February 24, 2025

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Brian Lantier
312-265-9153
blantier@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

Saverone 2014 Ltd (SVRE-NASDAQ)

SVRE: Another ADS ratio adjustment and financing as the company seeks stability in 2025.

We again are adjusting our valuation target to $8.50/ADS due to a new offering and to reflect the latest ADS adjustment which had the same impact as a 1 for 13.33 reverse split of the ADS.

Current Price (02/21/25)	$4.11
Valuation	**$8.50**

OUTLOOK

SaverOne continues to expand internationally and has had moderate success launching pilots in the EU market. A key for the company in 2025 will be converting many pilots into full commercial deployments and substantially increasing its installed base.

We have a better estimate of the total outstanding shares (roughly 675 million) as a result of the company's latest registration statement. As a result of this second ADS ratio adjustment, the exchange ratio of ADSs to ordinary shares is 1 to 1200.

The company will likely report full-year results by the end of March and we will update our financial model at that time.

SUMMARY DATA

52-Week High	**$359.91**
52-Week Low	**$4.11**
One-Year Return (%)	**-99%**
Beta	**2.04**
Average Daily Volume (sh)	**69,048**
ADS Outstanding (mil)*	**0.4**
Market Capitalization ($mil)	**$2.3**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**2**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2024 Estimate	**N/A**
P/E using 2025 Estimate	**N/A**
Zacks Rank	**N/A**

*excludes 200 mil ordinary shares

Risk Level	**High, Speculative**
Type of Stock	**Growth**
Industry	**Vehicle Safety**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023		0.1 A		0.2 A	0.3 A
2024		0.4 A		0.4 A	0.8 A
2024		0.1 A		0.5 E	0.6 E
2025		1.3 E		1.8 E	3.1 E

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022		-1.55 A		-0.73 A	-$2.15 A
2023		-0.86 A		-0.65 A	-$1.49 A
2024		-0.27 A		-0.88 E	-$1.52 E
2025		-5.08 E		-3.62 E	-$8.56 E

* half year earnings per ADS may not sum due to rounding and share issuance. EPS adjusted to reflect the ADS ratio change from 1 to 5 common shares to 1 to 90 common shares on 10/28/24 and from 1 to 90 common shares to 1 for 1200 common shares on 2/21/25.

© Copyright 2025, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW

- On January 31, 2025, SaverOne 2014 (NASDAQ: SVRE) filed a prospectus with the SEC related to the private offering of 2.17 million ADSs representing roughly 195 million shares at $0.70 per ADS (or 163k ADS at $9.33 after the latest ADS ratio adjustment). In connection with this offering, the company also offered warrants to purchase up to 4.3 million ADS at $0.80/ADS (322k at $10.66 after the latest ADS ratio adjustment). We estimate that the company had roughly 479 million shares prior to this issuance of 195 million ordinary shares The issuance of close to 40% of the company's existing shares to raise just $1.3 million of capital again highlights dilution risks for existing holders.

- As a reminder just 4 months ago in October 2024, the company significantly adjusted its ratio of ADS to common shares from 1 ADS to 5 common shares to 1 ADS to 90 common shares in order to regain compliance with NASDAQ's minimum $1.00 closing bid requirement. This effectively acted as a 1-for-18 reverse split of the ADSs and it did push the shares back above $1 so the company could regain NASDAQ compliance. However, since the beginning of 2025, the shares have been under severe pressure and the stock was once again on the verge of receiving a delisting notice from NASDAQ as the stock fell under $1 per ADS.

- To address the issue of the company's falling share price, the company announced on February 18th, another adjustment of the ADS ratio from 1 ADS to 90 common shares to 1 ADS to 1,200 common shares which is effectively another 1 for 13.33 reverse split. This adjustment occurred on February 21st. There is a discrepancy between the ADS outstanding and the ordinary shares outstanding as roughly 167k ADS (representing roughly 200 million ordinary shares) have been converted from ADS to ordinary shares that trade on that trade on the Tel Aviv Stock Exchange (TASE).

- The combined impact of these two ADS adjustments is effectively a 1-for-240 reverse split since October 2024. While these adjustments have had the desired effect of boosting the stock's price above the NASDAQ $1 minimum bid requirement for the moment, it has also diluted existing shareholders to the point where they hold almost no meaningful stake.

  As we've noted, the company's reliance on equity issuance to fund operations has led to a staggering jump in the share count in just the past 13 months, growing from 69.6 million shares at 12/31/23 to approximately 675 million at 1/31/25. While the ADS ratio adjustments **(from 1 to 5 to 1 to 90 and to now 1 to 1200**) and the conversion of some 167k ADSs to close to 200 million ordinary shares has limited the total growth of outstanding ADS, this continuous share issuance is a concern for any investors considering SaverOne.

- The company has announced a number of new pilot agreements and small contract wins which we detail below. It will be critical for the company to demonstrate that it can convert these small pilots into much larger commercial deployments over the next 24 months.

SaverOne Update

SaverOne (NASDAQ: SVRE) continues to make slow progress in adding new clients which should increase the company's installed base for its driver distraction prevention system but the recently filed prospectus has revealed that the degree of equity issuance over the past 13 months has significantly exceeded our estimates.

The company's latest prospectus for the sale of 2.17 million ADS (representing 195 million shares) offered the first insight into the company's capital structure since the first half results were released in August 2024. This prospectus was filed before the latest ADS adjustment.

As a result of the latest private placement, we believe that the company has close to 675 million outstanding ordinary shares as of today (2/24/25).

The current number of ADSs outstanding after the latest ratio adjustment is estimated to be about 400k as we believe some ADS holders have converted to holding ordinary shares. We have continuously increased our estimated number of shares outstanding and ADSs outstanding over the last 12 months but our estimates have been unable to keep pace with the rapid share issuance from the company. The company will disclose full-year results in March 2025 and at that time we should get an idea as to the pace of commercial rollouts. We are adjusting our 12-month valuation target to $8.50 as a result of the latest ADS ratio adjustment but we caution that further equity issuance is not out of the question given the company's burn rate and the risk of further dilution certainly a concern.

Recent News:

The company has announced a host of new relationships in the past two months including:

1) A pilot project with an Italian luxury and sports car manufacturer to install the company's distracted driving prevention system in an initial group of employee vehicles. If this pilot goes well, it could be expanded to cover the company's entire fleet of employee vehicles which is roughly 200 vehicles.

2) A pilot project in Italy with Trans Italia, a logistics and transportation company. The pilot will cover an initial group of trucks owned by Trans Italia which has a total fleet of more than 300 trucks.

3) A new distribution agreement with Smartfits Installations in the UK. Smartfits appears to be a fairly small firm but they do have a commitment to addressing distracted driving as it features prominently on the company's website.

4) In January the company also announced a new distribution agreement with uniSmart Vertriebs of Germany. In a press release, the company stated that uniSmart provides fleet management and safety systems to various fleets and industries.

5) At the end of January, the company announced an agreement with Oz group to deploy the SaverOne System across the entire Oz fleet of 100 vehicles with an initial phase calling for 30 installations.

6) In mid-February, the company announced its first commercial agreement in the US with MDM Express, Inc. of Charlotte, NC. After a successful pilot program, the company's US distributor is working with MDM to install the SaverOne system across MDM's entire fleet (20 trucks).

7) The company announced on December 30th that it has received its 12th patent out of its total portfolio of 23 patents. This patent granted by the US Patent and Trademark Office is for a technology that determines the relative positions of cellphones in a vehicle. This technology relates to the company's

core solution which enables it to identify where a cellphone is located and block the phones that are in the area of the driver.

In total, we view the recent announcements as opportunities for the company to validate its solution in new European markets and enter the US market, but the size of the orders are unlikely to materially push the company closer to cash flow positive operations and the company's financial condition continues to be the greatest concern for investors.

MODEL UPDATE

We are adjusting our model to reflect the new ADSs outstanding as a result of the financings completed and the latest ADS ratio adjustment. We are not making any changes to our revenue model at this time but we expect to revisit it after the full year 2024 results are published in March 2025.

Please note that our estimates for share count and ADSs outstanding at 12/31/24 are educated guesses at this point and we will refine them in subsequent updates.

VALUATION

Valuation calculations for SaverOne have been very challenging as the company has financed its operations through dilutive financing that exceeded our forecasts and broad adoption of the company's technology has been slow to materialize. The company's shares remain in a negative feedback loop where the company's share price falls, so it has to issue more shares, which results in more dilution lowering the price of the stock, which results in more shares being issued.

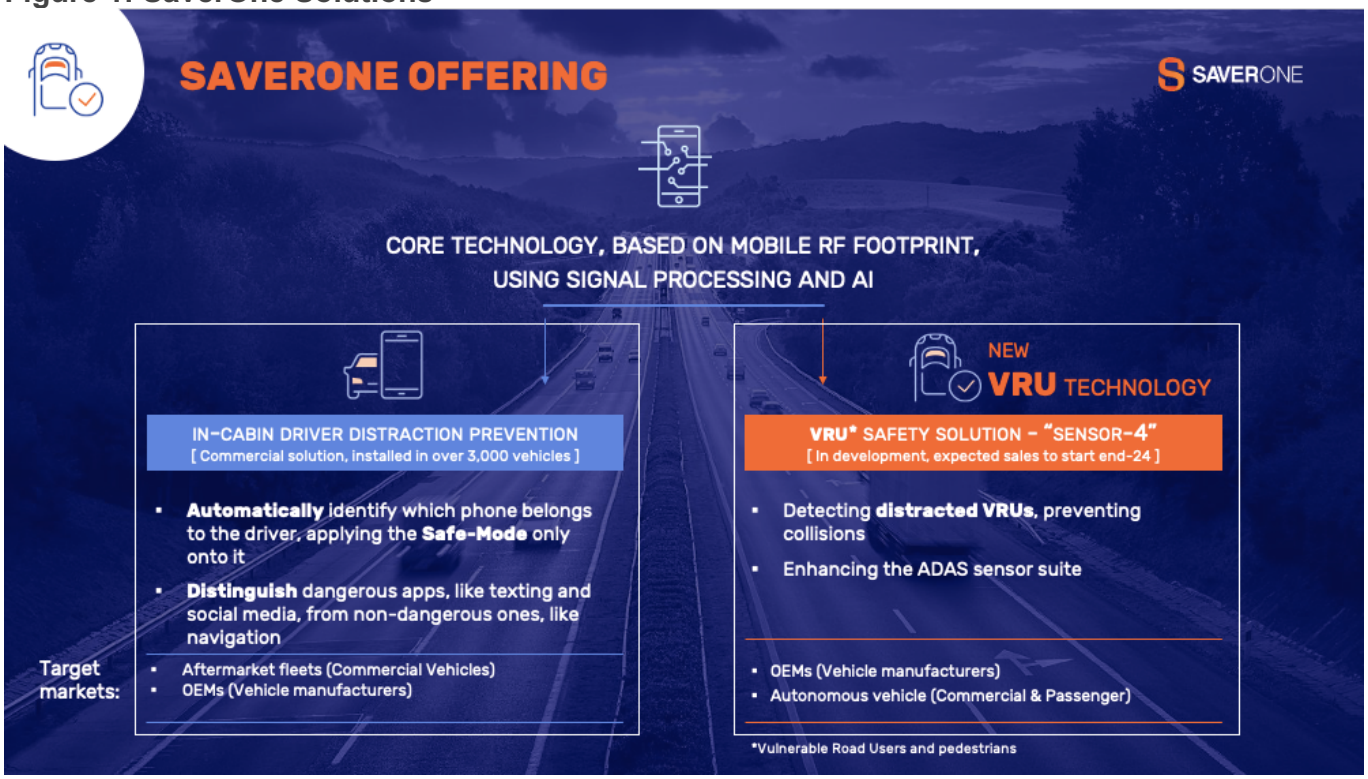
We are adjusting our 12-month target valuation for the company to roughly $7 million while adjusting our projected effective ADS count to 820,000 at the end of 2025 resulting in a new target valuation for the shares of $8.50/ADS but we recognize that many of the factors that go into our calculation of this target are difficult to forecast at this time. We hope to have a clearer picture of the company's prospects both domestically and internationally after the company reports full-year 2024 results in late March.

OVERVIEW

Business:

SaverOne has built its first commercial product to address the growing issue of distracted driving caused by mobile phone use. The company's solution detects and locates a driver's cell phone radio frequency (RF) signal when the SaverOne app is installed and the accompanying "phone location unit" is installed in a vehicle. SaverOne's in-cabin Driver Distraction Prevention Solution (DDPS) will identify if the driver's cell phone is within the area of the driver's seat when the SaverOne App is installed and limit the phone's use to handsfree calling, navigation, music streaming, and any critical apps selected by the client.

Figure 1: SaverOne Solutions



Source: Company Presentation

While most drivers are familiar with Apple Carplay and Android Auto's tools which aim to reduce distracted driving, if you've used these tools, you will be aware that bypassing the system simply requires clicking the "I'm not driving" button. Those tools effectively work on the honor system which is not adequate for corporations, fleet managers, or bus companies looking to ensure their drivers are completely focused on the task at hand – driving safely. Also, Carplay and Android Auto are principally solutions for passenger vehicles with center console entertainment systems that are often missing from commercial vehicles.

The SaverOne system will block access to the most distracting apps on the driver's phone (i.e., social media and texting) while still allowing access to necessary apps like navigation and the ability to make hands-free phone calls. SaverOne developed this technology in Israel and is initially deploying this solution for the commercial vehicle market in Israel and Europe with plans to expand to the United States market. The principal driver of adoption thus far has been the need for commercial operators and fleet managers to mitigate the risk associated with distracted driving when employees are operating their vehicles or buses. While this technology has existed for years (we've identified at least three versions of

RF-blocking technologies that came to market well over a decade ago) the market has been demanding a solution that is not based on completely blocking access to a phone. A solution like SaverOne's which is not reliant on driver cooperation yet still allows drivers to access navigation tools, music services or proprietary apps can help mitigate risk for corporate fleets while allowing a phone to still be a useful tool. The company launched its initial product in 2019 in Israel (before the Covid-19 pandemic) with several pilot installations. As of August 2024, the company has reported that about 4,800 systems have been ordered and roughly 3,750 of these systems have been installed.

[1]https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/The-future-of-mobility-mobility-evolves

[2] https://usa.streetsblog.org/2022/06/13/how-to-save-the-lives-of-unhoused-pedestrians

PROJECTED INCOME STATEMENT

SaverOne 2014 Ltd
Income statement in USD (converted from NIS at $1 = 3.627 NIS)
ADS Ratio 1 ADS to 5 common shares until 10/28/24
ADS Ratio 1 ADS to 90 common shares after 10/28/24
ADS Ratio 1 ADS to 1200 common shares after 2/21/25

	6 months 6/30/23	6 months 12/31/23	2023	6 months 6/30/24	6 months 12/31/24	2024	6 months 6/30/25	6 months 12/31/25	2025
Net revenues	**$ 395**	**$ 355**	**$ 750**	**$ 129**	**$ 470**	**$ 599**	**$ 1,296**	**$ 1,835**	**$ 3,130**
Cost of revenues	$ 272	$ 271	$ 543	$ 106	$ 350	$ 456	$ 925	$ 1,315	$ 2,240
Gross profit	$ 123	$ 84	$ 207	$ 23	$ 120	$ 143	$ 371	$ 519	$ 890
	31%	24%	28%	18%	26%	24%	29%	28%	28%
Operating expenses:									
Research and development expenses	3,264	3,039	6,303	2,376	2,186	4,562	1,312	1,049	2,361
Selling and marketing expenses	388	656	1,044	643	669	1,312	682	709	1,391
General and administrative expenses	1,197	1,099	2,296	1,191	1,215	2,406	1,239	1,264	2,503
Total operating expenses	$ 4,848	$ 4,795	$ 9,643	$ 4,210	$ 4,069	$ 8,279	$ 3,233	$ 3,023	$ 6,255
(Loss)/Income from operations	$ (4,725)	$ (4,711)	$ (9,436)	$ (4,187)	$ (3,950)	$ (8,137)	$ (2,862)	$ (2,503)	$ (5,366)
Net Financing Income/(Loss)	(30.80)	$138	$107	($162)	($19)	($48)	($17)	($10)	($27)
Loss for the period	$ (4,756)	$ (4,573)	$ (9,329)	$ (4,349)	$ (3,969)	$ (8,185)	$ (2,880)	$ (2,513)	$ (5,393)
(Loss)/Earnings per ordinary share	($0.17)	($0.13)	($0.30)	($0.05)	($0.01)	($0.02)	($0.00)	($0.00)	($0.01)
(Loss)/Earnings per ADS	($0.85)	($0.65)	($1.49)	($0.27)	($0.88)	($1.52)	($5.08)	($3.62)	($8.56)
Weighted average number of shares outstanding									
Average shares used to calculate EPS	27,839	34,921	31,380	79,171	405,000	484,171	680,400	832,200	756,300
Average Effective ADSs used to calculate EPS	5,568	6,984	6,276	15,834	4,500	5,380	567	694	630

Source: Zacks SCR, Brian Lantier, Company Filings

© Copyright 2025, Zacks Investment Research. All Rights Reserved.

BALANCE SHEET

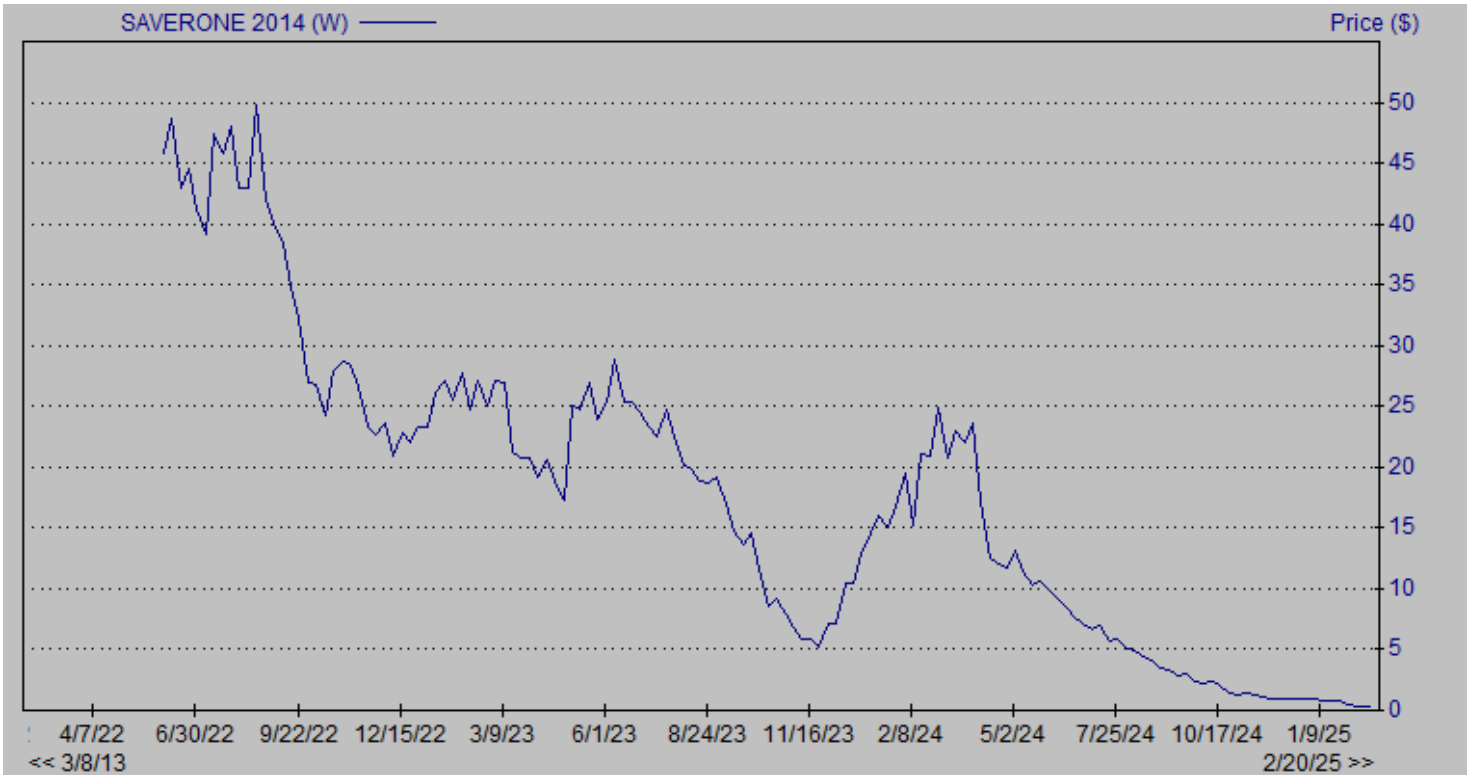
SaverOne 2014 Ltd
Balance Sheet in USD (converted from NIS at $1 = 3.759 NIS)
6/30/24

Assets	
Current Assets	
Cash and cash equivalents	3,007
Short-term bank deposits	0
Trade receivables	343
Inventory	1,532
Other current assets	332
Total current assets	5,214
Non-Current Assets	
Property & Equipment (net)	56
Restricted deposits	57
trade recivables, net	232
Right of use assets	304
Total non-current assets	649
Total Assets	**5,863**
Liabilities	
Current Liabilities	
Promissory note, net	1,041
Trade payable	983
Current maturities of leasing liabilities	125
Other current liabilities	542
Derivative warrants liability	15
Liability in respect of government grants	173
Total current liabilities	2,878
Non-Current Liabilities	
Leasing liability, net current	212
Liability in respect of government grants	213
Total Liabilities	**3,303**
Shareholder's Equity	
Additional Paid-in Capital	39,998
Captial reserve in respect of share-based payment	2,970
Accumulated deficit	(40,408)
Shareholder's Equity (Deficiency)	**2,560**
Total Liabilities & Shareholder's Equity	**5,863**

Source: Company press release

© Copyright 2025, Zacks Investment Research. All Rights Reserved.

HISTORICAL STOCK PRICE *



*Price chart does not reflect the 2/21/25 ADS ratio adjustment which is effectively a 1-for-13.33 reverse split.

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Brian Lantier, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.