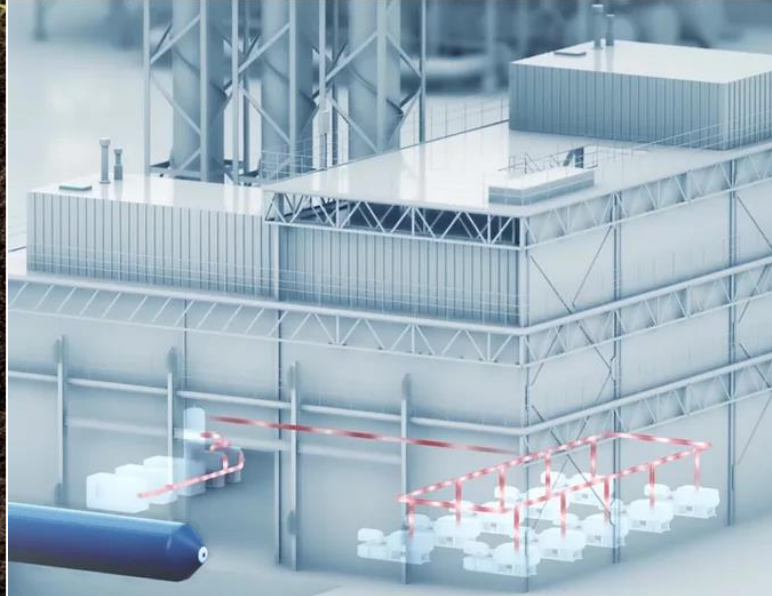
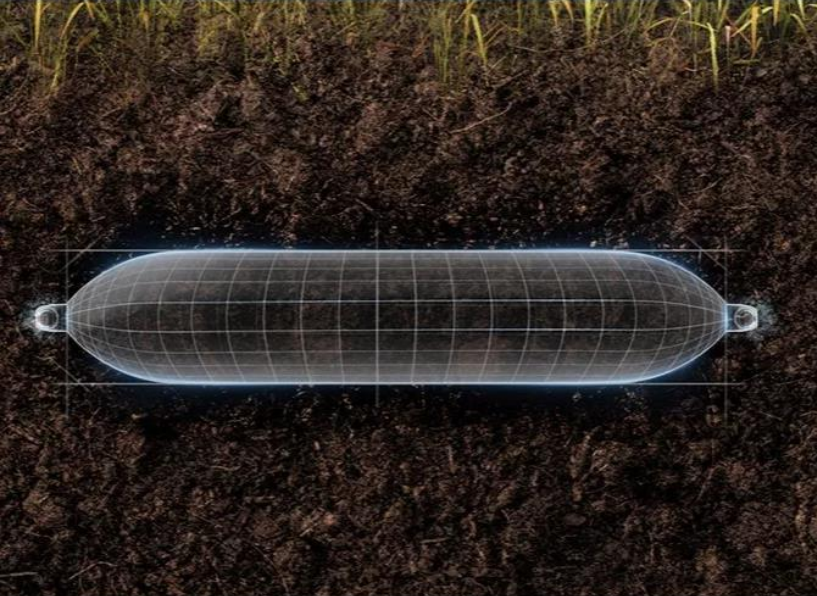


FROST & SULLIVAN

RESEARCH & CONSULTING LTD.



AUGWIND

Stock Exchange: TASE

Symbol: AUGN

Sector: Technology

Sub-sector: Cleantech

Stock Price Target:
NIS 121.3

Closing Price: 100.5 NIS

Market Cap: 2.0 B NIS

of Shares: M 19.5

Average Daily Trading

Volume (3M): 5,337

3M Return: 4%

Summary and conclusions

Augwind announced recently on the following:

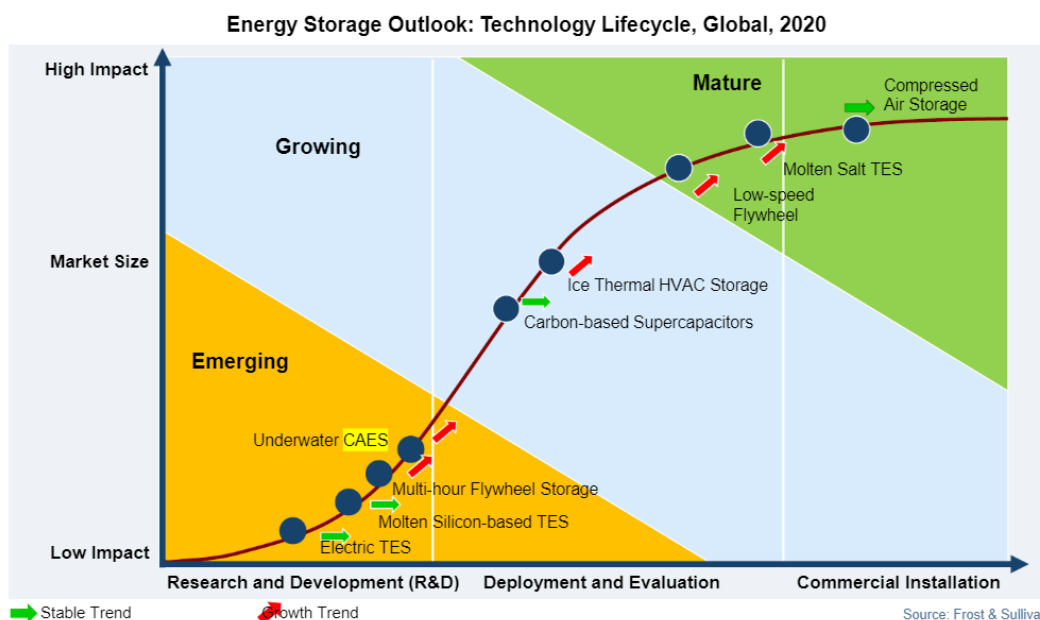
- 1) 29 December 2020 - agreement with Solegreen on a minimum capacity of 120MWhr project (Air-Battery) that won the Electricity Authority's tender. Tariff for winners is 0.1745NIS per kWh that as part of Competitive Procedure No. 2 for the construction of facilities using photovoltaic technology combined with storage capacity to be connected to the distribution network. **Annual revenues are estimated to be NIS 70M.** This agreement represents an additional capacity of 20MWhr on a separate project.
- 2) 22 December 2020 – agreement with EDF renewable energy on a 20 MWhr project (Air-Battery).

We view these agreements as part of Augwind progress and increase our confidence in the company's business potential.

According to a customer survey conducted by Frost & Sullivan, 48% of residential solar PV system owners said they were likely or extremely likely to install a storage system by 2025.

Frost & Sullivan prepared a research where it estimates potential scenarios for storage energy growth. In a conservative scenario, recovery is much more protracted: it takes until 2022 for the market to exceed the installations made in 2019, and it is only by 2025 that it return to the pre-COVID-19 forecast level. A total of 63.1 GW would be installed between 2020 and 2025, compared with a forecast of 79.3 GW if the COVID-19 outbreak had not occurred. CAGRs are 32.8%.

From a technology perspective, Air-Battery (compressed air storage) is a mature high impact technology in a commercial installation phase as can be view below:



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We maintain our valuation of Augwind at a value of NIS 2.3 billion; we estimate Augwind's price target to be at the range of NIS 104.3 to 144.1 NIS with a mean of NIS 121.3. We will update Augwind value based on its on-going progress.

We attached to our publication the full report on the Global Energy Storage Industry, 2020

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