



Israel Vehicle Importers Association – Monthly Review January 2024

Preface – Economic Climate

On the morning of October 7th, the State of Israel fell victim to a reprehensible and traumatic terror act that claimed innocent civilians' lives. Israel is now compelled to engage in warfare as it responds to these unprovoked and barbaric onslaughts. This conflict will indubitably impact Israel's near-term and long-term trajectory across many areas, including financial stability. Many indices are apt to shift dramatically in forthcoming assessments, as is inherent to the nature of wartime (e.g., inflation, foreign exchange rates, employment).

Therefore, updated data will be presented with minimal additions where possible.

The Israeli economy is an advanced economy that participates in the OECD organization. Israel's GDP per capita is \$53,310. Israel's growth rate in 2023 was 2%, while the current forecast for 2024 ranges from 1.5-3.0%.

Israel maintains a 4.8% deficit of the GDP from February 2023 to January 2024.



The debt-to-GDP ratio increased to 62.1% in 2023, and the unemployment rate in January 2024 was 3.2%. As of January 2024, the annual inflation growth rate is 2.6%. In January 2024, the short-term interest rate was 4.5%, while the long-term interest rate stood at 4.3 (as of November 2023).

Statistical Profile: Israel January 2024

Society

Population (January 2024): 9.842 million

Economy

GDP per capita (January 2024): \$53,310 (₪198,412)

Inflation (January 2024) (Annual Growth Rate): 2.6%

Current Account Balance (September 2023): 3.6% of GDP

Trade in Goods and Services (January 2024): \$11.7 billion (₪43.6 billion)

Finance

US Dollar Exchange rate (January 2024, Avg.): ₪3.722

Euro Exchange rate (January 2023, Avg.): ₪4.003

Long-term interest rates (November 2023): 4.3% Per Annum

Short-term interest rates (January 2024): 4.5% Per Annum



Government

Debt to GDP ratio (2023): 62.1%

Deficit to GDP (February 2023 - January 2024): 4.8%

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 (January 2024): 62.4% of Working Age Population

Official Unemployment Rate (January 2024): 3.2% of the Labour Force

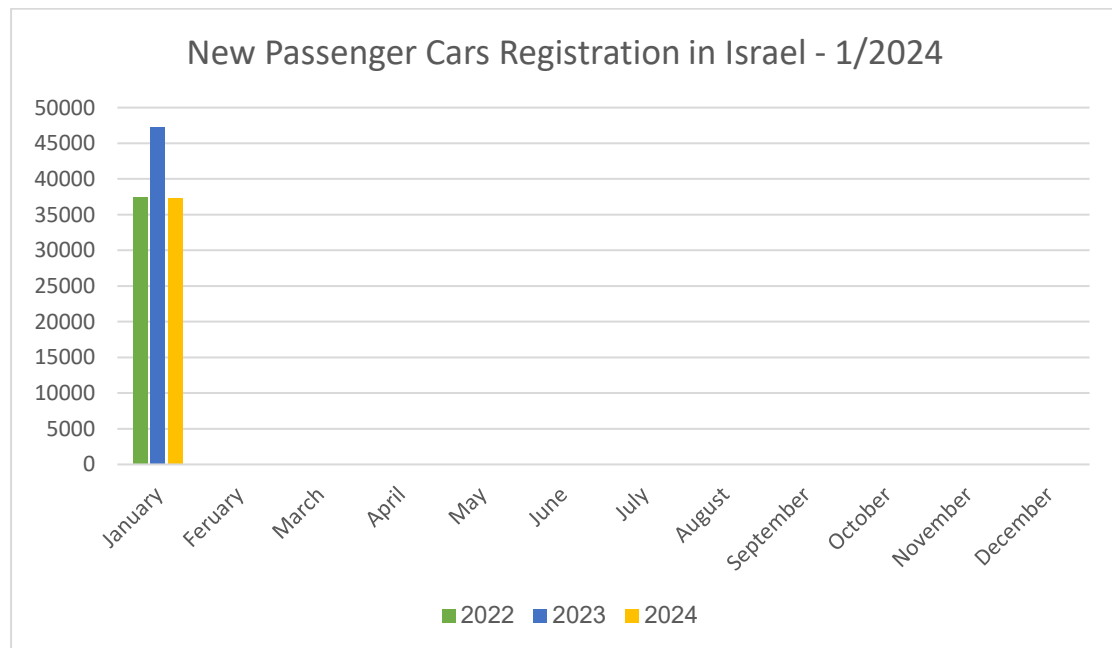


New Cars and CV Registrations

Israel New Passenger Car Registration January 2024

Passenger car registration: Decrease of 20.9% compared with January 2023.

In January 2024, the Israeli passenger car market registered 37,347 new cars – a decrease of 20.9% compared with January 2023. In January, 8,693 BEVs and 2,018 PHEVs were registered, a total of 10,711 cars with chargeable electric drive representing 28.7% of all registrations. The market share of pure EVs in 2024 is currently 23.2%.





New Passenger Cars Registration in Israel 1/2024 - According to Top 20 Brands

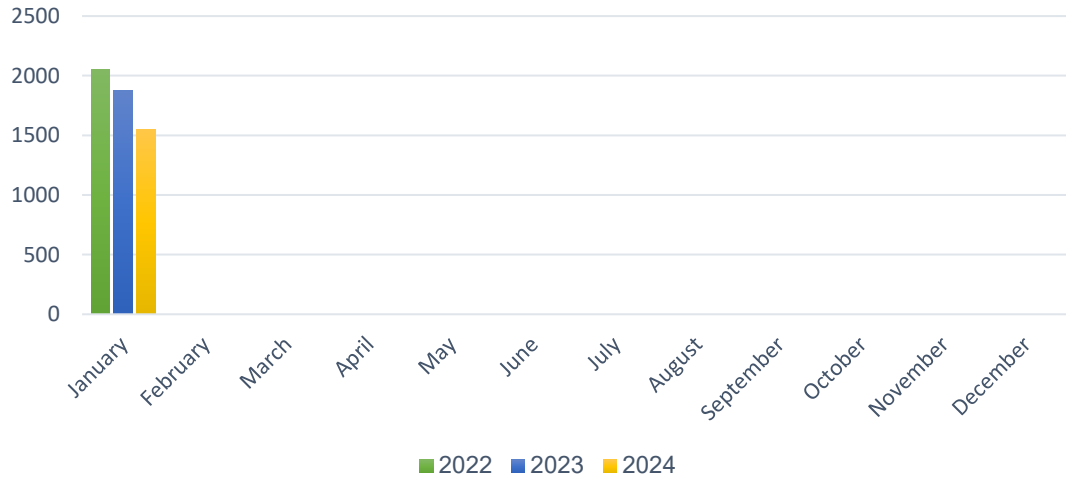
| No. | Brand | January | | | | |
|-----|------------|---------|------|-------|------|------------------|
| | | Share% | | Units | | Change% 24/23 |
| | | 2024 | 2023 | 2024 | 2023 | |
| 1 | Hyundai | 15.2 | 17.8 | 5664 | 8416 | -32.7 |
| 2 | Kia | 12.7 | 10.4 | 4751 | 4912 | -3.2 |
| 3 | BYD | 8.9 | 6.4 | 3331 | 2999 | 11.1 |
| 4 | Toyota | 8.2 | 6.4 | 3068 | 3036 | 1.0 |
| 5 | Mazda | 7.2 | 9.8 | 2676 | 4615 | -42.0 |
| 6 | Mitsubishi | 5.0 | 4.7 | 1868 | 2234 | -16.4 |
| 7 | Skoda | 4.4 | 3.7 | 1628 | 1750 | -7.0 |
| 8 | Suzuki | 3.6 | 2.9 | 1360 | 1368 | 0.0 |
| 9 | Geely | 2.7 | 2.5 | 1013 | 1200 | -15.6 |
| 10 | MG | 2.3 | 2.7 | 869 | 1281 | -32.2 |
| 11 | Chery | 1.9 | 3.4 | 714 | 1600 | -55.4 |
| 12 | Subaru | 1.9 | 3.1 | 696 | 1447 | -51.9 |
| 13 | Seat | 1.6 | 3.2 | 585 | 1510 | -61.3 |
| 14 | Citroen | 1.6 | 2.4 | 580 | 1119 | -48.2 |
| 15 | Renault | 1.5 | 1.6 | 575 | 774 | -25.7 |
| 16 | Chevrolet | 1.3 | 1.7 | 501 | 797 | -37.1 |
| 17 | Mercedes | 1.3 | 3.1 | 489 | 1467 | -66.7 |
| 18 | VW | 1.3 | 1.0 | 477 | 470 | 1.5 |
| 19 | BMW | 1.3 | 1.2 | 471 | 557 | -15.4 |
| 20 | Seres | 1.1 | 0.4 | 406 | 174 | 133.3 |

New CV above 3.5 tons and Bus Registration in Israel January 2024

Commercial Vehicles above 3.5-ton registration: -17.5% compared with January 2023.

In January 2023, the Israeli market for CVs above 3.5 tons registered a decrease of 17.5% in deliveries with 1,551 new registrations, compared with 1,879 units in January 2023.

New CV above 3.5 ton and Bus Registration in Israel- 1/2024



New CV above 3.5-ton Registration in Israel 1/2024 - According to Brands

| No | Brand | January | | | | |
|----|-----------|---------|------|-------|------|---------|
| | | Share% | | Units | | Change% |
| | | 2024 | 2023 | 2024 | 2023 | 24/23 |
| 1 | Mercedes | 15.2 | 14.7 | 180 | 215 | -16.3 |
| 2 | Volvo | 14.5 | 14.3 | 172 | 209 | -17.7 |
| 3 | Chevrolet | 10.7 | 6.5 | 127 | 95 | 33.7 |
| 4 | Isuzu | 10.4 | 11.3 | 124 | 165 | -24.8 |
| 5 | DAF | 8.8 | 9.9 | 105 | 145 | -27.6 |
| 6 | Scania | 7.5 | 11.3 | 89 | 165 | -46.0 |
| 7 | Dodge-Ra | 6.1 | 10.8 | 73 | 157 | -53.5 |
| 8 | MAN | 5.6 | 5.5 | 66 | 80 | -17.5 |
| 9 | Ford | 4.6 | 3.1 | 55 | 45 | 22.2 |
| 10 | FIAT | 4.6 | 2.5 | 55 | 37 | 48.6 |
| 11 | Renault | 4.0 | 2.7 | 47 | 39 | 20.5 |
| 12 | VW | 3.2 | 0 | 38 | 0 | 100 |
| 13 | Iveco | 2.6 | 3.4 | 31 | 50 | -38.0 |
| 14 | Peugeot | 1.1 | 1.8 | 13 | 26 | -50.0 |
| 15 | JAC | 0.7 | 0.0 | 8 | 0 | 100.0 |
| 16 | Tatra | 0.2 | 0 | 2 | 0 | 100 |
| 17 | HINO | 0.1 | 1.6 | 1 | 23 | -95.7 |
| 18 | Fuso | 0.1 | 0.3 | 1 | 4 | -75.0 |



New Bus Registration in Israel 1/2024 - According to Brands

| No. | Brand | January | | | | |
|-----|---------------|---------|------|-------|------|---------|
| | | Share% | | Units | | Change% |
| | | 2024 | 2023 | 2024 | 2023 | 24/23 |
| 1 | Mercedes | 47.5 | 35.9 | 173 | 151 | 14.6 |
| 2 | Volvo | 14.6 | 11.2 | 53 | 47 | 12.8 |
| 3 | Golden Dragon | 13.5 | 15.9 | 49 | 67 | -26.9 |
| 4 | VW | 8.5 | 0 | 31 | 0 | 100 |
| 5 | Scania | 6.3 | 2.9 | 23 | 12 | 91.7 |
| 6 | Zhongtong | 3.8 | 0.7 | 14 | 3 | 366.7 |
| 7 | MAN | 1.9 | 5.5 | 7 | 23 | -69.6 |
| 8 | Ankai | 1.4 | 0 | 5 | 0 | 100 |
| 9 | TEMSA | 1.4 | 3.8 | 5 | 16 | -68.8 |
| 10 | Isuzu | 0.5 | 0.0 | 2 | 0 | 100.0 |
| 11 | Higer | 0.3 | 8.6 | 1 | 36 | 620.0 |
| 12 | OTOKAR | 0.3 | 6.7 | 1 | 28 | -96.4 |

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

REE Completes U.S. Certification of Full-By-Wire Vehicles and Begins Customer Deliveries of its P7-C Electric Truck

REE, the Israeli automotive technology company that provides full by-wire electric trucks and platforms, announced that it has begun customer deliveries of its P7-C electric chassis cab following Federal Motor Vehicle Safety Standards (FMVSS) and Environmental Protection Agency (EPA) certification, making it the first to certify a fully x-by-wire vehicle. REE is the first company to certify a fully steer-by-wire, brake-by-wire, and drive-by-wire vehicle in the US. The Powered by REE™ P7-C medium-duty electric commercial truck has met the FMVSS requirements and has achieved EPA approval. REE has initiated customer deliveries of the first batch of P7-C demonstration trucks for multiple fleet evaluations in North America via its fast-growing Authorized Dealer Network.



EXCEED, Chery Auto's Luxury Brand, Chooses Mobileye and WBTL To Launch First Cloud-Enhanced Driver-Assist in China

EXCEED, Chery Auto's luxury brand, announced today it would be the first automaker in China to launch a Cloud-Enhanced Driver-Assist™ system, joining with Mobileye (Nasdaq: MBLY) and WBTL ADAS to debut the technology on the Exeed VX. The EXCEED VX with the Cloud-Enhanced Driver-Assist system can leverage continuous updates to enable vehicles to adapt to various driving situations. This system is particularly effective in challenging scenarios, such as poor visibility or complex traffic situations, demonstrating Chery/EXCEED's commitment to safety and technological innovation. The cloud-enhanced functions leverage Mobileye's REM™ technology. They will launch in February 2024 and, by the first quarter of 2024, will support more than 37 cities across China, soon reaching more comprehensive coverage across the country. It enables unique features such as lane-keeping on roads without lane markings and adaptation to the applicable driving speed.

Jungo and Sosna Moving Announce Groundbreaking Fleet Management Agreement

Jungo Connectivity, the supplier of in-cabin sensing AI software, announced an agreement with logistics firm Sosna Moving to install Jungo's VuDrive accident prevention system. The company will install a system that includes driver and road monitoring, video recording of events, and a cloud-based management system in 400 Sosna Moving trucks. According to the agreement, the system will enable real-time driver notifications, presentation of driving events by video, and statistical analysis of driver behavior. The system will be installed in 50 trucks during Q1 2024 and at least 50 additional trucks by the end of 2024.

Electreon Announces Signing of a MOU with Toyota and DENSO

Electreon, a publicly-traded Israeli company developing and implementing Wireless Electric Road Systems (ERS) announced



that on March 22nd, 2023, it signed a Memorandum of Understanding (“MOU”) with two of the leading and most respected companies in the global automotive industry - the Japanese automaker TOYOTA Motor Corporation (“TOYOTA”), and the auto parts global manufacturer (Tier 1) DENSO Corporation (“DENSO”). The MOU specifies the principles and conditions for wireless charging technology joint development for existing and new vehicles based on the technology developed by the Company. This MOU follows the comprehensive and successful technological assessment of the Company’s wireless charging system carried out by TOYOTA and DENSO, inter alia, as part of a two-week feasibility study conducted at the Company’s headquarters in Beit Yanai with TOYOTA and DENSO 2 technical teams. At the end of the feasibility study, a demonstration was held at the Company’s headquarters in the presence of TOYOTA and DENSO technical teams. The system’s technological capabilities were displayed on a TOYOTA RAV4 hybrid vehicle. Representatives of TOYOTA and DENSO informed the Company that they were impressed by the technological innovation and advancement of the Company’s products. They stated that they view the dynamic wireless charging technology as a productive solution to the numerous challenges related to the transition to electric vehicles.

ThunderSoft Selects C2A Security along with Amazon Web Services, Arm, Blackberry, and others to create new Vehicle OS

C2A Security, an Israeli risk-driven cybersecurity company, has been chosen by ThunderSoft for its new vehicle operating system, DISHUI OS. DISHUI OS is the first product of its kind in the industry, and it is the result of a joint effort between ThunderSoft and 18 leading companies, including Amazon Web Services, Arm, BlackBerry, Cerence, and others. ThunderSoft is a strategic partner of C2A Security in China, a provider of operating system technologies, software products, and solutions, and an expert in mobile, IoT, automotive, and enterprise. This project has been a collaborative effort spearheaded by ThunderSoft and 18 outstanding companies, including HiPhi, GAC Aion, Dongfeng Motor, NETA Auto, BlackBerry China, ARM, Bytedance Volcengine, Horizon Robotics, Amazon Web Services, C2A Security, TomTom,



Arkamys, Cercence, Microchip Technology, ETAS, KPIT, TIER IV, and ABUP. The goal is to provide global automotive companies with highly secure, high-computing power and customizable innovative products, technologies, and solutions for complete vehicle operating systems.

Kushner's Affinity Partners Completes the Purchasing of 15% of Shlomo Group stake

Shlomo Group, one of the leading vehicle and credit companies in Israel, announced the completion of the 15% investment in the company's equity by Jared Kushner's Affinity Partners. The investment will expand the Shlomo Group's in Israel to other countries in the Middle East and North Africa. The investment by Affinity Partners reflects a valuation of 2.7 billion NIS for the Shlomo Group, which has a fleet of nearly 80,000 vehicles.

Dr. Hanan Golan

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

Hezi Shayb – Ph.D.
CEO – I-Via

A handwritten signature in black ink, appearing to be "H. Shayb", written on a light blue circular stamp.