

## The Little Stock That Soared 18% after MobilEye Deal

Foresight, developer of systems for driving safety alerts, is a focal point of attention amongst investors since the announcement of MobilEye's acquisition: the stock demonstrates multi-million trade turnovers for the second day running and it has achieved a record market cap of NIS 200M.

Guy Erez, March 14, 2017, 3:14 PM

The megadeal of MobilEye's acquisition by Intel, for the approximate amount of \$ 15.3 billion, had led many to leap on the bandwagon – including the Prime Minister, ministers and Knesset (Israeli parliament) members. Amongst these happenings, one stock, traded on the Tel Aviv Stock Exchange, has been the focal point of special attention. The stocks of little Foresight, developer of systems for driving safety alerts, leaped remarkably to tenfold the average trade turnovers upon the announcement of the deal. Yesterday, the stock jumped almost 10% in a trade turnover of NIS 3.6 million, and its positive momentum carries on into today (Tuesday), with an additional 8.8% increase and a trade turnover of NIS 7.1 million (compared to a daily average of just NIS 300K). Thereby, Foresight achieved a record market cap of over NIS 190 million.

Yesterday, before the uncovering of the megadeal, the company reported the expansion of the offering it had announced earlier in the month by 15%, to NIS 23.5 million, by issuing 17% of its shares at a price of NIS 1.9 per share, which is 13.6% below yesterday's opening price. Additionally, investors received, with each purchased share, a warrant for the purchase of one regular share, at a strike price of \$0.8 (NIS 2.92). Participants in the offering included members of the Carasso family, Ayalim Mutual Funds and Final founders.

The company, which plans to enter NASDAQ, intends to use the funds raised to accelerate the research and development of its flagship product to make it available commercially, as well as to reinforce its equity to meet the U.S. capital market listing requirements.

Last month, Foresight launched the alpha version of its flagship product: a system comprising twin cameras on the front of a vehicle to provide stereoscopic (3D) images. The images are then analyzed by sophisticated computer software using advanced algorithms. Based on this analysis, the system discovers threats on the road and warns the driver to potential accidents because of these threats.

The company's management had stated, more than once, that the product it develops is superior to "the current leading product in the market", hinting at MobilEye's system without explicitly citing its name. And while MobilEye is largely known amongst Israeli drivers as a company offering an accident alert system, it had been acquired by Intel also – perhaps mainly – for its potential to enter the autonomous vehicles market, which is estimated to reach \$ 70 billion by 2030. Foresight employs just 15 developers and aspires to join this market in the future, with the system it develops, but its primary product is yet to arrive at the market.

"The market is searching for the next MobilEye", said an excited Haim Siboni, Foresight's CEO, to TheMarker. "The acquisition by Intel is a catalyst for us, with the company in the focus of attention, from institutional investors as well.

"Foresight's strength is in our capability of identifying almost 100% of the obstacles for driving, even as small as 40cmX40cm in size, with almost zero false alerts".

Foresight is active in two areas simultaneously – ADS, alerting drivers to obstacles on the road, and its "premium product", which will enable the system to interfere in stopping the car before it hits objects. "The autonomous market is divided to stages. We will fit in stages 3 and 4. We have to transfer the software onto a chip, and I believe we'll be able to accomplish the required modifications within a year and a half".

He estimates that Foresight will start trading on NASDAQ within a month, and then "The company and its technology will speak for themselves".

Foresight will publish its 2016 financial statements in the upcoming month. In the first 9 months of 2016, the company reported a loss of NIS 47 million, and its cash balance at the end of September amounted to NIS 18 million, which had since increased, in light of the expansion of the offering announced yesterday.

Source text: <http://www.themarket.com/markets/1.3930386>