



Israel Vehicle Importers Association – Monthly Review June 2023

Preface – Economic Climate

Israel has an advanced economy in the OECD, with a GDP per capita of \$55,161. In Q.1 of 2023, the economy grew by 2.5%.

In Israel, per the guidelines set by the World Health Organization (WHO), COVID-19 is no longer a public health emergency, but its economic impact persists. Despite these challenges, Israel has managed to maintain a minimal deficit, amounting to only 0.9% of the GDP, from July 2022 to June 2023. This demonstrates the resilience and effective economic management in navigating the difficulties posed by the pandemic.

The debt-to-GDP ratio decreased to 60.9% in 2022, and the unemployment rate in June 2023 was 3.6%.

The new government brings potential stability, with a State Budget approved for 2023-24. However, judicial reform and including religious parties could introduce market instability and fiscal expansion, potentially impacting the primary deficit.

Along with economic stabilization and rapid growth, there has been an increase in the inflation rate. As of June 2023, the annual inflation



growth rate is 4.2%. In June 2023, the short-term interest rate was raised to 4.6% due to the inflation increase, while the long-term interest rate stands at 3.7%.

Statistical Profile: Israel June 2023

Society

Population (May 2023): 9.741 million

Economy

Inflation (June 2023) (Annual Growth Rate): 4.2%

Current Account Balance (December 2022): 5.4% of GDP

Trade in Goods and Services (January-June 2023): \$65.1 billion

GDP per capita (June 2023): \$ 55,161 (202,573₪)

Finance

US Dollar Exchange rate (June 2023, Avg.): 3.67234₪

Euro Exchange rate (June 2023, Avg.): 3.963₪

Long-term interest rates (June 2023): 3.7% Per Annum

Short-term interest rates (June 2023): 4.6% Per Annum

Government

Debt to GDP ratio (2022): 60.9%

Deficit to GDP (July 2022 - June 2023): 0.9%

Motorization

Level of Motorization (2022): 411 Vehicles/1,000 Residence



Innovation and Technology

Gross Domestic Spending on R&D (2021): 5.557% of GDP

Environment

CO2 Emissions (2022): 8.38 Tonnes Per Capita (BDO Model Estimation)

CO2 Emissions (2021): 6.74 Tonnes Per Capita

Jobs

Employment Rate (June 2023): 63.9% of Working Age Population

Official Unemployment Rate (June 2023): 3.6% of the Labour Force

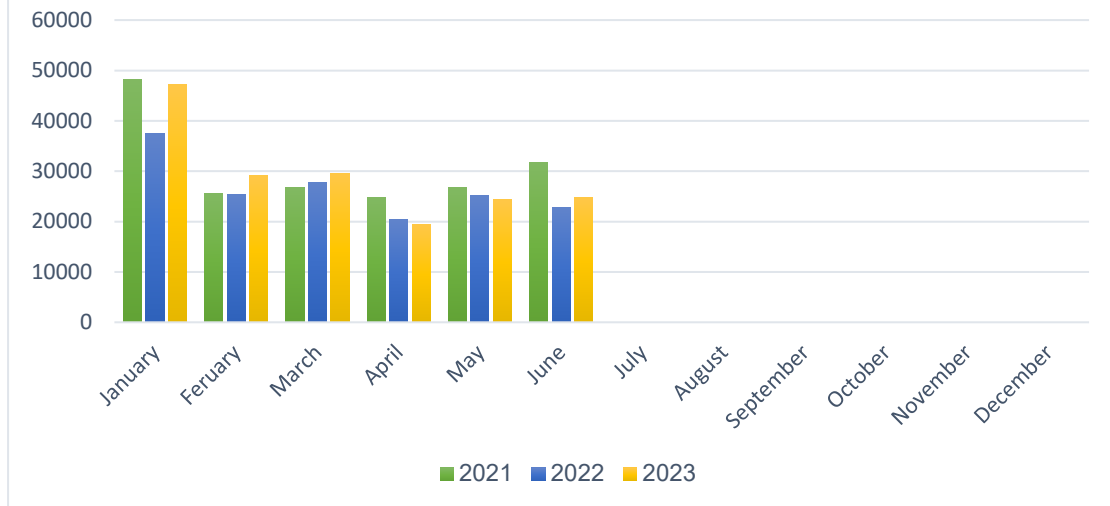
New Cars and CV Registrations

Israel New Passenger Car Registration January-June 2023

Passenger car registration: Increase of 8.1% compared with June 2022.

In June 2023, the Israeli passenger car market registered 24,732 new cars – an increase of 8.1% compared with June 2022. Since the beginning of the year, 174,336 new cars were registered, an increase of 9.7% compared with Jan-June 2023. Since January, 28,834 BEVs were registered and 9,650 PHEVs, a total of 38,484 cars with chargeable electric drive representing 22.1% of all registrations.

New Passenger Cars Registration in Israel - 1-6/2023



New Passenger Cars Registration in Israel 1-6/2023 According to Top 20 Brands

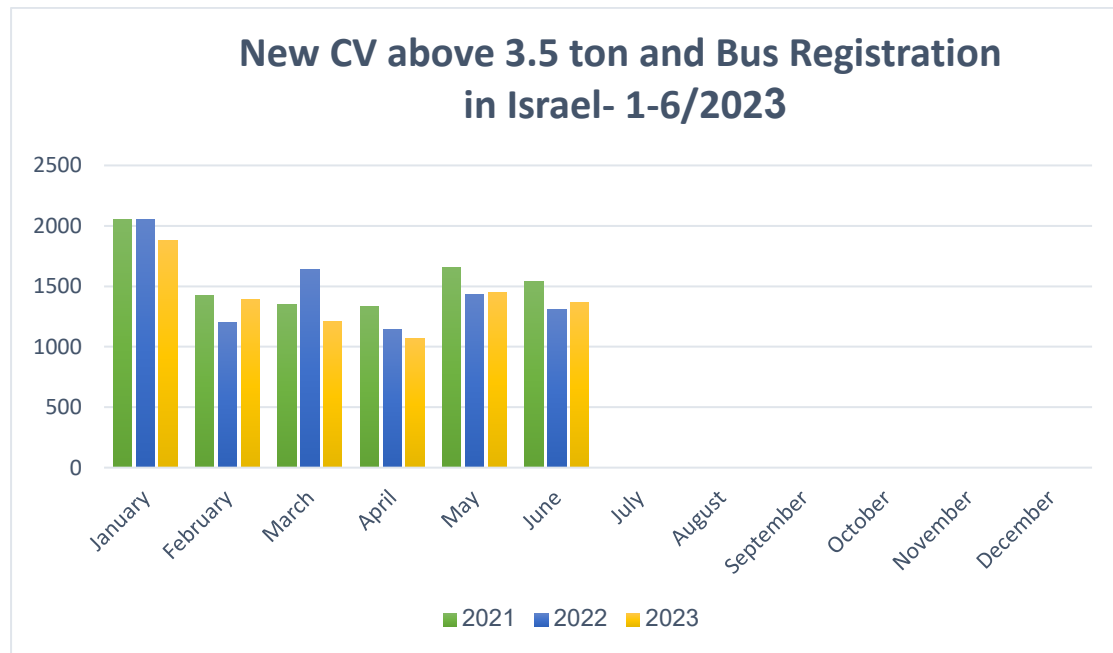
No.	Brand	June					Jan-June				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Hyundai	18.1	20.0	4472	4572	-2.2	16.9	19.7	29385	31279	-6.0
2	Kia	12.5	10.2	3101	2325	33.4	12.3	13.6	21514	21530	0.0
3	Toyota	12.4	12.8	3062	2918	4.9	9.7	15.0	16845	23812	-29.3
4	Mazda	3.6	7.5	902	1710	-47.3	5.8	6.6	10156	10561	-3.8
5	BYD	4.9	0.0	1201	Entered 2022	0.0	5.6	0.0	9698	Entered 2022	0.0
6	Skoda	6.5	4.8	1600	1103	45.0	5.1	4.6	8976	7234	24.1
7	Chery	4.0	0.0	1001	Entered 2022	0.0	4.7	0.0	8166	Entered 2022	0.0
8	Mitsubishi	2.9	4.2	713	953	-25.2	3.7	4.8	6426	7653	-16.0
9	Suzuki	2.4	2.0	594	465	27.7	3.1	2.7	5423	4230	28.2
10	Peugeot	1.6	2.3	402	526	-23.6	2.9	2.8	5037	4376	15.1
11	Citroen	1.9	4.8	463	1090	-57.5	2.7	3.2	4716	5096	-7.5
12	Geely	1.6	2.0	401	451	-11.1	2.6	1.3	4492	2130	110.9
13	Seat	1.8	3.3	447	763	-41.4	2.0	2.0	3570	3154	13.2
14	Tesla	5.9	2.5	1449	568	155.1	1.9	1.3	3298	2023	63.0
15	Subaru	1.2	1.8	302	413	-26.9	1.8	1.4	3191	2298	38.9
16	Renault	1.9	1.3	470	286	64.3	1.8	0.9	3071	1367	124.7
17	Mercedes	1.2	2.0	308	464	-33.6	1.7	2.1	3049	3274	-6.9
18	MG	1.9	2.4	479	547	-12.4	1.5	2.0	2652	3177	-16.5
19	VW	1.7	1.3	424	306	38.6	1.3	1.3	2327	2041	14.0
20	Audi	1.2	1.2	297	265	12.1	1.3	1.3	2218	2010	10.3



New CV above 3.5 tons and Bus Registration in Israel January-June 2023

Commercial Vehicles above 3.5-ton registration: +4% compared with June 2022.

In June 2022, the Israeli market for CVs above 3.5 tons registered an increase of 4% with 1,365 new registrations, compared with 1,213 units in June 2022. Since January, 8,357 units have been registered, a decrease of 3.6% compared with Jan-June 2022.



New CV above 3.5-ton Registration in Israel 1-6/2023 According to Brands

No	Brand	June						Jan-June					
		Share%		Units		Change%	Share%		Units		Change%		
		2023	2022	2023	2022		2023	2022	2023	2022			
1	Mercedes	18.0	18.9	194	205	-5.4	16.0	14.2	1043	1005	3.8		
2	Volvo	12.3	15.1	133	163	-18.4	12.4	13.9	813	982	-17.2		
3	Scania	9.1	4.1	98	44	122.7	10.7	5.8	701	412	70.1		
4	Isuzu	9.1	7.1	98	77	27.3	10.2	7.9	668	560	19.3		
5	DAF	11.2	8.3	121	90	34.4	9.6	7.5	630	531	18.6		
6	Dodge-Ra	6.9	0.2	74	2	3800.0	9.1	1.9	594	137	333.6		
7	Chevrolet	5.9	15.9	64	172	-62.8	7.7	7.6	501	537	-6.7		
8	MAN	5.6	4.2	60	45	33.3	5.2	7.5	337	529	-36.3		
9	Ford	5.0	1.3	54	14	285.7	5.1	4.8	336	338	0.0		
10	FIAT	4.8	5.3	52	57	-8.8	3.9	5.8	258	407	-36.6		
11	Renault	4.9	4.0	53	43	23.3	3.9	5.7	253	402	-37.0		
12	Iveco	4.5	6.8	49	74	-33.8	3.7	4.2	243	298	-18.5		
13	Peugeot	0.6	4.7	7	51	-86.3	1.1	4.1	69	288	-76.0		
14	HINO	0.3	1.7	3	18	-83.3	0.7	2.6	46	181	-74.6		
15	Maxus	0.3	0.1	3	1	200.0	0.2	0.2	15	16	-6.3		
16	VW	0.9	2.2	10	24	-58.3	0.2	6.0	10	424	-97.6		
17	Fuso	0.2	0.0	2	0	100.0	0.1	0.2	8	12	-33.3		
18	JAC	0.1	0.2	1	2	-50.0	0.1	0.1	4	7	-42.9		
19	Liebherr	0.0	0.0	0	0	0.0	0.0	0.0	1	3	-66.7		
20	Tatra	0.0	0.0	0	0	0.0	0.0	0.0	1	1	0.0		
21	Hyundai	0.1	0.0	1	0	100	0.0	0.0	1	0	100		

New Bus Registration in Israel 1-6/2023 According to Brands

No.	Brand	June						Jan-June					
		Share%		Units		Change%	Share%		Units		Change%		
		2023	2022	2023	2022		2023	2022	2023	2022			
1	Mercedes	37.5	57.4	108	132	-18.2	35.2	37.7	643	602	6.8		
2	Volvo	16.0	14.8	46	34	35.3	15.6	10.7	285	171	66.7		
3	Golden Dragon	2.8	15.7	8	36	-77.8	11.8	13.3	215	213	1.0		
4	Higer	16.3	1.7	47	4	1075.0	10.8	7.3	197	116	70.0		
5	Otokar	11.8	2.2	34	5	580.0	7.8	2.6	142	42	238.1		
6	MAN	0.3	3.5	1	8	-87.5	3.0	3.4	54	55	-2.0		
7	Isuzu	5.2	0.0	15	0	100.0	2.8	0.1	52	2	2500.0		
8	Renault	1.4	0.0	4	0	100.0	2.4	1.3	43	20	115.0		
9	Temsa	2.8	0.0	8	0	100.0	2.4	0.1	43	2	2050		
10	Zhong Tong	1.7	0.0	5	0	100.0	2.1	0.1	39	2	1850.0		
11	Scania	3.8	0.4	11	1	1000.0	2.1	5.5	39	88	-55.7		
12	IRIZAR	1.0	0.0	3	0	100.0	1.9	1.0	34	16	112.5		
13	BYD	0.0	0	0	0	0.0	1.8	0.1	33	1	3200		
14	Ankai	0.0	0.0	0	0	0.0	0.1	0.3	2	5	-60.0		
15	Chevrolet	0.0	0.0	0	0	0.0	0.1	0.0	2	0	100.0		
16	DAF	0.0	0	0	0	0.0	0.1	0.4	2	7	-71.4		
17	Wisdom	0.0	0.0	0	0	0.0	0.1	9.4	1	151	-99		
18	Ford	0.0	0.0	0	0	0.0	0.1	0.6	1	10	-90		



Monthly review – Israel's Auto and Auto-Tech industry

General Motors Acquires Battery Software Start-up ALGOLiON

General Motors Co. (NYSE: GM) announced that it has acquired substantially all the assets of Israel-based battery software startup ALGOLiON Ltd. for an undisclosed sum. ALGOLiON, which received early support from the Israeli Innovation Authority, was founded and developed sophisticated software that uses data streams from EV battery management systems to help identify anomalies in cell performance to ensure proper vehicle health management and provide early detection of battery hazards, including thermal runaway propagation events. ALGOLiON's software, coupled with GM's internal capabilities and vast experience in delivering best-in-class products at scale, can significantly accelerate the time-to-market of a cost-effective early hazard detection system for the benefit of millions of GM's customers worldwide.

Carlton Rose Joins REE Automotive Board of Directors

REE Automotive Ltd. (Nasdaq: REE) announced that Carlton Rose, former global president of fleet maintenance and engineering at UPS, has been appointed to the company's board of directors, effective immediately. "Carlton, who spent 42 years at UPS, is one of the most experienced and respected fleet leaders in the world, bringing invaluable expertise and a wealth of experience to REE," said Arik Steinberg, chairman of REE. "We will greatly benefit from his management and industry experience as we continue to shape our long-term vision and strategy". "During my time at UPS, I led the development and deployment of over 16,000 low and zero emission, alternate fuel, and advanced technology vehicles," said Rose. "REE's focus on innovation, electrification, and automation provides a compelling foundation to accelerate e-mobility across multiple vehicle classes, use cases, and applications. I believe that better is before us and that REE will become a leader in the commercial EV industry."



Electreon Wins Tender for Electric Road in Trondheim, Norway

Israeli wireless charging solutions provider Electreon has won a tender in Trondheim (Norway) to implement a wireless Electric Road System (ERS) for charging a bus wirelessly. The route will be managed by AtB AS. The tender was awarded by the Transportation Authority of Trøndelag County, and the project deployment will begin in the summer of 2024. The ambitious long-term vision of AtB is to establish an electric road in the city of Trondheim, making it accessible to all fleets as a shared charging platform for AtB's buses, e-trucks, and e-taxis. AtB is responsible for planning, purchasing, and developing public transport services to the region and is wholly owned by the Trøndelag County Authority.

By utilizing Electreon's ERS product to electrify the bus route, it becomes possible to reduce the bus's battery's size, increasing the project's sustainability. Furthermore, the system is designed to charge the buses reliably in any weather or terrain conditions, enhancing the overall efficiency and resilience of the electrification endeavor.

SaverOne and IVECO Plan to Advance Collaboration

SaverOne 2014 Ltd. (NASDAQ: SVRE) (TASE: SVRE), a technology company engaged in transportation safety solutions, announced that IVECO, the commercial vehicle brand of Iveco Group (MI: IVG), and SaverOne, have signed a side letter related to the Memorandum of Understanding (MOU) of October 2022, to document the agreed upcoming plans. The letter also provides IVECO with an exclusivity period of up to six months, during which SaverOne decided not to sell, develop, or manufacture its OEM solution for SaverOne's innovative in-cabin Driver Distraction Prevention Solution (DDPS) with any other truck manufacturer. The initial MOU with IVECO marked the intention of IVECO to integrate SaverOne's technology into their vehicles, aimed at enhancing road safety. The goal of the collaboration is to provide IVECO with a competitive edge by offering a safer driving experience to IVECO's global customer base. It represents a key milestone in SaverOne's international cooperation with a major OEM and in SaverOne's growth trajectory. The parties intend to start the development



activities in the fourth quarter of 2023 following entry into an agreement, with the goal of elevating road safety standards in the trucking industry. Based on current estimates, roll out to customers is expected within the 2024 timeframe.

Alternative Energy Car Sales in Israel – H1 2023

During the first six months of 2023, 64,338 BEV, Hybrid, and PHEV vehicles were sold in Israel – 36.9% of all car sales. Twenty-eight thousand eight hundred thirty-four of those were BEVs, 25,854 Hybrids, and 9,650 PHEVs. The percentage of BEVs out of the total amount reached an impressive 16.5%. As a basis for comparison, in 2022, a total of 91,129 alternative energy cars were sold, out of which 27,671 were BEVs.

Dr. Hanan Golan

A handwritten signature in blue ink, appearing to be "H. Golan", written on a light blue background.

Hezi Shayb – Ph.D.
CEO – I-Via

A handwritten signature in black ink, appearing to be "Hezi Shayb", written on a white background.