

**Aura Smart Air Ltd.**  
**(the "Company")**

This is an English translation of a Hebrew report of the company, that was published on August 14, 2022 (reference No. 2022-01-102652) at the ISA reporting website ([magna.isa.gov.il](http://magna.isa.gov.il)) (hereafter: "The Hebrew Version"). The English version is only for convenience purposes. This is not an official translation and has no binding force. The translation in any case cannot perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

August 14, 2022

Attn:

The Securities Authority

[www.isa.gov.il](http://www.isa.gov.il)

Attn:

The Tel Aviv Stock Exchange Ltd.

[www.tase.co.il](http://www.tase.co.il)

**Re: Contacts with Beth-El Industries**

The company respectfully updates that it has entered negotiations with its supplier, Beth-El Industries Ltd. ("**Beth-El**"), regarding the settlement of certain conditions pertaining to the production and supply agreement between the company and Beth-El, including payment terms and debt settlement.

The aforementioned negotiations are carried out further to the parties' mutual claims - the company's allegations of Beth-El's non-compliance with certain obligations; and Beth-El's allegations vs. the company, which were also expressed in a letter received by the company on August 4th, 2022. In the letter, Beth-El claims that the company allegedly owes it a substantial amount of money that has reached its due date (it should be clarified that there is a dispute over this issue, which is currently under discussion between the parties) and that the company is in fundamental breach of additional obligations towards Beth-El.

Within the framework of the contacts between the parties, Beth-El announced on August 14, 2022 its willingness to suspend its letter if the company pays a certain amount it offered in the near future. The company also intends to discuss this matter with Beth-El. The company, on its part, has chosen at this stage not to raise its claims in a legal letter but exhaust the commercial discussions between the parties.

It should be emphasized that as of the date of this report, Beth-El continues to supply the company's products it manufactures based upon Cash On Delivery payment terms.

For more details about the agreement with Beth-El and its status as the company's supplier, see section 20.1 of the company's periodic report for December 31, 2021 (which was published on March 15, 2022, reference number: 2022-01-030457).

Sincerely

Aura Smart Air Ltd.

By: Aviad Shneiderman, CEO