

July 6, 2016

Shagrir Group Vehicle Services Ltd. (the "Company")

Disclosure of certain information by the Company in accordance with Rule 12g3-2(b) of the U.S. Securities Exchange Act of 1934

1. On June 26, 2016, the Company had announced to Car2Go Ltd., a subsidiary of the Company ("**Car2Go**"), of its intent to convert a loan in the sum of NIS 3,490,000 (including any linkage differentials and accrued interest), into 11,542 Preferred A shares of Car2Go, representing approx. 29.13% of its issued and outstanding share capital, all in accordance with a convertible loan agreement between the Company and Car2Go as more fully provided under Section 6.22.1(d) of the Company's Prospectus dated May 27, 2016 (the "**Conversion Shares**"). Following the issuance of the Conversion Shares, the Company shall hold 72.40% of Car2Go's issued and outstanding share capital. The issuance of the Conversion Shares to the Company shall be deemed as a full and final repayment of the Company's loan to Car2Go. In addition, the issuance of the Conversion Shares is subject to the amendment of Car2Go's articles of association pursuant to which the Conversion Shares shall be created as a new type of shares in Car2Go's capital.
2. Further to the information disclosed by the Company under section 6.31.3 to the Company's prospectus dated May 27, 2016, on June 27, 2016, Car2Go entered into an agreement with the Economic Development Authority of Tel Aviv Jaffa Ltd. ("**ADTA**"), pursuant to which Car2Go shall establish, operate and maintain a car sharing system in Tel Aviv (the "**Agreement**"). The Agreement shall enter into effect on July 1, 2016. For securing Car2Go's obligations under the Agreement, the Company issued a guaranty in favor of ADTA in the amount of NIS 6,000,000.