



This is an English translation of a Hebrew Immediate Report that was published on December 7, 2021 (reference no.: 2021-01-106897) (hereafter: the "Hebrew Version"). This English version is for convenience purposes only. This 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 perfectly reflect the Hebrew Version. In any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

Chakratec Ltd.
(The "Company")

December 7, 2021

To
Tel Aviv Stock Exchange
www.isa.gov.il

To
Israel Securities Authority
www.tase.co.il

Re: The first sale of the Company's next-gen products and construction of charging stations for electric vehicles in Germany

1. The Company is hereby honored to announce that on December 6, 2021, the Company, EES GmbH (a corporation which represent the Company in Germany - "EES") and an investment company ("**the Customer**") entered into a system of agreements for cooperation in the establishment of 2 facilities for fast charging of electric vehicles. (**the "Facilities"**), which will incorporate the Company's Kinetic Power Booster (KPB100), which is used to enforce the electricity grid at the site of the fast charging facility in order to enable the acceleration of the electrical vehicle (EV) charging ("**Agreements**" and "**Engagement**", "respectively).
2. The Customer is an investment company, based in Germany, with experience and reputation in investments in energy-related profitable assets, for its clients.
3. EES is an engineering company, based in Germany, and is the Company's local partner for Products' sales promotion and support, in Germany.
4. The contract includes the first commercial sale of the KPB100 model of Company's products. In addition, as part of this Engagement and as part of the implementation of the Company's strategy for penetrating its products into the market, the Company will provide the customer, through EES (which will cooperate with



other local entities), a complete “Turnkey” solution of EV fast-charging facilities. It was agreed between the parties that the Agreements, with the Customer, may be assigned to a subsidiary of the Company in Germany, if such subsidiary is established.

5. As part of the Engagement, 2 facilities will be constructed, each of which will include the KP B100 product, at two different sites:
 - 1) A Gas station in the city of Neuenstein Aua;
 - 2) A Car wash and charging station in the town of Herrenberg.
6. The Customer, the Company, and EES have reached agreements with landowners to lease the sites for 15 years, with an extending option for another five years, in exchange for rent fee which was determined between the parties. Following these agreements and the reported Engagement, the Company expects to sign the lease agreements in the near future.
7. As part of the Engagement, EES and the Company will set up the fast charging facilities (with the assistance of local subcontractors). The scope of investment in the construction of the two Facilities is about 1 million euros, of which about 70% is the consideration for the Company for the supply and installation of the KP B100 products; and the rest of the investment is for the rest of the infrastructure components, and the works required for building the fast charging facilities.
8. The Customer intends to apply for German government grants to support the finance of the facilities’ construction (the "**Grants**"). Thus, the actual construction of the fast-charging sites will begin, in the Company's estimation, in the third quarter of 2022, following the decision of the Government Authority regarding the application for the Grants. However, it was agreed between the parties that if the grants are not approved by the end of June 2022, the construction of the Facilities will begin even without the Grants, without changing the terms of Engagement (from Company’s perspective). The construction of the Facilities and the start of their commercial operation are foreseen during the 4th quarter of 2022.
9. Since the launch of the KP B100 product and completion of its certification process are scheduled for mid-2022, it was agreed with the Customer that the Company would provide two KP B50 systems (the previous generation of the Company's products) until the KP B100 systems are delivered. That to enable the Facilities’ operation as soon as possible, immediately after the approval of the Grants.
10. After constructing the Facilities, EES and the Company (through local subcontractors) will operate the fast charging Facilities for 15 years, with the Customer’s option to extend the operating period by another five years. The operating expenses of the fast charging sites will be covered by the revenues from the fast-charging services. As part of these expenses, The Company will be entitled to an annual fee for maintenance services for the KP B100 products.



11. Moreover, the Agreements include a mechanism for distribution of the operating profit (insofar as it arises from the operation of the Facilities) between the Customer, the Company, and EES. Under the mentioned mechanism, the Company will be entitled to approximately 15% of the operating profit of the fast charging Facilities.
12. The mentioned Engagement is an execution of the Company's strategy to promote its products by providing a complete solution (turnkey) of fast charging Facilities, which will be set up and operated by the Company (including through local entities in target countries), with the Company's Kinetic Power Booster (KPB100) serving as an essential component, enabling fast charging although the power constraints of the electricity grid infrastructure, at the fast charging site. The Company estimates that the characteristics of the Engagement, the benefits of the Company's products expressed through it, and the construction of the Facilities in cooperation with local parties may encourage additional customers in Germany to work through the Company and its partners; particularly in places where the electricity grid power-constrained.
13. In addition, the Company estimates that the cooperation with the Customer and EES constitutes a strategic sales channel, with significant potential for future sales of its products in Germany. The parties intend to work to construct additional charging facilities in Germany, in a format similar to those reached within the framework of the Engagement. At this stage, the parties have identified 3 other sites, which are potential for engagement in the near future:
 - 1) A Business and commercial park in the city of Reiskirchen bei Giessen;
 - 2) A Hotel in the city of Essen;
 - 3) A car logistics and distribution center in Zorbig.

If the other engagements regarding these sites are finalized in the near future, it means that four additional KPB100 systems will be ordered, which the Company estimates can be delivered in 2022 (also depending on the date of approval of Grants by the German authorities).

The information detailed above, including the date of construction of the charging sites, the date of completion of development and certification of the Company's KPB100 system, receipt of financing for the construction of fast charging Facilities, future engagement for the construction of additional charging facilities, project profitability and more, including forecasts, are called "Forward-looking Information" as defined in the Securities Law-1968, which is uncertain and based on the data and information available at the time of this reporting by the Company, based on the Company's assessments regarding future developments and events whose date of occurrence, if any, is uncertain and not within the Company's control.

These assessments may not materialize, in whole or in part, or may be realized differently than assessed by the Company, as a result of various factors, including the effects of the Corona virus, the Company's



non-compliance with development goals and or non-compliance with schedules or marketing or additional factors beyond the Company's control, including the realization of any of the Company's risk factors listed in section 1.3.36 in the chapter describing the corporation's business in the Company's periodic report for 2020 published on 31.3.2021 (reference number: 2021-01-053412).

Sincerely,

Chakratec Ltd.

Signed by: Boaz Weizer, CEO