

Aura Smart Air Ltd.

(the "Company")

This is an English translation of a Hebrew report of the company, that was published on March 29, 2022 (reference No. 2022-01-036904) at the ISA reporting website (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.

Attn:
The Securities Authority
www.isa.gov.il

Attn:
The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

March 30, 2022

Re: An Immediate Report About Receiving Purchase Orders from the Tel Aviv Municipality and Other Localities as Part of a Call for Proposals from the Ministry of Education to Budget Authorities for the Purchase, Installation, and Maintenance of Air Purifiers Considering the Corona Pandemic

The Company respectfully updates that on March 28, 2022, the Company received an initial purchase order in the amount of NIS 1.8 million, including VAT, for the purchase of Aura Smart Air systems, including service and consumable devices from the Tel Aviv-Jaffa Municipality, for the purpose of supplying such systems to educational institutions in Tel Aviv; In this context, it should be noted that during the months of January-March 2022, the Company received additional binding orders from other towns and localities in Israel, in a cumulative amount of NIS 1.2 million including VAT, for the purchase of Aura Smart Air systems for their installation in educational institutions (together: the "**Binding Orders**").

The Binding Orders are part of a budget program by the Ministry of Education for local authorities for the purchase, installation, and maintenance of air purifiers in educational institutions, where students of pre-primary and primary school age are educated, in accordance with the call for proposals issued by the Ministry of Education on January 3, 2022, as part of dealing with the Coronavirus outbreak the "**Call for Proposals**").

Also, to the best of the Company's estimation, the Call for Proposals was published following a pilot published by the Ministry of Education for the supply of air purification systems in classrooms in which the Company participated (for details on the pilot, see the Company's Immediate Report dated December 5, 2021, reference number: 2021-01-106237).

According to the Call for Proposals, the Ministry of Education will transfer to the various authorities, subject to the required approvals and meeting the conditions, a total of NIS 1,600 for each classroom that is part of the target population; the system price will be determined between the supplier and the authority.¹ It should also be noted that the total budget (for all authorities together) that the Ministry of Education will provide under the Call for Proposals at this stage will not exceed NIS 100,000,000 for pre-primary and primary school educational institutions. The said budget will be transferred for air purifiers, their installation, and maintenance in educational institutions that are deemed the target population only for devices that are purchased, and their installation is completed by April 25, 2022.

Also, to qualify for the Ministry of Education budget, the authorities are required to purchase air purifiers only from a recommended list of air purifiers established by a professional committee of the Ministry of Education and the Ministry of Health (the list will be updated from time to time). It should also be noted that as part of the examination

¹ Though in any case, the maximum price per air purifier per classroom shall not exceed NIS 3,000.

of the professional committee, the suitability of the devices for the classrooms was also examined, including concerning safety and noise aspects. As of the date of this report, the Company's product (Aura Air) is on the Ministry of Education's list of recommended devices (along with other devices).

It is emphasized that under the framework of the Call for Proposals for budget authorities, there is no obligation to purchase the Company's products, and there is no certainty that the Company's products will be purchased by additional authorities and/or regarding the scope of purchase from the various authorities. It is also clarified that the publication of the Call for Proposals to budget authorities is not a confirmation that the tender in which the Company participated, which in the Company's opinion constitutes a pilot, was successfully completed. Thus, at this stage, the Company is unable to assess the impact of the Call for Proposals to budget authorities on its business outcomes.

Kind Regards,

Aura Smart Air Ltd.

By: Aviad Schneiderman, CEO of the Company