



This is an English translation of a Hebrew immediate report that was published on 7 August, 2025 (reference no.: 2025-01-058569) the abovementioned is 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.



August 7, 2025

To

Israel Securities Authority

www.isa.gov.il

To

Tel Aviv Stock Exchange

www.tase.co.il

Re: Immediate Report

Following the Company's prior Immediate Report¹ regarding the focus of its strategic plan, the Company hereby announces that on August 6, 2025, after receiving approval by its Board of Directors, it entered into an Investment Agreement (the "**Investment Agreement**") with **Bercleys Hotels M.G. Ltd.**, a private company wholly (100%) owned (indirectly) by Mr. Moti Green, which is engaged, directly and via affiliated companies, in real estate development ("the **Investor**").

Below is a summary of the main terms of the Investment Agreement:

1. The Transaction:

According to the agreement, and subject to the execution of the conditional terms listed below, in exchange for a payment of NIS 30 million, the Company will allocate 115,919,734 ordinary shares² to the Investor, which will constitute approximately 51% of the issued and paid-up share capital of the Company immediately after allocation.

Additionally, the Company will grant the Investor a PUT Option to sell to the Company the right to use and operate two revenue-generating energy assets (the "**Option**"): (A) A solar farm – a panoramic rooftop structure made of glass and aluminum, approx. 16,000 sqm, planned for electricity generation and sale to the hotel (located within the same complex), with an estimated capacity of 3–4 MW (the "**Solar Farm**"); and (B) An EV charging station – at least 2,000 kW

¹ Immediate Report dated 31.05.25 (Ref: 2025-01-023967). The above-mentioned are hereby incorporated by reference.

² In accordance with adjustments that will occur due to consolidation of the Company's capital.

capacity, comprising 30 fast and ultra-fast charging stations for vehicles (the "**Charging Station**").

The Investor has committed to invest an additional minimum of NIS 20 million in each of the energy assets (i.e., both the Charging Station and the Solar Farm). These are referred to collectively as ("**the Revenue-Generating Energy Assets**")

2. Option Terms:

- 2.1. The Option may be exercised independently for each of the two assets—Solar Farm or Charging Station—or for both together, at the Investor's discretion and subject to the terms below.
- 2.2. Upon exercising the Option, lease agreements will come into effect for each asset as applicable. The Company will pay the Investor the enterprise value of the asset(s) being transferred, based on independent valuations performed separately for each asset and calculated for the applicable usage period. The appraiser will be chosen by the Investor from a pre-agreed list, and both parties will declare having no conflict of interest with the appraiser selected. The valuation will be binding, with no right to appeal.
- 2.3. The usage rights for each of the revenue-generating energy assets that will be sold and delivered to the Company will include lease agreements and full rights to operate the energy assets in facilities on the land where the asset is located and will be granted for a period of 24 years and 11 months, (the "**Usage Period**"). Upon transfer of usage rights, all the assets related to the energy facilities must be free of liens, third-party rights, or seizures.
- 2.4. The Exercise Period for the Charging Station will extend from agreement signing until 12 months later. ("**Exercise Period of Charging Station**"). The Exercise Period for the Solar Farm will extend from signing until 40 months later. ("**Exercise Period of Solar Farm**") and together these will be called from here on (the "**Exercise Period**"). The Option with respect to each of the energy assets shall expire automatically and shall be null and void, without any need for notice or action by the Company, if an exercise notice fulfilling all conditions specified in the Investment Agreement is not delivered by the latest date for such notice, as set forth above.
- 2.5. The right to exercise the Option during the Exercise Period is subject to the following cumulative conditions: a.) As of the exercise date, the construction of the relevant asset has been completed in accordance with the agreed specifications, is functioning and operating properly, and all approvals and permits required by law for its commercial operation have been obtained. b.) As of the exercise date, the revenue-generating energy asset is clean and free of any lien and/or third-party right and/or seizure. c.) The Investor shall provide and deliver to the Company all information required and/or requested by the Company regarding the relevant energy asset, including a business plan, operational guidelines and instructions, etc. d.) The Investor shall deliver to the Company all information and all agreements and commitments with third parties, including suppliers

and/or employees and/or consultants, in connection with the revenue-generating energy assets. e.) The Investor shall undertake that, if and to the extent that the Company wishes to purchase electricity, it shall be entitled to do so from the Investor, and the Investor shall be obligated to supply electricity to the Company at low-voltage electricity tariff rates prevailing from time to time.

2.6. If the enterprise value of the usage and operation rights of any or both of the energy assets should exceed NIS 30 million, and should the Investor seek to exercise the PUT Option in a way that would require the Company to pay the Investor a sum exceeding NIS 30 million, then the Option exercise shall be subject to the condition that the Investor provides financing to the Company (directly or via a third party) for the amount exceeding NIS 30 million, and this at market terms of comparable transactions. The condition for obtaining such financing shall be that, based on the business plan for the energy assets, it is reasonably demonstrated that the Company will be capable of reasonably meeting the repayment obligations of the financing provided.

2.7. From the date that the right of use and operation of any of the energy assets is transferred to the Company, the Company shall bear the full operational costs of the relevant assets.

3. **Conditional Terms:**

The transaction is conditional upon the following ("**Conditional Terms**"): a.) Approvals by General Meetings of both parties, including approval of new directors proposed by the Investor for the Company's Board of Directors; approval of the agreement and all terms; approval of Run-Off insurance for all current directors and insurance for incoming directors; approval of the Company's legal right to purchase the energy assets and to sign lease agreements; approval of allocation of shares to the Investor as a Material Private Placement (as defined under Israeli Companies Law 1999 ("**Israeli Companies Law**") which has been approved by the Company's Board of Directors and approval of which was received from the shareholders in a General Meeting as per Article 328b1 of Israeli Companies Law of a material private placement aimed to grant over 45% of voting rights in the Company. b.) Receipt of TASE approval for listing the shares. ("**TASE Approval**") c.) Receipt of all necessary regulatory and third-party approvals as required by law. d.) Receipt of non-revocable consent from Landa Ventures Ltd. for the transaction. e.) Receipt of resignation letters from outgoing directors (effective on deal completion). f.) Delivery of copies of any third-party approvals, if needed, regarding change of control.

It should be clarified that the parties may (but are not obligated) to agree between themselves on waiver of any of the conditions in the event that such conditions are not required by law.

4. **Deadline for Completion of Conditional Terms:**

If all conditional terms are not fulfilled within 60 days of signing, ("**Final Deadline**") either party may cancel the agreement in writing without it being deemed a breach and without

claims or liabilities. Notwithstanding, either of the parties has the right to extend the final deadline by 15 days solely if the extension is needed in order to obtain TASE approval.

5. **Transaction Closure:**

Within 15 business days after the Conditional Terms are met, the following activities will be carried out, all of which will be considered to have been carried out in parallel, and no activity will be considered to have been completed until all the activities are completed: ("**Closing Date**") a.) The Company will provide the Investor with all signed documents required for execution of the share allocation; b.) The Investor will transfer the investment amount, after which the shares will be issued. In addition, within two business days of the Closing Date, lease agreements (conditional upon Option exercise) will be signed by the Company and the Investor.

6. **Board Composition Post-Closing:**

Upon completion of the transaction, the Board will comprise seven directors, including the two external directors that will serve at the same and five new directors to be appointed (one of whom will be an independent director) names for which are to be proposed by the Investor.

7. **Interim Period:**

Between signing and closing, the Company has committed to operate only in the ordinary course of business. ("**Interim Period**") Moreover, the Company has committed not to engage in negotiations or entertain offers inconsistent with the Investment Agreement. A breach of this obligation will be considered material, and violation of such obligation will entitle the Investor to Agreed Compensation without the need to prove damages.

8. **Liquidated Damages:**

If all Conditional Terms are met by the Closing Date but any party fails to complete the transaction, ("**Breaching Party**") said party must pay to the other party ("**Complying Party**") an amount of NIS 6 million as agreed compensation against the damages to the complying party. ("**Agreed Compensation**").

In light of all the above, the Company will publish an Immediate Report as per the Securities Regulations (Private Placement, 2000; Periodic and Immediate Reports, 1970) (the "**Reporting Regulations**").

Issuance of shares and publication of the Immediate Report are subject to receipt of all required regulatory approvals, including approval by a the general meeting of the Company's shareholders, approval of listing of allocated shares by the TASE.

Submission of this report was delayed pursuant to Regulation 36(b) of the Reporting Regulations, as its disclosure prior to the signing date could have harmed negotiations of the transaction or adversely impacted its terms. Now that the agreement is signed, the restriction has been lifted.

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Respectfully,

GenCell Ltd.

By: Rami Reshef, CEO