

Econergy: Third Quarter Results for 2021

The company is examining the possibility of raising 150 million ILS with convertible bonds

The pipeline of projects under development is at about 6.25 gigawatts, which is around 35% increase compared to the prospectus data in July 2021

Of these, by 2024, the company expects to connect about 3.2 gigawatts (the company's share is 2.1 gigawatts)

The Company expects that within about a year, there will be ready for setting up projects of about 1.1 gigawatts (the Company's share is about 600 megawatts)

The revenues expected from these projects are about 108 million euros (the Company's share is about 53 million euros) and the EBITDA figure is about 88.3 million euros (the Company's share is about 42.3 million euros)

The Company expects, based on the existing pipeline, that in 2025, the revenues will be approximately 232 million euros, the EBITDA approximately 189.1 million euros, and the FFO approximately 121.5 million euros

Econergy focuses on a significant entry into the storage field in England - with 770 megawatts already in development at various stages

The Company has completed the acquisition of shares of a Romanian company that holds the rights to build a solar facility with a capacity of approximately 155 megawatts in partnership with Nofar Energy. This is the largest photovoltaic project approved for construction in Romania

today. Its construction is expected in early 2022, and its connection, at the end of the fourth quarter of 2022. Econergy will also provide project construction services until its connection to the grid and project management services after its connection.

Econergy Renewable Energy (ticker symbol: ECNR) completed its initial public offering (IPO) in July and raised approximately 150 million ILS, and is currently considering raising capital through convertible bonds for the first time.

The Company continues to promote the pipeline of projects so that as of the date of the report, about 1.1 gigawatts are in the stage of pre-construction (an increase of about 71% compared to the prospectus), and in addition the pipeline of projects has increased and as of the date of the report, it stands at about 6.2 gigawatts compared to about 4.5 gigawatts at the time of the prospectus publication.

Entering the Storage Field in England - In addition to the development and progress of the pipeline, Econergy began operating in the field of storage alongside electricity generation projects that are under development as well as an independent storage business model. The Company focuses on this field in England, a country where there is supportive regulation for such facilities and in light of the Company's assessment that England is the most advanced country in this field in Europe.

The UK's latest forecasts include the expectation of constructing about 1.7 gigawatts of storage projects during 2022, alongside about 7 gigawatts of projects that are under development.

The Company began developing projects through its local development team and also negotiated joint development agreements with local developers regarding storage projects at various development stages. **The Company is developing projects with capacity of 770 megawatts, of which 360 megawatts are independent storage projects, and 410 megawatts are integrated in the solar projects that the company is already developing (Co-Location). The Company expects to begin the construction of some of these projects as early as 2022.**

Ratesti deal in Romania - The Company signed in partnership with Nofar Energy a binding agreement for the acquisition of the full rights in the Ratesti project in Romania with a projected capacity of 155 megawatts, which will be held in equal shares

between the parties. The Company plans to start construction in the first quarter of 2022, and the start date of operation is expected by the end of 2022. In addition, the Company entered into agreements with Nofar, under which the Company will provide project management services for the parties, including the conclusion of EPC and O&M agreements, securing bank financing and PPA agreement, construction management and supervision, and also the project management agreement for a period of at least 10 years.

Summary of data for the third quarter and the first nine months of 2021:

As of the period covered in this report, **the Company's activity is not yet reflected in the financial data.**

Revenues from services from the beginning of the year amounted to approximately 552,000 euros compared to approximately 267,000 euros in the corresponding period last year. The increase stems from the entry into force of the services agreement with UBS in July 2020 for a period of 10 years.

The revenues from services in this quarter amounted to approximately 130,000 euros, compared to approximately 118,000 euros in the corresponding quarter last year.

The loss attributed to the Company's shareholders since the beginning of the year amounted to approximately 8,048 thousand euros compared to a loss of approximately 99 thousand euros in the corresponding period last year. Most of the loss is due to an increase in salary expenses as a result of the expansion of activity and an increase in the number of employees and the recording of salary expenses due to stock-based payment.

The loss attributed to the Company's shareholders in this quarter amounted to approximately 5,992 thousand euros compared to a profit of approximately 5 thousand euros in the corresponding quarter last year. Most of the loss stems from an increase in salary expenses as a result of the expansion of activity and an increase in the number of employees and the recording of salary expenses due to stock-based payment.

Eyal Podhorzer, CEO of Econergy and one of the two founders of the Company, said:

"We continue to develop the company in accordance with the strategy we have announced. Recently, we have achieved two significant goals, one is a first storage project in England, which is a foothold in a growing and important field, and the other is the completion of the Ratesti deal in Romania in partnership with Nofar. At the same time, the Company's local teams in each territory are constantly working to advance and increase the Company's pipeline of projects. "



About Econergy

Econergy Renewable Energy is one of the most veteran and leading companies in the field of renewable energy in Europe, with an international team and a proven experience and reputation in locating, developing, acquiring, and managing projects. The Company also has strategic partnerships with leading funds in the world that invest in Econergy projects, such as the UBS Bank Infrastructure Fund and the French Infrastructure Fund Rgreen Invest.

The Company owns a pipeline of projects of about 6 gigawatts that are in various stages of development and construction in a number of markets including Italy, Spain, England, Romania, and Poland.