

This is an English translation of a Hebrew immediate report that was published on 17 December 2023 (reference no.: 2023-01-136554) (hereafter: the “Hebrew Version”). This English version has been translated only for the purpose of convenience. It is not an official translation and has no binding force. While reasonable care and skill have been exercised in the preparation hereof, no translation can ever exactly mirror the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.



December 17, 2023

To
Israel Securities Authority
www.isa.gov.il

To
Tel Aviv Stock Exchange
www.tase.co.il

Re: Immediate Report

Further to the description in section 1.1 of the Company's Board of Directors' Report for the First Half of 2023¹, regarding the publication of an additional tender of the Federal Electric Company of Mexico ("CFE") to supply, deliver and install multiple backup power systems in utility substations and render related services to CFE for a period of two years from the date of completion of their installation (the "**Additional Tender**" and the "**Additional Tender Term**", as applicable), the Company is honored to announce that, the Company has been informed by its Local Partner in Mexico (the "**Local Partner**") that the Local Partner has won the Additional Tender. Accordingly, the Company and the Local Partner have entered into an agreement for the Company's supply of multiple GenCell REX™ Systems (the "**Systems**") to the Local Partner in accordance with the Additional Tender Terms (the "**Agreement**").

As per the Agreement, the Company will be responsible for the supply and delivery of the Systems, and for supporting all training and service-related issues to the Local Partner throughout the Additional Tender Term. The Company intends to supply all the Systems to its Local Partner within the 2023 calendar year. The expected consideration for the Company for fulfillment of its obligations as per the Agreement is approximately USD 4.5 million (the "**Current Order**") which

¹ The periodic report was published on 31 August 2023 (Reference No.- 2023-01-101247). The abovementioned is hereby incorporated by reference.



is expected to be received in several installments until the end of the first half of 2024, all subject to the Local Partner receiving consideration from CFE in accordance with the Additional Tender Terms².

Furthermore, in accordance with the Additional Tender Terms, CFE shall obtain the right to place an additional order for a multiple number of Systems amounting up to the Current Order, under the same terms and conditions of the Additional Tender Terms within the next 6 months.

In the Company's view, the winning of the Additional Tender by the Local Partner, is an indication of CFE's satisfaction from the Company's Systems which were supplied and deployed successfully in the previous CFE tender³. The Company believes that this transaction may contribute to the Company's positioning in its target markets and may help it expand its activities with new clients in the utilities markets in accordance with the Company's goals and strategy.

Please note that the above information in this Immediate Report regarding the supply and delivery times of the systems in the framework of the Additional Tender, CFE's right to order additional systems and their supply by the company as aforesaid, and the possible contribution of the transaction to the expansion of the company's business activities, is forward-looking information within the meaning of the Securities Law 1968, for which there is no certainty that this will take place at all, or which might take place in a materially different way from what has been stated above. Any forward-looking information contained in this Immediate Report is based on the Company's current expectations and assessments, as well as on existing information which is in its possession. Although the Company believes that the assumptions upon which any forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect.

Sincerely,
GenCell Ltd.
Signed by:
Yossi Salomon, CFO

² It should be noted that due to the existing debt of the Local Partner to the Company, it is possible that part of the expected consideration to be received as aforesaid will also be credited to the repayment of the debt. For more details, see Section 13 of Chapter A for the periodic report for 2022 which was published on 28 March 2023 (Reference No.- 2023-01-032871).

³ For more details, see footnote 2 above and immediate reports were published on 20 December 2020, 10 May 2021, 11 May 2021, and 17 August 2021 (Reference No.- 2020-01-137091, 2021-01-081384, 2021-01-082731, 2021-01-066232, respectively). The abovementioned is hereby incorporated by references.