

This is an English translation of a Hebrew immediate report that was published October 4, 2021 (Reference Number: 2021-01-150741) (hereinafter: the “**Hebrew Version**”). This English version is only for convenience purposes. This is not an official translation and has no binding force. Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

ElectReon Wireless Ltd
(the “**Company**”)

October 5, 2021

To

Israel Securities Authority

Reported Via Magna

Dear Sir and Madam,

To

Tel Aviv Stock Exchange

Reported Via Magna

Re: **Entering into an Agreement in Principle for Cooperation with Dan**

The Company is honored to announce that on October 4 2021, the Company and Dan Public Transportation Company Ltd.¹, entered into an agreement in principle for cooperation (“**Dan**” and the “**Agreement**”, respectively), under which the Company will install its wireless charging system at public transport terminals and on approximately 200 electric buses to be used by Dan and Dan’s subsidiaries (the “**Project**”; Dan and Dan’s subsidiaries will be collectively referred to as: “**Dan**”). Dan, which operates in the public transportation field, utilizes bus lines and use public transport terminals in the Gush Dan Region and other cities in Israel. After receiving the required approvals and after installation of the Company’s wireless charging systems, Dan will be able to utilize them for charging electric buses for a monthly usage fee paid to the Company totaling in approximately NIS 6 million annually (excluding electricity costs), while the usage fee will be paid to the Company for each electric bus on which the charging system will be installed, as detailed in this report below, and in accordance with the Company’s business model of ‘Charging as a Service’ (CaaS). To the

¹ To the best of the Company’s knowledge, Dan Public Transportation Company Ltd. holds approximately 5.39% of the Company’s issued share capital and approximately 5.46% of the voting rights therein.

best of the Company's knowledge, as of the date of this report, the Project is the largest of its kind in the world for wireless electric charging of electric buses at operational terminals in urban areas.

Collaboration between Dan and the Company in this agreement is part of the parties' mutual desire to cooperate as part of a broader process of promoting the use of wireless charging systems at public transportation terminals in the Gush Dan metropolitan area and other cities in Israel to increase the use of electric public transportation. This, following the ongoing collaboration and previous pilot carried out by the Company in the city of Tel Aviv, and in which Dan is expected to operate an electric bus that will serve as a regular public transportation line to transport students while they board and disembark at the terminal station and along the bus route by the Company's system.²

The wireless charging system that will be deployed by the Company as part of the Project will allow Dan to charge electric vehicles while they idle at terminals. Thus, in the Company's estimation, the Project will allow Dan to enjoy charging electric vehicles in a convenient and safe manner, and 'invisible'.

As the project succeeds according to the Company's estimations, it is expected to serve as an international demonstration of the Company's ability to provide a complete solution for wireless charging at operational terminals and stations during the working day, while significantly improving the efficiency and cost of operating electric bus fleets. In the Company's opinion, presenting positive results from the Project to transportation companies around the world may significantly advance the Company's business in its target markets as well as the international recognition of the Company's wireless charging solution in car parks and along transit corridors. **Accordingly, the agreement is a very significant step in the realization of the Company's long-term strategy.**

The following are the main points of the Agreement:

1. The Company will construct, operate and maintain, at its own risk and expense, the wireless electric charging system, which will also include a user identification system (for charging according to user identity), and management of energy and charging at public transportation terminals used by Dan, this in accordance with the Project phases and locations specified in the Agreement, and will make every reasonable effort to obtain the necessary approvals from the Ministry of Transportation and/or local authorities and/or Ayalon Highways (Netvei Ayalon) and/or the Electric Company and/or other third parties required for this purpose (the "**System**" and the "**Required Approvals**", respectively).

² For further details, see the Company's immediate report dated March 16, 2021 (Reference No.: 2021-01-036390).

2. Subject to Dan's completion of the selection and procurement procedures of the electric buses, the Company will install its system component required for wireless charging on about 200 Dan electric buses, in order to enable charging of Dan electric buses by the system, in several project phases, subject to obtaining the Required Approvals for each phase, and subject to the system complying with criteria to be determined between the parties.

The Agreement will be implemented in phases, with the Company first performing an initial installation of the System at a defined part of the Reading terminal in Tel Aviv; where it is possible in terms of existing electrical infrastructure for immediate installation of the System which will allow charging of 14 buses at the same time ("**Preliminary Phase**"). After the Preliminary Phase and subject to its success, the Company will work to install the System at additional terminals in the Gush Dan metropolitan area and in the southern district, which will allow charging of up to an additional 186 buses. In addition, as long as the Company meets the given criteria, Dan will equip the electric fleet it owns with the Company's system, all in accordance with the terms of the Agreement.

In addition to the above, the parties will also consider the possibility of installing the System at the public transportation terminal of the highway project, subject to obtaining the necessary approvals for this and meeting the criteria to be agreed on by the parties.

3. For the use of Dan (or Dan's subsidiaries, as applicable) in the System (for all its various components), for its maintenance, and in accordance with the phases stipulated in the Agreement, Dan (or Dan's subsidiaries, as the case may be) will pay the Company a fixed monthly fee of NIS 2,500 for each bus. The consideration will be paid to the Company in 60 (sixty) monthly payments starting from the date of completion of the installation of each system. It should be noted, that the electricity payments for the use of the System by Dan in the operational terminals, will pay by Dan (without cost loading or profit by the Company). It was further agreed that the use of the charging management system is subject to the payment of periodic usage fees, which are included in return for the first 60 months from the date of completion of the installation of each System (the "**First Period of Use**"). After the end of the First Period of Use, Dan will be entitled to renew the right to use the charging system management system in exchange for a usage fee to be agreed in writing between the parties.
4. Dan, one of the most innovative and leading transportation companies in the field of public transportation in Israel, chose to be the Company's first customer for a large commercial

project and expressed a willingness to cooperate with the Company in connection with presenting the Project to bus fleet operators worldwide. In respect of Dan's aforementioned willingness, the Company undertook to allocate 130,000 restricted shares of the Company to Dan as well as 100,000 options for the purchase of a total amount of up to 100,000 ordinary shares of the Company. For further details regarding the terms of the restricted shares and the options, see the material private offer report that is published at the same time as this immediate report.

5. The Agreement stipulates customary confidentiality clauses and arrangements regarding intellectual property rights. In addition, Dan has pledged that during the term of the Agreement and for 6 months thereafter, it will not contract with any third party to provide wireless charging services or systems for its bus fleets.

The Company's assessments with respect to - (A) the effects of its engagement in the Agreement with Dan and its success, including with respect to the possibility of reducing the size of the batteries in the buses; (B) the ability of the Company's system to provide a complete solution for wireless charging at operational terminals during the fleet's operational hours; (C) to demonstrate a significant improvement in the efficiency and operating cost of electric bus fleets; (D) promoting the Company's business in its target markets; and (E) international recognition of the Company's wireless charging solution in car parks and along transit corridors; Constitute 'forward-looking information', as defined by the term in the Securities Law, 1968, based on many factors and variables that are not under the Company's control. Among the main factors that may affect the said assessments and estimates are technological changes, changes in local and global market conditions and/or changes in competition in it, changes and/or tightening in the policy of the relevant regulatory authorities, the Company's non-compliance with schedules and/or additional factors. Additional items that cannot be estimated in advance and are not under the Company's control and/or the realization of any of the risk factors described in the chapter describing the corporation's business in the Company's periodic report for 2020 published on March 29, 2021 (reference number: 2021-01-049917) ('Periodic Report'). It will also be clarified that the Company's wireless charging technology is in the development stages, and apart from the experiments detailed in the Periodic Report and in its current reports, the Company has not yet completed the system development.

Sincerely,
ElectReon Wireless Ltd.

Executed on the reporting date by:

Oren Ezer, Chairman of the Board of Directors and CEO

Barak Duani, CFO