



# Meshak Energy - Renewable Energies Ltd.

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("the Company")

September 7, 2025

To:

Israel Securities Authority  
[www.magna.isa.gov.il](http://www.magna.isa.gov.il)

Tel Aviv Stock Exchange Ltd.  
[maya.tase.co.il](http://maya.tase.co.il)

Dear Sir/Madam,

**Subject: Entry into an Electricity Sale Agreement with Cellcom Energy under the Market Model Regulation**

Further to the provisions of Section 11.13 of the Company's business description chapter as included in the Company's 2024 periodic report<sup>101</sup>,

regarding the Company's engagements in long-term agreements for the sale of electricity to virtual suppliers (and to end customers through such suppliers), in the field of electricity generation from renewable energy and energy storage, the Company is pleased to update that on September 4, 2025, a project corporation, held by a subsidiary partnership of the Company,<sup>102</sup> entered into an agreement with Cellcom Energy<sup>103</sup> for the sale of all electricity produced in a photovoltaic project combined with storage as detailed below ("the Agreement" and/or "the Electricity Sale Agreement").

Under the Agreement, the project corporation, which holds the rights in a project located on a water reservoir near Kibbutz Shomrat (hereinafter and hereafter "the project corporation" and

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"the project", respectively<sup>104</sup>), will sell to Cellcom Energy all the electricity produced at the facility, for a period of 20 years from the commencement of electricity supply ("the Agreement Period")<sup>105</sup>. The project includes a photovoltaic facility with a capacity of approximately 19 MW DC and a storage facility with a capacity of about 80 MWh, with the project corporation selling Cellcom Energy all the electricity injected into the grid as well as the full storage capacity of the facility.

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According to the Electricity Sale Agreement, if the commercial operation of the facility does not commence within 12 months from the expected commercial operation date (during the third quarter of 2026), and not due to a force majeure event, Cellcom Energy will be entitled to cancel the agreement by prior notice to the project corporation.

The electricity sold under the agreement will be sold under the market model regulation, at a price reflecting a discount on the weighted electricity generation component. The total expected consideration from the agreement is estimated at approximately NIS 380 million over the agreement period.

To secure Cellcom Energy's obligations under the agreement, Cellcom and the Company have provided limited parent company guarantees for the project corporation.

Simultaneously, the subsidiary and Cellcom Energy entered into a mutual memorandum of understanding, according to which, subject to the fulfillment of precedent conditions, the parties will sign three binding electricity sale agreements while maintaining similar commercial principles to those agreed upon in the engagement agreement regarding the Shomrat reservoir ("the Memorandum of Understanding" and "the Future Projects").



*Alt: Company Logo or Relevant Image*

The future projects are expected to be established on water reservoirs in the Western Galilee area, with a total expected capacity of about 30 MW DC and a storage capacity of about 150 MWh. The total expected consideration from the future projects is estimated at approximately NIS 720 million over the agreement period.

The engagements under the memorandum of understanding are subject to precedent conditions as customary in such agreements, including meeting commercial operation schedules as determined between the parties and signing binding electricity sale agreements.

It should be emphasized that the above does not constitute a commitment to the actual establishment of the future projects, but rather reflects only a principal intention for future engagements, subject to the completion of the aforementioned conditions.

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**The Company's assessments presented above, including regarding the expected revenues from the electricity sale agreement** and from the future projects, the installed capacity of the projects, and the commercial operation dates, constitute forward-looking information as defined in the Securities Law, 1968. Such information reflects the Company's assessments based on its business experience and the information currently available to the Company and is based, among other things, on the electricity tariffs set within the described engagements, on Cellcom Energy's business plan, and on economic models based on estimates and subjective analyses performed by the Company's management. Forward-looking information, by its nature, is information that may materialize, in whole or in part, or may materialize in a manner materially different from what was anticipated by the Company, or may not occur at all, as a result of various factors not solely under the Company's control. Among these factors are, inter alia:

- The pace of planning progress of the Company's projects
- Regulatory changes (including regarding electricity tariffs)
- The success of connecting projects to the electricity grid
- The subsidiary's ability to sign land agreements with land rights holders
- The timing of obtaining the permits required for project establishment and operation
- The duration of project construction
- Changes in construction and financing costs (including due to unexpected expenses)
- Delays by various authorities
- Changes in energy market conditions
- The timing of receiving a distributor's response (and the type of response received)
- Or the occurrence of one or more of the risk factors detailed in Section 23 of Chapter A of the periodic report.

Sincerely,

**Meshak Energy - Renewable Energies Ltd.**

Signed by:

- Avner Arad, CEO
- Galit Bik, Legal VP and Head of Company Staff

**FOOTNOTE:**

<sup>101</sup> Published on March 27, 2025, Reference No. 2024-01-026755 ("the periodic report").

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<sup>102</sup> Held in equal parts by the Company and Miluot – Central Agricultural Cooperative Society Ltd. ("the subsidiary").

<sup>103</sup> Cellcom Energy is a partnership held in equal parts by the Company and Cellcom Israel Ltd. ("Cellcom"), engaged in the marketing, sale, and supply of electricity to residential and business consumers not belonging to the rural sector. For more details, see Section 12.8.3 of the Company's business description chapter, included as Chapter A of the periodic report.

<sup>104</sup> The project corporation holds rights in the project classified as of the date of the Company's last quarterly report as of March 31, 2025, as a project in advanced licensing.

<sup>105</sup> It should be noted that the commencement of electricity supply to the supplier is conditional upon IEC or Noga approving the assignment of the generation facility to the supplier in accordance with the provisions of the regulation.