



This is an English translation of a Hebrew immediate reports that was published on 31 March 2025 and 1 April 2025 (references no.: 2025-01-023429 and 2025-01-023967, respectively) the abovementioned are hereby incorporated by reference (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.



March 31, 2025

To
Israel Securities Authority
www.isa.gov.il

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

Re: Immediate Report

Further to the Company's immediate reports¹, regarding steps the Company has taken and is taking to focus on its target markets and on R&D processes, in order to reduce its expenses and improve its cash flow, the company hereby announces that on March 31, 2025, the Company's Board of Directors decided on extension of the focus of the Company's strategic plans, including additional efficiency measures in the Company as well as to obtain additional sources of financing, as detailed here below:

1. As part of the continued application of the Outsourced Production Strategy, which was initiated in 2024, it was decided to manufacture the EVOX product entirely by means of outsourcing, while placing an emphasis on protecting the IP and expertise developed by the Company as well as on product quality. In this context, it was also decided to cease the

¹ The Company's interim report for the six-month period ended June 30, 2024, as published on August 27, 2024 (Reference No.: 2024-01-094294, the abovementioned are hereby incorporated by reference) as well as the Company's immediate reports from August 27, 2024 and January 8, 2025 (Reference No.: 2024-01-094312 and 2025-01-002870, the abovementioned are hereby incorporated by reference).

production of alkaline fuel cells that were developed by the Company and transition to utilization of fuel cells in the Company's products that operate on a different technology.

2. In addition, the Company will continue to evaluate the possibility of executing an adaptation of the technology and the products it has developed for additional segments and channels while leveraging the unique knowledge and capabilities developed by the Company over the years.
3. In line with focusing the Company's sales and marketing operations in the U.S. market of the Company's systems and the concentration of the majority of the company's activities via its U.S. subsidiary GenCell Inc., it was decided to focus on the marketing and production of the EVOX product. In this framework, the intention of the Company is to continue to evaluate its collaboration with leading strategic players to integrate and supply PEM fuel cells with power capacities of at least 50-70kWh.
4. At the same time, the Company will remain committed to support for its existing customers and will assure professional response to their needs, ensuring high availability of systems and associated equipment, provision of maintenance services and technical support.
5. As a consequence of these measures, the Company expects to continue to reduce the Company's workforce, general and administrative (G&A) and research and development (R&D) expenses, alongside reduction of fixed assets used by the production line as well as an additional reduction in monthly rent throughout 2025.

In the Company's estimation, the implementation of these cost-efficiency measures as detailed in this report hereabove, together with the cost-efficiency and strategic focus measures already announced by the Company, reduction of fixed and operating expenses by some US\$8-10 million during 2025.

In parallel to all the above, the Company's Board of Directors has established a committee designated specifically to explore and promote different options for obtaining financial resources, among these by raising capital, as well as to identify business opportunities which may include, among other options, strategic collaborations, investment by a strategic partner, merger with a third party and/or sales of assets, all in accordance with market conditions and relevant circumstances.

It is to be emphasized that the actual execution of any of these possible alternatives, if at all, is dependent upon a decision made by the Company's authorized organs.

It is to be emphasized that the Company's estimations regarding the impact of executing the above-mentioned strategic plans and cost-efficiency measures, reduction of the Company's expenses and improvement of the Company's cashflow, the business potential of the U.S. market, the Company's business plans and pursuit of funding sources and/or investments in the Company and/or strategic collaborations, is forward-looking information within the meaning of the Securities Law 1968, based, among other things, on the Company's assessments as of the date of issue of this release and on factors which are not in the Company's control. The Company's assumptions are based on the information that is at present in the Company's possession, about which there is no certainty that they will be realized in full or in part, and any of which could be realized in a materially different manner due to factors that are not in the Company's control.

Sincerely,

GenCell Ltd.

Signed by:

Tomer Assis, CFO