Nofar

O.Y. Nofar Energy Ltd.

Report for Q1 2024

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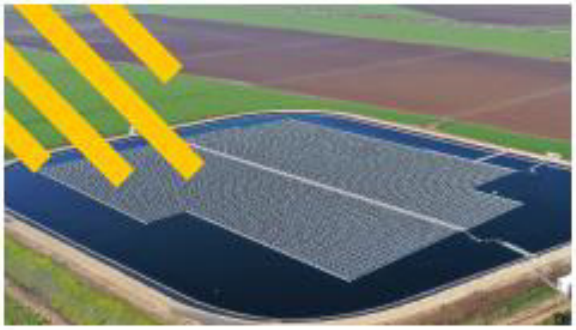
Introduction

Nofar in Numbers



PV projects that are connected, ready to connect, under construction and in pre-construction

2.3 GW

Shareholders equity
NIS 1.795 billion

PV projects
Connected and ready to connect
1,130 (511) MW

Storage projects
that are connected, under construction and in pre-construction
1,091 (780) * MWh

PV projects
Under construction and in pre-construction
1,162 (953) * MW

41% increase in connected and ready to connect compared to Q1 2023

Active in 10 territories

Expected aggregate revenues from electricity sale

NIS 1,452 *

(Company's share - NIS 1,031 million) in the first representative year of income-generating projects under construction and in pre-construction

* Based on the backlog of projects that are ready to connect, under construction and in pre-construction. For more information, see Section 1.4 in the Report of the Board of Directors. The expected capacities and revenues of the systems in the first year constitute forward-looking information, as the term is defined in the Securities Law, and include the Company's assessments regarding the results of the projects, as detailed. The figure is presented for illustration purposes only of revenues from the systems' performance in the first year, as supplemented by the Company's underlying assumptions.

Part A-

Directors Report

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

For the period that ended on March 31, 2024

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 March 31, 2024 (hereinafter: the "**Date of the Statement of Financial Position**") and for the period of 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 of the data in this report relates to the Company and the companies held thereby (the Company, its controlled companies, and associates); balance sheet data refers usually to the Company and consolidated investee companies (hereinafter jointly: the "**Group**"), unless stated otherwise.

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, 2023 - Part B of the Periodic Report for 2023 (hereinafter: the "**Board of Directors' Report for 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 Periodic Report for 2023, including the chapter of the Description of the Corporation's Business in the Periodic Report for 2023 (hereinafter: the "**Description of the Corporation's Business Chapter**"), the Board of Directors' Report for 2023, the financial statements as of December 31, 2023, and a report regarding additional details for 2023, which was published in the MAGNA online reporting system on March 31, 2024 (reference no.: 2024-01-029416) (hereinafter jointly: the "**Periodic Report for 2023**").

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, 5769-1999).

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, electricity supply, 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.

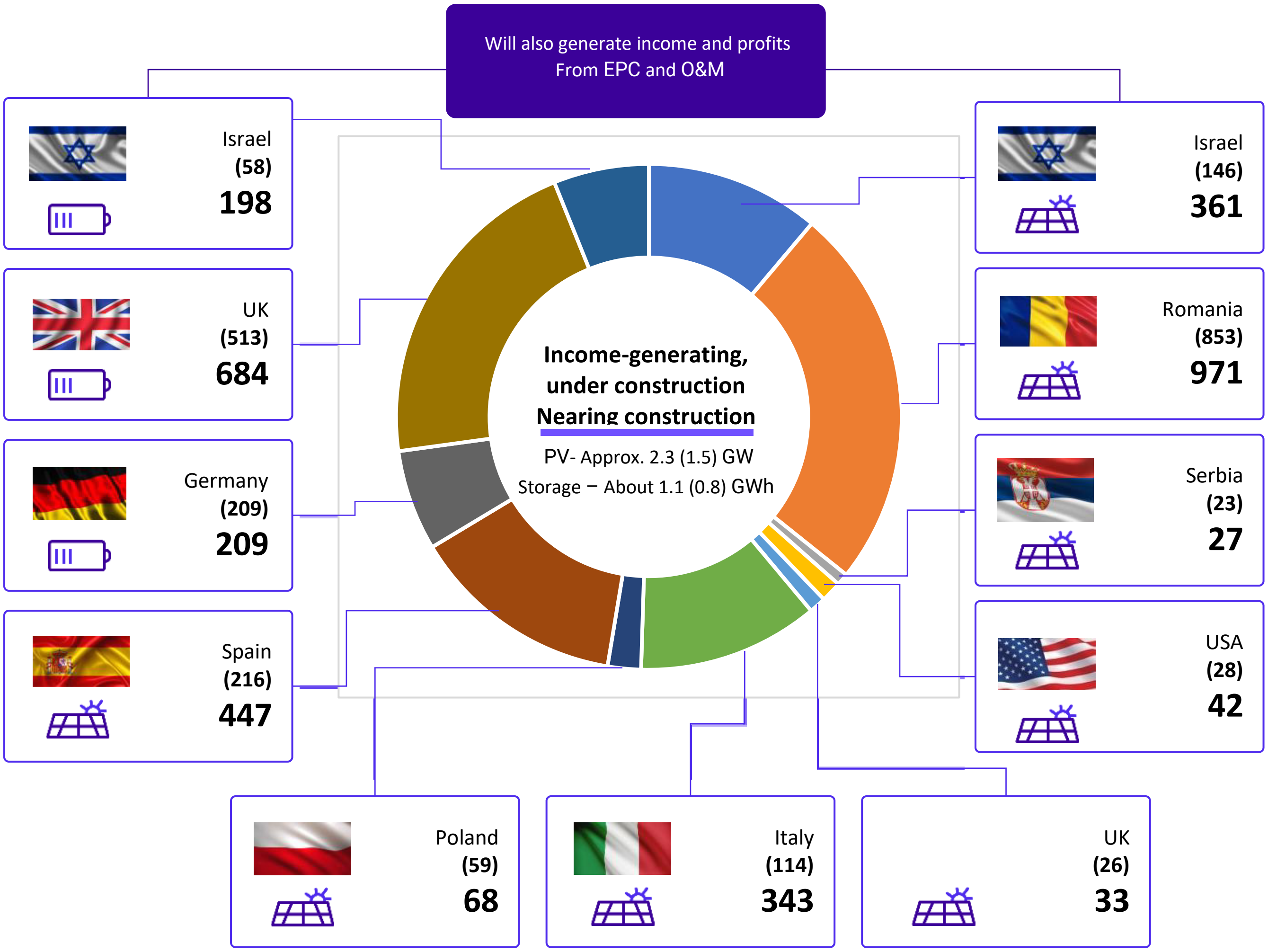
The Group's activities include the initiation, development, and acquisition of solar projects, wind systems and storage systems, starting from preliminary and initial stages, for the benefit of long-term holding, in Israel, Europe and the USA. These projects include large systems in Europe, which connect 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, 1.2.3, 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 2023, as well as Note 31 to the financial statements as of December 31, 2023.

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 2023.

1.3 Key indicators in the Company's activity

A significant backlog of income-generating projects, under construction and nearing construction, as of the Report Date, characterized by high rates.[1]
100% data, the Company's share in parenthesis (in MW/MWh)



Expected aggregate revenues from the sale of electricity in the first year of income-generating projects under construction and nearing construction NIS 1,452 million [1](NIS 1,031 million - the Company's effective share).

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[1] In relation to the rates established in the competitive proceedings for the land systems, combined storage photovoltaic systems, and dual-use facilities in Israel. The expected aggregate income from the sale of electricity is forward-looking information, as this term is defined in the Securities Law, which includes the Company's estimates regarding the income of the full representative first year of each of the projects listed in the table in Section 1.4 below (assuming that all projects were connected at the same time and that the assumptions detailed in Section 1.4 below are met). The data was presented for the purpose of illustration only of the revenues from the performance of the systems, as far as they are completed with the assumptions used by the Company, and they do not purport to present the forecast of the Company's performance in these years. It should be emphasized that failure to meet one of the assumptions detailed in Section 1.4 below may cause a change in the income from the sale of electricity in the first representative year in relation to the amounts detailed in the tables and presentation.

1.4 Main data regarding the systems in commercial operation, ready for connection, setup, in advance of setup, advanced development and development

The following tables briefly describe the data of the Group's companies' systems (based on 100%) in commercial operation, ready for connection, setup, in preparation for setup, advanced development, and development:

Projects in commercial operation[*]

			Israel[1]	USA[5][6]	Italy[5]	Spain[5]		Poland	Romania	Total
						Olmedilla	Sabinar I	Krzywinskie	Ratesti	
Rates rage[2] (NIS/kWh, as of March 31, 2024)			0.16 - 2.5	0.01 - 1.66	0.29 - 0.5	0.1 - 0.72	0.1 - 0.72	0.138 - 0.529	0.259 - 0.367	---
Number of systems	**Solar**	Mar. 31, 2024	1,456	27	114	1	1	1	1	1,601
		March 31, 2023	1,220	20	34	1	1	---	---	1,276
		Dec. 31, 2023	1,399	23	84	1	1	1	1	1,510
	Storage	Mar. 31, 2024	9	---	---	---	---	---	---	9
		March 31, 2023	---	---	---	---	---	---	---	---
		Dec. 31, 2023	7	---	---	---	---	---	---	7
Total installed power (KWp) (100%)	**Solar**	Mar. 31, 2024	315	18	101	169	155	20	155	933
		March 31, 2023	263	15	26	169	155	---	---	628
		Dec. 31, 2023	302	16	70	169	155	20	155	887
	Storage	Mar. 31, 2024	29	---	---	---	---	---	---	29
		March 31, 2023	---	---	---	---	---	---	---	---
		Dec. 31, 2023	21	---	---	---	---	---	---	21
Total setup costs (in NIS thousands)		Mar. 31, 2024	1,373,415	207,318	362,111	527,424	571,313	81,488	432,858	3,555,927
		March 31, 2023	1,135,376	165,690	92,009	508,408	537,320	---	---	2,438,803
		Dec. 31, 2023	1,316,595	189,663	224,384	531,675	575,894	76,434	436,393	3,351,038
Equity balance provided by the Company (NIS millions) [7]		Mar. 31, 2024	92	59	38	161	141	81	96	668
Total senior debt		Mar. 31, 2024	942,986	67,105	289,689	220,623	303,628	---	238,746	2,062,777

		Israel[1]	USA[5][6]	Italy[5]	Spain[5]		Poland	Romania	Total
					Olmedilla	Sabinar I	Krzywinskie	Ratesti	
balance (NIS thousands)	March 31, 2023	838,009	74,543	65,326	225,582	---	---	---	1,203,460
	Dec. 31, 2023	901,323	72,465	190,727	207,582	302,370	---	240,696	1,915,163
Balance of the senior debt period, in years (weighted average)	Mar. 31, 2024	17	4	10	15	22	---	10	---
Income (NIS thousands)	Mar. 31, 2024	48,683	1,947	5,422	14,495	9,260	693	11,909	92,410
	March 31, 2023	35,475	1,550	2,272	16,624	15,332	-	-	71,253
	2023	205,602	12,692	18,189	75,906	56,792	220	2,451	371,852
Income from Tax Equity	Mar. 31, 2024	---	639	---	---	---	---	---	639
	March 31, 2023	---	617	---	---	---	---	---	617
	2023	---	2,575	---	---	---	---	---	2,575
Total income (NIS thousands)	1-3/24	48,683	2,586	5,422	14,495	9,260	693	11,909	93,048
	1-3/23	35,475	2,167	2,272	16,624	15,332	---	---	71,870
	2023	205,602	15,267	18,189	75,906	56,792	220	2,451	374,427
Total project EBITDA [3] (NIS thousands)	1-3/24	27,670	1,426	3,883	12,645	7,285	202	11,074	64,185
	1-3/23	23,679	1,043	1,492	14,660	13,794	-	-	54,668
	2023	131,085	9,277	15,143	69,123	51,194	115	2,407	278,344
Total project FFO[3] (NIS thousands)	1-3/24	13,207	221	(721)	8,564	3,577	202	6,407	31,457
	1-3/23	15,840	(50)	555	8,663	13,794	---	---	38,802
	2023	376,65	4,279	8,386	57,895	42,975	115	2,407	116,498
Total free flow after senior debt service (NIS thousands)	1-3/24	2,050	(1,208)	(721)	3,752	832	202	6,407	11,314
	1-3/23	9,020	(1,206)	555	1,541	13,794	---	---	23,704
	2023	34,783	103	8,386	38,457	42,975	115	2,407	127,226
Company's share of the free cash flow after debt service	1-3/24	689	(1,208)	(458)	3,752	832	202	3,203	7,012
Rate of the Company's holdings[4], indirectly (weighted average)	Mar. 31, 2024	40%	67%	33%	50%	47%	72%	50%	45%
	March 31, 2023	37%	67%	26%	50%	47%	---	---	46%
	Dec. 31, 2023	40%	67%	32%	50%	47%	72%	50%	45%

[*] Projects in commercial operation are projects connected to the electricity grid as of March 2024, including projects that are in the running stages.

[1] The data regarding the projects in Israel include the results of the solar projects and the storage projects.

[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 at a rate according to a weighted average) and the average rate was about NIS 0.45 NIS/kWh.

The range of rates in the US is due to the differing electricity rates 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 1 and 3 dollars per kWh. It should be noted that during the Report Period, the average rate paid to Blue Sky was about 16 dollar cents per kWh for electricity sold to consumers and about 10 dollar cents per kWh produced. As detailed in the Company's Periodic Report for 2023, Blue Sky enters into agreements with tenants of the property for the sale of credit for the electricity supplied to the grid until the end of the tenant's lease agreement.

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. During the Report Period, the average rate of electricity sold in Italy on the free market was about 9.2 euro cents per kWh. As detailed in the Company's Periodic Report for 2023, Sunprime projects operate under the GSE series, which provides a guaranteed rate for a period of 20 years.

The range of tariffs in Spain, Poland, and Romania is due to the fact that the electricity (and in the case of Spain, some of the electricity) is sold on the open market (Merchant) at prices that change every few minutes, depending on the demand and supply of electricity at that moment. As detailed in the Company's Periodic Report for 2023, the sale of the electricity of the Olmedilla and Sabinar projects is carried out under PPA agreements for periods of 3, 5 and 9 years as well as in the open market (Merchant). For details, see Section 3.3.3 of Chapter A of the Company’s Periodic Report for 2023. Also, as of the Report Date, the electricity sales of the projects in Poland and Romania are carried out within the Balancing Market since the projects have not yet received a production license.

(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 of the companies 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 as of December 31, 2023, 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 the 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):

	1-3/2024	1-3/2023	1-12/2023
Gross profit	37,858	35,928	184,221
Systems depreciation	26,329	18,741	94,122
EBITDA	64,187	54,669	278,343
Senior debt financing expenses	32,731	14,750	85,633
FFO	31,456	39,919	192,710

It should be emphasized that the project EBITDA presented in the above table is different from the EBITDA used to calculate the 'debt to EBITDA ratio' standard set in the trust deeds of the Bonds (Series A, B and C) of the Company.
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 three months ending March 31, 2024:

	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	93,049	(36,942)	56,107
EBITDA	64,187	(24,366)	39,821
FFO	31,456	(11,864)	19,592
Free cash flow	11,314	(4,300)	7,014
Equity losses	---	---	(6,610)

For a period of three months ending March 31, 2023:

	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	71,871	(23,389)	48,482
EBITDA	54,668	(16,249)	38,418
FFO	39,919	(10,456)	29,463
Free cash flow	22,587	(5,697)	16,890
Equity losses	---	----	(4,585)

For the year ended December 31, 2023:

	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	374,427	(131,924)	242,503
EBITDA	278,342	(89,391)	188,951
FFO	192,710	(52,132)	140,578

	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)
Free cash flow	127,225	(23,741)	103,484
Equity profits (losses)	---	---	(31,637)

* 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 of NIS 3.681 per dollar, and an average exchange rate for the Report Period of NIS 3.66 per dollar, as applicable. The data regarding the systems in Europe are based on exchange rates as of the Report Date of NIS 3.979 to the euro and an average exchange rate for the Report Period of NIS 3.98 to the euro, as applicable.

(6) 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 or sold to customers paying low electricity rates, 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.

(7) As detailed in Sections 3.1 and 3.3.1.1 in the Description of the Corporation's Business chapter, 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.

Projects connected after the Report Date and projects ready to connect [1] (financial data in NIS millions)

Country	Israel		Italy	USA	Poland	Spain	UK	Total
Segment/ project name	PV	Storage	Sunprime	Blue Sky	Dziewoklucz I	Sabinar II	Buxton	
Projected power (MWp)	34.9	---	59.0	0.6	19.7	83.0	---	197.2
Storage capacity (MWh)	---	61.8	---	---	---	---	60.0	121.8
Weighted rate (NIS)	0.36	---	0.36	0.55	0.31	0.19	---	---
Projected annual production hours (KWh/KWp)	1,750	---	1,268	1,579	1,128	2,034	---	---
Expected revenues for the first full year of operation [5] [6]	22.1	8.6 - 12.4	26.7	0.5	7.0	32.7	9.4	107.1 - 110.8
Total projected setup costs [3][10]	92.1	92.6	179.4	6.6	60.1	304.7	121.5	857.0
Cost invested as of Report Date (NIS millions)	41	70	21	6	60	137	50	385
Projected operating cost for the first year of operation [6] [7]	5.0	0.3	3.5	0.1	1.2	6.9	3.2	20.3
Projected EBITDA for the first year of operation [6] [7]	17.0	8.3 - 12.0	23.2	0.4	5.8	25.8	6.2	86.8 - 90.5
Predicted leverage rate (senior debt) [10]	85%	80%	78%	40%	56%	59%	64%	---
Projected loan period (years) [4]	20	20	10	18	7	23	8	---
Projected FFO for the first year of operation [6][8]	12.0	3.5 - 7.2	15.2	0.2	3.8	17.6	1.3	53.5 - 57.2
Rate of holdings [9]	40%	32%	33%	67%	80%	47%	75%	---
Company's share in the cash flow	40%	100%	33%	100%	100%	53%	95%	---
Has senior debt been provided	In relation to some of the projects	No	Yes	No	No	No	Yes	---

Projects under construction or nearing construction as of the publication date of the Report Date [(1)] (financial data in NIS millions)

	Projects under construction										Projects nearing construction						
	Israel		Romania				UK	Serbia	Germany	Italy		Poland	USA	Spain	Romania	UK	Total
Segment/ project name	PV	Storage	Iepuresti	Corbii Mari	Ghimpati	Slobozia	Cellarhead	Ada	Stendal	Sunprime		Cybinka	Blue Sky	Sabinar III	Volter	Turners Farm	
Projected power (MWp)	10.7	---	169.9	265.9	146.6	73.6	---	26.6	---	135.0	48.2	28.5	23.7	40.0	160.0	33.1	1,161.9
Projected storage capacity (MWh)	---	107.3	---	---	---	---	624.0	---	209.0	---	---	---	---	---	---	---	940.3
Weighted rate (NIS) for first full year of operations	0.31	---	0.36	0.35	0.36	0.36	---	0.40	---	0.33	0.32	0.32	0.55	0.2	0.4	0.3	---
Projected annual production hours (KWh/KWp)	1,750	---	1,403	1,395	1,384	1,540	---	1,300	---	1,349	1,412	1,110	1,478	1664.0	1420.0	971.0	---
Expected revenues for the first full year of operation [(5)] [(6)]	5.8	15.0 - 21.5	84.7	128.3	72.1	41.4	124.8	13.9	67.5	59.7	21.6	10.1	19.3	12.7	80.0	11.1	767.9 - 774.3
Total projected setup costs [(3)(10)]	28.9	130.9	493.8	645.4	402.7	224.0	1030.4	80.9	335.7	385.8	135.3	79.4	200.7	73.2	388.4	63.2	4,698.7
Cost invested as of March 31, 2024	3	7	119	128	58	23	49	16	63	181		10	10	---	---	1	668
Projected operating cost for the first year of operation [(6)] [(7)]	1.4	0.9	13.7	16.7	12.2	6.8	26.1	2.8	10.1	8.1.	2.9	2.5	5.2	3.0	12.7	1.7	126.8

	Projects under construction										Projects nearing construction						
	Israel		Romania				UK	Serbia	Germany	Italy		Poland	USA	Spain	Romania	UK	Total
Segment/ project name	PV	Storage	Iepuresti	Corbii Mari	Ghimpati	Slobozia	Cellarhead	Ada	Stendal	Sunprime		Cybinka	Blue Sky	Sabinar III	Volter	Turners Farm	
Projected EBITDA for the first year of operation (6) (7)	4.4	14.1 - 20.6	71.0	111.5	59.9	34.6	98.7	11.0	57.4	51.6	18.7	7.6	14.1	9.7	67.4	9.4	641.1 - 647.6
Predicted leverage rate (senior debt) (10)	85%	80%	50%	55%	50%	55%	64%	56%	55%	78%	78%	56%	40%	59%	55%	55%	---
Projected loan period (years) (4)	20.0	20.0	10.0	10.0	10.0	10.0	7.5	7.0	7.5	10.0	10.0	7.0	18.0	23.0	10.0	12.0	---
Projected FFO for the first year of operation (6)(8)	2.8	7.3 - 13.7	57.4	92.0	48.8	27.8	54.6	8.3	46.4	34.5	12.3	4.9	8.9	7.3	55.6	7.4.	476.2 - 482.6
Rate of the Tax Equity in the investment	---	---	---	---	---	---	---	---	---	---	---	---	40%	---	---	---	---
Projected setup completion date(2)	2024	2024-2025	H2 2025	H2 2025	H2 2025	H2 2025	H2 2025	H2 2024	H2 2025	2024-2025	1905	H2 2025	2024-2025	H1 2025	H2 2025	H2 2025	---
Rate of holdings (9)	43%	25%	95%	95%	95%	95%	75%	85%	100%	33%	33%	100%	67%	47%	95%	80%	---
Company's share in the cash flow	43%	100%	100%	100%	100%	100%	95%	100%	100%	33%	33%	100%	100%	53%	100%	100%	---
Has senior debt been provided	No	No	No	No	No	No	No	No	No	In relation to some of the projects	No	No	No	No	No	No	---

Licensed projects as of the Report publication date (1) (financial data in NIS millions)

Country	Israel		USA	Italy	Poland	England			
Segment/ project name	**PV**	**Storage**	**Blue Sky**	**Sunprime**	**PV**	**Novenutum – Distribution**	**Noventum - Transmission**	**Toton**	**Total**
Projected power (MWp)	85.2	---	79.4	400.2	211.0	757.6	1,158.0	---	2,691.4
Projected storage capacity (MWh)	---	602.9	---	---	0.0	---	---	260.0	862.9
Weighted rate (NIS) for first full year of operations	0.45	---	0.55	0.32	0.32	0.35	0.36	---	---
Projected annual production hours (KWh/KWp)	1,750	---	1,587	1,365	1,072	1,016	1,003	---	---
Expected revenues for the first full year of operation (5) (6)	67.1	84.4 - 120.6	69.6	177.4	73.2	271.5	414.9	61.6	1,219.8 – 1,256.0
Total estimated setup costs (3) (10)	230.1	594.6	701.2	1,137.9	544.6	1,778.7	2,718.6	460.2	8,165.8
Cost invested as of March 31, 2024 (11)	---	37	13	---	29	13		1	93
Projected operating cost for the first year of operation (6) (7)	12.8	5.1	20.5	23.9	11.6	45.2	69.1	10.7	198.8
Projected EBITDA for the first year of operation (6) (7)	54.3	79.3 - 115.5	49.1	153.6	61.6	226.3	345.8	50.9	1,020.9 – 1,057.1
Predicted leverage rate (senior debt) (11)	85%	80%	40%	78%	56%	55%	55%	60%	---
Projected loan period (years) (4)	20.0	20.0	18.0	10.0	7.0	12.0	12.0	10.0	---
Projected FFO for the first year of operation (6)(8)	41.6	48.4 - 84.5	30.9	103.0	43.1	170.5	260.6	32.4	730.4 - 766.6
Rate of the Tax Equity in the investment	---	---	0.4	---	---	---	---	---	---
Projected setup completion date (2)	2025 – 2026	2025 – 2026	2025 - 2026	2026 - 2027	2026	2030	2029	2028	---
Rate of holdings (9)	42%	33%	67%	33%	80%	80%	80%	75%	---
Company's share in the cash flow	42%	100%	100%	33%	100%	100%	100%	95%	---

Projects under development as of the Report publication date [1]

Country	Israel	USA	Poland	UK	Greece	Romania	Italy	Total
		Blue sky	Electrum	Noventum	Storage	Storage	Sunprime	
Power (MW)	485	592	418	1,374	---	---	---	2,868
Projected storage capacity (MWh)	---	165	3,094	---	1,356	320	3,045	7,980
Rate of holdings [10]	39%	67%	80%	80%	100%	95%	33%	---
Company's share in the cash flow	39%	100%	100%	100%	100%	100%	33%	---

The balance of expenses in advance for projects in development amounted, as of March 31, 2024, to a total amount of approximately NIS 19,250 thousand.

(1) For details regarding the conditions for recognizing projects ready for connection, construction, nearing construction, advanced development, and development, see Section 1.1 of the Description of the Corporation's Business Chapter.

It should be noted that the disclosure in relation to projects in Israel, Italy and the USA, which include a large number of projects, none of which is significant to the Company in terms of system suppliers in terms of megawatts, as well as in relation to projects under licensing in the United Kingdom and in relation to all projects under development, are aggregate data, and that the disclosure in relation to the rest of the projects, their types, and geographic location, constitute a separate disclosure in relation to each project.

The data in relation to projects in Poland, Romania, and Italy, are based on an exchange rate of NIS 3.979 to the euro; the data in relation to projects in the United States are based on an exchange rate of NIS 3.681 to the dollar; the data in relation to the UK are based on an exchange rate of NIS 4.653 to the pound.

Regarding the projects in development, advanced development, construction and nearing construction, 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, non-expiration of any of the approvals received by the same date, 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 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 Company's estimates regarding connection dates; The projected construction completion dates of the Iepuresti, Ghimpati, Ada and Cellarhead projects are based on the dates provided in the construction agreements of the projects and the Company's systems regarding construction delays; the dates for completion of the construction of projects in Poland, Romania, 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; The connection date of the storage project in Germany is based on the Company's estimates as to the construction schedules.

(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, the 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 in the costs of construction, transportation, and the financing during the last year; The construction costs in relation to the Sabinar II 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; 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, and the Company's 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 construction costs in accordance with the construction agreements signed, proposals received from contractors or 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 costs set forth in the construction agreements; The construction costs in relation to the Sabinar III project are based on the assessments of the Company's management regarding the construction costs, taking into account the construction costs of the Sabinar II project and changes

occurring in the market; The construction costs in relation to projects of Blue Sky are based on the construction costs per kW of the systems under construction while taking into account the decrease that occurred in the main equipment costs; The construction costs in relation to the Buxton and Cellarhead projects are based on the construction, purchase and maintenance agreements signed in relation to the project; The construction costs of the Toton project are based on the estimates by the Company's management given the offers received in relation to the Buxton and Cellarhead projects; The construction costs in relation to the Stendal project are based on the construction cost of the rights in the project and the draft of the construction and procurement agreements of these 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 II project, the leverage rate and financing terms are based on the terms of the financing agreement signed in relation to the financing of the Sabinar II project. It should be emphasized that as of the Report Date, the conditions precedent for release and use of the money have not yet been met. 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 56% at an interest rate of 5%-7% was assumed in accordance with indications received within the negotiations and the EURIBOR swap rates for the estimated loan period; for the projects in Romania, an indicative financing rate of approximately 50%-60% was assumed, with an interest rate of 5%-7%, according to indications received within negotiations and the EURIBOR Swap Rates for the estimated loan periods; for the projects in Serbia, an indicative financing rate of approximately 50%-60% was assumed, with an interest rate of 5% to 7%, in accordance with the financing costs in Poland and EURIBOR Swap Rates for the estimated loan period; 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 or purchase the ITC benefit against a cash payment. 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 to which tax partners have entered; in relation to the Buxton project, financing costs are in accordance with the terms of the financing agreement signed, and Sonia Swap Rates for the estimated loan period; in relation to the Cellarhead project, indicative financing was assumed at a rate of 60%-70% of the project cost at interest of 6% to 7%, based on the terms of the Buxton financing agreement and the Sonia Swap Rates for the estimated loan period; in relation to the Toton project, 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 and the market estimations regarding the interest rate; in relation to the Stendal project, an indicative financing rate of about 50%-60% was assumed, with interest of 5.5%-6.5%, based on initial indications received. It will be emphasized that as of the Report Date, there is no certainty that the financing terms will be in accordance with the Company's estimates. As to the Volter and

Toton projects, it is noted that the Company has not yet completed its purchase (which, regarding Toton, 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 140 and NIS 200 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 II project are based on the estimates regarding the electricity prices in the market and 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 and regarding electricity sold in the market, the forecast of rates of green certificates in the State), 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 II; 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 (in addition to linkage to the index based on the consulting company's estimates and the forecast of green certificate rates in the State) and an assumption of working hours of sunlight as detailed in the table above. It should also be noted that to the extent that the project company enters into a PPA agreement, the actual revenues will 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 on the open market in the first year of operation of each project as detailed above received from an international consulting company (plus index linkage according to the consulting company's estimates and the forecast regarding prices of green certificates in the State) and a working assumption of between 1,026 and 1,142 hours of sunlight per year, depending on the location of the project; The revenues in the table in relation to Sunprime's project are based on the rates won by Sunprime in the tenders (which range from 65.5 to 102 euros per kWh, and which stand on average at about EUR 88 per 1 megawatt hour) and a working assumption of about 1,342 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 (in addition to linkage to the index based on the estimates of the consulting company and the forecast of rates for green certificates in the State), 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 1,475 for 1,700 hours, depending on the geographic location of the system), and estimates that all the electricity produced in the systems will be sold to consumers. It should be noted that during 2023 and the Report Period, the average rate paid to Blue Sky was about 18 cents and 16 cents per kWh, respectively, for electricity sold to consumers (and about 13 cents and 10 cents per kWh produced, respectively, since Blue Sky did not allocate all the electricity produced in the systems, did not collect payments for any electricity produced in its systems, and that electricity not associated with a specific customer was fed into the grid against payment of a negligible amount); The revenues in the table in relation to the Cellarhead, Buxton, Toton and Stendal 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 and management 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 maintenance agreements in which the Group Companies engaged; Regarding the projects in Serbia, operating expenses were assumed according to the maintenance agreements in which the Group Companies engaged; Regarding the storage project in Germany, operating expenses were assumed according to the agreements with the construction and battery contractors; Regarding Blue Sky - it was assumed that the annual operating expenses will be in accordance with the average operating expenses per kilowatt in the connected systems. Additionally, the depreciation of the systems was calculated assuming a 5-year spread. It is noted that the past 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. In new agreements with tax partners, the transaction structure is designed so that the tax partner benefits from tax benefits without receiving a percentage of the proceeds, and accordingly, the operational costs that these

distributions incurred are expected to decrease for the tax partner in new projects. The EBITDA and the 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 amounts agreed with the construction and maintenance contractor; regarding the Toton project, operating costs were assumed in accordance with the offers 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 that are detailed in Note (5) above. It should be emphasized that as of the Report Date, financing had not yet been obtained for the Blue Sky, Cellarhead, Toton projects, the projects in Romania (other than Ratesti), Poland, Serbia, and Germany, 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) The share of the Company's holdings is calculated as a weighted average, indirectly, in relation to the system providers.

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

(10) 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.

(11) 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, all the projects in the table, with the exception of the Ratesti, Olmedilla, Sabinar I, Buxton, and 215 megawatt projects in commercial operation and construction owned by Sunprime, are financed 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 or a connection point 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 in the countries in which the Group operates, changes in policy and/or financing costs, challenges in raising sources of funds, 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, the impact of the Iron Swords war on the Company's activity, and the existence of one (or more) of the risk factors listed in Section 4.14 in the Description of the Corporation's Business chapter of the 2023 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 connection response, available quotas, meeting the tests of the Electricity Authority, connection approval, etc.), as detailed in Sections 3.1.1.1, 3.3.1.3, 3.3.1.5, 4.9 and 4.14 in the chapter of the Description of the Corporation's Business of the 2023 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 of the 2023 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, including forfeiture of guarantees provided in relation to the project, 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 2024, 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 2024, Atlantic Green UK Limited ("**Atlantic Green**"), the Company's storage platform in the UK, which is 75% owned by the Company, continued to lead the construction and connection activity of the Buxton and Cellarhead projects. These actions included entering into construction and maintenance agreements for the Cellarhead project, with a capacity of approximately 624 megawatt hours[2], which is one of the largest in the UK, and the completion of the connection works and the acceptance tests of the Buxton project with a capacity of 60 megawatt hours, to the electricity grid. At the same time, Atlantic Green is in advanced negotiations to close senior financing for the Cellarhead project in the amount of approximately GBP 145 million with a consortium of leading international banks. This agreement will join the financing agreement for the Buxton project which was financed by Goldman Sachs to the extent of GBP 16.5 million. Beyond that, the platform examines and manages discussions for the purchase of additional storage projects in the UK.

1.5.2 Romania – During the year 2024, the construction of the Ieporesti, Ghimpachi projects began (with a total capacity of about 317 megawatts) and the purchase of the Slobozia project was completed such that all the approvals required to start its construction were received. In addition, the Company expanded the panel procurement agreement to include panels for the Slobozia project as well and improved the procurement conditions in relation to some of the projects of the previous deal. As of the Report Date, the local development platform is conducting negotiations regarding entering into construction and maintenance agreements for the remaining projects and is also negotiating the receipt of project financing for the Ieporesti and Ghimpachi projects. Furthermore, as of the Report Date, the local platform is considering the initiation, purchase and development of solar projects and additional storage projects in Romania.[3]

1.5.3 Spain - As of the Report Date, the Company owns four solar projects which are connected, ready to connect, or nearing construction in the country with an aggregate capacity of 447 MW. Of this, the supplier of about 274 megawatts sells the electricity it produces under PPA agreements for a period of between 3 and 9 years. As of the Report Date, the development platform is engaged in completing the construction and connection of the Sabinar II project, at the same time as continuing the initiation of the Sabinar III project.

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[2] For additional details regarding the terms of the construction and maintenance agreements, see the immediate report published by the Company on April 30, 2024 (reference no.: 2024-01-041053), which is included in this Report by way of reference.

[3] 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.

1.5.4 Italy - The Company is active in Italy through the company Sunprime HoldCo SRL ("**Sunprime**") which is held indirectly at a rate of approximately 33.3% by the Company, which specializes in roof projects in Italy at secured and high rates (CfD). During 2024, Sunprime continued to establish and connect projects, at the same time as continuing to expand its backlog of projects, and is also conducting negotiations regarding additional project financing in the amount of approximately EUR 180 million, which will be used to finance the establishment of projects with an estimated capacity of approximately 220 megawatts. This financing will bring the total amount of senior financing closed by Sunprime to EUR 330 million.

1.5.5 Israel - As of the Report Date, the scope of projects connected and ready to connect in Israel is about 350 megawatts[4]. 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 198 megawatt hours.

In 2024 and until the publication date of the Report, the Company has completed the construction or connection of approximately 48 solar megawatts on rooftops and reservoirs in Israel, and 69 megawatt hours of behind-the-meter storage systems. Most of the systems were established by the Company, which is the EPC and O&M contractor, which generate additional sources of income and profit for the Company.

1.5.6 Noventum company - A British platform established by Nofer in 2021 together with a local partner, with Nofer owning 80% of the company and financing the partner's share, in an interest-bearing loan. The platform focuses on the development of renewable energy projects. The Company has developed capabilities and expertise at all levels of developing renewable projects in the country and has created a significant backlog of projects of approximately 3.3 gigawatts, most of which have been approved for connection to the electricity grid. During 2024, Noventum continued to develop and promote its backlog of projects.

1.5.7 Germany - During 2023, the Company entered Germany after completing a transaction in December 2023 to purchase a battery storage project with a capacity of 104 megawatts in Germany (Stendal project).[5] As of the Report Date, the Company is negotiating with a battery supplier and construction contractor regarding the construction of the project, as well as with potential financiers and optimizers to receive financing for the project.

1.5.8 Poland - During 2023, Electrum Nofar SP Zoo ("**Electrum Nofar**"), a corporation owned 80% by the Company, completed the construction and connection of the Krzywinskie project (a solar

[4] For details regarding the percentage of the Company's holdings in projects that are connected and ready to connect, see Section 1.4 above.

[5] For additional details, see the immediate report published by the Company on December 22, 2023 (reference no.: 2023-01-117630), and December 31, 2023 (reference no.: 2023-01-118153) which is included in this Report by way of reference.

project with a capacity of about 20 megawatts)[6].

As of the Report Date, Electrum Nofar is engaged in the establishment, development and initiation[7] of solar projects and storage projects with a total capacity of approximately 629 megawatts and 3.1 gigawatt hours, in parallel with the completion of the connection of the Dziewoklucz project (a solar project with a capacity of about 19.7 megawatts). In addition, in light of changes in regulation in Poland, as of the Report Date, Nofar Europe is working to increase the supply of the Cybinka project.

1.5.9 Serbia - Following Nofar Europe's entry into two solar projects with a total capacity of approximately 26.6 megawatts in Serbia, during 2023, the project companies engaged in construction agreements of the projects, and as of the Report Date, the projects are in the construction stages. As of the Report Date, the development platform in Serbia is preparing to receive financing for the project at the same time as locating additional projects.

1.5.10 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. [8]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, improving the composition of renters to which the right for the electricity is sold, increasing partnerships with REIT funds, creating new partnerships, and entering into additional segments in the United States.

1.5.11 Greece - 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 1,356 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.

During the first half of 2023, there was a continued increase in inflation around the world, an increase

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6 For additional details, see the immediate report published by the Company on October 26, 2023 (reference no.: 2023-01-098344), which is included in this Report by way of reference.

7 In light of the initial stages of development, as of the Report Date, there is no certainty regarding the success of the negotiations or the establishment of the systems.

8 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, respectively), which is included in this Report by way of reference.

in interest rates, changes in exchange rates, etc., as set forth in Section 2.2 of the Description of the Corporation's Business Chapter and the Company's periodic report for 2023. As of the third quarter of 2023, economic activity in the world moderated and inflation decreased or stabilized, in most of the world. In addition, core inflation also began to moderate, although in most countries inflation and core inflation are still higher than the targets of the central banks. Accordingly, according to estimates, there are signs of a halt in the trend of rising interest rates in the world.

In Israel, during the first quarter of the year, there was an increase in the consumer price index at a rate of about 0.3%, which also continued in the second quarter of the year. 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 was assessed at the time (by senior economists in the economy, Bank of Israel, senior officials in the Ministry of Finance, and international credit rating firms), as possibly leading to social and political instability, alongside a negative impact on the state of the Israeli economy and the economy in Israel. These actions caused, among other things, sharp drops in the stock market and devaluation of the shekel in relation to other currencies.

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 shipping costs, etc.

On October 7, 2023, the "Iron Swords" War broke out and a state of war was declared in Israel, which is still currently ongoing. In relation to the Group's activity, given its activity in a vital field for the economy and to the fact that the Company considers the continuity of business activity as a national mission, the Group continues its current activity in Israel, including the continuation of the initiation, planning and construction of the projects, all under the necessary limitations and the instructions from the Home Front Command. As of the Report Date, there was no significant impact of the war on the Group's activities and financial results. Thus, the Company's activity outside of Israel continues as usual. In addition, the activity in Israel continues as usual, subject to the limitations of the Home Front Command. At the same time, it should be noted that the Company has systems of an insignificant size located in the area surrounding Gaza and the North which were damaged as a result of the war (most of them are working, although at incomplete capacity). In addition, some of the Company's employees were recruited for reserve duty, which temporarily reduced the Company's workforce and required the Company to reorganize in relation to its activities in the shadow of the war. Naturally, the war and its continuation may have an effect on the extension of the timetables for the construction of the Group's projects in Israel, on the duration of the development operations of the Group's backlog of projects in Israel, on the rate of advancement of the projects abroad and, accordingly, on the timing of the start of the sale of electricity from these facilities. Also, the deterioration of the financial situation of the State of Israel may lead to a depreciation of the shekel in relation to other currencies, difficulty in raising capital and debt, etc. In addition, the continued disruptions in the shipping routes in the Red Sea may cause delays in the delivery dates of parts of the eastern regions and an increase in the prices of sea transportation.

These changes - in Israel and around the world - have consequences, *inter alia*, for the Company's financing costs (at the corporate level and at the level of the 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 2023, 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 2023, which is included in this Report by way of reference.

As of the Report Date, there is uncertainty regarding the development of the war, its scope, duration and effects, and therefore the Company is unable to assess at this stage the future impact of the war on the Group's activities and financial results.

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, in connection with the war, its duration, intensity and impact, 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 2023, which is included in this Report by way of reference.

1.5 Financial condition:

Section	Mar. 31, 2024 Amount	Mar. 31, 2024 % of total balance sheet	March 31, 2023 Amount	March 31, 2023 % of total balance sheet	December 31, 2023 Amount	December 31, 2023 % of total balance sheet	Explanations of the Board of Directors
	As of						
	In NIS thousands						
Cash and cash equivalents	903,087	14.6%	171,194	3.6%	661,388	11.7%	See the report on cash flows, the main increase from the corresponding period last year comes from issuing bonds, allotting shares and receiving loans from banking corporations in return for injecting capital into projects in Europe and Israel, gaining control of a subsidiary and paying remote consideration for gaining control. The increase in relation to December 2023 is due to the expansion of Series C bonds.
Deposits in bank corporations and others	1,815	0.0%	381,225	8.0%	10,011	0.2%	The main decrease is due to repayment of deposits.
Restricted use deposits	209,989	3.4%	1,798	0.0%	---	0.0%	The balance stems from funding for a project that has not yet met the conditions for its withdrawal.
Customers	150,031	2.4%	250,764	5.2%	217,172	3.8%	The main decrease from the corresponding period last year and December is due receipts received and a decrease in the Company's income from the construction activity.
Financial derivative	5,973	0.1%	---	0.0%	4,114	0.1%	The balance is due to forward transactions with banks in Israel.
Accounts receivable	58,181	0.9%	92,301	1.9%	54,956	1.0%	The main decrease compared to the corresponding period last year is due to the start of projects that have completed the initiation and development phase and their construction has begun abroad and a decrease in advances to suppliers.
Inventory	47,431	0.8%	57,922	1.2%	58,058	1.0%	The decrease is due to stocking up on inventory for projects in the corresponding period.
Total current assets	**1,376,507**		**955,204**		**1,005,699**		
Investments in corporations accounted for using the equity method	1,048,061	17.0%	1,077,815	22.5%	982,404	17.3%	The main decrease compared to the corresponding period during the previous year is due to obtaining control of corporations that were handled using the equity method, including by way of loans compared to an increased in investments for the construction of projects, as well as the Company's share of the revaluation of fixed assets in the associates in the Report Period.
Right of use asset	312,454	5.1%	210,204	4.4%	307,700	5.4%	The increase compared to the corresponding period last year is mainly due to consolidated companies in which control was obtained, and additional engagements of the Group during the Report Period.

Section	As of						Explanations of the Board of Directors
	Mar. 31, 2024		March 31, 2023		December 31, 2023		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Fixed assets	3,152,480	51%	2,234,981	46.7%	3,084,619	54.4%	The increase in the balance of fixed assets in relation to the corresponding period the previous year is mainly due to the establishment of photovoltaic systems owned by the Group during the Report Period.
Intangible asset	154,148	2.5%	179,457	3.7%	152,866	2.7%	The balance mainly stems from goodwill from companies in which control was achieved.
Restricted use cash and deposits	7,081	0.1%	6,663	0.1%	7,032	0.1%	Cash and deposits used to secure repayment of loans.
Financial assets	41,618	0.7%	47,206	1.0%	42,333	0.7%	
Deferred taxes	15,889	0.3%	6,111	0.1%	12,569	0.2%	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.
Other receivables	36,488	0.6%	33,586	0.7%	36,370	0.6%	
Deposits in bank corporations and others	37,258	0.6%	36,734	0.8%	36,675	0.6%	
Total non-current assets	**4,805,477**		**3,832,757**		**4,662,568**		
Total assets	**6,181,984**		**4,787,961**		**5,668,267**		
Short-term loans and current maturities for long-term loans from banks	96,180	1.6%	345,354	7.2%	69,896	1.2%	The decrease compared to the corresponding period last year is due to the repayment of short-term loan. The increase compared to December 2023 is due to short-term project credit.
Bonds - current maturities	127,233	2.1%	122,683	2.6%	126,871	2.2%	
Current maturities of long-term lease liability	20,028	0.3%	13,803	0.3%	19,634	0.3%	
Suppliers and service providers	72,100	1.2%	94,973	2.0%	72,062	1.3%	The main decrease compared to the corresponding period last year is due to a decrease in the construction activity in Israel.
Liability for deferred consideration in a business combination	4,026	0.1%	114,454	2.4%	4,862	0.1%	The decrease in relation to the corresponding period last year results from the payment of deferred consideration for a company in which control was obtained.

Section	As of						Explanations of the Board of Directors
	Mar. 31, 2024		March 31, 2023		December 31, 2023		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Accounts payable	57,960	0.9%	53,246	1.1%	54,807	1.0%	The main increase compared to the corresponding period last year is due to interest to be paid for the bond against a decrease in the commitment to the minority and a decrease in the commitment to pay for competitive procedures last year.
Financial derivatives	1,918	0.0%	9,508	0.2%	1,918	0.0%	The decrease compared to the corresponding period last year is due to the repayment of forward transactions with banks. Financial derivatives are measured at fair value through profit or loss.
Total current liabilities	**379,445**		**754,021**		**350,050**		
Long-term loans from banks	879,270	14.2%	327,755	6.8%	688,996	12.2%	The main increase is due to loans received from banking corporations in consolidated companies.
Liabilities for leases	295,517	4.8%	199,775	4.2%	291,712	5.1%	The increase compared to the corresponding period last year is mainly due to consolidated companies in which control was obtained, and additional engagements of the Group during the Report Period.
Loans from related parties	9,454	0.2%	23,787	0.5%	8,494	0.1%	The decrease compared to the corresponding period last year is due to the repayment of loans received from Noy Fund in a consolidated partnership.
Deferred taxes	210,865	3.4%	191,175	4.0%	211,855	3.7%	
Bonds	1,294,144	20.9%	622,074	13.0%	956,209	16.9%	The increase compared to the corresponding period last year is due to the expansion of A bonds (minus payments made) and the issuance of Series C bonds. The increase compared to December 2023 is due to the expansion of C Bonds.
Convertible bonds	370,167	6.0%	-	0.0%	368,571	6.5%	The increase in relation to the corresponding period last year in the Report Period is due to the bond issuance less the conversion component.
Other liabilities	20,406	0.3%	23,326	0.5%	21,259	0.4%	The balance mainly stems from a commitment to the tax partner in the US, from a commitment to vacate and dispose.
Total non-current liabilities	**3,079,823**		**1,387,892**		**2,547,096**		
Share capital and premium	1,716,256	27.8%	1,568,696	32.8%	1,716,256	30.3%	The increase compared to the same period last year is due to the allotment of shares.
Profit (loss) balance	(168,982)	(2.7%)	(90,155)	(1.9%)	(153,354)	(2.7%)	

<table>
<tr><th rowspan="4">Section</th><th colspan="6">As of</th><th rowspan="4">Explanations of the Board of Directors</th></tr>
<tr><th colspan="2">Mar. 31, 2024</th><th colspan="2">March 31, 2023</th><th colspan="2">December 31, 2023</th></tr>
<tr><th colspan="6">In NIS thousands</th></tr>
<tr><th>Amount</th><th>% of total balance sheet</th><th>Amount</th><th>% of total balance sheet</th><th>Amount</th><th>% of total balance sheet</th></tr>
<tr><td>Capital reserves</td><td>247,721</td><td>4.0%</td><td>189,367</td><td>4.0%</td><td>259,105</td><td>4.6%</td><td>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, the capital component of convertible bonds, and change in the translation difference fund. The decrease compared to December 2023 is due to a decrease in the translation differences fund following the decline of the euro.</td></tr>
<tr><td>Total capital attributed to shareholders of the Company</td><td colspan="2">1,794,995</td><td colspan="2">1,667,908</td><td colspan="2">1,822,007</td><td></td></tr>
<tr><td>Non-controlling interests</td><td>927,721</td><td>15.01%</td><td>978,140</td><td>20.43%</td><td>949,114</td><td>16.74%</td><td>In respect of consolidated companies in which control was obtained.</td></tr>
<tr><td>Total capital</td><td colspan="2">2,722,716</td><td colspan="2">2,646,048</td><td colspan="2">2,771,121</td><td></td></tr>
</table>

1.6 **Results of operations:**

Section	For a period of three months ending March 31		For a period of one year ending on December 31	Explanations of the Board of Directors
	2024	2023	2023	
	NIS thousands			
Revenues from the sale of electricity and others	65,458	73,230	320,779	The main change is due to a decrease in income for construction of solar systems and decrease in production in Europe.
Other income - tax partner	639	617	2,575	
Compensation for loss of income	---	19,976	21,007	
Total income	**66,097**	**93,823**	**344,361**	
Setup and operating costs	67,277	86,525	318,475	The main decrease compared to the corresponding period is due to a decrease in revenues from the establishment of projects against an increase in maintenance and operation expenses, the Company's manpower situation and depreciation expenses.
Management and general expenses	16,051	16,481	69,961	Mainly HR expenses, professional services, management, maintenance, office and advertising fees.
Marketing and sale expenses	2,406	2,340	9,301	
Other expenses	4,170	146	39,197	
Total expenses	**89,904**	**105,492**	**436,934**	
Other income	3,665	1,426	51,282	Previous periods in respect of obtaining control of an associate company.
Operating loss	**(20,142)**	**(10,243)**	**(41,291)**	
Rate of operating profit (loss) from revenues	((30.47%	((10.92%	((11.99%	
Financing expenses	30,422	28,152	125,525	Main increase arises from interest and linkage for bonds and loans from bank corporations.
Financing income	(17,995)	(15,646)	(70,103)	The main income is due to exchange rate differences in respect of foreign exchange balances, interest income for the Company accounted for using the equity method, and interest for deposits in banks.
Net financing expenses	12,427	12,506	55,422	
Loss after financing expenses	**(32,569)**	**(22,749)**	**(96,713)**	
The Company's share of losses of companies treated according to the equity method, net	(6,610)	(4,585)	(31,637)	
Loss before income tax	**(39,179)**	**(27,334)**	**(128,350)**	

Section	For a period of three months ending March 31		For a period of one year ending on December 31	Explanations of the Board of Directors
	2024	2023	2023	
	NIS thousands			
Revenues from the sale of electricity and others	65,458	73,230	320,779	The main change is due to a decrease in income for construction of solar systems and decrease in production in Europe.
Other income - tax partner	639	617	2,575	
Compensation for loss of income	---	19,976	21,007	
Total income	**66,097**	**93,823**	**344,361**	
Setup and operating costs	67,277	86,525	318,475	The main decrease compared to the corresponding period is due to a decrease in revenues from the establishment of projects against an increase in maintenance and operation expenses, the Company's manpower situation and depreciation expenses.
Management and general expenses	16,051	16,481	69,961	Mainly HR expenses, professional services, management, maintenance, office and advertising fees.
Marketing and sale expenses	2,406	2,340	9,301	
Other expenses	4,170	146	39,197	
Total expenses	**89,904**	**105,492**	**436,934**	
Other income	3,665	1,426	51,282	Previous periods in respect of obtaining control of an associate company.
Operating loss	**(20,142)**	**(10,243)**	**(41,291)**	
Rate of operating profit (loss) from revenues	(30.47%)	(10.92%)	(11.99%)	
Financing expenses	30,422	28,152	125,525	Main increase arises from interest and linkage for bonds and loans from bank corporations.
Financing income	(17,995)	(15,646)	(70,103)	The main income is due to exchange rate differences in respect of foreign exchange balances, interest income for the Company accounted for using the equity method, and interest for deposits in banks.
Net financing expenses	12,427	12,506	55,422	
Loss after financing expenses	**(32,569)**	**(22,749)**	**(96,713)**	
The Company's share of losses of companies treated according to the equity method, net	(6,610)	(4,585)	(31,637)	

Loss before income tax	**(39,179)**	**(27,334)**	**(128,350)**	

Section	For a period of three months ending March 31		For a period of one year ending on December 31	Explanations of the Board of Directors
	2024	2023	2022	
	NIS thousands			
Rate of profit (loss) before income taxes	((59%	((29%	((37%	
Income tax expenses (tax benefit)	(6,586)	(2,320)	(26,521)	The change is due to updating the Group's deferred taxes.
Loss for the period	**(32,593)**	**(25,014)**	**(101,829)**	
Loss for the period attributed to:				
Shareholders of the Company	(17,011)	(22,323)	(88,661)	
Non-controlling interests	(15,582)	(2,691)	(13,168)	
Total loss for the period	**(32,593)**	**(25,014)**	**(101,829)**	
Loss rate for period	((49%	(27%)	(30%)	
Adjustments arising from hedging transactions	(2,541)	(1,472)	(6,952)	The change is due to adjustments in the fund in a consolidated company.
Adjustments arising from translation of financial statements for foreign operations	(15,749)	110,446	145,252	The change is due to exchange rate differences in respect of foreign currency balances.
Revaluation for fixed assets	446	821	6,391	The change is due to the update of the revaluation fund carried out by the Company regarding solar systems operating on rooftops.
Part of other comprehensive income of corporations accounted for using the equity method	1,110	2,716	34,846	The change is due to the update of the revaluation fund carried out by the Company regarding solar systems operating on rooftops and floating systems in associates.
Total other comprehensive profit (loss)	**(16,734)**	**112,511**	**179,537**	
Shareholders of the Company	(27,934)	48,116	29,238	
Non-controlling interests	(21,393)	39,381	48,470	
Total comprehensive profit (loss) for the period	**(49,327)**	**87,497**	**77,708**	

1.7 **Liquidity:**

Section	For a period of three months ending March 31		For a period of one year ending on December 31	Explanations of the Board of Directors
	2024	2023	2022	
	NIS thousands			
Net cash flow from (used in) current activities	50,366	(53,456)	(65,638)	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	(353,709)	(60,865)	(384,206)	See Consolidated Statements of Cash Flows. The cash flow used for the investment activity and the increase in relation to the corresponding period last year resulted mainly from investments and loans in companies accounted for using the equity method, investments in fixed assets and obtaining control of companies.
Net cash flow arising from financing activities	543,653	45,113	890,715	See Consolidated Statements of Cash Flows. The cash flow resulting from financing activities in relation to the corresponding period last year resulted mainly from the allocation of shares, the issuance of bonds, the distribution of rights that do not confer control and the receipt of long-term loans. In relation to December 2023, the increase is mainly due to the expansion of bonds.

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 positive cash flow from current activities in the consolidated and solo report, as well as positive working capital in the consolidated and solo report.

Notwithstanding the above, for the sake of caution, as part of the Company's board of directors' meeting held on May 2024, 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. Among other things, 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 ongoing negative cash flow from current activity in 2022 and 2023 stemmed 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, ongoing negative cash flow from current operations in 2022 and 2023 does not indicate a liquidity problem in the Company.

1.8 **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:

1.8.1 The issue of shares - Following the Noy Fund's private investment in the Company in September 2020, in which it invested a total of approximately NIS 224.9 million, against the allotment of shares which at the time constituted approximately 24.64% of the Company's issued and paid-up capital, and for an initial public offering (IPO) of the Company's shares by virtue of the Company's prospectus, in which the company issued, during December 2020, 5,802,950 shares, for which the Company was paid a total of NIS 577,974 thousand, 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. On May 8, 2023, the Company completed a private placement and listing for trade of 1.9 million 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, including the Harel Group, which became an interested party in the Company as a result of this issue. For more details, see immediate reports published by the Company on April 24, 2023 (Reference No. 2023-01-038290 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.

1.8.2 Issuance of Bonds - on August 16, 2021, the Company completed the issue of NIS 400 million par value 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, respectively), 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, of 317,005,000 Bonds (Series A). The Bonds (Series A) were issued against payment of an amount of 98.5 agurot 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, of NIS 250 million par value Bonds (Series A). The Bonds (Series A) were issued against payment of an amount of 97.35 agurot per NIS 1 par value of Bond, and in total, consideration of NIS 243.3 for all of the aforesaid Bonds (Series A). Following the issue of the private placement, the total Bonds (Series A) increased to approximately NIS 967 million 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, and December 31, 2023, partial repayments of the Bonds (Series A) occurred such that the total of the Bonds (Series A) as of the Report Date is NIS 812 million par value. For additional details, see the immediate reports published by the Company on July 2, 2023 (Reference No.: 2023-01-062008), and January 1, 2024 (Reference No.: 2024-01-000058) which is included in this Report by way of reference.

On July 20, 2023, the Company completed the issuance of NIS 407.5 million par value 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 and immediate reports published by the Company on July 18, 2023 (reference no.: 2023-01-082041), dated July 20, 2023 (reference no.: 2023-01-082740) and dated July 23, 2023 (reference no.: 2023-01-083901), which is included herein by way of reference.

On July 20, 2023, the Company completed the issuance of NIS 233.9 million par value 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 C), see **Appendix A** of the Board of Directors' Report and immediate reports published by the Company on July 18, 2023 (Reference No.: 2023-01-082041), dated July 20, 2023 (Reference No.: 2023-01-082740) and dated July 23, 2023 (Reference No.: 2023-01-083904), which is included herein by way of reference.

In February 2024, the Company completed a private placement, by way of a series expansion, to classified investors, of NIS 325 million par value Bonds (Series C). The Bonds (Series C) were issued against payment of an amount of 102.65 agurot per NIS 1 par value of Bond, and in total, consideration of NIS 333.6 for all of the aforesaid Bonds (Series C). For additional details regarding the terms of the issue, see the immediate report published by the Company on February 13, 2024 (Reference No.: 2024-01-013084), which is included in this Report by way of reference.

1.8.3 Long-term loans (including current maturities) - the average long-term credit was about NIS 704.1 million in the first quarter of 2024, compared to about NIS 299 million in the corresponding period last year, and compared to about NIS 499.3 million in 2023.

The average rate of the long-term credit cost was about 5.2% in the first quarter of 2024, compared to about 6.8% in the corresponding period last year and about 5.5% in 2023.

1.8.4 Short-term credit - The average short-term credit was about NIS 25.9 million in the first quarter of 2024, compared to about NIS 315.8 million in the corresponding period last year, and compared to about NIS 275.7 million in 2023.

The average rate of the short-term credit cost was about 6.8% in the first quarter of 2024, compared to about 5.1% in the corresponding period last year, and about 5.1% in 2023.

1.8.5 Suppliers - The credit provided to the Group by the suppliers ranges between cash and net+60. The average supplier days amounted to about 65 days in the first quarter of 2024, compared to about 65 days in the corresponding quarter last year, and about 65 days in 2023.

The average credit balance of the suppliers amounted to about NIS 72 million in the first quarter of 2024, compared to about NIS 98 million in the corresponding period last year and about NIS 86.5 million in 2023.

1.8.6 Customers - The credit provided by the Group to customers ranges between cash and net+60. The average customer days amounted to about 75 days in the first quarter of 2024, compared to about 75 days in the corresponding quarter last year, and about 75days in 2023.

The customers' average credit balance amounted to about NIS 183.6 million in the first quarter of 2024, compared to about NIS 256.2 million in the corresponding period last year and about NIS 239.4 million in 2023.

The gap between the balance of the suppliers and the balance of the customers stems from the fact that the Company usually provides customer credit to the project corporations in which it holds for relatively long periods, until financing is received by the project companies or the capital is provided by the shareholders of the project company.

1.8.7 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.

1.9 Substantial loans and credits

For details regarding material loans and credits taken by the Group, see Section 4.5.5 of the Description of the Corporation's Business chapter, Section 4.5.5 in Part A of the Periodic Report for 2023, and Section 4.5.5 in Part A of the Periodic Report for 2022, 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, respectively), 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	Loan balance as of March 31, 2024 (in NIS millions)	Commitment to meeting financial standards	Compliance calculation for March 31, 2024
The Company	The trustee for holders of Bonds (Series A)	888	Minimum equity of NIS 550 million. A minimum ratio between solo equity and net solo balance of 35% . The ratio of consolidated net financial debt to EBITDA will not exceed 15[9], all, for two consecutive quarters.	Equity attributed to the Company's shareholders - approximately NIS 1,795 million. Equity to solo balance sheet ratio of about 59%. Solo equity - NIS 1,795 million. Solo net

9 As of the Report Date, the Company has a net financial asset (as defined in the trust deed) in the amount of approximately NIS 144 million and EBITDA (as defined in the trust deed) in the amount of approximately NIS 51 million, therefore the Company meets this ratio.
It is clarified that in accordance with the provisions of the trust deeds signed by the Company and Mishmeret Trust Services Ltd., the consolidated net financial debt, which is used to calculate the numerator in the aforementioned ratio, includes the financial debt taken by the Company and corporations under its control, but it does not include, among other things, the Company's share in the financial debt taken by affiliated companies and deducted from it, among other things,

Borrower name	Lender's details	Loan balance as of March 31, 2024 (in NIS millions)	Commitment to meeting financial standards	Compliance calculation for March 31, 2024
	The trustee for holders of Bonds (Series B)	407.5	Minimum equity of NIS 900 million The ratio between solo equity and the total solo net balance sheet of 36% 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%, the consolidated net financial debt to EBITDA ratio will not exceed 15, all, for two consecutive quarters.	balance sheet - NIS 3,045 million. Consolidated equity to consolidated balance sheet ratio 44%. Ratio of consolidated net financial debt to EBITDA - as of the Report Date, the Company has a financial asset.
	The trustee for holders of Bonds (Series C)	558.9		
Olmedilla[10]	Banking corporations in Spain	220,623	On June 30 and December 31 each year, as of the COD date (i.e., July 2023), and provided that the project operates for 12 months, historical debt coverage ratio (DSCR)[11] For last 12 months of 1.05. Maximum leverage ratio of 56%. Maintaining reserve accounts and minimal equity in the project.	Examining the project company's compliance with the debt coverage ratio takes place on June 30 and December 31. Accordingly, as of the Report Date, Olmedilla is not required to calculate compliance with the financial ratios.
Sabinar[12]	German financial body	303,628	On June 30 and December 31 each year, as of the COD date of Sabinar I and provided that Sabinar I has operated for 12 months, the historic ADSCR[13] for the last 12 months will not be less than 1.05.	Examining the project company's compliance with the debt coverage ratio takes place on June 30 and December 31. Accordingly, as of the Report Date, Sabinar is not required to calculate compliance with the debt coverage ratio.

the financial debt taken by the Company and corporations under its control for the benefit of the initiation and construction activities, for the benefit of projects under construction and for the benefit of projects that have not yet passed a year from the date of their commercial operation or from the date of completion of their purchase, whichever is later, including financial debt taken by the Company and corporations under its control in the amount of the amounts put forward for the benefit of these projects (including for the benefit of projects held by affiliated companies), provided that there is no other senior financial debt for such financing.

Also, the EBITDA used to calculate the denominator in the ratio is based on profit before financing, taxation, depreciation and amortization according to the Company's financial statements, plus profits and management and initiation fees from consolidated corporations, excluding profits (losses) and one-time expenses as specified in the trust deed and excluding expenses for share based payment. Therefore, the EBITDA used to calculate the said ratio includes the results of the establishment activity and operation of the Company and of corporations under its control (excluding adjustments as specified in the trust deed), the profits and initiation fees from consolidated companies as well as the results of activities of the consolidated projects, excluding expenses as specified in the trust deed. Accordingly, the aforementioned EBITDA does not include the Company's share of the results of the activities of the Company's associated companies (which are handled in its financial statements according to the equity method; the "**Associated Companies**").

10 For additional details, see Section 4.5.5 in the Description of the Corporation's Business chapter in the Periodic Report for 2023, which is included in this report by way of reference.

11 "DSCR" is the ratio between the flow in a certain period and the payments under the financing agreement in that period (principal, interest, fees, etc.).

12 For additional details, see Appendix A of the immediate report published by the Company on February 19, 2023 (reference no.: 2023-01-015742), which is included in this Report by way of reference.

13 ADSCR - means the ratio between the cash available to service the debt (namely - project revenues minus operating expenses and taxation) and the payments under the financing agreement during that period (principal, interest, commissions, etc.).

Borrower name	Lender's details	Loan balance as of March 31, 2024 (in NIS millions)	Commitment to meeting financial standards	Compliance calculation for March 31, 2024
Sunprime Generation S.r.l. and Sunprime Energia Distribuita S.r.l.[14]	Consortium of lenders led by an Austrian banking corporation	362,111	Starting from the date of the first payment for the loan principal (i.e., June 2024) - historical ADSCR[15] 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.
S.R.L Ratesti Solar Plant[16]	Raiffeisen Bank International AG, and Raiffeisen Bank S.A.	238,746	As of June 30, 2024, debt service coverage ratio[17], which is not to exceed 1.2, the value of the borrower's assets is higher than the value of its liabilities (including contingent liabilities), the net asset value of the borrower is at least 50% the allocated capital.	Debt coverage ratio - as of the Report Date, Ratesti is not required to meet the debt coverage ratio. As of the Report Date, the ratio between the value of the assets and the value of the liabilities is 110% and the ratio between the value of the net assets and the allocated capital is 93%.
Buxton[18]	Goldman Sachs Group companies	75,497	---	---

1.10 Material valuations

The Company did not make use of material valuations or very material valuations for the purpose of determining the value of data in the Company's financial statements.

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 Securities Regulations (Periodic and Immediate Reports), 5730-1970, the provisions of Article 9b(c) of the Reporting Regulations do not apply to the Company before five years have passed from it becoming a

[14] For additional details, see Appendix A of the immediate report published by the Company on October 18, 2022 (Reference No.: 2022-01-102894), which is included in this Report by way of reference.

[15] ADSCR - means the ratio between the cash available for debt service (namely - project revenues minus operating expenses) and the payments under the financing agreement in that period (principal, interest, fees, etc.), both for a period of one year.

[16] For additional details, see Appendix A of the immediate report published by the Company on November 22, 2023 (Reference No.: 2023-01-105529), which is included in this Report by way of reference.

[17] DSCR - means the ratio between the cash flow in the period (i.e. - EBITDA plus (or less) net working capital and additional payments received and not included in EBITDA) and the payments under the financing agreement in that period (principal, interest, commissions, etc.).

[18] For details regarding the Buxton purchase agreement, see the immediate reports published by the Company on April 28, 2022 (Reference No.: 2022-01-042828) and February 22, 2023 (Reference No.: 2023-01-016849), which is included in this Report by way of reference.

reporting corporation, 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 identities in this review (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.

Below are the linkage base reports:

As of March 31, 2024

	As of March 31, 2024						
	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	40,440	139,425	133,535	7,711	---	581,976	903,087
Deposits from bank corporations and others	---	---	---	---	---	1,815	1,815
Restricted use deposits	3,681	206,308	---	---	---	---	209,989
Customers	2,778	3,688	---	467	---	143,098	150,031
Accounts receivable	4,242	21,333	2,690	14,207	---	15,709	58,181
Inventory	---	---	---	---	---	47,431	47,431
Financial derivative	---	5,973	---	---	---	-	5,973
Total current assets	**51,141**	**376,727**	**136,225**	**22,385**	---	**790,029**	**1,376,507**
Investments in investee companies accounted for using the equity method	---	584,764	---	---	---	463,297	1,048,061
Right of use asset	34,101	116,978	44,098	37,973	51,508	27,796	312,454
Fixed assets	196,137	1,675,533	208,266	281,519	---	791,025	3,152,480
Intangible assets	111,262	5,808	---	---	---	37,078	154,148
Long-term restricted cash	5,786	---	---	---	---	1,295	7,081
Deposits in bank corporations and others	36,810	---	---	49	---	399	37,258
Deferred taxes	---	12,507	3,382	---	---	---	15,889
Other debtors - related parties	---	35,653	---	---	---	835	36,488
Financial assets	11,123	30,495	---	---	---	---	41,618
Total non-current assets	**395,219**	**2,461,738**	**255,746**	**319,541**	**51,508**	**1,321,725**	**4,805,477**
Total assets	**446,360**	**2,838,465**	**391,971**	**341,926**	**51,508**	**2,111,754**	**6,181,984**
Short-term loans and current maturities for long-term loans from banking and other corporations	16,437	50,359	6,980	---	---	22,404	96,180
Current maturities of long-term lease liability	2,237	5,505	3,684	574	5,827	2,201	20,028

	As of March 31, 2024						
	NIS thousands						
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to other foreign currency	Index-linked	Unlinked	Amount
Current maturities of bonds	---	---	---	---	127,233	---	127,233
Suppliers and service providers	(3,664)	(1,352)	8,028	31,288	---	37,800	72,100
Accounts payable	24,089	(2,522)	2,140	4,738	---	29,515	57,960
Liability for deferred consideration in a business combination	---	4,026	---	---	---	---	4,026
Financial derivatives	---	---	---	---	---	1,918	1,918
Total current liabilities	**39,099**	**56,016**	**20,832**	**36,600**	**133,060**	**93,838**	**379,445**
Long-term loans from banks	58,360	688,314	68,517	---	---	64,079	879,270
Lease liabilities	35,518	107,534	42,574	37,036	44,380	28,475	295,517
Loan from a related party	---	---	8,704	---	---	750	9,454
Deferred taxes	11,251	23,643	---	---	---	175,971	210,865
Bonds	---	---	---	---	728,877	565,267	1,294,144
Convertible bonds	---	---	---	---	---	370,167	370,167
Other liabilities	7,959	10,147	---	---	733	1,567	20,406
Total non-current liabilities	**113,088**	**829,638**	**119,795**	**37,036**	**773,990**	**1,206,276**	**3,079,823**
Total liabilities	**152,187**	**885,654**	**140,627**	**73,636**	**907,050**	**1,300,114**	**3,459,268**
The excess of assets over liabilities (liabilities over assets)	**294,173**	**1,952,811**	**251,344**	**268,290**	**(855,542)**	**811,640**	**2,722,716**

As of March 31, 2023

	As of March 31, 2023						
	In 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	47,502	41,925	4,933	689	---	76,145	171,194
Deposits from bank corporations and others	371,917	---	---	---	---	9,308	381,225
Restricted use deposits	-	1,459	---	---	---	339	1,798
Customers	1,067	-	---	---	---	249,697	250,764
Accounts receivable (*)	2,106	5,372	7,021	5,716	---	72,086	92,301
Inventory	-	-	-	-	---	57,922	57,922
Total current assets	**422,592**	**48,756**	**11,954**	**6,405**	**---**	**465,497**	**955,204**
Investments in investee companies accounted for using the equity method	---	696,918	---	---	---	380,897	1,077,815
Right of use asset	32,292	113,303	---	1,451	45,276	17,882	210,204
Fixed assets (*)	204,088	1,214,226	51,493	401	---	764,773	2,234,981
Intangible assets (*)	104,001	40,687	---	---	---	34,769	179,457
Long-term restricted cash	5,492	---	---	---	---	1,171	6,663
Deposits in bank corporations and others	36,150	---	248	---	---	336	36,734
Deferred taxes (*)	---	8,133	---	---	---	(2,022)	6,111
Other debtors - related parties	---	33,586	---	---	---	---	33,586

	As of March 31, 2023						
	In NIS thousands						
	Linked to dollars	Linked to euros	Linked to the pound	Linked to other foreign currency	Index-linked	Unlinked	Amount
Financial assets	10,962	36,244	---	---	---	---	47,206
Total non-current assets	**392,985**	**2,143,097**	**51,741**	**1,852**	**45,276**	**1,197,806**	**3,832,757**
Total assets	**815,577**	**2,191,853**	**63,695**	**8,257**	**45,276**	**1,663,303**	**4,787,961**
Short-term loans and current maturities for long-term loans from banking and other corporations	324,439	19,157	---	---	---	1,758	345,354
Current maturities of long-term lease liability	1,970	5,255	---	191	4,973	1,414	13,803
Suppliers and service providers	21,098	15,757	120	1,765	---	56,233	94,973
Accounts payable	19,451	---	249	294	---	33,252	53,246
Liability for deferred consideration in a business combination	---	114,454	---	---	---	---	114,454
Current maturities of bonds	---	---	---	---	122,683	---	122,683
Financial derivatives	3,047	---	---	---	---	6,461	9,508
Total current liabilities	**370,005**	**154,623**	**369**	**2,250**	**127,656**	**99,118**	**754,021**
Long-term loans from banks	51,371	217,182	---	---	---	59,202	327,755
Lease liabilities	33,630	105,478	---	1,301	40,934	18,432	199,775
Loan from a related party	---	214	2,825	---	20,748		23,787
Deferred taxes	26,828	8,689	---	---		155,658	191,775
Bonds	---	---	---	---	622,074		622,074
Other liabilities	11,248	10,027	---	---	728	1,323	23,326
Total non-current liabilities	**123,077**	**341,590**	**2,825**	**1,301**	**684,484**	**234,615**	**1,387,892**
Total liabilities	**493,082**	**496,213**	**3,194**	**3,551**	**812,140**	**333,733**	**2,141,913**
The excess of assets over liabilities (liabilities over assets)	**322,495**	**1,695,640**	**60,501**	**4,706**	**(766,864)**	**1,329,570**	**2,646,048**

(*) Reclassified.

As of December 31, 2023

Section	**As of Dec. 31, 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	**54,693**	198,996	91,235	7,960	---	308,504	661,388
Deposits from bank corporations and others	**---**	---	---	---	---	10,011	10,011
Customers	**3,052**	4,434	---	---	---	209,686	217,172
Accounts receivable	**7,393**	25,070	2,710	9,467	---	10,316	54,956
Inventory	**---**	---	---	---	---	58,058	58,058
Financial derivative	**---**	4,114	---	---	---	---	4,114
Total current assets	**65,138**	**232,614**	**93,945**	**17,427**	---	**596,575**	**1,005,699**

Section	As of Dec. 31, 2023						
	NIS thousands						
	Linked to Dollars	Linked to Euros	Linked to the pound	Linked to other foreign currency	Index-linked	Unlinked	Amount
Investments in investee companies accounted for using the equity method	---	541,850	---	---	---	440,554	982,404
Right of use asset	31,519	119,033	44,371	38,511	46,469	27,797	307,700
Fixed assets	188,702	1,690,234	184,032	223,628	---	798,023	3,084,619
Intangible assets	109,630	5,856	---	---	---	37,380	152,866
Limited deposits long term	5,739	---	---	---	---	1,293	7,032
Deposits in bank corporations and others	36,270	-	-	119	---	286	36,675
Deferred taxes	---	9,224	3,345	---	---	---	12,569
Other debtors - related parties	---	35,501	---	---	---	869	36,370
Financial assets	11,123	31,210	---	---	---	---	42,333
Total non-current assets	382,983	2,432,908	231,748	262,258	46,469	1,306,202	4,662,568
Total assets	448,121	2,665,522	325,693	279,685	46,469	1,902,777	5,668,267
Short-term loans and current maturities for long-term loans from banking and other corporations	19,719	43,373	5,199	---	---	1,605	69,896
Current maturity in respect of a lease	2,002	5,582	3,254	1,367	5,227	2,202	19,634
Current maturities of bonds	---	---	---	---	126,871	---	126,871
Suppliers and service providers	1,348	17,369	10,728	10,279	---	32,338	72,062
Accounts payable	26,537	9,381	1,349	(873)	---	18,413	54,807
Liability for deferred consideration in a business combination	---	4,862	---	---	---	---	4,862
Financial derivatives (*)	---	---	---	---	---	1,918	1,918
Total current liabilities	49,606	80,567	20,530	10,773	132,098	56,476	350,050
Long-term loans from banks	55,004	499,311	69,674	---	---	65,007	688,996
Lease liabilities	33,035	83,820	42,828	37,579	65,974	28,476	291,712
Loan from a related party	-	-	8,494	---	---	---	8,494
Deferred taxes	15,698	22,068	---	---	---	174,089	211,855
Bonds	---	---	---	---	723,953	232,256	956,209
Convertible bonds	---	---	---	---	---	368,571	368,571
Other liabilities	8,811	10,231	---	---	733	1,484	21,259
Total non-current liabilities	112,548	615,430	120,996	37,579	790,660	869,883	2,547,096
Total liabilities	162,154	695,997	141,526	48,352	922,758	926,359	2,897,146
The excess of assets over liabilities (liabilities over assets)	285,967	1,969,525	184,167	231,333	(876,289)	976,418	2,771,121

(*) Reclassified.

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 2023 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 2023, 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. In addition, Messrs. Zvi Levin, Uri Orbach, and Yonit Partok meet the definition of independent directors, but are not classified as such. 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 of the Periodic Report for 2023.

2.6 Auditor

From the date of publication of the Periodic Report for 2023 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 2023, while the information therein is included in this Report by way of reference.

2.7 Details regarding the Company’s auditor

The auditors of the Company are BDO Ziv Haft.

From the date of publication of the Periodic Report for 2023 until the Report Date, there have been no changes in relation to the Company's auditors. For additional details about the Company's auditors, see Section 2.7 of the Board of Directors’ Report of the Periodic Report for 2023.

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 Sections 1.5 and 1.9 above and Notes 5 and 8 to the consolidated financial statements as of March 31, 2024.

- On February 1, 2024, an annual and extraordinary general meeting of the Company's shareholders was held, during which the re-appointments of Ofer Yannay, Yoni Tal, Yonit Partok, Zvi Levin, and Uri Orbach as directors of the Company was discussed, the re-appointment of the accounting firm Ziv Haft (BDO) as the Company's auditors was reached, and the Company's board of directors was authorized to determine their remuneration, the re-appointment of Mr. Gili Cohen as an outside director of the Company was approved. For additional details, see immediate reports published by the Company on December 26, 2023 (Reference No.: 2023-01-116602), and February 4, 2024 (Reference No.: 2024-01-010543), 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.

Ofer Yannay, Chairman of the Board of Directors	Nadav Tenne, CEO

Date: May 29, 2024

Appendix A - Disclosure to Bondholders
The Bonds (Series A)

	Series A Bonds (Data in NIS thousands)
Issuance date	August 16, 2021, September 2, 2022 and May 10, 2023
Scope of par value of bonds on the issue date	967,005
Balance of par value of bonds in circulation as of March 31, 2024 (thousands of NIS)	812,284
Par value including linkage as of March 31, 2024	890,628
Amount of interested accrued	3,286
Is this a material series?	Yes
Fair value as included in the financial statements as of March 31, 2024	855,752
Stock market value as of March 31, 2024	841,933
Stock exchange value near the Report Date (May 19, 2024)	862,646
Nominal interest (fixed)	Fixed annual interest in the rate of 1.48%
Principal repayment date	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.
Payment and interest dates	On June 30 and December 31 of the years 2022 to 2027
Linkage	Linked to the index of July 2021
Right to convert the Bonds	---
Right to early redemption	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.
Guarantee to secure the Company's liabilities according to the trust deed	---
The remaining scope of par value of bonds purchased by a subsidiary of the Company	---
The Trustee	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
At the end of the reporting year or during it, did the Company meet all of its obligations under the trust deed?	Yes
Are there grounds for immediate repayment of the Bonds?	No

	Series A Bonds (Data in NIS thousands)
Limitations on the creation of pledges	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 pari passu, according to the debt ratio for the bonds and towards the third party.
Additional restrictions	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), which 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), which 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 No.: 2021-01-065944), which is included herein by way of reference.
General meetings and reports on behalf of the trustee	On June 28, 2023, the Company published an annual report on behalf of the trustee to the holders of Bonds (Series A) for 2022. For details, see the immediate report published by the Company on July 28, 2023 (Reference No.: 2023-01-060340), which is included in this Report by way of reference. On July 25, 2023, the meeting of holders of Bonds (Series A) convened, in which it was decided to approve the trustee's term of office until the full and final repayment of the Company's Bonds (Series A). For details, see the immediate report published by the Company on July 26, 2023 (Reference No.: 2023-10-070492), which is included in this Report by way of reference.

Bonds (Series B and C)

	Series B Bonds	Series C Bonds
	NIS thousands	
Issuance date	July 20, 2023	July 20, 2023 and February 13, 2024
Scope of par value of bonds on the issue date	407,550	558,951
Balance of par value of bonds in circulation as of March 31, 2024	407,550	558,951
Par value including linkage as of March 31, 2024	407,550	558,951
Amount of interested accrued	5,094	9,353
Is this a material series?	Yes	Yes
Fair value as included in the financial statements	370,167 (without the capital component)	565,625
Stock market value as of March 31, 2024	430,373	586,899
Stock exchange value near the Report Date (May 19, 2024)	435,671	591,370
Nominal interest (fixed)	Fixed annual interest in the rate of 5%	Fixed annual interest in the rate of 6.95%
Principal repayment date	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.
Payment and interest dates	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.
Linkage	---	
Right to convert the Bonds	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 in circulation, as of March 31, 2024, is 3,540,834 shares. 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).	---

	Series B Bonds	Series C Bonds
	NIS thousands	
Right to early redemption	The Company may not perform early repayment of the Bonds on its own initiative. 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. The Company may not perform early repayment of the Bonds on its own initiative.	There is a right at the initiative of the Stock Exchange or the Company. 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. In the event of an early redemption at the initiative of the stock exchange, the consideration for the redemption will be in the highest amount among the alternatives listed above, while regarding the sampling period and the market value of the remaining bonds will be determined with reference to the date of receiving the stock exchange's decision regarding the execution of the early redemption
Guarantee to secure the Company's liabilities according to the trust deed	---	
The remaining scope of par value of bonds purchased by a subsidiary of the Company	---	
The Trustee	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	

	Series B Bonds	Series C Bonds
	NIS thousands	
At the end of the reporting year or during it, did the Company meet all of its obligations under the trust deed?	Yes	
Are there grounds for immediate repayment of the Bonds?	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 failure 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.	
Limitations on the creation of pledges	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 pari passu, according to the debt ratio for the bonds and towards the third party.	
Additional restrictions	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), which 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), which 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), which will not be less than a rate of 14% for two consecutive quarters. 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 2.5/2.7, 2.10/2.12, and 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 No.: 2023-01-083901 and 2023-01-083904), which are included herein by way of reference.	
General meetings and reports on behalf of the trustee	---	---

O.Y. Nofar Energy Ltd.

Condensed Consolidated Interim Financial Statements as of March 31, 2024

Unaudited

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May 29, 2024

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 May 2024

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 May 2024:

1) A review report by the auditor dated May 29, 2024, regarding the consolidated concise financial information of the Company as of March 31, 2024, and a period of three months ending on the same date.

2) A review report by the auditor dated May 29, 2024, regarding the separate financial information of the Company as of March 31, 2024, and a period of three months ending on the same date, in accordance with Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Ziv Haft

Certified Public Accountants

תל אביב	ירושלים	חיפה	באר שבע	בני ברק	קרית שמונה	פתח תקווה	מודיעין עילית	נצרת עילית	אילת
03-6386868	02-6546200	04-8680600	077-7784100	073-7145300	077-5054906	077-7784180	08-9744111	04-6555888	08-6339911

משרד ראשי: בית אמות BDO, דרך מנחם בגין 48, תל אביב, 6618001 דוא"ל: bdo@bdo.co.il בקרו באתר שלנו: www.bdo.co.il

Review 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 March 31, 2024, as well as the consolidated condensed statements of profit and loss and other comprehensive profit, changes to equity and cash flow for the period of three months ending on the same date. The board of directors and management are responsible for the preparation and presentation of financial information for this interim period, pursuant to International Accounting Standard IAS 34, “Interim Financial Reporting,” and are responsible for the preparation of financial information for this period pursuant to Section D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion regarding the financial information for this interim period, 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. 40% of the Company’s total consolidated assets as of March 31, 2024, and whose income included in the consolidation constitutes about 40% of the total consolidated income for the period of three months ending on the same date. The condensed financial information for this interim period 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. Also, the information contained in the consolidated interim financial statements refers to the balance sheet value of the investments and the Group's share of the business results of companies treated according to the equity method, based on financial statements reviewed in part by 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 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, May 29, 2024

Ziv Haft
Certified Public Accountants

תל אביב 03-6386868 | ירושלים 02-6546200 | חיפה 04-8680600 | באר שבע 077-7784100 | בני ברק 073-7145300 | קרית שמונה 077-5054906 | פתח תקווה 077-7784180 | מודיעין עילית 08-9744111 | נצרת עילית 04-6555888 | אילת 08-6339911
משרד ראשי: בית אמות BDO, דרך מנחם בגין 48, תל אביב, 6618001 דוא"ל: bdo@bdo.co.il בקרו באתר שלנו: www.bdo.co.il

Condensed consolidated statements on financial position

	As of March 31		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Assets			
Current assets:			
Cash and cash equivalents	903,087	171,194	661,388
Deposits in bank corporations and others	1,815	381,225	10,011
Restricted use deposits	209,989	1,798	-
Customers	150,031	250,764	217,172
Financial derivative	5,973	-	4,114
Accounts receivable	58,181	92,301(*)	54,956
Inventory	47,431	57,922	58,058
Total current assets	**1,376,507**	**955,204**	**1,005,699**
Non-current assets:			
Investment in corporations accounted for using the equity method	1,048,061	1,077,815	982,404
Right of use asset	312,454	210,204	307,700
Fixed assets	3,152,480	2,234,981(*)	3,084,619
Intangible assets	154,148	179,457(*)	152,866
Restricted use deposits and cash	7,081	6,663	7,032
Financial assets	41,618	47,206	42,333
Deferred taxes	15,889	6,111(*)	12,569
Other receivables	36,488	33,586	36,370
Deposits in bank corporations and others	37,258	36,734	36,675
Total non-current assets	**4,805,477**	**3,832,757**	**4,662,568**
Total assets	**6,181,984**	**4,787,961**	**5,668,267**

(*) Reclassified

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

Condensed consolidated statements on financial position

	As of March 31		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Unaudited
	NIS thousands		
Liabilities and equity			
Current liabilities:			
Short-term loans and current maturities for long-term loans from banks	96,180	345,354	69,896
Current maturities of lease liabilities	20,028	13,803	19,634
Current maturities of bonds	127,233	122,683	126,871
Suppliers and service providers	72,100	94,973	72,062
Liability for deferred consideration in a business combination	4,026	114,454	4,862
Accounts payable	57,960	53,246	54,807
Financial derivatives	1,918	9,508	1,918
Total current liabilities	**379,445**	**754,021**	**350,050**
Non-current liabilities:			
Long-term loans from banks	879,270	327,755	688,996
Liabilities for leases	295,517	199,775	291,712
Loans from related parties	9,454	23,787	8,494
Deferred taxes	210,865	191,175(*)	211,855
Bonds	1,294,144	622,074	956,209
Convertible bonds	370,167	-	368,571
Other liabilities	20,406	23,326	21,259
Total non-current liabilities	**3,079,823**	**1,387,892**	**2,547,096**
Capital:			
Capital attributed to shareholders of the Company			
Share capital and premium	1,716,256	1,568,696	1,716,256
Loss balance	(168,982)	(90,155)	(153,354)
Capital funds	247,721	189,367	259,105
Total capital attributed to the Company's shareholders	**1,794,995**	**1,667,908**	**1,822,007**
Non-controlling interests	927,721	978,140	949,114
Total capital	**2,722,716**	**2,646,048**	**2,771,121**
Total liabilities and capital	**6,181,984**	**4,787,961**	**5,668,267**

(*) Reclassified

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

May 29, 2024			
Date of approval of the financial statements for publication	**Ofer Yannay** **Chairman of the Board**	**Nadav Tenne** **CEO**	**Noam Fisher** **CFO**

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

	For a period of three months ended on March 31		For the year that ended on December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Revenue from sale of electricity and construction	65,458	73,230	320,779
Compensation for loss of income	-	19,976	21,007
Income from tax partner	639	617	2,575
Total income	**66,097**	**93,823**	**344,361**
Setup and operating costs	67,277	86,525	318,475
Marketing and sale expenses	2,406	2,340	9,301
Management and general expenses	16,051	16,481	69,961
Other expenses	4,170	146	39,197
Total expenses	**89,904**	**105,492**	**436,934**
Other income	3,665	1,426	51,282
Operating loss	**(20,142)**	**(10,243)**	**(41,291)**
Financing expenses	30,422	28,152	125,525
Financing income	17,995	15,646	70,103
Net financing expenses	**12,427**	**12,506**	**55,422**
Loss after financing expenses	**(32,569)**	(22,749)	(96,713)
The Company's share of losses of companies treated according to the equity method, net	(6,610)	(4,585)	(31,637)
Loss before income tax	**(39,179)**	**(27,334)**	**(128,350)**
Income tax benefit	(6,586)	(2,320)	(26,521)
Loss for the period	**(32,593)**	**(25,014)**	**(101,829)**
Loss for the period attributed to:			
Shareholders of the Company	(17,011)	(22,323)	(88,661)
Non-controlling interests	(15,582)	(2,691)	(13,168)
	(32,593)	**(25,014)**	**(101,829)**
Basic loss per share (in NIS) attributed to the owners of the Company	**(0.48)**	**(0.66)**	(2.49)

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

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

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

	For a period of three months ended on March 31		for the year that ended on December 31
	2024	2023	2023
	Unaudited		Audited
Loss for the period	**(32,593)**	**(25,014)**	**(101,829)**
Amounts that will be classified or reclassified to profit or loss if specific conditions are met			
Adjustments arising from translation of financial statements for foreign operations	(15,749)	110,446	145,252
Adjustments arising from cash flow hedging transactions	(2,541)	(1,472)	(6,952)
Items not reclassified later to profit and loss:			
The share in the revaluation of corporations accounted for using the equity method	1,110	2,716	34,846
Revaluation for fixed assets	446	821	6,391
Total other comprehensive income (loss)	**(16,734)**	**112,511**	**179,537**
Total comprehensive profit (loss) for the period	**(49,327)**	**87,497**	**77,708**
Comprehensive profit (loss) for the period attributed to:			
Shareholders of the Company	(27,934)	48,116	29,238
Non-controlling interests	(21,393)	39,381	48,470
	(49,327)	**87,497**	**77,708**

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

Condensed consolidated reports on changes in equity

For a period of three months ending on March 31, 2024 (unaudited)

	Capital attributed to shareholders of the Company										
	Capital Shares and premium	Receipts on account of the conversion component of bonds	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for transactions with non-controlling rights	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 at January 1, 2024 (audited)	**1,716,256**	**25,452**	**120,736**	**105,542**	**(3,629)**	**14,813**	**(3,809)**	**(153,354)**	**1,822,007**	**949,114**	**2,771,121**
Loss for the period	-	-	-	-	-	-	-	(17,011)	**(17,011)**	(15,582)	**(32,593)**
Comprehensive profit (loss) for the period	-	-	1,556	(13,171)	-	-	692	-	**(10,923)**	(5,811)	**(16,734)**
Share-based payment	-	-	-	-	-	922	-	-	**922**	-	**922**
Transfer of revaluation capital fund for fixed assets	-	-	(1,383)	-	-	-	-	1,383	-	-	-
Balance as of March 31, 2024	**1,716,256**	**25,452**	**120,909**	**92,371**	**(3,629)**	**15,735**	**(3,117)**	**(168,982)**	**1,794,995**	**927,721**	**2,722,716**

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

Condensed consolidated reports on changes in equity

For a period of three months ending on March 31, 2023 (unaudited)

	Capital attributed to shareholders of the 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**	**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 at 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	-	-	-	-	-	(22,323)	**(22,323)**	(2,691)	**(25,014)**
Other comprehensive profit (loss) for the period	-	3,537	67,715	-	(813)	-	**70,439**	42,072	**112,511**
Entry into consolidation	-	-	-	-	-	-	**-**	1,885	**1,885**
Portion of minority interests in the injection of capital to a consolidated partnership	-	-	-	-	-	-	**-**	30,269	**30,269**
Share-based payment	**-**	**-**	**-**	1,778	**-**	**-**	**1,778**	-	**1,778**
Transfer of revaluation capital fund for fixed assets to loss balance	-	(701)	-	-	-	701	**-**	-	**-**
Balance as of March 31, 2023	**1,568,696**	**86,175**	**92,786**	**11,219**	**(813)**	**(90,155)**	**1,667,908**	**978,140**	**2,646,048**

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

Condensed consolidated reports on changes in equity

For a period of one year ending on December 31, 2023 (unaudited)

	Capital attributed to shareholders of the Company										
	Capital Shares and premium	Receipts on account of the conversion component of bonds	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for transactions with non-controlling rights	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 January 1, 2023	**1,568,696**	**-**	**83,339**	**25,071**	**-**	**9,441**	**-**	**(68,533)**	**1,618,014**	**906,605**	**2,524,619**
Loss for the year	-	-	-	-	-	-	-	(88,661)	**(88,661)**	(13,168)	**(101,829)**
Other comprehensive profit (loss)	-	-	41,237	80,471	-	-	(3,809)	-	**117,899**	61,638	**179,537**
Entry into consolidation	-	-	-	-	-	-	-	-	**-**	18,163	**18,163**
Portion of minority interests in the injection of capital to a consolidated partnership	-	-	-	-	-	-	-	-	-	110,425	**110,425**
Return of capital for non-controlling interests	-	-	-	-	-	-	-	-	**-**	(135,047)	**(135,047)**
Issue of convertible bonds for capital component	-	25,452	-	-	-	-	-	-	**25,452**	-	**25,452**
Transaction with non-controlling rights	-	-	-	-	(3,629)	-	-	-	**(3,629)**	498	**(3,131)**
Share-based payment	-	-	-	-	-	5,372	-	-	**5,372**	-	**5,372**
Issue of shares	147,560	-	-	-	-	-	-	-	**147,560**	-	**147,560**
Transfer of revaluation capital fund for fixed assets to loss balance	-	-	(3,840)	-	-	-	-	3,840	-	-	**-**
Balance as of December 31, 2023	**1,716,256**	**25,452**	**120,736**	**105,542**	**(3,629)**	**14,813**	**(3,809)**	**(153,354)**	**1,822,007**	**949,114**	**2,771,121**

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

Condensed consolidated statements of cash flows

	For a period of three months ended on March 31		For the year that ended on December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Cash flow from current operations:			
Loss for the period	(32,593)	(25,014)	(101,829)
Expenses not involving cash flows (Appendix A)	40,117	37,491	145,144
Changes in working capital (Appendix B)	42,842	(65,933)	(108,953)
Net cash from (used in) current activities	**50,366**	**(53,456)**	**(65,638)**
Cash flows from investment activities:			
Investments in corporations accounted for using the equity method	(55,967)	(76,217)	(265,018)
Repayment of a loan from an associated company	-	-	171,946
Acquisition of shares from non-controlling interests	-	-	(3,131)
Repayment of deferred consideration	(835)	-	(121,139)
Investment in financial asset	-	(20,476)	(20,637)
Obtaining control of consolidated companies (Appendix D)	-	(37,893)	(349,795)
Change in restricted use deposits	(209,989)	(4,701)	(3,819)
Deposit into deposits	9,811	131,076	516,134
Investments in fixed assets	(96,729)	(52,654)	(308,747)
Net cash used for investing activity	**(353,709)**	**(60,865)**	**(384,206)**
Cash flows from financing activities:			
Issue of shares (less issuance expenses)	-	-	147,560
Short term credit from banks, net	20,781	-	(305,920)
Issue of bonds, net	333,247	-	873,558
Repayment of bonds	-	-	(168,260)
Repayment of lease liabilities	(5,559)	(3,753)	(19,641)
Portion of minority interests in the injection of capital to a consolidated partnership	-	30,269	110,425
Return of capital for non-controlling interests	-	-	(135,047)
Receipt (repayment) of a loan from a related party	-	2,174	(11,365)
Receipt of long term loans from bank corporations and others	206,038	16,903	427,429
Payment of long term loans from bank corporations and others	(10,854)	(480)	(28,024)
Net cash arising from financing activities	**543,653**	**45,113**	**890,715**
Increase (decrease) in cash and cash equivalents	**240,310**	**(69,208)**	**440,871**
Balance of cash and cash equivalents at beginning of period	**661,388**	**237,865**	**237,865**
Impact of changes in foreign exchange rates for cash and cash equivalents	1,389	2,537	(17,348)
Balance of cash and cash equivalents at end of period	**903,087**	**171,194**	**661,388**

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

Condensed consolidated statements of cash flows

	For a period of three months ended on March 31		For the year that ended on December 31
	2024	**2023**	**2023**
	Unaudited		**Audited**
	NIS thousands		
Appendix A: Adjustments required to present cash flows from current activities:			
Change in current tax	(825)	2,261	(6,792)
Depreciation and amortization	21,622	18,404	80,226
Net financing expenses	12,427	12,506	55,422
The Company's share of losses of companies treated according to the equity method, net	6,610	4,585	31,637
Impairment of Assets	-	-	33,082
Income for tax partner	(639)	(617)	(2,575)
Profit from gaining control of an associate company	-	(1,426)	(51,228)
Share-based payment expenses	922	1,778	5,372
	40,117	**37,491**	**145,144**
Appendix B: Changes in working capital (changes in sections of assets and liabilities):			
Decrease (increase) in inventory	10,627	(6,246)	(6,378)
Decrease (increase) in customers	46,430	(6,926)	(33,363)
Decrease (increase) in receivables	(3,221)	(24,439)	5,681
Increase (decrease) in accounts payable	(2,632)	(15,976)	5,557
Increase (decrease) in suppliers and service providers	5,897	(8,207)	(9,563)
Change in deferred taxes	(7,364)	427	(34,613)
Change in financial assets	-	(4,572)	-
Additional Information:			
Income tax paid	-	-	(6,021)
Taxes received	-	9	16
Interest received in cash	2,260	1,870	34,659
Interest paid in cash	(9,155)	(1,873)	(64,928)
	42,842	**(65,933)**	**(108,953)**

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

Condensed consolidated statements of cash flows

	For a period of three months ended on March 31		for the year that ended on December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Appendix C: Substantial non-cash transactions			
Initial recognition of usufruct asset and lease liability	7,866	1,091	90,037
Liability for deferred consideration	-	-	4,862
Classification of customers for investment in corporations accounted for using the equity method	16,959	8,001	67,383
Appendix D: Obtaining control of consolidated companies			
Working capital, net, excluding cash and cash equivalents	-	(1,144)	(1,360)
Disposal of investment in an investee company	-	(962)	(102,720)
Liability for deferred consideration	-	-	(4,862)
Fixed assets and intangible assets	-	49,216	642,555
Right of use asset	-	-	11,541
Lease liability	-	-	(11,802)
Deferred taxes	-	(1,544)	(18,163)
Non-controlling interests	-	(1,885)	(18,163)
Short term and long term loans from bank corporations and others	-	(5,788)	(153,087)
Goodwill	-	-	5,856
	-	**37,893**	**349,795**

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

Notes to the Condensed Consolidated Financial Statements as of March 31, 2024

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 Group’s 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.

Definitions in these financial statements:

The Company -	O.Y. Nofar energy ltd.
The Group -	The Company and its consolidated companies.
Consolidated Companies / Subsidiaries -	Corporations, including companies and partnerships, whose reports are fully consolidated, directly or indirectly, with the Company's reports.
Investee Companies -	Consolidated Companies and Subsidiaries, including partnerships or a joint transaction, in which the Company's investment is included, directly or indirectly, in the financial statements on a balance sheet value basis.
Interested Parties -	As defined in Paragraph (1) of the definition of “interested parties” in a corporation in Section 1 of the Securities Law, 5728-1968.
Affiliated Party -	As defined in International Accounting Standard (2009)24 regarding affiliated parties.

B. "Iron Swords" War

For information regarding the effect of the Iron Swords War on the Company's activities, see Note 1d of the Annual Financial Statements.

C. Increase in inflation

The bonds that the Company issued are linked to the consumer price index. Accordingly, an increase in the consumer price index 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 2021-2023. 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).

D. Change to interest

In 2023, 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. 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 31 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 (20-31 years).

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 March 31, 2024, and for the three-month periods that ended on that date (hereinafter: the "Interim Financial Statements"). These reports should be read in conjunction with the Company's annual financial statements as of December 31, 2023 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.

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:

	December 31, 2023	Mar. 31, 2023	Mar. 31, 2024
Consumer price index (in points)*:			
Based on index for	105.0	103.2	106.0
Based on known index	105.1	102.8	105.4
US dollar (in NIS for 1 dollar)	3.6270	3.6150	3.6810
Pound sterling (in NIS for 1 pound)	4.6209	4.4672	4.6535
EUR (in NIS for 1 euro)	4.0116	3.9322	3.9791

	For year ending on	For a period of three months ending on	
	December 31, 2023	Mar. 31, 2023	Mar. 31, 2024
	%	%	%
Consumer price index:			
Based on index for	2.96	1.19	0.95
Based on known index	3.34	1.08	0.29
USD	3.07	2.73	1.49
Pound Sterling	9.05	5.42	0.71
Euro	6.89	4.77	(0.81)

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, 2023.

Notes to the Condensed Consolidated Financial Statements as of March 31, 2024

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 financial position and the aggregate results of operations of the associate which is a significant associate with an indirect rate of holdings of 33% (without adjustment to the ownership rates held by the Company):

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

	As of March 31		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	351,974	212,667	369,634
Non-current assets	764,769	423,585	702,612
Current liabilities	(154,181)	(126,867)	(136,956)
Non-current liabilities	(674,070)	(362,446)	(681,619)
Equity	(288,492)	(146,939)	(253,671)

2. Results of the joint venture's operations

	For a period of three months ended on March 31		For the year ending December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Income	10,501	6,362	31,541
Loss for the period	(15,107)	(9,416)	(56,740)
Total loss for the period	(18,438)	(717)	(35,869)

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

b. Joint corporations in Israel:

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):

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

	As of March 31		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	180,429	176,572	196,811
Non-current assets	1,427,888	1,285,635	1,411,597
Current liabilities	(294,091)	(291,698)	(309,779)
Non-current liabilities	(1,074,549)	(918,431)	(1,040,020)
Capital attributed to shareholders of the Company	(239,677)	(252,078)	(258,609)

2. The results of the operations of the associated companies

	For a period of three months ended on March 31		For the year ending December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Income	44,944	31,933	178,883
Profit (loss) for period	(5,600)	1,489	4,617
Comprehensive profit (loss) for the period	(4,490)	4,205	39,463

Note 5 - Material Events and Transactions in the Reporting Period:

a. **Private placement of Bonds (Series C) of the Company**

Further to Note 34 of the Company's Consolidated Annual Financial Statements as of December 31, 2023, on February 13, 2024, the Company completed a private placement to classified investors (hereinafter: the "Offerees") of 325,000,000 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 102.65 agurot for every NIS 1 of a Bond, for a total consideration of NIS 333,612,500 for all the mentioned Bonds (Series C), by way of expanding the existing series of Bonds (Series C) 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 558,951,000 par value. For details regarding the terms of the Bonds, see Note 19 in the Company's consolidated Annual Financial Statements for December 31, 2023.

b. **Projects in Spain**

Further to Note 17(a)(4) in the Company's consolidated annual financial statements for December 31, 2023, during the month of March 2024, the remainder of the withdrawal for the loan funds was made in the amount of approximately EUR 51 million. At the same time, the loan amount received was deposited to a limited account until the consolidated company meets the conditions precedent set forth in the financing agreement for its withdrawal.

Such loans include financial benchmarks as customary, DSCR, maximum leverage ratio and ADSCR and an examination and calculation of the benchmarks is required on June 30 and December 31 each year.

As of March 31, 2024, the consolidated company meets the loan criteria.

The consolidated company directly, and through a company under its control, provided guarantees in the amount of approximately EUR 51 million to subsidiaries and an associated company for the senior financing, for the benefit of beneficiaries from financial institutions and banking corporations.

Note 6 – 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 32 to the Company's Annual Financial Statements for December 31, 2023.

b. Risk management policy:

The Company's activity expose it to various financial risks, such as a market risk, credit risk and liquidity risk. Risk management is performed by the Company's management. For additional information regarding risk management, see Note 32 of the Company's Annual Financial Statements as of December 31, 2023.

c. Financial instruments recognized in the Statement of Financial Position

1. Composition:

As of March 31, 2024 (unaudited)				
	Level 1	Level 2	Level 3	Total
NIS thousands				
Financial assets - fair value through profit and loss				
Derivatives used for hedging transactions (1)	-	5,973	-	5,973
Financial assets	-	-	21,948	21,948
Non-current financial assets - fair value through other comprehensive income				
Derivatives(2)	-	19,670	-	19,670
Current financial liabilities - fair value through profit and loss				
Options granted to shareholders in associated companies	-	-	(1,918)	(1,918)

(1) The Company has a euro put option for hedging purposes (not an accounting hedge) from a banking corporation in the amount of EUR 50 million. The deal is for a period of up to one year.

(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 March 31, 2024, is positive in the amount of NIS 19,670 thousand. The transaction is for a term of up to 14 years and includes the purchase of an IRS (Interest Rate Swap).

As of March 31, 2023 (unaudited)				
	Level 1	Level 2	Level 3	Total
NIS thousands				
Non-current financial assets - fair value through profit and loss				
Financial assets	-	20,792	-	20,792
Non-current financial assets - fair value through other comprehensive income				
Derivatives used as hedging instruments	-	-	26,414	26,414
Current financial liabilities - fair value through profit and loss				
Options granted to shareholders in associated companies	-	-	(1,905)	(1,905)
Derivatives used as hedging instruments	-	(7,603)	-	(7,603)

As of December 31, 2023 (audited)				
	Level 1	Level 2	Level 3	Total
NIS thousands				
Financial assets - fair value through profit and loss				
Derivatives used for hedging transactions	-	4,114	-	4,114
Financial assets	-	-	21,967	21,967
Non-current financial assets - fair value through other comprehensive income				
Derivatives	-	20,364	-	20,364
Current financial liabilities - fair value through profit and loss				
Options granted to shareholders in associated companies	-	-	(1,918)	(1,918)

Note 7 - Information on activity sectors:

a. Description of 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.

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.

b. Composition:

For a period of three months ending March 31, 2024

	Initiation and investment in photovoltaic systems in Israel	Initiating and investing in renewable energy abroad			Total initiating and investment	Construction and operation of photovoltaic systems in Israel	Adjustments to the financial statement	Total in financial report
		Initiation and investment Spain	Initiating and investment in Europe Other	Initiation and investment USA				
	NIS thousands							
	(Unaudited)							
Income from external	19,675	23,756	10,089	2,587	56,107	3,106	(25,299)	33,914
Inter-sector income	-	-	-	-	-	32,318	(135)	32,183
Total revenue	**19,675**	**23,756**	**10,089**	**2,587**	**56,107**	**35,424**	**(25,434)**	**66,097**
Sector results - EBITDA	**10,260**	**19,931**	**8,204**	**1,426**	**39,821**	**(2,735)**	**(17,160)**	**19,926**
Expenses not allocated to sectors:								
Depreciation and amortization								21,622
The Company's share of losses of companies treated according to the equity method, net								6,610
Management and general expenses								15,535
Marketing and sale expenses								2,406
Other expenses								4,170
Other income								(3,665)
Net financing expenses								12,427
Loss before tax								**(39,179)**

For a period of three months ending March 31, 2023

	Initiation and investment in photovoltaic systems in Israel	Initiating and investing in renewable energy abroad			Total initiating and investment	Construction and operation of photovoltaic systems in Israel	Adjustments to the financial statement	Total in financial report
		Initiation and investment Spain	Initiating and investment in Europe Other	Initiation and investment USA				
	NIS thousands							
	(Unaudited)							
Income from external	13,762	31,957	596	2,167	48,482	3,975	(10,811)	41,646
Inter-sector income	-	-	-			52,435	(258)	52,177
Total revenue	**13,762**	**31,957**	**596**	**2,167**	**48,482**	**56,410**	**(11,069)**	**93,823**
Sector results - EBITDA	**8,530**	**28,642**	**204**	**1,043**	**38,419**	**(6,818)**	**(6,247)**	**25,354**
Expenses not allocated to sectors:								
Depreciation and amortization								18,404
The Company's share of losses of companies treated according to the equity method, net								4,585
Management and general expenses								16,133
Marketing and sale expenses								2,340
Other expenses								146
Other income								(1,426)
Net financing expenses								12,506
Loss for the period before tax								**(27,334)**

For the year ended December 31, 2023

	Initiation and investment in photovoltaic systems in Israel	Initiating and investing in renewable energy abroad			Total initiating and investment	Construction and operation of photovoltaic systems in Israel	Adjustments to the financial statement	Total in financial report
		Initiation and investment Spain	Initiating and investment in Europe Other	Initiation and investment USA				
	NIS thousands							
	Audited							
Income from external	83,151	132,698	11,387	15,267	242,503	10,738	(69,729)	183,512
Inter-sector income	-	-	-	-	-	165,103	(4,254)	160,849
Total revenue	**83,151**	**132,698**	**11,387**	**15,267**	**242,503**	**175,841**	**(73,983)**	**344,361**
Sector results - EBITDA	**49,744**	**120,316**	**9,614**	**9,277**	**188,951**	**(28,227)**	**(56,357)**	**104,367**
Expenses not allocated to sectors:								
Depreciation and amortization								80,226
The Company's share of losses of companies treated according to the equity method, net								31,637
Management and general expenses								68,216
Marketing and sale expenses								9,301
Other expenses								39,197
Other income								(51,282)
Net financing expenses								55,422
Loss before tax								**(128,350**)

c. 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.

Note 8 - Events after the date of the Statement of Financial Position:

1. Employee options

   On April 14, 2024, the Company's board of directors resolved to allot 204,625 options to 39 employees, in accordance with the provisions of the Company's option plan, the options can be exercised on the dates as follows:

   1. 50% of the total amount of the options starting two years from the effective date.
   2. 25% of the total amount of the options starting after three years from the effective date.
   3. 25% of the total amount of options starting after four years.

   The exercise price of the options that will actually be allocated by virtue of the outline and the decision of the board of directors is NIS 99.6 per share.

   The value of the options granted to the employees is NIS 6.2 million. The life of the options is 6 years from the effective date. As of the date of approval of the financial statements, the options cannot yet be exercised.
   In addition, the Company's board of directors approved an additional allotment of up to 207,000 options that will be allotted to employee officers of the Company and of the Company's subsidiaries and related companies (including employees and officers classified as service providers or consultants), in accordance with the resolution of the Company's board of directors and/or the plan manager, as defined in Section 1.2.2 below, as applicable, and subject to the provisions of any law.

2. Storage projects in the UK

   Further to Note 13(d)(2) in the Company's consolidated annual financial statements for December 31, 2023, on April 29, 2024, the project corporation, C&S Energy Limited (the "Project Corporation") contracted with Ameresco Limited (the "Contractor" or "Construction Contractor"), in the EPC and O&M agreements of the Cellarhead project, which is a battery project (BESS) in the United Kingdom with a capacity of approximately 300 MW and approximately 624 MWh. As part of the EPC agreement, the Construction Contractor undertook to provide full construction services that include planning, civil engineering, mechanical engineering, electrical engineering, equipment procurement and its supply, battery procurement and their delivery to the site and construction. The batteries intended for installation in the project are batteries with LFP technology by Envision Energy International Trading Limited ("Envision") of the type that provides maximum safety and water cooling to provide excellent performance, as well as the possibility of augmentation (adding batteries) throughout the life of the project. In exchange for the execution of the construction works, the project corporation committed to pay a total of approximately GBP 196.5 million, subject to adjustments as detailed in the agreement. According to the EPC provisions, the completion of the project's construction is set for 2026.

3. After the Report Date, the Company learned that a minority shareholder in foreign corporations held in the USA "BlueSky" (hereinafter: "Blue Sky") filed a lawsuit in the USA against Blue Sky, the Company and a corporation under its control that owns Blue Sky, as well as against directors on behalf of the Company in Blue Sky in relation to Blue Sky's management. As part of the lawsuit, financial compensation and declaratory relief were sought, while the lawsuit did not specify a compensation amount. In the Company's estimation, the lawsuit is unlikely to succeed.
4. On May 19, 2024, the Company published a shelf prospectus, after receiving a permit from the Securities Authority, which allows a public offering of the Company's securities thereunder.

Nofar

O.Y. Nofar Energy Ltd.

Separate Interim Financial Information As of March 31, 2024

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 March 31, 2024, and for a period of 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 separate interim financial information for this interim period, 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 companies and the Company's share of the business results of some of the investee companies. The financial information for the interim period of the same companies, some of which 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 companies, 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, May 29, 2024 **Ziv Haft**

Certified Public Accountants

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

	As of March 31		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Assets			
Current assets:			
Cash and cash equivalents	721,459	118,260	399,265
Shorts term deposits	1,815	381,225	10,011
Restricted use deposits	-	339	-
Customers	142,201	250,253	207,686
Accounts receivable	25,162	49,860	17,822
Inventory	47,431	57,922	58,058
Financial assets	5,973	-	4,114
Total current assets	**944,041**	**857,859**	**696,956**
Non-current assets:			
Balance for investee companies	2,603,499	1,925,579	2,542,351
Other receivables	835	-	869
Restricted use cash and deposits	1,296	1,171	1,293
Right of use asset	71,355	55,002	66,245
Fixed assets	125,208	110,727	124,798
Financial assets	21,948	20,792	21,968
Long term deposits	37,209	36,485	36,556
Total non-current assets	**2,861,350**	**2,149,756**	**2,794,080**
Total assets	**3,805,391**	**3,007,615**	**3,491,036**

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 a parent company

	As of March 31		As of December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Liabilities and equity			
Current liabilities:			
Short-term loans and current maturities for long-term loans from banks	21,370	296,938	515
Current maturities of lease liabilities	7,659	6,017	7,060
Suppliers and service providers	28,924	56,921	32,024
Accounts payable	39,225	29,609	63,991
Liability for deferred consideration in a business combination	-	114,454	-
Financial derivatives	1,918	9,508	1,918
Current maturities of bonds	127,233	122,683	126,871
Total current liabilities	**226,329**	**636,130**	**232,379**
Non-current liabilities:			
Long-term loans from banks	16,346	16,863	16,481
Liabilities for leases	63,100	49,882	58,764
Bonds	1,294,144	622,074	956,209
Convertible bonds	370,167	-	368,571
Deferred taxes	39,577	14,027	35,892
Other liabilities	733	731	733
Total non-current liabilities	**1,784,067**	**703,577**	**1,436,650**
Capital attributed to the Company itself as a parent company:			
Share capital and premium	1,716,256	1,568,696	1,716,256
Loss balance	(168,982)	(90,155)	(153,354)
Capital reserves	247,721	189,367	259,105
Total capital attributed to the Company itself as a parent company	**1,794,995**	**1,667,908**	**1,822,007**
Total liabilities and capital	**3,805,391**	**3,007,615**	**3,491,036**

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

May 29, 2024			
Date of approval of the financial statements for publication	**Ofer Yannay** **Chairman of the Board**	**Nadav Tenne** **CEO**	**Noam Fisher** **CFO**

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

	For a period of three months ending on March 31		For year ending on December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Income	**39,695**	**58,242**	**193,338**
Setup and operating costs	42,706	65,172	222,043
Marketing and sale expenses	2,187	2,134	7,890
Management and general expenses	7,921	6,544	27,540
Other expenses	2,500	-	20
Total expenses	**55,314**	**73,850**	**257,493**
Other income	-	1,426	1,426
Operating loss	**(15,619)**	**(14,182)**	**(62,729)**
Financing expenses	22,792	21,740	105,656
Financing income	24,141	8,413	93,962
Net financing expenses (income)	**(1,349)**	**13,327**	**11,694**
Loss after financing expenses	**(14,270)**	**(27,509)**	**(74,423)**
The company's share in the losses of investee companies, net	(3,126)	(13)	(31,888)
Loss before income tax	**(17,396)**	**(27,522)**	**(106,311)**
Income tax expenses (tax benefit)	(385)	(5,199)	(17,650)
Loss for the period	**(17,011)**	**(22,323)**	**(88,661)**
Other comprehensive profit (loss) (after tax impact):			
Amounts that will be classified or reclassified to profit or loss if specific conditions are met:			
Adjustments arising from translation of financial statements for foreign operations	(13,171)	67,715	80,471
Adjustments arising from hedging transactions	692	(813)	(3,809)
Items not reclassified later to profit and loss:			
Part of other comprehensive income of corporations accounted for using the equity method	1,110	2,716	34,846
Revaluation for fixed assets	446	821	6,391
	1,556	**3,537**	**41,237**
Total other comprehensive income	**(10,923)**	**70,439**	**117,899**
Total comprehensive profit (loss) for the period	**(27,934)**	**48,116**	**29,238**

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

The amounts of cash flows attributed to the Company itself as a parent company

	For a period of three months ending on March 31		For year ending on December 31
	2024	2023	2023
	Unaudited		Audited
Cash flow from current operations:	NIS thousands		
Loss for the period	(17,011)	(22,323)	(88,661)
Appendix A - Expenses not involving cash flows (Appendix A)	5,579	15,620	57,187
Appendix B - Changes in working capital (Appendix B)	57,367	(26,453)	(77,177)
Net cash arising from (used for) operating activities	**45,935**	**(33,156)**	**(108,651)**
Cash flows from investment activities:			
Investments in corporations accounted for using the equity method	(3,015)	(2,040)	20,504
Investment in subsidiaries	(82,062)	(125,299)	(709,935)
Investment return from a subsidiary	-	-	148,935
Acquisition of shares from non-controlling interests	-	-	(3,131)
Investment in financial asset	-	(20,476)	(20,637)
Payment of deferred consideration	-	(4,593)	(121,139)
Decrease (increase) in restricted use deposits	(3)	(75)	142
Change in deposits	9,811	131,089	516,134
Investments in fixed assets	(1,497)	-	(16,168)
Net cash used for investing activity	**(76,766)**	**(21,394)**	**(185,295)**
Cash flows from financing activities:			
Issue of shares to the public (less issuance expenses)	-	-	147,560
Short term credit from banks, net	20,781	-	(305,920)
Repayment of bonds	-	-	(168,260)
Issue of bonds, net	333,247	-	873,558
Repayment of lease liabilities	(2,267)	(1,780)	(8,078)
Repayment of long term loans from bank corporations	(125)	(121)	(475)
Net cash arising from financing activities	**351,636**	**(1,901)**	**538,385**
Increase (decrease) in cash and cash equivalents	**320,805**	**(56,451)**	**244,439**
Balance of cash and cash equivalents at beginning of year	**399,265**	**172,174**	**172,174**
Impact of changes in foreign exchange rates for cash and cash equivalents	1,389	2,537	(17,348)
Balance of cash and cash equivalents at end of period	**721,459**	**118,260**	**399,265**

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

The amounts of cash flows attributed to the Company itself as a parent company

	For a period of three months ending on March 31		For year ending on December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Appendix A - Expenses not involving cash flows			
Depreciation and amortization	2,881	1,928	9,658
Net financing expenses	(1,349)	13,327	11,694
The Company's share of losses of companies treated according to the equity method, net	3,126	13	31,888
Profit from increase to control of associate	-	(1,426)	(1,426)
Share-based payment expenses	921	1,778	5,373
	5,579	**15,620**	**57,187**
Appendix B - Changes in working capital			
Decrease (increase) in inventory	10,627	(6,242)	(6,378)
Decrease (increase) in customers	41,998	(13,435)	(30,316)
Decrease (increase) in receivables	(7,925)	(16,314)	19,631
Increase (decrease) in accounts payable	9,744	(3,541)	(21,298)
Increase (decrease) in suppliers and service providers	1,447	16,639	(8,124)
Change in deferred taxes	(384)	(5,171)	(17,640)
Additional Information:			
Interest received in cash	2,260	1,870	34,659
Interest paid in cash	(400)	(259)	(47,711)
	57,367	**(26,453)**	**(77,177)**
Appendix C - Substantial non-cash transactions			
Initial recognition of usufruct asset and lease liability	5,430	1,091	14,047
Classification of customers for investment in corporations accounted for using the equity method	16,959	-	67,383
Liability for deferred consideration in a business combination	-	-	4,862

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 March 31, 2024

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, 2023, and the additional material information attached to it, as well as with the Company's condensed consolidated interim financial statements as of March 31, 2024.

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 March 31, 2024, 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 established in international financial reporting standards, such that these transactions were accounted for as transactions carried out with third parties.

The statements included in the separate financial information present intercompany balances and income and expenses for intercompany 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.

Additional material information relating to the Company itself as a parent company as of March 31, 2024

Note 2 - Transactions and material balances with investee companies:

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

	As of March 31		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Customers and income receivable	131,103	236,432	184,734
Accounts receivable	4,706	1,396	5,039
Investments in related corporations	2,603,499	334,851	2,550,496
Liability for deferred consideration in a business combination	-	(114,454)	-
Accounts payable	-	-	(52,658)

2. **Transactions with interested parties and affiliates**

	For a period of three months ending March 31		For year ending on December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Income	33,476	52,422	168,768
Financing expenses	-	348	-
Financing income	13,994	5,210	58,329

Report of Internal Control on Financial Reporting and Disclosure:

(a) Quarterly Report of Effectiveness of Internal Control on Financial Reporting and Disclosure under Article 38c(a):

The management, under the supervision of the board of directors of O.Y. Nofar Energy Ltd. (hereinafter: the "**Corporation**") is responsible for the determination and existence of proper internal control of the Corporation's financial reporting and disclosure.

In this regard, the members of the management are:

1. Nadav Tenne, CEO;
2. Noam Fisher, CFO;
3. Ayana Wechsler, VP Legal.

Internal control of financial reporting and disclosure includes reviews and procedures existing in the Corporation, planned by the CEO and the most senior officer in the financial department or under their supervision or by a person who actually carries out the aforesaid roles, under the supervision of the Corporation's board of directors, and which is intended to provide reasonable certainty with respect to the reliability of the financial reporting and the preparation of the reports in accordance with the provisions of the law, and to ensure that information that the Corporation is required to disclose in reports that it published under the provisions of the law is collected, processed, summarized and reported on the date and in the form set forth by law.

The internal control includes, *inter alia*, control and procedures that are planned to ensure that information that the Corporation is required to disclose as stated is accrued and transferred to the management of the Corporation, including the CEO and most senior office in the financial department or to a person who carries out the aforesaid positions in practice, in order to enable decisions to be made on the appropriate dates with respect to the disclosure requirements.

Due to its structural limitations, internal control of financial reporting and disclosure is not intended to supply absolute security that erroneous presentation or the withholding of information in the reports is prevented or discovered.

In the annual report regarding effectiveness of the internal control of financial reporting and disclosure that is attached to the periodic report for a period ending on December 31, 2023 (hereinafter: the "**Recent Annual Report Regarding Internal Control**"), the board of directors and management have assessed the Corporation's internal control. Based on the aforesaid assessment, the board of directors and management of the Corporation have concluded that the internal control as stated, as of December 31, 2023, is effective.

By the date of the Report, the board of directors and management has not been made aware of any event or matter that may change the assessment of effectiveness of the internal control, as presented in the framework of the Recent Annual Report Regarding Internal Control.

As of the date of the Report, based on an assessment of the effectiveness of the internal control in the Recent Annual Report Regarding Internal Control, and based on information of which the management and board of directors has been made aware as stated above, the internal control is effective.

2. Managers' Declarations:

(a) Declaration of CEO under Article 38c(d)(1):

I, Nadav Tenne, declare that:

(1) I have examined the quarterly report of O.Y. Nofar Energy Ltd. (hereinafter: the "**Corporation**") for the first quarter of 2024 (hereinafter: the "**Reports**");

(2) To the best of my knowledge, the Reports do not include any incorrect representation of material fact and did not omit any representation of material fact that is essential in order for the representations included therein, in light of the circumstances in which the same representations are included, to not be misleading with respect to the period of the Reports;

(3) To the best of my knowledge, the financial statements and other financial information included in the Reports properly reflect, from all material respects, the financial state, the results of the operations and the cash flows of the Company as of the dates and for the periods to which the Reports relate;

(4) I have disclosed to the auditing accountant of the Corporation, the board of directors and the audit committee of the Corporation's board of directors, based on my most updated estimation regarding the internal control of the financial reporting and disclosure:

(a) All of the significant flaws and material weaknesses in the determination or operation of the internal control of the financial reporting and the disclosure, which may reasonably detrimentally impact the ability of the Company to gather, process, summarize, or report financial information in a manner that may impose doubt as to the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and

(b) Any fraud, whether material or immaterial, in which the CEO or a party directly subject to him is involved or that involves other employees that have a significant role in the internal control of the financial reporting and disclosure;

(5) I, alone or together with others in the Company:

(a) I have determined procedures and controls, or ensured the determination and existence under my supervision of procedures and controls, which are intended to ensure that material information related to the Corporation, including its consolidated corporations as defined in the Securities Regulations (Annual Financial Reports), 5770-2010, is provided to me by others in the Corporation and the consolidated companies, particularly during the preparation of the reports; and

(b) I have determined controls and procedures, or ensured the determination and existence of controls and procedures under my supervision, that are intended to reasonably ensure the reliability of the financial reporting and the preparation of the financial reports in accordance with the provisions of the law, including in accordance with the generally accepted accounting rules.

(c) I have not been informed of any event or matter that occurred during the period between the date of the last report (quarterly or periodic, as the case may be) and the date of this Report, which has the potential to change the conclusion of the Board of Directors and management regarding the effectiveness of the internal control over the financial reporting and disclosure of the corporation.

The provisions above will not derogate from my liability or the liability of any other person under any law.

May 29, 2024

Nadav Tenne, CEO

(b) Declaration of the Most Senior Officer in the Financial Field under Article 38c(d)(2)

I, Noam Fisher, declare that:

(1) I have examined the interim financial statements and the other financial information included in the reports for the interim period of O.Y. Nofar Energy Ltd. (hereinafter: the "**Corporation**") for the first quarter of 2024 (hereinafter: the "**Reports**");

(2) To the best of my knowledge, the Interim Financial Reports and the other financial information included in the Reports for Interim Periods do not include any incorrect representation of material fact and did not omit any representation of material fact that is essential in order for the representations included therein, in light of the circumstances in which the same representations are included, to not be misleading with respect to the period of the Reports;

(3) To the best of my knowledge, the Interim Financial Reports and other financial information included in the Reports properly reflect, from all material respects, the financial state, the results of the operations and the cash flows of the corporation as of the dates and for the periods to which the Reports relate;

(4) I have disclosed to the auditing accountant of the Corporation, the board of directors and the audit committee of the Corporation's board of directors, based on my most updated estimation regarding the internal control of the financial reporting and disclosure:

(a) All of the significant flaws and material weaknesses in the determination or operation of the internal control of the financial reporting and the disclosure, insofar as it relates to the Interim Financial Reports and other financial information included in the Reports, which may reasonably detrimentally impact the ability of the Corporation to gather, process, summarize, or report financial information in a manner that may impose doubt as to the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and -

(b) Any fraud, whether material or immaterial, in which the CEO or a party directly subject to him is involved or that involves other employees that have a significant role in the internal control of the financial reporting and disclosure;

(5) I, alone or together with others in the Company:

(a) I have determined procedures and controls, or ensured the determination and existence under my supervision of procedures and controls, which are intended to ensure that material information related to the Corporation, including its consolidated corporations as defined in the Securities Regulations (Annual Financial Reports), 5770-2010, is provided to me by others in the Corporation and the consolidated companies, particularly during the preparation of the reports; and

(b) I have determined controls and procedures, or ensured the determination and existence of controls and procedures under my supervision, that are intended to reasonably ensure the reliability of the financial reporting and the preparation of the financial reports in accordance with the provisions of the law, including in accordance with the generally accepted accounting rules.

(c) I have not been informed of any event or matter that occurred during the period between the date of the last report (quarterly or periodic, as the case may be) and the date of this Report, which pertains to the interim financial statements and any other financial information included in the Reports, which has the potential to change the conclusion of the Board of Directors and management regarding the effectiveness of the internal control over the financial reporting and disclosure of the Corporation.

The provisions above will not derogate from my liability or the liability of any other person under any law.

May 29, 2024

Noam Fisher, CFO