

Econergy Renewable Energy Ltd. ("The Company")

30 October 2022

Attention Attention

The Securities Authority The Tel Aviv Stock Exchange Ltd.

www.isa.gov.il www.tase.co.il

Dear Sir or Madam,

Re: Signing of an EPC agreement for establishment and equipment acquisition operations for a project with a capacity of approximately 91 MW in Romania

The Company is pleased to announce that on 30 October 2022, it entered into an agreement to perform the construction work and the equipment procurement for a PV solar project with a capacity of approximately 91 megawatts, located in the town of Parau in Brasov, Romania, establishment of which has commenced pursuant to the foregoing (hereinafter: "EPC Agreement" and the "Project," respectively). Entering into the EPC Agreement and the establishment operations for the Project constitute a significant milestone in the operations for establishing Company projects with significant outputs.

Additional Information About the EPC Agreement and the Project

The agreement was signed with Shanghai Electric Group Co., Ltd. and its wholly-owned subsidiaries (hereinafter: the "Contractor"). According to the Contractor's publications, the Contractor is a senior government concern and a leader in China that operates as an integrated equipment manufacturing group specializing in energy equipment, industrial equipment, and integration services. The Contractor's expertise in the field of renewable energy includes, *inter alia*, the establishment of projects in the areas of wind, solar energy, and CSP (Concentrated Solar Power), and it has established solar energy projects in a large number of countries, with a cumulative capacity of approximately 2.3 GW.

The EPC Agreement includes customary terms, such as the Contractor's undertaking to complete the operations on schedule, customary liability periods following completion of the operations, full guarantees to secure Contractor undertakings, compensation for loss of income in the event of a delay in execution of the operations, customary causes of action for termination of the agreement, insurance, and so forth.

The agreement also includes assignment of the acquisition orders and the operations that the Company has performed to date as part of the beginning of the Project's establishment for the EPC Agreement, and the Contractor's liability for them.

The following are the Company's estimates with regard to the Project:

Total installed capacity	91 MW
Forecasted commercial operation date	Q3, 2023
Total forecasted Construction costs (EUR thousands) ¹	64,150

¹Including the EPC Agreement, acquisition of equipment, connection to electrical grid, and Project development costs.



Total forecasted revenue on an average annual level, first 5 years of operation (EUR thousands) ²	10,860
Total forecasted project EBITDA on an average annual level, first 5 years of operation (EUR thousands) ²	8,368
Rate of Company's holdings in the Project ³	100%

For further information regarding the Project, see Section 1.4.2(G) of the Company's Directors' Report dated 30 June 2022, which was attached to the Company's financial statements dated 30 June 2022; the information therein is used in this immediate report by reference (hereinafter: "Directors' Report dated 30 June 2022")⁴.

For further information regarding the energy market in Romania and the Company's operations there, see also Section 1.11 of Chapter A - Description of the Company's Business, attached to the Company's 2021⁵ annual report, and Section 1.4.2 of the Company's Directors' Report dated 30 June 2022.

The Company's estimates regarding the Project establishment costs, date that establishment and commercial operations will begin, rates, income, and yields are forward-looking information, as this term is defined in the Securities Law, and their realization is not definite, nor is it under the Company's exclusive control. These estimates are based on the Company's plans and estimates, as well las the Project's characteristics, and are liable not to be realized due to factors that are not under the Company's control, such as delays in the system's establishment, changes to the establishment costs, changes to financing policies and/or costs, operational problems, weather changes, changes to electricity rates, its sale costs, or consumption scopes in Romania, changes to tax rates, changes in the Romanian market and specifically in the electricity market, and regulatory changes. It is emphasized that as of the date of this immediate report, there is no certainty regarding the Project's completion due to the foregoing, and due to the concern of the existence of one of the risk factors listed in Section 1.28 of Chapter A - Description of the Company's Business, which is attached to the Company's 2021 annual report, and the information therein is used in this immediate report by reference.

Respectfully,

Econergy Renewable Energy Ltd.

Via: Eyal Podhorzer, CEO and Yoav Shapira, COO

²Income based on an assumption base of sale of 70% of the power output in a PPA agreement according to the Company's assumptions and 30% at market prices based on the Company's market advisors. Assuming the sale of 100% at the market price, income and EBITDA are estimated at approximately 17,521 and approximately 14,239 EUR thousands respectively, according to the Company's market advisors.

³ As of the date of this report. Pursuant to the Company's report on 26 June 2022 (Reference No.: 2022-01-064605), it intends to add a partner who will hold 50% of the Project holdings, pursuant to the memorandum of intent signed with said partner.

⁴As reported by the Company on 14 August 2022 (Reference No. 2022-01-083259).

⁵As published by the Company on 8 March 2022 (Reference No. 2022-01-027184).