



GENCELL LTD.
H1 2021 MOVING FORWARD

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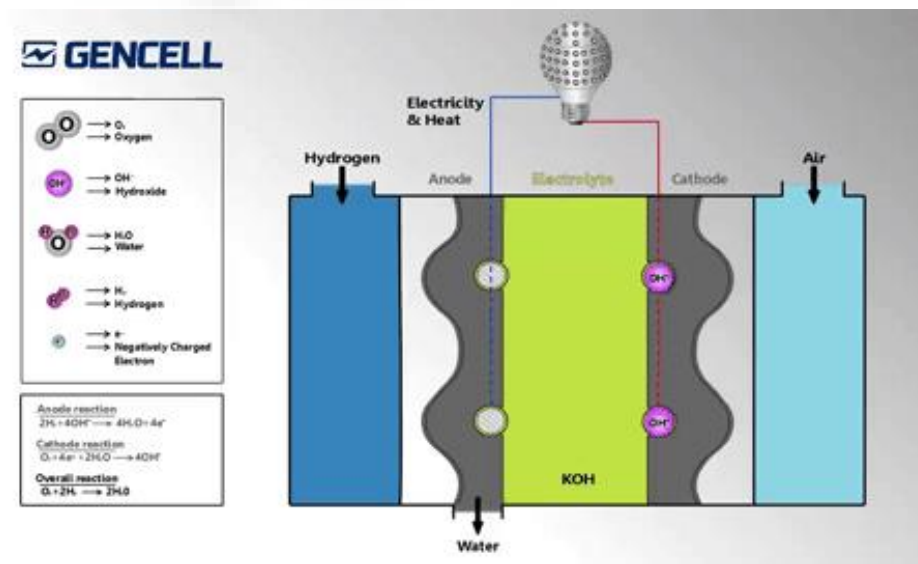
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ABOUT GENCELL

- GenCell, (**TASE: GNCL**) develops unique fuel cell solutions that offer **clean power for humanity**
- Using innovative and reliable fuel cell technology, GenCell provides affordable, **clean backup power** for telecom, homeland security, healthcare and automated industries in **18 countries around the world**
- GenCell has developed a revolutionary process that allows us to extract **hydrogen-on-demand from anhydrous ammonia (NH₃)**, enabling our fuel cells to provide **a primary power solution for off-grid and poor-grid sites** as well as for rural electrification
- The company employs approximately **95 persons**. The company is headquartered in Israel with a worldwide distribution and support network
- GenCell holds unique **intellectual property** including patents, trade secrets and know-how

ALKALINE FUEL CELLS FOR BROAD USES



Key Highlights H1 2021



\$2.8m in revenues



Delivery of 37 units



Strategic agreements with TDK, Deutsche Telecom & CFE



Major progress with product readiness & technology



Growth readiness in HQ, production line and space



\$14.3m in capital raised on TASE from Europe's leading investment fund BNPP Capital and other institutional investors



GAINING MOMENTUM

BALANCE SHEETS (U.S. dollars in thousands)

	December 31, 2020	2020	June 30, 2021
Assets			
Current assets			
Cash and cash equivalents	\$ 33,091	\$ 568	\$ 16,262
Short-term investments	29,949	-	49,449
Trade account receivables, net	44	116	2,724
Other accounts receivable	1,306	580	1,852
Inventories	3,516	3,387	1,628
Total current assets	67,906	4,651	71,915
Long-term assets			
Restricted cash	394	383	2,059
Property, plant and equipment, net	3,035	2,333	3,787
Operating lease right -of-use assets	4,388	4,700	6,835
Other intangible assets	-	-	2,684
Total long-term assets	7,817	7,416	15,365
Total assets	<u>\$ 75,723</u>	<u>\$ 12,067</u>	<u>\$ 87,280</u>

BALANCE SHEETS (U.S. dollars in thousands)

	December 31, 2020	2020	June 30, 2021
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY			
Current liabilities			
Related Parties	\$ -	\$ 2,572	\$ -
Credit Line from Bank	-	641	-
Current maturities of operating leases	861	727	1,254
Convertible loans	-	23,379	-
Trade payables	414	435	832
Other accounts payable	2,547	963	2,599
Total current liabilities	3,822	28,717	4,685
Long-term liabilities			
Grants liabilities	522	548	582
Operating leases	4,028	4,014	6,272
Total long-term liabilities	4,550	4,562	6,854
Total liabilities	8,372	33,279	11,539
Shareholders' equity (deficit)			
Ordinary shares of NIS 0.01 par value	263	263	274
Additional paid-in capital	289,848	186,579	307,120
Accumulated deficiency	(222,760)	(208,054)	(231,653)
Total shareholders' equity (deficit)	67,351	(21,212)	75,741
Total liabilities and stockholders' equity (deficit)	\$ 75,723	\$ 12,067	\$ 87,280

STATEMENTS OF OPERATIONS (U.S. dollars in thousands)

	For the 12 months ended December 31, 2020	For the 6 months ended June 30, 2020	June 30, 2021
Revenue	\$ 324	\$ 204	\$ 2,801
Cost of revenue	1,887	863	3,810
Gross profit	1,563	659	1,009
Operating costs and expenses:			
Research and development, net	8,287	1,812	2,521
Sales and marketing	4,158	395	2,267
General and administrative	4,615	640	2,438
Operating Loss	18,623	3,506	8,235
Financial expenses, net	428	835	652
Other Income	17	-	-
Loss before taxes	19,034	4,431	8,887
Taxes on income	20	7	6
Net income for the period	\$ 19,054	\$ 4,348	\$ 8,893
Other Comprehensive income	-	-	55
Total comprehensive income for the period	\$ 19,054	\$ 4,348	\$ 8,838

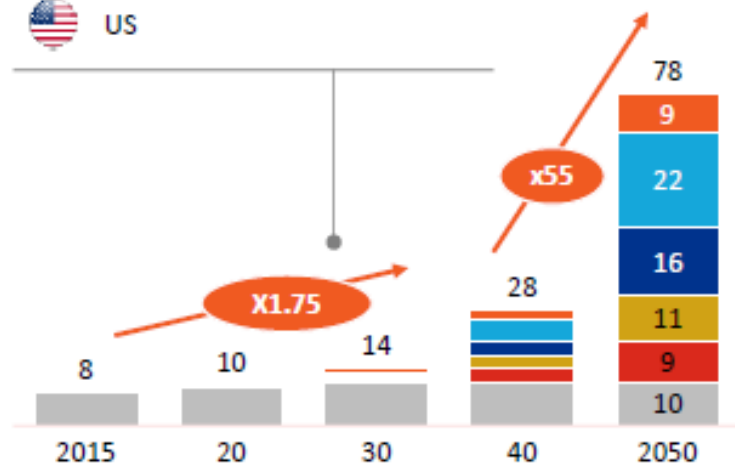
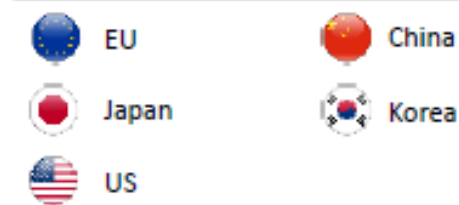
STATEMENTS OF CASH FLOWS (U.S. dollars in thousands)

	For the 12 months ended December 31, 2020	For the 6 months ended June 30, 2020	2021
<u>Cash flows from operating activities</u>			
Net income(loss) for the period	\$ (19,054)	\$ (4,348)	\$ (8,893)
Adjustments to reconcile net income to net cash provided by operating activities:	9,111	900	3,362
Net cash provided by operating activities	(9,943)	(3,448)	(5,531)
<u>Cash flows from investing activities</u>			
Change in restricted cash	-	(113)	-
Change in Other intangible assets	-	-	(2,684)
Change in restricted short-term deposits	(124)	-	(1,665)
Change in short-term deposits	(29,949)	-	(19,500)
Purchase of property and equipment	(921)	(90)	(937)
Net cash used in investing activities	(30,994)	(203)	(24,786)
<u>Cash flows from financing activities</u>			
Short-term credit from bank, net	(437)	628	-
Convertible loans	4,573	3,453	-
Exercise of options	33	-	205
Issuance of shares, net	69,314	-	13,739
Loans from shareholders	(281)	228	-
Receipt of grants	92	-	-
Payments on account of grants	(1)	(4)	(4)
Payments of operating leases interest	(618)	(48)	(37)
Payments of operating leases liabilities	(163)	(343)	(433)
Net cash provided by financing activities	72,512	3,914	13,470
Increase (decrease) in cash and cash equivalents	31,575	263	(16,847)
Exchange rate differences on cash and cash equivalents	1,212	1	18
Balance of cash and cash equivalents at the beginning of the period	304	304	33,091
Balance of cash and cash equivalents at the end of the period	33,091	\$ 568	\$ 16,262

Hydrogen demand could almost double until 2030, then grow exponentially

Potential global energy demand supplied with hydrogen, Exajoule (EJ)

Driven by



1 Final energy demand in 2050 is ~430 Exajoule

SOURCE: Hydrogen Council, World Economic Forum, Paris Agreement at the COP21 in Paris

- Hydrogen demand could almost double between 2015 and 2030 to 14 EJ, then grow to ~78 EJ
- Growth driven by existing applications of hydrogen (feedstock for chemicals, refining) and new segments (until 2030 in particular transport, building heating, power generation)
- Growth until 2030 mostly driven by leaders in hydrogen adoption:
 - Europe
 - Japan, Korea
 - China
 - US

Source: McKinsey

359

Announced large-scale projects

~USD 500 bn

investment by 2030, of which USD 150 bn is associated with mature projects



● 28

Giga-scale production

Renewable hydrogen projects
>1 GW and low-carbon hydrogen
projects >200 ktpa

● 141

Large-scale industrial usage

Refinery, ammonia, methanol, steel,
and industry feedstock

● 96

Transport

Trains, ships, trucks, cars, and
other hydrogen mobility
applications

● 56

**Integrated hydrogen
economy**

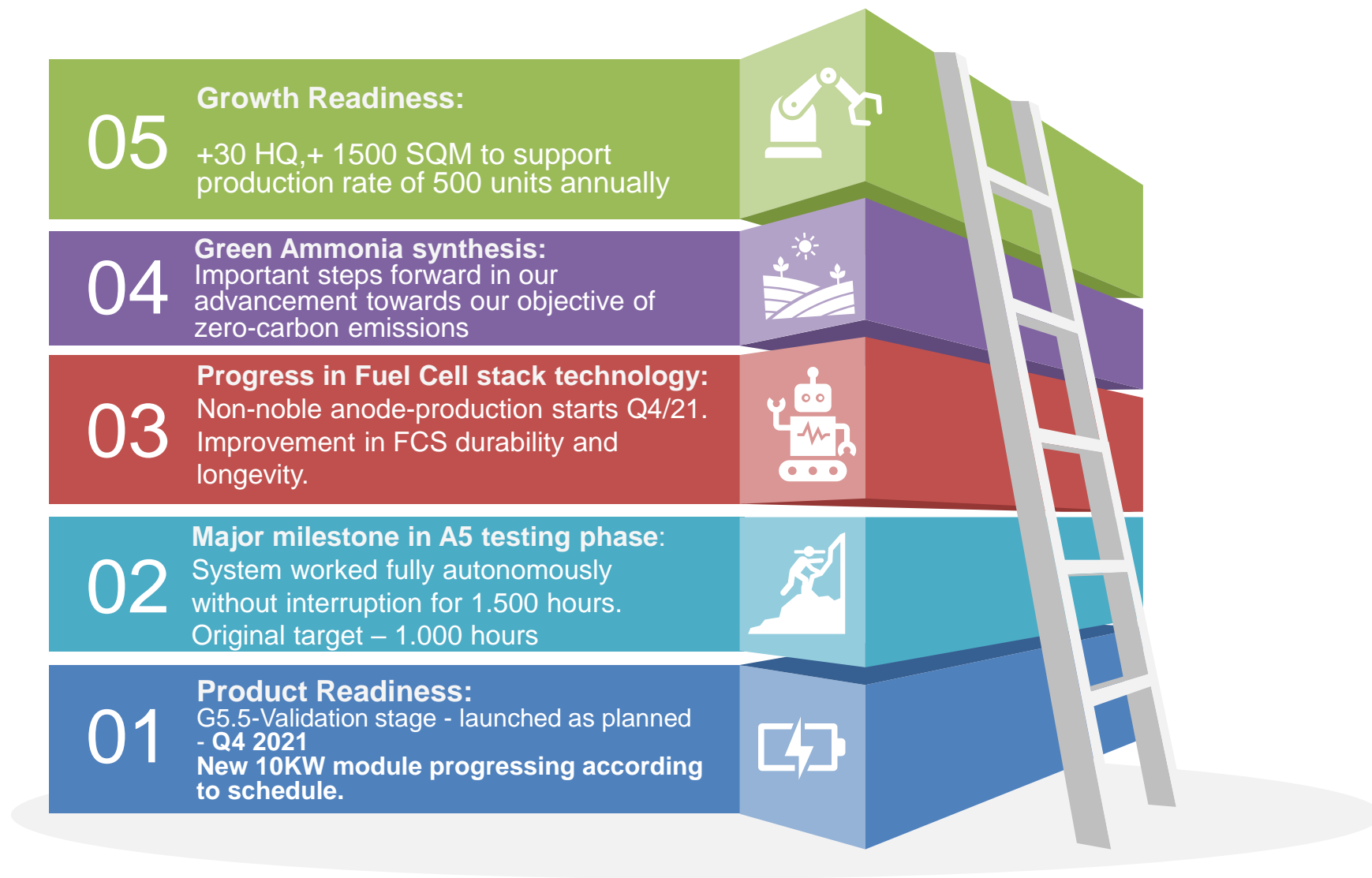
Cross-industry and projects
with different types of end uses

● 38

Infrastructure projects

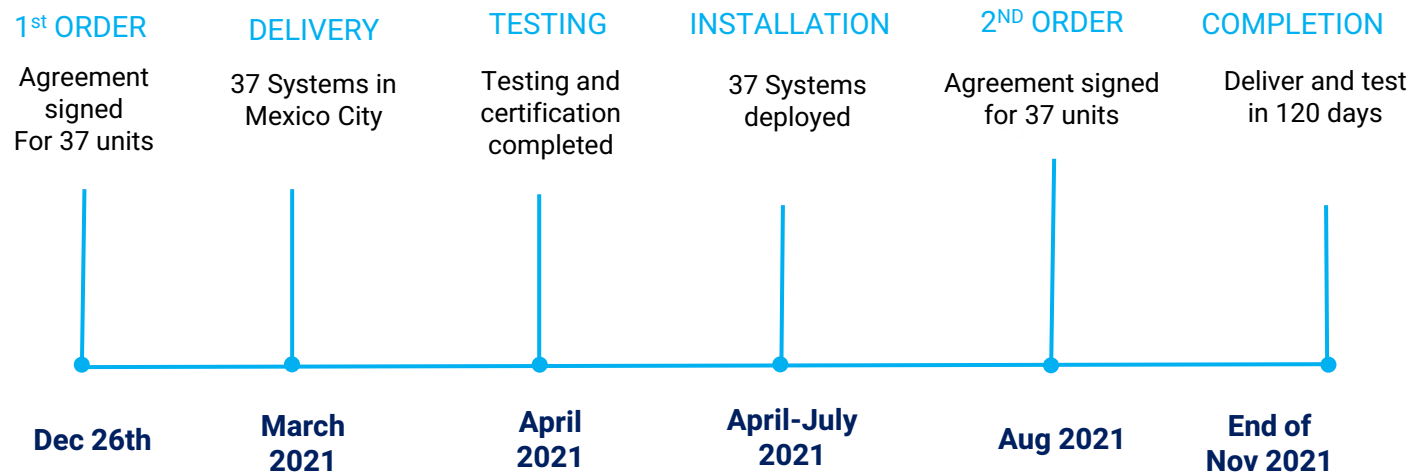
Hydrogen distribution,
transportation, conversion,
and storage

H1 2021 Technology - Key Developments



H1 2021 - Business to Date

- ✓ Orders Backlog ~\$5.1 M
- ✓ **CFE** - Repeat order for 37 units at value of ~\$3.5M. By end of 2021, 74 systems will be integrated in CFE network. **Total order of ~\$7m in 2021.**



- ✓ New orders from utilities:
 - Power utility in state of Washington
 - National gas and electric company



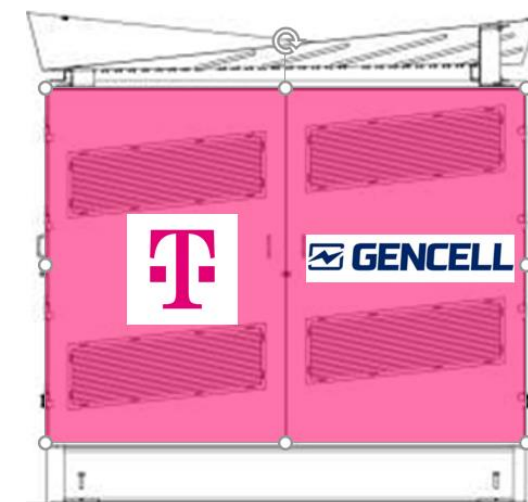


H1 2021 - Business to Date – cont.

- ✓ Signed a **strategic partnership agreement with Deutsche Telekom (DT)**, Europe's largest telecommunications company with over Euro 100 Billion turnover.
- ✓ Upon satisfactory completion of the field tests, DT undertakes the adoption and promotion of GenCell's solutions to deliver emission-free power to equipment throughout the DT global ecosystem.



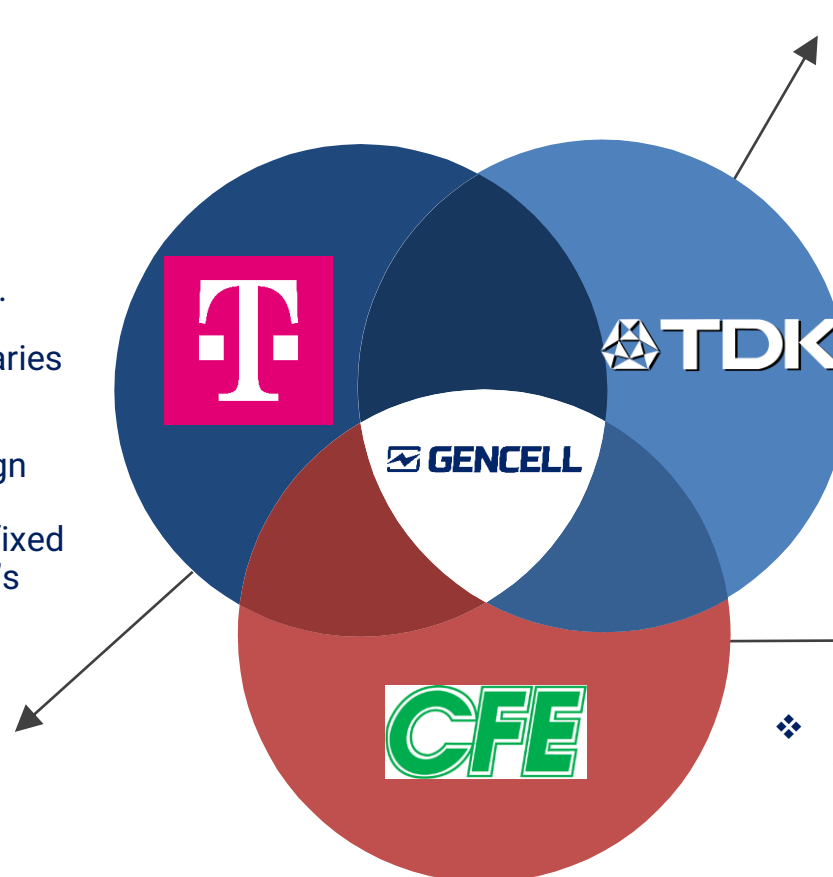
* Depends on DT readiness



Gaining Momentum With Strategic Partners & Customers

- ❖ Deutsche Telekom AG headquartered in Bonn and by revenue the largest telecommunications provider in Europe.
- ❖ The company operates several subsidiaries worldwide, including T-Mobile.
- ❖ Deutsche Telekom (DT) and GenCell sign strategic collaboration agreement to provide green power to DT mobile and fixed telecom applications based on GenCell's hydrogen & ammonia fuel cell portfolio.

Telecom Market



Energy Management

- ❖ TDK Corporation is a world leader in electronic solutions for the smart society based in Tokyo, Japan.
- ❖ TDK Corporation (TSE:6762) adds the company to its growing investment portfolio.
- ❖ TDK Ventures invested in the company's disruptive green ammonia technology.

Energy Utility Market

- ❖ The Federal Electricity Commission is the state-owned electric utility of Mexico, widely known as CFE. It is the country's dominant electric company and the country's second most powerful state-owned company.
- ❖ CFE ordered 74 GenCell systems valued at \$7m in 2021.



KEEP RUNNING.

WITH FUEL CELL POWER SOLUTIONS.

