

This is an English translation of a Hebrew immediate report that was published on December 20, 2020 (reference no.: 2020-01-137091) (hereafter: the “Hebrew Version”). This English version is only for convenience purposes. This is not an official translation and has no binding force. Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.



20 December, 2020

To	To
Israel Securities Authority	Tel Aviv Stock Exchange
www.isa.gov.il	www.tase.co.il

Re: Immediate report on winning a tender for the supply of backup systems to the Federal Electric Company (CFE) in Mexico

Further to the description in section 6.29.2 of the prospectus for the initial public offering (IPO) which is also a shelf prospectus of the Company dated November 9, 2020, bearing the date of November 10, 2020¹, regarding growth and penetration into potential target markets, the Company is hereby honored to announce that on December 19, 2020, it was notified that the Company has won a tender conducted by the Federal Electric Company of Mexico ("CFE" or "**Tender**", as applicable) for the supply and installation of 37 systems (the "**Minimum Quantity**") of GenCell G5rx Utility Backup Power Solution which are adjusted to work in utility substations (the "**Systems**").

The Tender also specifies that the Company will provide maintenance services for the Systems for a period of two years from the date of completion of their installation. In accordance with the terms of the Tender, CFE has the right to increase the number of Systems that will be supplied and installed by the company, up to 100%, i.e., up to 74 Systems in total, under the same terms and conditions of the Tender. The consideration is estimated at approximately US \$ 6 million and may reach up to approximately US \$ 12 million .if and to the extent. that the amount of such Systems is increased.

According to the terms of the Tender, the agreement will be execute between the parties and will enter into full force on December 28, 2020, and within 7 days from this date, the Company must provide a bank guarantee to secure its obligations in accordance with the Tender. The Tender further specifies that the Minimum Quantity of the Systems will be supplied to CFE within 120 days from the date of its entry into force.

¹ For the prospectus, please see the formal website of Israel Securities Authority www.magna.isa.gov.il (Ref. No. 2020-01-120750).



The Company estimates that winning of the Tender, as well as additional installations made by the Company in the United States and Mexico, may assist in the marketing efforts for its Systems to utility companies around the world.

The information in this immediate, in respect of potential customers of the Company and its strategic plans and business plans is forward looking information within the meaning of the Securities Law, 1968, for which there is no certainty that it will take place at all, or might take place in a materially different way from what is stated above. Anyforward-looking information contained in this immediate report is based, in addition to existing information of the Company, oncurrent Company expectations and assessments. Although the Company believe the assumptions upon which anyforward-looking statements are based are reasonable, any of the seassumptions could prove to be in accurate and the forward-looking statements based on these assumptions could be incorrect.

Sincerely,

Gencell Ltd.

Signed by:

Yossi Salomon, CFO