



ecOenergy



Econergy Renewable Energy

**Capital Markets Presentation and
Preparation Of Bond issue **November 2021****

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Econergy

Among one of the leading veteran companies in the renewable energy sector in Europe. Proven experience

and strong reputation in the development, construction, acquisition and management of projects

Significant local footprint in 5 European countries – Italy, UK, Romania, Poland and Spain

Long-term collaboration with **strategic partners**



Significant revenues for Econergy Renewable Energy

Substantial growth of 71% in pre-construction projects

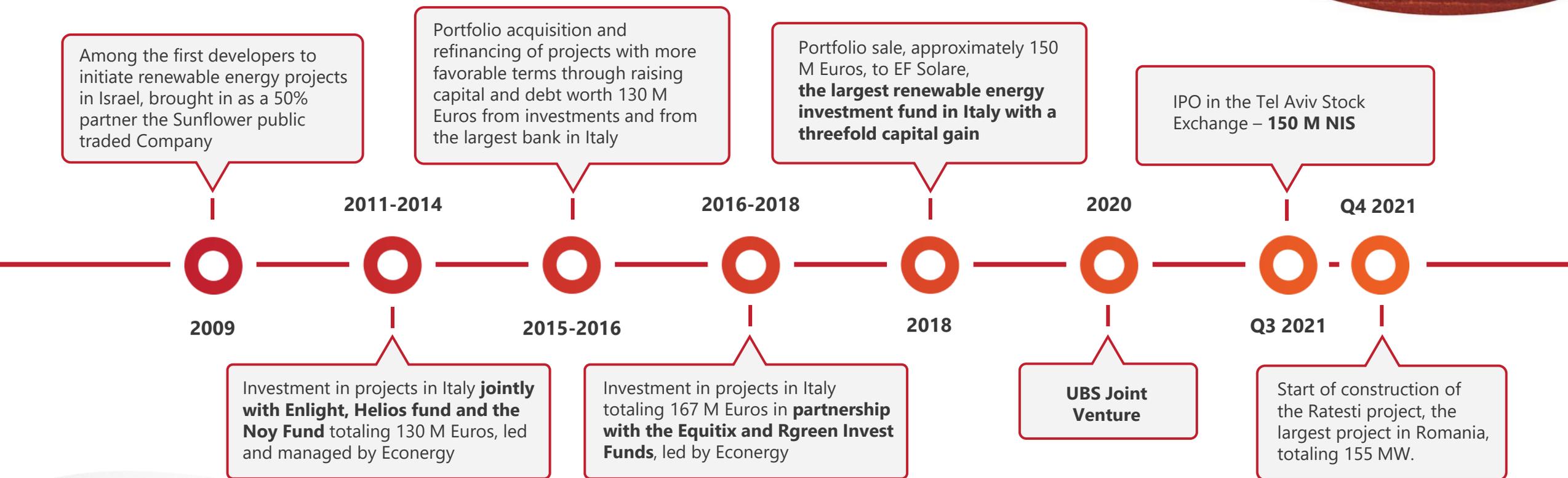
according to the most recent report to a total of **1,162MW**

Substantial growth in project pipeline under development – to 5,256MW, not including the storage projects the Company is developing

The Company has robustly entered the **storage sector in the UK** and is working to develop approximately 770 MW of projects in various stages of development

Milestones

Total investment made and led by the controlling stakeholders together with their partners in Israel and worldwide in the past decade has totaled approximately 450 million Euros



Strategic Partnerships



- The infrastructure fund UBS ASSET MANAGEMENT, a body which manages 928 B Euros, invests exclusively in Italy in Econergy projects.
- UBS has committed to approximately 100 M Euros for the first stage of construction of the first Econergy portfolio in Italy, approximately 450 MW
- The French Rgreen Invest Fund, which manages more than one billion Euros of renewable energy assets joins with a 50% stake in an investment in the same portfolio together with UBS, an investment of approximately 100 M Euros
- In addition to developing projects, Econergy also enters into construction management agreements for the projects and asset management for at least 10 years for all parties
- Expected to construct under the partnership approx. 300MW by the end of 2022

Details of expected Company revenues from the UBS and Rgreen Invest agreements *

Euros, M	2022	2023	2024	Total
Revenues from services	2.2	4.2	4.0	10.4
Revenues from development	12.5	27.3	4.1	43.9
Total	14.7	31.5	8.1	54.3

Over 50 M Euros revenues expected from the partnerships, excluding expected revenues from the sale of electricity for the Econergy holding in the capital *

* Forward-looking information

Executive Team



Eyal Podhoretz
Chairman & CEO

Has been managing the Company from its establishment. Over 12 years of experience in renewable energy



Yoav Shapira
Director and Deputy CEO

Substantial experience in the renewable energy market with over 12 years leading Econergy



Wolf Dietrich
Director of Development, UK and Europe

Former senior executive in Solarcentury, and many years of renewable energy management roles



Marco Peccinotti
Director, Business Development

15 years of experience in business development in many European countries, in leading companies including GE.



Maria di-Marcio
Project Finance Director

10 years as project finance director in the energy industry at the German BayernLB bank in London



Yuri Mayor, CPA
Group Controller

Over 15 years of experience in financial management and operation in the fields of accounting, auditing and taxation



Enrico Vitaloni
Technical Director and Development Manager, Italy

Managed the Geosol Company for 10 years, a company which provides technical, O&M and management services to renewable energy companies in Italy



Giuseppe Truglio
Director EPC, Europe

Many years of EPC experience, Formerly head of the WiseEnergy Company's operation in Italy



Meital Guetta
Financial Director

Over 12 years of experience in the fields of accounting, auditing and taxation, in leading companies including EY

Econergy – Local Management in 5 markets

Econergy runs full-scale operations in every one of its markets:

**A team that deals with project development, which includes:
Development managers, electrical engineers and business development personnel/land agreement closure**

A team for project management and construction, including construction management, building supervision and Health & Safety

An ongoing Asset Management team for projects in production after construction

Italy



Luca Taglia

Operations Manager, Italy

Formerly a senior engineer and construction team manager for biogas plants in Italy and in other countries worldwide

The Italy team includes 8 project development and management personnel

UK



Phillip Pateman

Development Team Manager, UK

Formerly development manager at Lightsource-BP.

The UK team includes 4 project development and management personnel

Poland



Przemek Zelinski

Development Team Manager, Poland

Przemek has extensive experience of 10 years in developing renewable energy projects in Poland and managing development teams

The Poland team includes 9 project development and management personnel

Romania



Bogdan Asanache

Country Manager, Romania

Formerly Project Development Director for 10 years at ENEL, the Italian electricity corporation

The Romania team includes 4 project development and management personnel

Spain



Lucia Blanco

Country Manager, Spain

Manages the development activity in Spain. Formerly held several executive roles for companies in the sector, including Solarig and Lightsource-BP.

Manages the Econergy business in Spain

Advantages of the Local Business

Econergy's professional LOCAL business in each market gives it a **clear competitive edge**:



Significantly lower project development costs



Better access to high-quality projects – business development



High probability of success for completing the project development and construction



Overall Construction cost of a PV project (including development) with a single-axis tracker of 550,000 Euros per megawatt, is significantly lower than the market average thanks to control over the entire value chain



Project-level excess return relative to the market average

Supportive Regulation in all business regions

	Percentage of renewable energy generation out of total electricity generation (2020)	National goal for 2030	National goal for 2050
 Italy	37%	55%	-
 UK	28%	38%	70%
 Spain	44%	70%	100%
 Romania	15%	31%	-
 Poland	15%	32%	-

Econergy thoroughly evaluates over time its entry into a new market – from the regulatory standpoint and from the planning and economic standpoint

Econergy is active in markets where regulation supports substantial growth of the renewable energy market over the coming decade

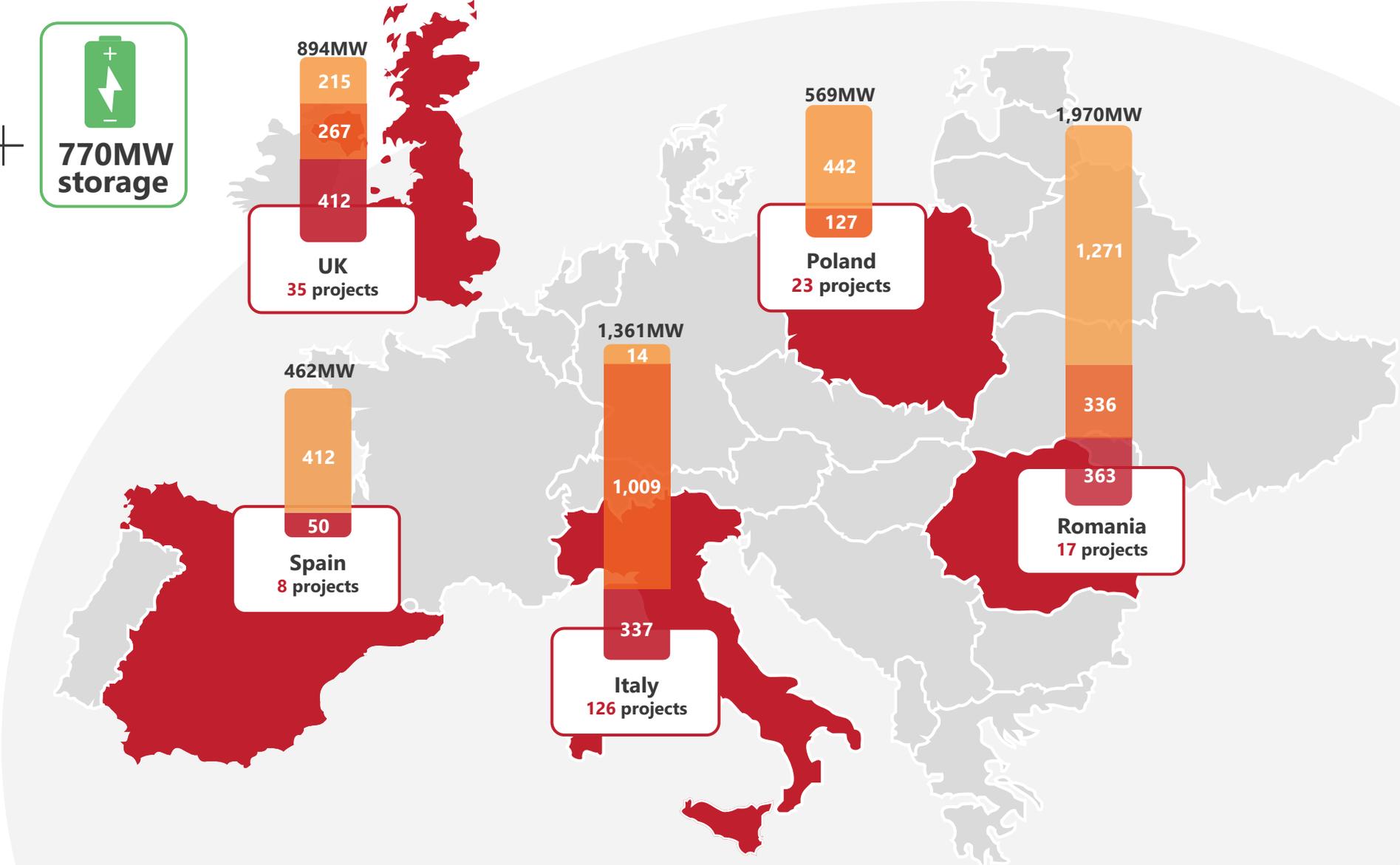
Projects Under Development – Geographic Spread and Stage of Development

* Numbers in MW

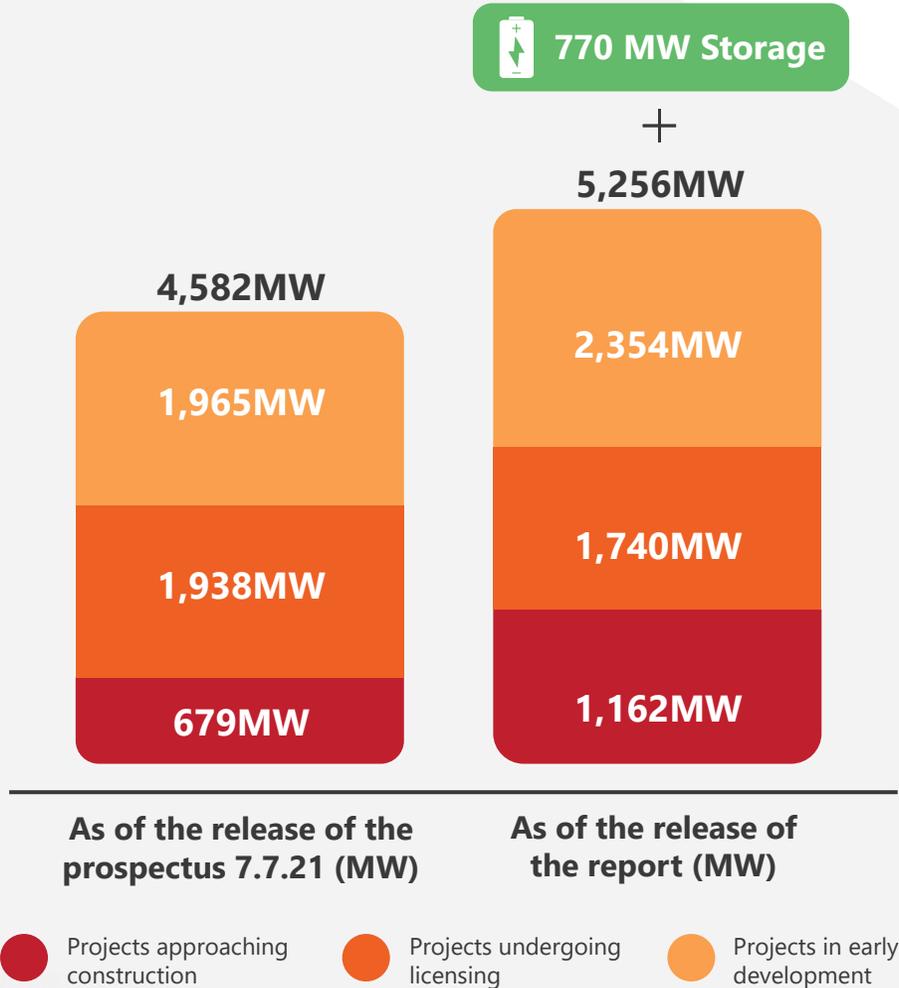
Total 5,256MW



- Projects in their early development phase
- Projects undergoing licensing
- Projects approaching construction



Total Projects Under Development – Progress



- 15% growth (approximately 674 MW) in the Company’s pipeline of projects under development during the last Quarter
- 71% growth (approximately 483 MW) in the total projects approaching construction which the Company expects will be ready for construction within up to 12 months
- In addition, a 770 MW storage project pipeline in the UK under development

Projects Approaching Construction⁽¹⁾ (Numbers in Thousands of Euro)

Country	Project name	Installed power MWp	Company share	Expected Capex ⁽³⁾	Expected income ⁽³⁾⁽⁴⁾	EBITDA ⁽³⁾⁽⁴⁾	Expected COD date ⁽¹⁾
 Italy	Pipeline of 52 Projects	290.9	5%	183,265	31,926	26,703	<u>Q2-Q4/22</u>
 Romania	Ratesti	155.0	50%	98,000	14,770	11,850	<u>Q4/22</u>
	Oradea	83.0	⁽²⁾ 50%	51,460	8,318	6,996	<u>Q4/22</u>
	Parau PV	87.0	⁽²⁾ 50%	54,810	8,318	6,996	<u>Q4/22</u>
	Scurtu Mare	44.0	⁽²⁾ 50%	30,360	4,409	3,709	<u>Q4/22</u>
	Mihailesti	54.3	⁽²⁾ 50%	32,309	5,442	4,577	<u>Q4/22</u>
	Bobicesti	25.0	⁽²⁾ 50%	14,875	2,505	2,107	<u>Q4/22</u>
	Melinesti-Goesti	21.2	⁽²⁾ 50%	12,614	2,125	1,787	<u>Q4/22</u>
	Iancu Jianu	38.2	⁽²⁾ 50%	22,729	3,828	3,220	<u>Q4/22</u>

(1) Forward-looking information

(1) Projects approaching construction – projects which are in their advanced licensing stages and which the Company expects will be ready for construction within a period of up to 12 months.

(2) The Company expects to take a 50% partner for the projects in Romania under its management.

(3) Expected average Income and EBITDA for the first five years of operation

(4) Capex, Expected income and EBITDA are displayed in the table at 100% and not at the company's share

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Country	Project name	Installed power MWp	Company share	Expected Capex ⁽³⁾	Expected income ⁽³⁾⁽⁴⁾	EBITDA ⁽³⁾⁽⁴⁾	Expected COD date ⁽¹⁾
 UK	Park Farm	60.0	100%	39,600	3,945	3,009	<u>Q4/22</u>
	Hamer Warren	24.0	100%	15,840	1,578	1,204	<u>Q4/22</u>
	Leighton Road	18.5	100%	11,008	1,217	928	<u>Q4/22</u>
	Low Farm	18.0	100%	10,710	1,184	903	<u>Q4/22</u>
	Hayton House Farm	59.0	100%	35,105	3,880	2,959	<u>Q4/22</u>
	Lightrock pipeline Woolpots Farm	53.0	100%	31,535	3,485	2,658	<u>Q4/22</u>
	Swangate Storage	50.0	100%	31,000	5,638	4,118	<u>Q3/22</u>
 Spain	Marbrumau I	50.0	100%	32,987	5,398	4,608	<u>Q4/22</u>

All Countries

	Installed power MWp	Expected Capex ⁽³⁾	Expected income, first year ⁽³⁾⁽⁴⁾	EBITDA ⁽³⁾⁽⁴⁾
Total	1,131.1	€ 708,205	€ 107,966	€ 88,335
Total Company Share	600.9	€ 366,363	€ 52,778	€ 42,345

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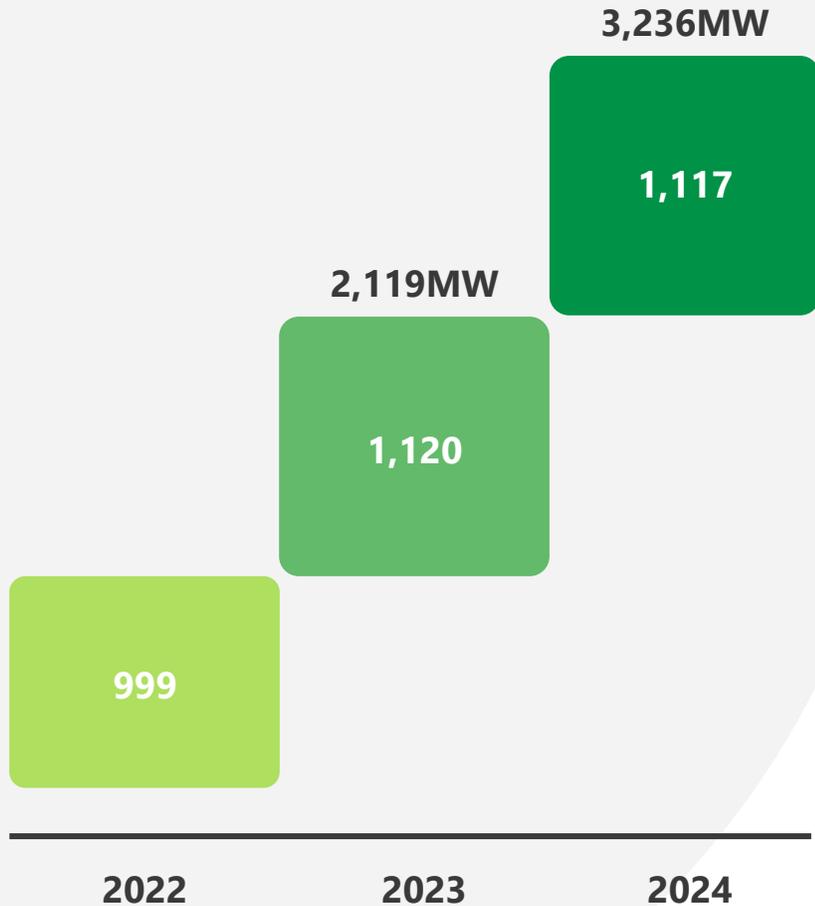
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Projects Connection Forecast and Investments Based on the Existing Pipeline



Connection forecast until 2024 in MW (in 100% terms)*



*Forward-looking information

Total connection forecast until 2024 in MW**:

	Italy	UK	Romania	Spain	Poland	Total
Total connection forecast	1,089	630	1,036	210	272	3,236
Company share in the connected projects	447	630	568	210	272	2,126
Company share in %	41%	100%	55%	100%	100%	

* The forecast is based on the existing project pipeline. This forecast takes into consideration the probability of success assumptions of the projects under development.

** Based on the Company's share, assuming inclusion of a 50% partner in Romania.

UK – Pioneering Energy Storage in Europe

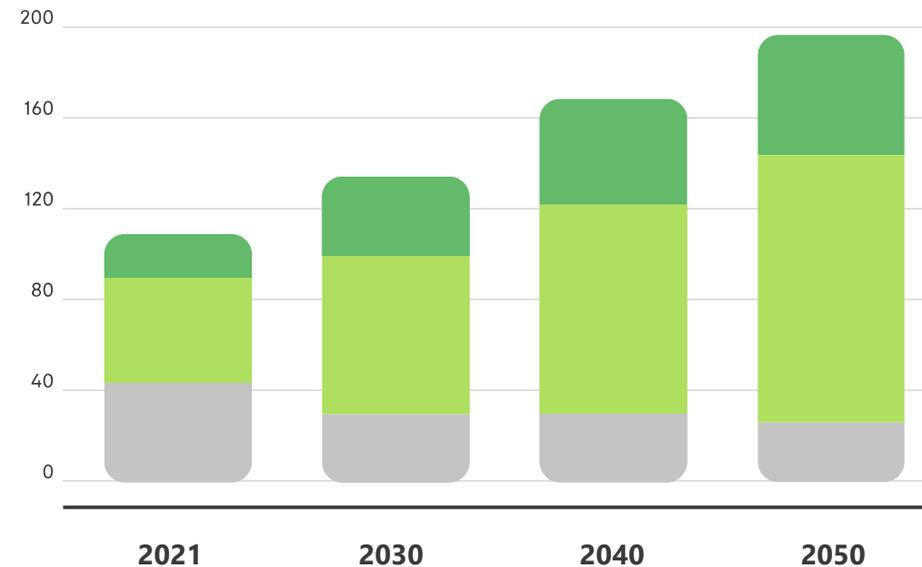


The global growth in renewable energy requires storage solutions in order to be able to function and grow

- Between 2021 and 2050, polluting sources are expected to shrink by 56% while there is an expected growth of 250% in renewable energy sources and 550% growth in the flexible energy sources (consisting primarily of storage)
- The storage market in the UK is expected to double in the coming year – currently stands at just 1.2GW.
- The UK is a net energy importer and will remain so at least until 2050, and therefore it has to develop renewable energy and storage sources in the coming years to reduce its dependence on other countries.
- Supporting the transmission grid – the electricity grid system in England is sophisticated and advanced and the regulation is supportive, enabling rapid development of storage systems alongside economic models and various income types.

Total installed capacity

GW



*Source: Aurora Energy Research

Total change 2021-2050

Flexible

+545

Renewables

+249

Baseload

-56%

Storage in the UK – The Business Model

Income model from storage in the UK market is based primarily on two types of income:

- Wholesale market - Price optimization – an electricity trading platform enabling charging the batteries during trough hours and discharging them during peak hours.
- Balancing mechanism and Ancillary services – the grid frequency stabilization service is being damaged due to a sharp rise in renewable energy and enables balancing demand and supply at given points in time.

As can be seen in the chart, the daily wholesale price spreads are expected to grow considerably in the next 20 years due to:

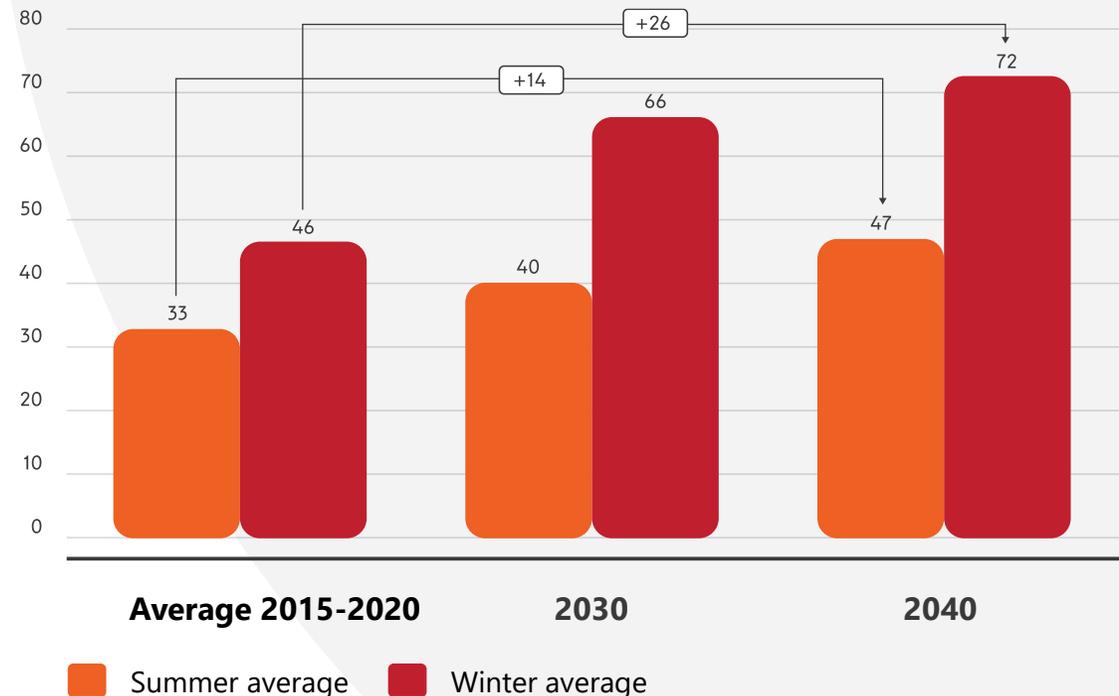
- Substantial growth on generation of renewable energy out of the generation basket
- Increase in the end price of electricity, which are determined by gas-powered generation

A proven, working business model with an income forecast which is expected to grow accordingly

The UK leads the storage market in Europe and is expected to serve as a catalyst for other countries which are following

Daily price spreads (daily max price - min price)

£/MWh (real 2019)



* Source: Aurora Energy Research

Econergy Enters the Storage Market in the UK as a Dominant Player



- Econergy has an existing storage project Pipeline under development in the UK of approx. 770 MW
- Econergy is developing storage projects in two configurations:
 - As Co-Location projects together with the PV and wind projects the Company is developing – creating substantial synergy both at the connection point to the grid and in significant savings in shared costs
 - As stand-alone grid-support storage projects
- Managing team: Econergy has a robust, experienced local development team with proven experience in the energy sector and it has access to high-quality connection points to the grid.
- Joshua Murphy – Econergy UK Storage Manager – an expert in the development, design and management of the construction of projects in the UK, mainly in the storage sector, served for several years as an engineering team manager in the field at SMA
- The Company intends to start construction of its first storage projects in the first half of 2022

Project distribution by development status and project type:*

Storage projects in the UK (MW)	Stand-alone storage projects	Co-located projects	Total
Pre-construction	50	110	160
Under License	100	130	230
Early development	210	170	380
Total storage UK	360	410	770

* Forward-looking information

50 MW Storage Project in England

- Location: Yorkshire
- **The project is construction-ready**, licensed and approved for connection to the grid
- 25-year land lease agreement + a 10-year extension option
- Technical redesign process (updating to advanced technologies) during Q4-2021
- **Expected connection to the grid in Q3-2022**

Financial data:*

- Total CAPEX investment (including EPC, grid connection and development expenses): approximately 430-470 K Euros per MW
- Expected annual revenues: 90-110 K Euros per MW
- Expected project IRR yield (excluding leverage): 9-10%
- The yield assumes operation costs and battery replacement cost after 10 years

* Refers to one-hour battery capacity

* Forward-looking information



Project location, adjoining the connection point to the electricity grid

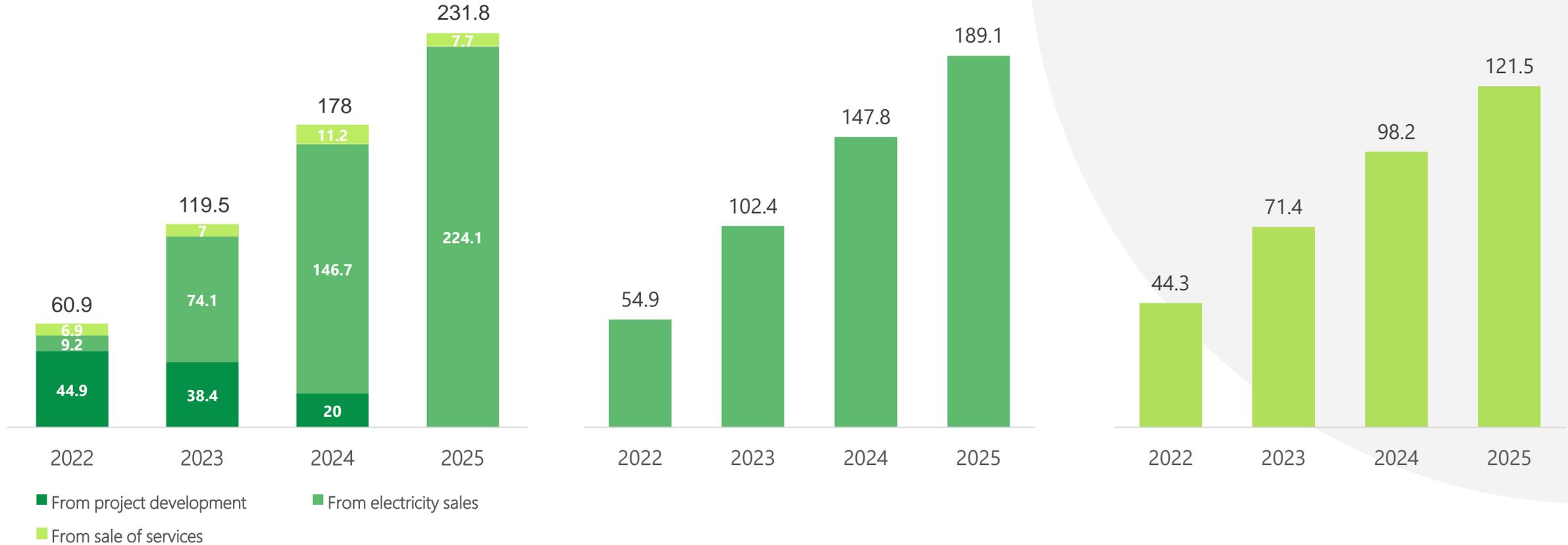


Forecast Cash Flow – Company Share (Euro millions)

Revenues

EBITDA

FFO



* Forward-looking information as per its definition in the Securities Law

* Assuming project financing of approximately 50-60% excluding an additional Company-level financing layer

* Based on the Company share, assuming inclusion of a 50% partner in Romania

Econergy – Financial Strength

- **UBS agreement** – revenues of approximately 50 million euros at a high level of certainty over the coming 3 years. Furthermore, there is a high level of dispersal, with more than 50 projects in Italy under the same agreement.*
- **Diversified cash flows from revenues** – the sale of electricity in owned projects, initiation fees for the development of the projects, management fees for the construction works for the projects (EPCm) and asset management fees from the partners coming into projects with Econergy at the level of individual projects.
- **Full ownership of the project** – all of Econergy's projects in the various stages of development are owned by the Company – Econergy has the option to sell part of the project at any point in time to, whether they are at the stage at which they are ready for construction or at an advanced stage of development and/or the option of bringing in a partner under the UBS model – creating significant cash flows for the Company.
- **A significant portfolio under construction** – in the Company's assessment, by the end of 2022 it will hold more than 1 Gigawatt in projects that are connected to the network and/or which are under construction, of which the Company's share is more than 600 Megawatts.*

* Forward-looking information

Update regarding the Ratesti project in Romania

- At the beginning of November 2021, Econergy, together with Nofar Energy Ltd. **(50% each)** completed the acquisition of the entire rights for the construction of a solar project with a capacity of approximately 155 Megawatts in Romania.
- Econergy will supply management services for the establishment of the project as well as asset management services for a period of 10 years
- For connection to a network (COD) by the end of the fourth quarter of 2022.
- Anticipated annual revenues of approximately 7.4 million euros (the Company's share).*
- Anticipated annual EBITDA of approximately 5.9 million euros (the Company's share).*
- **Econergy has significant operations in Romania**, with a project pipeline of more than 1.5 Gigawatts, of which the construction of facilities with a capacity of approximately 400 MW is expected to start in 2022.**

* Average for the first 5 years, according to Baringa, external market consultant.

** Forward-looking information

Econergy – a Leading European Platform – Advantages, Differentiators and Goals



Strategy and Goals*

- **Forecast of 3.2 GW connected projects by end of 2024**
- **Start of construction of projects in 4 countries in Q1 2022**
- **Expected revenue and FFO in 2023: 120 M Euros and 71.4 M Euros respectively**
- **Continued project development in the target markets through bolstering the local infrastructure**
- **Entry into two new business markets**

Company Advantages

Project Pipeline

Very large existing project pipeline of approximately 5.3 GW + 770 MW storage

Local player

The business in the countries is carried out by local organic teams with the experience, knowledge and contacts with the local authorities and electricity companies

Human capital

A team of 45 senior executives, most of whom come from Europe's leading energy companies

Seniority and experience

One of the leading investors in Italy since 2011, Econergy has acquired and constructed assets worth approximately 430 M Euros and has closed over 20 financing deals

Complete value chain

Control of the entire value chain from the initiation stage through to project operation

Strategic partnerships

Long-term partnerships with UBS and Rgreen Invest

*Forward-looking information

Appendix- Consolidated Balance Sheets

	For the period of nine months ended September 30,2021 (Unaudited)	For the period of nine months ended September 30,2020 (Unaudited)	For the period of twelve months ended December 31,2020 (Audited)
Current assets	46,079	3,448	2,519
Non Current assets	16,482	5,267	7,457
Total Assets	62,921	8,715	9,976
Current liabilities	1,328	416	973
Non Current liabilities	631	120	2,815
Total liabilities	1,959	749	3,788
Total Equity	60,962	7,966	6,188
Total liabilities and Equity	62,921	8,715	9,976

Thank You

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