

# Board of Directors Report of the State of the Corporation's Affairs

## For a period ending June 30, 2023

The board of directors of O.Y. Nofar Energy Ltd. (hereinafter: the "**Corporation**" or the "**Company**") is pleased to hereby present the Board of Directors' Report of the State of the Company's Affairs as of June 30, 2023 (hereinafter: the "**Date of the Statement of Financial Position**") and for the periods of six and three months ending on the Date of the Statement of Financial Position (hereinafter: the "**Report Period**"), pursuant to Article 48 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. All the data in this Report refer to the Company and the companies under its control in a consolidated manner (hereafter collectively: the "**Group**"), unless otherwise stated.

This Report is prepared on the assumption that the reader has available the Board of Directors' Report on the State of the Company's Affairs for the year ended on December 31, 2022 - Part B of the Periodic Report for 2022 (hereinafter: the "**Board of Directors' Report for 2022**") and the Board of Directors' Report for a period of three months ending on March 31, 2023, which was published on May 31, 2023 (reference no.: 2023-01-058626; hereinafter: the "**Board of Directors' Report for the First Quarter of 2023**"). Accordingly, the review presented below is limited in scope and refers to the events and changes that occurred in the state of the Group's affairs during the Report Period, which have a material impact on the Group, and should be reviewed together with the chapter of the Description of the Corporation's Business in the Periodic Report for 2022, the financial statements and the Board of Directors' Report for 2022 (together hereinafter: the "**Periodic Report for 2022**") which was published in the MAGNA online reporting system on March 30, 2023 (reference no.: 2023-01-031099), and the Board of Directors' Report for the First Quarter of 2023, while the information herein is included in this report by way of reference.

## 1. Explanations of the Board of Directors to the State of the Corporation's Business, Results of its Operations, Equity and Cash Flows

### 1.1 General

The Company was incorporated as a private company in April 2011. In December 2020, the Company and its controlling shareholder completed a public offering, a purchase offer, and listing for trade of its shares on the Tel Aviv Stock Exchange Ltd. As of the same date, the Company has been a public company (as this term is defined in the Companies Law).

### 1.2 Company's activity

The Company is an international company that is engaged, as of the date of the Report, itself and through corporations held thereby, directly and indirectly, including in cooperation with third parties, in long-term development and investment activity of production systems of "clean" electricity from solar energy, systems for storing electricity in batteries in Israel, the USA and

Europe, electric vehicle charging systems in Israel, as well as in the construction (EPC), operation and maintenance (O&M) of solar systems, storage systems and vehicle charging systems in Israel, mainly for corporations held by it, including in collaboration with third parties.

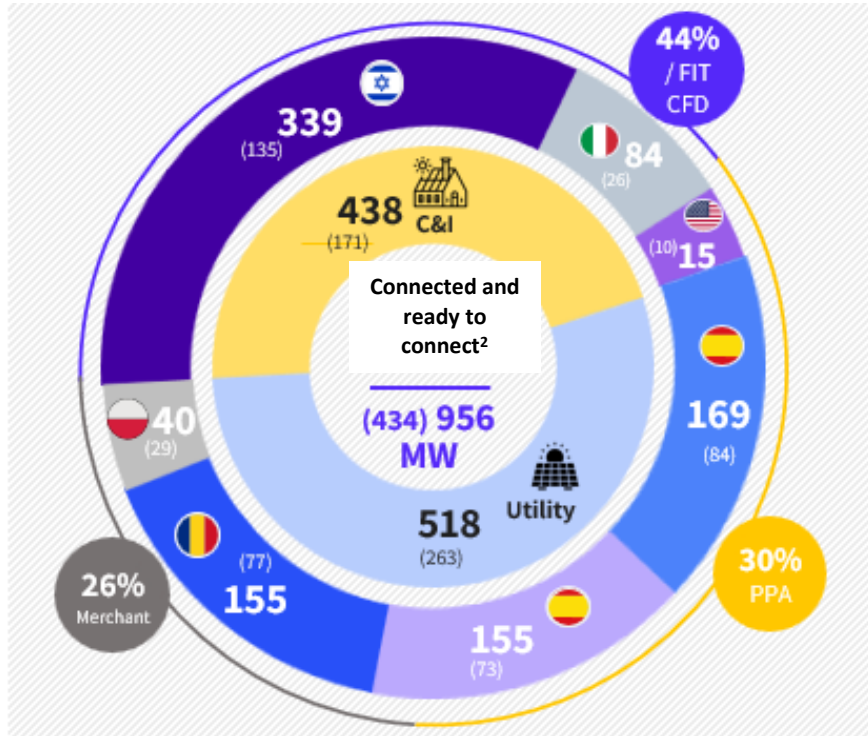
The Group's activities include the initiation, development, and acquisition of projects, starting from preliminary and initial stages, for the benefit of long-term holding, in Israel, Europe and the USA. These projects include large systems in Europe, which connect to the transmission or distribution network at high or ultra-high voltage, with a supply of hundreds of megawatts, through solar systems and storage systems in Israel, Europe and the USA that connect to the high voltage or low voltage distribution network, as the case may be.

For details about the Company's areas of activity as of the date of the Report, see Sections 1.2.2, 1.3, 3.1, 3.2 and 3.3 of the chapter Description of the Corporation's Business - Part A of the Periodic Report for the year 2022, as well as Note 32 to the Financial Statements of the Company as of December 31, 2022 - Part A of the Periodic Report for 2022, which is included in this Report by way of reference.

For details regarding the Company's business environment, see Sections 2.2, 3.1.1, 3.2.1 and 3.3.1 of the chapter Description of the Corporation's Business - Part A of the Periodic Report for the year 2022, which is included in this Report by way of reference.

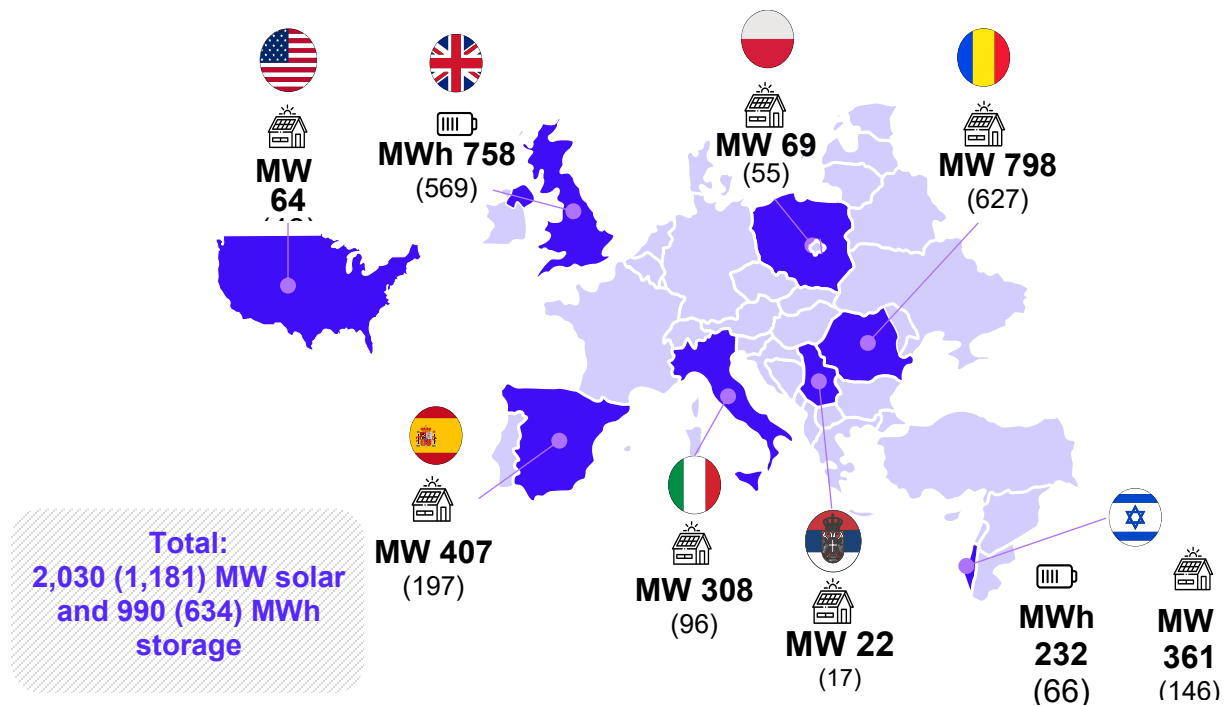
### 1.3 Key indicators in the Company's activity

**Connected projects and ready to connect** 100% data, Company's share in parentheses



A significant backlog of solar projects and income-generating storage projects, under construction and nearing construction, characterized by high rates.<sup>1</sup>

(Data 100%, Company's share in parentheses)



#### 1.4 Systems in commercial operation, ready to connect, construction, nearing construction, advanced development and development

<sup>1</sup> In relation to the rates established in the competitive proceedings for the land systems in Israel, combined storage photovoltaic systems, and dual-use facilities.

The following tables briefly describe the data of the Group's companies' systems (based on 100%) in commercial operation, ready to connect, under construction, nearing construction, advanced development, and development:

### Systems in commercial operation

		Israel <sup>(1)</sup>	USA <sup>(5) (7)</sup>	Italy <sup>(5)</sup>	Spain <sup>(5)</sup>		Total
					Olmedilla <sup>(6)</sup>	Sabina Barcelo <sup>(6)</sup>	
<b>Rates range<sup>(2)</sup> (NIS/kWh, as of June 30, 2023)</b>		0.17-2.3	0.07-1.68	0.33-0.51	0.26	0.07-0.71	---
<b>Number of systems</b>	June 30, 2022	1,032	20	5	---	---	1,057
	December 31, 2022	1,157	20	25	1	1	1,204
	June 30, 2023	1,282	20	48	1	1	1,352
<b>Total installed power (KWp) (100%)</b>	June 30, 2022	198,103	14,600	3,684	---	---	216,387
	December 31, 2022	253,753	14,600	19,400	169,000	155,000	611,753
	June 30, 2023	272,456	14,600	36,675	169,000	155,000	647,731
<b>Total setup costs (in NIS thousands)</b>	June 30, 2022	891,273	162,981	11,439	---	---	1,065,693
	December 31, 2022	1,098,753	164,804	65,805	485,263	517,163	2,331,789
	June 30, 2023	1,176,281	168,375	129,850	513,722	547,967	2,536,195
<b>Total senior debt balance (NIS thousands)</b>	June 30, 2022	698,206	42,605	---	---	---	740,811
	December 31, 2022	789,134	75,267	50,145	208,861	---	1,123,407
	June 30, 2023	852,763	74,558	92,193	241,540	---	1,261,055
<b>Balance of the senior debt period, in years (weighted average)</b>	June 30, 2023	17	4.15	10.0	16.6	---	---
<b>Income (NIS thousands)</b>	Jan. – Jun. 2022	64,695	3,525	582	---	---	68,802
	2022	152,258	9,944	5,766	30,721	16,859	215,548
	Jan. – Jun. 2023	91,438	5,428	6,833	34,536	28,887	167,123
<b>Income from Tax Equity</b>	Jan. – Jun. 2022	---	4,070	---	---	---	4,070
	2022	---	7,629	---	---	---	7,629
	Jan. – Jun. 2023	---	268	---	---	---	268
<b>Total income (NIS thousands)</b>	Jan. – Jun. 2022	64,695	7,595	582	---	---	72,872
	2022	152,258	17,574	5,766	30,721	16,859	223,177
	Jan. – Jun. 2023	91,438	5,696	6,833	34,536	28,887	167,391
<b>Total project EBITDA <sup>(3)</sup> (NIS thousands)</b>	Jan. – Jun. 2022	44,856	6,481	582	---	---	51,919
	2022	103,271	12,587	4,665	28,693	15,356	164,572
	Jan. – Jun. 2023	62,765	3,041	6,532	31,571	25,985	129,894
<b>Total project FFO<sup>(3)</sup> (NIS thousands)</b>	Jan. – Jun. 2022	32,683	2,075	582	---	---	35,340
	2022	77,642	8,797	3,749	22,866	15,356	128,410
	Jan. – Jun. 2023	40,907	775	4,871	26,350	25,985	98,888
<b>Total free flow after senior debt service (NIS thousands)</b>	Jan. – Jun. 2022	22,579	237	582	---	---	23,398
	2022	49,165	4,511	3,749	15,353	15,356	88,133
	Jan. – Jun. 2023	25,324	(1,619)	4,871	16,781	25,985	71,342
<b>Rate of the Company's holdings<sup>(4)</sup>, indirectly (weighted average)</b>	June 30, 2022	38%	67%	20%	---	---	40%
	December 31, 2022	37%	67%	26%	50%	47%	46%
	June 30, 2023	39%	67%	29%	50%	47%	43%

(1) In project corporations including systems in different regulations, the data was split according to the ratio of system suppliers.

(2) The range of rates in the systems in Israel is due to the difference in the rates established in the various regulations (net meter protection rate, guaranteed rate of rate systems and rates in tender systems). During the Report Period, the rest of the accounting period for these systems ranges between 9 and 25 years (about 22 years according to a weighted average) and the average rate was about NIS 45 / kWh.

The range of rates in the US is due to the fact that the electricity rates vary in the various projects, the difference in the rate of discount given to tenants and the fact that electricity not associated with a specific customer is fed into the grid against a payment of between 0.1 and 3 cents per kWh. It should be noted that during the Report Period, the average rate paid to Blue Sky was about 10 cents per kWh for electricity sold to consumers and about 12 cents per kWh produced (including payment for electricity sold in previous periods);

The range of tariffs in Italy is due to the variation in electricity tariffs in the GSE tenders and the fact that during the Report Period, some of the electricity was sold on the market. The average rate of electricity sold in Italy was about EUR 0.39 per kWh.

(3) The EBITDA and FFO indices were calculated on the basis of the data of the financial statements of the various project corporations (without considering the proportion of the Company's holdings), in an arithmetic-aggregate manner, as detailed below. It should be emphasized that **these financial indicators are not based on generally accepted accounting principles**. Most are held by corporations that are common to the Group companies and third parties (in Israel as a whole, the owners of the rights in the land, and abroad, the local partner). As detailed in Note 2 to the Company's financial statements, the outlines of the engagement accepted in the Group in relation to systems that are not under the Company's control are accounted for using the equity method. According to this method, the results of the investee corporations are not reflected in detail in the Company's financial statements (revenues, expenses, etc.), but through a single "net" amount, which does not allow the reader of the reports to calculate the aforementioned indices from the financial statements. Therefore, in the Company's estimation, there is importance in presenting the total revenues and financial indicators as mentioned, in a way that will allow the readers of the reports to get an impression and analyze the results of the various systems.

The EBITDA index is an accepted index in renewable energy projects, which represents the operational efficiency of the systems and is used by the decision-makers in the Company. As mentioned above, the index is calculated on the basis of data from the project corporations, as gross profit (income from electricity production minus operation and maintenance costs), neutralizing the depreciation of the systems.

The FFO index is calculated based on the EBITDA index, taking into account financing expenses for senior debt loans. This index is an accepted index in renewable energy projects, reflecting the ability to service the senior debt principal from the revenues generated by the systems.

Adjustments to the application of the equity method include the elimination of the Company's and partners' share in each of the indices (revenues, EBITDA, FFO and free flow) of the associates, which are presented in the financial statements according to the equity method.

Below are the calculations of the indices of the systems (according to 100% data), in accordance with the above (in thousands of NIS):

	1-6/2023	1-6/2022	1-12/2022
Gross profit	86,701	30,121	106,475
Systems depreciation	43,194	21,799	58,097
EBITDA	129,894	51,920	164,572
Senior debt financing expenses	31,006	16,579	36,162
FFO	98,888	35,341	128,410

Below are adjustments between the aggregate project data and the Statement of Profit or Loss and Comprehensive Profit in the Company's financial statement (in NIS thousands):

**For a period of six months ending June 30, 2023:**

	<b>Aggregate data</b>	<b>Adjustments for share in investee companies not held by the Company</b>	<b>Data of consolidated companies and the Company's share in associates (Sectors note)</b>
<b>Income</b>	167,391	(59,109)	108,282
<b>EBITDA</b>	129,894	(43,724)	86,170
<b>FFO</b>	98,888	(28,499)	70,389
<b>Free cash flow</b>	71,342	(17,807)	53,535
<b>Equity losses</b>	---	---	(9,291)

**For a period of six months ending June 30, 2022:**

	Aggregate data	Adjustments for share in investee companies not held by the Company	Data including the Company's share in the investee companies (Sectors note)
Income	72,872	(42,017)	34,731
EBITDA	51,920	(29,566)	26,229
FFO	35,340	(21,155)	14,185 (*)
Free cash flow	23,397	(14,801)	8,596 (*)
Equity losses	---	---	2,651

**For the year ended December 31, 2022:**

	Aggregate data	Adjustments for share in investee companies not held by the Company	Data of consolidated companies and the Company's share in associates (Sectors note)
Income	223,177	(130,630)	92,547
EBITDA	164,572	(98,603)	65,970
FFO	128,410	(76,606)	(*) 51,804
Free cash flow	88,132	(52,322)	(*) 35,810
Equity earnings	---	---	9,371

\* The Sectors note includes data regarding income and EBITDA. For details on the method of calculation of the FFO and the free cash flow, see the table detailing the calculation of the indices on page 4 above.

- (4) The share of the Company's holdings is calculated as a weighted average, indirectly, in relation to the system providers. The vast majority of the project corporations operate by virtue of use permits or lease agreements and projects on reservoirs by virtue of direct lease agreements with the Israel Land Authority.
- (5) The data regarding the systems in the USA are based on Blue Sky's financial statements and NIS-EUR exchange rates at the time of the report (NIS 3.7 per dollar) and an average exchange rate for the Report Period (NIS 3.59 per dollar), as applicable. The data regarding the systems in Italy and Spain are based on financial data of Sunprime and Andromeda and NIS-EUR exchange rates as of the Report Date (NIS 4.0185 to the euro) and an average exchange rate for the Report Period (NIS 3.881 to the euro), as applicable.
- (6) It should be noted that the revenues of the Olmedilla and Sabinar I projects include an amount of EUR 1.5 million which was withheld from the payments to the construction contractor, as well as an additional amount of EUR 3.8 million, that the project companies are entitled to receive from the insurance contractor or construction contractor (EPC), in the case that the amount that will be received from the insurance company will be less than EUR 4 million, due to a delay in the arrival of the projects to the PAC, for part of the reporting period during which the projects did not flow electricity to the grid due to a technical malfunction that occurred in the area "The common goal of the projects, which requires a complete stoppage of the flow of electricity to the grid until May 3, 2023.

The EBITDA does not include a provision for compensation to the buyer under the PPA for the period during which no electricity was sold to him, and this in light of the provisions of the PPA, which state that the amount of compensation will be calculated according to the amount of electricity that was actually supplied during a 12-month period and the average price of electricity during this period (data which do not exist and there is no certainty that they will exist), as well as discussions held with the buyer under the PPA agreements according to which the gap in electricity that was not flowed into the grid will be sold to the buyer at the end of the agreement period or from the Sabinar 2 project.

- (7) As for the US results, it should be noted that in the companies that own projects in Blue Sky, there is a tax partner. The agreements with the tax partners set forth arrangements regarding the distribution of profits from the project between the portfolio company that owns the project and the tax partner, for



specified periods as detailed in the agreement therewith. The EBITDA and free cash flow are shown net after the payment of the partner's share. It should also be noted that the sale of electricity by Blue Sky is carried out by virtue of electricity sale agreements between the project corporations and the end customers. As of the Report Date, part of the electricity produced in the system is not consumed by the customers and is therefore sold at a low rate or fed into the grid free of charge. Accordingly, Blue Sky works to engage with the end customers in relation to all the power produced in the facility, in order to ensure payment for all the electricity produced in each system. According to the Company's assessment, the total revenues listed in the table do not reflect the full potential of revenues from the sale of Blue Sky's electricity.

As of the date of the Report, the Group owns two storage systems with a total capacity of 5.7 megawatts (the Company's share is 39%), which were connected during the year 2021 and are in trial run procedures. Accordingly, the Report does not include data regarding these systems.

**Systems connected after the report date and systems ready for connection<sup>(1)</sup> (financial data in NIS millions)**

Country	Israel		Italy	Romania <sup>(12)</sup>	Poland		Total
Segment/ project name	PV	Storage	Sunprime	Ratesti	Krzywinski	Dziewoklucz I	
Projected power (MWp)	66.2	---	47.8	154.7	20.0	19.7	308.3
Storage capacity (MWh)	---	35.5	---	---	---	---	35.5
Weighted rate (NIS)	0.36	---	0.34	0.43	0.42	0.42	---
Projected annual production hours (KWh/KWp)	1750	---	1255	1370	1059	1128	---
Expected revenues for the first full year of operation <sup>(5) (6)</sup>	41.9	3.6 - 5.7	20.7	90.9	8.9	9.3	175.2 - 177.3
Total estimated setup costs <sup>(3) (11)</sup>	202.8	53.3	170.1	410.5	71.5	58.5	966.6
Projected operating cost for the first year of operation <sup>(6) (7)</sup>	10.8	0.3	3.1	15.1	1.4	1.2	32.0
Projected EBITDA for the first year of operation <sup>(6) (7)</sup>	31.1	3.3 - 5.4	17.6	75.8	7.4	8.1	143.3 - 145.4
Predicted leverage rate (senior debt) <sup>(11)</sup>	85%	80%	71%	60%	65%	65%	---
Projected loan period (years) <sup>(4)</sup>	20-24	15	10	15	17	17	---
Projected FFO for the first year of operation <sup>(6)(8)(9)</sup>	19.5	0.4 - 2.5	10.7	58.8	3.7	5.0	98.1 - 100.3
Rate of holdings <sup>(10)</sup>	42%	33%	31%	50%	72%	72%	---

**Systems under setup or nearing setup as of the date of the Report <sup>(1)</sup>** (financial data in NIS millions)

	Israel		Romania				Italy	USA	Spain	Poland		Serbia	UK		Total
Segment/ project name	PV	Storage	Iepuresti	Corbii Mari	Ghimpati	Slobozia	Sunprim e	Blue Sky	Sabinar II	Dziewoklucz II	Cybinka	Ada	Cellarhead	Buxton	
Projected power (MWp)	22.5	---	169.0	256.0	146.0	72.0	224.1	49.5	83.0	1.0	28.5	22.3	---	---	1073.9
Projected storage capacity (MWh)	---	180.0	---	---	---	---	---	---	---	---	---	---	698.0	60.0	938.0
Weighted rate (NIS)	0.32	---	0.38	0.35	0.38	0.38	0.36	0.56	0.32	0.42	0.35	0.41	---	---	---
Projected annual production hours (KWh/KWp)	1,750	---	1,430	1,340	1,400	1,500	1,295	1,478	2,034	1,109	1,110	1,300	---	---	---
Expected revenues for the first full year of operation <sup>(5)</sup> <sup>(6)</sup>	12.6	18.0 - 28.8	91.0	119.2	77.0	40.7	105.2	40.6	53.3	0.5	11.2	11.9	228.6	19.1	828.9 - 839.7
Total estimated setup costs <sup>(3)</sup> <sup>(11)</sup>	65.5	272.8	510.8	652.2	407.1	246.3	798.1	485.3	344.2	3.6	85.9	76.7	1018.7	120.6	5,087.8
% equity capital invested at the end of the quarter <sup>(12)</sup>	50%	35%	59%	5%	11%	25%	59%	6%	100%	51%	5%	7%	11%	100%	---
Projected operating cost for the first year of operation <sup>(6)</sup> <sup>(7)</sup>	3.4	1.5	10.2	12.5	6.8	3.6	14.4	12.8	5.7	0.1	2.5	1.5	30.9	3.3	109.2
Projected EBITDA for the first year of operation <sup>(6)</sup> <sup>(7)</sup>	9.3	16.5 - 27.3	80.8	106.8	70.2	37.1	90.8	27.8	47.6	0.4	8.7	10.5	197.8	15.8	719.8 - 730.6
Predicted leverage rate (senior debt) <sup>(11)</sup>	85%	80%	65%	65%	65%	65%	71%	40%	59%	65%	65%	60%	60%	60%	---
Projected loan period (years) <sup>(4)</sup>	20-24	15.0	15.0	15.0	15.0	15.0	10.0	18.0	22.5	17.0	17.0	15.0	10.0	7.5	---
Projected FFO for the first year of operation <sup>(6)</sup> <sup>(8)</sup> <sup>(9)</sup>	5.5	1.7 - 12.5	60.0	80.3	53.7	27.0	58.5	15.2	38.2	0.2	4.2	7.4	159.6	10.9	522.4 - 533.2

	Israel		Romania				Italy	USA	Spain	Poland		Serbia	UK		Total
Segment/ project name	PV	Storage	Iepuresti	Corbii Mari	Ghimpati	Slobozia	Sunprim e	Blue Sky	Sabinar II	Dziewoklucz II	Cybinka	Ada	Cellarhead	Buxton	
Rate of the Tax Equity in the investment	---	---	---	---	---	---	---	40%	---	---	---	---	---	---	---
Projected setup completion date <sup>(2)</sup>	2023	2023- 2024	H2 2024	H1 2025	H2 2024	H2 2024	2023- 2024	2024- 2025	H2 2023	H2 2023	H2 2025	H2 2024	H1 2025	H2 2023	---
Rate of holdings <sup>(10)</sup>	52%	27%	86%	86%	86%	86%	31%	67%	47%	72%	90%	77%	75%	75%	---

**Licensed systems as of the date of the report <sup>(1)</sup> (financial data in NIS millions)**

Country	Israel		USA	Italy	Poland			England	Total
Segment/ project name	PV	Storage	Blue Sky	Sunprime	Bakalarzewo	Bartodzieje	Kemienice	Toton	Total
Projected power (MWp)	157.8	---	57.1	389.8	150.0	60.0	60.0	---	874.8
Projected storage capacity (MWh)	---	602.9	---	---	---	---	---	260.0	862.9
Weighted rate (NIS)	0.28	---	0.56	0.36	0.35	0.35	0.35	---	---
Projected annual production hours (KWh/KWp)	1,750	---	1,587	1,295	1,046	1,138	1,140	---	---
Expected revenues for the first full year of operation <sup>(5) (6)</sup>	77.3	60.3 - 96.5	50.3	183.0	55.4	24.1	24.2	60.3	534.9 - 571.0
Total estimated setup costs <sup>(3) (11)</sup>	459.7	913.5	559.9	1287.5	382.4	164.0	158.7	536.6	4,462.3
Projected operating cost for the first year of operation <sup>(6) (7)</sup>	20.8	5.1	14.8	25.1	7.8	3.7	3.7	9.3	90.4
Projected EBITDA for the first year of operation <sup>(6) (7)</sup>	56.5	55.2 - 91.3	35.5	157.9	47.6	20.4	20.4	50.9	444.4 - 480.6
Predicted leverage rate (senior debt) <sup>(12)</sup>	85%	80%	40%	71%	65%	65%	65%	60%	---
Projected loan period (years) <sup>(4)</sup>	20 - 24	15.0	18.0	10.0	17.0	17.0	17.0	10.0	---
Projected FFO for the first year of operation <sup>(6)(8)(9)</sup>	30.1	5.8 - 42.0	20.9	105.8	27.7	11.9	12.2	30.8	245.3 - 281.4
Rate of the Tax Equity in the investment	---	---	40%	---	---	---	---	---	---
Projected setup completion date <sup>(2)</sup>	2024 - 2025	2024 - 2025	2025 - 2026	2024-2025	H2 2025	H2 2025	H2 2025	2026	---
Rate of holdings <sup>(10)</sup>	42%	34%	67%	31%	65%	72%	72%	75%	---

## Systems under development as of the Report date <sup>(1)</sup>

Country	Israel	USA	Poland	UK	Greece	Spain			Italy	Total
		Blue sky	Electrum	Noventum	Storage	Wind	Solar	Storage	Sunprime	
Power (MW)	598	237	100	566	---	100	35	---	---	1,635
Projected storage capacity (MWh)	---	165	1,494	---	1,344	---	---	280	3,240	6,523
Rate of holdings <sup>(10)</sup>	33%	67%	72%	80%	100%	47%	47%	48%	31%	---

The balance of expenses in advance for projects in development amounted, as of June 30, 2023, to a total amount of approximately NIS 36,215 thousand.

- (1) For details regarding the conditions for recognizing projects ready for connection, setup and in preparation for setup, advanced development, and development, see Section 1.1 of the Description of the Corporation's Business Chapter, Part A of the Periodic Report for 2022, while the information therein is included in this Report by way of reference.

The data in relation to projects in Poland, Romania, and Italy, are based on an exchange rate of NIS 4.0185 to the euro; the data in relation to projects in the United States are based on an exchange rate of NIS 3.7 to the dollar; the data in relation to the UK are based on an exchange rate of NIS 4.6707 to the pound.

Regarding the projects in development, advanced development, setup and in preparation for setup, the data on the table is based on the assumption that all of the approvals required for setup, connection of the system, to the electric grid, and commercial operation have been received, including approval regarding the place on the grid (approval of connection to the grid), the completion of the planning processes required for the setup of the systems, receipt of construction permits, arrival of the projects to readiness for setup by the long stop date set forth in their purchase agreements, compliance with the connection tests of the electrical authority, and so on. As of the Report date, the Company is unable to assess the likelihood of completing the proceedings as stated for all of the projects.

Regarding the supplies of the systems and the projected construction completion dates - the estimates contained on the tables above are based on the Company's assessments, based on confirmations received as of the Report Date and/or the area of the land on which the system is intended to be built, the deadline for the completion of the acquisition of the projects set in the purchase agreements, information provided to the Company from the local partner, information provided to the Company within the due diligence procedures carried out by the Company in relation to the various projects, or on the basis of the Company's assessments. In light of the initial stages of the development of the projects, as well as the regulatory approvals required for their setup, as of the Report date, there is no certainty of the realization of the projects, their execution and their realization in the quantities and on the dates set forth on the table.

Additionally, regarding the projects in Poland, Romania, the UK, and Greece, the data on the table is based on the assumption that the projects will become ready to build under the conditions as set forth in the agreements for their purchase, and that the Company will complete the transactions for the purchase of the rights in them.

- (2) The construction completion dates of the projects in Israel are based on the dates set forth in the various regulations and the Company's estimates. The construction completion dates of the Sabinar II, Buxton, and Dziewoklucz II projects are based on the dates stipulated in the setup agreements of the projects and the Company's estimates regarding construction completion dates; The projected construction completion dates of the projects in Poland, Romania, Serbia, and the UK are based on the dates specified in the connection approvals or assessments of the local partner, the project developer (from which the rights in the project were purchased) or external consultants, as the case may be, regarding the connection date; The projected operating dates of Sunprime projects are based on Sunprime's management's assessment of the rate of progress in the construction of the projects; The projected operating dates of Blue Sky projects are based on the Company's assessment of the pace of development and construction of the projects.
- (3) Regarding systems for which the conditions for the purchase of the parts of the systems have not yet been agreed upon and/or the terms of the loans that will finance the construction of the systems have not yet been agreed upon, estimates were calculated based on the costs and financing conditions of the projects under construction for which these terms were agreed upon, taking into account changes that occurred and are expected to occur in the costs of construction, transportation, and financing; The construction costs in relation to the Sabinar project are based on the costs of purchasing the rights in the project, the development costs, the construction costs stipulated in the EPC agreements and payment to the local developers; The construction costs in relation to the Ratesti project are based on the costs of purchasing the rights in the project, management and consulting fee payments and the amounts stipulated in the construction agreement; Construction costs with respect to Sunprime projects are based on Sunprime management's estimates of construction costs per megawatt installed; The construction costs in relation to the projects in Poland are based on the costs of acquiring the rights in the projects, the development costs detailed in the various development agreements, the development costs of the projects by Electrum, construction proposals received from Electrum and the Company's and external consultants' estimates of the construction costs, based on the construction costs of other projects; The construction costs of the projects in Romania are based on the purchase cost of the project rights and the Company's estimates regarding the project construction costs; The construction costs of the projects in Serbia are based on the cost of purchasing the project rights and the Company's estimates regarding the construction costs of the projects; The construction costs in relation to projects of Blue Sky are based on the construction costs per kW of the systems under construction; The construction costs in relation to the Buxton project are based on the construction, purchase and maintenance agreements signed in relation to the project. The construction costs of the Cellarhead project are based on the Company's assessments of the final costs while taking into account initial proposals received from EPC contractors. The construction costs of the Toton project are based on the estimates of the Company's management, given the proposals received in relation to the Buxton and Cellarhead projects.

(4) Regarding systems in Israel whose financing terms have not yet been agreed upon, the leverage rate and margin are based on the leverage rate and margins of the projects under construction. Regarding the Sabinar project, the leverage rate and financing conditions are based on the terms of the financing agreement signed in relation to the financing of the Sabinar project; Regarding the Ratesti project, the leverage rate and financing terms are based on the terms of a non-binding memorandum of principles for receiving financing for the project. It should be emphasized that as of the date of the Report, the project company is in negotiations on the matter, but has not yet reached an agreement regarding the receipt of financing and there is no certainty regarding its receipt. Regarding Sunprime's projects, the leverage rate is based on the terms of the financing agreement signed by Sunprime. Regarding the projects in Poland, an indicative financing rate of approximately 65% at an interest rate of 7%-9% was assumed; for the projects in Romania, an indicative financing rate of approximately 65% was assumed, with an interest rate of 6%-7%; for the projects in Serbia, an indicative financing rate of approximately 60% was assumed, with an interest rate of 6% to 7%, in accordance with the non-binding financing offer received in relation to the projects; regarding the Blue Sky projects, it was assumed that the leverage rate would be 40%. It is noted that as of the date of the Report, the projects under construction of Blue Sky are financed by way of a loan provided by the Company to Blue Sky (and not through project loans). It is further noted that in addition to the senior debt used for the construction of the projects, Blue Sky usually enters into agreements with tax equity partners, which on the systems connection date invest in the project companies in return for receipt of federal tax benefits and accelerated depreciation. In this regard, it was assumed that the tax equity partners will invest an amount equal to 40% of the cost of the project, in accordance with the rates invested in relation to projects in commercial operation; in relation to the Buxton project, financing costs were assumed in accordance with the terms of the financing agreement signed; in relation to the Cellarhead and Toton projects, indicative financing was assumed at a rate of 50%-70% of the project cost at interest of 6% to 7%, based on the terms of the Buxton financing agreement. In addition, there is no certainty that the terms of the financing agreement of the Cellarhead and Toton project will be under conditions similar to those in the Buxton financing agreement. As to the Toton, Slobozia, and Corbii Mari projects, it is noted that the Company has not yet completed their purchase (which is expected to arrive at the time of its arrival to RTB).

(5) The rates and revenues on the table of the solar systems in Israel include, *inter alia*, the Company's estimates in relation to the actual system supply and the scope of real-time consumption from the systems. The revenues on the table of the storage systems in Israel are based on an annual income assumption of between NIS 100 and NIS 160 per kWh in accordance with the tariff rates and Decision No. 63704 of the Electricity Authority - Market Model for Production and Storage Facilities Connected or Integrated into the Distribution Grid, preventing the curtailment of the electricity produced in solar systems in the historical section and loans initiated by the initiated loans tariff.

The rates in relation to the tariff systems and systems based on competitive procedures are based on the rates established in these regulations, plus linkage to the index until the Report Date (as relevant), and regarding regulations that allow for self-consumption - the Company's estimates regarding the consumption scope and regime of the customers and electricity tariffs as of the Report Date (less an assumption, if relevant) and the system costs arising from these



arrangements. The revenues on the table in relation to the systems in Israel are based on a working assumption of 1,700-1,750 hours of sunlight per year on average, depending on the location of the project.

The revenues in the table in relation to the Sabinar project are based on the tariff stipulated in the PPA agreement signed in relation to the Sabinar project (for details see the immediate report published by the Company on August 8, 2022 (reference number 2022-2022-01-099826), while the information contained therein is included in this Report by way of reference), forecast of electricity tariffs for sale in the open market in the first year of operation of the Sabinar II project (in addition to linkage to the index according to the estimates of a consulting company), an assessment that the provisions of the Royal Decree<sup>2</sup> in connection with excess taxation of electricity prices in Europe will end on December 31, 2023, the Company's estimates in relation to the actual supply of the systems, and a working assumption of approximately 2,034 hours of sunlight per year at Sabinar; The revenues in the table in relation to the projects in Romania are based on a forecast of electricity tariffs in the open market sale in the first year of operation of each project received from an international consulting company and an assumption of working hours of sunlight as detailed in the table above. It should be noted that in November 2022, a temporary directive (Emergency Ordinance) ("GEO") was approved, limiting electricity prices for certain electricity producers to 450 RON per MWh until March 25, 2025. Since, to the best of the Company's knowledge as of the date of the Report, the directive does not apply to electricity producers from renewable energy, the revenues in the table were calculated on the assumption that the GEO restrictions do not apply in relation to the revenues of the projects in Romania. It should be noted that according to the estimates received from the external consulting company, a decrease in electricity rates in Romania is expected during the lifetime of the projects. It should further be noted that to the extent that the project company enters into a PPA agreement, the actual revenues may be lower than the revenues in the open market; The revenues of the projects in Poland are based on a forecast of electricity rates sold in the open market in the first year of operation of each project, as detailed above, received from an international consulting company and a working assumption of between 1,026 and 1,142 hours of sunlight per year, depending on the location of the project. It should be noted that in the months of October and November 2022, a law was approved regarding the limitation of electricity prices and customer support in 2023. Within the framework of the law, it is established, among other things, that electricity producers are required to transfer income above a certain amount they receive for the sale of electricity to a special fund. As of the Report Date, the determined amount is PLN 355 per MWh from solar and PLN 295 per MWh from wind. To the best of the Company's knowledge, this limit does not apply in relation to projects that sell electricity by virtue of tender procedures (in which the limit is the amount determined in the tender procedure), projects that include financial hedging agreements (in which, to the best of the Company's knowledge, the limit is the average financial obligation under the agreement) and projects with a capacity of up to 1 megawatt, and so on. Since the Company estimates that the first project will be

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<sup>2</sup> Royal Decree-Law 17/2021, 23/2021, 6/2022, 10/2022 ("Royal Decree"). It should be noted that the Royal Decree are temporary regulations in connection with excess taxation of electricity prices in Europe. For details regarding the impact of the Royal Decree for the year 2023, see an immediate report dated August 21, 2022 (reference number 2022-01-099826), while the information presented therein is included in this Report by way of reference.

connected in Poland in December 2023, the revenues in the table assume that the limitation will not apply in relation to the revenues of the projects in Poland. Insofar as the term of the regulation is extended, the revenues of the projects in Poland will be lower by about 30%-40%, on average, and there will also be a decrease in EBITDA and FFO accordingly. It should be noted that according to the estimates received from the external consulting company, a decrease in electricity rates in Poland is expected during the lifetime of the projects. It should also be noted that in the Company's estimation, there is a possibility that in order to obtain project financing, the project companies will be required to enter into PPA agreements. In such a case, the revenues of the projects may be lower than the revenues detailed in the tables above (based on the sale of electricity on the open market); The revenues in the table in relation to Sunprime's project are based on the rates won by Sunprime in the tenders (ranging from 63.7 to 102 euros per kWh, and which are on average about 94.2 euros per 1 megawatt hour) and an assumption of work of about 1,194 average hours of sunshine per year; The revenues in the table in relation to projects in Serbia are based on the forecast of electricity for sale rates in the open market in the first operating year of every project received from an international consulting firm and the working assumption of about 1,300 sunshine hours per year; The revenues in the table in relation to the Blue Sky project are based on the average rate of 15 cents per kWh, estimates regarding the amount of sunshine hours per year (between 1,485 for 1,750 hours, depending on the geographic location of the system), and estimates that all the electricity produced in the systems will be sold to consumers. For details regarding the rate of Blue Sky during the Report Period, see the comments in Section (2) below the disclosure regarding the results of the connected systems; The revenues in the table in relation to the Cellarhead, Buxton and Toton projects are based on a forecast of electricity prices and system services provided to the Company by an external consulting company (in addition to linkage to the index according to a consulting company's estimates).

- (6) The "first year of operation" means 12 consecutive months during which, for the first time, the system will not be limited in supplying electricity to the grid in real time, and will bear senior debt payments. Usually, the repayment of the senior debt payments starts several months after the date of commercial operation.
- (7) The EBITDA index is calculated as the gross profit plus depreciation and amortization and taking into account the estimates regarding the ongoing maintenance costs of the system; Regarding projects in Israel - considering the maintenance costs stipulated in the agreements signed with the Company; Regarding the Sabinar project, based on the agreed consideration for the operation services according to the operation agreement (O&M) with the construction contractor; Regarding the Ratesti project - taking into account the estimates regarding the ongoing maintenance costs of the system according to the operation agreement (O&M) and the payment of management fees to Econergy Renewable Energy Ltd.; Regarding Sunprime - based on the estimates of the Sunprime management regarding the operating expenses of the projects and the maintenance costs offered to the financiers; Regarding the projects in Poland, operating expenses were assumed in accordance with the operating agreements (O&M) signed with companies from the Electrum Group (the Company's partner in Poland) in relation to two projects and the Company's assessment; Regarding the projects in Romania, operating expenses were assumed in accordance with the Company's estimates; Regarding the projects in Serbia, operating expenses were assumed

according to the Company's estimates; Regarding Blue Sky - it was assumed that the operating expenses will be in accordance with the average operating expenses per kilowatt in 2022 of the systems in commercial operation. Additionally, the depreciation of the systems was calculated assuming a 5-year spread. It is noted that the agreements with the tax partners set forth arrangements regarding the distribution of profits from the project between the portfolio company that owns the project and the tax partner, for specified periods as detailed in the agreement therewith. The EBITDA and FFO are presented net after the payment of the partner's share; Regarding the Buxton project, operating costs were assumed in the maintenance and service agreements that were signed with the construction contractor, battery supplier, and optimization supplier (RTM); Regarding the Cellarhead project, operating costs were assumed in accordance with the price offers received from the construction contractors and the Company's estimates and an external consultant regarding associated costs. For the Toton project, operating costs were assumed in line with the proposals received in relation to Cellarhead and Buxton.

- (8) The FFO is calculated as EBITDA less financing expenses (interest payments) for senior debt loans, based on the assumptions detailed in Note (5) above. It should be emphasized that as of the Report Date, financing had not yet been obtained for the Ratesti, Blue Sky, Cellarhead, Toton projects and the projects in Romania, Poland, and Serbia, and there is no certainty regarding the receipt of said financing, including any certainty that their cost will be in accordance with the Company's estimates as detailed in Note (4) above.
- (9) As detailed in Section 3.1 in the Description of the Corporation's Business chapter, Part A of the 2022 Periodic Report, the Company usually enters into agreements with most of its partners according to which the Company provides the equity (or most of the equity) required for the development and construction of the project in a loan, which is repaid on a cash sweep basis.
- (10) The share of the Company's holdings is calculated as a weighted average, indirectly, in relation to the system providers. The rate of holdings in Sunprime was calculated assuming full exercise of the options granted to Andromeda (that is, assuming a 60% holding).

It should be noted that all holdings in the project corporation of Olmedilla, Sabinar and Sunprime are pledged, as of the Report Date, in favor of the banks financing these projects.

- (11) The construction costs include, among other things, a discount regarding the forfeiture of construction guarantees of projects by virtue of competitive procedures for roof installations and reservoirs, which will be connected to the grid after the binding date, with the aim of maintaining the rates the Company won.
- (12) The invested equity rate was calculated assuming the receipt of financing at the rate as detailed in the above table. It should be noted that as of the Report Date, the Sabinar II, Ratesti, Buxton, Dziewoklucz and Krzywinski projects - whose construction has begun - are funded from equity. At the time of receiving the financing for these projects, the Company intends to withdraw part of the equity invested in the projects.

**The estimates detailed in the tables above regarding tariffs, tariff period, supplies, commercial operation dates, construction costs, leverage rates, revenues, EBITDA, FFO, projected free**

cash flow, holding rates, construction completion year, projected first year of operation and first year of operation results are forward-looking information, as this term is defined in the Securities Law, the realization of which is uncertain and not under the exclusive control of the Company. The aforementioned estimates are based on the Company's plans in relation to the entire system and the characteristics of the systems, which may not materialize due to factors beyond the Company's control, such as: the lack of full certainty regarding rights in the project company, delays in obtaining the permits required for the construction and operation of the systems, delays in obtaining access to the electricity grid, changes in the costs of establishing the system, delays in obtaining the permits required to start construction of the project, receiving limited negative or positive answers from the Grid Connection department, receiving connection approval for a date far from the Company's estimates, delays in the development of the electricity grid, delays in construction, delays or difficulties in entering into development agreements with the Israel Lands Authority, delays in granting the rezoning of the land, delays in the supply of parts for the systems, changes in construction costs, including for unforeseeable expenses, increase in the prices of raw materials, increase in transportation prices, changes in exchange rates, delays in obtaining the permits required to start construction of the project, delays in the development of the electricity network, delays in construction, changes in the regulatory tariffs, changes in the legal provisions and/or regulations, imposing taxes for electricity revenues or extending the validity of the provisions of the Royal Decree, GEO and the law in Poland, changes in policy and/or financing costs, changes in interest rates, deficiencies in the system, changes in the weather, changes in electricity rates or systemic costs, changes in the volume of electricity consumption by system consumers, changes in demand for electricity, changes in tax rates, changes in tax laws, changes in the economy in general and the electricity sector in particular, regulatory changes, deficiencies in systems, the continuation of the Corona crisis and the restrictions imposed (and that will be imposed) as a result and the existence of one (or more) of the risk factors listed in Section 4.14 in Part A, the Description of the Corporation's Business chapter in the 2022 Periodic Report.

It should be emphasized that at the time of the Report, there is no certainty regarding the implementation of the projects that are under construction, in preparation for construction, advanced development and development, among other things, due to the fact that these projects are subject to receiving various approvals (including land zoning changes, building permits, a positive response from the Grid Connection, available quotas, meeting the tests of the Electricity Authority, connection approval, etc.), as detailed in Sections 3.1.1.1, 3.3.1.2, 3.3.1.5, 4.9 and 4.14 in the chapter of the Description of the Corporation's Business, Part A of the 2022 Periodic Report, while there is no certainty that they will be obtained, as well as due to a concern of the realization of one of the risk factors listed in Section 4.14 in the chapter Description of the Corporation's Business, Part A of the 2022 Periodic Report. To the extent that the Company fails to implement the systems listed above (or any of them), its main exposure will be the deletion of the amounts invested (and that will be invested) up to that same date, as well as in the systems established by virtue of winning a competitive procedure and systems abroad for which advances have been paid and/or guarantees have been deposited with the system administrator, the loss of the deposit money, the forfeiture of the connection and installation guarantees and the loss of the electricity quota (in case of non-compliance with the schedules until the maximum binding date).

## 1.5 Overview of the Company's development -

During the year 2023, the Company continued to promote and expand its development platforms and project portfolio, as follows:

- 1.5.1 Stand Alone Storage in the UK - During the Report Period, Atlantic Green UK Limited, the Company's storage platform in the UK, which is 75% owned by the Company, continued to build the Buxton project with a capacity of 60 megawatt hours. During the last period, the procedures for the establishment of the Buxton project continued, all the batteries arrived at the site and the project company entered into a financing agreement with Goldman Sacks regarding the receipt of financing in the amount of approximately GBP 16.5 million and an optimization agreement (RTMA), under the conditions as detailed in the immediate report published at the same time as the publication of this immediate report. In parallel, Atlantic Green is preparing for the construction (contractor tender and financing) of the Cellarhead project, which at the time of the Report is one of the largest in the UK, with an expected capacity of approximately 700 megawatt hours. In addition, Atlantic Green is examining and managing contacts for the purchase of additional storage projects in the UK.
- 1.5.2 Romania - During 2023, the Company completed the purchase of the Ieporesti and Ghimpachi projects (with a total capacity of approximately 315 megawatts) after receiving the required approvals for their construction (RTB). In addition, as of the Report Date, the Company is continuing evaluations for the establishment (tendering of contractors) and receiving financing for the Ieporesti, Ghimpachi and Sobozia projects. Beyond that, as of the Report Date, the local platform is considering the initiation, purchase and development of solar projects and other storage projects in Romania<sup>3</sup>, and is engaged in the promotion of the Ratesti project connection.
- 1.5.3 Poland - As of the Report Date, Electrum Nofar SP Zoo ("**Electrum Nofar**"), a corporation owned 80% by the Company, is engaged in the establishment, development and initiation<sup>4</sup> of solar projects and storage projects with a total capacity of approximately 439 megawatts and 1,494 megawatt hours, in parallel with the establishment of two projects with a total capacity of about 40 megawatts, examination of entering into PPA agreements and managing contacts to obtain financing for these projects.

In addition, after the balance sheet date, Nofar Europe completed a transaction with the sellers of the Thumos projects<sup>5</sup>, in which Nofar Europe acquired the holdings in the only project that received connection approval (the Cybinka project), the agreement was canceled with respect to the other projects and the sellers returned to Nofar Europe the advances paid for the other projects.

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<sup>3</sup> It will be emphasized that in view of the first stages of the projects and the negotiations, at the Report Date, there is no certainty regarding the success of the development of the projects and their implementation.

<sup>4</sup> In light of the initial development stages. As of the Report Date, there is no certainty regarding the success of the negotiations or the establishment of the systems.

<sup>5</sup> For details regarding the Thumos projects and the terms of the purchase agreement, see an immediate report published by the Company on November 21, 2021 (reference no. 2021-01-170472) while the information therein is included in this Report by way of reference.



1.5.4 [Spain](#) - In the Olmedilla project (solar project with a total capacity of about 169 megawatts in Spain, held indirectly at a rate of 50% by the Company) and Sabinar 1 (solar project with a total capacity of about 155 MW in Spain held indirectly at a rate of 47% by the Company) the work required for the PAC expenses were completed, and in July 2023, there was a first withdrawal by virtue of the Sabinar financing agreement in the amount of approximately EUR 80 million. As of the Report Date, the construction works of the Sabinar II project are continuing, in parallel to the management of negotiations with the purchaser of electricity under the PPA agreement (Telecor), regarding the compensation to the Project Companies and Telecor due to the stoppage of the electricity flow caused following a fire at the project substation.

For details regarding the fire that occurred in the project's substation, and the agreements reached by the project companies and Andromeda (the controlling shareholder of the project company) with the construction contractor, see Sections 1.4 and 1.5.4 of the Board of Directors' Report for 2022 (Part B of the Periodic Report for 2022), Section 1.5.4 of the Board of Directors' Report for the First Quarter of 2023 and immediate reports published by the Company on July 16 and 26, 2023 (reference nos. 2023-01-050550 and 2023-01-070234), which are included in this Report by way of reference.

1.5.5 [Italy](#) - The Company is active in Italy through the company Sunprime HoldCo SRL ("**Sunprime**") which is held indirectly at a rate of approximately 28% by the Company (and approximately 31.5% assuming that Andromeda will provide and convert the balance of the convertible loans it has committed to provide), which specializes in roof projects in Italy at secured and high rates (CfD). In May 2023, Sunprime won another tender published by the Italian Electricity Authority for the establishment of additional solar projects with a capacity of approximately 40 megawatts and an average guaranteed rate of EUR 84.9 per megawatt. As of the Report Date, Sunprime has completed construction of projects with a total capacity of approximately 84 megawatts, holding a quota of approximately 180 megawatts at an average rate of approximately EUR 94.2 per megawatt hour.<sup>6</sup> Sunprime has also accumulated projects with a capacity of approximately 434 megawatts in construction stages, nearing construction and development stages, to further expand the Sunprime portfolio in the field of roofs and other areas.

1.5.6 [Israel](#) - As of the Report Date, the scope of projects connected and ready to connect in Israel is about 339 megawatts<sup>7</sup>. In addition, the Company has accumulated behind-the-meter storage projects that are connected, ready to connect, under construction and nearing construction, with a total storage capacity of approximately 232 megawatt hours.

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<sup>6</sup> For additional details, see the immediate report published by the Company on January 30, 2021 (reference no.: 2022-01-011472), which is included in this Report by way of reference.

<sup>7</sup> The percentage of the Company's holdings in projects that are connected and ready to connect in Israel is 38%.

- 1.5.7 [Greece](#) - As detailed in Section 3.3.1 in the chapter of the Description of the Corporation's Business - Part A in the Periodic Report for 2022, while the information therein is included in this Report by way of reference, during the year 2023 the Company entered the field of storage in Greece in relation to the development of storage projects, which are in initial stages of development, with a capacity of approximately 1,344 megawatt hours. As of the Report Date, the Company is working to build a local structure to manage and expand the activity. It should be noted that in light of the characteristics of the Greek market and the first development stages of the projects, in the Company's estimation, there is a high probability that only a small part of the projects will complete the development procedures and reach the Ready to Build stage.
- 1.5.8 [Serbia](#) - In May 2023, Nofar Europe entered two solar projects with a total capacity of approximately 22 megawatts in Serbia, which, to the best of the Company's knowledge, received the necessary approvals for their construction. As of the Report Date, the Company is engaged in the construction of a development platform in Serbia, which will be responsible for the establishment and development of the systems, at the same time as preparations are being made for conducting a capacitor tender and receiving financing for these projects.
- 1.5.9 [USA](#) - In July 2021, the Company completed the acquisition of 67% of the rights in Blue Sky, which is engaged in the initiation, development, licensing, planning, management, construction and holding of solar projects on the roofs of commercial buildings and storage systems in the USA. <sup>8</sup>Blue Sky's operating model focuses on the establishment of solar systems on rooftops of commercial centers, while selling the right to receive credits for the electricity produced in the systems to stores in the complex at retail rates. As of the Report Date, Blue Sky is focusing on strengthening the organizational and administrative infrastructure, strengthening the collection system, increasing partnerships with REIT funds, creating new partnerships, etc. In addition, Blue Sky is engaged in the initial development of projects in the field of behind-the-meter storage.

During the Report Period, there was a continued increase in inflation around the world, an increase in interest rates, changes in exchange rates, etc., as set forth in Section 2.2 of the Company's Periodic Report for 2022. At the same time as the changes in the economic environment around the world, during the month of January 2023, the government in Israel began to promote a plan to make changes to the legal system in Israel, which arouse widespread controversy and criticism and which according to the statements and assessments of senior economists in the economy (including the Bank of Israel and senior officials in the Ministry of Finance), as well as according to reports of international credit rating firms, may lead to social and political instability, alongside a negative impact on the state of the Israeli economy and the economy in Israel. These changes are further to the changes in the geopolitical environment in Europe, which characterized the years 2021 and 2022 and which affected electricity prices, commodity prices, the cost of change, etc.

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<sup>8</sup> For additional details, see Section 4.7.4 of the Description of the Corporation's Business chapter, Part A of the 2022 Periodic Report, as well as immediate reports published by the Company on May 25, 2021 and July 6, 2021 (reference nos.: 2021-01-029851 and 2021-01-049006), which is included in this Report by way of reference.

These changes - in Israel and around the world - have consequences for the Company's financing costs (at the corporate level and in project financing), an impact on the amount of funds in foreign currency that can be invested (since the Company raises funds in NIS and invests mainly in foreign currency), project returns, the ability to execute of the projects promoted by the Company and the value of the projects in the Company's financial statements. For additional details regarding the changes that occurred in the Company's business environment in 2022, see Sections 2.2, 3.2.1.3, and 3.3.1.2 of the chapter Description of the Corporation's Business - Part A of the Periodic Report for the year 2022, which is included in this Report by way of reference.

The estimations of the Company as stated in this section above is forward-looking information, as this term is defined in the Securities Law, based on the estimates of the management of the Company and its understanding of the factors that impact its business activity, as of the Report Date. These assessments may not materialize, in whole or in part, or materialize differently, including substantially, than expected, *inter alia*, as a result of assumptions and analyzes that are not optimal, from the developments that cannot be fully assessed in connection with the crisis, its duration and strength, or the realization of all or part of the risk factors set forth in Section 3.13 below in the Chapter on the Description of the Corporation's Business - Part A in the Company's Periodic Report for 2022, which is included in this Report by way of reference.





## 1.6 Financial condition:

Section	As of						Explanations of the Board of Directors
	June 30, 2023		June 30, 2022		December 31, 2022		
	NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Cash and cash equivalents	155,274	3.0%	566,432	24.7%	237,865	5.2%	See the statement of cash flows; the main change is due to an increase due to the issuance of additional bonds, the allocation of shares and the receipt of loans from banking corporations, minus the capital that was injected into projects in Europe and Israel and the addition of cash from companies in which control was obtained.
Shorts term deposits	409,430	7.8%	100,878	4.4%	498,761	10.8%	
Restricted use deposits	340	0.0%	940	0.0%	370	0.0%	
Customers	272,708	5.2%	345,596	15.0%	250,199	5.4%	The main decrease from the corresponding period last year is due to a decrease in provisions for income receivable from customers.
Accounts receivable	98,519	1.9%	35,318	1.5%	57,434	1.2%	The main increase is due to the expansion of the Group's activities and its investments in the initiation and development of projects whose construction has not yet begun in Israel and abroad, VAT receivable, and advances to the Group's suppliers.
Inventory	72,560	1.4%	53,536	2.3%	51,680	1.1%	The increase is due to stocking up for projects.
<b>Total current assets</b>	<b>1,008,831</b>		<b>1,102,700</b>		<b>1,096,309</b>		
Investments in investee companies accounted for using the equity method	1,180,113	22.6%	689,951	30.0%	959,419	20.8%	The main increase compared to the corresponding period during the previous year is due to investments in the entities accounted for using the equity method, including by way of loans, for the construction of projects and translation differences for investments to entities abroad, as well as the Company's share of the revaluation of fixed assets in the associates in the Report Period.
Right of use asset	228,526	4.4%	82,866	3.6%	204,662	4.4%	The increase compared to the corresponding period last year is mainly due to a consolidated company in which control was obtained, and additional engagements of the Group during the Report Period.
Financial assets	48,784	0.9%	-	0.0%	27,568	0.0%	The increase compared to the corresponding period last year is due to a consolidated company in which control was obtained, and the investment held based on fair value, in which the Company invested during the Report Period.
Shareholders - long-term accounts payable	34,665	0.7%	-	0.0%	29,809	0.0%	The increase compared to the corresponding period last year is due to a consolidated company in which control was achieved.
Fixed assets	2,145,733	41.0%	266,627	11.6%	1,752,805	38.0%	The increase in the balance of fixed assets in relation to the corresponding period the previous year is mainly due to the allocation of excess cost in a consolidated company in which control was obtained and an increase in the establishment of photovoltaic systems owned by the Group during the Report Period.
Long-term deposits	37,757	0.7%	5,992	0.3%	35,769	0.8%	The main increase compared to the same period last year is due to deposits.
Long-term restricted cash	6,795	0.1%	2,132	0.1%	3,209	0.1%	Deposits used as security for the bank in favor of bank guarantees
Deferred taxes	11,401	0.2%	-	0.0%	7,908	0.0%	The increase compared to the corresponding period last year is due to a consolidated company in which control was achieved.
Intangible asset	525,194	10.0%	147,552	6.4%	500,852	10.8%	The increase compared to the corresponding period last year is due to the allocation of cost overruns from consolidated companies in which control was achieved.
<b>Total non-current assets</b>	<b>4,218,968</b>		<b>1,195,120</b>		<b>3,522,001</b>		

Section	As of						Explanations of the Board of Directors
	June 30, 2023		June 30, 2022		December 31, 2022		
	NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
<b>Total assets</b>	<b>5,227,799</b>		<b>2,297,820</b>		<b>4,618,310</b>		
Short-term loans and current maturities for long-term loans from banks	359,256	6.9%	14,332	0.6%	330,690	7.2%	The increase compared to the corresponding period last year is due to loans received by the Group during the Report Period and ongoing long-term loans from the Group and from a consolidated company in which control was obtained.
Bonds - current maturities	125,784	2.4%	41,611	1.8%	121,370	3%	
Current maturities of long-term lease liability	15,563	0.3%	6,814	0.3%	13,396	0.3%	
Suppliers and service providers	101,500	1.9%	76,523	3.3%	100,977	2.2%	The main increase compared to the same period last year is due to costs of projects in the construction stage in consolidated companies.
Accounts payable	48,125	0.9%	19,369	0.8%	58,957	1.3%	The main increase in relation to the corresponding period last year is due to the provision for competitive procedures and a commitment to a tax partner in a consolidated company. The main decrease compared to December 2022 is due to a payment for competitive procedures against an increase in the obligation to a tax partner in the US.
Financial derivatives	14,069	0.3%	1,981	0.1%	4,952	0.1%	Warrants given to third parties to purchase the Company's share in associates were recognized as financial derivatives in the Company's financial statements as well as forward transactions with banks. Financial derivatives are measured at fair value through profit or loss.
Related parties - short-term payables	99,519	1.9%	-	0.0%	109,244	2%	The balance arises from a deferred obligation to pay minority shareholders in a company in which control was obtained.
<b>Total current liabilities</b>	<b>762,816</b>		<b>160,630</b>		<b>739,586</b>		
Long-term loans from banks	337,681	6.5%	92,287	4.0%	296,295	6.4%	The main increase compared to the corresponding period last year is due to a consolidated company in which control was obtained and the allocation of excess costs for it.
Liabilities for leases	216,114	4.1%	81,345	3.5%	194,822	4.2%	The increase compared to the corresponding period last year is mainly due to a consolidated company in which control was obtained, and additional engagements of the Group during the Report Period.
Loans from a related party	26,437	0.5%	19,350	0.8%	21,129	0.5%	Loans received from the Noy Fund in a consolidated partnership.
Deferred taxes	231,423	4.5%	66,790	2.9%	205,109	4.4%	The main increase in relation to the corresponding period last year is due to the allocation of excess cost in a company in which control was achieved.
Bonds	774,560	14.8%	370,039	16.1%	613,863	13.3%	The increase in relation to the corresponding period last year in the Report Period is due to the additional bond issuance against the decrease as a result of payment during the Report Period.
Other liabilities	22,719	0.4%	11,653	0.5%	22,887	0.5%	The increase compared to the corresponding period last year arises mainly from a liability to the tax partner in the US and a consolidated company in which control was obtained.
<b>Total non-current liabilities</b>	<b>1,608,934</b>		<b>641,464</b>		<b>1,354,105</b>		
Share capital and premium	1,716,256	32.8%	1,568,696	68.3%	1,568,696	34.0%	The increase is due to the allocation of shares during the Report Period
Loss balance	(111,580)	2%	(231,225)	10.1%	(68,533)	1.5%	

Section	As of						Explanations of the Board of Directors
	June 30, 2023		June 30, 2022		December 31, 2022		
	NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Capital reserves	213,566	4%	99,794	4.3%	117,851	2.6%	The main increase in relation to the corresponding period last year is due to the Company's share of other gross profit of corporations accounted for using the equity method, attributed to the revaluation of fixed assets, share-based payment and change in the translation difference fund.
Total capital attributed to shareholders of the Company	1,818,242		1,437,265		1,618,014		
Non-controlling interests	1,036,807	19.84%	58,461	2.54%	906,605	19.63%	In respect of consolidated companies in which control was achieved.
Total capital	2,855,049		1,495,726		2,524,619		
Total liabilities and capital	5,227,799		2,297,820		4,618,310		



## 1.7 Results of operations:

Section	For a period of six months ending June 30		For a period of three months ending June 30		For a period of one year ending on December 31	Explanations of the Board of Directors
	2023	2022	2023	2022	2022	
NIS thousands						
Revenues from the sale of electricity and others	161,231	184,844	88,001	92,926	324,568	The main change is due to a decrease in income for construction of solar systems against an increase in revenue from electricity production.
Company's share in the profits (losses) of companies handled based on the equity method, net	(9,291)	2,651	(4,706)	3,667	9,371	
Other income - tax partner	1,253	3,876	636	493	7,629	In respect of receipts from a tax partner in the US.
Compensation for loss of income	20,432	---	456	---	---	
<b>Total income and profits</b>	<b>173,625</b>	<b>191,371</b>	<b>84,387</b>	<b>97,086</b>	<b>341,568</b>	
Setup and operating costs	169,151	174,362	82,626	90,681	322,304	The main decrease compared to the corresponding quarter is due to a decrease in the scopes of the project constructions compared to increase in the Company's workforce and the depreciation costs.
Marketing and sale expenses	5,280	4,116	2,940	1,690	8,757	The main increase is due to the Company's growth, which is reflected mainly in the expansion of the Company's workforce.
Management and general expenses	31,379	17,594	14,898	9,973	38,035	The main increase is due to the Company's growth, which is reflected mainly in the expansion of the Company's workforce, the use of professional services on a larger scale, as well as the costs of the Group's headquarters, mainly abroad.
Other expenses	1,397	864	1,251	864	23,356	
<b>Total expenses</b>	<b>207,207</b>	<b>196,936</b>	<b>101,715</b>	<b>103,208</b>	<b>392,452</b>	
Other income	1,426	-	-	-	209,948	Mainly for gaining control of an associate.
<b>Operating profit (loss)</b>	<b>(32,156)</b>	<b>(5,565)</b>	<b>(17,328)</b>	<b>(6,122)</b>	<b>159,064</b>	
<b>Rate of operating profit from revenue</b>	<b>(19%)</b>	<b>(3%)</b>	<b>(21%)</b>	<b>(6%)</b>	<b>46.6%</b>	
Financing expenses	55,486	21,846	27,925	11,727	52,457	Main increase arises from interest and linkage for bonds and loans from bank corporations.
Financing income	(25,691)	(22,300)	(10,636)	(15,252)	(46,684)	The main increase arises from an increase in exchange rate differences for forex balances, interest income for the Company accounted for using the equity method in associates, and interest for deposits in banks.
Financing expenses, net	29,795	(454)	17,289	(3,525)	5,773	
Profit (loss) before taxes on income	<b>(61,951)</b>	<b>(5,111)</b>	<b>(34,617)</b>	<b>(2,597)</b>	<b>153,291</b>	

Section	For a period of six months ending June 30		For a period of three months ending June 30		For a period of one year ending on December 31	Explanations of the Board of Directors
	2023	2022	2023	2022	2022	
	NIS thousands					
Profit rate before income taxes	(36%)	(3%)	(41%)	(3%)	45%	
Income tax expenses (tax benefit)	(16,440)	4,771	(14,120)	(673)	4,783	The change is mainly due to updating the Group's deferred taxes.
Profit (loss) for the year	(45,511)	(9,882)	(20,497)	(1,924)	148,508	
Profit (loss) for the year, attributable to Company shareholders	(44,493)	(7,413)	(22,170)	38	153,746	
Profit (loss) for the year attributed to holders of non-controlling interests	(1,018)	(2,469)	1,673	(1,962)	(5,238)	
Total net profit (loss)	(45,511)	(9,882)	(20,497)	(1,924)	148,508	
Profit (loss) rate for period	(26%)	(5%)	(24%)	(2%)	43%	
Adjustments arising from transaction of financial statements for foreign operations	151,004	33,101	40,557	31,422	62,062	The change is due to exchange rate differences in respect of foreign currency balances.
Adjustments arising from cash flow hedging transactions	(804)	2,320	668	1,153	---	The change is due to adjustments in the fund in a consolidated company.
Revaluation for fixed assets	4,757	8,359	3,936	7,688	653	The change is due to the update of the revaluation fund carried out by the Company for fixed assets.
Part of other comprehensive income of corporations accounted for using the equity method	5,179	12,859	2,463	4,823	10,134	The change is due to the update of the revaluation fund carried out by the Company for associates.
Total other comprehensive income	160,136	56,639	47,624	45,086	72,849	
Shareholders of the Company	49,090	42,518	974	39,518	219,629	
Non-controlling interests	65,535	4,239	26,153	3,644	1,728	
Total comprehensive profit for the year	114,625	46,757	27,127	43,162	221,357	

## 1.8 Liquidity:

Section	For a period of three months ending June 30		For a period of six months ending June 30		For a period of one year ending on December 31	Explanations of the Board of Directors
	2023	2022	2023	2022	2022	
	NIS thousands					
Net cash flow used for current activities	(100,075)	(119,969)	(46,619)	(52,538)	(234,611)	See Consolidated Statements of Cash Flows. Cash flow used for current activities in the Report Period arises mainly from a change in the Company's working capital.
Net cash flow used for investing activity	(350,523)	(244,214)	(289,658)	(37,266)	(1,066,377)	See Consolidated Statements of Cash Flows. The cash flow used for the investment activity during the Report Period resulted mainly from investments and loans in companies accounted for using the equity method, investments in fixed assets.
Net cash flow arising from financing activities	365,810	2,503	320,697	14,297	602,484	See Consolidated Statements of Cash Flows. The cash flow used for financing activities during the Report Period resulted mainly from the portion of minority interests in the injection of capital to a consolidated partnership and recipient of short and long-term loans.

## 1.9 Disclosure in accordance with Article 10(b)(1)(d) of the Securities Regulations (Periodic and Immediate Reports)

During the Report Period, the Company had a continuous negative cash flow from current activities in the solo report and the consolidated report. As part of the Company's board of directors' meeting held on August 30, 2023, the Company's board of directors was presented with a projected cash flow for a period of two years, which included, *inter alia*, the Company's estimates regarding the funding sources available to it as well as the Company's current expenses and expected investments for this period. Given the Company's projected cash flow, the sources of financing available to the Company, the expected investments of the Company, and the Company's ability to control most of these expenses, as well as the fact that the negative cash flow stems mainly from investments in growth platforms abroad and from financing that the Company provided to the project corporations - except for taking on bank debt by them, in the assessment of the Company's board of directors, a negative cash flow from current operations does not indicate a liquidity problem in the Company.

### 1.10 Sources of financing:

The Group finances its activities, mainly, from the issuance of shares, current profits, credit from banking corporations and credit from suppliers, as detailed below:

- 1.10.1 The issue of shares - On October 27, 2021, the Company completed a private placement and listing for trade of 7,744,907 ordinary shares of the Company, against a total payment of about NIS 555 million to 16 classified investors, as this term is defined in the First Schedule to the Securities Law, 5728-1968. For additional details, see immediate reports published by the Company on October 25, 2021 (reference no.: 2021-01-090994), and October 27, 2021 (reference no.: 2021-01-091786) which is included in this Report by way of reference.

Additionally, on May 8, 2023, the Company completed a private placement and listing for trade of 1,892,655 ordinary shares of the Company, against a total payment of about NIS 147.6 million to five classified investors, as this term is defined in the First Schedule to the Securities Law, 5728-1968. For more details, see immediate reports published by the Company on April 24, 2022 (Reference No. 2022-01-038290 and 2023-01-044280) and April 30, 2023 (Reference No. 2023-01-046233), in which the aforementioned information is presented in this Report by way of reference.

**1.10.2 Issuance of Bonds (Series A)** - on August 16, 2021, the Company completed the issue of NIS 400 million par value Bonds (Series A) (hereinafter: the “Bonds (Series A)”). The Bonds (Series A) are index-linked, bear annual interest at a rate of 1.48% and are repaid in ten biannual, unequal payments, starting on June 30, 2023, and until December 31, 2027. For additional details regarding the terms of the Bonds (Series A), see **Appendix A** of the Board of Directors’ Report, the Shelf Offer Report published by the Company on August 12, 2021 (reference no.: 2021-01-131616), the report of the issuance and the trust deed dated August 16, 2021 (reference no.: 2021-01-065704 and 2021-01-065244), which is included herein by way of reference.

On September 8, 2022, the Company completed a private placement, by way of a series expansion, to 13 classified investors (hereinafter: the “**Offerees**”), of 317,005,000 Bonds (Series A). The Bonds (Series A) were issued against payment of an amount of 98.5 agorot per NIS 1 par value of Bond, and in total, consideration of NIS 312,249,925 for all of the aforesaid Bonds (Series A). Following the issue of the private placement, the total Bonds (Series A) increased to NIS 717,005,000 par value. For additional details regarding the terms of the issue, see the immediate report published by the Company on September 7, 2022 (reference no.: 2022-01-093141), which is included in this Report by way of reference.

On May 10, 2023, the Company completed a private placement, by way of a series expansion, to classified investors (hereinafter: the “**Offerees**”), of 250,000,000 Bonds (Series A). The Bonds (Series A) were issued against payment of an amount of 97.35 agorot per NIS 1 par value of Bond, and in total, consideration of NIS 243,357,000 for all of the aforesaid Bonds (Series A). Following the issue of the private placement, the total Bonds (Series A) increased to NIS 967,005,000 par value. For additional details regarding the terms of the issue, see the immediate report published by the Company on May 8, 2023 (reference no.: 2023-01-041848), which is included in this Report by way of reference.

On June 30, 2023, a partial repayment of the Bonds (Series A) was made so that the total of the Bonds (Series A) as of the Report Date is NIS 870,304,500 par value. For additional details, see the immediate report published by the Company on July 2, 2023 (reference no.: 2023-01-061999).

**1.10.3 Issuance of Bonds (Series B)** - On July 20, 2023, the Company completed the issuance of 407,550,000 Bonds (Series B). The Bonds (Series B) are convertible into ordinary shares listed by name without par value of the Company in such a way that as of July 20, 2023, and until June 20, 2029, every NIS 115.1 par value of the Bonds (Series B) will be convertible into one ordinary share of the Company. The Bonds (Series B) are not index-linked, bear annual interest at a rate of 5% and are repaid in two equal payments on June 30, 2028 and 2029.



For additional details regarding the terms of the Bonds (Series B), see **Appendix A** of the Board of Directors' Report, the Shelf Offer Report published by the Company on July 18, 2023 (reference no.: 2023-01-082041), the report of the results of the issuance dated July 20, 2023 (reference no.: 2023-01-082740) and the trust deed dated July 23, 2023 (reference no.: 2023-01-083901), which is included herein by way of reference.

- 1.10.4 **Issuance of Bonds (Series C)** - On July 20, 2023, the Company completed the issuance of 233,951,000 Bonds (Series C). The Bonds (Series C) are not index-linked, bear annual interest at a rate of 6.95% and are repaid in six annual, unequal payments, starting on June 30, 2025, and until June 30, 2030.

For additional details regarding the terms of the Bonds (Series A), see **Appendix A** of the Board of Directors' Report, the Shelf Offer Report published by the Company on July 18, 2023 (reference no.: 2023-01-082041), the report of the results of the issuance dated July 20, 2023 (reference no.: 2023-01-082740) and the trust deed dated July 23, 2023 (reference no.: 2023-01-083904), which is included herein by way of reference.

- 1.10.5 **Long-term loans (including current maturities)** - the average long-term credit was about NIS 235.4 million in the first quarter of 2023, compared to about NIS 84.7 million in the corresponding period last year, and compared to about NIS 88.8 million in 2022.

The average rate of the long-term credit cost was about 6.94% in the first half of 2023, compared to about 5.07% in the corresponding period last year and about 5.9% in 2022.

- 1.10.6 **Short-term credit** - The average short-term credit was about NIS 322.1 million in the first half of 2023, compared to about NIS 12.5 million in the corresponding period last year, and compared to about NIS 130.4 million in 2022.

The average rate of the short-term credit cost was about 6.4% in the first half of 2023, compared to about 2.42% in the corresponding period last year and about 5.45% in 2022.

- 1.10.7 **Suppliers** - The credit provided to the Group by the suppliers ranges between cash and net+60. Average supplier days amounted to about 65 days in the first half of 2023, about 75 days in the corresponding period last year, and about 65 days in 2022.

The average credit balance of the suppliers amounted to about NIS 101 million in the first half of 2023, about NIS 65.3 million in the corresponding period last year and about NIS 75 million in 2022.

- 1.10.8 **Customers** - The credit provided by the Group to customers ranges between cash and net+60. Average customer days amounted to about 75 days in the first half of 2023, about 68 days in the corresponding period last year and about 75 days in 2022.

The customers' average credit balance amounted to about NIS 267.2 million in the first half of 2023, about NIS 288.3 million in the corresponding period last year and about NIS 284.1 million in 2022.

For additional details regarding the sources of financing of the Group, see Section 4.5 of the chapter of the Description of the Corporation's Business - Part A of the Periodic Report for 2022.

## 1.11 **Substantial loans and credits**

For details regarding material loans and credits taken by the Group, see Section 4.5.5 in Part A of the Periodic Report for 2022, and also Section 3.8.8 in the chapter of the Description of the Corporation's Business in the Periodic Report for 2020, which are included herein by way of reference.



For details regarding the terms of the Bonds (Series A) issued by the Company, see **Appendix A** of the Board of Directors' Report, the Shelf Offer Report published by the Company on August 12, 2021 (reference no.: 2021-01-131616), the report of the issuance and the trust deed dated August 16, 2021 (reference no.: 2021-01-065704 and 2021-01-065244), which is included herein by way of reference.

For details regarding the terms of the Bonds (Series B), see **Appendix A** of the Board of Directors' Report, the Shelf Offer Report published by the Company on July 18, 2023 (reference no.: 2023-01-082041), the report of the results of the issuance dated July 20, 2023 (reference no.: 2023-01-082740) and the trust deed dated July 23, 2023 (reference no.: 2023-01-083901), which is included herein by way of reference.

For details regarding the terms of the Bonds (Series A), see **Appendix A** of the Board of Directors' Report, the Shelf Offer Report published by the Company on July 18, 2023 (reference no.: 2023-01-082041), the report of the results of the issuance dated July 20, 2023 (reference no.: 2023-01-082740) and the trust deed dated July 23, 2023 (reference no.: 2023-01-083904), which is included herein by way of reference.

Below is a breakdown of the Company's compliance with the financial standards to which the Group companies have committed themselves to meet in relation to material credits:

Borrower name	Lender's details	Balance of the loan as of June 30, 2023	Commitment to meeting financial standards	Compliance calculation for June 30, 2023
The Company	The trustee for holders of Bonds (Series A)	NIS 943 million	Minimum equity of NIS 550 million A minimum ratio between solo equity and solo balance of 35%	Equity - approximately NIS 2,849 million Equity to solo balance sheet ratio of about 64.4% Solo equity - NIS 1,812 million. Solo net balance sheet - NIS 2,816 million. Consolidated equity to consolidated balance sheet ratio 54.5%.
	The trustee for holders of Bonds (Series B)	---	Minimum equity of NIS 900 million The ratio between solo equity and the total solo net balance sheet of 36%	
	The trustee for holders of Bonds (Series C)	---	And the ratio between consolidated equity and the total consolidated balance sheet (as these terms are defined in the trust deed) will not be less than a rate of 14% for two consecutive quarters.	

Borrower name	Lender's details	Balance of the loan as of June 30, 2023	Commitment to meeting financial standards	Compliance calculation for June 30, 2023
<b>Olmedilla</b>	Banking corporations in Spain	60.1 million Euro	As of the COD date, and provided that the project operates for 12 months, historical debt coverage ratio (DSCR) For last 12 months of 1.05. Maximum leverage ratio of 56%. Maintaining reserve accounts and minimal equity in the project.	As of the Report Date, Olmedilla is not required to meet the debt coverage ratio. Leverage ratio 47%
<b>Sabinar</b>	German financial body	---	Starting from the COD date of Sabinar I and provided that Sabinar I has operated for 12 months, the HDSCR for the last 12 months will not be less than 1.05.	As of the Report Date, Sabinar is required to meet the debt coverage ratio.
<b>Sunprime Generation S.r.l. and Sunprime Energia Distribuita S.r.l.</b>	Consortium of lenders led by an Austrian banking corporation	96 million Euro	Starting from the date of the first payment for the loan principal (i.e. June 2024) - historical ADSCR for the last 12 months will not be less than 1.05.	As of the Report Date, Sunprime is not required to meet this ratio.

### 1.12 Pro forma data included in the Proforma Report

On December 28, 2022, the Company completed an additional purchase of 12.5% of the issued and paid-up share capital of Noy Nofar Europe, giving the Company a weighted holding rate of 52.5%. In exchange for these shares, the Company paid a total of about EUR 57.34 million. This purchase constitutes a pro forma event as defined in Article 1 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Accordingly, the Company's financial statements include, among other things, a proforma report, which reflects the results of the pro forma consolidated reports on profit or loss and other comprehensive profit for the six -month period that ended on June 30, 2022, assuming that the purchase transaction was completed before January 1, 2022. For details, see the Proforma Report.

### 1.13 Material valuations

For the purpose of determining the value of data in its financial statements, the Company, among other things, made use of a valuation for solar systems that were connected during the Report Period, which does not amount to a material valuation or a very material valuation (as these terms are defined in the Securities Regulations (Periodic and Immediate Reports), 5730-1970).



## 2 Aspects of Corporate Governance

### 2.1. Effectiveness of internal control

Attached in Chapter E of this Report is a report on the Company's internal control.

In addition, in accordance with the provisions of Article 9b(c1) of the Reporting Regulations, the provisions of Article 9b(c) of the Reporting Regulations apply, based on which the opinion of the auditor must be attached to the Company's financial statements, regarding the effectiveness of the internal control on financial reporting and the material weaknesses that it identifies in this review, will not apply to the Company before five years from the date on which it became a reporting corporation, excluding audits in certain cases set forth in the same article.

### 2.2. Market risks and their management

As of the Report Date, the Company's financial statements do not include a reportable segment, which is a financial activity segment, and as of the Report Date, the corporation has no material financial activity. Accordingly, and given Article 10(b)(7) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, the report does not include disclosure of market risks and their management.

Linkage basis reports:

	As of June 30, 2023						
	NIS thousands						
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to other foreign currency	Index-linked	Unlinked	Amount
Cash and cash equivalents	10,645	61,518	31,298	523	---	51,291	155,274
Deposits from bank corporations and others	408,261	---	---	---	---	1,169	409,430
Restricted use deposits	---	---	---	---	---	340	340
Customers	2,201	12,236	---	1	---	258,270	272,708
Accounts receivable	16,267	28,172	18,530	10,709	---	24,841	98,519
Inventory	---	---	---	---	---	72,560	72,560
<b>Total current assets</b>	<b>437,373</b>	<b>101,926</b>	<b>49,828</b>	<b>11,233</b>	<b>---</b>	<b>408,470</b>	<b>1,008,831</b>
Investments in investee companies accounted for using the equity method	---	776,853	---	---	---	403,260	1,180,113
Right of use asset	32,776	121,406	779	1,454	44,774	27,336	228,526
Fixed assets	199,391	1,019,614	115,186	21,263	---	790,279	2,145,733
Intangible assets	155,983	334,441	---	---	---	34,770	525,194
Long-term restricted cash	5,622	0	---	0	---	1,173	6,795
Deposits in bank corporations and others	37,000	---	361	---	---	396	37,757
Deferred taxes	---	10,589	812	---	---	0	11,401
Other debtors - related parties	---	34,665	---	---	---	0	34,665
Financial assets	11,123	37,441	---	---	---	220	48,784
<b>Total non-current assets</b>	<b>441,895</b>	<b>2,335,009</b>	<b>117,138</b>	<b>22,717</b>	<b>44,774</b>	<b>1,257,435</b>	<b>4,218,968</b>

	As of June 30, 2023						
	NIS thousands						
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to other foreign currency	Index-linked	Unlinked	Amount
<b>Total assets</b>	879,269	2,436,935	166,966	33,950	44,774	1,665,905	5,227,799

Section	As of June 30, 2023						
	NIS thousands						
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to other foreign currency	Index-linked	Unlinked	Amount
Short-term loans and current maturities for long-term loans from banking and other corporations	337,125	20,371	---	---	---	1,760	359,256
Current maturities of long-term lease liability	2,025	5,654	474	195	5,142	2,072	15,563
Suppliers and service providers	4,405	9,257	30,510	1,787	---	55,541	101,500
Accounts payable	22,045	8,764	676	1,795	---	14,845	48,125
Liability for deferred consideration in a business combination	---	97,952	---	---	---	1,567	99,519
Current maturities of bonds	---	---	0	---	125,784	---	125,784
Financial derivatives	12,164	---	---	---	---	1,905	14,069
<b>Total current liabilities</b>	<b>377,763</b>	<b>141,998</b>	<b>31,661</b>	<b>3,777</b>	<b>130,926</b>	<b>77,691</b>	<b>763,816</b>
Long-term loans from banks	49,919	221,306	---	0	---	66,456	337,681
Lease liabilities	34,218	112,757	317	1,296	39,627	27,899	216,114
Loan from a related party	-	-	4,892	---	21,544	0	26,437
Deferred taxes	44,530	16,203	---	---	---	170,690	231,423
Bonds	---	---	---	---	774,560	---	774,560
Other liabilities	10,420	10,247	---	---	733	1,320	22,719
<b>Total non-current liabilities</b>	<b>139,088</b>	<b>360,513</b>	<b>5,210</b>	<b>1,296</b>	<b>836,464</b>	<b>266,364</b>	<b>1,608,934</b>
Share capital and premium	---	---	---	---	---	1,716,256	1,716,256
Loss balance	(13,205)	16,091	(3,755)	(2,947)	---	(107,764)	(111,580)
Capital reserves	---	(804)	---	---	---	214,370	213,566
<b>Total capital attributed to shareholders of the Company</b>	<b>181</b>	<b>151,331</b>	<b>2,667</b>	<b>(2,969)</b>	<b>0</b>	<b>1,667,031</b>	<b>1,818,242</b>
Non-controlling interests	54,417	2,236	586	(143)	---	979,710	1,036,807
<b>Total capital</b>	<b>54,599</b>	<b>153,567</b>	<b>3,253</b>	<b>(3,112)</b>	<b>0</b>	<b>2,646,742</b>	<b>2,855,049</b>
<b>Total liabilities and equity</b>	<b>571,449</b>	<b>656,079</b>	<b>40,123</b>	<b>1,961</b>	<b>967,390</b>	<b>2,990,797</b>	<b>5,227,799</b>

Section	As of							
	June 30, 2022							
	NIS thousands							
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to the Leu	Linked to the zloty	Index-linked	Unlinked	Amount
Cash and cash equivalents	<b>115,308</b>	13,818	16,397	756	156	---	419,997	566,432
Shorts term deposits	---	---	---	---	---	---	<b>100,878</b>	<b>100,878</b>
Restricted use deposits	---	---	---	---	---	---	<b>940</b>	<b>940</b>
Customers	<b>1,716</b>	---	---	---	---	---	<b>343,880</b>	<b>345,596</b>

Section	As of							
	June 30, 2022							
	NIS thousands							
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to the Leu	Linked to the zloty	Index-linked	Unlinked	Amount
Accounts receivable	1,241	1,871	2,642	520	145	---	28,899	35,318
Inventory	---	---	---	---	---	---	53,536	53,536
Total current assets	118,265	15,689	19,039	1,276	301	---	948,130	1,102,700
Investments in investee companies accounted for using the equity method	---	532,749	164	---	40,397	---	116,641	689,951
Right of use asset	30,941	---	---	---	---	42,600	9,325	82,866
Fixed assets	159,903	2,443	15	513	647	---	103,106	266,627
Loans to investee companies	---	---	---	---	---	---	---	---
Intangible asset	147,552	---	---	---	---	---	---	147,552
Long-term restricted cash	2,132	---	---	---	---	---	---	2,132
Long-term deposits	-	---	---	---	---	---	5,992	5,992
Total non-current assets	340,528	535,192	179	513	41,044	42,600	235,064	1,195,120
Total assets		550,881	19,218	1,789	41,345	42,600	1,183,194	2,297,820
Short-term loans and current maturities for long-term loans from banks	(13,215)	---	---	---	---	---	(1,117)	(14,332)
Current maturities of long-term lease liability	(1,568)	---	---	---	---	(4,518)	(728)	(6,814)
Suppliers and service providers	(30,821)	(937)	(521)	(229)	(127)	---	(43,888)	(76,523)
Accounts payable	(15,113)	---	(769)	---	---	---	(3,487)	(19,369)
Financial derivatives	---	---	---	---	---	---	(1,981)	(1,981)
Bonds - current maturities	---	---	---	---	---	(41,611)	---	(41,611)
Total current liabilities	(60,717)	(937)	(1,290)	(229)	(127)	(46,129)	(51,201)	(160,630)
Long-term loans from banks	(65,159)	---	---	---	---	---	(27,128)	(92,287)
Lease liabilities	(32,227)	---	---	---	---	(38,927)	(10,191)	(81,345)
Loan from a related party	---	---	---	---	---	(19,350)	---	(19,350)
Deferred taxes	(41,591)	---	---	---	---	-	(25,199)	(66,790)
Bonds	---	---	---	---	---	(370,039)	---	(370,039)
Other liabilities	(9,943)	---	---	---	---	(720)	(990)	(11,653)
Total non-current liabilities	(148,920)	---	---	---	---	(429,036)	(63,508)	(641,464)
Share capital and premium	(107,532)	---	---	---	---	---	(1,461,164)	(1,568,696)
Surplus (loss balance)	784	859	361	655	127	---	228,439	231,225
Capital reserves	(7,265)	(3,365)	---	---	(221)	---	(88,943)	(99,794)
Total capital attributed to shareholders of the Company	(114,013)	(2,506)	361	655	(94)	---	(1,321,668)	(1,437,265)
Non-controlling interests	(59,262)	63	106	66	13	---	553	(58,461)
Total capital	(173,275)	(2,443)	467	721	(81)	---	(1,321,115)	(1,495,726)
Total liabilities and capital	(382,912)	(3,380)	(823)	492	(208)	(475,165)	(1,435,824)	(2,297,820)

Section	As of Dec. 31, 2022						
	NIS thousands						
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to other foreign currency	Index-linked	Unlinked	Amount
Cash and cash equivalents	53,269	50,123	43,240	214	---	91,019	237,865
Deposits from bank corporations and others	357,026	---	---	---	---	141,735	498,761
Restricted use deposits	---	---	---	---	---	370	370
Customers	2,369	2,704	---	---	---	245,126	250,199
Accounts receivable	4,466	17,749	2,245	3,494	---	29,480	57,434
Inventory	---	---	---	---	---	51,680	51,680
<b>Total current assets</b>	<b>417,130</b>	<b>70,576</b>	<b>45,485</b>	<b>3,708</b>	<b>---</b>	<b>559,410</b>	<b>1,096,309</b>
Investments in investee companies accounted for using the equity method	---	661,499	---	---	---	297,920	959,419
Right of use asset	31,766	109,107	-	1,421	44,237	18,131	204,662
Fixed assets	197,376	1,431,033	4,087	315	---	119,994	1,752,805
Intangible assets	148,353	352,499	---	---	---	---	500,852
Deposits in bank corporations and others	2,143	---	---	---	---	1,066	3,209
Long-term deposits	35,190	---	236	---	---	343	35,769
Deferred taxes	---	7,908	---	---	---	---	7,908
Other debtors - related parties	---	29,809	---	---	---	---	29,809
Financial derivative	---	27,568	---	---	---	---	27,568
<b>Total non-current assets</b>	<b>414,828</b>	<b>2,619,423</b>	<b>4,323</b>	<b>1,736</b>	<b>44,237</b>	<b>437,454</b>	<b>3,522,001</b>
<b>Total assets</b>	<b>831,958</b>	<b>2,689,999</b>	<b>49,808</b>	<b>5,444</b>	<b>44,237</b>	<b>996,864</b>	<b>4,618,310</b>

Section	As of Dec. 31, 2022						
	NIS thousands						
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to other foreign currency	Index-linked	Unlinked	Amount
Short-term loans and current maturities for long-term loans from banking and other corporations	310,543	19,240	---	---	---	907	330,690
Current maturities of long-term lease liability	1,909	5,044	---	183	4,847	1,413	13,396
Suppliers and service providers	19,626	36,932	2,257	921	---	41,241	100,977
Accounts payable	18,806	5,450	---	---	---	34,701	58,957
Liability for deferred consideration in a business combination	---	109,244	---	---	---	---	109,244
Current maturities of bonds	---	---	---	---	121,370	---	121,370
Financial derivatives	3,047	---	---	---	---	1,905	4,952
<b>Total current liabilities</b>	<b>353,931</b>	<b>175,910</b>	<b>2,257</b>	<b>1,104</b>	<b>126,217</b>	<b>80,167</b>	<b>739,586</b>
Long-term loans from banks	52,986	216,484	---	---	---	26,825	296,295
Lease liabilities	32,979	101,919	---	1,259	40,119	18,546	194,822
Loan from a related party	-	204	534	---	20,391	---	21,129
Deferred taxes	47,057	141,438	(259)	---	---	16,873	205,109
Bonds	---	---	---	---	613,863	---	613,863

Other liabilities	11,434	9,570	---	---	728	1,155	22,887
<b>Total non-current liabilities</b>	144,456	469,615	275	1,259	675,101	63,399	1,354,105
Share capital and premium	---	---	---	---	---	1,568,696	1,568,696
Loss balance	(9,177)	(1,811)	(1,162)	(1,429)	---	(54,954)	(68,533)
Capital reserves	6,918	25,275	218	27	---	85,413	117,851
<b>Total capital attributed to shareholders of the Company</b>	(2,259)	23,464	(944)	(1,402)	---	1,599,155	1,618,014
Non-controlling interests	57,057	850,502	(327)	(127)	---	(500)	906,605
<b>Total capital</b>	54,798	873,966	(1,271)	(1,529)	---	1,598,655	2,524,619
<b>Total liabilities and equity</b>	553,185	1,519,491	1,261	834	801,318	1,742,221	4,618,310

### 2.3. Donations

As of the Report Date, the Company does not have a donations policy. During the Report Period, the Company donated immaterial amounts.

### 2.4. Directors with Accounting and Financial Expertise

From the date of publication of the Periodic Report for 2022 until the Report Date, there have been no changes in the determination of the Company's board of directors regarding the required minimum number of directors with accounting and financial expertise and/or the identity of the directors with accounting and financial expertise.

For details regarding the directors with accounting and financial expertise (including their education, qualifications, experience, and know-how, based on which the Company regards them as having accounting and financial expertise), see Article 26 of Chapter D - Additional Details of the Corporation in the Periodic Report for 2022, while the information therein is included in this Report by way of reference.

### 2.5. Independent directors

As of the Report Date, the Company has not adopted a provision in its articles of association regarding the rate of independent directors. However, as of the Report Date, three of the directors of the Company (in other words, Mr. Yoni Tal, Ms. Dafne Esther Cohen and Mr. Gili Cohen) are independent directors, as this term is defined in the Companies Law. For details regarding Mr. Yoni Tal, Ms. Dafne Esther Cohen, and Mr. Gili Cohen, see Article 26 of Chapter D - Additional Details about the Corporation in the Periodic Report for 2022, which is included in this Report by way of reference.

### 2.6. Auditor

From the date of publication of the Periodic Report for 2022 until the Report Date, there have been no material changes in relation to the Company's internal auditor. For further details regarding the Company's internal auditor, see Section 2.6 of the Board of Directors' Report for 2022, while the information therein is included in this Report by way of reference.



## **2.7. Details Regarding the Corporation's Auditor**

The auditors of the Company are BDO Ziv Haft.

From the beginning of 2022 until the Report Date, there have been no changes in relation to the Company's auditors. For further details regarding the Company's external auditor, see Section 2.7 of the Board of Directors' Report for 2022, while the information therein is included in this Report by way of reference.

## **2.8. Events during the Report Period and after the Date of the Statement of Financial Position**

For details regarding events during the Report Period and after the balance sheet date, see Section 1.5 above and Notes 6 and 9 to the consolidated financial statements as of June 30, 2023. In addition to what is stated in the above Notes:

- On January 15, 2023, Mr. Moshe Bar Siman Tov ceased to serve as a director of the Company. For additional details, see the immediate report published by the Company on January 16, 2023 (reference no.: 2023-01-006460), which is included in this Report by way of reference.
- On February 17, 2023, Sabinar Hive, S.I., a corporation indirectly held by the Company at a rate of approximately 47%, entered into a framework agreement with a German financial body, to receive senior financing in the amount of EUR 131.97 million, for a period of up to 20 years, which will be provided in two withdrawals and will be used mainly to repay shareholder loans that were invested and will be invested for the construction of the Sabinar I and Sabinar II projects.<sup>9</sup> During July, Sabinar completed the conditions for making the first withdrawal and on July 25, 2023, made the first withdrawal in the amount of approximately EUR 80 million. For additional details, see the immediate reports published by the Company on February 19, 2023 and July 26, 2023 (reference no.: 2023-01-015742 and 2023-01-070234, respectively), which are included in this Report by way of reference.
- On February 21, 2023, Atlantic Green completed the transaction for the purchase of the holdings in the Cellarhead project after the approval of the planning committee (Planning Consent) for the project was received. For additional details, see the immediate report published by the Company on February 22, 2023 (reference no.: 2023-01-016849), which is included in this Report by way of reference.
- On February 22, 2023, Atlantic Green entered into an agreement to purchase the entire share capital of the corporation that holds the rights to establish two storage projects with an estimated grid connection capacity of 130 megawatts, and an estimated storage capacity supply with an estimated capacity of approximately 260 megawatt hours, assuming use of batteries with a storage capacity of two hours.<sup>10</sup> For additional details, see the immediate report published by the Company on February 22, 2023 (reference no.: 2023-01-016849), which is included in this Report by way of reference.

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<sup>9</sup> It is emphasized that in light of the conditions precedent set forth in the condition as a condition for the execution of the financial closing and withdrawal of the loan funds, as of the Report Date, there is no certainty regarding receipt of the financing or the date of its receipt.

<sup>10</sup> Based on the approvals issued at the Report Date, the provisions of the purchase agreement, the site limitations as well as the information provided to the Company as part of the due diligence, including this (the Grid Connection Offer and Planning Application). It should be emphasized that the Company's estimates for the project supplier is forward-looking information as defined in the Securities Law, 5728-1968, based on the approvals issued to the project company as of the Report Date, the regulation applicable at that time in the United Kingdom as well as the Company's estimates regarding the system suppliers that

- During the first quarter of 2023, as part of the running procedures of the Olmedilla and Sabinar I project, a fire occurred in the substation of the projects, which necessitated a complete stoppage of the flow of electricity to the grid until May 3, 2023. During this period, the Olmedilla and Sabinar I projects did not flow electricity to the grid and did not sell electricity under the PPA agreements.

During the months of February to July 2023, the construction contractor switched the transformer in the substation, connected the projects to the electric grid, and performed the works needed to issue the PAC, and as of the Report Date, the substation was connected to the electricity grid and the Olmedilla and Sabinar projects flow and sell the electricity they produce to the grid.

In July, Andromeda, the controlling shareholder of the Olmedilla and Sabinar projects) entered into an agreement with the construction contractor that will regulate the disputes between the parties, which provides that in the first stage, an amount of EUR 1.5 million will be reduced from the payment balance to the contractor, Olmedilla and Sabinar will sue their insurer for compensation for the damages and loss of revenues caused by the aforementioned event, and if the amount received from the insurance company will be less than the total of EUR 4 million, Andromeda, Olmedilla and Sabinar will be entitled to claim the difference from the construction contractor (in such a case, the total reduced from the payment to the contractor will be withheld). In accordance with these agreements, the project companies submitted a claim to receive compensation from the insurer. For additional details, see Section 1.4.4 of the Board of Directors' Report for the First Quarter of 2023, as well as the immediate report published by the Company on July 16, 2023 (reference no.: 2023-01-080550), and July 26, 2023 (reference no.: 2023-01-070234) which is included in this Report by way of reference.

- On March 14, 2023, Andromeda, a corporation indirectly held by the Company at a rate of 52.5%, entered into investment and loan agreements with Sunprime Holding, regarding the possibility of converting loans in the amount of up to EUR 22.5 million that it previously provided for Sunprime Holding shares, as well as the provision of additional convertible loans in the amount of EUR 17.5 million, such that after providing and converting all the aforementioned shareholder loans, if converted, Andromeda's holdings will increase to 60% of Sunprime Holding's share capital (and the Company's holdings will increase to 31.5%, indirectly<sup>11</sup>). For additional details, see the immediate report published by the Company on March 15, 2023 (reference no.: 2023-01-027261), which is included in this Report by way of reference.
- On May 8, 2023, the Company completed a private placement and listing for trade of 1,892,655 ordinary shares of the Company, against a total payment of about NIS 147.6 million to five classified investors, as this term is defined in the First Schedule to the Securities Law, 5728-1968. For more details, see immediate reports published by the Company on April 24, 2022 (Reference No. 2022-01-038290 and 2023-01-044280) and April 30, 2023 (Reference No. 2023-01-046233), in which the aforementioned information is presented in this Report by way of reference.

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can be established on the site. The Company's estimates may not materialize due to factors beyond the Company's control, including changes in legal provisions or their interpretation, changes in market conditions, topographical limitations, etc.

<sup>11</sup> The holding rate is calculated based on the multiplier method.

- On May 10, 2023, the Company completed a private placement, by way of a series expansion, to classified investors (hereinafter: the “**Offerees**”), of 250,000,000 Bonds (Series A). The Bonds (Series A) were issued against payment of an amount of 97.35 agorot per NIS 1 par value of Bond, and in total, consideration of NIS 243,357,000 for all of the aforesaid Bonds (Series A). Following the issue of the private placement, the total Bonds (Series A) increased to NIS 967,005,000 par value. For additional details regarding the terms of the issue, see the immediate report published by the Company on May 8, 2023 (reference no.: 2023-01-041848), which is included in this Report by way of reference.
- On May 16, 2023, a transaction was completed for the purchase of the entire share capital of corporations engaged in the initiation of a solar project in Romania, with an estimated capacity of approximately 169 megawatts. For details regarding the transaction terms, see the immediate report published by the Company on May 3, 2022 (reference no.: 2022-01-044202), which is included in this Report by way of reference.
- On May 30, 2023, Sunprime received notification that it had won the tender process published by the Italian Electricity Authority for the construction of solar projects with a capacity of approximately 40.8 megawatts and an average rate of approximately EUR 84.9 per megawatt.
- On July 2, 2023, a partial repayment of the Bonds (Series A) of the Company was carried out in such a way that 96,700,500 Bonds (Series A) were repaid, and the remainder of the series stands at a total of 870,304,500 Bonds (Series A). For additional details, see the immediate report published by the Company on July 2, 2023 (reference no.: 2023-01-062008), which is included in this Report by way of reference.
- In July, the Company carried out and completed a public offering of the Bonds (Series B and C) in a total amount of approximately NIS 640 million. For more details, see immediate reports published by the Company on July 2, 2023 (reference no. 2023-01- 061612), July 12, 2023 (reference no. 2023-01-065857), July 13, 2023 (reference no. 2023-01-066667), July 18, 2023 (reference no. 2023-01-067681 and 2023-01-067681), July 18, 2023 (reference no. 2023-01-082041), July 20, 2023 (Reference No. 2023-01-082740 and 2023-01-082740) and July 23, 2023 (reference no. 2023-01-083901 and 2023-01-083904, respectively), which are included in this Report by way of reference.
- On July 12, 2023, Nofar Europe B.V., a company held by the Company at a rate of 90%, completed a transaction to purchase the entire share capital of a solar project in Romania, with an estimated capacity of approximately 146 megawatts. For additional details, see the immediate report published by the Company on July 12, 2023 (reference no.: 2023-01-065881), which is included in this Report by way of reference.
- On August 30, Noy Nofar Reservoirs Limited Partnership (“Noy Nofar Reservoirs”) repaid the full loan provided to it by Noy Fund 3 for investment in infrastructure and energy (“Noy Fund”) through a loan provided to it by the Company and also, the Company purchased all of its holdings from Noy Fund in Noy Nofar Reservoirs for an amount that is immaterial to the Company. With the completion of the aforementioned transaction, the Company became the limited partner and sole shareholder in the general partner of Noy Nofar Reservoirs.

- On August 30, 2023, R&S Energy Limited, the corporation that owns the Buxton project (the "Borrower"), entered into optimization and financing agreements with companies from the Goldman Sachs Group ("GS") in connection with receiving senior project financing, Limited Recourse, in the amount of up to GBP 16.5 million and regulating the electricity trading activities of the Buxton project by GS. For details regarding the financing conditions, see an immediate report published at the same time as the publication of this Periodic Report, which is included in this Report by way of reference.

### 3. Disclosure in connection with the Financial Reporting of the Corporation

#### 3.1.State of the Company's liabilities

For details regarding the state of the corporation's liabilities based on repayment dates, see the immediate report (F.126) published near the publication date of this Report.

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Ofer Yannay, Chairman of  
the Board of Directors

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Nadav Tenne, CEO

Date: August 30, 2023



## Appendix A - Disclosure to Bondholders

	<b>Bonds (Series A)</b>
<b>Issuance date</b>	August 16, 2021, September 2, 2022 and May 10, 2023
<b>Scope of par value of bonds on the issue date</b>	967,005,000
<b>Balance of par value of bonds in circulation</b>	870,304,000
<b>Par value including linkage</b>	943,381,000
<b>Amount of interested accrued</b>	---
<b>Is this a material series?</b>	Yes
<b>Fair value as included in the financial statements</b>	900,344,000
<b>Stock exchange value as of June 30, 2023</b>	861,862,546
<b>Stock exchange value near the Report Date (August 16, 2023)</b>	870,565,591
<b>Nominal interest (fixed)</b>	Fixed annual interest in the rate of 1.48%
<b>Principal repayment date</b>	First payment in a rate of 10% of the principal of the Bonds - on June 30, 2023; Four additional payments at a rate of 6% of the par value of the Bonds - on December 31 of each of the years 2023 and 2024 and June 30 of each of the years 2024 and 2025; Four additional payments at a rate of 4% of the par value of the Bonds - on December 31 of 2025 and 2026 and June 30 of each of the years 2026 and 2027; An additional payment at a rate of 50% of the par value of the Bonds - on December 31, 2027.
<b>Payment and interest dates</b>	On June 30 and December 31 of the years 2022 to 2027
<b>Linkage</b>	Linked to the index of July 2021
<b>Right to convert the Bonds</b>	---
<b>Right to early redemption</b>	There is a right at the initiative of the Stock Exchange or the Company. In the case of early redemption at the Company's initiative, an amount equal to the higher of the market value (minus the liability value due in that quarter), the liability value of the bond or the cash flow capitalized according to the bond yield plus 1.5% will be paid.
<b>Guarantee to secure the Company's liabilities according to the trust deed</b>	---
<b>The remaining scope of par value of bonds purchased by a subsidiary of the Company</b>	---
<b>The Trustee</b>	Mishmeret Trust Services Ltd., 48 Menachem Begin Ave., Tel Aviv. Telephone: 03-6374352; Fax: 03-6374344. Contact person: CPA Rami Sabati. E-mail: office@mtrust.co.il.
<b>At the end of the reporting year or during it, did the Company meet all of its obligations under the trust deed?</b>	N/A
<b>Are there grounds for immediate repayment of the Bonds?</b>	No

<b>Bonds (Series A)</b>	
<b>Limitations on the creation of pledges</b>	The Company has undertaken not to create a new general floating charge on all its assets and rights, existing or future, in favor of any third party, unless at the same time as creating the floating charge in favor of the third party, it will create a floating charge on all its assets for the benefit of the trustee, at the same level <i>pari passu</i> , according to the debt ratio for the bonds and towards the third party.
<b>Additional restrictions</b>	The Company has committed to meeting the loan covenant of equity (as this term is defined in the trust deed) which will not be less than NIS 550 million, the ratio between solo equity and the solo total net balance sheet (as these terms are defined in the trust deed) will not be less than 35% and starting in December 2023, the ratio between net consolidated financial debt and EBITDA (as these terms are defined in the trust deed) will not exceed 15. The trust deed also includes conditions for expanding the series of Bonds (as specified in Section 2.4 of the trust deed), conditions regarding the issuance of additional series of bonds (as specified in Section 2.9 of the trust deed), limitations regarding distribution (as specified in Section 4.6 of the trust deed), change of control of the Company, and an interest adjustment mechanism (as detailed in Section 6.1 in the conditions beyond the page in the first supplement to the trust deed). For additional details, see Sections 2.4, 2.9, 4.5, 4.6 of the trust deed and 6.1 in the conditions on the overleaf in the first supplement to the trust deed, which was published in an immediate report on August 16, 2021 (reference number: 2021-01-065944), which is included herein by way of reference.
<b>General meetings and reports on behalf of the trustee</b>	---

#### **Bonds (Series B and C)**

	<b>Series B Bonds</b>	<b>Series C Bonds</b>
<b>Issuance date</b>	July 20, 2023	July 20, 2023
<b>Scope of par value of bonds on the issue date</b>	407,550,000	233,951,000
<b>Balance of par value of bonds in circulation</b>	407,550,000	233,951,000
<b>Par value including linkage</b>	407,550,000	233,951,000
<b>Amount of interested accrued</b>	---	---
<b>Is this a material series?</b>	Yes	Yes
<b>Fair value as included in the financial statements</b>	---	---
<b>Stock exchange value as of June 30, 2023</b>	---	---

<b>Stock exchange value near the Report Date (August 16, 2023)</b>	409,587,750	236,220,325
<b>Nominal interest (fixed)</b>	Fixed annual interest in the rate of 5%	Fixed annual interest in the rate of 6.95%
<b>Principal repayment date</b>	Two payments at a rate of 50% each of the nominal value of the principal to be paid on June 30 of each of the years 2028 and 2029	six annual payments, with the first payment at the rate of 5% of the nominal value of the Bonds (Series C) to be paid on June 30, 2025, the next two payments at the rate of 10% of the nominal value, each of the Bonds will be paid on June 30 of each of the years 2026 and 2027, an additional payment at a rate of 15% of the nominal value of the Bonds will be paid on June 30, 2028 and the next two payments at a rate of 30% of the nominal value, each, of the Bonds will be paid on June 30 of each of the years 2029 and 2030.
<b>Payment and interest dates</b>	twice a year on June 30 and December 31 of each of the years 2024 to 2028 (inclusive), while the last payment of the interest will be paid together with the last repayment of the principal on June 30, 2029.	twice a year on June 30 and December 31 of each of the years 2024 to 2029 (inclusive), and the last payment of the interest will be paid together with the last repayment of the principal on June 30, 2030.
<b>Linkage</b>		---
<b>Right to convert the Bonds</b>	<p>The Bonds are convertible into ordinary shares listed by name without par value of the Company in such a way that every NIS 115.1 par value of the Bonds will be convertible into one ordinary share of the Company, such that the number of shares that will be generated from a full conversion of the Bonds is 3,540,834 shares.</p> <p>The Bonds are convertible as of July 20, 2023, and until June 20, 2029, other than (a) on the effective date for the distribution of bonus shares, an offer by way of rights, distribution of dividend, consolidation or splitting of capital, or a capital reduction; or (b) the three days before the effective date for partial repayment and until the performance date of the partial repayment of the Bonds (Series B).</p>	---



<p><b>Right to early redemption</b></p>	<p>The Company may not perform early repayment of the Bonds on its own initiative.</p> <p>There is a right at the initiative of the Stock Exchange. In the case of early repayment at the initiative of the stock exchange, the higher sum of the following will be paid: (1) the market value of the bonds that are due for early repayment, which will be determined based on the average closing price of the bonds in the thirty (30) trading days preceding the date of the stock exchange's decision regarding the delisting from trade; (2) The obligation value of the bonds that are due for early repayment in circulation, that is, principal plus interest (as applicable), until the actual early repayment date. The interest accrued until the early repayment date will be paid on the par value redeemed in the early repayment; (3) The balance of the cash flow of the Bonds available for early repayment (principal in addition to interest), when discounted based on the yield of government bonds in addition to an annual rate of 1.5%. Discounting the Bonds available for early redemption will be calculated as of the early redemption date and until the last payment date determined with respect to the Bonds.</p> <p>The Company may not perform early repayment of the Bonds on its own initiative.</p>	<p>There is a right at the initiative of the Stock Exchange or the Company.</p> <p>In the event of an early repayment at the Company's initiative, the higher sum of the following will be paid (1) the market value of the Bonds, which will be determined based on the average closing price of the Bonds in the 30 trading days preceding the date of the Board of Directors' decision regarding the early repayment, multiplied by the early repayment rate of the Bonds in circulation, provided that if the early repayment is determined in a quarter in which a date for the payment of interest is also determined, or a date for the payment of a partial repayment of the Bonds, and the early repayment is carried out on the date set for payment as stated above, then in this case the amount paid on that date will be deducted from the market value of the balance of the Bonds at the expense of the payment of the aforementioned interest component only and the difference will be multiplied by the early redemption rate of the Bonds in circulation (including the Bonds in circulation for which a current payment of principal is made in that quarter (if it is paid)); (2) the obligation value of the Bonds due for early repayment in circulation, that is, principal plus interest (as applicable), until the actual early repayment date. The interest accrued until the early repayment date will be paid on the par value redeemed in the early repayment; (3) The balance of the cash flow of the Bonds available for early repayment (principal in addition to interest), when discounted based on the yield of government bonds in addition to an annual rate of 1.5%. Discounting the Bonds available for early redemption will be calculated as of the early redemption date and until the last payment date determined with respect to the Bonds.</p>
<p><b>Guarantee to secure the Company's liabilities according to the trust deed</b></p>	<p>---</p>	<p>---</p>



<b>The remaining scope of par value of bonds purchased by a subsidiary of the Company</b>	---	
<b>The Trustee</b>	Mishmeret Trust Services Ltd., 48 Menachem Begin Ave., Tel Aviv. Telephone: 03-6374352; Fax: 03-6374344. Contact person: CPA Rami Sabati. E-mail: office@mtrust.co.il.	
<b>At the end of the reporting year or during it, did the Company meet all of its obligations under the trust deed?</b>	N/A	
<b>Are there grounds for immediate repayment of the Bonds?</b>	There are various grounds upon the occurrence of which the trustee will be entitled, and the bondholders will be entitled, to call for immediate repayment the unliquidated balance of the Bonds, including the failure of the Company to meet any payment or to meet its obligations according to the trust deed, the appointment of a receiver or a temporary liquidator whose appointment has not been reversed within 45 days, imposing a lien on a material asset of the Company that will not be removed within 45 days, etc.	
<b>Limitations on the creation of pledges</b>	The Company has undertaken not to create a new general floating charge on all its assets and rights, existing or future, in favor of any third party, unless at the same time as creating the floating charge in favor of the third party, it will create a floating charge on all its assets for the benefit of the trustee, at the same level <i>pari passu</i> , according to the debt ratio for the bonds and towards the third party.	
<b>Additional restrictions</b>	<p>The Company has committed to meeting the loan covenant of equity (as this term is defined in the trust deed) which will not be less than NIS 900 million during a period of two consecutive quarters, the ratio between solo equity and the solo total net balance sheet (as these terms are defined in the trust deed) will not be less than 36% during two consecutive quarters, as of December 2023, the ratio between net consolidated financial debt and EBITDA (as these terms are defined in the trust deed) will not exceed 15 for two consecutive quarters and the ratio between consolidated equity and the total consolidated balance sheet (as these terms are defined in the trust deed) will not be less than a rate of 14% for two consecutive quarters.</p> <p>The trust deed also includes conditions for expanding the series of Bonds (as specified in Section 2.7 of the B Bonds trust deed and Section 2.5 of the C Bonds trust deed), conditions regarding the issuance of additional series of bonds (as specified in Section 2.12 of the B Bonds trust deed and Section 2.10 of the C Bonds trust deed), limitations regarding distribution (as specified in Section 4.6 of the trust deed), and an interest adjustment mechanism (as detailed in Section 5.1 in the conditions beyond the page in the first supplement to the trust deed). For additional details, see Sections 2.7, 2.12, 4.6, of the trust deed and 5.1 in the conditions on the overleaf in the first supplement to the trust deed, which was published in immediate reports on July 23, 2023 (reference number: 2023-01-083901 and 2023-01-083904), which are included herein by way of reference.</p>	
<b>General meetings and reports on behalf of the trustee</b>	---	---



O.Y. Nofar Energy Ltd.

**Separate Interim Financial  
Information  
As of June 30, 2023  
Unaudited**



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**Special Review Report by the Auditor to the Shareholders of O.Y. Nofar Energy Ltd. as to Separate Interim Financial Information under Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970**

*Preface*

We have reviewed the separate interim financial information presented according to Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 of O.Y. Nofar Energy Ltd. (hereinafter: the "Company") as of June 30, 2023, and for a period of six and three months that ended on the same date. The Board of Directors and Management are responsible for the preparation and presentation of this separate interim financial information in accordance with Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion regarding the interim separate financial information for these interim periods based on our review.

We did not review the data included in the separate interim financial information that refer to the balance for some of the investee entities and the Company's share of the business results of some of the investee entities. The financial information for the interim periods of the same entities was reviewed by other accountants, whose review reports were provided to us, and our conclusion, inasmuch as it relates to the financial information in respect of the same entities, is based on the review reports prepared by the other accountants.

*Scope of the Review*

We conducted our review in accordance with Review Standard No. 2410 (Israel) of the Institute of Certified Public Accountants in Israel, "Review of Financial Information for Interim Periods Prepared by the Entity's Auditor." A review of separate interim financial information includes making inquiries, particularly with the people responsible for financial and accounting matters, and performing analytic and other review procedures. A review is significantly limited in scope in comparison to an audit conducted in accordance with generally accepted accounting standards in Israel, and therefore does not allow us to reach an assurance that we have become aware of all material issues which may have been identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review and the review reports of the other accountants, nothing has come to our attention that causes us to believe that the accompanying separate interim financial information is not prepared, in all material respects, in accordance with Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

**Tel Aviv, August 30, 2023**

**Ziv Haft,  
Accountants**

Tel Aviv 03- 6386868	Jerusalem 02- 6546200	Haifa 04- 8680600	Be'er Sheva 077- 7784100/2	Bnei Brak 073- 7145300	Kiryat Shmona 077-5054906	Petach Tikva 077-7784180	Modiin Illit 08-9744111	Nazareth Illit 04-6555888	_ Eilat 08-6539911
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The amounts of the assets, liabilities and capital attributed to the Company itself as the parent company

	As of June 30		As of December 31
	2023	2022	2022
	Unaudited	Unaudited	Audited
	NIS thousands		
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	59,384	541,119	172,174
Shorts term deposits	409,430	100,878	498,761
Restricted use deposits	340	940	370
Customers	263,119	343,334	244,752
Accounts receivable	39,515	28,737	33,641
Inventory	72,560	53,536	51,680
<b>Total current assets</b>	<b>844,348</b>	<b>1,068,544</b>	<b>1,001,378</b>
<b>Non-current assets:</b>			
Balance for investee companies	2,235,274	823,493	1,718,530
Long-term restricted cash	1,174	-	1,065
Financial assets	21,173	-	-
Right of use asset	63,957	43,188	54,232
Fixed assets	118,677	88,825	105,985
Long-term deposits	37,396	5,992	35,533
<b>Total non-current assets</b>	<b>2,477,651</b>	<b>961,498</b>	<b>1,915,345</b>
<b>Total assets</b>	<b>3,321,999</b>	<b>2,030,042</b>	<b>2,916,723</b>

The additional material information attached is an integral part of the separate interim financial information.

The amounts of the assets, liabilities and capital attributed to the Company itself as the parent company

	As of June 30		As of December 31
	2023	2022	2022
	Unaudited		Audited
	NIS thousands		
<b>Liabilities and equity</b>			
<b>Current liabilities:</b>			
Short-term loans and current maturities for long-term loans from banks	307,617	643	285,592
Current maturities of lease liabilities	6,844	4,876	5,892
Suppliers and service providers	57,551	72,106	40,349
Accounts payable	13,795	4,068	32,337
Liability for deferred consideration in a business combination	97,952	-	109,244
Financial derivatives	14,069	1,981	4,952
Loan from an investee company	-	14,755	-
Current maturities of liabilities in respect of bonds	125,784	41,611	121,370
<b>Total current liabilities</b>	<b>623,612</b>	<b>140,040</b>	<b>599,736</b>
<b>Non-current liabilities:</b>			
Long-term loans from banks	16,750	17,108	16,928
Liabilities for leases	57,925	39,059	49,313
Deferred taxes	30,177	25,811	18,141
Other liabilities	733	720	728
Bonds	774,560	370,039	613,863
<b>Total non-current liabilities</b>	<b>880,145</b>	<b>452,737</b>	<b>698,973</b>
<b>Capital attributed to the Company itself as a parent company:</b>			
Share capital and premium	1,716,256	1,568,696	1,568,696
Loss balance	(111,580)	(231,225)	(68,533)
Capital reserves	213,566	99,794	117,851
<b>Total capital attributed to the Company itself as a parent company</b>	<b>1,818,242</b>	<b>1,437,265</b>	<b>1,618,014</b>
<b>Total liabilities and capital</b>	<b>3,321,999</b>	<b>2,030,042</b>	<b>2,916,723</b>

The additional material information attached is an integral part of the separate interim financial information.

August 30, 2023

**Approval date of financial statements for publication**

**Ofer Yannay  
Board  
Chairman**

**Nadav Tenne  
CEO**

**Noam Fisher  
CFO**

Amounts of income and expenses attributed to the Company itself as a parent company



	For a period of six months ended on June 30		For a period of three months ended on June 30		For year ended on December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
	NIS thousands				
Income	112,966	180,838	54,724	90,094	311,019
The Company's share in the profit (loss) of investee companies, net	8,941	(7,986)	8,954	(120)	(10,493)
<b>Total income and profits</b>	<b>121,907</b>	<b>172,852</b>	<b>63,678</b>	<b>89,974</b>	<b>300,526</b>
Setup and operating costs	125,004	169,673	59,832	87,841	309,090
Marketing and sale expenses	3,979	3,448	1,845	1,480	7,653
Management and general expenses	13,718	8,226	7,174	4,472	18,552
Other expenses	-	864	-	864	23,190
<b>Total expenses</b>	<b>142,701</b>	<b>182,211</b>	<b>68,851</b>	<b>94,657</b>	<b>358,485</b>
Other income	1,426	-	-	-	209,885
<b>Operating profit (loss)</b>	<b>(19,368)</b>	<b>(9,359)</b>	<b>(5,173)</b>	<b>(4,683)</b>	<b>151,926</b>
Financing expenses	53,599	17,994	31,859	9,694	44,378
Financing income	16,120	20,907	7,707	15,065	42,283
Net financing expenses (income)	<b>37,479</b>	<b>(2,913)</b>	<b>24,152</b>	<b>(5,371)</b>	2,095
<b>Profit (loss) before taxes on income</b>	<b>(56,847)</b>	<b>(6,446)</b>	<b>(29,325)</b>	<b>688</b>	149,831
Income tax expenses (tax benefit)	(12,354)	967	(7,155)	650	(3,915)
<b>Profit (loss) for period</b>	<b>(44,493)</b>	<b>(7,413)</b>	<b>(22,170)</b>	<b>38</b>	153,746
<b>Other comprehensive profit (loss) (after tax impact):</b>					
<b>Amounts that will be classified or reclassified to profit or loss if specific conditions are met:</b>					
Adjustments arising from translation of financial statements for foreign operations	84,069	26,393	16,354	25,816	55,096
Adjustments arising from hedging transactions	(422)	2,320	391	1,153	-
	<b>83,647</b>	<b>28,713</b>	<b>16,745</b>	<b>26,969</b>	<b>55,096</b>
<b>Items not reclassified later to profit and loss:</b>					
Part of other comprehensive income of corporations accounted for using the equity method	5,179	12,859	2,463	4,823	10,134
Revaluation for fixed assets	4,757	8,359	3,936	7,688	653
	<b>9,936</b>	<b>21,218</b>	<b>6,399</b>	<b>12,511</b>	<b>10,787</b>
<b>Total other comprehensive income</b>	<b>93,583</b>	49,931	<b>23,144</b>	<b>39,480</b>	65,883
<b>Total comprehensive income for period</b>	<b>49,090</b>	42,518	<b>974</b>	<b>39,518</b>	219,629

The additional material information attached is an integral part of the separate interim financial information.

## Amounts of cash flows attributed to the Company itself as a parent company

	For the period of six months ended on June 30		For the period of three months ended on June 30		For the year ending on December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
NIS thousands					
<b>Cash flow from current operations:</b>					
Profit (loss) for period	(44,493)	(7,413)	(22,170)	38	153,746
<b>Adjustments required to present cash flows from operating activities:</b>					
Current tax expenses	-	-	-	-	(4)
Depreciation and amortization	4,097	3,292	2,169	1,853	7,305
Net financing expenses (income)	37,480	(2,913)	24,153	(5,371)	2,095
Company's share of losses (profits) of investee companies	(8,941)	7,986	(8,954)	120	10,493
Profit from increase to control of associate	(1,426)	-	-	-	(209,885)
Capital loss	-	-	-	-	(23)
Share-based payment expenses	3,578	2,096	1,800	242	5,734
	<b>34,788</b>	<b>10,461</b>	<b>19,168</b>	<b>(3,156)</b>	<b>(184,285)</b>
<b>Changes in sections of assets and liabilities:</b>					
Decrease (increase) in inventory	(20,880)	3,083	(14,638)	3,560	4,939
Increase in customers	(42,273)	(109,327)	(28,838)	(59,654)	(164,397)
Decrease (increase) in receivables	2,493	(8,261)	18,807	(3,918)	(11,938)
Decrease in accounts payable	(24,235)	(2,334)	(20,694)	(7,176)	21,887
Increase (decrease) in suppliers and service providers	16,568	10,011	(71)	19,468	(25,359)
Change in deferred taxes	(12,352)	967	(7,181)	649	(3,910)
	<b>(80,679)</b>	<b>(105,861)</b>	<b>(52,615)</b>	<b>(47,071)</b>	<b>(178,778)</b>
Taxes received	-	-	-	-	4
Interest received in cash	2,876	311	1,006	256	7,500
Interest paid in cash	(8,223)	(5,727)	(7,964)	(5,493)	(13,826)
<b>Net cash used for current activities</b>	<b>(95,731)</b>	<b>(108,229)</b>	<b>(62,575)</b>	<b>(55,426)</b>	<b>(215,639)</b>

The additional material information attached is an integral part of the separate interim financial information.

## Amounts of cash flows attributed to the Company itself as a parent company



	For the period of six months ended on June 30		For the period of three months ended on June 30		For year ending on December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
NIS thousands					
<b>Cash flows from investment activities:</b>					
Investments in investee companies	(3,919)	(165,414)	(1,879)	(78,476)	(277,435)
Investment in subsidiaries	(365,748)	(72,178)	(240,449)	(30,586)	(354,165)
Loan to a related company	-	-	-	-	(26,337)
Increase in restricted use deposits	(78)	(300)	(3)	-	(795)
Change in deposits	117,874	59,685	(13,215)	125,790	(364,074)
Investments in fixed assets	(8,470)	(4,822)	(3,877)	(3,227)	(22,009)
Consideration from the exercise of fixed assets	-	-	-	-	134
Repayment of deferred consideration	(20,065)	-	(20,065)	-	-
Investment in financial assets	(20,637)	-	(161)	-	-
<b>Net cash deriving from (used in) investing activities</b>	<b>(301,043)</b>	<b>(183,029)</b>	<b>(279,649)</b>	<b>13,501</b>	<b>(1,044,681)</b>
<b>Cash flows from financing activities:</b>					
Issue of shares (less issuance expenses)	147,560	-	147,560	-	-
Short-term credit from banks, net	-	(25,852)	-	(3,879)	260,807
Repayment of bonds	(104,825)	-	(104,825)	-	-
Issue of bonds, net	242,847	-	242,847	-	311,673
Repayment of lease liabilities	(3,557)	(1,316)	(1,777)	(699)	(5,068)
Receipt of long-term loans from bank corporations	-	4,438	-	4,438	4,771
Repayment of long-term loans from bank corporations	(238)	-	(117)	-	(673)
<b>Net cash deriving from (used in) financing activities</b>	<b>281,787</b>	<b>(22,730)</b>	<b>283,688</b>	<b>(140)</b>	<b>571,510</b>
<b>Decrease in cash and cash equivalents</b>	<b>(114,987)</b>	<b>(313,988)</b>	<b>(58,536)</b>	<b>(42,065)</b>	<b>(688,810)</b>
<b>Balance of cash and cash equivalents at beginning of period</b>	<b>172,174</b>	<b>831,623</b>	<b>118,260</b>	<b>564,998</b>	<b>831,623</b>
<b>Impact of changes in foreign exchange rates for cash and cash equivalents</b>	<b>2,197</b>	<b>23,484</b>	<b>(340)</b>	<b>18,186</b>	<b>29,361</b>
<b>Balance of cash and cash equivalents at end of period</b>	<b>59,384</b>	<b>541,119</b>	<b>59,384</b>	<b>541,119</b>	<b>172,174</b>

The additional material information attached is an integral part of the separate interim financial information.

## Amounts of cash flows attributed to the Company itself as a parent company

### Appendix A - Investment and non-cash transactions

	For the period of six months ended on June 30		For the period of three months ended on June 30		For year ending on December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
	NIS thousands				
Initial recognition of usufruct asset and liability in respect of a lease	10,710	15,747	9,365	10,785	29,319
Purchase of fixed assets against supplier credit	-	-	-	-	9,100
Liability for deferred consideration in a business combination	-	-	-	-	109,244

The additional material information attached is an integral part of the separate interim financial information.



## **Additional material information relating to the Company itself as a parent company as of June 30, 2023**

### **Note 1 - Details of the separate financial information:**

#### **1.1. Principles of preparation of the separate financial information:**

The separate interim financial information of O.Y. Nofar Energy Ltd. (hereinafter: the "Company") includes financial data from the condensed interim financial statements of the Company, attributed to the Company itself as a parent company, and prepared in accordance with the requirements of Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

The separate interim financial information should be reviewed together with the Company's separate financial information as of December 31, 2022 and the additional material information attached to it, as well as with the Company's condensed consolidated interim financial statements as of June 30, 2023.

The accounting policy applied in the separate financial information is the same as the accounting policy detailed in Note 2 to the Company's consolidated financial statements as of June 30, 2023, subject to the above in this section and the contents of Note 1.2 below.

#### **1.2. The handling of inter-company transactions:**

In the separate financial information, transactions between the Company and consolidated companies, which were eliminated in the consolidated financial statements, were recognized and measured. The recognition and measurement was done in accordance with the principles of recognition and measurement set in international financial reporting standards, such that these transactions were accounted for as transactions made with third parties.

The statements included in the separate financial information present inter-company balances and income and expenses for inter-company transactions, which were eliminated in the consolidated financial statements, separately from the "balances for investee companies," from the "Company's share of losses (profits) of companies accounted for using the equity method, net," and from the "other comprehensive profit (loss) of corporations accounted for using the equity method, net," such that the capital attributed to the owners of the parent company, the profit (loss) for the period attributed to the owners of the parent company, and the total comprehensive profit (loss) for the period attributed to the owners of the parent company on the basis of the Company's consolidated statements are identical to the capital attributed to the Company itself as a parent company, the profit (loss) for the period attributed to the Company itself as a parent company, and the total comprehensive profit (loss) for the period attributed to the company itself as a parent company, respectively, on the basis of the separate financial information of the Company.

As part of the cash flow amounts attributed to the Company itself as a parent company, the net cash flows in respect of transactions with consolidated companies are shown as part of current activity, investment activity or financing activity, as relevant.

The above does not apply to transactions carried out by the Company with third parties in connection with consolidated companies.

### **Note 2 - Transactions and material balances with investee companies:**

#### **1. Balances of interested parties and affiliates**

	As of June 30		As of December 31
	2023	2022	2022
	Unaudited	Unaudited	Audited
	NIS thousands		
Customers and income receivable	246,898	325,080	227,793
Investments in related corporations	2,235,274	823,493	1,711,912
Accounts receivable	2,018	-	1,253
Financial assets	21,173	-	-
Loan from an investee company	-	14,755	-
Liability for deferred consideration in a business combination	97,952	-	109,244

## 2. Transactions with interested parties and affiliates

	For a period of six months ending on June 30		For the period of three months ending June 30		For year ending December 31
	2023	2022	2023	2022	2022
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	In NIS thousands				
Income	99,704	168,520	47,282	81,509	287,319
Financing income	535	1,925	220	747	-
Financing expenses	8,733	197	3,561	107	283



**O.Y. Nofar Energy Ltd.**

**Consolidated  
Condensed Interim  
Financial Statements as  
of June 30, 2023  
Unaudited**



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August 30, 2023

To,  
**The Board of Directors of O.Y. Nofar Energy Ltd. (hereinafter: the "Company")**  
4 Haodem Street, Yitzhar Industrial Park, Ad Halom.

To Whom It May Concern,

Re: Letter of consent provided together with the publication of a periodic report in connection with a shelf prospectus of O.Y. Nofar Energy Ltd. dated December 2020

We hereby inform you that we agree to the inclusion of our reports as set forth below (including by way of reference) in the shelf offerings that will be published by you under the shelf prospectus from December 2020:

- 1) A review report by the auditor dated August 30, 2023, regarding the consolidated concise financial information of the Company as of June 30, 2023, and periods of six and three months ending on the same date.
- 2) A review report by the auditor dated August 30, 2023, regarding the separate condensed financial information of the Company as of June 30, 2023, and periods of six and three months ending on the same date, in accordance with Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.
- 3) A review report by the auditor dated May 30, 2023, regarding the pro-forma consolidated concise financial information of the Company for a period of six months ending on June 30, 2022.

**Ziv Haft**

**Certified Public Accountants**

Tel Aviv 03- 6386868	Jerusalem 02- 6546200	Haifa 04- 8680600	Be'er Sheva 077- 7784100/2	Bnei Brak 073- 7145300	Kiryat Shmona 077-5054906	Petach Tikva 077-7784180	Modiin Illit 08-9744111	Nazareth Illit 04-6555888	_Eilat 08-6539911
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## view Report of the Auditor to the Shareholders of O.Y Nofar Energy Ltd.

### Preface

We have reviewed the attached financial information of O.Y. Nofar Energy Ltd. (hereinafter: the "**Company**"), including the consolidated condensed statement of financial position as of June 30, 2023, as well as the consolidated condensed statements of profit and loss and other comprehensive profit, changes to equity and cash flow for the periods of six and three months ending on the same date. The board of directors and management are responsible for the preparation and presentation of financial information for these interim periods, pursuant to International Accounting Standard IAS 34, "Interim Financial Reporting," and are responsible for the preparation of financial information for these interim periods under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to present a conclusion regarding the financial information for these interim periods based on our review.

We have not reviewed the condensed interim financial information for consolidated entities whose assets as included in the consolidation constituted approx. 44% of the Company's total consolidated assets as of June 30, 2023, and whose income included in the consolidation constitutes about 36% and about 37% of the total consolidated income for the periods of six and three months ending on the same date, respectively. The condensed financial information for the interim periods of the same entities was reviewed by other accountants, whose review report was provided to us, and our conclusion, inasmuch as it relates to the financial information in respect of the same entities, is based on the review report prepared by the other accountants.

Also, the information contained in the consolidated interim financial statements which refers to the balance sheet value of the investments and the Company's share of the business results of entities treated according to the equity method, based on financial statements reviewed in part by other auditors.

### Scope of the Review

We conducted our review in accordance with Review Standard No. 2410 (Israel) of the Institute of Certified Public Accountants in Israel, "Review of Financial Information for Interim Periods Prepared by the Entity's Auditor." A review of interim financial information includes making inquiries, particularly with the people responsible for financial and accounting matters, and performing analytic and other review procedures. A review is significantly limited in scope in comparison to an audit conducted in accordance with generally accepted accounting standards in Israel, and therefore does not allow us to reach an assurance that we have become aware of all material issues which may have been identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review and on the review reports provided by other auditors, nothing has come to our attention which would lead us to believe that the above financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to the contents of the preceding paragraph, based on our review and on the review reports provided by other auditors, nothing has come to our attention which would lead us to believe that the above financial information does not fulfill, in all material respects, the disclosure requirements set forth in Section D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

**Tel Aviv, August 30, 2023**

### Ziv Haft Accountants

Tel Aviv 03- 6386868	Jerusalem 02- 6546200	Haifa 04- 8680600	Be'er Sheva 077- 7784100/2	Bnei Brak 073- 7145300	Kiryat Shmona 077-5054906	Petach Tikva 077-7784180	Modiin Illit 08-9744111	Nazareth Illit 04-6555888	__ Eilat 08-6539911
Main Office: Amot BDO House, 48 Menachem Begin Road, Tel Aviv, 6618001 E-mail: <a href="mailto:bdo@bdo.co.il">bdo@bdo.co.il</a> Visit our website: <a href="http://www.bdo.co.il">www.bdo.co.il</a>									

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## Condensed consolidated statements of financial position

	As of June 30		As of December 31
	2023	2022	2022
	Unaudited	Unaudited	Audited
	NIS thousands		
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	155,274	566,432	237,865
Deposits in bank corporations and others	409,430	100,878	498,761
Restricted use deposits	340	940	370
Customers	272,708	345,596	250,199
Accounts receivable	98,519	35,318	57,434
Inventory	72,560	53,536	51,680
<b>Total current assets</b>	<b>1,008,831</b>	<b>1,102,700</b>	<b>1,096,309</b>
<b>Non-current assets:</b>			
Investments in investee companies accounted for using the equity method	1,180,113	689,951	959,419
Right of use asset	228,526	82,866	204,662
Fixed assets	2,145,733	266,627	1,752,805
Intangible assets	525,194	147,552	500,852
Long-term restricted cash	6,795	2,132	3,209
Financial assets	48,784	-	27,568
Deferred taxes	11,401	-	7,908
Other debtors - related parties	34,665	-	29,809
Deposits in bank corporations and others	37,757	5,992	35,769
<b>Total non-current assets</b>	<b>4,218,968</b>	<b>1,195,120</b>	<b>3,522,001</b>
<b>Total assets</b>	<b>5,227,799</b>	<b>2,297,820</b>	<b>4,618,310</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated statements of financial position

	As of June 30		As of December 31
	2023	2022	2022
	Unaudited	Unaudited	Audited
NIS thousands			
<b>Liabilities and equity</b>			
<b>Current liabilities:</b>			
Short-term loans and current maturities for long-term loans from banks	359,256	14,332	330,690
Current maturities of lease liabilities	15,563	6,814	13,396
Current maturities of bonds	125,784	41,611	121,370
Suppliers and service providers	101,500	76,523	100,977
Liability for deferred consideration in a business combination	99,519	-	109,244
Accounts payable	48,125	19,369	58,957
Financial derivatives	14,069	1,981	4,952
<b>Total current liabilities</b>	<b>763,816</b>	<b>160,630</b>	<b>739,586</b>
<b>Non-current liabilities:</b>			
Long-term loans from banks	337,681	92,287	296,295
Liabilities for leases	216,114	81,345	194,822
Loans from related parties	26,437	19,350	21,129
Deferred taxes	231,423	66,790	205,109
Bonds	774,560	370,039	613,863
Other liabilities	22,719	11,653	22,887
<b>Total non-current liabilities</b>	<b>1,608,934</b>	<b>641,464</b>	<b>1,354,105</b>
<b>Capital:</b>			
<b>Capital attributed to shareholders of the Company</b>			
Share capital and premium	1,716,256	1,568,696	1,568,696
Loss balance	(111,580)	(231,225)	(68,533)
Capital funds	213,566	99,794	117,851
<b>Total capital attributed to the Company's shareholders</b>	<b>1,818,242</b>	<b>1,437,265</b>	<b>1,618,014</b>
Non-controlling interests	1,036,807	58,461	906,605
<b>Total capital</b>	<b>2,855,049</b>	<b>1,495,726</b>	<b>2,524,619</b>
<b>Total liabilities and capital</b>	<b>5,227,799</b>	<b>2,297,820</b>	<b>4,618,310</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated statements of profit or loss and other comprehensive income

August 30, 2023

**Date of approval of the financial statements for publication**

**Ofer Yannay  
Chairman of the Board**

**Nadav Tenne  
CEO**

**Noam Fisher  
CFO**

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
NIS thousands					
Revenue from sale of electricity and construction	161,231	184,844	88,001	92,926	324,568
Compensation for loss of income(*)	20,432	-	456	-	-
Income from tax partner	1,253	3,876	636	493	7,629
Company's share in the profits (losses) of companies handled based on the equity method, net	(9,291)	2,651	(4,706)	3,667	9,371
<b>Total income and profits</b>	<b>173,625</b>	<b>191,371</b>	<b>84,387</b>	<b>97,086</b>	<b>341,568</b>
Setup and operating costs	169,151	174,362	82,626	90,681	322,304
Marketing and sale expenses	5,280	4,116	2,940	1,690	8,757
Management and general expenses	31,379	17,594	14,898	9,973	38,035
Other expenses	1,397	864	1,251	864	23,356
<b>Total expenses</b>	<b>207,207</b>	<b>196,936</b>	<b>101,715</b>	<b>103,208</b>	<b>392,452</b>
Other income	1,426	-	-	-	209,948
<b>Operating profit (loss)</b>	<b>(32,156)</b>	<b>(5,565)</b>	<b>(17,328)</b>	<b>(6,122)</b>	<b>159,064</b>
Financing expenses	55,486	21,846	27,925	11,727	52,457
Financing income	25,691	22,300	10,636	15,252	46,684
Net financing income (expenses)	(29,795)	454	(17,289)	3,525	(5,773)
<b>Profit (loss) before taxes on income</b>	<b>(61,951)</b>	<b>(5,111)</b>	<b>(34,617)</b>	<b>(2,597)</b>	<b>153,291</b>
Income tax expenses (tax benefit)	(16,440)	4,771	(14,120)	(673)	4,783
<b>Profit (loss) for period</b>	<b>(45,511)</b>	<b>(9,882)</b>	<b>(20,497)</b>	<b>(1,924)</b>	<b>148,508</b>
<b>Profit (loss) for the period attributed to:</b>					
Shareholders of the Company	(44,493)	(7,413)	(22,170)	38	153,746
Non-controlling interests	(1,018)	(2,469)	1,673	(1,962)	(5,238)
	<b>(45,511)</b>	<b>(9,882)</b>	<b>(20,497)</b>	<b>(1,924)</b>	<b>148,508</b>
<b>Basic and diluted profit (loss) per share (in NIS) attributed to the owners of the Company</b>	<b>(1.25)</b>	<b>(0.22)</b>	<b>(0.62)</b>	<b>0.001</b>	<b>4.57</b>

(\*) See Note 6(g)

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated statements of profit or loss and other comprehensive income (cont.):

Other comprehensive profit (loss) (after tax impact):

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
	NIS thousands				
<b><u>Amounts that will be classified or reclassified to profit or loss if specific conditions are met</u></b>					
Adjustments arising from translation of financial statements for foreign operations	151,004	33,101	40,557	31,422	62,062
Adjustments arising from cash flow hedging transactions	(804)	2,320	668	1,153	7,590
Disposal of adjustments arising from cash flow hedging transactions following obtaining control of associate company	-	-	-	-	(7,590)
	<b>150,200</b>	<b>35,421</b>	<b>41,225</b>	<b>32,575</b>	<b>62,062</b>
<b><u>Items not reclassified later to profit and loss:</u></b>					
The share in the revaluation of corporations accounted for using the equity method	5,179	12,859	2,463	4,823	10,134
Revaluation for fixed assets	4,757	8,359	3,936	7,688	653
	<b>9,936</b>	<b>21,218</b>	<b>6,399</b>	<b>12,511</b>	<b>10,787</b>
<b>Total other comprehensive income</b>	<b>160,136</b>	<b>56,639</b>	<b>47,624</b>	<b>45,086</b>	<b>72,849</b>
<b>Total comprehensive income for the period</b>	<b>114,625</b>	<b>46,757</b>	<b>27,127</b>	<b>43,162</b>	<b>221,357</b>
<b><u>Comprehensive profit (loss) for the period attributed to:</u></b>					
Shareholders of the Company	49,090	42,518	974	39,518	219,629
Non-controlling interests	65,535	4,239	26,153	3,644	1,728
	<b>114,625</b>	<b>46,757</b>	<b>27,127</b>	<b>43,162</b>	<b>221,357</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated reports on changes in equity

For a period of six months ending on June 30, 2023 (unaudited)

	Capital attributed to shareholders of the parent company							Non-controlling interests	Total capital
	Share capital and premium	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company		
	NIS thousands								
Balance as of January 1, 2023 (audited)	1,568,696	83,339	25,071	9,441	-	(68,533)	1,618,014	906,605	2,524,619
Loss for the period	-	-	-	-	-	(44,493)	(44,493)	(1,018)	(45,511)
<b><u>Other comprehensive profit (loss):</u></b>									

	Capital attributed to shareholders of the parent company								
	Share capital and premium	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company	Non-controlling interests	Total capital
	NIS thousands								
Adjustments arising from transaction of financial statements for foreign operations	-	-	84,069	-	-	-	84,069	66,935	151,004
Reassessment for revaluation of fixed assets	-	4,757	-	-	-	-	4,757	-	4,757
Part of other comprehensive income of corporations accounted for using the equity method	-	5,179	-	-	-	-	5,179	-	5,179
Adjustments arising from hedging transactions	-	-	-	-	(422)	-	(422)	(382)	(804)
<b>Total other comprehensive income (loss)</b>	-	<b>9,936</b>	<b>84,069</b>	-	<b>(422)</b>	-	<b>93,583</b>	<b>66,553</b>	<b>160,136</b>
<b>Total comprehensive profit (loss) for the year</b>	-	<b>9,936</b>	<b>84,069</b>	-	<b>(422)</b>	<b>(44,493)</b>	<b>49,090</b>	<b>65,535</b>	<b>114,625</b>
Entry into consolidation	-	-	-	-	-	-	-	1,885	1,885
Portion of minority interests in the injection of capital to a consolidated partnership	-	-	-	-	-	-	-	62,782	62,782
Share-based payment	-	-	-	3,578	-	-	3,578	-	3,578
Issue of shares	147,560	-	-	-	-	-	147,560	-	147,560
Transfer of revaluation capital fund for fixed assets to loss balance	-	(1,446)	-	-	-	1,446	-	-	-
<b>Balance as of June 30, 2023</b>	<b>1,716,256</b>	<b>91,829</b>	<b>109,140</b>	<b>13,019</b>	<b>(422)</b>	<b>(111,580)</b>	<b>1,818,242</b>	<b>1,036,807</b>	<b>2,855,049</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated reports on changes in equity (cont.)

For a period of six months ending on June 30, 2022 (unaudited)

	Capital attributed to shareholders of the parent company								
	Share capital and premium	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company	Non-controlling interests	Total capital
	NIS thousands								
<b>Balance as of January 1, 2022 (audited)</b>	<b>1,568,696</b>	<b>75,724</b>	<b>(30,025)</b>	<b>3,707</b>	<b>-</b>	<b>(225,451)</b>	<b>1,392,651</b>	<b>54,222</b>	<b>1,446,873</b>
Loss for the period	-	-	-	-	-	(7,413)	(7,413)	(2,469)	(9,882)
<b>Other comprehensive profit:</b>									
Adjustments arising from translation of financial statements for foreign operations	-	-	26,393	-	-	-	26,393	6,708	33,101
Reassessment for revaluation of fixed assets	-	8,359	-	-	-	-	8,359	-	8,359
Part of other comprehensive income of corporations accounted for using the equity method	-	12,859	-	-	-	-	12,859	-	12,859
Adjustments arising from hedging transactions	-	-	-	-	2,320	-	2,320	-	2,320
<b>Total other comprehensive income</b>	<b>-</b>	<b>21,218</b>	<b>26,393</b>	<b>-</b>	<b>2,320</b>	<b>-</b>	<b>49,931</b>	<b>6,708</b>	<b>56,639</b>
<b>Total comprehensive profit (loss) for the year</b>	<b>-</b>	<b>21,218</b>	<b>26,393</b>	<b>-</b>	<b>2,320</b>	<b>(7,413)</b>	<b>42,518</b>	<b>4,239</b>	<b>46,757</b>
Share-based payment	-	-	-	2,096	-	-	2,096	-	2,096
Transfer of revaluation capital fund for fixed assets to loss balance	-	(1,639)	-	-	-	1,639	-	-	-
<b>Balance as of June 30, 2022</b>	<b>1,568,696</b>	<b>95,303</b>	<b>(3,632)</b>	<b>5,803</b>	<b>2,320</b>	<b>(231,225)</b>	<b>1,437,265</b>	<b>58,461</b>	<b>1,495,726</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated reports on changes in equity (cont.)

For a period of three months ending June 30, 2023 (unaudited)

	Capital attributed to shareholders of the parent company								
	Share capital and premium	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company	Non-controlling interests	Total capital
	NIS thousands								
<b>Balance as of April 1, 2023</b>	<b>1,568,696</b>	<b>86,175</b>	<b>92,786</b>	<b>11,219</b>	<b>(813)</b>	<b>(90,155)</b>	<b>1,667,908</b>	<b>978,140</b>	<b>2,646,048</b>
Profit (loss) for period	-	-	-	-	-	(22,170)	(22,170)	1,673	(20,497)
<b>Other comprehensive profit:</b>									
Adjustments arising from translation of financial statements for foreign operations	-	-	16,354	-	-	-	<b>16,354</b>	24,203	<b>40,557</b>
Reassessment for revaluation of fixed assets	-	3,936	-	-	-	-	<b>3,936</b>	-	<b>3,936</b>
Part of other comprehensive income of corporations accounted for using the equity method	-	2,463	-	-	-	-	<b>2,463</b>	-	<b>2,463</b>
Adjustments arising from hedging transactions	-	-	-	-	391	-	<b>391</b>	277	<b>668</b>
<b>Total other comprehensive income</b>	<b>-</b>	<b>6,399</b>	<b>16,354</b>	<b>-</b>	<b>391</b>	<b>-</b>	<b>23,144</b>	<b>24,480</b>	<b>47,624</b>
<b>Total comprehensive profit for the period</b>	<b>-</b>	<b>6,399</b>	<b>16,354</b>	<b>-</b>	<b>391</b>	<b>(22,170)</b>	<b>974</b>	<b>26,153</b>	<b>27,127</b>
Portion of minority interests in the injection of capital to a consolidated	-	-	-	-	-	-	-	32,514	<b>32,514</b>
Share-based payment	-	-	-	1,800	-	-	<b>1,800</b>	-	<b>1,800</b>
Issue of shares	147,560	-	-	-	-	-	<b>147,560</b>	-	<b>147,560</b>
Transfer of revaluation capital fund for fixed assets to loss balance	-	(745)	-	-	-	745	-	-	-
<b>Balance as of June 30, 2023</b>	<b>1,716,256</b>	<b>91,829</b>	<b>109,140</b>	<b>13,019</b>	<b>(422)</b>	<b>(111,580)</b>	<b>1,818,242</b>	<b>1,036,807</b>	<b>2,855,049</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated reports on changes in equity (cont.)

For a period of three months ending June 30, 2022 (unaudited)

	Capital attributed to shareholders of the parent company								
	Share capital and premium	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company	Non-controlling interests	Total capital
	NIS thousands								
Balance as of April 1, 2022	1,568,696	83,641	(29,448)	5,561	1,167	(232,112)	1,397,505	54,817	1,452,322
Profit (loss) for period	-	-	-	-	-	38	38	(1,962)	(1,924)
<b>Other comprehensive profit:</b>									
Adjustments arising from translation of financial statements for foreign operations	-	-	25,816	-	-	-	25,816	5,606	31,422
Reassessment for revaluation of fixed assets	-	7,688	-	-	-	-	7,688	-	7,688
Part of other comprehensive income of corporations accounted for using the equity method	-	4,823	-	-	-	-	4,823	-	4,823
Adjustments arising from hedging transactions	-	-	-	-	1,153	-	1,153	-	1,153
<b>Total other comprehensive income</b>	-	12,511	25,816	-	1,153	-	39,480	5,606	45,086
<b>Total comprehensive profit for the period</b>	-	12,511	25,816	-	1,153	38	39,518	3,644	43,162
Share-based payment	-	-	-	242	-	-	242	-	242
Transfer of revaluation capital fund for fixed assets to loss balance	-	(849)	-	-	-	849	-	-	-
Balance as of June 30, 2022	1,568,696	95,303	(3,632)	5,803	2,320	(231,225)	1,437,265	58,461	1,495,726

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated reports on changes in equity (cont.)

For the year ended December 31, 2022 (audited)



	Capital attributed to shareholders of the parent company							
	Capital Shares and premium	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for share-based payment	Loss balance	Total capital attributed to shareholders of the Company	Non-controlling interests	Total capital
	NIS thousands							
<b>Balance as of January 1, 2022</b>	<b>1,568,696</b>	<b>75,724</b>	<b>(30,025)</b>	<b>3,707</b>	<b>(225,451)</b>	<b>1,392,651</b>	<b>54,222</b>	<b>1,446,873</b>
Profit (loss) for the year	-	-	-	-	153,746	153,746	(5,238)	148,508
<b>Other comprehensive</b>								
Adjustments arising from translation of financial statements for foreign operations	-	-	55,096	-	-	55,096	6,966	62,062
Reassessment for revaluation of fixed assets	-	653	-	-	-	653	-	653
Part of other comprehensive income of corporations accounted for using the equity method	-	10,134	-	-	-	10,134	-	10,134
<b>Total other comprehensive income</b>	<b>-</b>	<b>10,787</b>	<b>55,096</b>	<b>-</b>	<b>-</b>	<b>65,883</b>	<b>6,966</b>	<b>72,849</b>
<b>Total comprehensive profit for the year</b>	<b>-</b>	<b>10,787</b>	<b>55,096</b>	<b>-</b>	<b>153,746</b>	<b>219,629</b>	<b>1,728</b>	<b>221,357</b>
Entry into consolidation	-	-	-	-	-	-	850,655	850,655
Share-based payment	-	-	-	5,734	-	5,734	-	5,734
Transfer of revaluation capital fund for fixed assets to loss balance	-	(3,172)	-	-	3,172	-	-	-
<b>Balance as of December 31, 2022</b>	<b>1,568,696</b>	<b>83,339</b>	<b>25,071</b>	<b>9,441</b>	<b>(68,533)</b>	<b>1,618,014</b>	<b>906,605</b>	<b>2,524,619</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated statements of cash flows

	For a period of six months that ended on June 30		For a period of three months that ended on June 30		For the year that ended December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
	NIS thousands				
<b>Cash flows for current activities:</b>					
Profit (loss) for period	(45,511)	(9,882)	(20,497)	(1,924)	148,508
<b>Adjustments required to present cash flows from operating activities:</b>					
Change in current tax	5	139	(2,256)	(2,456)	155
Depreciation and amortization	38,518	6,339	20,114	3,516	14,696
Net financing expenses (income)	29,795	(454)	17,289	(3,525)	5,773
Company's share in the losses (profits) of companies accounted for based on the equity method, net	9,291	(2,651)	4,706	(3,667)	(9,371)
Income from tax partner	(1,253)	(3,876)	(636)	(493)	(7,629)
Capital gain	-	-	-	-	(23)
Profit from gaining control of an associate company	(1,426)	-	-	-	(209,885)
Share-based payment expenses	3,578	2,096	1,800	242	5,734
	<b>78,508</b>	<b>1,593</b>	<b>41,017</b>	<b>(6,383)</b>	<b>(200,550)</b>
<b>Changes in sections of assets and liabilities:</b>					
Decrease (increase) in inventory	(20,880)	3,083	(14,634)	3,560	4,939
Increase in customers	(45,027)	(111,016)	(38,101)	(61,465)	(165,929)
Increase in accounts receivable	(25,859)	(13,484)	(1,420)	(8,554)	(19,614)
Increase (decrease) in accounts payable	(13,913)	9,706	2,063	10,123	36,206
Increase (decrease) in suppliers and service providers	(4,694)	6,155	3,513	20,901	(26,775)
Change in financial assets	1,306	-	879	-	-
Change in deferred taxes	(16,436)	4,631	(11,864)	1,781	4,628
	<b>(125,503)</b>	<b>(100,925)</b>	<b>(59,564)</b>	<b>(33,654)</b>	<b>(166,545)</b>
Income tax paid	-	(139)	-	(139)	(159)
Taxes received	9	-	-	-	4
Interest received in cash	2,876	311	1,006	255	7,500
Interest paid in cash	(10,454)	(10,927)	(8,581)	(10,693)	(23,369)
<b>Net cash used for current activities</b>	<b>(100,075)</b>	<b>(119,969)</b>	<b>(46,619)</b>	<b>(52,538)</b>	<b>(234,611)</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated statements of cash flows (cont.)

	For a period of six months that ended on June 30		For a period of three months that ended on June 30		For the year that ended on December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
	NIS thousands				
<b>Cash flows from investment activities:</b>					

	For a period of six months that ended on June 30		For a period of three months that ended on June 30		For the year that ended on December 31
	2023	2022	2023	2022	2022
	Unaudited		Unaudited		Audited
NIS thousands					
Investments in corporations accounted for using the equity method	(164,487)	(259,436)	(88,270)	(126,534)	(517,680)
Obtaining initial control (Appendix B)	(132,093)	-	(94,200)	-	(95,350)
Investment in financial assets	(20,637)	-	(161)	-	-
Repayment of deferred consideration	(20,065)	-	(20,065)	-	-
Change in restricted use deposits	(3,345)	(1,280)	1,356	(800)	(1,800)
Change in shorts term deposits	117,874	59,685	(13,202)	125,790	(364,303)
Investments in fixed assets	(127,770)	(43,183)	(75,116)	(35,722)	(87,377)
Consideration from the exercise of fixed assets	-	-	-	-	133
<b>Net cash used for investing activity</b>	<b>(350,523)</b>	<b>(244,214)</b>	<b>(289,658)</b>	<b>(37,266)</b>	<b>(1,066,377)</b>
<b>Cash flows from financing activities:</b>					
Issue of shares (less issuance expenses)	147,560	-	147,560	-	-
Short-term credit from banks, net	-	(24,700)	-	(3,618)	260,807
Portion of minority interests in the injection of capital to a consolidated partnership	62,782	-	32,513	-	-
Issue of bonds, net	242,847	-	242,847	-	311,673
Repayment of bonds	(104,825)	-	(104,825)	-	-
Repayment of lease liabilities	(7,606)	(2,846)	(3,853)	(2,118)	(6,996)
Receipt of loan from affiliated party	4,082	-	1,908	-	529
Receipts from tax partner	-	11,439	-	1,423	18,908
Receipt of long-term loans from bank corporations	24,286	18,610	7,383	18,610	23,544
Repayment of long-term loans from bank corporations	(3,316)	-	(2,836)	-	(5,981)
<b>Net cash arising from financing activities</b>	<b>365,810</b>	<b>2,503</b>	<b>320,697</b>	<b>14,297</b>	<b>602,484</b>
<b>Decrease in cash and cash equivalents</b>	<b>(84,788)</b>	<b>(361,680)</b>	<b>(15,580)</b>	<b>(75,507)</b>	<b>(698,504)</b>
<b>Balance of cash and cash equivalents at beginning of period</b>	<b>237,865</b>	<b>904,345</b>	<b>171,194</b>	<b>623,074</b>	<b>904,345</b>
<b>Impact of changes in foreign exchange rates for cash and cash equivalents</b>	<b>2,197</b>	<b>23,767</b>	<b>(340)</b>	<b>18,865</b>	<b>32,024</b>
<b>Balance of cash and cash equivalents at end of period</b>	<b>155,274</b>	<b>566,432</b>	<b>155,274</b>	<b>566,432</b>	<b>237,865</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Condensed consolidated statements of cash flows (cont.):

### Appendix A - Substantial non-cash transactions

	For a period of six months ending on June 30		For a period of three months ending on June 30		For the year ending December 31
	2023	2022	2023	2022	2022
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
NIS thousands					
Initial recognition of usufruct asset and lease liability	18,080	16,694	16,989	10,814	29,319
Purchase of fixed assets against supplier credit	-	-	-	-	27,660

	For a period of six months ending on June 30		For a period of three months ending on June 30		For the year ending December 31
	2023	2022	2023	2022	2022
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	NIS thousands				
Liability for deferred consideration	1,567	-	1,567	-	109,244

#### Appendix B - Obtaining control of an investee company

	For a period of six months ending on June 30	For a period of three months ending on June 30	For the year ending December 31
	2023		2022
	Unaudited		Audited
	NIS thousands		
Working capital, net, excluding cash and cash equivalents	(9,168)	(7,228)	(25,319)
Investment in associate	-	-	306,634
Disposal of investment in an associate	(962)	-	(685,706)
Liability for deferred consideration	(1,567)	(1,567)	(109,244)
Fixed assets and intangible assets	153,007	102,995	1,744,191
Right of use asset	-	-	109,107
Related parties	-	-	29,810
Lease liability	-	-	(106,963)
Other long-term liabilities	-	-	(9,570)
Deferred taxes	(1,544)	-	(133,547)
Non-controlling interests	(1,885)	-	(850,655)
Short-term and long-term loans from bank corporations	(5,788)	-	(235,725)
Financial derivative	-	-	27,568
Goodwill	-	-	34,769
<b>Total</b>	<b>132,093</b>	<b>94,200</b>	<b>95,350</b>

The accompanying notes form an integral part of the condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 1 - General:

- A. O.Y. Nofar Energy Ltd. (hereinafter: the "Company") was incorporated on April 7, 2011, as a private company, under the Companies Law. The Company is domiciled in Israel, and its registered office is located on Haodem Street in the Yitzhar Industrial Park, Ad Halom. The Company is engaged, itself and through corporations held thereby (hereinafter: the "Group"), directly and indirectly, including in cooperation with third parties, in long-term development and investment activity of production systems of "clean" electricity from solar energy, systems for storing electricity in batteries in Israel, the USA and Europe, as well as in the construction (EPC), operation and maintenance (O&M) of photovoltaic systems in Israel, mainly for corporations held by it, including in collaboration with third parties. The Company's activities are based on the creation of collaborations with local developers abroad, kibbutzim or real estate companies in Israel. As part of the cooperation, a joint corporation was established which is held by the Company and the partner in parts, as agreed by the parties. In addition to Israel, the Company is also an EPC contractor and maintenance contractor for most of the projects (solar projects and battery storage project and charging stations), which operates along the entire value chain of the construction of the systems, which gives the Company knowledge, experience and reputation, allowing the Company to supervise the planning, construction and maintenance of the projects and initiate projects that include the use of unique technologies (such as floating systems, storage facilities, etc.), which leaves the Company and its partners in the projects with a significant share of the profit arising from the initiation of the project, and contributes to the advancement of the systems owned by the group companies in a relatively quick period of time and to the fact that these systems are designed and maintained in an optimal and efficient manner.
- b. Increase in inflation - the bonds that the Company issued are linked to the consumer price index. Accordingly, an increase in inflation causes an increase in the Company's financing expenses. In addition, in the Company's estimation, the increase in the inflation rate may cause an increase in the construction costs of the projects. However, over the past few months, the Company has been aware of a certain decrease in the prices of panels and converters, and the prices of marine transportation, after the price increase that characterized the years 2021-2022. In addition, some of the Company's electricity rates in Israel are linked to the consumer price index, and the Company estimates that there is a certain correlation between electricity prices on the open market and the changes in the index (both due to the fact that the factors for an increase in inflation also cause an increase in electricity prices and due to the fact that electricity prices in different countries are linked to changes in inflation).
- c. Interest rate changes - During 2022, during the Report Period, there was an increase in the interest rates carried by some of the loans taken by the Group companies, which are linked to the base interest rate. In addition, according to the estimates, interest rates in Israel and abroad will continue to rise during the coming year. However, to the best of the Company's knowledge, the estimates of the analysis companies around the world are that in the coming years, with the moderation of inflation and a return to growth, there will be a decrease in interest rates. Since the periods of the projects established by the Group companies are between 20 and 30 years, in the Company's estimation, considering the entire life of the projects, and the assessments of the consulting companies regarding the increase in inflation rates and electricity prices throughout the life of the project, the increase in interest rates will have an immaterial effect on the returns of the projects throughout the period of the projects (20-30 years).

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 2 - Basis of Preparation of the Financial Statements:

#### a. Format of preparation of the interim financial statements

These Financial Statements were prepared in a condensed format as of June 30, 2023 and for periods of six and three months ending on that date (hereinafter: "Interim Financial Statements"). These reports should be read in conjunction with the Company's annual financial statements as of December 31, 2022 and for the year ending on the same date and the accompanying notes (hereinafter: the "Annual Financial Statements"). Therefore, as part of

these interim condensed financial reports, no comments were made regarding relatively insignificant updates to the information already reported in the notes to the Company's most recent Annual Financial Statements.

**b. Use of estimates and discretion:**

In the preparation of the condensed consolidated interim financial statements in accordance with IFRS, the Company's management is required to use discretion in order to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. It should be clarified that actual results may differ from these estimates.

The discretion of management in applying the Group's accounting policies and the key sources of estimation that involve uncertainty were the same as those used in the preparation of Annual Financial Statements.

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 2 - Basis of Preparation of the Financial Statements (cont.):

**c. Exchange rates and linkage basis:**

- (1) Balances in foreign currency, or those linked to it, are included in the financial statements according to the representative exchange rates as of the balance sheet date.
- (2) The balances linked to the Consumer Price Index in Israel (hereinafter - the "Index") are shown according to the last known index on the balance sheet date (Known Index) or according to the index for the last month of the reporting period (base index), according to the terms of the transaction.
- (3) **Below are data on exchange rates and the index:**

<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>December 31, 2022</u>
----------------------	----------------------	------------------------------

	June 30, 2023	June 30, 2022	December 31, 2022
Consumer price index (in points)*:			
Based on index for	104.2	100.0	102.0
Based on known index	104.2	99.6	101.7
US dollar (in NIS for 1 dollar)	3.7000	3.5000	3.5190
Pound sterling (in NIS for 1 pound)	4.6707	4.2352	4.2376
EUR (in NIS for 1 euro)	4.0185	3.6364	3.7530

	For a period of six months ending		For a period of three months ending on		For year ending on
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	December 31, 2022
	%	%	%	%	%
Consumer price index:					
Based on index for	2.17	3.22	0.97	1.73	5.26
Based on known index	2.46	3.13	1.36	1.93	5.28
USD.	5.14	12.54	2.35	10.20	13.15
Pound Sterling	10.22	0.76	4.56	1.60	0.82
Euro	7.07	3.31	2.19	3.20	6.62



## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 3 - Significant Accounting Policies:

#### Principles of preparing the Condensed Interim Financial Statements

The condensed interim financial statements comply with the provisions of International Accounting Standard 34 regarding financial reporting for interim periods. Additionally, the condensed interim financial statements also comply with the disclosure provisions under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. The condensed interim financial statements were prepared based on the same accounting policies and calculation methods applied in the Company's Annual Financial Statements as of December 31, 2022.

### Note 4 - Additional Information on investments in companies accounted for using the equity method:

#### a. Sunprime Holding S.R.L (Sunprime'')

The following is additional information regarding the aggregate financial position and the aggregate results of operations of the associate which is a significant associate (without adjustment to the ownership rates held by the Company):

##### 1. In the Statement of Financial Position as of the Report Date

	As of June 30		As of December 31
	2023	2022	2022
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	338,373	86,037	73,519
Non-current assets	574,823	27,208	256,418
Current liabilities	(179,469)	(126,638)	(31,507)
Non-current liabilities	(572,209)	(2,069)	(214,766)
Equity	(161,517)	15,462	(83,664)

##### 2. Results of the joint venture's operations

	For six months ending on June 30		For three months ending on June 30		For the year ending December 31
	2023	2022	2023	2022	2022
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Income	9,673	4,365	3,311	4,365	9,265
Profit (loss) for the period	(24,989)	(3,310)	(15,572)	(466)	(17,062)
Comprehensive profit (loss) for the period	(3,228)	(3,310)	6,188	-	(17,062)

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 4 - Additional Information on investments in companies accounted for using the equity method (cont.):

#### b. Joint corporations in Israel and abroad (other than the Company in Section A above):

The following is additional information regarding the aggregate financial position and the aggregate results of operations of the associated companies (without adjustment to the percentages of ownership held by the Company) other than the corporation:

1. In the Statement of Financial Position as of the Report Date

	As of June 30		As of December 31
	2023	2022	2022
	(Unaudited)		(Audited)
NIS thousands			
<b>Current assets</b>	265,276	156,656	323,289
<b>Non-current assets</b>	1,852,170	1,024,590	2,586,286
<b>Current liabilities</b>	(334,011)	(206,942)	(345,643)
<b>Non-current liabilities</b>	(1,448,755)	(878,372)	(2,284,900)
<b>Capital attributed to shareholders of the Company</b>	(334,680)	(95,932)	(279,032)

2. The results of the operations of the associated companies

	For six months ending on June 30		For three months ending on June 30		For the year ending December 31
	2023	2022	2023	2022	2022
	(Unaudited)		(Unaudited)		(Audited)
NIS thousands					
<b>Income</b>	82,018	60,266	50,085	38,610	138,413
<b>Profit for the period</b>	12,077	10,190	9,281	10,801	18,773
<b>Total profit for the period</b>	44,478	21,907	32,037	15,480	27,487

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 5 - Business combinations:

#### 1. Composition:

##### a. Identified assets and liabilities acquired:

	Nofar Lahav Agricultural Cooperative Society Ltd.	C&S+R&S	FOREST + SOLIS	RTG + Biolab
	(1)	(2)	(3)	(4)
The value recognized at the acquisition date (unaudited)				
NIS thousands				
Cash and cash equivalents	178	-	104	98
Customers	788	-	1	278
Receivables	-	-		835
Fixed assets	12,145	37,868	16,318	86,676
Long-term loans from banking corporations	(5,788)	-	(4,412)	-
Accounts payable	(1,305)	-	(695)	(871)
Suppliers and service providers	(627)	-	(15)	-
Deferred tax liabilities	(1,544)	-	-	-
<b>Total identifiable net assets</b>	<b>3,847</b>	<b>37,868</b>	<b>11,301</b>	<b>87,016</b>

##### b. Cash flow for business combination:

	Nofar Lahav Agricultural Cooperative Society Ltd.	C&S+R&S	FOREST + SOLIS	RTG + Biolab	Total
	(1)	(2)	(3)	(4)	-
As of the purchase date (unaudited)					
NIS thousands					
Consideration paid in cash and cash equivalents	1,000	37,868	14,105	79,500	132,473
Cash and cash equivalents in the Company as of the purchase date	(178)	-	(104)	(98)	(380)
<b>Total net cash flow</b>	<b>822</b>	<b>37,868</b>	<b>14,001</b>	<b>79,402</b>	<b>132,093</b>

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 5 - Business combinations (cont.):

#### c. Details:

##### 1. Nofar Lahav Agricultural Cooperative Society Ltd.

In March, 2023, the Company entered into an agreement with Rimon Holdings Cooperative Agricultural Association Ltd., the partners, to purchase an additional 26% of the rights of Nofar Lahav Cooperative Agricultural Association Ltd. (hereinafter: "Association" or "Lahav") and for obtaining control and holdings at a rate of 51% in the Association's rights in exchange for a sum of NIS one million.

##### 2. C&S+R&S - Storage projects in Britain, Cellarhead and Buxton

On February 22, 2023, the Company reported that Atlantic Green, a corporation that is 75% held by the Company, had entered into an agreement to purchase the entire share capital of the corporation that holds the rights to establish two adjacent storage projects with an estimated grid connection capacity of 130 megawatts, and an estimated storage capacity supply with an estimated capacity of approximately 260 megawatt hours, in consideration for an amount of approximately NIS 37.9 million that was allotted to storage projects under construction. For more details, see Note 6(b).

3. **FOREST + SOLIS - solar project in Serbia**

In June 2023, Nofar Europe BV, a corporation owned by the Company at a rate of 90%, completed a transaction for the purchase the entire share capital of corporations engaged in the initiation of a solar project in Serbia and holding rights for the construction of a project with an estimated capacity of about 20 megawatts, in consideration for a total of approximately NIS 15.6 million, which was allocated to solar projects under construction, of which NIS 14.1 million was paid in cash on the transaction date.

4. **RTG + Biolab - Solar project in Romania**

On May 17, 2023, the Company reported that Nofar Europe BV, a corporation owned by the Company at a rate of 90%, completed a transaction for the purchase the entire share capital of corporations engaged in the initiation of a solar project in Romania and holding rights for the construction of a project with an estimated capacity of about 169 megawatts, in consideration for a total of approximately NIS 103 million, which was allocated to solar projects under construction, of which NIS 80 million was paid in cash on the transaction date.

2. **Noy Nofar Europe**

In October, 2020, the Company was included as a partner in the Noy Nofar Renewable Energies Europe Limited Partnership (hereinafter: the "Partnership" or "Noy Nofar Europe"), through the allocation of rights to the Company at the rate of 40%.

On December 28, 2022, the Company entered into an agreement with Noy Funds regarding the purchase of an additional 12.5% of the rights in Noy Nofar Europe and the general partner, and obtaining control and holding 52.5% of the rights in the Partnership, and gained control, in exchange for a total of EUR 57.34 million, of which a total of EUR 28 million was paid on the completion date of the transaction, an amount of EUR 5 million was paid on May 8, 2023, and the balance of the consideration in the amount of EUR 24.3 million was paid after the balance sheet date. Accordingly, the consolidated financial statements included in the interim periods of 2023, for the first time, the results of the partnership's activities. For additional details, see Note 9(a) and Note 17(a)(4) of the Company's Annual Financial Statements as of December 31, 2022.

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 6 - Material Events and Transactions in the Reporting Period:

a. **Sabinar project**

Further to Note 17(a)(8), in the Company's Annual Financial Statements as of December 31, 2022, on February 17, 2023, Sabinar Hive, S.I. (the "Borrower"), a corporation indirectly held by the Company at a rate of approximately 47%, entered into a framework agreement with a German financial body, to receive senior financing in the amount of EUR 131.97 million at annual interest at a rate of 4.6% for one year and for a period of up to 20 years, which will be provided in two withdrawals and will be used mainly to repay shareholder loans that were invested and will be invested for the construction of the Sabinar I and Sabinar II projects. The Sabinar projects are solar projects with a total capacity of about 238 megawatts in Spain, which include the Sabinar I projects, with a capacity of about 155 megawatts, which is connected to the electricity grid in Spain and the sale of electricity from it has begun, and the Sabinar II project, with a capacity of about 83 megawatts, which is under construction.

b. **Storage project in the UK**

Further the Note 17(a)(14), in the Company's Annual Financial Statements as of December 31, 2022, and Note 5(b), on February 21, 2023, Atlantic Green completed the transaction for the purchase of the holdings in the Cellarhead project after the approval of the planning committee (Planning Consent) for the project was received, and on March 31, 2023, the purchase of holdings in the Buxton project was completed. Following this, during the reporting period, the Buxton project company entered into construction, battery purchase, reinforcement, financing and optimization agreements in relation to the Buxton project.

c. **Entering into an investment and loan agreement to increase holdings in Sunprime Holding SRL ("Sunprime")**

Further to Note 17(a)(7), in the Company's Annual Financial Statements as of December 31, 2022, on March 26, 2023, Andromeda, a corporation indirectly held by the Company at a rate of 52.5%, entered into investment and loan agreements with Sunprime, regarding the possibility of converting loans in the amount of up to EUR 22.5 million that it previously provided for Sunprime shares, such that after the conversion, the holding rate increased to 55%. Also, as part of the agreement, Andromeda committed to provide additional convertible loans in the amount of EUR 17.5 million, so that after the provision and conversion thereof, if converted, Andromeda's holdings will increase to 60% of Sunprime's share capital and the Company's rate of holdings will increase to 31.5% indirectly.

The additional loan will be provided according to the remaining shareholders' demand, will bear interest at an annual rate of 9%, and will be repaid until five years have passed from the date of its provision, in a cash sweep mechanism, in semi-annual payments, under the conditions specified in the agreements. In addition, according to Andromeda's demands, the other shareholders of Sunprime will place a lien on their holdings in Sunprime or a bank guarantee to secure repayment of the Shareholder Loan.

It should be noted that in parallel to the engagement in the investment and loan agreements, an amended shareholders' agreement was signed, which provides that as long as the other shareholders hold 35% or more, the holdings in the Company's board of directors will be accepted with the consent of a director on behalf of Andromeda and a director on behalf of the other shareholders. Accordingly, Sunprime's results are presented in the Company's financial statements according to the equity method.

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 6 - Material Events and Transactions in the Reporting Period (cont.):

d. **Meteo-Logic**

In March 2023, the Company entered into and completed an investment and loan transaction with Meteo-Logic Ltd ("Meteo-Logic"). Meteo-Logic is an Israeli high-tech company that has developed a unique engine, based on artificial intelligence (AI), for automatic trading in energy assets traded on global exchanges - future contracts of electricity, gas and more.

To the best of the Company's knowledge, Meteo-Logic uses this data to predict electricity prices and open trading positions on the electricity exchange. As part of the investment deal, the Company invested a total of USD 3 million in Meteo-Logic against the allocation of shares at a rate of approximately 2.5% of Meteo-Logic's share capital, and also provided a loan of up to EUR 2.5 million for a period of two years.

e. **Private placement of the Company's shares and the joining of the Harel Group to interested parties in the Company**

On May 8, 2023, the Company completed a private placement of 1,892,655 ordinary shares at no par value of the Company (the "Allotted Shares"), to a number of classified investors (as this term is defined in the Securities Law, 5728-1967) which include the Harel Group and additional interested parties in the Company, against payment of consideration in the amount of NIS 78 per share, and in total, about NIS 147.6 million. The total shares allocated were on their allotment date about 5.33% of the issued and paid-up share capital of the Company, about 6.18% of the voting rights in the Company, about 5.21% of the issued capital of the Company in full dilution and about 6.02% of the voting rights in the Company in full dilution.

f. **Private placement of Bonds (Series A) of the Company**

On May 7, 2023, the Company completed a private placement to classified investors (hereinafter: the "Offerees") of 250,000,000 Bonds (Series A) par value NIS 1 each of the Company (hereinafter: the "Bonds (Series A)" or the "Bonds"), listed for trade at a price of 97.35 agorot for every NIS 1 of a Bond, for a total consideration of NIS 243,375,000 for all the mentioned Bonds (Series A), by way of expanding the existing series of Bonds (Series A) of the Company, listed for trade on the stock exchange, in such a way that the amount of Bonds (Series A) that will be in circulation, after the allotment, will amount to NIS 967,005,000 par value. For details regarding the terms of the Bonds, see Note 19 in the Company's consolidated Annual Financial Statements for December 31, 2022.

**g. Malfunction at a substation**

During the running procedures of the Olmedilla and Sabinar I project, during the first quarter of 2023, a fire occurred in the substation of the projects, which necessitated a complete stoppage of the flow of electricity to the grid until May 5, 2023. During this period, the Olmedilla and Sabinar I projects did not flow electricity to the grid and did not sell electricity under the PPA agreements. As of the Report Date, the substation was connected to the electricity grid and the Olmedilla and Sabinar projects flow and sell the electricity they produce to the grid.

**Notes to the Condensed Consolidated Financial Statements as of June 30, 2023**

**Note 6 - Material Events and Transactions in the Reporting Period (cont.):**

**g. Malfunction at a substation (cont.)**

During the first quarter and in accordance with the construction agreements with the contractor, Olmedilla and Sabinar recorded compensation receivable in the amount of approximately EUR 5.3 million, in the amount of the liquidated damages that the Project Companies are entitled to receive in accordance with the provisions of the construction agreements (EPC) from the construction contractor, due to a delay in the completion date of the PAC.

On July 20, Andromeda (the controlling shareholder of Olmedilla and Sabinar's project companies) entered into a settlement agreement with the construction contractor, according to which, in the first stage, the payments to the construction contractor will be reduced by EUR 1.5 million, Olmedilla and Sabinar will sue their insurer for compensation for the damages and loss of revenues caused by the aforementioned event, and if the amount received from the insurance company will be less than the total of EUR 5 million, Olmedilla and Sabinar and Andromeda will be entitled to claim the difference from the construction contractor (in such a case, the amount of EUR 1.5 million that was offset will be deducted). It should be noted that in accordance with these agreements, the project companies submitted a claim to receive compensation from the insurer in the amount of approximately EUR 12 million.

In light of the projects' insurance policy and based on an opinion the Partnership received from its legal advisors in Spain, according to which there is contractual justification for the project's companies to demand the liquidated damages by virtue of the construction agreements, and it is also virtually certain that such a claim will be accepted up to the amount of the difference between EUR 4 million and the amount that will be received from the insurance company, the Partnership's management estimates there is a 'de facto certainty' of receiving a sum not less than EUR 3.8 million from the insurer or the construction contractor (in addition to the sum of EUR 1.5 million already deducted from the contractor), i.e. a total of EUR 5.3 million.

It should be noted that in accordance with the PPA agreements in which the project companies engaged, Telecor is entitled to receive compensation according to the difference between the amount of electricity that the Project Companies committed to sell during 12 months and the electricity actually sold and according to the difference between the price fixed in the PPA and the average price of electricity during that period.

In view of the fact that as of the Report Date, there is no data regarding the amount of electricity produced and the average price of electricity during this period, as well as discussions being held with Telecor according to which the gap in electricity that was not supplied will be sold to Telecor at the end of the agreement period or from the Sabinar 2 project, the Company's financial report does not include a provision for this amount.

## Note 7 – Financial Instruments:

a. Fair value

For details regarding the valuation techniques and data used in level 2 and level 3 fair value measurements, see Note 33 to the Company's Annual Financial Statements for December 31, 2022.

b. Risk management policy:

The Company's activity expose it to various financial risks, such as market risk, credit risk and liquidity risk. Risk management is performed by the Company's management. For additional information regarding risk management, see Note 33 of the Company's Annual Financial Statements as of December 31, 2022.

c. Financial instruments recognized in the Statement of Financial Position

As of June 30, 2023				
	Level 1	Level 2	Level 3	Total
NIS thousands				
<b>Non-current financial assets - fair value through profit and loss</b>				
<b>Financial assets (1)</b>	-	11,123	-	11,123
<b>Non-current financial assets - fair value through other comprehensive income</b>				
<b>Derivatives used as hedging instruments (2)</b>	-	27,610	-	27,610
<b>Current financial liabilities - fair value through profit and loss</b>				
<b>Options granted to shareholders in associated companies</b>	-	-	(1,905)	(1,905)
<b>Derivatives used for hedging transactions (3)</b>	-	(12,164)	-	(12,164)

For more details about measuring fair value, see Note 2(19) to the Company's Annual Financial Statements for December 31, 2022.

(1) For more details, see Note 6(d).

(2) The Company's consolidated corporation has a variable interest loan. In order to reduce exposure, the consolidated corporation entered into a hedging transaction whose net fair value as of June 30, 2023 is positive in the amount of NIS 27,610 thousand. The transaction is for a term of up to 14 years and includes the purchase of an IRS (Interest Rate Swap).

(3) The Company has a dollar sale option for protection purposes (not an accounting hedge) from two banking corporations in the amount of USD 40 million. The transactions are for a term of up to one year. The effect of the changes in the fair value of derivatives is about NIS 9,117,000, and NIS 4,561,000 loss in the period of six and three months that ended on June 30, respectively.

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 7 - Financial instruments (cont.):

As of June 30, 2022				
	Level 1	Level 2	Level 3	Total
NIS thousands				
<b>Current financial liabilities - fair value through profit and loss</b>				



Options granted to shareholders in associated companies	-	-	(1,981)	(1,981)
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As of December 31, 2022				
	Level 1	Level 2	Level 3	Total
<b>NIS thousands</b>				
Non-current financial assets - fair value through other comprehensive income				
Derivatives used as hedging instruments	-	27,568	-	27,568
Current financial liabilities - fair value through profit and loss				
Options granted to shareholders in associated companies	-	-	(1,905)	(1,905)
Derivatives used for hedging transactions	-	(3,047)	-	(3,047)

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 8 - Information on activity sectors:

As of the Report Date, the Company has several activities that include three sectors, which constitute its strategic business units. These business units include areas of activity and are examined separately for the purpose of allocating resources and evaluating performance, among other things due to the fact that they may require different technologies and methods of operation. Below is a concise description of the business activity in each of the Company's activity sectors:

#### **Development of and investment in photovoltaic systems in Israel:**

Engaging in the initiation, licensing, management and financing of photovoltaic systems for the production of electricity from solar energy in Israel, using photovoltaic technology, on roofs, water reservoirs and land, with the aim of holding them as long-term owners, including through joint corporations held together with a third party whose investment in them is presented in the Company's financial statements as an investment in companies according to the equity method.

#### **Initiating and investing in renewable energy abroad:**

Engaging in the initiation, licensing, management and financing of photovoltaic systems for the production of electricity from solar energy abroad, using photovoltaic technology, on roofs, land and energy facilities with the aim of holding them as long-term owners, including through joint corporations held together with a third party whose investment in them is presented in the

Company's financial statements as an investment in companies according to the equity method.

**Construction and operation of photovoltaic systems:**

In the construction (EPC), and operation and maintenance (O&M) of photovoltaic systems, itself and through subcontractors. Within this field of activity, the Company is mainly engaged in the construction as well as the operation and maintenance of photovoltaic systems held by the Company in cooperation with third parties, through the joint project corporations, as part of the Company's activity in the field of development and investment, as well as in the construction and/or operation and maintenance of photovoltaic systems held in full by third parties.

The construction activity segment does not include income from the construction of photovoltaic systems for the Company's own use. The reports submitted to the Company's chief operational decision-maker, for the purpose of resource allocation and performance evaluation, reflect the Company's total revenues and its share of the revenues of the associates from electricity production, of all generating facilities held by the Company (directly and/or indirectly), by way of proportional consolidation, using the project EBITDA index, calculated as the aggregate total of the gross profit (revenues from electricity production minus operating and maintenance costs), neutralizing the depreciation of the systems, according to the amounts included in the financial statements of the project corporations.

A column of adjustments to the financial statement for external revenues includes the reversal of the Company's share of the revenues of the associate companies that were presented in the segments by way of relative consolidation.

A column of adjustments to the financial statement to sector results - EBITDA, includes the reversal of the Company's share of the results of the associate companies that were presented in the segments by way of relative consolidation, and the addition of depreciation expenses of the systems that were neutralized.

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 8 - Information on activity sectors (continued):

For a period of six months ending June 30, 2023

	Initiation and investment in photovoltaic systems in Israel	Construction and operation of photovoltaic systems in Israel	Initiating and investing in renewable energy abroad	Adjustments to the financial statement	Total in financial report
(Unaudited)					
NIS thousands					
Income from external	35,404	7,323	72,878	(40,786)	74,819
Inter-sector income		99,704		(898)	98,806
<b>Total income and profits</b>	<b>35,404</b>	<b>107,027</b>	<b>72,878</b>	<b>(41,684)</b>	<b>173,625</b>
Sector results - EBITDA	21,979	(12,290)	64,191	(31,634)	42,244
<b>Expenses not allocated to sectors:</b>					
Management and general expenses					30,631
Marketing and sale expenses					5,280
Depreciation and amortization					38,518
Other expenses					1,397
Other income					(1,426)
Net financing expenses					29,795
<b>Loss for the period before tax</b>					<b>(61,951)</b>

For a period of six months ending June 30, 2022

	Initiation and investment in photovoltaic systems in Israel	Construction and operation of photovoltaic systems in Israel	Initiating and investing in renewable energy abroad	Adjustments to the financial statement	Total in financial report
(Unaudited)					
NIS thousands					
Income from external	23,027	9,049	11,704	(20,249)	23,531
Inter-sector income	-	168,520	-	(680)	167,840
<b>Total income and profits</b>	<b>23,027</b>	<b>177,569</b>	<b>11,704</b>	<b>(20,929)</b>	<b>191,371</b>
Sector results - EBITDA	15,639	11,467	10,590	(14,756)	22,940
<b>Expenses not allocated to sectors:</b>					
Management and general expenses					17,186
Marketing and sale expenses					4,116
Depreciation and amortization					6,339
Other expenses, net					864
Net financing income					(454)
<b>Loss for the period before tax</b>					<b>(5,111)</b>

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 8 - Information on activity sectors (continued):

For a period of three months ending June 30, 2023

	Initiation and investment in photovoltaic systems in Israel	Construction and operation of photovoltaic systems in Israel	Initiating and investing in renewable energy abroad	Adjustments to the financial statement	Total in financial report
(Unaudited)					
NIS thousands					
Income from external	21,642	3,348	38,158	(25,390)	37,758
Inter-sector income	-	47,269	-	(640)	46,629
<b>Total income and profits</b>	<b>21,642</b>	<b>50,617</b>	<b>38,158</b>	<b>(26,030)</b>	<b>84,387</b>
Sector results - EBITDA	13,449	(5,472)	34,301	(20,804)	21,474
<b>Expenses not allocated to sectors:</b>					
Management and general expenses					14,497
Marketing and sale expenses					2,940
Depreciation and amortization					20,114
Other expenses, net					1,251
Net financing income					17,289
<b>Loss for the period before tax</b>					<b>(34,617)</b>

**For a period of three months ending June 30, 2022**

	Initiation and investment in photovoltaic systems in Israel	Construction and operation of photovoltaic systems in Israel	Initiating and investing in renewable energy abroad	Adjustments to the financial statement	Total in financial report
(Unaudited)					
NIS thousands					
Income from external	14,887	6,310	3,699	(9,190)	15,706
Inter-sector income	-	81,508	-	(352)	81,156
<b>Total income and profits</b>	<b>14,887</b>	<b>87,818</b>	<b>3,699</b>	<b>(9,542)</b>	<b>96,862</b>
Sector results - EBITDA	10,970	2,370	7,005	(10,655)	9,690
<b>Expenses not allocated to sectors:</b>					
Management and general expenses					9,742
Marketing and sale expenses					1,690
Depreciation and amortization					3,516
Other expenses, net					864
Net financing income					(3,525)
<b>Loss for the period before tax</b>					<b>(2,597)</b>

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 8 - Information on activity sectors (continued):

For the year ended December 31, 2022

	Initiation and investment in photovoltaic systems in Israel	Construction and operation of photovoltaic systems in Israel	Initiating and investing in renewable energy abroad	Adjustments to the financial statement	Total in financial report
	<b>NIS thousands</b>				
Income from external	56,077	14,879	36,470	(51,758)	55,668
Inter-sector income	-	287,319	-	(1,419)	285,900
<b>Total income and profits</b>	<b>56,077</b>	<b>302,198</b>	<b>36,470</b>	<b>(53,177)</b>	<b>341,568</b>
Sector results - EBITDA	36,017	1,928	29,953	(34,923)	32,975
<b><u>Expenses (and income) not allocated to sectors:</u></b>					
Management and general expenses					37,050
Marketing and sale expenses					8,757
Depreciation and amortization					14,696
Other expenses					23,356
Other income					(209,948)
Net financing expenses					5,773
<b>Profit before tax</b>					<b>153,291</b>

a. **Seasonality:**

The Company's revenues from electricity production depend to a large extent on the hours of sunshine and are therefore affected by seasonality, with the first quarter and the fourth quarter characterized by fewer hours of sunshine and as a result, lower revenues compared to the rest of the year.

## Notes to the Condensed Consolidated Financial Statements as of June 30, 2023

### Note 9 - Events after the date of the Statement of Financial Position:

a. **Sabinar project**

Further to Note 17(a)(8), in the Company's Annual Financial Statements as of December 31, 2022 and Note 6(a) above, on July 25, 2023, the first withdrawal was made in the

amount of approximately EUR 80 million, minus commission payments and a deposit to debt service funds that were used for repayment of shareholder loans ("the net withdrawal amount") provided by the Company and the Noy Fund to finance the construction of the project. In accordance with the provisions of the financing agreement, the withdrawal of the balance of the financing amount, in the amount of approximately EUR 52 million, will be made after and subject to the arrival of the Sabinar II project for commercial operation (COD) and its passing the acceptance tests as detailed in the financing agreement.

The net withdrawal amount will be used to pay off the shareholder loans that the Company and Noy Fund provided to finance the establishment of the Sabinar project (the Company's share is about 52.5%). In addition, the Company made use of approximately EUR 24.3 million from its share to be paid to the Noy Fund for the purchase of 12.5% of the rights in Noy Nofar Europa. It should be noted that the withdrawal follows the issuance of the PAC for the Olmedilla and Sabinar projects and the signing of the compromise agreement by the construction contractor of these projects.

**b. Private placement of Bonds (Series A and C) of the Company**

**1. Convertible bonds - Series B**

On July 20, 2023, the Company completed a private placement to classified investors (hereinafter: the "Offerees") of 407,550,000 convertible Bonds (Series B) par value NIS 1 each of the Company (hereinafter: the "Bonds (Series B)" or the "Bonds"), listed for trade at a price of \_ agorot for every NIS 1 of a Bond, for a total consideration of NIS 401.8 million for all of the Bonds. The Bonds are convertible into ordinary shares without par value of the Company in such a way that every NIS 115.1 par value of the Bonds will be convertible into one ordinary share.

The Bonds (Series B) are repayable (principal) in two installments, which will be paid on June 30 of each of the years 2028 and 2029 and will each be at a rate of 50% of the nominal value of the Bond principal. The Bonds will bear fixed annual interest at a rate of 5% (hereinafter: the "Interest"). The interest on the unsettled balance of the Bond principal (Series B), as it will be from time to time, will be paid twice a year on December 31, 2023, and June 30 and December 31 of each of the years 2024 to 2028 (inclusive), when the last payment of the interest will be paid together with the last repayment of the principal on June 30, 2029. The principal of the Bonds (Series B) and interest for the same will not be linked to any index or currency.

**Notes to the Condensed Consolidated Financial Statements as of June 30, 2023**

**Note 9 - Events after the Date of the Statement of Financial Position (cont.):**

**b. Private placement of Bonds (Series B and C) of the Company (cont.)**

**2. Bonds - Series C**

On July 20, 2023, the Company completed a private placement to classified investors (hereinafter: the "Offerees") of 233,951,000 Bonds (Series C) par value NIS 1 each of the Company (hereinafter: the "Bonds (Series C)" or the "Bonds"), listed for trade at a price of \_ agorot for every NIS 1 of a Bond, for a total consideration of NIS 233.95 million for all of the Bonds (Series C).

The Bonds (Series C) are repayable (principal) in six annual payments, with the first payment at the rate of 5% of the nominal value of the Bonds (Series C) to be paid on June 30, 2025, the next two payments at the rate of 10% of the nominal value, each of the Bonds (Series C) will be paid on June 30 of each of the years 2026 and 2027, an additional payment of 15% of the nominal value of the Bonds (Series C) will be paid on

June 30, 2028 and the next two payments at a rate of 30% of the nominal value, each, of the Bonds (Series C) will be paid on June 30 of each of the years 2029 and 2030. The Bonds (Series C) will bear fixed annual interest at a rate of 6.95% (hereinafter: the "Interest"). The interest on the unsettled balance of the Bond principal (Series C), as it will be from time to time, will be paid twice a year on December 31, 2023, and June 30 and December 31 of each of the years 2024 to 2029 (inclusive), when the last payment of the interest will be paid together with the last repayment of the principal on June 30, 2030. The principal of the Bonds (Series C) and interest for the same will not be linked to any index or currency.

**c. Nofar Noy Limited Partnership**

On August 30, 2023, Noy Nofar Limited Partnership ("Noy Nofar Reservoirs") repaid the full loan provided to it by Noy Fund 3 for investment in infrastructure and energy ("Noy Fund") through a loan provided to it by the Company and also, the Company purchased all of its holdings from Noy Fund in Noy Nofar Reservoirs for an amount that is immaterial to the Company. With the completion of the aforementioned transaction, the Company became the limited partner and sole shareholder in the general partner of Noy Nofar Reservoirs.

**d. Buxton Project**

On August 30, 2023, R&S Energy Limited, the corporation that owns the Buxton project (the "Borrower"), entered into optimization and financing agreements with companies from the Goldman Sachs Group ("GS") in connection with receiving senior project financing, Limited Recourse, in the amount of up to GBP 16.5 million and regulating the electricity trading activities of the Buxton project by GS.