Benchmark Equity Research
Internet
September 09, 2025

A2Z Smart Technologies Corp. (AZ)

Finally Addressing the Massive "Screenfield" Opportunity

Company Update
Rating: Buy

Daniel L. Kurnos, CFA
(561) 914-7882
dkurnos@benchmarkcompany.com

► Just five days after announcing a record $55 million purchase order for smart carts from Yochanonof in Israel, A2Z (AZ: Buy, PT $20) followed up with a formal acquisition of the entire retail media and data rights for a fixed fee, paving the way for A2Z to begin what should be a long and lucrative commerce media journey. An important note here – the structure of this deal will likely be materially different from deals struck in other countries given how Yochanonof is choosing to purchase/pay for the carts (higher upfront, lower subscription along with higher upfront data payout and no long-tailed data rights). Having said that, on a per cart per month basis, the economics turn out roughly equal in the long run to how we expect A2Z will deploy their commerce media solution in conjunction with their smart carts. Moreover, the economics scale rapidly depending on the variables (fill rate, CPMs, cart deployments, etc.), so much so that we would not be surprised to see A2Z give the carts away for free in return for a better cut of the retail media revenue (which in turn drives substantially more almost pure profit revenue while costing the retailers nothing to deploy the solution). To put a finer point on the opportunity, we are publishing an illustrative model on page 3, which shows a range of outcomes of $60 million to $300 million annually for just the retail media revenue portion alone, with the higher end of the range containing what we would consider still relatively conservative fill rate and CPM assumptions. And that is with only 50,000 carts in circulation, which represents an estimated one-tenth of 1% of total shopping carts in circulation worldwide. Imagine if A2Z achieved just 1% worldwide market share…

► On June 4th of this year, we published an extensive white paper covering the commerce media sector, outlining the current state of the union and focusing on incremental growth vectors. As one might expect, grocery and delivery caught a lot of attention, along with the burgeoning, hyper-growth category that is off-platform monetization. Central to all of these themes are 2 key, common components – a captive user and opt-in consumer data. Outside of travel, we would be hard pressed to think of another vertical where the user is captive for a similar period of time, and outside of gaming, streaming, or online shopping, grocery provides one of the largest sources of 1P data. Secondary intent and indirect data based off of shopping lists makes this segment extremely targetable across a wide array of verticals, and the incremental optionality to cross sell, coupon, or direct ship from interactive ads provides substantial upside potential that we have not included in our analysis. The data should be easily anonymized, although A2Z will have to build out their own data and software capabilities to capitalize on this monetization stream (we note R&D and stock comp both stepped up meaningfully in recent quarters, which suggests some real movement behind the scenes). The good news is, even at current revenue levels, A2Z appears to have over 2 years of cash runway, which should be more than long enough to prove out the concept.

Price Chart

Current Price	$7.89
Price Target	$20.00
52-Week Range	$1.38 - $12.36
Market Cap (mm)	$323
Enterprise Value (mm)	$280
Shares Outstanding (mm)	41
Average Volume (000s)	199
Sector Weight	Overweight

Year to 31 Dec	2024A	1Q25A	2Q25A	3Q25E	4Q25E	2025E	2026E
New - EBITDA	($11)	($4)	($3)	($3)	($3)	($13)	$29
Old - EBITDA	-	($2)	-	-	-	($12)	-
Delta % (+/-) v. Cons.							
Revenue (m)	$7	$2	$1	$4	$6	$14	$96
EV/Rev	39x					20x	3x

For important disclosures, see Page 4

Daniel L. Kurnos, CFA
(561) 914-7882
dkurnos@benchmarkcompany.com

For a company just getting their feet wet in the massive commerce media opportunity, we think A2Z did a good job sizing the market at around $170 billion globally. For the sake of completeness, but in an attempt not to rehash our entire commerce media note from June 4, we will re-paste a few of the more poignant graphics below before diving into our company-specific analysis. While these charts are US-only, we think they showcase both how important the grocery category is, along with how nascent the category remains. In addition, we would note that multiple companies have already found success abroad in even lesser developed advertising countries via merchant-driven offers and fueled by a drive for more consumer data.

Figure 1: US Retail Media Share and TTD Mix by Category

US Retail Media Share by Company

Benchmark ests.	CY23	CY24	CY25E
Amazon	87%	83%	82%
Walmart	7%	8%	8%
eBay	2%	2%	2%
Instacart	2%	2%	2%
Uber	1%	1%	2%
Target (Roundel)	1%	1%	1%
DoorDash	0%	1%	1%
Other	0%	3%	3%
Total	100%	100%	100%

TTD Gross Spend by Industry	'24 TTD Mix	'24 US CM Mix	*Relative Penetration*
Food & Beverage	*18%*		
Automotive	*12%*	*2%*	*16%*
Medical Health	*11%*	*1%*	*7%*
All Fin. Svcs.	*10%*	*1%*	*7%*
Technology & Computing	*8%*	*1%*	*14%*
Home & Garden	*8%*		
Shopping	*7%*		
Travel	*6%*	*4%*	*68%*
Style & Fashion	*4%*		
Business and Finance	*4%*		
Other	*16%*		

Source: The Benchmark Company, LLC, Company Filings, GroupM, eMarketer

Daniel L. Kurnos, CFA
(561) 914-7882
dkurnos@benchmarkcompany.com

For A2Z, the math is relatively straightforward. In looking at the chart above, all of those retail media businesses are in the billions of dollars, with nearly 100% margins and room to grow at greater scale. We understand that the biggest factor holding A2Z back at this point is adoption of their technology, although we do believe the Company has already signed a deal with Walmart, among several other meaningful, large retailers. The thing is, tremendous scale is not necessarily needed in this case to produce a materially outsized impact on the income statement. Even if we were to only consider the Yochanonof carts plus other deals they already have announced, A2Z is quickly closing in on the 10,000 cart level. As a base case, with only a 40% fill x take rate and at an industry average CPM of $40, 10,000 carts would produce $60 million of annual, high-profit revenue, or more than 1/5th of A2Z's current enterprise value.

Now, for those following the story, and, more importantly, for those involved with it, 10,000 carts is not the end game. However, new contracts would inevitably be structured differently, with A2Z likely receiving anywhere from 20%-80% of the retail media revenue, but also receiving some form of upfront payment for the cart. If we drop the latter to $100/cart/month, or a roughly 10 month payback period, anything A2Z gets on top of that from retail media is just icing on the cake. That may not be the best analogy given that the icing quickly becomes substantially larger than the cake, even if the cake is required to some extent to get the icing. Think about this, for example: at a 30% fill x take rate (assume, say, a 40% fill rate and a 70% take rate, or a 90% fill rate and a 30% take rate like a Walmart deal might be structured), and a bare-minimum CTV premium CPM of $30, each cart would generate $270 per month in retail media revenue alone. Ad in a $100/month per cart maintenance fee and now each cart is doing nearly $400/month. The math scales really quickly, too. As a fun exercise, assume a 70% fill rate, 70% take rate, and a $50+ dollar CPM at scale (60+ is not unreasonable). Now each cart is producing $750 per month in retail media revenue alone; might as well give the carts away for free at that point to win the share game and reduce any friction around grocery store capital outlays to acquire the equipment. Add in more carts in circulation, and it is not hard to see the upside scenario.

Figure 2: Illustrative Retail Media Revenue

Carts in Circulation	Minutes in Use per Grocery Excursion	Users per Cart per Day	Spots per Minute	Fill Rate	CPM	Daily Ad Revenue	Monthly Revenue/Cart
10,000	50	5	4	30.00%	$30.00	$90,000	**270**
10,000	50	5	4	35.00%	$30.00	$105,000	**315**
10,000	50	5	4	40.00%	$30.00	$120,000	**360**
10,000	50	5	4	45.00%	$30.00	$135,000	**405**
10,000	50	5	4	50.00%	$30.00	$150,000	**450**
10,000	50	5	4	30.00%	$30.00	$90,000	**270**
20,000	50	5	4	30.00%	$30.00	$180,000	**270**
30,000	50	5	4	30.00%	$30.00	$270,000	**270**
40,000	50	5	4	30.00%	$30.00	$360,000	**270**
50,000	50	5	4	30.00%	$30.00	$450,000	**270**
10,000	50	5	4	30.00%	$30.00	$90,000	**270**
10,000	50	5	4	30.00%	$35.00	$105,000	**315**
10,000	50	5	4	30.00%	$40.00	$120,000	**360**
10,000	50	5	4	30.00%	$45.00	$135,000	**405**
10,000	50	5	4	30.00%	$50.00	$150,000	**450**
10,000	50	5	4	30.00%	$30.00	$90,000	**270**
20,000	50	5	4	35.00%	$35.00	$245,000	**368**
30,000	50	5	4	40.00%	$40.00	$480,000	**480**
40,000	50	5	4	45.00%	$45.00	$810,000	**608**
50,000	50	5	4	50.00%	$50.00	$1,250,000	**750**

Annualized Revenue @ $40 CPM + 40% Fill Rate (Assuming $0 Upfront per Cart)

Carts in Circulation	Minutes in Use per Grocery Excursion	Users per Cart per Day	Spots per Minute	Fill Rate	CPM	**Annual Ad Revenue**
10,000	50	5	4	40.00%	$40.00	**$58,400,000**
20,000	50	5	4	40.00%	$40.00	**$116,800,000**
30,000	50	5	4	40.00%	$40.00	**$175,200,000**
40,000	50	5	4	40.00%	$40.00	**$233,600,000**
50,000	50	5	4	40.00%	$40.00	**$292,000,000**

Source: The Benchmark Company, LLC

Daniel L. Kurnos, CFA
(561) 914-7882
dkurnos@benchmarkcompany.com

Important Disclosures

Analyst Certification

The Benchmark Company, LLC ("Benchmark") analyst(s) whose name(s) appears on the front page of this research report certifies that the recommendations and opinions expressed herein accurately reflect the research analyst's personal views about any and all of the subject securities or issues discussed herein. Furthermore, no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the research analyst(s) in this research report.

Equity Research Ratings System

Firm-Wide Stock Ratings Distribution

As of June 30, 2025

	All Covered Companies		Investment Banking Clients	
Buy	**272**	**74.5%**	**62**	**17.0%**
Hold	**70**	**19.2%**	**5**	**1.4%**
Speculative Buy	**21**	**5.8%**	**12**	**3.3%**
Sell	**2**	**0.6%**	**0**	**0.0%**

Company Ratings

Buy: Stock is expected to outperform the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Speculative Buy: The stock has a market value below $100M and/or a higher financial risk profile. It is expected to outperform the analyst's defined sector/industry index over the following 6 to 12 months.

Hold: Stock is expected to perform in-line with the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Sell: Stock is expected to underperform the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Industry Ratings

Overweight: Analyst's defined Sector/Industry Index* is expected to outperform the S&P 500 over the following 6 to 12 months.

Market Weight: Analyst's defined Sector/Industry Index* is expected to perform in-line with the S&P 500 over the following 6 to 12 months.

Underweight: Analyst's defined Sector/Industry Index* is expected to underperform the S&P 500 over the following 6 to 12 months.

Benchmark Disclosures as of September 9, 2025

Company	Disclosure
A2Z Smart Technologies Corp.	3

Research Disclosure Legend

1. In the past 12 months, Benchmark and its affiliates have received compensation for investment banking services from the subject company.
2. In the past 12 months, Benchmark and its affiliates have managed or co-managed a public offering of securities for the subject company.
3. Benchmark and its affiliates expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months.
4. The research analyst, a member of the research analyst's household, any associate of the research analyst, or any individual directly involved in the preparation of this report has a long position in the shares or derivatives of the subject company.
5. The research analyst, a member of the research analyst's household, any associate of the research analyst, or any individual directly involved in preparation of this report has a short position in the shares or derivatives of this subject company.
6. A member of the research analyst's household serves as an officer, director or advisory board member of the subject company.
7. As of the month end immediately preceding the date of publication of this report, or the prior month end if publication is within 10 days following a month end, Benchmark and its affiliates, in the aggregate, beneficially owned 1% or more of any class of equity securities of the subject company.
8. A partner, director, officer, employee or agent of Benchmark, or a member of his/her household, is an officer, director or advisor, board member of the subject company and/or one of its subsidiaries.
9. Benchmark makes a market in the securities of the subject company.
10. In the past 12 months, Benchmark, its partners, affiliates, officers or directors, or any analyst involved in the preparation of this report, has provided non-investment banking securities-related services to the subject company for remuneration.
11. In the past 12 months, Benchmark, its partners, affiliates, officers or directors, or any analyst involved in the preparation of this report, has provided non-securities related services to the subject company for remuneration.

Investment Risk

There are a multitude of risks we see A2Z facing as they begin their journey in a relatively nascent marketplace. Although they already have 1 commercial order for $6 million and 3 pilots signed, there is no guarantee that they will be successful in winning new business or expanding existing relationships. There is also substantial competition in the space, with established big names and new startups entering on a regular basis. COVID-19 has created substantial headwinds for the entire industry as well. Even with some initial wins on the books, A2Z is still effectively in start-up mode and will likely require additional capital infusions to fund growth. And, as is often the case in newly created, early-stage markets, valuation remains highly subjective.

Valuation Methodology

As is often the case in newly created, early-stage markets, valuation remains highly subjective. If public estimates are accurate, Caper was acquired by Instacart for ~35x revenue. We also believe Standard Cognition and Tracxpoint carry private valuations north of $1 billion. However, there are no real public yardsticks by which to compare A2Z, and thus we are left to rely on an EV/Revenue multiple based off of a model that has a multitude of unknown variables around order size, timing and SaaS uplift. While growth multiples have come in substantially, even using half the Caper multiple plus a discount for the out year at 10x yields our $20 per share price target. We note that our target does not include any incremental value from the other A2Z business segments, which we view as free as optionality.

Daniel L. Kurnos, CFA
(561) 914-7882
dkurnos@benchmarkcompany.com

Price Charts

Benchmark's disclosure price charts are updated within the first fifteen days of each new calendar quarter per FINRA regulations. Price charts for companies initiated upon in the current quarter, and rating and target price changes occurring in the current quarter, will not be displayed until the following quarter. Additional information on recommended securities is available on request.

General Disclosures

The Benchmark Company, LLC. ("Benchmark" or "the Firm") compensates research analysts, like other Firm employees, based on the Firm's overall revenue and profitability, which includes revenues from the Firm's institutional sales, trading, and investment banking departments. No portion of the analyst's compensation is based on a specific banking transaction. Analyst compensation is based upon a variety of factors, including the quality of analysis, performance of recommendations and overall service to the Firm's institutional clients.

This publication does not constitute an offer or solicitation of any transaction in any securities referred to herein. Ratings that use the "Speculative" risk qualifier are considered higher risk. Any recommendation contained herein may not be suitable for all investors.

The Benchmark Company, LLC makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to disclose when information in this report changes apart from when we intend to discontinue research coverage of a subject company. Although the information contained in the subject report has been obtained from sources, we believe to be reliable, its accuracy and completeness cannot be guaranteed.

This publication and any recommendation contained herein speak only as of the date hereof and are subject to change without notice. The Benchmark Company, LLC and its affiliated companies and employees shall have no obligation to update or amend any information herein.

This publication is being furnished to you for informational purposes only and on the condition that it will not form a primary basis for any investment decision. Each investor must make its own determination of the appropriateness of an investment in any securities referred to herein based on the legal, tax and accounting considerations applicable to such investor and its own investment strategy. By virtue of this publication, none of The Benchmark Company, LLC or any of its employees shall be responsible for any investment decision.

This report may discuss numerous securities, some of which may not be qualified for sale in certain states and may therefore not be offered to investors in such states.

The "Recent Price" stated on the cover page reflects the nearest closing price prior to the date of publication.

For additional disclosure information regarding the companies in this report, please contact The Benchmark Company, LLC, 150 East 58th Street, New York, NY 10155, 212-312-6770.

The Benchmark Company, LLC is not in any way affiliated with or endorsed by the Menlo Park, California venture capital firm Benchmark Capital.

This report may not be reproduced, distributed, or published without the prior consent of The Benchmark Company, LLC. Copyright ©2025. All rights reserved by The Benchmark Company, LLC.