

This is an English translation of a Hebrew Immediate Report that was published January 1, 2023 (reference no.: 2023-01-000076 (hereafter: the "Hebrew Version")). This English version is for convenience purposes only. This is not an official translation and has no binding force. While reasonable care and skill have been exercised in the preparation, no translation can perfectly reflect the Hebrew Version. In any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

January 1st, 2023

Dear shareholders,

To properly summarize 2022, following announcements on significant collaborations we created in the USA and on having reached the exciting milestone of starting deliveries to our European clients, and in view of the upcoming launching of the first ultra-fast EV-Charging station in Israel, which is powered by our proprietary Power Booster, I would like to share with you, succinctly, our achievements in last few months, looking forward to 2023.

The momentum of the EV revolution continued to grow throughout 2022, stimulating parallel growth and momentum in the development of ultra-fast EV-Charging infrastructure. Global market trends continue to support our decision to focus on ultra-fast EV-Charging infrastructure as the principal target-market for the commercialization of our technology.

We are presently progressing with setting up four very significant Pilots in the rapidly growing US market (see details below), and we believe that beyond their immense illustrative potential, we shall be able to leverage the validation of our solution vis-à-vis other clients and partners, to speed up our penetration into the US market.

Early in December, we have sent a first system to our customer in Germany, which will be the first commercial sale-transaction of our proprietary product – the ZOOZTER™-100. We expect that it will be possible to leverage the Turnkey projects in Germany and the interest they generate among other customers with whom we interact, into additional orders and significant collaborations, thereby implementing our strategy for penetrating the European market, which is already in a very advanced stage of the EV revolution.

With that background, we are proud of several significant achievements and important milestones that have been completed in recent months.

I will begin with the developments in the US market:

1. We embarked on a pilot with one of the giants of global car rentals, as part of which we will build an ultra-fast EV-charging infrastructure at LaGuardia Airport in New York to be used by our partner's point of service on site. The car rental giant has plans for an extensive deployment of such infrastructure at its points of service in airports and other locations, many of which have to deal with power-constrained electrical grids, and which is why we see huge potential in that collaboration, not least from the aspect of validating our solution in the use-case of vehicle fleets – a market segment that is developing with significant momentum. The Pilot site is expected to be operational by the middle of 2023. For more details, please see the immediate report from November 2nd, 2022 (reference number: 2022-01-131911).
2. We started a cooperation with New-York Power Authority (NYPA) – the largest utility in the USA. As part of the project, funded by NYPA, we will build an ultra-fast EV-charging facility in NYPA's site, which will serve for testing and validating the added value of our solution. The Pilot site is expected to be completed by the 3rd quarter of 2023 and will operate for a period of 12 months. NYPA is recognized as a US opinion leader and is known for promoting innovative solutions. Hence, we believe that cooperating therewith will further encourage additional customers to adopt our solution. For more details, please see the immediate report from September 13th, 2022 (reference number: 2022-01-094602).

3. We signed a distribution agreement with Blink Charging, one of the largest US EV-charging operators. We are working together with Blink for setting up a Pilot site in Fort Lauderdale, Florida, which will serve for testing our joint solution and demonstrating its performance to Blink's US customers. The Pilot site is under construction and is expected to be operational during the 2nd quarter of 2023. We expect that the combination of the joint Pilot and the distribution agreement, will enable us to promote joint business activity with Blink. For more details, please see the immediate report dated December 4th, 2022 (reference number: 2022-01-116724).
4. I am pleased to update on the progress of the pilot with ARKO, one of the largest convenience store chains in the US. Recently, ARKO has signed an agreement with a large US EV-charging operator, to carry out the construction of a Pilot site at the ARKO gas station and convenience store in Rockhill, South Carolina. We expect the Pilot to begin operating during the 2nd quarter of 2023. Subsequently, we reached an agreement with ARKO to extend the pilot for a period of up to one year, in order to allow ARKO a proper testing period of our solution, considering the trends whereby the US market will develop, for deciding whether to go on and expand our cooperation into a distribution agreement. We further plan this Pilot site to serve as a demonstration site for other potential US clients.

The developments above are very well timed, given the growing momentum in the US market and the huge investments that are expected to be made into EV-charging infrastructure throughout the USA in the coming years. Hence, we believe that it will be possible to leverage the four significant Pilots mentioned above to further accelerate the process of our penetration into this major market.

I am pleased to update on significant developments in the European market as well:

1. Further to the sales agreements we reported to have been made in Germany (see immediate reports from 7.12.2021, 19.1.2022, 28.08.2022 and 6.12.2022 (reference numbers: 2021-01-106897, 2022-01-008346, 2022-01-108760 and 2022-01-147577, respectively), and with the completion of the certification process of the first ZOOZTER™-100 system (in its European configuration), in accordance with European standards, we have sent, in early December, the first system to our customer in Germany.
This is an exciting milestone for us – the first delivery, which will become the first commercial sale-transaction of our new product. The first site in Germany, in the city of Herrenberg, is expected to start operating by the end of the 1st quarter of 2023.
2. An agreement was recently signed with the real-estate owner of a fifth site in Germany, which will complete the five already reported agreements in Germany. We are dealing with some delays in the supply chain but are working with all our capacity and full vigor to supply all the systems under these agreements during the first few months of 2023. Furthermore, the client has recently expressed its intention to order additional systems, following the activation of the first ultra-fast EV-charging sites which are based on our solution.
3. The first sites in Germany are established in cooperation with a large German EV-charging provider (as a local partner which is setting up the site and will operate it). This partner already identifies a need for our solution in additional sites under its management and operation. The first joint operational sites will serve for testing our solution, and depending on its successful completion, we see a very significant potential in this partner, as an additional sales channel for our products.

As mentioned, we are also engaged in advanced marketing and sales processes to additional clients in Germany, Austria, Italy, Spain, Denmark, and Norway. We anticipate that the aforementioned activity in Germany will speed up the decision-making processes of these clients as well, thus realizing in practice our penetration strategy into the European market.

In the Israeli market, we have completed, as promised before the end of 2022, the first installation of an ultra-fast EV-charging site powered by our new ZOOZTER™-100 product. This charging-site has been built at the Dor-Alon "Or-Zichron" gas station (along Road 4, near the town of Zichron Yaakov), in cooperation with Afcon Electric Transportation and Dor-Alon and with the support of the Israeli Ministry of Energy and the Innovation Authority. The system is in the process of trial-running and final testing and is expected to begin commercial operation (parallel to the trial-running), in the coming days. For more details, please see the immediate report dated July 24th, 2022 (reference number: 2022-01-093811).

We continue to expand into additional markets both at the commercial level and in terms of operational growth: we have recently signed a memorandum of understanding with a major Indian partner, initiating a cooperation which has two main objectives: (a) Developing a low-cost supply-chain, with emphasis on flywheels' production, given the growth we foresee in the global demand for our products, and (b) Business development of the Indian market, which albeit still struggling through its preliminary stages, is expected to become one of the largest markets in the world.

The company continues to grow and expand. During recent months we have recruited personnel – employee and managerial – at all departments of the company, which will enable us to accelerate the company's activity and accomplish our breakthrough into the fascinating and dynamic market in which we operate.

Such accelerated developments and achievements have been made possible upon the considerable momentum created by the EV revolution all around the world and the continued development and growth of the EV-charging infrastructure market. The straightforward evidence for this momentum is the entry, in recent months, of additional competitors into that market, most of which are based on lithium batteries while few others follow our path in using flywheel technology. We are, however, the first company in the world to offer a mature and commercial flywheel-based solution, as a sustainable, safe, and long-lasting solution that sustains high performance, high reliability, and economic viability for many years, further allowing the establishment and operation of ultra-fast EV-charging infrastructures even in places where the electric grid is power constrained. The on-going field deployment of the ZOOZTER™-100 system at the current timing, with the tailwind provided by the trends referred to above, is expected to position us as a leading company in a huge market that is still in its infancy.

In conclusion:

With these global trends and expanding EV revolution at the background, we look with satisfaction at the achievements and business growth of the company in the year that just ended. Accordingly, as we look ahead to 2023, we believe that we are on the right path to realizing ZOOZ's potential to become a leading player in the market of EV-charging infrastructure.

I wish to thank you - dear shareholders. I appreciate the patience and trust you place in me and the management team of the company. We, on our part, will continue to work together to further expand and improve the company's business activity.

I believe that continued intensive work and focus on achieving the goals we have set for ourselves will also be reflected in the company's share price and we will do our very best to add value to the shareholders who have invested their financial means and confidence in us for a long time.

Respectfully yours,
Boaz Weizer, CEO

General note: The information provided above includes the company's forecasts and projections, including regarding the success of Pilots, product sales and/or regarding regulatory approvals, and is considered "forward-looking information", as defined in the Israeli Securities Law, 1968, whereby there is no certainty whatsoever concerning its materialization, in whole or in part, in the aforementioned manner or in any other manner, and it may materialize in a manner which is materially different from what is stipulated above, due to the fact, among other things, that these are assessments, estimates and projections of the company which may be influenced by third parties, changes in trends in the company's field of activity, etc., over which the company has no influence or control.