all voices and sounds in the watch's surroundings" after distant activation of the microphone and so to "be monitored without [awareness of the wearer of the watch] and accepting a call".

MyKi™ Products are EU brand, produced by ALLTERCO Robotics, part of ALLTERCO JSCo. ALLTERCO Robotics develops devices firmware and application in cooperation with other companies within the holding of ALLTERCO. We apply highest technical and security standards to guarantee personal data protection. ALLTERCO Robotics itself is a personal data controller registered with the Commission for Personal Data Protection under identification number 418975. Same applies to the companies it cooperates with. In addition, the main partner of ALLTERCO Robotics in the development of the MyKi™ branded Devices – Tera Communications S.A., also member of ALLTERCO Holding applies international quality and security standards such as ISO 9001:2015 (for telecommunication services), ISO/IEC 27001/2013 (for security management in the field of IT and Telecommunication services) and ISO/IEC 20000-1:2011 (for management of IT services).

MyKi™ Products are available in more than 60 countries, with more than 25 Mobile carriers worldwide, serving hundreds of thousands satisfied customers, both kids and parents. MyKi™ branded Products have clear origin, provide to the end users detailed information regarding their data processing. Providing the MyKi™ service, Allterco Robotics EOOD exercise strict access control for preventing unauthorized access to personal data storage.

- Allterco Robotics is registered at the "Register of the entered data controllers" by the Commission for Personal Data Protection under identification number 418975. (attached is the document issued by the Commission).
- Allterco Robotics applies the highest technical and management standards for data security and strives to implement the best practices in the field of data protection.



- Allterco Robotics collects and processes personal data in accordance with the EU privacy regulation. The users have been informed with the general terms and conditions, which are deliberately simplified to be easy for understanding, and their consent has been lawfully gathered by electronic means and documented for proving purposes. The customers are being promptly notified for any and all changes that take place in the aforementioned terms.
- MyKi™ Products are equipped with EUR 1 Certificate, stating the country of origin as EU and fulfilling all EU technical requirements for radio equipment in accordance with Radio Equipment Directive (RED) **2014/53/EC**.
- MyKi™ Products are using the mobile carriers' networks for the purposes of establishing calls and transferring data and therefore we are following the same safety and security requirements as the mobile carriers.

Functional security:

- In order to create an account for the application, the client is required to enter a username, a password containing at least 6 characters, a mobile number, and the 10-digit serial number of the device (ID shown on the box). Then the system generates and sends to the MyKi™ device a 4-character code after the user selects a designated button "Security code" in the application. The user enters the code in the app, chooses a name for the watch and fills in the phone number of the SIM card inserted in the MyKi™ device. This warrants the communication of the kid with strictly limited circle of people.
- For the voice communication we are using the standard mobile carriers' technology, without any deviation whatsoever – this guarantees it to be as secure as a regular mobile phone call.
- Control over the device is possible only over the application; the parents are the only one with access to it, while on a server side, as previously explained, we are performing all measurements for preventing unauthorized access.
- Leaving the service is as easy as deleting the app from the phone.

As a conclusion, Allterco Robotics understands the importance of protecting children's sensitive information and applies highest internal policies to ensure the data privacy and safety of children.

About Allterco Robotics:

Allterco Robotics is a Bulgarian company, part of ALLTERCO holding. The company is engaged in the development of innovative IoT solutions and products. At the moment, the main development lines are two - smart localization devices MyKi™, such as the MyKi™ children watch, and home automation systems. The company has the ambition to expand its product range with new and innovative developments.

About ALLTERCO:

ALLTERCO Holding is a leader in the telecommunication industry in Eastern Europe with over 20 years of experience in the segment of mobile value-added services (MVAS), provides branded B2B products and services for Mobile carriers, and on the another provides services for Banks and Bank institutions, makes it reliable and trustful partner.



The company is with 100% Bulgarian ownership, has more than 100 employees and offices in Bulgaria, Romania, Macedonia, Singapore, Malaysi, Thailand and the USA, and offers its services and products in more than 10 other countries.

ALLTERCO unites 12 companies. TERACOMM and Teravoice are leaders in value-added telecom services, mobile marketing, SMS promotions and SMS games in Bulgaria. ALLTERCO Robotics is an innovative solutions company, specializing in the IoT sector. The main part of the products of the companies in the group of Allterco AD are developed and maintained by the Bulgarian office of the company.

The consolidated revenue of the holding for 2016 amounts to over BGN 23 million. Since December 1, 2016, the shares of Allterco AD are traded on the Bulgarian Stock Exchange.