

# FORESIGHT

## Foresight - Update Report

June 13<sup>th</sup>, 2021



Stock Exchange  
**TASE, NASDAQ**



Symbol  
**FRSX**



Sector  
**Technology**



Sub-sector  
**Software / Internet**



Stock price target  
**NIS 3.7; \$5.5 ADS**



Closing price  
**NIS 3.11**



Market cap  
**NIS 1,003 Mn**



No. of shares  
**322.2 Mn**



Average Daily Trading Volume  
**4,273 stocks**



Stock Performance  
(3 months)  
**-31%**

**Company is on track with its technological progress with a strong financial position following multiple successful capital raises during 2020; First POC with a leading European car manufacturer; price target unchanged**

**Strategically**, the Company will leverage its business and technology milestones to reach co-development agreements in 2021. 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 European 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 Cash and cash equivalents and short-term deposits totaled \$56.5 million as of March 31, 2021. We assume the company has enough funds to support its activity through 2023.

**On the next page, we present the main events in the past months of 2021.**

Year	Revenues (000 \$)	Operating profit (000 \$)
2020A	0	(12.8)
2021E	1.1	(14.2)
2022E	6.6	(16.3)



## Foresight

June 12<sup>th</sup>, 2021

### Key events in the fourth quarter (2020) and the passing months of 2021:

#### Foresight:

- Foresight ended the first quarter of 2021 with \$56.5 million in cash and short-term deposits.
- The Company reported GAAP net loss of \$4.4 million for the first quarter of 2021, and non-GAAP net loss for the same period of \$3.2 million.
- On June 9<sup>th</sup>, 2021, Foresight announced a first QuadSight® prototype sale to a leading global manufacturer of agricultural and construction equipment. The manufacturer will evaluate Foresight's thermal stereoscopic capabilities, designed to bring added value to precision agriculture and automated navigation.
- On May 28<sup>th</sup>, 2021 Foresight announced the signing of a joint proof of concept (POC) project with an American subsidiary of a leading European passenger car manufacturer. The project is meant to test Foresight's stereoscopic technology abilities to enhance the vehicle manufacturer's existing active safety features without requiring additional sensors and infrastructure.
- On March 19<sup>th</sup>, 2021, Foresight engaged with a leading global manufacturer of automotive stereo vision systems for QuadSight® sale. The Japanese manufacturer purchased a QuadSight® system prototype for possible enhancement of its current stereo system capabilities.

#### Eye-Net Mobile:

- Eye-Net Mobile intends to pursue a potential listing on the Nasdaq Stock Market.
- On April 21st, 2021, Eye-Net signed a distribution agreement with WebSIA Soluções Disruptivas, Inteligências Associadas, Tecnologia e Serviços Ltda., a Brazilian distributor, developer and integrator focused on cutting-edge technologies, to promote and sell the Eye-Net™ Protect accident prevention solution and serve as Eye-Net's distributor in the city of Sao Paulo.
- On March 17<sup>th</sup>, 2021, Eye-Net has signed its first commercial agreement with SaverOne, a leading technology company that offers a prevention system for distracted driving. The Eye-Net™ Protect accident prevention solution will be integrated with SaverOne's product, designed to prevent the use of texting applications by the driver while the vehicle is in motion.
- On March 12<sup>th</sup>, 2021, Eye-Net successfully completed a trial with a top global vehicle manufacturer. The trial is part of a pilot project with the Japanese vehicle manufacturer for possible integration into the vehicle manufacturer's smart city project.
- In February 2021, Eye-Net signed an agreement with WunderCar Mobility Solutions for the inclusion of its Eye-Net™ Protect solution in Wunder Mobility's Marketplace online platform. This agreement delivers a technology-based solution to mobility providers seeking to protect road users in the shared urban environment.

**Rail Vision:**

- On May 5<sup>th</sup>, 2021, Rail Vision announced the signing of an agreement to supply a prototype to Rio Tinto Railway Network. Rio Tinto is looking to enhance the current collision detection system of its AutoHaul® long-distance rail network by using Rail Vision's collision-avoidance technology.
- On December 11<sup>th</sup>, 2020, Rail Vision Ltd Rail Vision entered the multi-billion-dollar electrically powered light rail vehicle market with an order for two system samples from Knorr-Bremse. Additionally, Knorr-Bremse ordered the customization of system features according to its requirements. Revenue from the sale is expected to total approximately 400,000 Euro.

## Executive Summary

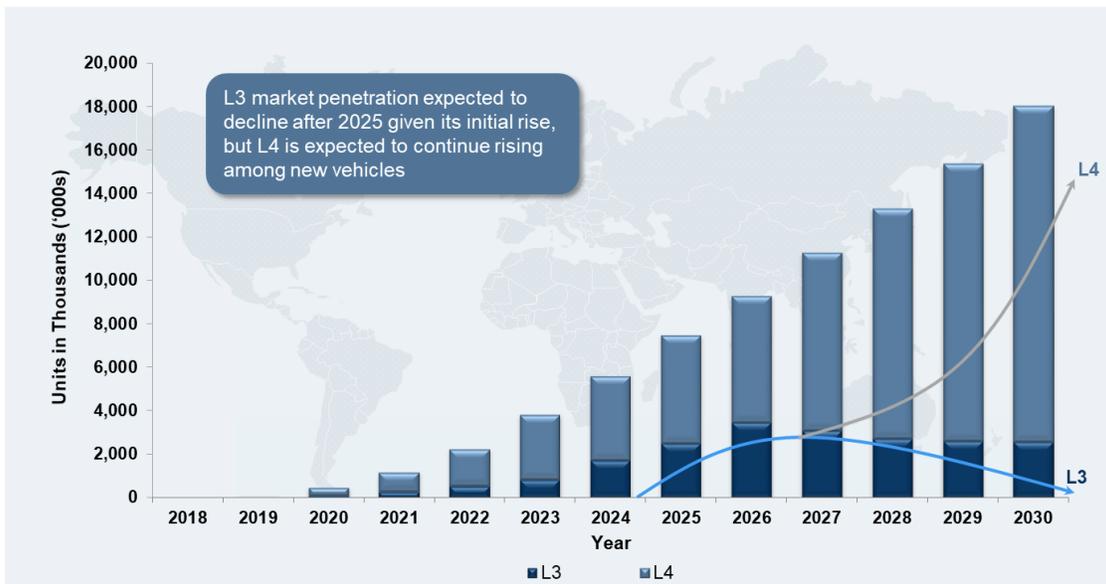
### Investment Thesis

Foresight Autonomous Holdings Ltd. (NASDAQ and TASE: FRSX) is a technology developing smart multi-spectral vision software solutions and cellular-based applications. Through the company’s wholly owned subsidiaries, Foresight Automotive Ltd. and Eye-Net Mobile Ltd., Foresight develops both “in-line-of-sight” vision systems and “beyond-line-of-sight” accident-prevention solutions.

Foresight’s vision solutions include modules of automatic calibration, sensor fusion and dense 3D point cloud that can be applied to different markets such as automotive, defense, autonomous vehicles and heavy industrial equipment. Eye-Net Mobile’s cellular-based solution suite provides real-time pre-collision alerts to enhance road safety and situational awareness for all road users in the urban mobility environment by incorporating cutting-edge AI technology and advanced analytics.. FRSX is also a 19.36% 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



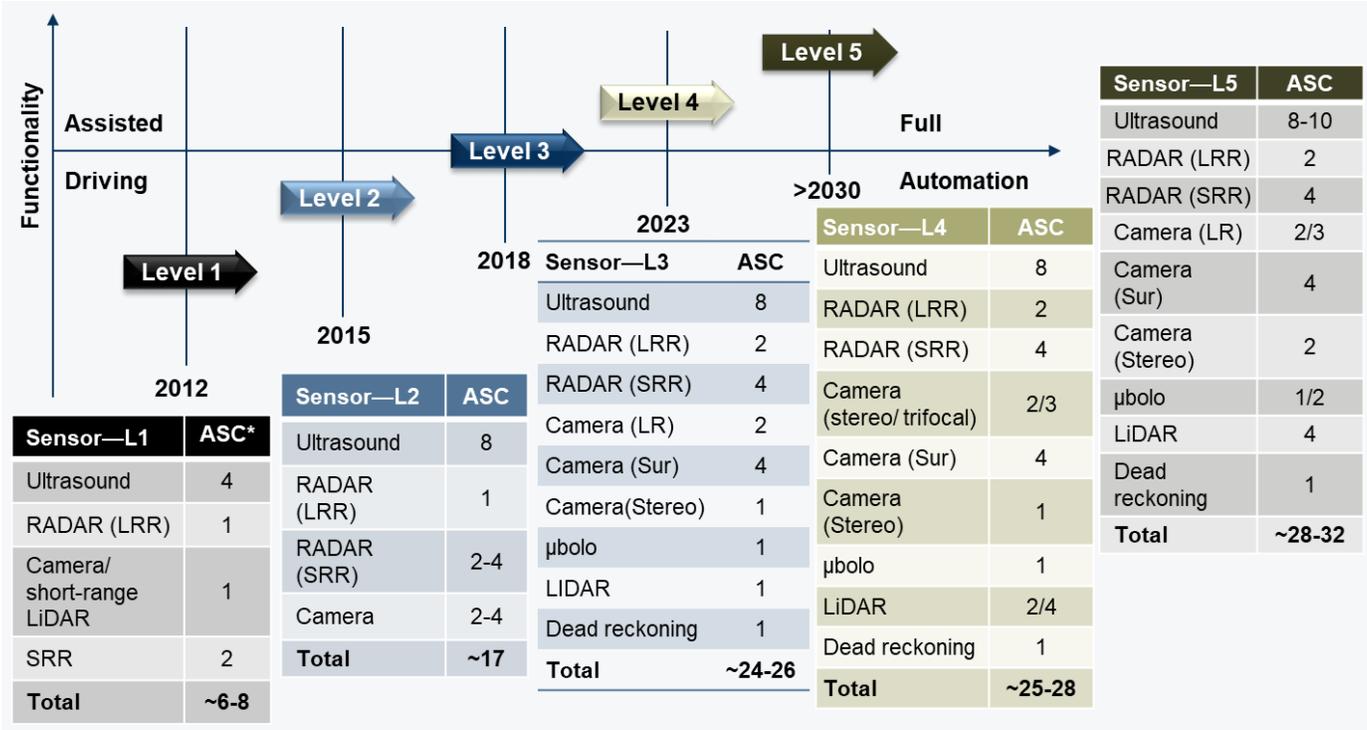
Note: All figures are rounded. The base year is 2018. Source: Frost & Sullivan

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
<b>Foresight Automotive</b>	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	Q2 2021✓
	3. Initiate a co-development project with an OEM/ Tier One	High	Q3 2021
<b>Rail Vision</b>	4. Rail Vision 1 <sup>st</sup> commercial agreement	High	H2 2020 ✓
	5. Samples order for light rail vehicle market	High	H2 2020 ✓
	6. Additional commercial agreement	High	Q3 2021
<b>Eye-Net Mobile</b>	7. Three pilot projects with leading Japanese multinational technology companies	High	H2 2020 ✓
	8. Two commercial agreements	High	Q1 2021 ✓
	9. Two additional commercial agreements with a substantial number of users	High	Q3 2021

## Financial report for 2020

	Three months ended	
	March 31,	
	2021	2020
Research and development expenses, net	\$(2,659 )	\$(2,341 )
Marketing and sales	(496 )	(433 )
General and administrative expenses	(1,206 )	(660 )
<b>Operating loss</b>	(4,361 )	(3,434 )
Equity in net loss of an affiliated company	--	(746 )
Financing income (expense), net	(1 )	131
<b>Net loss</b>	<u>\$(4,362 )</u>	<u>\$(4,049 )</u>

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