

Update Report

June 14, 2020



Significant partnerships for all Foresight entities including Rail Vision with a first order of 500k euros; Target price unchanged

Stock Exchange:
NASDAQ /TASE

Symbol: FRSX

Sector: Technology

Sub-sector:
Software / Internet

Stock Price Target: NIS
1.9
ADS Price Target: USD
2.77
(*5 Shares = 1 ADS)

As of June 14, 2020
(source: TASE):

Closing Price: 0.80 NIS
Market Cap: 207M NIS
of Shares: 258.5M
Average Daily Trading Volume (3M): 1,069 shares
YTD Return: 12.66%

Dr. Tiran Rothman - Lead Analyst

Equity.Research@frost.com
Tel.: +972-9-9502888
frost.com/EquityResearch

Company Overview

Foresight Autonomous Holdings Ltd. (NASDAQ and TASE: FRSX), is a technology company engaged, through its wholly-owned subsidiaries, **Foresight Automotive Ltd. and Eye-Net Mobile Ltd.**, in developing both “in-line-of-sight” vision systems and “beyond-line-of-sight” cellular-based applications. Foresight’s vision sensor is a four-camera stereo system based on 3D video analysis. Eye-Net Mobile’s cellular-based application is a V2X (vehicle-to-everything) accident prevention solution based on real-time spatial analysis of clients’ movement. The company’s systems are designed to improve driving safety by enabling highly accurate and reliable threat detection while ensuring the lowest rates of false alerts. **FRSX is also a 24.12% shareholder in Rail Vision Ltd.**, a leading provider of vision technology for the railway industry.

Highlights

Foresight - completed Q1 2020 with several developments (full details in body of report):

- **FLIR Systems** – On April 2nd, 2020 Foresight announced the signing of an agreement with FLIR Systems Inc. (Nasdaq: FLIR). According to the agreement, the parties will establish a strategic cooperation plan for the development, marketing and distribution of Foresight’s QuadSight® vision system, combined with FLIR Systems’ infrared cameras, to a wide range of prospective customers.
- **Horizon 2020 Consortium** - On May 15th, Foresight joined the leading global industry Consortium for the Development of Autonomous Heavy-Duty Vehicles. The consortium submitted an application for a grant to the European Commission (Horizon 2020). The total amount of the grant is expected to total 20 million Euro, of which Foresight is expected to receive approximately one million USD. The consortium includes Continental, Terberg, and EasyMile, amongst others. Foresight was selected to provide its QuadSight® vision solution, using FLIR thermal infrared cameras.
- **Prototype system sales** – Foresight received multiple orders, the most recent in May from a leading European Tier One supplier of commercial vehicles in the autonomous truck market.
- **COVID-19 screening solution** - On June 5th, the Company announced that it has started developing a mass screening solution for the detection of COVID-19 symptoms based on its native technology.

Eye-Net Mobile – On March 31st, 2020 Eye-Net Mobile announced a partnership with NoTraffic, an autonomous traffic management platform to which Eye-Net can provide additional layers of traffic awareness, increase traffic efficiency and prevent accidents.

Rail Vision - On April 27th, 2020 Rail Vision announced that received its first order for 500K Euro from a leading European train operator that could in turn lead to multiple major orders.

Strategically, the Company will leverage its 2019 success milestones to reach Co-development agreements in 2020. In response to COVID-19, as of March 2020, Foresight has taken decisive action to reduce its monthly cash burn. We assume little impact and further growth into H2 2020. The agreement with FLIR will offer Foresight the ability to work directly with OEMs and Tier 1’s and open new opportunities for its technology. The inclusion in the heavy-duty autonomous vehicle development consortium and deal with a tier one supplier in this domain is testimony to Foresight’s substantial opportunity in this market.

Foresight has sold several systems for testing to leading OEMs and Tier One suppliers in the US, Europe, China, Israel, and Japan. For all details see [Initiation Report](#). **Financially**, Foresight ended Q1 2020 with \$6.8 million in cash and short-term deposits. This amount excludes gross proceeds of an aggregate of \$14 million from previously announced offerings that closed in April, May, and June at a market discount. We assume the company has enough funds to support its activity through 2021. **We maintain our evaluation for Foresight at an average price of 1.9NIS**

We present our P&L forecast for 2019-2025 below:

\$, 000	2019A	2020E	2021E	2022E	2023E	2024E	2025E
Total revenues	0	1,121	6,576	24,017	84,886	148,290	228,665
Operating (loss) profit	-15,029	-13,696	-15,617	-12,845	4,864	28,715	58,565

*Data presented above is based on non GAAP

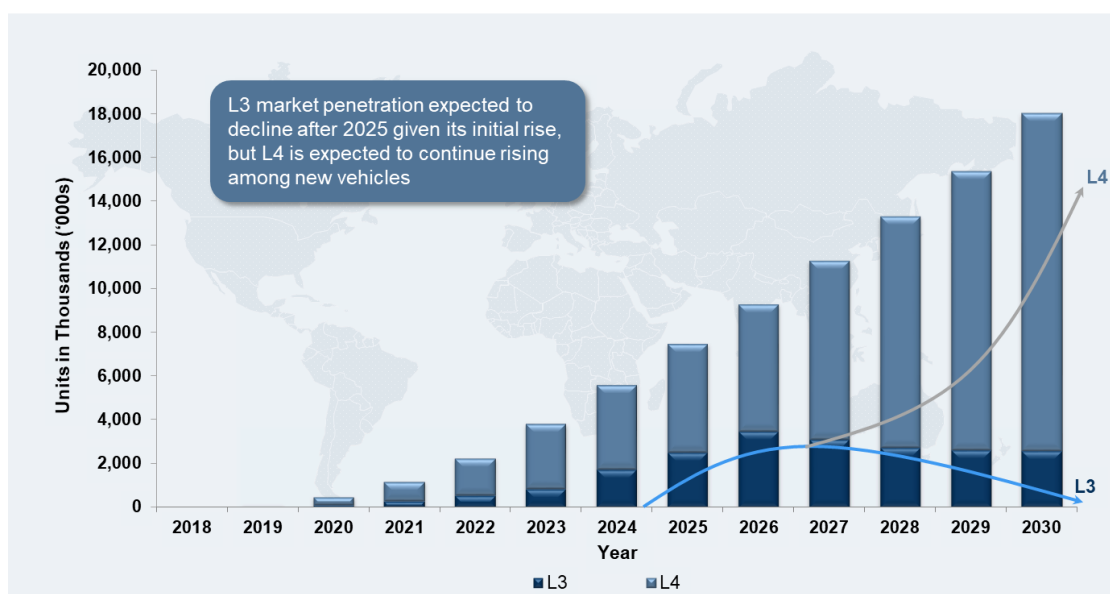
Executive Summary

Investment Thesis

Foresight Autonomous Holdings Ltd. (NASDAQ and TASE: FRSX) is a technology company engaged, through its wholly-owned subsidiaries, Foresight Automotive Ltd. and Eye-Net Mobile Ltd., in developing both “in-line-of-sight” vision systems and “beyond-line-of-sight” cellular-based applications. Foresight’s vision sensor is a four-camera system based on 3D video analysis. Eye-Net Mobile’s cellular-based application is a V2X (vehicle-to-everything) accident prevention solution based on real-time spatial analysis of clients’ movement. The company’s systems are designed to improve driving safety by enabling highly accurate and reliable threat detection while ensuring the lowest rates of false alerts. FRSX is also a 24.12% shareholder in Rail Vision Ltd., a leading provider of cutting-edge cognitive vision sensor technology and safety systems for the railway industry.

The autonomous driving market is going through a state of transition, crossing the initial hype cycle into one that is more pragmatic and ROI-centric. OEMs and major investors are re-calibrating their strategies based on identifying technologies that can help address their short-term needs while also fitting in with their long-term vision roadmap for autonomous driving.

Market Volume of Automated Vehicles, Global, 2018–2030



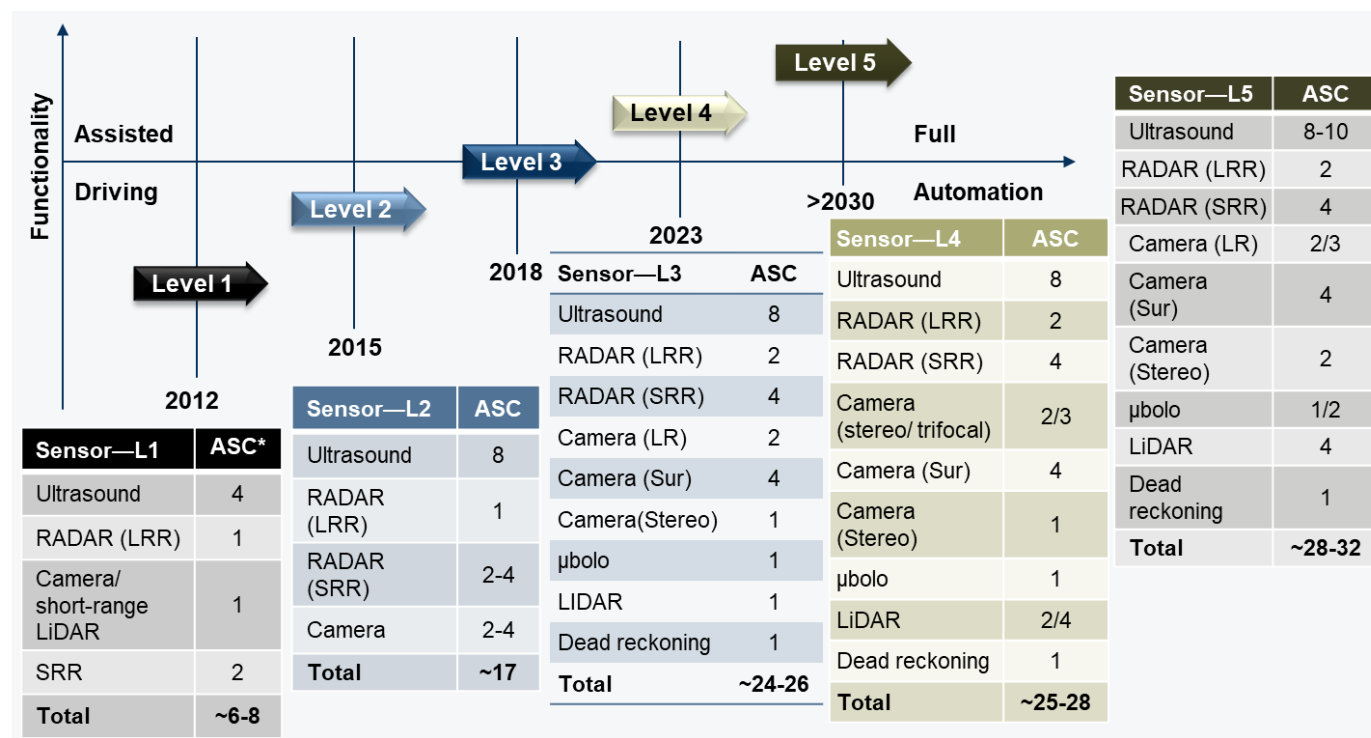
Note: All figures are rounded. The base year is 2018. Source: Frost & Sullivan

In the short term, most major OEMs are looking at business models and use cases that are hyper geo-localized and can bring cost benefits to current operating models that can be displaced. Robo-taxis, shuttles, and urban logistics are expected to be the most lucrative of these geo-localized business models, with Frost & Sullivan valuing these markets at over \$200Bn globally by 2030. While the long-term business models are uncertain, the technology selection for these short-term use cases is now considered with scale and reusability in mind.

In order to identify the ROI on any of the future business models in autonomous driving, it is critical to understand the technology cost associated with this, and this is where the biggest challenge with the industry resides. Lack of clear identification of the number of hardware modules required to provide vehicle autonomy along with the growing concern of software costs is mounting the overall estimations of operating autonomous vehicle business models.

Below we present current and future technologies and where Foresight is positioned:

Sensor Fusion Strategies: Levels of Autonomous Driving with Sensors Requirements, Global, 2019-25



*Average sensor count in respective levels; µbolo: thermal camera/IR sensor for night vision

It is now a critical point for OEMs and other service providers to identify systems that are robust yet cost effective and capable of operating in varying environments. Beyond these hardware requirements, OEMs will also require a level of flexibility at the software and supply chain level due to the lack of maturity of this value chain. **The need of the hour is to have software modules that are cross functional with other sensors in the vehicle while having the flexibility to be procured either as processed information blocks from sensors or as raw data points depending on the overall data fusion strategy of the OEM. In essence, to create software that the OEMs can adapt to their needs and not a “black box” solution.**

Addressing the confluence of these two challenges faced by the automotive industry of needing robust and cost effective sensors, along with flexible and cross functional software would be a key value proposition for any autonomous driving technology supplier, and this is where Foresight positions itself as a strategic fit to a diverse set of potential clients. Their combined stereo visible-light and infrared (IR) sensor-based system meets a wide range of vision-related requirements by OEMs that include object detection under diverse driving conditions from fair to harsh weather and provides a 3D point cloud of data that is critical for aspects like localization and object classification. Furthermore, by offering three diverse engagement models, from software licensing, to a system on a chip, as well as a fully integrated model, Foresight provides the desired flexibility to the value chain enabling them to work with a diverse array of clients from OEMs, to chip providers.

Thus we view the investment in Foresight Autonomous as a unique opportunity to invest in a game-changing start up firm in a relatively old school eco-system with three different investment opportunities: autonomous cars, trains, and cellular-based accident prevention solutions.

Timeline of Foresight Automotive significant milestones

Upcoming Potential Catalysts

	Event	Significance	Timeline
Foresight Automotive	1. Commercial order from Elbit to implement Foresight's technology into Elbit's solutions and products	High	H2 2020
	2. Initiate a POC with an OEM/ Tier One for tailoring the QuadSight system to the customer's requirements	High	H2 2020
Rail Vision	3. Rail Vision 1 st commercial order	High	H1 2020✓
Eye-Net Mobile	4. SDK development completion for Eye-Net	Med	Q1 2020✓
	5. Cooperation / integration with a leading mobility application for up to 1 million users for Eye-Net	High	Q3 2020

Q2 2020 Highlights

- June 5th, 2020 - Foresight announced that it has started developing a mass screening solution for the detection of COVID-19 symptoms based on visible-light and thermal cameras. In addition, the Company has submitted a patent application to the U.S. Patent and Trademark Office for a system and method for detection of people infected with the COVID-19 virus. Based on the Company's extensive knowledge using FLIR thermal cameras, artificial intelligence (AI) and advanced algorithms, the system is designed to rapidly and accurately detect some of the main symptoms associated with the COVID-19 virus. Foresight's expertise in automotive vision systems and advanced algorithms will be applied to detect symptoms of COVID-19 including cough and signs of fatigue, in addition to high body temperature, thus increasing the likelihood of accurate detection and potentially eliminating false positive results. These symptoms can be identified by using the Company's intellectual property that combines both visible-light and thermal cameras.
- May 15th, 2020 - Foresight announced that it has joined the All Weather Autonomous Real logistics operations and Demonstrations (AWARD) consortium. The AWARD consortium submitted an application to the European Commission (Horizon 2020) to win funding for a large-scale project aimed at bringing disruptive change to the trucking industry, fleet operators, and the entire logistics sector. The total amount of the grant is expected to total 20 million Euro, of which Foresight is expected to receive approximately one million USD. Upon grant award, the project will be rolled out in 2021 for a period of 3 years. Coordinated by EasyMile, the AWARD consortium consists of 29 partners including industry leaders such as Continental (one of the biggest automotive suppliers and expert for automated driving technologies), Terberg (specialist heavy vehicle manufacturer), and Applied Autonomy (leading provider of Smart Fleet Management systems for connected autonomous vehicles). The group seeks to develop and operate safe autonomous heavy-duty vehicles in harsh weather conditions in a variety of different scenarios.
- May 7th, 2020 – Foresight announced the sale of a prototype of its QuadSight® four-camera vision system to a leading, multi-billion dollar European Tier One supplier of subsystems for rail and commercial vehicles. The sale followed successful live technological demonstrations in Germany. This first prototype sale to the autonomous truck market validates the need for Foresight's technology within this market segment. The addition of advanced driver assistance systems (ADAS) and autonomous features and capabilities to autonomous trucks enables them to successfully operate without interruption during harsh weather and

poor lighting conditions such as fog, heavy rain or snow. The QuadSight four-camera vision system provides highly accurate vision sensors that address the need for these vehicles to detect any obstacle and enable safe driving at all times in challenging weather.

- April 27th, 2020 – Foresight’s affiliate Rail Vision received its first commercial order from a leading European train operator totaling 500K Euro. The order consists of purchasing an Assisted Remote Shunting prototype system and an Operational Functional Test (OFT) for a total value of approximately 500,000 Euro. A commercial agreement with the leading European train operator detailing future phases is expected to be signed in the upcoming weeks. A successful testing of Rail Vision’s Assisted Remote Shunting prototype could entail the purchase of approximately 30 shunting yard systems for an additional 2.5 million Euro. The European train operator may also choose to exercise its option to purchase an additional 45 shunting yard systems for a total value of 3.5 million Euro.
- April 2nd, 2020 - Foresight announced the signing of an agreement with FLIR Systems Inc. (Nasdaq: FLIR). FLIR is the world’s largest and leading commercial company specializing in the design and production of thermal imaging cameras, components, and imaging sensors. According to the agreement, the parties will establish a strategic cooperation plan for the development, marketing and distribution of Foresight’s QuadSight® vision system, combined with FLIR Systems’ infrared cameras, to a wide range of prospective customers. As part of the agreement, Foresight will exclusively purchase its thermal cameras from FLIR for all systems to be commercialized worldwide. Foresight will participate in the "Thermal by FLIR" program, a cooperative product development, marketing and product supply program that supports original equipment manufacturers (OEMs) and product innovators who use FLIR thermal imaging sensors in their products. As part of the program, Foresight will include the FLIR brand on its products. Current "Thermal By FLIR" partners include Panasonic, Bullitt Group, Blackview and other multinational companies.
- March 30th, 2020 - Foresight announced that its wholly owned subsidiary, Eye-Net Mobile Ltd., has signed a collaboration agreement with NoTraffic Ltd. NoTraffic developed a novel and proprietary Autonomous Traffic Management Platform that is gradually being integrated in major cities. The platform enables cities for the first time to intelligently implement their traffic policy in a seamless way and operate autonomously in order to maximize traffic flow, reduce congestion, prioritize different types of vehicles, and prevent accidents. Eye-Net provides additional layers of traffic awareness that increase the traffic efficiency of the NoTraffic system and prevent accidents. In addition, Eye-Net Mobile completed a technological infrastructure development that enables automatic real-time informative notifications about cyclists and motorcyclists that are up ahead, even if they are out of the driver’s direct line of sight.
- February 18th, 2020 - Foresight received an order for the QuadSight® system prototype from a multi-billion dollar Japanese vehicle manufacturer. The OEM ordered the system immediately after participating in successful technological demonstrations in Japan. Rapid delivery of the system was requested, indicating an existing market need.
- January 2020 - Eye-Net Mobile presented the SDK configuration of its Eye-Net™ Protect accident prevention solution for the first time at CES 2020. An SDK configuration indicates commercial engagement readiness and will allow Eye-Net Mobile to integrate its solution with leading location-based applications, such as navigation, ridesharing, parking and fitness applications.

Q1 Financial Highlights:

- Research and development (R&D) expenses for the three months ended March 31, 2020 were \$2,341,000, compared to \$2,070,000 in the three months ended March 31, 2019. The increase is attributed mainly to an increase in payroll and related expenses, offset by a decrease in subcontracted services.
- General and administrative (G&A) expenses for the three months ended March 31, 2020 were \$660,000, compared to \$908,000 in the three months ended March 31, 2019. The decrease is attributed primarily to payroll and related expenses and a decrease in professional services.
- GAAP net loss for the three months ended March 31, 2020 was \$4,049,000, or \$0.026 per ordinary share, compared to a GAAP net loss of \$3,315,000, or \$0.025 per ordinary share, in the first quarter of 2019. The increase is attributed primarily to equity in net loss of an affiliated company.
- Non-GAAP net loss for the three months ended March 31, 2020 was \$3,894,000, or \$0.025 per ordinary share, compared to a non-GAAP net loss of \$3,548,000, or \$0.03 per ordinary share, in the three months ended March 31, 2019.
- A reconciliation between GAAP net loss and non-GAAP net loss is provided in the financial statements that are part of this release. Non-GAAP results exclude the effect of stock-based compensation expenses. Balance Sheet Highlights
- Cash and short-term deposits totaled \$6.8 million as of March 31, 2020, compared to \$10.1 million on December 31, 2019.
- Investments in our affiliated company Rail Vision Ltd. totaled \$5.9 million as of March 31, 2020, compared to \$6.7 million as of December 31, 2019. The decrease is attributed primarily to equity in net loss of Rail Vision's results in first quarter of 2020.
- GAAP and Non GAAP shareholders' equity totaled \$12.4 million as of March 31, 2020, compared to \$16.3 million and \$16.6 million, respectively, as of December 31, 2019.

Appendices - Financial Statements

FORESIGHT AUTONOMOUS HOLDINGS LTD. **INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS** U.S. dollars in thousands

	As of March 31, 2020	As of March 31, 2019	As of December 31, 2019
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,584	\$ 8,954	\$ 4,827
Short term deposits	4,237	10,323	5,233
Marketable equity securities	66	20	23
Other investments	-	345	-
Other receivables	352	488	613
Total current assets	7,239	20,130	10,696
Non-current assets:			
ROU asset	1,225	1,493	1,278
Investment in affiliate company	5,983	7,478	6,729
Fixed assets, net	571	756	631
	7,779	9,727	8,638
Total assets	\$ 15,018	\$ 29,857	\$ 19,334
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current liabilities:			
Trade payables	\$ 165	\$ 404	\$ 498
Operating lease liability	391	400	411
Other accounts payables	1,149	1,155	1,130
Total current liabilities	1,705	1,959	2,039
Non-current liabilities:			
Operating lease liability	919	1,189	1,007
			-
Total liabilities	2,624	3,148	3,046
Shareholders' equity:			
Common stock of NIS 0 par value;	-	-	-
Additional paid-in capital	65,836	63,978	65,681
Accumulated deficit	(53,442)	(37,269)	(49,393)
Total shareholders' equity	12,394	26,709	16,288
Total liabilities and shareholders' equity	\$ 15,018	\$ 28,857	\$ 19,334

FORESIGHT AUTONOMOUS HOLDINGS LTD. **INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE** **LOSS** U.S. dollars in thousands

	Three months ended March 31,	
	2020	2019
Research and development expenses, net	\$ (2,341)	\$ (2,070)
Marketing and sales	(433)	(598)
General and administrative expenses	(660)	(908)
Operating loss	(3,434)	(3,576)
Equity in net loss of an affiliated company	(746)	(90)
Financing income, net	131	351
Net loss	\$ (4,049)	\$ (3,315)

About Frost & Sullivan

Frost & Sullivan* is a leading global consulting, and market & technology research firm that employs staff of 1,800, which includes analysts, experts, and growth strategy consultants at approximately 50 branches across 6 continents, including in Herzliya Pituach, Israel. Frost & Sullivan's equity research utilizes the experience and know-how accumulated over the course of 55 years in medical technologies, life sciences, technology, energy, and other industrial fields, including the publication of tens of thousands of market and technology research reports, economic analyses and valuations. For additional information on Frost & Sullivan's capabilities, visit: www.frost.com. For access to our reports and further information on our Independent Equity Research program visit www.frost.com/equityresearch.

*Frost & Sullivan Research and Consulting Ltd., a wholly owned subsidiary of Frost & Sullivan, is registered and licensed in Israel to practice as an investment adviser.

What is Independent Equity Research?

Nearly all equity research is nowadays performed by stock brokers, investment banks, and other entities which have a financial interest in the stock being analyzed. On the other hand, Independent Equity Research is a boutique service offered by only a few firms worldwide. The aim of such research is to provide an unbiased opinion on the state of the company and potential forthcoming changes, including in their share price. The analysis does not constitute investment advice, and analysts are prohibited from trading any securities being analyzed. Furthermore, a company like Frost & Sullivan conducting Independent Equity Research services is reimbursed by a third party entity and not the company directly. Compensation is received up front to further secure the independence of the coverage.

Analysis Program with the Tel Aviv Stock Exchange (TASE)

Frost & Sullivan is delighted to have been selected to participate in the Analysis Program initiated by the Tel Aviv Stock Exchange Analysis (TASE). Within the framework of the program, Frost & Sullivan produces equity research reports on Technology and Biomed (Healthcare) companies that are listed on the TASE, and disseminates them on exchange message boards and through leading business media channels. Key goals of the program are to enhance global awareness of these companies and to enable more informed investment decisions by investors that are interested in "hot" Israeli Hi-Tech and Healthcare companies. The terms of the program are governed by the agreement that we signed with the TASE and the Israel Securities Authority (ISA) regulations.

For further inquiries, please contact our lead analyst:

Dr. Tiran Rothman T: +972 (0) 9 950 2888 E: equity.research@frost.com

Disclaimers, disclosures, and insights for more responsible investment decisions

Definitions: "Frost & Sullivan" – A company registered in California, USA with branches and subsidiaries in other regions, including in Israel, and including any other relevant Frost & Sullivan entities, such as Frost & Sullivan Research & Consulting Ltd. ("FSRC"), a wholly owned subsidiary of Frost & Sullivan that is registered in Israel – as applicable. "The Company" or "Participant" – The company that is analyzed in a report and participates in the TASE Scheme; "Report", "Research Note" or "Analysis" – The content, or any part thereof where applicable, contained in a document such as a Research Note and/or any other previous or later document authored by "Frost & Sullivan", regardless if it has been authored in the frame of the "Analysis Program", if included in the database at www.frost.com and regardless of the Analysis format-online, a digital file or hard copy; "Invest", "Investment" or "Investment decision" – Any decision and/or a recommendation to Buy, Hold or Sell any security of The Company.

The purpose of the Report is to enable a more informed investment decision. Yet, nothing in a Report shall constitute a recommendation or solicitation to make any Investment Decision, so Frost & Sullivan takes no responsibility and shall not be deemed responsible for any specific decision, including an Investment Decision, and will not be liable for any actual, consequential, or punitive damages directly or indirectly related to The Report. Without derogating from the generality of the above, you shall consider the following clarifications, disclosure recommendations, and disclaimers. The Report does not include any personal or personalized advice as it cannot consider the particular investment criteria, needs, preferences, priorities, limitations, financial situation, risk aversion, and any other particular circumstances and factors that shall impact an investment decision. Nevertheless, according to the Israeli law, this report can serve as a *raison d'être* off which an individual/entity may make an investment decision.

Frost & Sullivan makes no warranty nor representation, expressed or implied, as to the completeness and accuracy of the Report at the time of any investment decision, and no liability shall attach thereto, considering the following among other reasons: The Report may not include the most updated and relevant information from all relevant sources, including later Reports, if any, at the time of the investment decision, so any investment decision shall consider these; The Analysis considers data, information and assessments provided by the company and from sources that were published by third parties (however, even reliable sources contain unknown errors from time to time); the methodology focused on major known products, activities and target markets of the Company that may have a significant impact on its performance as per our discretion, but it may ignore other elements; the Company was not allowed to share any insider information; any investment decision must be based on a clear understanding of the technologies, products, business environments, and any other drivers and restraints of the company's performance, regardless if such information is mentioned in the Report or not; an investment decision shall consider any relevant updated information, such as the company's website and reports on Magna; information and assessments contained in the Report are obtained from sources believed by us to be reliable (however, any source may contain unknown errors. All expressions of opinions, forecasts or estimates reflect the judgment at the time of writing, based on the Company's latest financial report, and some additional information (they are subject to change without any notice). You shall consider the entire analysis contained in the Reports. No specific part of a Report, including any summary that is provided for convenience only, shall serve per se as a basis for any investment decision. In case you perceive a contradiction between any parts of the Report, you shall avoid any investment decision before such contradiction is resolved. Frost and Sullivan only produces research that falls under the non-monetary minor benefit group in MiFID II. As we do not seek payment from the asset management community and do not have any execution function, you are able to continue receiving our research under the new MiFID II regime. This applies to all forms of transmission, including email, website and financial platforms such as Bloomberg and Thomson.

Risks, valuation, and projections: Any stock price or equity value referred to in The Report may fluctuate. Past performance is not indicative of future performance, future returns are not guaranteed, and a loss of original capital may occur. Nothing contained in the Report is or should be relied on as, a promise or representation as to the future. The projected financial information is prepared expressly for use herein and is based upon the stated assumptions and Frost & Sullivan's analysis of information available at the time that this Report was prepared. There is no representation, warranty, or other assurance that any of the projections will be realized. The Report contains forward-looking statements, such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions. Undue reliance should not be placed on the forward-looking statements because there is no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, they involve inherent risks and uncertainties. Forward-looking information or statements contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from current projections. Macro level factors that are not directly analyzed in the Report, such as interest rates and exchange rates, any events related to the eco-system, clients, suppliers, competitors, regulators, and others may fluctuate at any time. An investment decision must consider the Risks described in the Report and any other relevant Reports, if any, including the latest financial reports of the company. R&D activities shall be considered as high risk, even if such risks are not specifically discussed in the Report. Any investment decision shall consider the impact of negative and even worst case scenarios. Any relevant forward-looking statements as defined in Section 27A of the Securities Act of 1933 and Section 21E the Securities Exchange Act of 1934 (as amended) are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

TASE Analysis Scheme: The Report is authored by Frost & Sullivan Research & Consulting Ltd. within the framework of the Analysis Scheme of the Tel Aviv Stock Exchange ("TASE") regarding the provision of analysis services on companies that participate in the analysis scheme (see details: www.tase.co.il/LPages/TechAnalysis/Tase_Analysis_Site/index.html, www.tase.co.il/LPages/InvestorRelations/english/tase-analysis-program.html), an agreement that the company has signed with TASE ("The Agreement") and the regulation and supervision of the Israel Security Authority (ISA). FSRC and its lead analyst are licensed by the ISA as investment advisors. Accordingly, the following implications and disclosure requirements shall apply.

The agreement with the Tel-Aviv Stock Exchange Ltd. regarding participation in the scheme for research analysis of public companies does not and shall not constitute an agreement on the part of the Tel-Aviv Stock Exchange Ltd. or the Israel Securities Authority to the content of the Equity Research Notes or to the recommendations contained therein.

As per the Agreement and/or ISA regulations: A summary of the Report shall also be published in Hebrew. In the event of any contradiction, inconsistency, discrepancy, ambiguity or variance between the English Report and the Hebrew summary of said Report, the English version shall prevail. The Report shall include a description of the Participant and its business activities, which shall inter alia relate to matters such as: shareholders; management; products; relevant intellectual property; the business environment in which the Participant operates; the Participant's standing in such an environment including current and forecasted trends; a description of past and current financial positions of the Participant; and a forecast regarding future developments and any other matter which in the professional view of Frost & Sullivan (as defined below) should be addressed in a research Report (of the nature published) and which may affect the decision of a reasonable investor contemplating an investment in the Participant's securities. An equity research abstract shall accompany each Equity Research Report, describing the main points addressed. A thorough analysis and discussion will be included in Reports where the investment case has materially changed. Short update notes, in which the investment case has not materially changed, will include a summary valuation discussion. Subject to the agreement, Frost & Sullivan Research & Consulting Ltd. is entitled to an annual fee to be paid directly by the TASE. The fees shall be in the range of 25 to 50 thousand USD per each participant. Each participant shall pay fees for its participation in the Scheme directly to the TASE.

The named lead analyst and analysts responsible for this Report certify that the views expressed in the Report accurately reflect their personal views about the Company and its securities and that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendation or view contained in the Report. Neither said analysts nor Frost & Sullivan trade or directly own any securities in the company. The lead analyst has a limited investment advisor license for analysis only.

© 2020 All rights reserved to Frost & Sullivan and Frost & Sullivan Research & Consulting Ltd. Any content, including any documents, may not be published, lent, reproduced, quoted or resold without the written permission of the companies.