

Afcon Group invests in Chakratec and its global EV charging vision

Chakratec kicks off a financing round led by Afcon, which is expected to be joined by a number of leading institutions in the capital market

The capital raised will be used by the Company to realize its business strategy for accelerating marketing and sales in the European and U.S. markets, gearing up for significant demand for its products, and to continue technology and product development in keeping with trends in the developing market for electric vehicle charging infrastructure.

According to Israel Reif, Chairman of Afcon Holdings Ltd.: “We are delighted about the agreement signed, under which Afcon Holdings will invest c. 10 million shekels in a company that has unique technology for EV charging, that is being marketed in Israel and overseas. Afcon is expected to be the largest shareholder in Chakratec and will appoint a director on its behalf to the company’s board. The investment is an element in our strategy of increasing our activity in the field of EV charging and of increasing Afcon’s investments in unique technologies that create an advantage in the market for our company, and which can be distributed in Israel and overseas markets.”

Moran Nachshoni, Deputy CEO, Value Base Underwriters, who steered the transaction, said: “Chakratec brings a blend of innovation based on a long-standing, reliable and completely green technology. Chakratec brings a mature product to market precisely at the time that market

is taking shape. At Afcon we found a professional team with expertise in electrical propulsion which, beyond the financial investment, will assist Chakratec in the formulation and realization of a joint strategic plan for a speedy rollout of charging stations in Israel and worldwide.”

Boaz Weizer, CEO of Chakratec, said: “This is an important expression of confidence and a significant milestone for the company, which will enable us to accelerate the company’s growth and implementation of our strategy in order to realize the huge potential of our technology and products, and to be a leading player in the global market of EV charging infrastructure.

“We are seeing considerable interest, which is constantly growing, on the part of entities and companies in the markets in which we are active and most particularly in Europe and the United States, which understand the huge potential inherent in Chakratec’s technology in a world of EV charging as an enabler for ultra-fast EV charging stations, regardless of power grid limitations. We’re coming to market with the right solution at the right time – a market that is seeing enormous growth and which is expected to receive major support by government and private investments to built critical infrastructure that will realize the vision of transitioning to electric vehicles.

Afcon, as a leader of EV charging infrastructure in Israel, is a strategic partner that understands the need of the market met by our product, and the advantages of our technology. I very much appreciate Afcon’s expression of confidence and believe it will lead to synergetic activity and collaboration. I thank Value Base for their leadership of the financing round.

I am confident that the financing round will strengthen Chakratec’s momentum and enable us to grow and translate the great interest in the company into business success, and the unlocking of significant value for all our shareholders.”

Israel, March 8, 2022 – Chakratec (TASE:CKRT) today announces that it has kicked off a capital raising process led by Afcon that is expected to be joined by some of Israel's leading institutional bodies. In the financing round, new shares were issued at a price of ILS 2.34 per share, as well as warrants convertible into shares for the price of ILS 2.8 during the coming year, after which the exercise price will be ILS 3.6 through to expiration of the warrants in three

years. If the warrants are exercised, the Company will gain a total of some ILS 140 million (for the shares and warrants).

Chakratec has developed a kinetic energy storage system using flywheels. This technology has been adapted to serve as a Power Booster in order to enable ultra-fast charging of electric vehicles (EV), regardless of any capacity limitation of the electricity grid.

In recent months, Chakratec reported first orders for the KPB100 system from customers in Germany and additional expected orders in Denmark and other European countries. In the months ahead, the company plans to accelerate its penetration into the United States, and to launch pilot projects in collaboration with Arco and Blink Charging. The capital to be raised will enable the company to accelerate its growth and expand its business activity while exploiting the rapid growth of the EV charging market in Europe and the United States.

Afcon Holdings is one of the largest infrastructure groups in Israel and is today the leading player in the country in the field of EV charging stations, with customers such as Tesla, BIG, Dor Alon and Israel Electric Corporation. Afcon's investment in the company is an important expression of trust in Chakratec's technology and in its solution for providing a response to the huge gap in the market for EV charging infrastructure.

About Afcon Holdings

Afcon was founded in 1945 and is one of the longest-standing and most experienced groups in Israel in providing and implementing turnkey solutions for multiple-system projects. Afcon combines all its capabilities in a variety of fields that include infrastructures and construction, electromechanical systems, trade, renewable energy, and electric transportation, franchising, control and automation, and communication systems. Afcon designs and implements multi-system construction projects and develops and distributes knowhow-intensive technologies. The company has its own technologies which provide unique solutions to its customers. These areas of activity complement one another, allowing Afcon to provide its customers with end-to-end solutions, including turnkey and BOT projects. Afcon operates in a variety of business models: As a developer (SPC), main contractor (EPC/GC), in joint ventures (JV), as a subcontractor and service provider. Afcon Holdings is part of the Shlomo Group, one of Israel's leading groups in a variety of industrial and commercial sectors including, among others, vehicles and transportation, shipyards, ports, logistics, real estate, hotels, insurance and more.

About Chakratec:

Chakratec (TASE: CKRT) develops and markets kinetic energy storage systems that allow ultra-fast charging of electric vehicles (EV), regardless of the power capacity of the local grid. The product developed by the company is based on a unique, patented technology for the storage of kinetic energy in flywheels, that can be integrated into any site where the existing power infrastructure is weak and limited in output.

The technology developed by Chakratec offers a solution to the key barrier hindering the extensive rollout of EVs – “range anxiety” (vehicle owners’ concern that they will not be able to make use of their electric vehicle for mid-range and long journeys, in view of the limitation of the vehicle’s battery and the long time required to recharge it). Chakratec’s technology enables broad distribution of fast charging points (less than 15 minutes per charge), even in locations where the power grid is incapable of supplying the required power output.

Chakratec’s energy storage system therefore brings welcome news to the market in the form of a ‘green’ solution that is reliable and safe, and which has a significantly lower total cost than competing battery-based solutions.