

This is an English translation of a Hebrew immediate report that was published on July 4, 2021 (reference no.: 2021-01-047335) (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.



GenCell Ltd.

("The Company")

July 4, 2021

To

Israel Securities Authority

[www.isa.gov.il](http://www.isa.gov.il)

To

Tel Aviv Stock Exchange Ltd.

[www.tase.co.il](http://www.tase.co.il)

Re.: **Immediate Report**

The Company is hereby honored to announce that on July 1, 2021 it entered into a strategic cooperation framework agreement with Deutsche Telekom AG (“DT”), which is considered the largest telecommunications operator in Europe and one of the largest US operators, with facilities in more than 50 countries around the world, in the frame of which will be examined the possibility of integrating the Company's fuel cell systems into parts of DT's communications network (the “**Cooperation Agreement**”).

DT has reported to be stated its commitment to reduce carbon dioxide emissions by switching to "green electricity". As part of the implementation of this policy, DT is considering using hydrogen-based fuel cell technology, including ammonia fuel cells. After field test, DT will decide whether to use the Company's fuel cells to replace diesel-based generators.

The Cooperation Agreement stipulates that DT will purchase one hydrogen-powered GenCell G5 long-duration UPS system (the “**G5 system**”), which will be supplied and operated during the third quarter of 2021. The Cooperation Agreement stipulates that DT will test this G5 system according to a pre-defined plan. The G5 system will be tested in two phases, in the first phase the G5 system will be tested in DT laboratories in Germany for a period of a week.

In accordance with and subject to the success of the above first phase it was determined that the Company will be recognized as an official supplier of DT and the G5 system will become an approved product for purchase by any of the DT Group companies around the world. The Cooperation Agreement defines the general framework conditions for potential acquisition of the Company's fuel cells if and to the extent that the fuel cells will be purchased, including the commercial terms for such acquisitions.

In the second phase, which will begin after and subject to the successful completion of the first phase mentioned above, the parties will conduct an extended field trial in which the G5 system will be installed



to operate continuously at an active cellular site in Germany for a longer period of up to about a year. During this period, the testing of the system will continue in accordance with different work scenarios as defined by the parties.

The Cooperation Agreement also stipulates that DT will test the Company's GenCell A5 off-grid primary power system (the “**A5 system**”), which serves as a primary energy source that is fueled by ammonia. During the year 2021, the A5 system will be installed at a cellular site in Germany designated by DT for this purpose. The evaluation will be conducted in accordance with an agreed-upon program, which includes, among other things, running the A5 system for a duration of 1,000 hours.

In the Company's view, the successful field test of the A5 system conducted by the telecommunications company Neyðarlínan in Iceland<sup>1</sup> has accelerated the business activities vis-a-vis DT and the request that the Company examine the suitability of the A5 system to meet DT's power needs in places within its global communication infrastructure where there is no regular power supply or no power supply at all.

In alignment with DT's interest in exploring a cooperation with the Company vis-a-vis technological developments related to the Company's ability to produce clean hydrogen, including technologies to produce green ammonia, the Cooperation Agreement also stipulates that the possibility of strategic technological cooperation in this regard will be examined.

In the Company's view, this Cooperation Agreement, similarly to its cooperation agreement with the TDK Company<sup>2</sup>, constitutes a significant seal of approval for the technology developed by the Company, contributes significantly to the Company's positioning in its target markets and helps it expand its activities with new clients in these markets in accordance with the Company's goals and strategy<sup>3</sup>.

**Please note that the above information and forecasts regarding the success of the experiments to be carried out under the Cooperation Agreement, the expectation of acquisition of the G5 system or the A5 system, the prospective cooperation regarding the Green Ammonia Project, and the prospective entry into a Cooperation Agreement as mentioned above by DT and/or by TDK, the possibility that these activities are expected to advance the Company in its commercial activities is forward-looking information within the meaning of the term in the Securities Law, 1968. These assessments may not be realized in whole or in part or may be realized differently than estimated. The Company's assessments are based on the information currently in the hands of the Company regarding its activities, including activities which are not in the Company's control.**

Sincerely,

Gencell Ltd.

Signed by:

Yossi Salomon, CFO

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<sup>1</sup> See Company's immediate report from June 20, 2021 (Ref. no. 2021-01-040795) included as reference.

<sup>2</sup> See Company's immediate report from February 23, 2021 (Ref. no. 2021-01-022072) included as reference.

<sup>3</sup> As detailed in art. 31, Chapter A of the Company's periodical report for year 2020 published on March 22, 2021 (Ref. no. 2021-01-040740) is included as reference.