Nofar

O.Y. Nofar Energy Ltd.

Second Quarter Report For 2024

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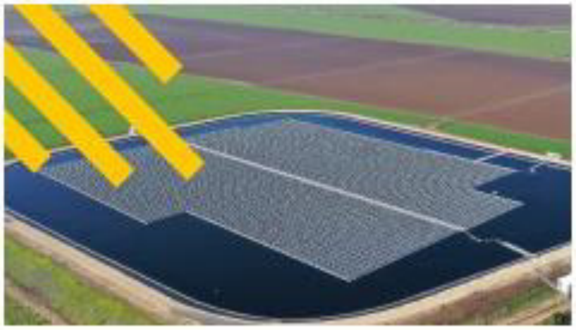
Introduction

Nofar in Numbers



PV projects - connected, ready to connect, under construction and nearing construction

2.3 GW

NIS 1.761 billion

Equity

attributed to owners

PV projects

Connected and ready to connect

1,153 (521)* MW

Storage projects

Connected, ready to connect, under construction and nearing construction

1,097 (781)* MWh

PV projects

Under construction and nearing construction

1,143 (948)* MW

87% increase in electricity revenues compared to Q2 of 2023

Activity in 10 territories

Expected aggregate revenues from the sale of electricity

NIS 1,495 million *

(NIS 1,074 million representing the Company's effective share) in the first representative year of generating projects under construction and those nearing construction.

* Based on the backlog of projects ready to connect, under construction and nearing construction. For details, see Section 1.4 of the Board of Directors' Report. The expected capacities and revenues of the systems in the first year are forward-looking information, as defined by this term in the Securities Law, including the Company's assessments regarding the project results as detailed. The figure is presented solely for illustration purposes of the revenues from the systems' performance in the first year, assuming they are completed under the assumptions used by the Company.

Part A -
Board of Directors Report

Board of Directors Report of the State of the Corporation's Affairs
for the Period Ending on June 30, 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 June 30, 2024 (hereinafter: the "**Date of the Statement of Financial Position**") and the period of three and six 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 companies (hereinafter jointly: the "**Group**"), unless stated otherwise.

This Report is prepared with the assumption that the reader has access to the Board of Directors' Report on the State of the Company's Affairs for the year ended December 31, 2023 - Part B of the 2023 Annual Report (hereinafter: "**2023 Board of Directors' Report**") and the Board of Directors' Report for the three-month period ended March 31, 2024, which was published on May 29, 2024 (reference no. 2024-01-056598; hereinafter: "**First Quarter 2023 Board of Directors' Report**"). Accordingly, the review provided below is limited in scope and pertains to events and changes that occurred in the Group's affairs during the Report Period that have a material impact on the Group. It should be reviewed in conjunction with the 2023 Annual Report, including the Corporate Business Description section in the 2023 Annual Report (hereinafter: the "**Description of the Corporation's Business Chapter**"), the 2023 Board of Directors' Report, the financial statements as of December 31, 2023, and the Report on Additional Details for 2023, which was published on the MAGNA system on March 31, 2024 (reference no. 2024-01-029416) (hereinafter collectively: "**2023 Annual Report**"), as well as the First Quarter 2023 Board of Directors' Report, the information of which is incorporated in this Report by reference.

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

1.1 General

The Company was incorporated in Israel 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, supply of electricity, 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.

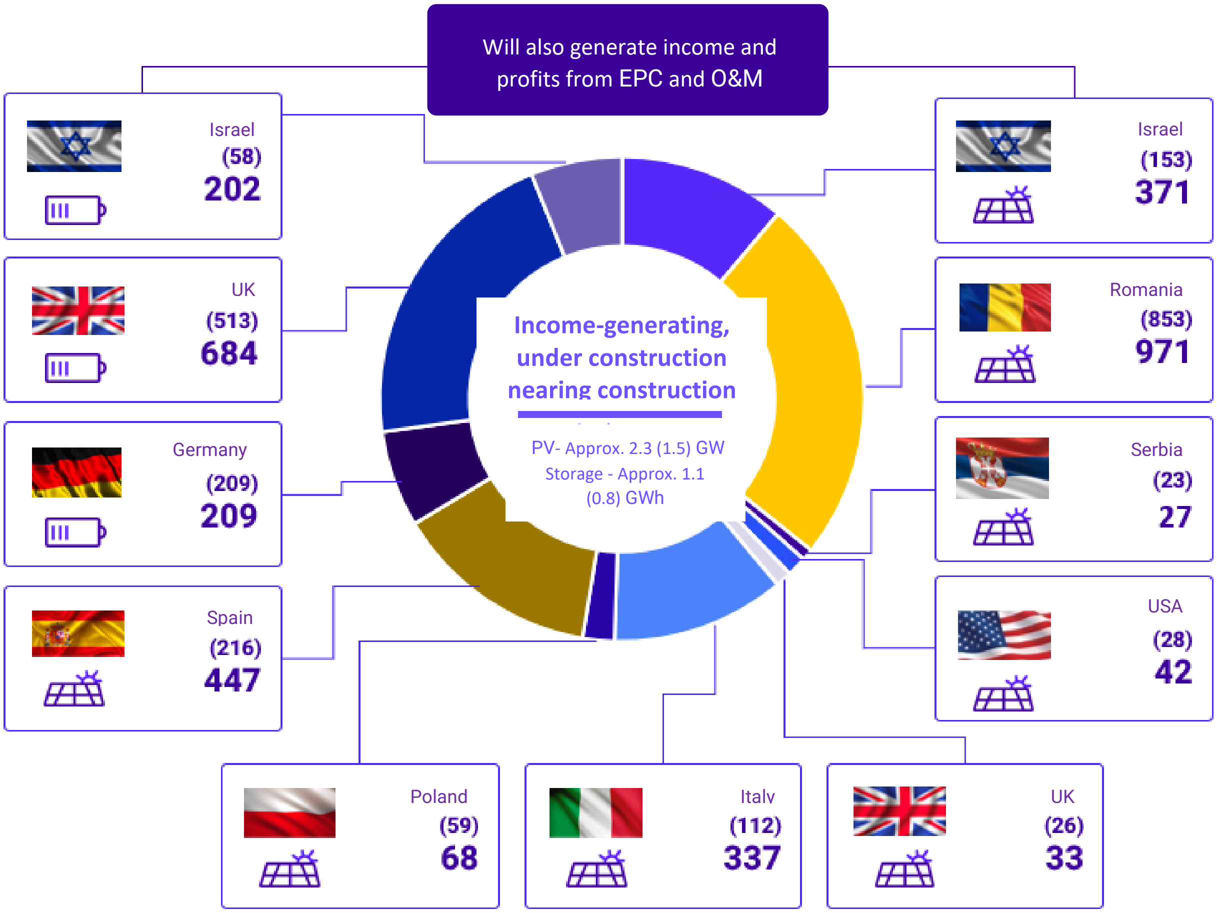
The Group's activities include the initiation, development and purchase of solar projects, wind systems and storage systems, starting from preliminary and initial stages, for the benefit of long-term holding, in Israel, Europe and the USA. These projects include large systems in Europe, which connect 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, 3.2, and 3.3 of the chapter Description of the Corporation's Business - Part A of the Annual Report for 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 Annual Report for 2023.

1.3 Key indicators in the Company's activity

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



Expected aggregate revenues from the sale of electricity in the first year of yielding projects under construction and nearing construction NIS 1,495 million [1] (Company's effective share is NIS 1,074 million).

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1 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 revenue, from the first full 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 does 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 revenue 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:

Systems 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 June 30, 2024)			0.16-2.47	0.01 - 1.68	0.29-0.5	0.1-0.72	0.1-0.72	0.001-1.476	0.252-0.369	
Number of systems	Solar	Jun. 30, 2024	1,487	28	138	1	1	1	1	1,657
		Jun. 30, 2023	1,282	20	48	1	1	---	---	1,352
		December 31, 2023	1,399	23	84	1	1	1	1	1,510
	Storage	Jun. 30, 2024	9	2	---	---	---	---	---	11
		Jun. 30, 2023	---	---	---	---	---	---	---	---
		December 31, 2023	7	---	---	---	---	---	---	7
Total installed power (MWp) (100%)	Solar	Jun. 30, 2024	323	18	122	169	155	20	155	962
		Jun. 30, 2023	272	15	37	169	155	-	-	648
		December 31, 2023	302	16	70	169	155	20	155	887
	Storage	Jun. 30, 2024	29	2	---	---	---	---	---	31
		Jun. 30, 2023	---	---	---	---	---	---	---	---
		December 31, 2023	21	---	---	---	---	---	---	21
Total setup costs (NIS thousands)		Jun. 30, 2024	1,408,787	237,821	449,352	539,019	577,299	84,386	453,011	3,749,675
		Jun. 30, 2023	1,176,281	168,375	129,850	513,722	547,967	---	---	2,536,195
		December 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 (millions of NIS)(7)		Jun. 30, 2024	89	74	47	166	148	84	98	706
Total senior debt balance (NIS thousands)		Jun. 30, 2024	932,966	19,089	359,482	223,029	295,741	---	241,212	2,071,519
		Jun. 30, 2023	852,763	74,558	92,193	241,540	---	---	---	1,261,054

		Israel[1]	USA[5][6]	Italy[5]	Spain[5]		Poland	Romania	Total
					Olmedilla	Sabinar I	Krzywinskie	Ratesti	
	December 31, 2023	901,323	72,465	190,727	231,877	302,370	---	240,696	1,915,163
Remainder of the senior debt period, in years (weighted average)	Jun. 30, 2024	**17**	**4**	**10**	**15**	**22**	**---**	**10**	---
Income (NIS thousands)	1-6/2024	130,050	7,236	22,421	49,820	26,839	3,186	31,228	270,780
	1-6/2023	91,438	5,428	6,833	34,536	28,887	---	---	167,122
	2023	205,602	12,692	18,189	75,906	56,792	220	2,451	371,852
Income from tax equity	1-6/2024	---	1,289	---	---	---	---	---	1,289
	1-6/2023	---	268	---	---	---	---	---	268
	2023	---	2,575	---	---	---	---	---	2,575
Total income (NIS thousands)	1-6/2024	130,050	8,525	22,421	49,820	26,839	3,186	31,228	272,069
	1-6/2023	91,438	5,696	6,833	34,536	28,887	---	---	167,390
	2023	205,602	15,267	18,189	75,906	56,792	220	2,451	374,427
Total project EBITDA[3] (NIS thousands)	1-6/2024	77,174	5,607	18,951	43,151	20,480	1,943	30,588	197,894
	1-6/2023	62,765	3,041	6,532	31,571	25,985	---	---	129,894
	2023	131,085	9,277	15,143	69,123	51,194	115	2,407	278,344
Total project FFO[3] (NIS thousands)	1-6/2024	44,341	3,563	12,230	39,053	13,036	1,943	21,119	135,285
	1-6/2023	40,907	775	4,871	26,350	25,985	---	---	98,888
	2023	76,653	4,279	8,386	57,895	42,975	115	2,407	192,710
Total free flow after senior debt service (NIS thousands)	1-6/2024	18,780	683	11,433	29,395	3,960	1,943	21,119	87,313
	1-6/2023	25,324	(1,619)	4,871	16,781	25,985	---	---	71,342
	2023	34,783	103	8,386	38,457	42,975	115	2,407	127,226
Company's share in free cash flow after debt service	1-6/24	7,479	683	7,260	29,395	3,960	1,943	10,559	61,279
Rate of the Company's holdings[4], indirectly (weighted average)	Jun. 30, 2024	41%	67%	33%	50%	47%	72%	50%	45%
	Jun. 30, 2023	39%	67%	29%	50%	47%	---	---	43%
	December 31, 2023	40%	67%	32%	50%	47%	72%	50%	45%

[*] Projects in commercial operation are projects connected to the electricity grid as of June 30, 2024, including projects that are in the running stages.

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

[2] The range of tariffs in systems in Israel is due to the differences in tariffs set in various regulations (net metering protection tariff, guaranteed tariff for tariff-based systems, and tariffs in tender systems). During the Report Period, the remaining period for settlement of these systems ranged from 9 to 25 years (approximately 21 years at a weighted average tariff), and the average tariff was about 0.44 NIS/kWh.

The range of tariffs in the USA results from the variations in electricity tariffs across different projects, differences in the discount rate provided to tenants, and the fact that electricity not allocated to a specific customer is fed into the grid for a payment of between 0.3 to 45.56 US cents per kWh. It should be noted that during the Report Period, the average tariff paid to Blue Sky was approximately 17.7 US cents per kWh for electricity sold to consumers and about 12.7 US cents per kWh produced. As detailed in the Company's 2023 Annual Report, Blue Sky enters into agreements with tenants at the property for the sale of credit for the electricity fed into the grid until the end of the tenant's lease agreement.

The range of tariffs in Italy stems from the variations in electricity tariffs in the GSE tenders and the fact that during the Report Period, some of the electricity was sold on the open market. During the Report Period, the average tariff for electricity sold in Italy by Sunprime on the free market was approximately 9.5 euro cents per kWh. As detailed in the Company's 2023 Annual Report, Sunprime projects operate under the GSE framework, which grants a guaranteed tariff 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 Spain, part of the electricity) is sold on the open market (Merchant) at prices that fluctuate every few minutes, depending on the demand and supply of electricity at that moment. As detailed in the Company's 2023 Annual Report, the sale of electricity from the Olmedilla and Sabinar projects is carried out under PPA agreements for periods of 3, 5, and 9 years, as well as on the open market (Merchant). For details, see Section 3.3.3 in Part A of the Company's 2023 Annual Report. Additionally, as of the Report Date, the sale of electricity from projects in Poland and Romania is conducted within the Balancing Market, as 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):

	1-6/2024	1-6/2023	1-12/2023
Gross profit	137,240	86,701	184,221
Systems depreciation	60,654	43,194	94,122
EBITDA	197,894	129,895	278,343
Senior debt financing expenses	62,610	31,006	85,633
FFO	135,284	98,889	192,710

It should be noted that the EBITDA for the projects presented in the table above differs from the EBITDA used to calculate the 'Debt to EBITDA ratio' benchmark set forth in the trust deeds of the Company's Bonds (Series A, B, and C).

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

For a period of six months ending June 30, 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	272,069	(102,379)	169,690
EBITDA	197,894	(70,338)	127,556
FFO	135,284	(43,561)	91,723
Free cash flow	87,313	(26,034)	61,279
Equity profit	---	---	4,195

For a period of six months ending June 30, 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	167,391	(59,109)	108,282
EBITDA	129,893	(43,724)	86,169
FFO	98,889	(28,500)	70,389
Free cash flow	71,342	(17,807)	53,535
Equity losses	---	---	(9,291)

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
Free cash flow	127,225	(23,741)	103,484
Equity 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-USD exchange rates, which at the time of the Report NIS 3.759 per dollar and an average exchange rate for the Report Period of NIS 3.69 per dollar), as applicable. The data regarding the systems in Europe are based on financial data of Sunprime and Andromeda and NIS-EUR exchange rates, which at the time of the Report are NIS 4.020 to the euro and an average exchange rate for the Report Period of NIS 3.99 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 who pay 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 estimation, 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 systems ready to connect (1) (financial data in NIS millions)

	Israel		Italy	Poland	Spain	UK	Total
Segment/ project name	PV	Storage	Sunprime	Dziewoklucz I	Sabinar II	Buxton	
Projected power (MWp)	27.9	---	60.0	19.7	83.0	---	190.5
Storage capacity (MWh)	---	67.7	---	---	---	60.0	127.7
Weighted tariff (NIS)	0.36	---	0.35	0.37	0.24	---	---
Projected annual production hours (KWh/KWp)	1,750	---	1,284	1,128	2,034	---	---
Expected revenues for the first full year of operation (5) (6)	17.7	9.5 - 13.5	27.0	8.3	41.0	10.0	113.5 - 117.6
Total estimated setup costs(3)(10)	73.0	101.5	181.3	60.7	307.9	124.0	848.5
Cost invested by the Company up to the Report Date (in NIS millions)	32	47	21	61	143	47	424
Projected operating cost for the first year of operation (6) (7)	4.0	0.4	3.6	1.5	7.0	3.4	20.0
Projected EBITDA for the first year of operation (6) (7)	13.7	9.1 - 13.1	23.4	6.7	34.1	6.7	93.6 - 97.7
Predicted leverage rate (senior debt) (10)	85%	80%	78%	56%	59%	64%	---
Projected loan period (years) (4)	20	20	10	7	23	8	---
Projected FFO for the first year of operation (6)(8)	9.7	3.8 - 7.8	15.7	4.7	25.7	1.7	61.2 - 65.3
Rate of holdings (9)	37%	30%	33%	80%	47%	75%	---
Company's share in the cash flow	37%	100%	33%	100%	53%	95%	---
Has senior debt been provided	In relation to part of the projects	No	Yes	No	No	Yes	---

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

	Projects under construction										Projects nearing construction							
	Israel		Romania				UK	Serbia	Germany	Italy		Poland	Romania	USA	Spain	UK	Israel	Total
Segment/ project name	PV	Storage	Iepuresti	Corbii Mari	Ghimpati	Slobozia	Cellarhead	Ada	Stendal	Sunprime		Cybinka	Volter	Blue Sky	Sabinar III	Turners Farm	PV	
Projected power (MWp)	8.6	---	169.9	265.9	146.8	73.6	---	26.6	---	113.2	41.9	28.5	160.0	23.7	40.0	33.1	10.9	1,142.7
Projected storage capacity (MWh)	---	105.1	---	---	---	---	624.0	---	209.0	---	---	---	---	---	---	---	---	938.1
Weighted tariff (NIS) for first full year of operation	0.45	---	0.39	0.37	0.39	0.39	---	0.46	---	0.33	0.34	0.35	0.35	0.56	0.21	0.36	0.31	---
Projected annual production hours (KWh/KWp)	1,750	---	1,403	1,395	1,384	1,540	---	1,300	---	1,408	1,260	1,110	1,420	1,478	1,664	971	1,750	---
Expected revenues for the first full year of operation [5] [6]	6.8	14.7 - 21.0	93.2	137.0	79.4	44.3	123.0	15.9	74.0	52.1	18.1	11.0	79.4	19.8	14.0	11.4	6.0	800.2 - 806.6
Total projected setup costs[3][10]	23.3	125.5	513.4	671.0	417.7	230.9	1057.0	79.9	352.3	318.4	126.6	80.2	419.5	205.0	74.0	66.4	29.4	4,790.5
Cost invested by the Company as of June 30, 2024	2	6	151	130	88	66	285	29	72	175		12	---	17	---	2	---	1,035
Projected operating cost for the first year of operation [6] [7]	1.5	0.9	13.2	17.4	11.6	7.1	27.1	2.8	11.1	6.8	2.5	2.5	14.4	5.3	3.1	1.7	1.5	130.6
Projected EBITDA for the first year of operation [6] [7]	5.3	13.8 - 20.1	80.0	119.5	67.8	37.3	95.9	13.1	62.9	45.3	15.6	8.5	65.0	14.4	11.0	9.7	4.5	669.6 - 675.9
Projected leverage rate (senior debt) [4][10]	85%	80%	45%	55%	45%	55%	64%	56%	60%	83%	85%	56%	55%	40%	59%	55%	85%	---
Projected loan period (years) [4]	20.0	20.0	12.0	12.0	12.0	12.0	7.0	7.0	7.5	17.0	20.0	12.0	12.0	7.0	23.0	12.0	20.0	---
Projected FFO for the first year of operation [6][8]	4.0	7.3 - 13.6	67.5	99.7	57.7	30.4	49.8	10.4	50.6	32.5	9.2	5.8	52.6	9.1	8.7	7.5	2.8	505.6 - 511.9
Rate of the tax equity in the investment	---	---	---	---	---	---	---	---	---	---	---	---	---	40%	---	---	---	---
Projected setup completion date[2]	2024	2024-2025	H2 2025	H1 2026	H2 2025	H2 2025	H1 2026	H2 2024	H2 2025	2024-2025	1905	H2 2026	H1 2026	2024-2025	H1 2026	H2 2025	2025	---
Rate of holdings [9]	39%	25%	95%	95%	95%	95%	75%	85%	100%	33%	33%	100%	95%	67%	47%	80%	53%	---
Company's share in the cash flow	39%	100%	100%	100%	100%	100%	95%	100%	100%	33%	33%	100%	100%	100%	53%	100%	53%	---
Has senior debt been provided	No	No	No	No	No	No	No	No	No	Yes	No	No	No	No	No	No	No	---

Licensed projects as of the Report 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)	74.4	---	79.4	404.9	210.0	1017.5	1568.0	---	3,354.2
Projected storage capacity (MWh)	---	599.1	---	---	---	---	---	260.0	859.1
Weighted tariff (NIS) for first full year of operation	0.45	---	0.56	0.33	0.35	0.36	0.37	---	---
Projected annual production hours (KWh/KWp)	1,750	---	1,587	1,368	1,072	1,011	1,009	---	---
Expected revenues for the first full year of operation [5] [6]	58.6	83.9 - 119.8	71.0	183.6	77.8	372.0	586.3	59.7	1,492.9 – 1,528.8
Total projected setup costs [3] [10]	200.8	590.8	716.0	1161.8	546.7	2413.4	3719.2	507.2	9,855.9
Cost invested by the Company as of June 30, 2024 [11]	---		46	7	---	48	16	1	118
Projected operating cost for the first year of operation [6] [7]	11.2	5.1	20.9	24.4	11.6	61.4	94.6	13.4	242.5
Projected EBITDA for the first year of operation [6] [7]	47.4	78.8 - 114.7	50.1	159.2	66.2	310.6	491.8	46.3	1,250.4 – 1,286.4
Projected leverage rate (senior debt) [11]	85%	80%	40%	85%	56%	55%	55%	60%	---
Projected loan period (years) [4]	20.0	20.0	7.0	20.0	7.0	12.0	12.0	10.0	---
Projected FFO for the first year of operation [6][8]	36.3	48.1 - 84.0	31.5	113.8	48.1	229.3	366.4	25.5	899.0 - 934.9
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	2031	2028	---
Rate of holdings [9]	43%	31%	67%	33%	80%	80%	80%	75%	---
Company's share in the cash flow	43%	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	Suprime	
Power (in MW)	485	592	418	3,040	---	---	---	4,535
Projected storage capacity (MWh)	---	165	3,094	---	1,356	320	2,996	7,931
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 remaining expenses in advance for projects under development amounted, as of June 30, 2024, to a total of about NIS 17,384 thousand.

(1) For details regarding the conditions for recognizing projects ready to connect, under 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 regarding the projects in Israel, Italy, and the USA, which include a large number of projects, none of which are significant to the Company in terms of system capacity in megawatts, as well as regarding projects under licensing in the UK and all projects in development, is provided in aggregate data. Additionally, the disclosure regarding other projects of various types and their geographic locations constitutes specific disclosure for each project.

The data in relation to projects in Poland, Romania, and Italy, are based on an exchange rate of NIS 4.0202 to the euro; the data in relation to projects in the United States are based on an exchange rate of NIS 3.759 to the dollar; the data in relation to the UK are based on an exchange rate of NIS 4.7505 to the pound.

Regarding the projects in development, advanced development, setup and in preparation for setup, the data on the table is based on the assumption that all of the approvals required for setup, connection of the system, to the electric grid, and commercial operation have been received, including approval regarding the place on the grid (approval of connection to the grid), the completion of the planning processes required for the setup of the systems, 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 or financing 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 detailed in the tables above are based on the Company's estimates, according to approvals received up to the Report Date and/or the area of land on which the system is intended to be built, the deadline for completing the purchase of the projects established in the purchase agreements, information provided to the Company by the local partner, information which was delivered to the Company as part of the adequacy tests carried out by the Company in relation to the various projects, or based on 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 reach readiness for setup 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 completion dates for the construction of projects in Israel are based on the Company's estimates regarding connection timelines. The projected completion dates for the construction of the Iepuresti, Ghimpati, Slobozia, Ada, and Cellarhead projects are based on the dates specified in the project construction agreements and the Company's estimates of potential delays in construction. The completion dates for the construction of other projects in Poland, Romania, and the UK are based on the dates detailed in the connection approvals or the estimates of the local partner, project developer (from whom the project rights were purchased), or external consultants, as applicable, regarding the connection date. The projected operational dates for Sunprime's projects are based on Sunprime management's assessment of the progress rate in project construction. For projects for which construction agreements have been signed, the dates are based on the timelines specified in the project construction agreements and the Company's estimates of potential delays in construction. The projected operational dates for Blue Sky's projects are based on the Company's assessment of the development and construction pace of the projects. The connection date for the storage project in Germany is based on the Company's assessment of the construction schedules and indications from negotiations concerning construction and supply agreements.

(3) Regarding systems for which the conditions for purchasing parts and/or the terms of loans to finance the construction have not yet been finalized, estimates were calculated based on the costs and financing terms of projects under construction, for which these conditions have been agreed upon, while factoring in changes in construction, transportation, and financing costs over the past year. The construction costs for the Sabinar II project are based on the cost of acquiring project rights, development costs, construction costs set in the EPC agreements, and payments to local developers. The construction costs for Sunprime projects are based on Sunprime management's estimates of construction costs per installed megawatt. The construction costs for projects in Poland are based on the cost of acquiring project rights, development costs detailed in various development agreements, project development costs by Electrum, and the Company's estimates of construction costs based on costs from other projects. For the Cybinka project, this also includes indications from negotiations concerning the construction agreement. The construction costs of projects in Romania are based on the cost of acquiring project rights and construction costs according to signed construction agreements, proposals received from contractors, or the Company's estimates regarding project construction costs. It should be noted that as part of the construction of the Iepuresti project, the project company is required to establish a substation that will serve the Iepuresti, Ghimpati, Volter projects, and an additional project to be built in the area. The construction costs for these projects were calculated based on the assumption that they will be divided among the four projects that will be connected to the substation (accordingly, the construction costs do not include an amount of approximately EUR 4 million, which the Company estimates will be received when an additional project/s is/are connected to

the same substation). The construction costs for the projects in Serbia are based on the cost of acquiring the project rights and the costs determined in the construction agreements. The construction costs for the Sabinar III project are based on the Company's management's estimates of construction costs, considering the construction costs of the Sabinar II project and changes in the market. The construction costs for Blue Sky projects are based on the cost per kilowatt of the systems under construction, accounting for the decrease in the main equipment costs. The construction costs for the Buxton and Cellarhead projects are based on the signed construction, procurement, and maintenance agreements for the project. The construction costs for the Toton project are based on the Company's management's estimates, taking into account the offers received for the Buxton and Cellarhead projects. The construction costs for the Stendal project are based on the construction cost of the project rights and draft construction and procurement agreements for these projects.

(4) For systems in Israel where financing terms have not yet been finalized, the leverage ratio and margins are based on those of projects currently under construction. Regarding the Sabinar II project, the leverage ratio and financing terms are based on the conditions of the financing agreement signed for the Sabinar II project. It should be noted that, as of the Report Date, the conditions for the release and use of funds have not yet been met. For Sunprime projects, the leverage ratio is based on the financing agreements signed by Sunprime. For projects in Poland, an indicative financing ratio of approximately 56% at an interest rate of 5%-7% was assumed, based on indications received during negotiations and EURIBOR Swap Rates for the estimated loan periods. For projects in Romania, an indicative financing ratio of approximately 45%-60% at an interest rate of 5%-7% was assumed, based on the financing agreements signed for the Iepuresti and Ghimpati projects, indications received during negotiations, and EURIBOR Swap Rates for the estimated loan periods. For projects in Serbia, an indicative financing ratio of approximately 50%-60% at an interest rate of 5%-7% was assumed, in line with financing costs in Poland and EURIBOR Swap Rates for the estimated loan periods. For Blue Sky projects, it was assumed that the leverage ratio 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 system 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. For this purpose, it is assumed that the tax equity partners will invest an amount equal to 40% of the project cost, based on the rates invested in operational projects where tax equity partners were involved. Regarding the Buxton project, the financing costs are based on the terms of the signed financing agreement and the Sonia Swap Rates for the estimated loan periods. For the Cellarhead project, indicative financing of approximately 60%-70% of the project cost at an interest rate of 6%-7% is assumed, based on the financing terms of Buxton and the Sonia Swap Rates for the estimated loan periods. For the Toton project, indicative financing of approximately 50%-70% of the project cost at an interest rate of 6%-7% is assumed, based on the terms of the Buxton financing agreement and market assessments regarding the interest rate. For the Stendal project, indicative financing of approximately 55%-65% at an interest rate of 5.5%-6.5% is assumed, based on preliminary 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 for the Volter and Toton projects, it should be noted that the Company has not yet completed their purchase (which in the case of Toton is expected to arrive at the time of RTB's arrival).

(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 revenue 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 distributor and borrowings initiated based on the initiated borrowings tariff.

The rates in relation to tariff systems and systems based on competitive procedures are based on the rates set forth in these regulations, plus linkage to the index until the Report Date (if relevant), and regarding regulations that allow self-consumption - also the Company's estimates regarding the scope and consumption regime of the customers and the electricity rates as of the Report Date (minus a discount, as far as this is relevant) and system costs arising from these arrangements. The revenue in 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 regarding the Sabinar II project are based on estimates of market electricity prices and the tariff set in the PPA agreement signed for the Sabinar project (for details, see the immediate report published by the Company on August 8, 2022, reference no. 2022-2022-01-099826, which is referenced in this Report), forecasts for electricity tariffs in the open market sales during the first year of operation of Sabinar II (including indexation according to the estimates of a consulting company and green certificate tariff forecasts in the country for electricity sold in the market), the Company's estimates regarding the actual capacity of the systems, and an assumption of approximately 2,034 sun hours per year at Sabinar II. The revenues in the table regarding the projects in Romania are based on forecasts for electricity tariffs in the open market sales during the first year of operation of each project obtained from an international consulting firm (including indexation according to the estimates of a consulting firm and green certificate tariff forecasts in the country) and the assumption of sun hours as detailed in the table above. It should also be noted that if the project company enters into a PPA agreement or wins CfD tenders, the actual revenues will be lower than the revenues in the open market. The revenues for projects in Poland are based on forecasts of electricity tariffs in the open market sales during the first year of operation for each project, as detailed above, obtained from an international consulting firm (including indexation according to the consulting firm's estimates and a forecast regarding the prices of green certificates in the country) and an assumption of 1,046 to 1,142 sun hours per year, depending on the project's location. The revenues in the table for the Sunprime project are based on the tariffs won by Sunprime in tenders (ranging from EUR 65.5 to EUR 102 per kWh, averaging around EUR 86 per megawatt-hour) and an assumption of approximately 1,342 average sun hours per year. The revenues in the table for projects in Serbia are based on forecasts of electricity tariffs in open market sales during the first year of operation for each project obtained from an international consulting firm (including indexation according to the consulting firm's estimates and green certificate tariff forecasts in the country) and an assumption of about 1,300 sun hours per year. The revenues in the table for the Blue Sky project are based on an average tariff of 15 cents per kWh, estimates of annual sun hours (between 1,475 and 1,700 hours, depending on the system's geographical location), and the assumption that all the electricity produced by the systems will be sold to consumers. It should be noted that in 2023 and the Report Period, the average tariff paid to Blue Sky was approximately 18 and 17.7 cents per kWh, respectively, for electricity sold to consumers (and about

13 and 12.6 cents per kWh produced, respectively), since Blue Sky did not allocate all the electricity produced by the systems, did not charge payments for all the electricity generated by its systems, and electricity that was not attributed to a specific customer was fed into the grid for a negligible payment). The revenues in the table for the Cellarhead, Buxton, Toton, and Stendal projects are based on a revenue forecast from electricity sales and system services provided to the Company by an external consulting firm (including indexation according to the consulting firm's estimates). Regarding the Stendal project, it should be noted that if the project company enters into a Tolling agreement, the actual revenues will be lower than the revenues in the open market. It should also be noted that, as of the Report Date, the project company is negotiating to enter into a Tolling agreement covering 80%-100% of the project.

(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 metric is calculated as gross profit plus depreciation and amortization, taking into account estimates of the ongoing maintenance costs of the system. For projects in Israel, this includes the maintenance costs specified in agreements signed with the Company. For the Sabinar project, it is based on the agreed upon compensation for operational services according to the O&M agreement with the construction contractor. For the Ratesti project, it considers the estimates for the ongoing maintenance costs of the system as per the O&M agreement and management fees paid to Econergy Renewable Energy Ltd. For Sunprime, it is based on Sunprime management's estimates regarding project operating expenses and maintenance costs proposed to financiers. For the projects in Poland, operational expenses are assumed according to the O&M and management agreements signed with companies from the Electrum Group (the Company's partner in Poland) for two projects and the Company's assessment. For the projects in Romania, operational expenses are assumed based on the maintenance agreements entered into by the Group companies. For the projects in Serbia, operational expenses are assumed based on the maintenance agreements entered into by the Group companies. For the storage project in Germany, operational expenses are assumed based on agreements with construction and battery contractors. For Blue Sky, it is assumed that operating expenses will be consistent with the average annual 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 equity partners, the transaction structure is designed so that the tax equity partner benefits from the tax incentive without receiving a share of the cash flow. As a result, the operational costs that previously included distributions to the tax equity partner are expected to decrease in new projects. EBITDA and FFO are presented net, after accounting for the partner's share. For the Buxton project, operating costs are based on maintenance and service agreements signed with the construction contractor, battery supplier, and optimization provider (RTM). For the Cellarhead project, operating costs are based on the amounts agreed upon with the construction and maintenance contractor. For the Toton project, operating costs are based on quotes received for Cellarhead and Buxton.

(8) FFO is calculated as EBITDA, less financing expenses (interest payments) on senior debt loans, based on the assumptions detailed in Note (5) above. It should be emphasized that as of the Report Date,

financing has not yet been secured for the Blue Sky, Cellarhead, Toton projects, the projects in Romania (except for Ratesti, Iepuresti, and Ghimpati), Poland, Serbia, and Germany. There is no certainty regarding the receipt of such financing, nor is there any assurance that the costs will align 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 companies of Olmedilla, Sabinar, Buxton, Sunprime, Ratesti, Iepuresti, and Ghimpati are, as of the Report Date, pledged in favor of the financing banks of 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.

The estimates detailed in the tables above regarding tariffs, tariff periods, capacities, annual production hours, commercial operation dates, construction costs, operating costs, loan periods, leverage rates, revenues, EBITDA, FFO, projected free cash flow, holding rates, year of construction completion, projected first year of operation, and results for the first year of operation are considered forward-looking information, as defined by the Securities Law. The realization of these estimates is uncertain and not entirely under the Company's control. These estimates are based on the Company's plans for each system and the characteristics of the systems, which may not materialize or may materialize differently, including significantly, due to factors beyond the Company's control. Such factors include, but are not limited to: lack of complete certainty regarding rights in the project company, delays in obtaining necessary permits for the construction and operation of the systems, delays in obtaining access to the electricity grid, delays in the connection works required by the grid operator, changes in system construction costs, delays in obtaining the necessary permits to start project construction, receiving negative or limited positive grid connection responses, receiving grid connection approval for a date far from the Company's estimates or for a connection point far from the Company's estimates, delays in grid development, construction delays, delays or difficulties in entering development agreements with the Israel Land Authority, delays in obtaining land rezoning approval, delays in the supply of system components, changes in construction costs, including unexpected expenses, increases in raw material prices, increases in transportation costs, changes in exchange rates, delays in obtaining permits required to begin project construction, delays in grid development, construction delays, changes in regulatory tariffs, changes in legal regulations and/or policies, imposition of taxes on electricity revenues in the countries where the Group operates, changes in financing policies and/or costs, difficulties in raising financing sources, changes in interest rates, system defects, changes in weather conditions, changes in electricity tariffs or systemic costs, changes in the volume of electricity consumption by system consumers, changes in electricity demand, changes in tax rates, changes in tax laws, changes in the economy in general and in the electricity sector in particular, regulatory changes, system defects, outbreak of a pandemic and the resulting restrictions, changes in security or political conditions, including the impact of the 'Sword of Iron' war on the Company's operations, and the occurrence of one (or more) of the risk factors detailed in Section 4.14 of the Description of the Company's Business chapter in the 2023 Annual Report.

It should be emphasized that, as of the Report Date, there is no certainty regarding the execution of projects that are under construction, nearing construction, in licensing, in advanced development, or in development. This uncertainty is due, among other reasons, to the fact that these projects are subject to obtaining various approvals (including land rezoning, building permits, positive connection responses, available quotas, compliance with the Electricity Authority's tests, connection approvals, and the like), as detailed in Sections 3.1.1.1, 3.3.1.3, 3.3.1.5, 4.9, and 4.14 of the Description of the Company's Business chapter in the 2023 Annual Report, which are not guaranteed to be obtained. There is also a concern about the occurrence of one of the risk factors detailed in Section 4.14 of the Description of the Company's Business chapter in the 2023 Annual 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 favor of 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 2024, the Company continued to advance and expand its development platforms and project portfolio, as follows:

1.5.1 Romania - In 2024, the construction of the Iepuresti, Ghimpati, and Slobozia projects (with a total capacity of approximately 390 MW) began, and the acquisition of the Volter project was completed after obtaining all necessary approvals to commence construction. Additionally, the Company expanded its panel purchase agreement to include panels for the Slobozia projects and improved purchasing terms for some of the projects from the previous transaction. As of the Report Date, the local development platform is negotiating construction and maintenance agreements for other projects and expanding the panel purchase agreement for the Volter project. In August 2024, project financing agreements for the Iepuresti and Ghimpati projects were signed for up to EUR 122 million, as detailed in the immediate report published by the Company on August 21, 2024 (reference no. 2024-01-085962), included in this Report by way of reference.

Moreover, as of the Report Date, the Group is seeking financing for the remaining projects in Romania. In this context, the Company is in negotiations with a foreign governmental financing body to secure financing of up to EUR 300 million, guaranteed by the Company, to be used for financing projects in Romania. It should be clarified that due to the early stages of these negotiations, there is no certainty regarding the execution of the financing agreement. Beyond that, as of the Report Date, the local platform is exploring the initiation, acquisition, and development of additional solar and storage projects in Romania, including adding storage to projects it owns.[2]

1.5.2 Italy - The Company operates in Italy through Sunprime HoldCo S.R.L ("**Sunprime**"), indirectly held at approximately 33.3% by the Company, specializing in rooftop projects in Italy with guaranteed and high tariffs (CfD). In 2024, Sunprime continued to develop and connect projects while further expanding its project backlog. In July 2024, entities from the Sunprime Group entered into an additional project financing agreement for up to EUR 204 million (EUR 170 million Capex and the remainder for VAT, True-up, DSRA, and guarantees), which will be used to finance the construction of projects with an estimated capacity of around 220 MW. In August 2024, the first drawdown under the financing was made in the amount of approximately EUR 17.8 million, as detailed in the Company's immediate reports from July 23, 2024 (reference no. 2024-01-075612) and August 4, 2024 (reference no. 2024-01-079077), included in this Report by way of reference. This financing brings the total senior financing (Capex) closed by Sunprime to EUR 330 million.

1.5.3 Spain -As of the Report Date, the Company holds four solar projects that are connected, ready to connect, or in preparation for construction in the country, with a total capacity of 447 MW. Of this, approximately 274 MW is selling the electricity produced under PPA agreements ranging from 3 to 9 years. As of the Report Date, the development platform is focused on completing the connection of the Sabinar II project while continuing the initiation of the Sabinar III project. The platform is also negotiating with Telecor regarding a long-term PPA agreement for some of the electricity to be

[2] It should be emphasized that in view of the initial stages of the projects and negotiations, as of the Report Date, there is no certainty regarding the success of the development of the projects and their implementation.

produced by the Olmedilla project, alongside a downward adjustment of the tariff under the PPA agreements signed for the Olmedilla and Sabinar projects.

1.5.4 Stand Alone storage in the UK - In 2024, Atlantic Green UK Limited ("**Atlantic Green**"), the Company's storage platform in the UK, 75% owned by the Company, continued leading the construction and connection activities 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 MWh[3], which is one of the largest in the UK, and completing the connection works and acceptance tests for the Buxton project with a capacity of 60 MWh, to the electricity grid.

Additionally, during the year, the first part of the Buxton project was connected, and as of the Report Date, Atlantic Green is preparing to build the Cellarhead project and connect the second part of the Buxton project.

Simultaneously, Atlantic Green is in advanced negotiations to close senior project financing for the Cellarhead project amounting to approximately GBP 145 million with a consortium of leading international banks. It should be noted that, according to indications, conversations with the financiers, and the draft financing agreement, the financing is expected to be for a period of about 7 years and carry a variable interest rate in the range of Sonia + 2.75%-3.75%. It should be clarified that these are only negotiations, and there is no certainty regarding the execution of the financing, and its terms may differ, including significantly. Additionally, the financing will include liens and cash sweep mechanisms as is typical in financing agreements of this type. This agreement will join the financing agreement for the Buxton project, which was funded by Goldman Sachs in the amount of GBP 16.5 million. Beyond that, the platform is also exploring and negotiating the acquisition of additional storage projects in the UK.

1.5.5 Israel - As of the Report Date, the scope of projects that are connected and ready to connect in Israel is approximately 351 MW.[4] In addition, the Company has a backlog of behind-the-meter storage projects that are connected, ready to connect, under construction, and nearing construction, with a total storage capacity of about 202 MWh.

In 2024 and until the Report Date, the Company completed the construction or connection of approximately 48 MW of solar energy on rooftops and reservoirs in Israel and about 21 MWh of behind-the-meter storage systems. Most of these systems were built by the Company, which serves as the EPC and O&M contractor, generating additional sources of income and profit for the Company.

It should be noted that in 2024, the Company decided to strengthen its operations in Israel. Accordingly, during the Report Period, the Company appointed Mr. Nadav Barkan as CEO of Israeli operations and made organizational changes to its activities in Israel.

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[3] 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.

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

1.5.6 Noventum - Noventum is a British platform established by Nofar in 2021 together with a local partner, where Nofar holds 80% of the Company and finances the partner's share through an interest-bearing loan. The platform focuses on developing renewable energy projects. The Company has developed capabilities and expertise in all aspects of developing renewable projects in the country and has created a significant project backlog of approximately 5.6 GW, most of which have grid connection approval. In 2024, Noventum continued to develop and promote its project backlog.

1.5.7 Germany - In 2023, the Company expanded its operations into Germany after completing the acquisition of a 104 MW battery storage project (Stendal project) in December 2023.[5] As of the Report Date, the Company is in advanced negotiations with a battery supplier, a construction contractor for the project's construction and maintenance, and potential optimizers. It should be noted that discussions with the optimizers include exploring the possibility of entering into a Tolling agreement (for all or most of the project), which includes a fixed annual payment for the Tolling component. Additionally, the Company is negotiating with financiers to secure funding for the project. According to indications received by the Company, the financing is expected to range between 58 to 66 million euros (plus a VAT framework) for a period of up to 7 to 12 years from the commercial operation date. It is clarified that these are merely negotiations, and there is no certainty that the financing will proceed, and its terms may differ from those stated, potentially significantly.

1.5.8 Poland - In 2023, Electrum Nofar SP Z.o.o ("**Electrum Nofar**"), a subsidiary 80% owned by the Company, completed the construction and connection of the Krzywinskie project (a solar project with a capacity of approximately 20 MW).[6]

As of the Report Date, Electrum Nofar is engaged in the construction, development, and initiation[7] of solar projects and storage projects with a total capacity of about 628 MW and 3.1 GWh, while completing the construction of the Dziewoklucz project (a solar project with a capacity of approximately 19.7 MW). Additionally, due to regulatory changes in Poland, Nofar Europe is working to increase the capacity of the Cybinka project as of the Report Date.

1.5.9 Serbia - Following Nofar Europe's entry into two solar projects in Serbia with a total capacity of approximately 26.6 MW, the project companies signed construction agreements for the projects in 2023. As of the Report Date, the projects are under construction. As of the Report Date, the Serbian development platform is preparing to secure financing for the project while seeking additional projects.

1.5.10 USA - In July 2021, the Company completed the purchase of 67% of the rights in Blue Sky, which is engaged in the initiation, development, licensing, planning, management, construction and holding

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[5] For additional details regarding the project, see the immediate reports published by the Company on October 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.

[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 development stages, as of the Report Date, there is no certainty regarding the success of the negotiations or construction of the systems.

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 its organizational and management infrastructure, enhancing its collection system, improving the tenant mix to whom electricity credits are sold, increasing partnerships with REIT funds, creating new partnerships, and entering additional segments in the USA. It should be noted that during the Report Period, one of the minority shareholders of Blue Sky and companies under his control filed lawsuits against the Company, Nofar USA, and Blue Sky, and Nofar USA filed a lawsuit against the minority shareholder and his companies. For details, see Note 6.e. in the financial statements. These proceedings complicate Blue Sky's operations. It is also noted that, alongside these proceedings, the Group is negotiating the establishment of a joint venture to hold a portfolio of solar projects (mainly Community Solar) and storage in the USA and Canada, currently being developed by the partner. It should be emphasized that, as of the Report Date, the negotiations have not been completed, and a detailed agreement has not been signed. Accordingly, there is no certainty regarding the establishment of the joint venture and entry into the aforementioned portfolio.

1.5.11 Greece - In 2023, the Company entered the storage sector in Greece concerning the development of storage projects in the initial stages of development, with a capacity of about 1,356 MWh. As of the Report Date, the Company is working to establish a local team to manage and expand its operations. It should be noted that, due to the characteristics of the Greek market and the early development stages of the projects, the Company estimates a high likelihood that only a small portion of the projects will complete the development process and reach the "Ready to Build" stage.

In the first half of 2023, inflation continued to rise globally, along with increases in interest rates, exchange rate fluctuations, and more, as detailed in Section 2.2 of the Corporate Business Description chapter of the Company’s 2023 Annual Report. From the third quarter of 2023, global economic activity moderated, and inflation declined or stabilized in most parts of the world. Additionally, core inflation also began to moderate, although inflation and core inflation remain above the targets of central banks in most countries. Accordingly, according to estimates, there are signs of a halt in the upward trend of interest rates worldwide. Nevertheless, in Israel, the consumer price index continued to rise in 2024, culminating in an increase of approximately 2.1% from January to June 2024.

Alongside changes in the global economic environment, in January 2023, the Israeli government began promoting a plan to implement changes in the Israeli judicial system, which sparked widespread controversy and criticism and was then assessed (by senior economists, the Bank of Israel, senior Ministry of Finance officials, and international credit rating agencies) as potentially leading to social and political instability, as well as negatively impacting the Israeli economy. These actions caused sharp declines in the Stock Exchange and depreciation of the shekel against other currencies.

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[8] For additional details, see Section 4.7.4 of the Description of the Corporation’s Business chapter Part A of the 2022 Annual Report, as well as the immediate reports published by the Company on May 25, 2021, and July 6, 2021 (reference no.: 2021-01-029851 and 2021-01-049006, respectively), which is included in this Report by way of reference.

These changes follow geopolitical shifts in Europe that characterized 2021 and 2022 and impacted electricity prices, commodity prices, shipping costs, and more.

On October 7, 2023, the "Iron Swords" war broke out, and a state of war was declared in Israel, which continues to this day. Concerning the Group's operations, given its activity in a vital industry and the Company's view of business continuity as a national mission, the Group continues its regular activities in Israel, including ongoing initiation, planning, and construction of projects, all under the required restrictions and guidelines from the Home Front Command. As of the Report Date, the war has not had a material impact on the Group's operations or financial results. The Company's operations outside of Israel continue as usual. Additionally, operations in Israel continue as usual, subject to the Home Front Command's restrictions. However, it should be noted that the Company has an immaterial number of systems located in the Gaza border area and in the north, which have been damaged as a result of the war (most of them are operational, although not at full capacity). Additionally, some of the Company's employees were drafted under Order 8, which temporarily reduced the Company's workforce and required the Company to reorganize its operations amid the war. Naturally, the war and its continuation could impact the extension of the timelines for the Group's project constructions in Israel, the duration of the Group's project portfolio development activities in Israel, the pace of project advancement abroad, and, accordingly, the timing of the start of electricity sales from these facilities. Additionally, a deterioration in Israel's financial situation could lead to further depreciation of the shekel against other currencies, difficulties in raising capital and debt, and more. Additionally, continued disruptions in shipping routes in the Red Sea could cause delays in delivery dates of parts from eastern regions and increased sea shipping costs.

These changes, both in Israel and globally, have implications, among other things, on the Company's financing costs (at the corporate level and at the project financing level), the volume of foreign currency funds available for investment (as the Company raises funds in shekels and primarily invests in foreign currency), project returns, the ability to execute projects promoted by the Company, and the value of projects in the Company's financial statements.

For further details regarding changes in the Company's business environment in 2023, see Sections 2.2, 3.2.1.3, and 3.3.1.2 in the Corporate Business Description chapter – Part A of the Company's 2023 Annual Report, which information is incorporated by reference into this Report.

As of the Report Date, there is uncertainty regarding the war's development, scope, duration, and effects, and therefore the Company cannot currently assess the war's future impact on the Group's operations and financial results.

The Company's estimates as stated in this section are forward-looking information, as defined in the Securities Law, based on the Company management's assessments and understanding of the factors influencing its business operations as of the Report Date. These estimates may not materialize, in whole or in part, or may materialize differently, including materially, than expected, among other things, due to suboptimal assumptions and analyses, developments that cannot be fully assessed regarding the crisis, its duration, and intensity, regarding the war, its duration, intensity, and effects, or the realization of all or part of the risk factors detailed in Section 3.13 of the Corporate Business Description chapter - Part A of the Company's 2023 Annual Report, which information is incorporated by reference into this Report.

1.5 **Financial condition:**

Section	As of						Explanations of the Board of Directors
	Jun. 30, 2024		Jun. 30, 2023		December 31, 2023		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Cash and Cash Equivalents	480,903	7.8%	155,274	3.0%	661,388	11.7%	The cash flow report shows that the main increase from the same period last year is due to the issuance of bonds and receiving loans from banking institutions, compared to the injection of capital into projects in Europe and Israel, gaining control of a subsidiary, and paying deferred consideration for gaining control. The decrease compared to December 2023 is due to capital injection into projects in Europe and Israel.
Deposits in bank corporations and others	1,819	0.0%	409,430	7.9%	10,011	0.2%	The main decrease results from the repayment of deposits.
Restricted use deposits	208,670	3.4%	340	0.0%	---	0.0%	The remaining balance is due to financing for a project where the conditions for withdrawal have not yet been met.
Customers	170,199	2.7%	272,708	5.2%	217,172	3.8%	The main decrease from the same period last year and December 2023 is due to the receipts received and the decrease in the Company's revenues from construction activities.
Financial derivative	3,782	0.1%	-	-	4,114	0.1%	The remaining balance is related to forward transactions with banks in Israel.
Accounts receivable	54,242	0.9%	101,403	1.9%	54,956	1.0%	The main decrease compared to the same period last year is due to the commencement of projects that have completed the initiation and development stage and started construction abroad and a decrease in advances to suppliers.
Inventory	37,534	0.6%	72,560	1.4%	58,058	1.0%	The decrease is due to the liquidation of inventory for projects.
Total current assets	**957,149**		**1,011,715**		**1,005,699**		
Investments in corporations accounted for using the equity method	1,048,953	16.9%	1,180,113	22.7%	982,404	17.3%	The main decrease compared to the same period last year stems from gaining control over entities that were previously accounted for using the equity method, including through loans, alongside an increase in investments for project construction. Additionally, it is influenced by the Company's share in the revaluation of fixed assets in associated companies during the Report Period.
Right of use asset	319,615	5.2%	228,526	4.4%	307,700	5.4%	The increase compared to the same period last year primarily results from consolidated companies where control was obtained and additional transactions made by the Group during the Report Period.

Section	As of						Explanations of the Board of Directors
	Jun. 30, 2024		Jun. 30, 2023		December 31, 2023		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Fixed assets	3,554,077	57.3%	2,463,463	47.3%	3,084,619	54.4%	The increase in the fixed asset balance compared to the same period last year is mainly due to the construction of photovoltaic systems owned by the Group during the Report Period.
Intangible asset	156,949	2.5%	187,917	3.6%	152,866	2.7%	The remaining balance mainly arises from goodwill related to companies where control was achieved.
Limited use cash and deposits	11,043	0.2%	6,795	0.1%	7,032	0.1%	Cash and deposits are used to ensure loan repayment.
Financial assets	44,058	0.7%	48,784	0.9%	42,333	0.7%	
Deferred taxes	15,699	0.3%	8,517	0.2%	12,569	0.2%	
Other receivables	38,714	0.6%	34,665	0.7%	36,370	0.6%	
Deposits in bank corporations and others	54,718	0.9%	37,757	0.7%	36,675	0.6%	Mainly deposits in bank corporations
Total non-current assets	**5,243,826**		**4,196,537**		**4,662,568**		
Total assets	**6,200,975**		**5,208,252**		**5,668,267**		
Short-term loans and current maturities for long-term loans from banks	119,694	1.9%	359,256	6.9%	69,896	1.2%	The decrease compared to the corresponding period last year is due to the repayment of a short-term loan. The increase compared to December 2023, is due to short-term project credit.
Bonds - current maturities	157,232	2.5%	125,784	2.4%	126,871	2.2%	
Current maturities of long-term lease liability	21,973	0.4%	15,563	0.3%	19,634	0.3%	
Suppliers and service providers	55,793	0.9%	101,500	1.9%	72,062	1.3%	The main decrease compared to the corresponding period last year is due to a decrease in construction activity in Israel.
Liability for deferred consideration in a business combination	4,068	0.1%	99,519	1.9%	4,862	0.1%	The decrease compared to the corresponding period last year is due to the payment of deferred consideration for a company in which control was obtained.
Accounts payable	71,504	1.2%	48,125	0.9%	54,807	1.0%	The main increase is due to the balance of payment to institutions compared to a reduction in liabilities due to competitive proceedings last year.
Financial derivatives	1,918	0.0%	14,069	0.3%	1,918	0.0%	The decrease compared to the same 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	**432,182**		**763,816**		**350,050**		
Long-term loans from banks	864,173	13.9%	337,681	6.5%	688,996	12.2%	The main increase is due to project loans received from banking institutions in consolidated companies.

Section	As of						Explanations of the Board of Directors
	Jun. 30, 2024		Jun. 30, 2023		December 31, 2023		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Liabilities for leases	301,751	4.9%	216,114	4.1%	291,712	5.1%	The increase compared to the same period last year primarily results from consolidated companies where control was obtained and additional transactions made by the Group during the Report Period.
Loans from others	21,520	0.3%	26,437	0.5%	8,494	0.1%	
Deferred taxes	211,503	3.4%	211,876	4.1%	211,855	3.7%	
Bonds	1,216,020	19.6%	774,560	14.9%	956,209	16.9%	The increase compared to the corresponding period last year is due to the issuance of Series C Bonds (minus payments made). The increase compared to December 2023, is due to the expansion of Bonds C (minus payments made).
Convertible bonds	371,808	6.0%	-	-	368,571	6.5%	The increase compared to the same period last year is due to the issuance of Series B Bonds, less the conversion component.
Other liabilities	71,269	1.1%	22,719	0.4%	21,259	0.4%	The balance mainly stems from a commitment to pay for the purchase of shares in a subsidiary, a commitment to the tax partner in the US and a commitment to eviction and disposal.
Total non-current liabilities	**3,058,044**		**1,589,387**		**2,547,096**		
Shareholders' equity and premium	1,716,256	27.7%	1,716,256	33.0%	1,716,256	30.3%	
Profit (loss) balance	(172,873)	-2.8%	(111,580)	(2.1%)	(153,354)	(2.7%)	
Capital funds	218,015	3.5%	213,566	4.1%	259,105	4.6%	The main difference compared to December 2023 arises from a capital reserve for transactions with non-controlling right holders
Total capital attributed to shareholders of the Company	**1,761,398**		**1,818,242**		**1,822,007**		
Non-controlling interests	949,351	15.31%	1,036,807	19.91%	949,114	16.74%	In respect of consolidated companies in which control was achieved.
Total capital	**2,710,749**		**2,855,049**		**2,771,121**		
Total liabilities and capital	**6,200,975**		**5,208,252**		**5,668,267**		

1.6 **Results of operations:**

Section	For a period of six months ending June 30		For a period of three months ending June 30		For a period of one year ending on December 31	Explanations of the Board of Directors
	2024	2023	2024	2023	2023	
	NIS thousands					
Revenue from sale of electricity and other	166,314	161,231	100,856	88,001	320,779	The main change is due to an increase in income from electricity in Israel and abroad as opposed to a decrease in income due to the construction of solar facilities.
Other income - tax partner	1,289	1,253	650	636	2,575	
Compensation for loss of income	-	20,432	-	456	21,007	
Total income	**167,603**	**182,916**	**101,506**	**89,093**	**344,361**	
Setup and operating costs	133,774	169,151	66,497	82,626	318,475	The main decrease compared to the corresponding period is due to a decrease in project construction activity in Israel compared to an increase in maintenance and operation expenses.
Management and general expenses	34,660	31,379	18,609	14,898	69,961	Mainly salary expenses, professional services, management, maintenance and office fees.
Marketing and sale expenses	3,914	5,280	1,508	2,940	9,301	
Other expenses	5,452	1,397	1,282	1,251	39,197	
Total expenses	**177,800**	**207,207**	**87,896**	**101,715**	**436,934**	
Other income	3,827	1,426	162	0	51,282	The income in 2023 for obtaining control of an associate.
Operating profit (loss)	**(6,370)**	**(22,865)**	**13,772**	**(12,622)**	**(41,291)**	
Rate of operating profit (loss) from income	(3.80%)	(12.50%)	13.57%	(14.17%)	(11.99%)	
Financing expenses	61,261	55,486	30,839	27,925	125,525	The expenses are mainly for interest and linkage for the bonds and loans from banking corporations.

Section	For a period of six months ending June 30		For a period of three months ending June 30		For a period of one year ending on December 31	Explanations of the Board of Directors
	2024	2023	2024	2023	2023	
	NIS thousands					
Financing income	28,361	25,691	10,366	10,636	70,103	The main income is due to exchange rate differences in respect of foreign exchange balances, interest income in respect of the Company according to the equity method and interest in respect of bank deposits.
Net financing expenses	32,900	29,795	20,473	17,289	55,422	
Profit (loss) after financing expenses	**(39,270)**	**(52,660)**	**(6,701)**	**(29,911)**	**(96,713)**	
Company's share in the profits (losses) of companies handled based on the equity method, net	4,195	(9,291)	10,805	(4,706)	(31,637)	
Profit (loss) before taxes on income	**(35,075)**	**(61,951)**	**4,104**	**(34,617)**	**(128,350)**	
Rate of profit (loss) before income taxes	(21%)	(34%)	4%	(39%)	(37%)	
Income tax expenses (tax benefits)	(2,680)	(16,440)	3,906	(14,120)	(26,521)	The change is mainly due to updating the Group's deferred taxes.
Profit (loss) for period	**(32,395)**	**(45,511)**	**198**	**(20,497)**	**(101,829)**	
Loss for the period attributed to:						
Shareholders of the Company	(22,296)	(44,493)	(5,285)	(22,170)	(88,661)	
Non-controlling interests	(10,099)	(1,018)	5,483	1,673	(13,168)	
Total profit (loss) for period	**(32,395)**	**(45,511)**	**198**	**(20,497)**	**(101,829)**	
Rate of profit (loss) for period	(19%)	(25%)	(0%)	(23%)	(30%)	

Section	For a period of six months ending June 30		For a period of three months ending June 30		For a period of one year ending on December 31	Explanations of the Board of Directors
	2024	2023	2024	2023	2023	
	NIS thousands					
Adjustments arising from hedging transactions	(463)	(804)	2,078	668	(6,952)	The change is due to adjustments in the fund in a consolidated company.
Adjustments arising from transaction of financial statements for foreign operations	22,291	151,004	38,040	40,557	145,252	The change is due to exchange rate differences in respect of foreign currency balances.
Revaluation for fixed assets	391	4,757	(55)	3,936	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 profit of corporations accounted for using the equity method	2,352	5,179	1,242	2,463	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 associate companies.
Total other comprehensive profit (loss)	**24,571**	**160,136**	**41,305**	**47,624**	**179,537**	
Shareholders of the Company	(8,061)	49,090	19,873	974	29,238	
Non-controlling interests	237	65,535	21,630	26,153	48,470	
Total comprehensive profit (loss) for the period	**(7,824)**	**114,625**	**41,503**	**27,127**	**77,708**	

1.7 **Liquidity:**

Section	For a period of six months ending June 30		For a period of three months ending June 30		For a period of one year ending on December 31	Explanations of the Board of Directors
	2024	2023	2024	2023	2023	
	NIS thousands					
Net cash flow arising from (used for) current activities	44,822	(100,075)	(5,544)	(46,619)	(65,638)	See Consolidated Statements of Cash Flows. The cash flow generated (used) for current activities during the Report Period is mainly due to a change in the Company's working capital.
Net cash flows used for investing activity	(715,805)	(350,523)	(362,096)	(289,658)	(384,206)	See Consolidated Statements of Cash Flows. The increase in the cash flow used for the investment activity compared to the corresponding period last year is mainly due to investments in fixed assets, investments and loans in companies treated according to the equity method and gaining control of the companies.
Net cash flows arising from financing activities	487,261	365,810	(56,392)	320,697	890,715	See Consolidated Statements of Cash Flows. The cash flow that arose from (used for) from financing activities compared to the corresponding period last year is mainly due to the issuance of bonds and the receipt of long-term loans. The cash flows during the Report Period is mainly due to the expansion of the bond series and a long-term loan. The cash flow for 2023 is mainly due to the issuance of bonds and long-term loans.

Disclosure pursuant to Article 10(b)(1)(d) of the Securities Regulations (Periodic and Immediate Reports)

During the Report Period, the Company did not have a continuous negative cash flow from operating activities in the consolidated and solo financial statements, and it had positive working capital in both the consolidated and solo financial statements.

Despite this, for caution's sake, during the Board of Directors meeting held on August 28, 2024, a projected cash flow for a two-year period was presented to the Board. This projection included, among other things, the Company's estimates regarding available financing sources as well as the Company's expected ongoing expenses and investments for this period. Considering the Company's projected cash flow, the available financing sources, the Company's expected investments, the Company's ability to control most of these expenses, and the fact that the continuous negative cash flow from operating activities in 2022 and 2023 primarily resulted from investments in growth platforms abroad and financing provided by the Company to project entities instead of those entities taking on bank debt, the Board of Directors believes that the continuous negative cash flow from operating activities in 2022 and 2023 does not indicate a liquidity problem for the Company.

1.8 **Sources of financing:**

The Group primarily finances its activities through equity issuance, ongoing profits, credit from banking institutions, and credit from suppliers, as detailed below:

1.8.1 Issue of shares - Following a private investment by Noy Fund in September 2020, where they invested a total of approximately NIS 224.9 million in exchange for shares that constituted about 24.64% of the Company's issued and paid-up share capital at that time, and the Company's initial public offering (IPO) of shares based on the Company's prospectus in December 2020, where 5,802,950 shares were issued for a total payment of NIS 577,974 thousand to the Company, on October 27, 2021, the Company completed a private placement and listing for trading of 7,744,907 ordinary shares for a total payment of approximately NIS 555 million to 16 classified investors, as defined in the First Schedule to the Securities Law, 5728-1968. For more details, see the 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 are incorporated herein by reference. On May 8, 2023, the Company completed a private placement and listing for trade of approximately 1.9 million ordinary shares for a total payment of approximately NIS 147.6 million to five classified investors, as 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 issuance. For more details, see the immediate reports published by the Company on April 24, 2023 (Reference Nos. 2023-01-038290 and 2023-01-044280) and April 30, 2023 (reference no. 2023-01-046233), which are incorporated herein by reference.

1.8.2 Issuance of Bonds - On August 16, 2021, the Company completed the issuance of NIS 400 million par value of Series A bonds. The Series A bonds are index-linked, carry an annual interest rate of 1.48%, and are repayable in ten unequal semi-annual payments from June 30, 2023, to December 31, 2027. For more details on the terms of the Series A bonds, see **Appendix A** to the Board of Directors' report, the shelf offering report published by the Company on August 12, 2021 (reference no. 2021-01-131616), and the issuance results report and trust deed from August 16, 2021 (reference nos. 2021-01-065704 and 2021-01-065244, respectively), which are incorporated herein by reference.

On September 8, 2022, the Company completed a private placement by way of expanding the series to 13 classified investors of 317,005,000 Series A Bonds. The Series A Bonds were issued against a payment of 98.5 agorot for each NIS 1 par value bond, totaling NIS 312,249,925 for all the Series A Bonds mentioned. Following the private placement, the total Series A Bonds increased to NIS 717,005,000 par value. For more details on the issuance terms, see the immediate report published by the Company on September 7, 2022 (reference no. 2022-01-093141), which is incorporated herein by reference.

On May 10, 2023, the Company completed a private placement by expanding the series to classified investors of NIS 250 million par value of Series A Bonds. The Series A Bonds were issued for a payment of 97.35 agorot per NIS 1 par value bond, totaling approximately NIS 243.3 million for all the Series A Bonds issued. Following the private placement, the total Series A Bonds increased to NIS 967 million par value. For more details on the issuance terms, see the immediate report published by the Company on May 8, 2023 (reference no. 2023-01-041848), which is incorporated herein by reference.

Starting from June 30, 2023, partial repayments of the Series A bonds were made semi-annually, bringing the total Series A bonds to approximately NIS 754 million par value as of the Report Date. For more details, see the immediate reports published by the Company on July 2, 2023 (reference no. 2023-01-062008), January 1, 2024 (reference no. 2024-01-000058), and July 1, 2024 (reference no. 2024-01-067059), which are incorporated herein by reference.

On July 20, 2023, the Company completed the issuance of approximately NIS 407.5 million par value of Series B bonds. The Series B bonds are convertible into registered ordinary shares without par value of the Company, such that from July 20, 2023, to June 20, 2029, every NIS 115.1 par value of Series B bonds can be converted into one ordinary share of the Company. The Series B bonds are not index-linked, carry an annual interest rate of 5%, and are repayable in two equal installments on June 30, 2028, and 2029. For more details on the terms of the Series B bonds, see **Appendix A** to the Board of Directors' report and the immediate reports published by the Company on July 18, 2023 (reference no. 2023-01-082041), July 20, 2023 (reference no. 2023-01-082740), and July 23, 2023 (reference no. 2023-01-083901), which are incorporated herein by reference.

On July 20, 2023, the Company completed the issuance of approximately NIS 233.9 million par value of Series C bonds. The Series C bonds are not index-linked, carry an annual interest rate of 6.95%, and are repayable in six unequal annual payments from June 30, 2025, to June 30, 2030. For more details on the terms of the Series C bonds, see **Appendix A** to the Board of Directors' report and the immediate reports published by the Company on July 18, 2023 (reference no. 2023-01-082041), July 20, 2023 (reference no. 2023-01-082740), and July 23, 2023 (reference no. 2023-01-083904), which are incorporated herein by reference.

In February 2024, the Company completed a private placement by expanding the series to classified investors of NIS 325 million of Series C Bonds. The Series C Bonds were issued for a payment of 102.65 agorot per NIS 1 par value bond, totaling approximately NIS 333.6 million for all the Series C Bonds issued. For more details on the issuance terms, see the immediate report published by the Company on February 13, 2024 (reference no. 2024-01-013084), which is incorporated herein by reference.

On August 18, 2024, the Company announced the consideration of issuing a new bond series. For details, see the immediate report published by the Company on August 18, 2024 (reference no. 2024-01-084288), which is incorporated herein by reference.

1.8.3 Long-Term Loans (Including Current Maturities) - The average long-term credit amounted to approximately NIS 703.4 million in the first half of 2024, compared to approximately NIS 324 million in the corresponding period last year, and approximately NIS 499.3 million in 2023.

The average cost rate of long-term credit was about 5.2% in the first half of 2024, compared to about 7.2% in the corresponding period last year, and about 5.5% in 2023.

1.8.4 Short-Term Credit - The average short-term credit amounted to approximately NIS 31 million in the first half of 2024, compared to approximately NIS 322 million in the corresponding period last year, and approximately NIS 275.7 million in 2023.

The average cost rate of short-term credit in the first half of 2024 was about 6.9%, 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 suppliers ranges from cash to net +60 days. The average supplier days amounted to about 65 days in the first half of 2024, compared to about 65 days in the corresponding period last year, and about 65 days in 2023.

The average credit balance of the suppliers amounted to approximately NIS 64 million in the first half of 2024, compared to approximately NIS 101 million in the corresponding period last year, and to approximately NIS 86.5 million in 2023.

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

The average credit balance of the customers amounted to approximately NIS 194 million in the first half of 2024, compared to approximately NIS 261 million in the corresponding period last year, and to approximately NIS 234 million in 2023.

The gap between supplier balance and customer balance is due to the fact that the Company tends to provide customer credit to the project companies it holds for relatively long periods, until financing is obtained by the project companies or equity is provided by the project company shareholders.

1.8.7 For more details on the Group's sources of financing, see Section 4.5 of the Description of the Corporation's Business chapter.

1.9 Significant Loans and Credit

For details on significant 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 of Part A of the 2023 Periodic Report, and Section 4.5.5 of Part A of the 2022 Periodic Report, which are incorporated herein by reference.

For details on the terms of the Series A Bonds issued by the Company, see **Appendix A** to the Board of Directors' report, the shelf offering report published by the Company on August 12, 2021 (reference no. 2021-01-131616), and the issuance results report and trust deed from August 16, 2021 (reference nos. 2021-01-065704 and 2021-01-065244, respectively), which are incorporated herein by reference.

For details on the terms of the Series B Bonds, see **Appendix A** to the Board of Directors' report and the shelf offer report published by the Company on July 18, 2023 (reference no. 2023-01-082041), the report on the issuance results dated July 20, 2023 (reference no. 2023-01-082740), and the trust deed dated and July 23, 2023 (reference no. 2023-01-083901), which are incorporated herein by reference.

For details on the terms of the Series C Bonds, see **Appendix A** to the Board of Directors' report and the shelf offer report published by the Company on July 18, 2023 (reference no. 2023-01-082041), the report on the issuance results dated July 20, 2023 (reference no. 2023-01-082740), and the trust deed dated and July 23, 2023 (reference no. 2023-01-083904), which are incorporated herein by reference.

Below is a description of the Company's compliance with the financial covenants that the Group's companies are required to meet in relation to significant credits:

<table>
<tr><th>Borrower name</th><th>Details of the lender</th><th>Balance of the loan as of June 30, 2024 (NIS millions)</th><th>Commitment to meet financial criteria</th><th>Calculation of compliance as of June 30, 2024</th></tr>
<tr><td rowspan="3">The Company</td><td>Trustee for the Bondholders (Series A)</td><td>754.2</td><td>Minimum equity of NIS 550 million
Minimum ratio between solo equity and solo net balance sheet of 35%
Consolidated net financial debt to EBITDA ratio shall not exceed 15[9],
All for two consecutive quarters.</td><td rowspan="3">Equity attributed to the Company’s shareholders - approx. NIS 1,759 million.
Equity to solo balance sheet ratio of about 52%.
Solo equity - NIS 1,759 million.
Solo net balance sheet - NIS 3,370 million.
Consolidated equity to consolidated balance sheet ratio 43%.
Consolidated net financial debt to EBITDA ratio - as of the Report Date,
the Company has a financial asset.</td></tr>
<tr><td>Trustee for the Bondholders (Series B)</td><td>407.5</td><td rowspan="2">Minimum equity of NIS 900 million
Ratio between solo equity and 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 14%;
the ratio of consolidated net financial debt to EBITDA will not exceed 15,
all for two consecutive quarters.</td></tr>
<tr><td>Trustee for the Bondholders (Series C)</td><td>558.9</td></tr>
</table>

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9 As of the Report Date, the Company has a net financial asset (as defined in the trust deed) amounting to approximately NIS 95 million and an EBITDA (as defined in the trust deed) amounting to approximately NIS 62 million. Therefore, the Company complies with this ratio.
It is clarified that, according to the provisions of the trust deeds signed between the Company and Mishmeret Trust Company Ltd., the consolidated net financial debt, used for calculating the numerator in the mentioned ratio, includes the financial debt taken by the Company and entities under its control. However, it does not include, among other things, the Company's share in the financial debt taken by associated companies. Additionally, it deducts, among other things, the financial debt taken by the Company and entities under its control for development and construction activities, for projects under construction, and for projects that have not yet passed one year from their commercial operation date or from the date of their acquisition, whichever is later. This also includes financial debt taken by the Company and entities under its control up to the amounts provided for these projects (including for projects held by associated companies), provided there is no other senior financial debt for such financing.
Additionally, the EBITDA used to calculate the denominator in the ratio is based on earnings before interest, taxes, depreciation, and amortization according to the Company’s financial statements. This includes adding profits, management fees, and development fees from consolidated entities, excluding one-time profits (losses) and expenses as detailed in the trust deeds, and excluding expenses related to share-based payments. Therefore, the EBITDA used to calculate this ratio includes the results of the construction and operation activities of the Company and entities under its control (excluding adjustments as detailed in the trust deeds), the profits and development fees from consolidated companies, and the results of the consolidated projects, excluding expenses as detailed in the trust deeds. Accordingly, the EBITDA mentioned does not include the Company's share in the results of the operations of its associated companies (which are accounted for in its financial statements using the equity method; the "**associated companies**").

Borrower name	Details of the lender	Balance of the loan as of June 30, 2024 (NIS millions)	Commitment to meet financial criteria	Calculation of compliance as of June 30, 2024
Olmedilla[10]	Banks in Spain	223	On June 30 and December 31 of each year, starting from the COD date (i.e., July 2023) and provided that the project has been operational for 12 months, the historical Debt Service Coverage Ratio (DSCR) applies. [11] For the last 12 months of 1.05. Maximum leverage ratio of 56%. Maintaining reserve accounts and minimal equity in the project.	Historical debt coverage ratio (DSCR) for 12 months: 2.58 Leverage ratio: 47.2%.
Sabinar I[12]	German financial body	305	As of June 30 and December 31 of each year, starting from the COD of Sabinar I, and provided that Sabinar I has been operational for 12 months, the historical ADSCR[13] for the last 12 months shall not be less than 1.05.	Historical 12-month ADSCR ratio: 2.06
Sunprime Generation S.r.l. and Sunprime Energia Distribuita S.r.l.[14]	A consortium of lenders led by an Austrian banking corporation	582	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.	Historical 12-month ADSCR ratio: 1.1

10 For more details, see Section 4.5.5 in the "Description of the Corporation's Business" chapter of the 2023 Annual Report, which is included in this Report by way of reference.

11 The "DSCR" (Debt Service Coverage Ratio) is the ratio between the cash flow during a specific period and the payments under the financing agreement for that same 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 (Annual Debt Service Coverage Ratio) refers to the ratio between the cash available for debt service (i.e., project revenues minus operating expenses and taxes) and the payments under the financing agreement for the same period (principal, interest, fees, etc.).

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 (Annual Debt Service Coverage Ratio) refers to the ratio between the cash available for debt service (i.e., project revenues minus operating expenses) and the payments under the financing agreement for the same period (principal, interest, fees, etc.), both for a period of one year.

Borrower name	Details of the lender	Balance of the loan as of June 30, 2024 (NIS millions)	Commitment to meet financial criteria	Calculation of compliance as of June 30, 2024
S.R.L Ratesti Solar Plant[16]	Raiffeisen Bank International AG, and Raiffeisen Bank S.A.	241	As of June 30, 2024, Debt Service Coverage Ratio[17] will not be less than 120%, The value of the borrower's assets exceeds the value of its liabilities (including contingent liabilities). The borrower's net asset value is at least 50% of the allocated capital.	The Debt Service Coverage Ratio (DSCR) is 233%. As of the Report Date, the ratio of asset value to liability value is 116%, and the ratio of net asset value to allocated capital is 146%.

1.10 Material valuations

The Company 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. The effectiveness of internal control

Attached in Part C of this quarterly report is the Company's report on its internal controls.

Additionally, in accordance with Article 9B(g1) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, the provisions of Article 9B(g) of these Regulations, which require the inclusion of the auditor's opinion regarding the effectiveness of internal control over financial reporting and any material weaknesses identified in such control, will not apply to the Company until five years have passed since it became a reporting corporation (except in certain cases specified in that article).

2.2. Market risks and their management

As of the Report Date, the Company's financial statements do not include any reportable segment that is a financial activity segment, and the Company does not have any significant financial activity. Accordingly, and in consideration of Article 10(b)(7) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, this Report does not include disclosure of market risks and their management methods.

Below are the linkage basis reports:

[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 (Debt Service Coverage Ratio) refers to the ratio between the cash flow for a specific period (i.e., EBITDA plus or minus net working capital and additional payments received that are not included in EBITDA) and the payments under the financing agreement for the same period (principal, interest, fees, etc.).

As of June 30, 2024

	As of June 30, 2024						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Cash and Cash Equivalents	47,369	132,330	87,781	1,423	-	212,000	480,903
Deposits from bank corporations and others	-	-	-	-	-	1,819	1,819
Restricted use deposits	744	205,442	-	2,484	-	-	208,670
Customers	4,999	13,694	-	1,361	-	150,145	170,199
Accounts receivable	4,552	12,506	2,986	9,708	-	24,490	54,242
Inventory	-	-	-	-	-	37,534	37,534
Financial derivative	-	3,782	-	-	-	-	3,782
Total current assets	**57,664**	**367,754**	**90,767**	**14,976**	-	**425,988**	**957,149**
Investment in investee companies accounted for using the equity method	-	587,235	-	-	-	461,718	1,048,953
Right of use asset	37,017	94,275	44,525	37,922	73,946	31,930	319,615
Fixed assets	208,962	1,575,427	455,131	350,725	-	963,832	3,554,077
Intangible assets	113,621	5,868	-	-	-	37,460	156,949
Long-term restricted cash	9,745	-	-	-	-	1,298	11,043
Deposits in bank corporations and others	37,590	---	---	16,760	---	368	54,718
Deferred taxes	---	12,247	3,452	---	---	---	15,699
Other payables - affiliated parties	---	37,413	---	---	---	1,301	38,714
Financial assets	11,123	32,935	---	---	---	---	44,058
Total non-current assets	**418,058**	**2,345,400**	**503,108**	**405,407**	**73,946**	**1,497,907**	**5,243,826**
Total assets	**475,722**	**2,713,154**	**593,875**	**420,383**	**73,946**	**1,923,895**	**6,200,975**
Short-term loans and current maturities for long-term loans from banks and others	**16,517**	**61,214**	**7,126**	**---**	**---**	**34,837**	**119,694**
Current maturities of long-term lease liability	**2,427**	4,521	3,760	1,394	7,184	2,687	21,973
Current maturities of bonds	---	---	---	---	129,284	27,948	157,232
Suppliers and service providers	**175**	5,292	338	10,719	---	39,269	55,793
Accounts payable	**20,758**	24,644	1,878	40	---	24,184	71,504
Liability for deferred consideration in a business combination	---	4,068	---	---	---	---	4,068
Financial derivatives	---	---	---	---	---	1,918	1,918
Total current liabilities	**39,877**	**99,739**	**13,102**	**12,153**	**136,468**	**130,843**	**432,182**
Long-term loans from banks	58,541	672,204	69,945	---	---	63,483	864,173
Lease liabilities	38,369	84,894	43,361	36,975	68,554	29,598	301,751
Affiliated party loan	---	---	20,770	---	---	750	21,520
Deferred taxes	11,173	19,252	---	---	---	181,078	211,503
Bonds	---	---	---	---	650,980	565,040	1,216,020
Convertible bonds	---	---	---	---	---	371,808	371,808
Other liabilities	7,141	61,750	---	---	733	1,645	71,269
Total non-current liabilities	**115,224**	**838,100**	**134,076**	**36,975**	**720,267**	**1,213,402**	**3,058,044**
Total liabilities	**155,101**	**937,839**	**147,178**	**49,128**	**856,735**	**1,344,245**	**3,490,226**

	As of June 30, 2024						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Excess of assets over liabilities (liabilities over assets)	320,621	1,841,928	446,697	337,963	(782,789)	546,334	2,710,749

As of June 30, 2023

	As of June 30, 2023						
	In NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Cash and Cash Equivalents	10,645	61,517	31,298	523	---	51,291	**155,274**
Deposits from bank corporations and others	408,261	---	---	---	---	1,169	**409,430**
Restricted use deposits	---	---	---	---	---	340	**340**
Customers	2,201	12,236	---	1	---	258,270	**272,708**
Accounts receivable (*)	16,267	31,056	18,530	10,709		24,841	**101,403(*)**
Inventory	---	---	---	---	---	72,560	**72,560**
Total current assets	**437,374**	**104,809**	**49,828**	**11,233**	**---**	**408,471**	**1,011,715**
Investment in investee companies accounted for using the equity method	---	776,853	---	---	---	403,260	**1,180,113**
Right of use asset	32,776	121,406	779	1,454	44,774	27,337	**228,526**
Fixed assets (*)	199,391	1,337,344	115,186	21,263	---	790,279	**2,463,463(*)**
Intangible assets (*)	135,376	17,771	---	---	---	34,770	**187,917(*)**
Long-term restricted cash	5,622	---	---	---	---	1,173	**6,795**
Deposits in bank corporations and others	37,000	---	361	---	---	396	**37,757**
Deferred taxes (*)	---	7,705	812	---	---	---	**8,517(*)**
Other payables - affiliated parties	---	34,665	---	---	---	---	**34,665**
Financial assets	11,123	37,441	---	---	---	220	**48,784**
Total non-current assets	**421,288**	**2,333,185**	**117,138**	**22,717**	**44,774**	**1,257,435**	**4,196,537**
Total assets	**858,662**	**2,437,994**	**166,966**	**33,950**	**44,774**	**1,665,906**	**5,208,252**
Short-term loans and current maturities for long-term loans from banks and others	337,125	20,371	---	---	---	1,760	**359,256**
Current maturities of long-term lease liability	2,025	5,654	474	195	5,142	2,073	**15,563**
Suppliers and service providers	4,405	9,257	30,510	1,787	---	55,541	**101,500**
Accounts payable	22,045	8,764	676	1,795	---	14,845	**48,125**
Liability for deferred consideration in a business combination	---	97,952	---	---	---	1,567	**99,519**
Current maturities of bonds	---	---	---	---	125,784	---	**125,784**
Financial derivatives	12,164	---	---	---	---	1,905	**14,069**
Total current liabilities	**377,764**	**141,998**	**31,660**	**3,777**	**130,926**	**77,691**	**763,816**
Long-term loans from banks	49,919	221,306	---	---	---	66,456	**337,681**
Lease liabilities	34,218	112,757	317	1,296	39,627	27,899	**216,114**
Affiliated party loan	---	---	4,892	---	21,545	---	**26,437**

	As of June 30, 2023						
	In NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Deferred taxes	23,923	17,263	---	---	---	170,690	211,876(*)
Bonds	---	---	---	---	774,560	---	774,560
Other liabilities	10,420	10,247	---	---	732	1,320	22,719
Total non-current liabilities	**118,480**	**361,573**	**5,209**	**1,296**	**836,464**	**266,365**	**1,589,387**
Total liabilities	**496,244**	**503,571**	**36,869**	**5,073**	**967,390**	**344,056**	**2,353,203**
Excess of assets over liabilities (liabilities over assets)	**362,418**	**1,934,423**	**130,097**	**28,877**	**(922,616)**	**1,321,850**	**2,855,049**

(*) Reclassified.

As of December 31, 2023

Section	As of December 31, 2023						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another 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**
Investment 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
Long-term restricted deposits	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 payables - affiliated 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 banks and others	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

Section	As of December 31, 2023						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
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
Affiliated party loan	-	-	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**
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

Since the publication of the 2023 Annual Report and up to the Report Date, there have been no changes in the Board of Directors' determination regarding the minimum required number of directors with accounting and financial expertise, nor in the identity of the directors possessing such expertise.

For details regarding the directors with accounting and financial expertise (including their education, qualifications, experience, and knowledge, based on which the Company considers them to have accounting and financial expertise), see Article 26 in Part D - Additional Information on the Corporation in the 2023 Annual Report, which is referenced in this Report.

2.5 Independent directors

As of the Report Date, the Company had not adopted a provision in the articles of association regarding the proportion of independent directors. However, as of the Report Date, three of the Company's directors (namely - Mr. Yoni Tal, Ms. Dafna Esther Cohen and Mr. Gili Cohen) are independent directors, as this term is defined in the Companies Law. In addition, Mr. 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. Dafna Esther Cohen and Mr. Gili Cohen, see Article 26 of Chapter D - Additional Details on the Corporation for the 2023 Periodic Report.

2.6 Auditor

Since the publication of the 2023 Annual Report and up to the Report Date, there have been no significant changes regarding the Company's internal auditor. For further details about the Company's internal auditor, see Section 2.6 of the Board of Directors' Report for 2023, which is included in this Report by way of reference.

2.7 Details regarding the Company's auditor

The Company's auditors are BDO Ziv Haft.

Since the publication of the 2023 Annual Report and up to the Report Date, there have been no changes regarding the Company's auditors. For additional details about the Company's auditors, please refer to Section 2.7 of the Board of Directors' Report in the 2023 Annual Report.

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, 6, and 9 to the consolidated financial statements as of June 30, 2024.

- On February 1, 2024, the Company held an annual and special general meeting of shareholders. During the meeting, among other resolutions, the reappointment of Messrs. Ofer Yannay, Yoni Tal, Yonit Partok, Zvi Levin, and Uri Auerbach as directors of the Company was approved. The reappointment of Ziv Haft (BDO) as the Company's external auditor was also approved, with the Board of Directors authorized to set their remuneration. Additionally, Mr. Gili Cohen was reappointed as an external director of the Company. For more information, see the 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 are included in this Report by way of reference.
- As of the Report Date, the Company has finalized the principles for financing agreements with two financial institutions in Israel for obtaining two solo credit facilities totaling approximately NIS 250 million, with a repayment period of 12 months.[18]

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

3.1. State of the Company's undertakings

For details about the status of a corporation's liabilities according to maturity dates, see the immediate report (F.126) published near the date of publication of this Report.

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

Date: August 28, 2024

[18] It is clarified that there is no certainty that the financing agreements will be implemented, and their terms may differ from what is described, including substantially.

Appendix A - Disclosure to Bondholders

The Bonds (Series A)

	Bonds (Series A) (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 June 30, 2024 (NIS thousands)	754,263
Nominal value including linkage as of June 30, 2024	840,351
Amount of interested accrued	-
Is this a material series?	Yes
Fair value as included in the financial statements as of June 30, 2024	808,241
Stock exchange value as of June 30, 2024	779,984
Stock market value near the Report Date (August 22, 2024)	779,984
Nominal interest rate (fixed)	Fixed annual interest in the rate of 1.48%
Principal repayment date	First payment, at a rate of 10% of the bond principal - on June 30, 2023; Four additional payments at a rate of 6% of the nominal value of the bonds will be made on December 31, 2023 and 2024, and on June 30, 2024 and 2025; Four additional payments at a rate of 4% of the nominal value of the bonds will be made on December 31, 2025 and 2026, and on June 30, 2026 and 2027; Additional payment at the rate of 50% of the par value of the bonds - on December 31, 2027
Interest payment dates	On June 30 and December 31 of the years 2022 to 2027
Linkage	Linked to the July 2021 index
Conversion right of the Bonds	---
Right to early redemption	There is a right at the initiative of the Stock Exchange or the Company. In the event of early redemption initiated by the Company, the amount to be paid will be the higher of the market value (less the liability value due for repayment in that quarter), the liability value of the bonds, or the discounted cash flow at the bond yield plus 1.5%.
Guarantee to secure the Company's obligations according to the trust deed	---
Remaining scope of par value of Bonds purchased by a subsidiary of the Company	---

	Bonds (Series A) (Data in NIS thousands)
The Trustee	Mishmeret Trust Services Ltd., 48 Menachem Begin Ave., Tel Aviv Telephone: 03-6374352; Fax: 03-6374344. Contact person: CPA Rami Sabati. Email: office@mtrust.co.il
Did the Company meet all of its obligations under the trust deed at the end of or during the reporting year?	Yes
Existence of grounds for calling the Bonds for immediate repayment	No
Limitations of the creation of pledges	The Company has committed not to create any new general floating charge over all of its assets and rights, current or future, in favor of any third party unless, simultaneously with the creation of the floating charge in favor of the third party, it also creates a floating charge in favor of the trustee on all of its assets, on a pari passu basis, according to the ratio of debts between the bonds and the third party.
Additional restrictions	The Company has committed to maintaining financial covenants of equity (as defined in the trust deed), which shall not be less than NIS 550 million, a ratio between solo equity and the net solo balance sheet (as these terms are defined in the trust deed), which shall not be less than 35%, and starting from December 2023, a ratio between consolidated net financial debt to EBITDA (as these terms are defined in the trust deed), which shall not exceed 15. The trust deed also includes conditions for the expansion of the bond series (as detailed in Section 2.4 of the trust deed), conditions regarding the issuance of additional bond series (as detailed in Section 2.9 of the trust deed), restrictions on distributions (as detailed in Section 4.6 of the trust deed), changes in the Company's control, and an interest rate adjustment mechanism (as detailed in Section 6.1 in the terms beyond the page in the first addendum to the trust deed). For more details, see Sections 2.4, 2.9, 4.5, 4.6 of the trust deed, and 6.1 in the terms on the overleaf in the first addendum to the trust deed, which was published in an immediate report on August 16, 2021 (reference no. 2021-01-065944), which is incorporated herein by way of reference.

	Bonds (Series A) (Data in NIS thousands)
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 Bondholders (series A) for the year 2022. For details, see the immediate report published by the Company on June 28, 2023 (reference no.: 2023-01-060340), which is included in this Report by way of reference. On July 25, 2023, a meeting of the Bondholders (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)

	Bonds (Series B)	Bonds (Series C)
	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 June 30, 2024	407,550	558,951
Nominal value including linkage as of June 30, 2024	407,550	558,951
Amount of interested accrued	-	-
Is this a material series?	Yes	Yes
Fair value as included in the financial statements	371,808 (excl. capital component)	565,262
Stock exchange value as of June 30, 2024	407,958	565,267
Stock market value near the Report Date (August 22, 2024)	407,958	565,267
Nominal interest rate (fixed)	Fixed annual interest in the rate of 5%	Fixed annual interest in the rate of 6.95%
Principal repayment date	Two payments, each at a rate of 50% of the principal's nominal value, will be made on June 30 of each of the years 2028 and 2029.	Six annual payments will be made as follows: the first payment, at a rate of 5% of the nominal value of the bonds, will be made on June 30, 2025. The next two payments, each at a rate of 10% of the nominal value of the bonds, will be made 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 made on June 30, 2028. The following two payments, each at a rate of 30% of the nominal value of the bonds, will be made on June 30 of each of the years 2029 and 2030.

	Bonds (Series B)	Bonds (Series C)
	NIS thousands	
Interest payment dates	Twice a year, on December 31, 2023, and on June 30 and December 31 of each of the years 2024 to 2028 (inclusive), with the final interest payment to be made together with the last principal repayment on June 30, 2029.	Twice a year, on December 31, 2023, and on June 30 and December 31 of each of the years 2024 to 2029 (inclusive), with the final interest payment to be made together with the last principal repayment on June 30, 2030.
Linkage	---	
Conversion right of the Bonds	The bonds are convertible into registered ordinary shares with no nominal value of the Company, in such a way that every NIS 115.1 nominal value of the bonds can be converted into one ordinary share of the Company. As a result, the total number of shares that would result from the full conversion of the bonds in circulation, as of March 31, 2024, is 3,540,834 shares. The bonds are convertible from July 20, 2023, until June 20, 2029, except (a) on the effective date for the distribution of bonus shares, rights offerings, dividend distribution, capital consolidation or split, or capital reduction; or (b) during the three days before the effective date for partial redemption up to the date of the partial redemption of the Bonds (Series B).	---

Right to early redemption	The Company is not allowed to make an early repayment of the Bond on its own initiative. The Stock Exchange has the right to initiate. In the event of early redemption initiated by the Stock Exchange, the amount paid will be the higher of the following: (1) the market value of the bonds subject to early redemption, determined based on the average closing price of the bonds over the thirty (30) trading days preceding the date of the Stock Exchange's decision regarding delisting from trading; (2) the nominal value of the bonds subject to early redemption in circulation, meaning the principal plus any interest (if applicable) up to the actual date of early redemption. The interest accrued until the early redemption date will be paid on the par value redeemed at the early redemption; (3) The balance of the cash flow of the Bonds due for early repayment (principal plus interest) when it is capitalized according to the government bond yield plus 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 is not allowed to make an early repayment of the Bond on its own initiative.	There is a right at the initiative of the Stock Exchange or the Company. In the event of early redemption initiated by the Company, the higher of the following amounts will be paid: (1) The market value of the bonds, which will be determined based on the average closing price of the bonds during the 30 trading days preceding the date on which the Board of Directors decides to execute the early redemption, multiplied by the early redemption rate of the bonds in circulation. However, if the early redemption is set for a quarter that also has a scheduled interest payment date or a partial redemption of the bonds, and the early redemption is executed on the same date as the scheduled payment, the market value of the remaining bonds will be reduced by the amount paid on that date for the interest component only, and the difference will be multiplied by the early redemption rate of the bonds in circulation (including the bonds for which a regular principal payment is made in that quarter, if paid); (2) The liability value of the bonds subject to early redemption that are in circulation, meaning the principal plus interest (if any), until the actual date of the early redemption. The interest accrued until the early redemption date will be paid on the par value redeemed at the early redemption; (3) The balance of the cash flow of the Bonds due for early repayment (principal plus interest) when it is capitalized according to the government bond yield plus an annual rate of 1.5%. Discounting the Bonds available for early redemption will be calculated as of the early redemption

	Bonds (Series B)	Bonds (Series C)
	NIS thousands	
		date and until the last payment date determined with respect to the Bonds. In the event of early redemption initiated by the Stock Exchange, the redemption amount will be the higher of the alternatives listed above. For this purpose, the sampling period and the market value of the remaining bonds will be determined based on the date on which the Stock Exchange decides to execute the early redemption.
Guarantee to secure the Company's obligations according to the trust deed	---	
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. Email: office@mtrust.co.il	
Did the Company meet all of its obligations under the trust deed at the end of or during the reporting year?	Yes	
Existence of grounds for calling the Bonds for immediate repayment	There are various grounds upon which the trustee, as well as the bondholders, shall be entitled to declare the outstanding balance of the bonds due for immediate repayment. These grounds include the Company's failure to make any payment or comply with its obligations under the trust deed, the appointment of a receiver or temporary liquidator whose appointment is not canceled within 45 days, the imposition of a lien on a significant asset of the Company that is not lifted within 45 days, and similar situations.	
Limitations of the creation of pledges	The Company has committed not to create any new general floating charge over all of its assets and rights, current or future, in favor of any third party unless, simultaneously with the creation of the floating charge in favor of the third party, it also creates a floating charge in favor of the trustee on all of its assets, on a pari passu basis, according to the ratio of debts between the bonds and the third party.	

	Bonds (Series B)	Bonds (Series C)
	NIS thousands	
Additional restrictions	The Company has committed to maintaining financial covenants, including equity (as defined in the trust deed) not falling below NIS 900 million for two consecutive quarters, a ratio of solo equity to net solo balance sheet total (as defined in the trust deed) not falling below 36% for two consecutive quarters, starting from December 2023 a ratio of consolidated net financial debt to EBITDA (as defined in the trust deed) not exceeding 15 for two consecutive quarters, and a ratio of consolidated equity to consolidated balance sheet total (as defined in the trust deed) not falling below 14% for two consecutive quarters. The trust deed includes conditions for expanding the bond series (as detailed in Section 2.7 of Bond B trust deed and Section 2.5 of Bond C trust deed), conditions regarding the issuance of additional bond series (as detailed in Section 2.12 of Bond B trust deed and Section 2.10 of Bond C trust deed), limitations on distribution (as detailed in Section 4.6 of the trust deed), and an interest adjustment mechanism (as detailed in Section 5.1 of the conditions on the back page in the first appendix to the trust deed). For further details, see Sections 2.5/2.7, 2.10/2.12, and 4.6 of the trust deed and Section 5.1 in the terms on the overleaf in the first addendum to the trust deeds, which were published in immediate reports on July 23, 2023 (Reference Numbers 2023-01-083901 and 2023-01-083904), which are incorporated by reference in this Report.	
General meetings and reports on behalf of the Trustee	---	---

Nofar

O.Y. Nofar Energy Ltd.

Condensed Consolidated Interim Financial Statements as of June 30, 2024

Unaudited

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August 28, 2024

To,
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 publication of a periodic report in connection with shelf prospectus of O.Y. Nofar Energy Ltd. from May 2024

We hereby inform you that we agree to the inclusion of our reports (including by way of reference) in the reports listed below in the shelf offers that will be published by you under the shelf prospectus of May 2024.

1) A review report of the Auditor dated August 28, 2024, regarding the consolidated condensed financial information of the Company as of June 30, 2024, and for periods of six and three months ending on the same date.

2) Review report of the auditor dated August 28, 2024, on the separate financial information of the Company as of June 30, 2024, and for the six-month and three-month periods ended on that date, in accordance with Article 38D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Ziv Haft

Certified Public Accountants

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 condensed consolidated statement of financial position as of June 30, 2024, as well as the condensed consolidated income statements, other comprehensive profit, changes to equity and cash flow for the periods of six months and three months ending on the same date. The board of directors and management are responsible for the preparation and presentation of financial information for these interim periods, pursuant to International Accounting Standard IAS 34, “Interim Financial Reporting,” and are responsible for the preparation of financial information for these interim periods under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion regarding the financial information for these interim periods based on our review.

We did not review the condensed interim financial information of consolidated entities whose assets included in the consolidation constitute approximately 42% of the total consolidated assets as of June 30, 2024, and whose revenues included in the consolidation constitute approximately 51% and 58%, respectively, of the total consolidated revenues for the six-month and three-month periods ended on that date. The financial information for the condensed interim periods of the same entities was reviewed by other accountants, whose review reports were provided to us, and our conclusion, inasmuch as it relates to the financial information in respect of the same entities, is based on the review reports prepared by the other accountants. Also, the information contained in the consolidated interim financial statements, which 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, is based on financial statements, some of which have been reviewed 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, August 28, 2024 **Ziv Haft**

Certified Public Accountants

Condensed Consolidated Statements of Financial Position

	As at June 30		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Assets			
Current assets:			
Cash and cash equivalents	480,903	155,274	661,388
Deposits in bank corporations and others	1,819	409,430	10,011
Restricted use cash and deposits	208,670	340	-
Customers	170,199	272,708	217,172
Financial derivative	3,782	-	4,114
Accounts receivable	54,242	(*)101,403	54,956
Inventory	37,534	72,560	58,058
Total current assets	**957,149**	**1,011,715**	**1,005,699**
Non-current assets:			
Investments in corporations accounted for using the equity method	1,048,953	1,180,113	982,404
Right of use asset	319,615	228,526	307,700
Fixed assets	3,554,077	(*)2,463,463	3,084,619
Intangible assets	156,949	(*)187,917	152,866
Restricted use cash and deposits	11,043	6,795	7,032
Financial assets	44,058	48,784	42,333
Deferred taxes	15,699	(*)8,517	12,569
Other receivables	38,714	34,665	36,370
Deposits in bank corporations and others	54,718	37,757	36,675
Total non-current assets	**5,243,826**	**4,196,537**	**4,662,568**
Total assets	**6,200,975**	**5,208,252**	**5,668,267**

(*) Reclassified

The notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Financial Position

	As at June 30		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Liabilities and equity			
Current liabilities:			
Short-term loans and current maturities for long-term loans from banks	119,694	359,256	69,896
Current maturities of lease liabilities	21,973	15,563	19,634
Current maturities of bonds	157,232	125,784	126,871
Suppliers and service providers	55,793	101,500	72,062
Liability for deferred consideration in a business combination	4,068	99,519	4,862
Accounts payable	71,504	48,125	54,807
Financial derivatives	1,918	14,069	1,918
Total current liabilities	**432,182**	**763,816**	**350,050**
Non-current liabilities:			
Long-term loans from banks	864,173	337,681	688,996
Liabilities for leases	301,751	216,114	291,712
Loans from others	21,520	26,437	8,494
Deferred taxes	211,503	211,876(*)	211,855
Bonds	1,216,020	774,560	956,209
Convertible bonds	371,808	-	368,571
Other liabilities	71,269	22,719	21,259
Total non-current liabilities	**3,058,044**	**1,589,387**	**2,547,096**
Capital:			
Share capital attributed to shareholders of the Company			
Shareholders' equity and premium	1,716,256	1,716,256	1,716,256
Loss balance	(172,873)	(111,580)	(153,354)
Capital funds	218,015	213,566	259,105
Total capital attributed to shareholders of the Company	**1,761,398**	**1,818,242**	**1,822,007**
Non-controlling interests	949,351	1,036,807	949,114
Total capital	**2,710,749**	**2,855,049**	**2,771,121**
Total liabilities and capital	**6,200,975**	**5,208,252**	**5,668,267**

(*) Reclassified

August 28, 2024			
Date of approval of the financial statements for publication	**Ofer Yannay** **Chairman of the Board**	**Nadav Tenne** **CEO**	**Noam Fisher** **CFO**

The notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Profit:

	For a period of six months ending on June 30		For a period of three months ending on June 30		For year ending on December 31
	2024	**2023**	**2024**	**2023**	**2023**
	Unaudited		**Unaudited**		**Audited**
	NIS thousands				
Revenue from sale of electricity and construction	166,314	161,231	100,856	88,001	320,779
Compensation for loss of income	-	20,432	-	456	21,007
Income from tax partner	1,289	1,253	650	636	2,575
Total income	**167,603**	**182,916**	**101,506**	**89,093**	**344,361**
Setup and operating costs	133,774	169,151	66,497	82,626	318,475
Marketing and sale expenses	3,914	5,280	1,508	2,940	9,301
Management and general expenses	34,660	31,379	18,609	14,898	69,961
Other expenses	5,452	1,397	1,282	1,251	39,197
Total expenses	**177,800**	**207,207**	**87,896**	**101,715**	**436,934**
Other income	3,827	1,426	162	-	51,282
Operating profit (loss)	**(6,370)**	**(22,865)**	**13,772**	**(12,622)**	**(41,291)**
Financing expenses	61,261	55,486	30,839	27,925	125,525
Financing income	28,361	25,691	10,366	10,636	70,103
Net financing expenses	**32,900**	**29,795**	**20,473**	**17,289**	**55,422**
Loss after financing expenses	**(39,270)**	**(52,660)**	**(6,701)**	**(29,911)**	**(96,713)**
Company's share in the profits (losses) of companies handled based on the equity method, net	4,195	(9,291)	10,805	(4,706)	(31,637)
Profit (loss) before taxes on income	**(35,075)**	**(61,951)**	**4,104**	**(34,617)**	**(128,350)**
Income tax expenses (tax benefits)	(2,680)	(16,440)	3,906	(14,120)	(26,521)
Profit (loss) for period	**(32,395)**	**(45,511)**	**198**	**(20,497)**	**(101,829)**
Profit (loss) for the period attributed to:					
Shareholders of the Company	(22,296)	(44,493)	(5,285)	(22,170)	(88,661)
Non-controlling interests	(10,099)	(1,018)	5,483	1,673	(13,168)
	(32,395)	**(45,511)**	**198**	**(20,497)**	**(101,829)**
Basic loss per share (in NIS) attributed to the owners of the Company	**(0.63)**	**(1.25)**	**(0.15)**	**(0.62)**	**(2.49)**

The notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Profit:

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

	For a period of six months ending on June 30		For a period of three months ending on June 30		For year ending on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Profit (loss) for period	(32,395)	(45,511)	198	(20,497)	(101,829)
Amounts that will be classified or reclassified to profit or loss if specific conditions are met					
Adjustments arising from transaction of financial statements for foreign operations	22,291	151,004	38,040	40,557	145,252
Adjustments arising from cash flow hedging transactions	(463)	(804)	2,078	668	(6,952)
Items not reclassified later to profit and loss:					
Share of revaluation of corporations accounted for using the equity method	2,352	5,179	1,242	2,463	34,846
Revaluation for fixed assets	391	4,757	(55)	3,936	6,391
Total other comprehensive income	**24,571**	**160,136**	**41,305**	**47,624**	**179,537**
Total comprehensive profit (loss) for the period	**(7,824)**	**114,625**	**41,503**	**27,127**	**77,708**
Total comprehensive profit (loss) for the period attributed to:					
Shareholders of the Company	(8,061)	49,090	19,873	974	29,238
Non-controlling interests	237	65,535	21,630	26,153	48,470
	(7,824)	**114,625**	**41,503**	**27,127**	**77,708**

The notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Changes to Equity

	Capital attributed to shareholders of the Company (NIS thousands)										
For a period of six months ending on June 30, 2024 (unaudited)	**Share capital and premium**	**Receipts on account of the conversion component of bonds**	**Capital reserve for revaluation of fixed assets**	**Adjustments arising from transaction of financial statements for foreign operations**	**Capital reserve for transactions with non-controlling right holders**	**Capital reserve for share-based payment**	**Capital fund from cash flow hedging transactions**	**Loss balance**	**Total capital attributed to shareholders of the Company**	**Non-controlling interests**	**Total capital**
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	-	-	-	-	-	-	-	(22,296)	**(22,296)**	(10,099)	**(32,395)**
Total profit for the period	-	-	2,743	9,407	-	-	2,085	-	**14,235**	10,336	**24,571**
Share-based payment	-	-	-	-	-	2,396	-	-	**2,396**	-	**2,396**
Transactions with minority	-	-	-	-	(54,944)	-	-	-	**(54,944)**	-	**(54,944)**
Transfer of revaluation capital fund for fixed assets to a loss	-	-	(2,777)	-	-	-	-	2,777	**-**	-	**-**
Balance as of June 30, 2024	**1,716,256**	**25,452**	**120,702**	**114,949**	**(58,573)**	**17,209**	**(1,724)**	**(172,873)**	**1,761,398**	**949,351**	**2,710,749**

	Capital attributed to shareholders of the Company (NIS thousands)								
For a period of six months ending on June 30, 2023 (unaudited)	**Share capital and premium**	**Capital reserve for revaluation of fixed assets**	**Adjustments arising from transaction of financial statements for foreign operations**	**Capital reserve for share-based payment**	**Capital fund from cash flow hedging transactions**	**Loss balance**	**Total capital attributed to shareholders of the Company**	**Non-controlling interests**	**Total capital**
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	-	-	-	-	-	(44,493)	**(44,493)**	(1,018)	**(45,511)**
Comprehensive profit (loss) for the period	-	9,936	84,069	-	(422)	-	**93,583**	66,553	**160,136**
Entry to consolidation	-	-	-	-	-	-	**-**	1,885	**1,885**
Share of non-controlling interests in capital injection to consolidated partner	-	-	-	-	-	-	**-**	62,782	**62,782**
Share-based payment	-	-	-	3,578	-	-	**3,578**	-	**3,578**
Issue of shares	147,560	-	-	-	-	-	**147,560**	-	**147,560**
Transfer of revaluation capital fund for fixed assets to a loss	-	(1,446)	-	-	-	1,446	**-**	-	-
Balance as of June 30, 2023	**1,716,256**	**91,829**	**109,140**	**13,019**	**(422)**	**(111,580)**	**1,818,242**	**1,036,807**	**2,855,049**

The notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Changes to Equity

	Capital attributed to shareholders of the Company (NIS thousands)										
For a period of three months ending on June 30, 2024 (unaudited)	**Share capital and premium**	**Receipts on account of the conversion component of bonds**	**Capital reserve for revaluation of fixed assets**	**Adjustments arising from transaction of financial statements for foreign operations**	**Capital reserve for transactions with non-controlling right holders**	**Capital reserve for share-based payment**	**Capital fund from cash flow hedging transactions**	**Loss balance**	**Total capital attributed to shareholders of the Company**	**Non-controlling interests**	**Total capital**
Balance as of April 1, 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**
Profit (loss) for period	-	-	-	-	-	-	-	(5,285)	**(5,285)**	5,483	**198**
Comprehensive profit (loss) for the period	-	-	1,187	22,578	-	**-**	1,393	-	**25,158**	16,147	**41,305**
Share-based payment	-	-	-	-	-	1,474	-	-	**1,474**	-	**1,474**
Transactions with minority	-	-	-	-	(54,944)	-	-	-	**(54,944)**	-	**(54,944)**
Transfer of revaluation capital fund for fixed assets to a loss	-	-	(1,394)	-	-	-	-	1,394	**-**	-	**-**
Balance as of June 30, 2024	**1,716,256**	**25,452**	**120,702**	**114,949**	**(58,573)**	**17,209**	**(1,724)**	**(172,873)**	**1,761,398**	**949,351**	**2,710,749**

	Capital attributed to shareholders of the Company (NIS thousands)								
For a period of three months ending on June 30, 2023 (Unaudited)	**Share capital and premium**	**Capital reserve for revaluation of fixed assets**	**Adjustments arising from transaction of financial statements for foreign operations**	**Capital reserve for share-based payment**	**Capital fund from cash flow hedging transactions**	**Loss balance**	**Total capital attributed to shareholders of the Company**	**Non-controlling interests**	**Total capital**
Balance as of April 1, 2023	**1,568,696**	**86,175**	**92,786**	**11,219**	**(813)**	**(90,155)**	**1,667,908**	**978,140**	**2,646,048**
Loss for the period	-	-	-	-	-	(22,170)	**(22,170)**	1,673	**(20,497)**
Other comprehensive profit for the period:	-	6,399	16,354	-	391	-	**23,144**	24,480	**47,624**
Issue of shares	147,560	-	-	-	-	-	**147,560**	-	**147,560**
Share of non-controlling interests in capital injection to consolidated partner	-	-	-	-	-	-	**-**	32,514	**32,514**
Share-based payment	-	-	-	1,800	-	-	**1,800**	-	**1,800**
Transfer of revaluation capital fund for fixed assets to a loss balance	-	(745)	-	-	-	745	**-**	-	**-**
Balance as of June 30, 2023	**1,716,256**	**91,829**	**109,140**	**13,019**	**(422)**	**(111,580)**	**1,818,242**	**1,036,807**	**2,855,049**

The notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Changes to Equity

	Share capital attributed to shareholders of the Company										
For a period of one year ending on December 31, 2023 (audited)	**Share capital and premium**	**Receipts on account of the conversion component of bonds**	**Capital reserve for revaluation of fixed assets**	**Adjustments arising from transaction of financial statements for foreign operations**	**Capital reserve for transactions with non-controlling right holders**	**Capital reserve for share-based payment**	**Capital fund 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 to consolidation	-	-	-	-	-	-	-	-	**-**	18,163	**18,163**
Share of non-controlling interests in capital injection to consolidated partner	-	-	-	-	-	-	-	-	-	110,425	**110,425**
Reimbursement of capital to non-controlling interests	-	-	-	-	-	-	-	-	**-**	(135,047)	**(135,047)**
Issuance of bonds to be converted into an equity component	-	25,452	-	-	-	-	-	-	**25,452**	-	**25,452**
Transaction with non-controlling interests	-	-	-	-	(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 a 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 notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

	For a period of six months ended ending on June 30		For a period of three months ending on June 30		For year ending on December 31
	2024	**2023**	**2024**	**2023**	**2023**
	Unaudited		**Unaudited**		**Audited**
	NIS thousands				
Cash flow from current operations:					
Profit (loss) for period	(32,395)	(45,511)	198	(20,497)	(101,829)
Expenses not involving cash flows (Appendix A)	67,093	78,508	26,976	41,017	145,144
Changes in working capital (Appendix B)	10,124	(133,072)	(32,718)	(67,139)	(108,953)
Net cash arising from (used for) current activities	**44,822**	**(100,075)**	**(5,544)**	**(46,619)**	**(65,638)**
Cash flows from investment activities:					
Investments in corporations accounted for using the equity method	(55,967)	(164,487)	-	(88,270)	(264,149)
Repayment of a loan from an associate	14,673	-	14,673	-	171,946
Purchase of shares from non-controlling interests	-	-	-	-	(3,131)
Repayment of deferred consideration	(835)	(20,065)	-	(20,065)	(121,139)
Investment in other receivables	(432)	-	(432)	-	(869)
Investment in a financial asset	-	(20,637)	-	(161)	(20,637)
Obtaining control of consolidated companies (Appendix D)	(31,003)	(132,093)	(31,003)	(94,200)	(349,795)
Changes in restricted use deposits	(212,116)	(3,345)	(2,127)	1,356	(3,819)
Deposit into deposit	(8,793)	117,874	(18,604)	(13,202)	516,134
Investments in fixed assets	(421,332)	(127,770)	(324,603)	(75,116)	(308,747)
Net cash used for investing activity	**(715,805)**	**(350,523)**	**(362,096)**	**(289,658)**	**(384,206)**
Cash flows from financing activities:					
Issue of shares (less issuance expenses)	-	147,560	-	147,560	147,560
Short-term credit from banks, net	33,147	-	12,366	-	(305,920)
Issue of bonds, net	333,247	242,847	-	242,847	873,558
Repayment of bonds	(64,642)	(104,825)	(64,642)	(104,825)	(168,260)
Repayment of lease liabilities	(10,871)	(7,606)	(5,312)	(3,853)	(19,641)
Share of non-controlling interests in capital injection to consolidated partner	-	62,782	-	32,513	110,425
Reimbursement of capital to non-controlling interests	-	-	-	-	(135,047)
Receipt (repayment) of loan from a related party	11,407	4,082	11,407	1,908	(11,365)
Receipt of long-term loans from bank corporations and others	207,117	24,286	1,079	7,383	427,429
Payment of long-term loans from bank corporations and others	(22,144)	(3,316)	(11,290)	(2,836)	(28,024)
Net cash deriving from (used in) financing activities	**487,261**	**365,810**	**(56,392)**	**320,697**	**890,715**
Increase (decrease) in cash and cash equivalents	**(183,722)**	**(84,788)**	**(424,032)**	**(15,580)**	**440,871**
Balance of cash and cash equivalents at beginning of period	**661,388**	**237,865**	**903,087**	**171,194**	**237,865**
Impact of changes in foreign exchange rates for cash and cash equivalents	3,237	2,197	1,848	(340)	(17,348)
Balance of cash and cash equivalents at end of period	**480,903**	**155,274**	**480,903**	**155,274**	**661,388**

The notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

	For a period of six months ended ending on June 30		For a period of three months ending on June 30		For year ending on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Appendix A: Adjustments required to present cash flows from operating activities					
Change in current tax	(7,077)	5	(6,252)	(2,256)	(6,792)
Depreciation and amortization	44,358	38,518	22,736	20,114	80,226
Net financing expenses	32,900	29,795	20,473	17,289	55,422
Company's share in the profits (losses) of companies handled based on the equity method, net	(4,195)	9,291	(10,805)	4,706	31,637
Impairment of Assets	-	-	-	-	33,082
Income for tax partner	(1,289)	(1,253)	(650)	(636)	(2,575)
Profit from gaining control of an associated company	-	(1,426)	-	-	(51,228)
Share-based payment expenses	2,396	3,578	1,474	1,800	5,372
	67,093	**78,508**	**26,976**	**41,017**	**145,144**
Appendix B - Changes in working capital (changes in property and liability sections):					
Decrease (increase) in inventory	20,524	(20,880)	9,897	(14,634)	(6,378)
Decrease (increase) in customers	26,475	(45,027)	(19,955)	(38,101)	(33,363)
Decrease (increase) in receivables	4,490	(25,859)	7,711	(1,420)	5,681
Increase (decrease) in accounts payable	36,912	(13,913)	39,544	2,063	5,557
Increase (decrease) in suppliers and service providers	(17,360)	(4,694)	(23,257)	3,513	(9,563)
Change in deferred taxes	(9,169)	(16,436)	(1,805)	(11,864)	(34,613)
Change in financial assets	-	1,306	-	879	-
Additional information:					
Income tax paid	-	-	-	-	(6,021)
Taxes received	-	9	-	-	16
Interest received in cash	7,802	2,876	5,542	1,006	34,659
Interest paid in cash	(59,550)	(10,454)	(50,395)	(8,581)	(64,928)
	10,124	**(133,072)**	**(32,718)**	**(67,139)**	**(108,953)**

The notes attached constitute an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

	For a period of six months ended ending on June 30		For a period of three months ending on June 30		For year ending on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Appendix C: Substantial non-cash transactions					
Initial recognition of usufruct asset and lease liability	14,450	18,080	6,584	16,989	90,037
Liability for deferred consideration	-	-	-	-	4,862
Consideration from the exercise of fixed assets	-	1,567	-	1,567	-
Classification of customers for investment in corporations accounted for using the equity method	30,446	24,051	22,445	16,016	67,383
Transaction with the minority in the subsidiary	54,944	-	54,944	-	-
Appendix D: Obtaining control of consolidated companies					
Working capital, net, less cash and cash equivalents	3,295	(9,168)	3,295	(7,228)	(1,360)
Derecognition of an investment in an investee company	(18,532)	(962)	(18,532)	-	(102,720)
Liability for deferred consideration	-	(1,567)	-	(1,567)	(4,862)
Fixed assets and intangible assets	46,240	153,007	46,240	102,995	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
	31,003	**132,093**	**31,003**	**94,200**	**349,795**

The notes attached constitute an integral part of the condensed consolidated financial statements.

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 an Israel domiciled company, its registered address is located on Haodem Street in the Yitzhar Industrial Park, Ad Halom.

The Company is engaged, as of the date of the Report, 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 activity is based on creating collaborations with local developers abroad and kibbutzim or real estate companies in Israel. As part of the cooperation, a joint corporation is established which is held by the Company and the partner in parts, as agreed between the parties.

Additionally, in Israel, the Company also acts as the construction contractor and maintenance contractor for most of the Group's projects (solar projects, battery storage projects, and charging stations). The Company operates throughout the entire value chain of system construction, which provides it with knowledge, experience, and a strong reputation. This enables the Company to oversee the planning, construction, and maintenance of the projects and to initiate projects that incorporate unique technologies (such as floating systems, storage facilities, etc.). This approach allows the Company and its partners in the projects to retain a significant share of the profit generated from initiating the projects and contributes to the rapid advancement of systems owned by the Group's companies. It also ensures 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 an equity basis.
Interested Parties -	As defined in Section (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 to the Annual Financial Statements.

C. Increase in inflation

The Bonds (Series A) 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 setup costs of the projects. However, in recent months, the Company has noticed a slight decrease in the prices of panels, inverters, and maritime shipping rates, following the price increases that characterized the years 2021 to 2023. Additionally, some of the Company's electricity tariffs in Israel are linked to the consumer price index, and the Company believes there is a certain correlation between electricity prices in the open market and changes in the index. This is due to the fact that factors causing inflation also lead to an increase in electricity prices, as well as the fact that electricity prices in various countries are linked to inflation changes.

D. Interest rate changes

In 2023, there will be 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. Given that the duration of the projects being developed by the Group companies is between 20 to 31 years, the Company estimates, taking into account the entire lifespan of the projects and the consultancy firms' assessments regarding increases in inflation rates and electricity prices over the life of the projects, that an increase in interest rates will have an immaterial impact on the project returns over the project period (20-31 years).

Note 2 - Basis of Preparation of the Financial Statements:

a. Method of preparation of the Interim Financial Statements

These financial statements were prepared in a condensed format as of June 30, 2024, and for the periods of three and six months that ended on that date (hereinafter: "**Interim Financial Statements**"). These financial statements should be read together with the annual financial statements of the Company 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 statements, 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:

Preparation of the condensed consolidated interim financial statements in accordance with IFRS requires the management 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. Except as described below, 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. New Financial Reporting Standards and Interpretations and Amendments Published

On April 9, 2024, IFRS 18 was published, replacing International Accounting Standard 1 "Presentation of Financial Statements" ("IAS 1”). The purpose of the standard is to improve the manner of transferring information by entities to users in their financial statements. The standard focuses on the following areas:

1. Structure of the Income Statement: Presentation of defined subtotals and categorization in the income statement.
2. Requirements for improved grouping and splitting of information in the financial statements and notes.
3. Disclosure of information regarding performance measures defined by management ("MPM"): These measures are not based on accounting standards (non-GAAP) in the notes to the financial statements.

The standard will take effect for annual reporting periods beginning on or after January 1, 2027. It is applied retrospectively, with specific transition provisions. Early adoption is permitted.

The Company is examining the impact of IFRS 18, including the impact of amendments to other IFRS standards resulting from its application, on the financial statements.

d. Exchange rates and linkage basis:

(1) Balances in foreign currency or 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, according to the terms of the transaction.

(3) The following are data on the exchange rate and the index:

	June 40, 2024	June 30, 2023	December 31, 2023
Consumer price index (in points):			
Based on the index for	107.2	104.2	105.0
Based on the known index	107.1	104.2	105.1
USD (in NIS to USD 1)	3.7590	3.7000	3.6270
GBP (in NIS to GBP 1)	4.7505	4.6707	4.6209
EUR (in NIS to EUR 1)	4.0202	4.0185	4.0116

	For a period of six months ending on		For a period of three months ending on		For year ending on
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	December 31, 2023
	%	%	%	%	%
Consumer price index:					
Based on the index for	2.10	2.17	1.13	0.97	2.96
based on the known index	1.90	2.46	1.61	1.36	3.34
USD	3.64	5.14	2.12	2.35	3.07
GBP	2.80	10.22	2.08	4.56	9.05
EUR	0.21	7.07	1.03	2.19	6.89

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. Also, the condensed interim financial statements comply with the disclosure instructions according to 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.

Note 4 - Investments in companies accounted for using the equity method

a. Sunprime Holding S.R.L ("Sunprime"):

The following is additional information regarding the financial situation and the results of the aggregate operations of an associate that is a material associate company with a holding rate of 33% indirectly (without adjustment to the ownership rates held by the Company):

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

	As at June 30		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	243,293	338,373	369,634
Non-current assets	899,155	574,823	702,612
Current liabilities	(202,434)	(179,469)	(136,956)
Non-current liabilities	(659,937)	(572,209)	(681,619)
Equity	(280,077)	(161,518)	(253,671)

2. Results of operations of the joint corporation

	For a period of six months ending on June 30		For a period of three months ending on June 30		For the year ending December 31
	2024	2023	2024	2023	2023
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Income	30,250	9,673	19,748	3,311	31,541
Profit (loss) for the period	(13,872)	(24,989)	1,235	(15,572)	(56,740)
Total loss for the period	(18,924)	(3,228)	(487)	(2,511)	(35,869)

b. Ratesti Solar Plant S.R.L. ("Ratesti"):

The following is additional information regarding the financial situation and the results of the aggregate operations of an associate that is an associate company with a holding rate of 50% indirectly (without adjustment to the ownership rates held by the Company):

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

	As at June 30		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	46,340	20,011	27,776
Non-current assets	410,379	368,054	359,366
Current liabilities	(42,829)	(2,984)	(17,709)
Non-current liabilities	(321,832)	(330,343)	(346,507)
Equity	(92,058)	(54,738)	(22,926)

2. Results of operations of the joint corporation

	For a period of six months ending on June 30		For a period of three months ending on June 30		For the year ending December 31
	2024	2023	2024	2023	2023
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Income	31,222	-	19,302	-	2,470
Profit (loss) for the period	30,649	989	19,109	(56)	2,472
Total profit for the period	34,349	24,207	22,157	11,449	24,685

Note 4 - Investments in companies accounted for using the equity method

3. Joint corporations in Israel:

The following is additional information regarding the aggregate financial position and the results of the aggregate 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 at June 30		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	198,511	226,062	196,811
Non-current assets	1,534,115	1,337,611	1,411,597
Current liabilities	(258,228)	(325,671)	(309,779)
Non-current liabilities	(1,170,223)	(974,376)	(1,040,020)
Share capital attributed to shareholders of the Company	(304,175)	(263,626)	(258,609)

2. Results of operations of the associated companies

	For a period of six months ending on June 30		For a period of three months ending on June 30		For the year ending December 31
	2024	2023	2024	2023	2023
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Income	113,596	91,691	68,652	59,758	178,883
Profit (loss) for period	2,294	(15,686)	7,893	(17,175)	4,617
Total profit for the period	4,646	34,473	9,135	30,267	39,463

Note 5 - Acquisition of assets:

Slobozia - a solar project in Romania

Further to Note 17(a)(8) in the Company's Consolidated Annual Financial Statements as of December 31, 2023, on April 25, 2024, the acquisition of the entire share capital of a corporation engaged in the initiation of the Slobozia project in Romania, a solar project with an estimated capacity of approximately 79 MW, was completed. The proceeds amounted to approximately NIS 49.5 million which were allocated to a solar project under construction, of which a total of NIS 18.5 million was paid in 2023 and a total of approximately NIS 31 million was paid in cash at the time of completion of the transaction.

1. Identified assets and liabilities acquired:

	Recognized value on the purchase date (Unaudited)
	NIS thousands
Assets acquired and liabilities assumed:	
Cash and cash equivalents	74
Accounts receivable	3,295
Fixed assets	46,240
Total identifiable net assets	**49,609**

2. Cash flow for purchase of assets:

	As of the purchase date (Unaudited)
	NIS thousands
Consideration paid in cash and cash equivalent	31,077
Cash and cash equivalents in the Company as of the purchase date	74
Total net cash flow	**31,003**

Note 6 - Material events and transactions in the reporting period:

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

Further to Note 34 in 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) with a nominal value of NIS 1 each (hereinafter: the "Bonds (Series C)" or the "Bonds"). These Bonds were listed for trading at a price of 102.65 agorot per NIS 1 nominal value of the Bond, for a total consideration of NIS 333,612,500 for all the aforementioned Bonds (Series C). This was done by expanding the existing series of the Company's Bonds (Series C) listed for trading on the stock exchange, resulting in a total of NIS 558,951,000 nominal value of Bonds (Series C) being in circulation after the allocation. 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 withdrawal balance of the loan funds was made in the amount of approximately EUR 51 million. At that time, the amount of the loan received was deposited into a restricted account until the consolidated company meets the conditions precedent stipulated in the financing agreement for its withdrawal. Such loans include financial benchmarks as customary, DSCR, maximum leverage ratio and ADSCR and a test and calculation of the benchmarks is required on June 30 and December 31 each year. As of June 30, 2024, the Company complies with the above financial covenants of the loans.
The consolidated company, directly and through a controlled subsidiary, provided guarantees totaling approximately 55 million euros to subsidiaries and an affiliated company for senior financing, in favor of financial institutions, government entities, and the purchaser under PPA agreements.

c. **Employee options**

On April 14, 2024, the Company's Board of Directors decided on the allocation of 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 options starting after two years from the effective date.
2. 25% of the total amount of 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 actually allotted under the Outline and Board Resolution 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 approval of these financial statements, the options are not exercisable.
Additionally, the Company's Board of Directors approved the allocation of up to 207,000 additional options to be granted to officers and employees of the Company, as well as its subsidiaries and affiliated companies (including employees and officers classified as service providers or consultants), in accordance with the decision of the Company's Board of Directors and/or the program manager, as applicable and subject to the provisions of any applicable law.

d. <u>Storage projects in the UK</u>

Further to Note 13(d)(2) in the Company's Consolidated Annual Financial Statements as of December 31, 2023, on April 29, 2024, the project corporation, S&C Energy Limited (the "**Project Corporation**"), entered into agreements with Ameresco Limited (the "**Contractor**" or "**EPC Contractor**") for the engineering, procurement, and construction (EPC) and operation and maintenance (O&M) of the Cellarhead project. This project is a Battery Energy Storage System (BESS) in the UK with a capacity of approximately 300 MW and around 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 designated for installation in the project are LFP technology batteries from Envision Energy International Trading Limited ("Envision"), providing maximum safety and water cooling for excellent performance, as well as the possibility for augmentation (adding more 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 instructions, the completion of the project's construction is set for 2026.

e. In May 2024, a minority shareholder in Blue Sky Utility Holding LLC and Blue Sky Utility LLC (hereinafter: "**Blue Sky**") filed a lawsuit in the United States against Blue Sky, the parent company, the partnership, the subsidiary, and directors of Blue Sky. The lawsuit pertains to representations made to the shareholder regarding the purpose of acquiring Blue Sky, the management of Blue Sky, and other related matters. The lawsuit seeks financial compensation and declaratory relief. In view of the preliminary stages of the procedure, as of the report date, the lawyers are unable to assess the chances of the lawsuit.

f. 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.

g. During the reporting period, a subsidiary of the Company notified a minority shareholder in Nofar Europe BV ("Nofar Europe") of its desire to acquire its holdings in Nofar Europe. In accordance with the provisions of the agreement, the consideration for the purchase of the shares will be paid at the time of the connection of the various projects held by Nofar Europe (the "**Purchase Consideration**"). Accordingly, the Company included a provision in its financial statements.

Note 7 - Financial instruments:

a. <u>Fair value</u>

For details regarding the evaluation techniques and the 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. <u>Risk management policy:</u>

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 more information regarding risk management, see Note 32 to the Company's Annual Financial Statements for December 31, 2023.

c. Financial instruments recognized in the Statement of Financial Position

1. Composition:

As of June 30, 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)	-	3,782	-	3,782
Financial assets	-	-	22,113	22,113
Non-current financial assets - fair value through other comprehensive profit				
Derivatives(2)	-	21,949	-	21,949
Current financial liability - fair value through profit and loss				
Options given to shareholders of associates	-	-	(1,918)	(1,918)

(1) The Company has a EUR put option for protection purposes (not an accounting hedge) from a banking corporation in the amount of EUR 50 million, with a duration 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 June 30, 2024, is positive in the amount of NIS 21,949 thousand. The transaction is for a period of up to 14 years and includes the purchase of an IRS (Interest Rate Swap).

As of June 30, 2023 (unaudited)				
	Level 1	**Level 2**	**Level 3**	**Total**
NIS thousands				
Non-current financial assets - fair value through profit and loss				
Financial assets	-	21,173	-	21,173
Non-current financial assets - fair value through other comprehensive profit				
Derivatives used as hedging instruments	-	-	27,610	27,610
Current financial liability - fair value through profit and loss				
Options given to shareholders of associates	-	-	(1,905)	(1,905)
Derivatives used as hedging instruments	-	(12,164)	-	(12,164)

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 profit				
Derivatives	-	20,364	-	20,364
Current financial liability - fair value through profit and loss				
Options given to shareholders of associates	-	-	(1,918)	(1,918)

Note 8 - Information on operating segments:

a. Description of operating segments

As of the date of the Report, 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 operating segments:

Development and investment in photovoltaic systems in Israel:

Engagement in the initiation, licensing, management, and financing of photovoltaic systems for electricity production from solar energy in Israel, using photovoltaic technology, on rooftops, water reservoirs, and land, with the aim of holding them as long-term owners. This includes investments through joint ventures held together with third parties, where these investments are presented in the Company’s financial statements as investments in companies using the equity method.

Development and investment in renewable energy abroad:

Engagement in the initiation, licensing, management, and financing of photovoltaic systems for electricity production from solar energy abroad, using photovoltaic technology, on rooftops, land and storage facilities, and land, with the aim of holding them as long-term owners. This includes investments through joint ventures held together with third parties, where these investments are presented in the Company’s financial statements as investments in companies using the equity method.

Construction and operation of photovoltaic systems:

In the construction (EPC) and in the operation and maintenance (O&M) of photovoltaic systems, either independently or through subcontractors. In this line of business, the Company primarily engages in the construction and also in the operation and maintenance of photovoltaic systems held by the Company in collaboration with third parties, through joint project corporations, as part of the Company’s activities in the field of initiation and investment. Additionally, the Company is involved in the construction and/or operation and maintenance of photovoltaic systems fully owned by third parties.

The construction operating segment does not include revenue from the construction of photovoltaic systems for the Company’s own use. The reports provided to the Company's Chief Operating Decision Maker for the purpose of resource allocation and performance evaluation reflect the total revenues of the Company and its share in the revenues from electricity generation by the associated companies, for all the income-generating facilities held by the Company (directly and/or indirectly), using the proportional consolidation method. This is assessed through the Project EBITDA metric, which is calculated as the aggregate gross profit (revenues from electricity generation minus operating and maintenance costs), excluding system depreciation, based on the amounts included in the financial statements of the project entities.

The adjustments column in the financial statements for revenues from external parties includes the elimination of the Company's share in the revenues of the associated companies that were presented in the segments using the proportional consolidation method.

The adjustments column in the financial statements for the segment results - EBITDA includes the elimination of the Company's share in the results of the associated companies that were presented in the segments using the proportional consolidation method and the addition of depreciation expenses of the systems that were neutralized.

The adjustments column in the financial statements for revenues from external parties includes the elimination of the Company's share in the revenues of the associated companies that were presented in the segments using the proportional consolidation method.

The adjustments column in the financial statements for the segment results - EBITDA includes the elimination of the Company's share in the results of the associated companies that were presented in the segments using the proportional consolidation method and the addition of depreciation expenses of the systems that were neutralized.

b. Composition:

For a period of six months ending June 30, 2024	Development and investment in photovoltaic systems in Israel	Development and investment in renewable energy abroad			Total development and investment costs	Construction and operation of photovoltaic systems in Israel	Adjustments to financial report	Total in financial report
		Development and investment Spain	Development and investment in Europe - other	Development and investment in USA				
	NIS thousands							
	(Unaudited)							
Income from external	51,469	76,660	33,036	8,525	169,690	3,155	(71,991)	100,854
Inter-sector income	-	-	-	-	-	67,522	(773)	66,749
Total revenue	**51,469**	**76,660**	**33,036**	**8,525**	**169,690**	**70,677**	**(72,764)**	**167,603**
Sector results - EBITDA	**29,047**	**63,632**	**29,270**	**5,607**	**127,556**	**434**	**(50,822)**	**77,168**
Expenses not allocated to sectors:								
Depreciation and amortization								44,358
Company's share in the profits of companies accounted for using the equity method, net								(4,195)
Management and general expenses								33,641
Marketing and sale expenses								3,914
Other expenses								5,452
Other income								(3,827)
Net financing expenses								32,900
Loss for the period before tax								**(35,075)**

For a period of six months ending on June 30, 2023	Development and investment in photovoltaic systems in Israel	Development and investment in renewable energy abroad			Total development and investment costs	Construction and operation of photovoltaic systems in Israel	Adjustments to financial report	Total in financial report
		Development and investment Spain	Development and investment in Europe - other	Development and investment in USA				
	NIS thousands							
	(Unaudited)							
Income from external	35,404	3,758	63,424	5,696	108,282	7,323	(31,495)	84,110
Inter-sector income	-	-	-	-	-	99,704	(898)	98,806
Total revenue	**35,404**	**3,758**	**63,424**	**5,696**	**108,282**	**107,027**	**(32,393)**	**182,916**
Sector results - EBITDA	**21,979**	**3,259**	**57,890**	**3,041**	**86,169**	**(12,290)**	**(22,344)**	**51,535**
Expenses not allocated to sectors:								
Depreciation and amortization								38,518
Company's share in the losses of companies accounted for based on the equity method, net								9,291
Management and general expenses								30,631
Marketing and sale expenses								5,280
Other expenses								1,397
Other income								(1,426)
Net financing expenses								29,795
Loss for the period before tax								**(61,951)**

For a period of three months ending June 30, 2024	Development and investment in photovoltaic systems in Israel	Development and investment in renewable energy abroad			Total development and investment costs	Construction and operation of photovoltaic systems in Israel	Adjustments to financial report	Total in financial report
		Development and investment Spain	Development and investment in Europe - other	Development and investment in USA				
	NIS thousands							
	(Unaudited)							
Income from external	31,795	22,946	52,903	5,938	113,582	49	(46,691)	66,940
Inter-sector income	-	-	-	-	-	35,204	(639)	34,565
Total revenue	**31,795**	**22,946**	**52,903**	**5,938**	**113,582**	**35,253**	**(47,330)**	**101,505**
Sector results - EBITDA	**18,788**	**21,066**	**43,700**	**4,181**	**87,735**	**3,169**	**(33,662)**	**57,242**
Expenses not allocated to sectors:								
Depreciation and amortization								22,736
Company's share in the profits of companies accounted for using the equity method, net								(10,805)
Management and general expenses								18,106
Marketing and sale expenses								1,508
Other expenses								1,282
Other income								(162)
Net financing expenses								20,473
Profit for the period before tax								**4,104**

For a period of three months ending June 30, 2023	Development and investment in photovoltaic systems in Israel	Development and investment in renewable energy abroad			Total development and investment costs	Construction and operation of photovoltaic systems in Israel	Adjustments to financial report	Total in financial report
		Development and investment Spain	Development and investment in Europe - other	Development and investment in USA				
	NIS thousands							
	(Unaudited)							
Income from external	21,642	3,162	31,466	3,529	59,799	3,348	(20,684)	42,464
Inter-sector income	-	-	-	-	-	47,269	(640)	46,629
Total revenue	**21,642**	**3,162**	**31,466**	**3,529**	**59,799**	**50,617**	**(21,324)**	**89,093**
Sector results - EBITDA	**13,449**	**3,054**	**29,249**	**1,998**	**47,750**	**(5,472)**	**(16,097)**	**26,181**
Expenses not allocated to sectors:								
Depreciation and amortization								20,114
Company's share in the losses of companies accounted for based on the equity method, net								4,706
Management and general expenses								14,497
Marketing and sale expenses								2,940
Other expenses								1,251
Other income								-
Net financing expenses								17,289
Loss for the period before tax								**(34,617)**

For the year ended December 31, 2023	Development and investment in photovoltaic systems in Israel	Development and investment in renewable energy abroad			Total development and investment costs	Construction and operation of photovoltaic systems in Israel	Adjustments to financial report	Total in financial report
		Development and investment Spain	Development and investment in Europe - other	Development and investment in 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
Company's share in the losses of companies accounted for based on 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, relatively low revenues compared to the rest of the year.

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

a. Options for employees and officers

On July 22, 2024, the Company's Board of Directors decided on an immaterial private placement of 164,508 exercisable options for up to 164,508 ordinary shares of the Company to eight employees. In accordance with the provisions of the Company's option plan, the options can be exercised on the following dates:

1. 50% of the total amount of options starting after two years from the effective date.
2. 25% of the total amount of 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 actually allotted under the Outline and Board Resolution is NIS 99.6 per share.

The value of the options granted to the employees is NIS 4.2 million. The life of the options for seven employees is 6 years from the effective date. In relation to one additional employee, who is a senior position holder in the Company, the vesting period of the options will begin on April 16, 2023. As of the approval of these financial statements, the options are not exercisable.

b. Sunprime - entering into a project financing agreement

Further to Note 17(a)(3) of the Company's Consolidated Annual Financial Statements as of December 31, 2023, on July 22, 2024, Sunprime MT S.R.L, a wholly-owned subsidiary of Sunprime (the "**Borrower**"), which directly and through two project companies (the "**Project Companies**") fully owns approximately 220 megawatts of solar projects under construction, about to begin construction, and in advanced development stages across Italy (the "**Projects**"), entered into an agreement with the European Investment Bank and Natixis S.A to obtain senior project financing of up to EUR 204 million, at a 6-Month Euribor rate plus a weighted margin of 1.8%-2.2%. The interest will be repaid in semi-annual payments starting from the date of the first withdrawal of the financing. The loan principal will be repaid in biannual payments, as of June 30, 2027, through June 30, 2044 (the "**Final Repayment Date**").

On July 31, the first withdrawal of the loan was made in the amount of approximately EUR 17.8 million.

c. The Company's rating by Midroog

On July 28, Midroog set an A3.il rating with a stable outlook for the Company and the Bonds Series A, B and C, issued by the Company.

d. Iepuresti and Ghimpati projects

Further to Notes 13(d)(6) and 13(d)(3) in the Company's Consolidated Annual Financial Statements as of December 31, 2023, on August 20, 2024, Solis Imperium S.R.L and RTG Solar Energy S.R.L (the "**Borrowers**" or "**Project Companies**") entered into an agreement. These companies hold the Iepuresti and Ghimpati projects, which are solar projects in Romania currently under construction with capacities of approximately 169.6 MW and 146.6 MW, respectively (the "**Projects**"). In agreements for receipt of senior project financing, in a scope of up to EUR 122 million. At Euribor 6 Month interest plus a margin at an average rate of 2.9% during the operating period. The interest is repaid in semi-annual payments starting from the date of the first withdrawal of the financing. The validity of the credit frameworks is until October 2026 or 30 days from the date of completion of the construction of the project, whichever comes first.

Nofar

O.Y. Nofar Energy Ltd.

Separate Interim Financial Information As of June 30, 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 provided pursuant to Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 of O.Y. Nofar Energy Ltd. (hereinafter: the "**Company**") for June 30, 2024 and for the periods of six and three months that ended on the same date. The Board of Directors and management are responsible for the preparation and presentation of this separate interim financial information in accordance with Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion regarding the interim separate financial information for these interim periods based on our review.

We did not review the data contained 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 periods of the same companies was reviewed in part 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 on the "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 other accountants, nothing has come to our attention that causes us to believe that the accompanying separate interim financial information is not prepared, in all material respects, in accordance with Article 38D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Tel Aviv, August 28, 2024

Ziv Haft,

Certified Public Accountants

Assets, liabilities, and capital attributed to the Company itself as a parent company

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	In NIS thousands		
Assets			
Current assets:			
Cash and Cash Equivalents	305,292	59,384	399,265
Shorts term deposits	1,819	409,430	10,011
Restricted use deposits	-	340	-
Customers	147,812	263,119	207,686
Accounts receivable	18,288	39,515	17,822
Inventory	37,534	72,560	58,058
Financial assets	3,782	-	4,114
Total current assets	**514,527**	**844,348**	**696,956**
Non-current assets:			
Balance for investee companies	2,944,357	2,235,274	2,542,351
Other receivables	1,301	-	869
Limited use cash and deposits	1,298	1,174	1,293
Right of use asset	71,361	63,957	66,245
Fixed assets	124,535	118,677	124,798
Financial assets	22,113	21,173	21,968
Long-term deposits	38,008	37,396	36,556
Total non-current assets	**3,202,973**	**2,477,651**	**2,794,080**
Total assets	**3,717,500**	**3,321,999**	**3,491,036**

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

Assets, liabilities, and capital attributed to the Company itself as a parent company

	As of June 30		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	33,823	307,617	515
Current maturities of lease liabilities	8,312	6,844	7,060
Suppliers and service providers	21,970	57,551	32,024
Accounts payable	21,895	13,795	63,991
Liability for deferred consideration in a business combination	-	97,952	-
Financial derivatives	1,918	14,069	1,918
Current maturities of bonds	157,232	125,784	126,871
Total current liabilities	**245,150**	**623,612**	**232,379**
Non-current liabilities:			
Long-term loans from banks	16,208	16,750	16,481
Liabilities for leases	62,358	57,925	58,764
Bonds	1,216,020	774,560	956,209
Convertible bonds	371,808	-	368,571
Deferred taxes	43,831	30,177	35,892
Other liabilities	727	733	733
Total non-current liabilities	**1,710,952**	**880,145**	**1,436,650**
Capital attributed to the Company itself as a parent company:			
Shareholders' equity and premium	1,716,256	1,716,256	1,716,256
Loss balance	(172,873)	(111,580)	(153,354)
Capital funds	218,015	213,566	259,105
Total capital attributed to the Company itself as a parent company	**1,761,398**	**1,818,242**	**1,822,007**
Total liabilities and capital	**3,717,500**	**3,321,999**	**3,491,036**

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

August 28, 2024			
Date of approval of the financial statements for publication	**Ofer Yannay** **Chairman of the Board**	**Nadav Tenne** **CEO**	**Noam Fisher** **CFO**

Income and expenses amounts attributed to the Company itself as a parent company

	For a period of six months ending on June 30		For a period of three months ending on June 30		For year ending on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Income	**80,009**	**112,966**	**40,314**	**54,724**	**193,338**
Setup and operating costs	78,794	125,004	36,088	59,832	222,043
Marketing and sale expenses	3,520	3,979	1,333	1,845	7,890
Management and general expenses	15,357	13,718	7,436	7,174	27,540
Other expenses	2,500	-	-	-	20
Total expenses	**100,171**	**142,701**	**44,857**	**68,851**	**257,493**
Other income	-	1,426	-	-	1,426
Operating loss	**(20,162)**	**(28,309)**	**(4,543)**	**(14,127)**	**(62,729)**
Financing expenses	55,194	53,599	32,402	31,859	105,656
Financing income	67,583	16,120	43,442	7,707	93,962
Net financing expenses (income)	**(12,389)**	**37,479**	**(11,040)**	**24,152**	**11,694**
Profit (loss) after financing expenses	**(7,773)**	**(65,788)**	**6,497**	**(38,279)**	**(74,423)**
Company's share of profits (losses) of investee companies, net	(17,212)	8,941	(14,086)	8,954	(31,888)
Loss before income tax	**(24,985)**	**(56,847)**	**(7,589)**	**(29,325)**	**(106,311)**
Tax benefit	(2,689)	(12,354)	(2,304)	(7,155)	(17,650)
Loss for the period	**(22,296)**	**(44,493)**	**(5,285)**	**(22,170)**	**(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 transaction of financial statements for foreign operations	9,407	84,069	22,578	16,354	80,471
Adjustments arising from hedging transactions	2,085	(422)	1,393	391	(3,809)
Items not reclassified later to profit and loss:					
Part of other comprehensive profit of corporations accounted for using the equity method	2,352	5,179	1,242	2,463	34,846
Revaluation for fixed assets	391	4,757	(55)	3,936	6,391
	2,743	**9,936**	**1,187**	**6,399**	**41,237**
Total other comprehensive income	**14,235**	**93,583**	**25,158**	**23,144**	**117,899**
Total comprehensive profit (loss) for the period	**(8,061)**	**49,090**	**19,873**	**974**	**29,238**

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

Cash flow amounts attributed to the Company itself as the parent company

	For a period of six months ending on June 30		For a period of three months ending on June 30		For year ending on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
Cash flow from current operations:	**NIS thousands**				
Loss for the period	(22,296)	(44,493)	(5,285)	(22,170)	(88,661)
Appendix A - Expenses not involving cash flows (Appendix A)	12,982	34,788	7,403	19,168	57,187
Appendix B - Changes in working capital (Appendix B)	9,704	(86,026)	(47,663)	(59,573)	(77,177)
Net cash arising from (used for) current activities	**390**	**(95,731)**	**(45,545)**	**(62,575)**	**(108,651)**
Cash flows from investment activities:					
Investments in corporations accounted for using the equity method	10,156	(3,919)	13,171	(1,879)	21,373
Investment in subsidiaries	(409,404)	(365,748)	(327,342)	(240,449)	(709,935)
Investment in other receivables	(432)	-	(432)	-	(869)
Investment return from a subsidiary	-	-	-	-	148,935
Purchase of shares from non-controlling interests	-	-	-	-	(3,131)
Investment in a financial asset	-	(20,637)	-	(161)	(20,637)
Repayment of deferred consideration	-	(20,065)	-	(20,065)	(121,139)
Decrease (increase) in restricted use deposits	(5)	(78)	(2)	(3)	142
Change in deposits	7,917	117,874	(1,894)	(13,215)	516,134
Investments in fixed assets	(2,641)	(8,470)	(1,144)	(3,877)	(16,168)
Net cash used for investing activity	**(394,409)**	**(301,043)**	**(317,643)**	**(279,649)**	**(185,295)**
Cash flows from financing activities:					
Issue of shares to the public (less issuance expenses)	-	147,560	-	147,560	147,560
Short-term credit from banks, net	33,147	-	12,366	-	(305,920)
Repayment of bonds	(64,642)	(104,825)	(64,642)	(104,825)	(168,260)
Issue of bonds, net	333,247	242,847	-	242,847	873,558
Repayment of lease liabilities	(4,690)	(3,557)	(2,423)	(1,777)	(8,078)
Repayment of long-term loans from bank corporations	(253)	(238)	(128)	(117)	(475)
Net cash deriving from (used in) financing activities	**296,809**	**281,787**	**(54,827)**	**283,688**	**538,385**
Increase (decrease) in cash and cash equivalents	**(97,210)**	**(114,987)**	**(418,015)**	**(58,536)**	**244,439**
Balance of cash and cash equivalents at beginning of year	**399,265**	**172,174**	**721,459**	**118,260**	**172,174**
Impact of changes in foreign exchange rates for cash and cash equivalents	3,237	2,197	1,848	(340)	(17,348)
Balance of cash and cash equivalents at end of period	**305,292**	**59,384**	**305,292**	**59,384**	**399,265**

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

Cash flow amounts attributed to the Company itself as the parent company

	For a period of six months ending on June 30		For a period of three months ending on June 30		For year ending on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Appendix A - Expenses not involving cash flows					
Depreciation and amortization	5,763	4,097	2,882	2,169	9,658
Net financing expenses	(12,389)	37,480	(11,040)	24,153	11,694
Company's share in the losses (profits) of companies accounted for based on the equity method, net	17,212	(8,941)	14,086	(8,954)	31,888
Profit from increase to control of associate	-	(1,426)	-	-	(1,426)
Share-based payment expenses	2,396	3,578	1,475	1,800	5,373
	12,982	**34,788**	**7,403**	**19,168**	**57,187**
Appendix B - Changes in working capital					
Decrease (increase) in inventory	20,524	(20,880)	9,897	(14,638)	(6,378)
Decrease (increase) in customers	27,045	(42,273)	(14,953)	(28,838)	(30,316)
Decrease (increase) in receivables	(4,426)	2,493	3,499	18,807	19,631
Increase (decrease) in accounts payable	4,510	(24,235)	(5,234)	(20,694)	(21,298)
Increase (decrease) in suppliers and service providers	(5,669)	16,568	(7,116)	(71)	(8,124)
Change in deferred taxes	(2,688)	(12,352)	(2,304)	(7,181)	(17,640)
Additional information:					
Interest received in cash	7,802	2,876	5,542	1,006	34,659
Interest paid in cash	(37,394)	(8,223)	(36,994)	(7,964)	(47,711)
	9,704	**(86,026)**	**(47,663)**	**(59,573)**	**(77,177)**
Appendix C - Substantial non-cash transactions					
Initial recognition of usufruct asset and lease liability	5,969	10,710	539	9,365	14,047
Classification of customers for investment in corporations accounted for using the equity method	30,446	24,051	22,445	16,016	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 attributed to the Company itself as a parent company as of June 30, 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 interim consolidated financial statements as of June 30, 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 for June 30, 2024 subject to the above in this section and detailed in Note 1.2 below.

1.2. Accounting of intercompany 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 were 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 attributed to the Company itself as a parent company as of June 30, 2024

Note 2 - Transactions and material balances with investee companies:

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

	As of June 30		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Customers and income receivable	127,622	246,898	184,734
Accounts receivable	1,741	2,018	5,039
Investments in related corporations	2,944,357	2,235,274	2,550,496
Liability for deferred consideration in a business combination	-	97,952	-
Accounts payable	-	-	(52,658)

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

	For a period of six months ending on June 30		For a period of three months ending on June 30		For year ending on Dec 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Income	70,297	99,704	36,821	47,282	168,768
Financing expenses	-	1,035	-	1,035	4,057
Financing income	51,451	535	37,457	220	62,385

KPMG

Sunprime Holdings S.r.l. (Sunprime Group)

Condensed consolidated interim financial statements as at and for the six months ended 30 June 2024

(with independent auditors' report on review thereon)

KPMG S.p.A.

26 August 2024

KPMG S.p.A.
Revisione e organizzazione contabile
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Independent auditors' report on review of condensed consolidated interim financial statements

To the board of directors of
Sunprime Holdings S.r.l.

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Sunprime Holdings S.r.l. as at 30 June 2024, the consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 30 June 2024 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Emphasis of matter

We draw attention to note "Basis of preparation" to the condensed consolidated interim financial statements which describes that the aforementioned condensed consolidated interim financial statements have been prepared only to fulfil the requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Other matters

The company's comparative information as at and for the six months ended 30 June 2023 was neither audited nor reviewed.

Milan, 26 August 2024

KPMG S.p.A.

Jacopo Ralph Ronzoni
Director of Audit

SUNPRIME HOLDINGS S.R.L.

Condensed Consolidated Interim Financial Statements as at June 30, 2024

Condensed Consolidated Interim Financial Statements as at June 30, 2024

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Condensed Consolidated Interim Financial Statements:

Consolidated Interim Statement of Financial Position

	Notes	June 30 2024 € thousands	December 31 2023 € thousands
Property, plant and equipment	2	181.692	138.045
Intangible assets	3	43	54
Right-of-use assets	4	20.809	15.618
Other financial assets	5	17.938	14.880
Deferred taxes	18	3.177	1.346
Non-current assets		**223.659**	**169.943**
Trade and other receivables	5	43.469	31.261
Cash and cash equivalents	5	17.049	60.880
Current assets		**60.518**	**92.141**
Total assets		**284.177**	**262.084**
Share capital	7	17.123	16.337
Share premium reserve	7	51.059	38.720
Reserves	7	4.959	17.197
Profit (loss) for the period	7	(3.473)	(14.222)
Equity		69.668	58.032
Loans and borrowings	8	140.627	143.278
Loans to shareholders	8	19.356	20.055
Lease Liabilities	4	886	771
Employee benefits and other provisions	9	277	201
Derivative liabilities	6	3.009	5.607
Non-current liabilities		**164.155**	**169.912**
Loans and borrowings	8	4.187	4.185
Trade and other payables	11	44.249	29.427
Lease Liabilities	4	823	497
Provision for current tax	18	1.095	31
Current liabilities		**50.354**	**34.140**
Total liabilities		**214.509**	**204.052**
Total liabilities and equity		**284.177**	**262.084**

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the Quarter ended June 30 2024 € thousands	2023 € thousands
Revenues	12	7.572	2.495
Cost of materials	13	(532)	(202)
Cost for services received	14	(3.536)	(2.373)
Personnel expenses	9	(2.933)	(2.102)
Other operating income and expenses	15	(657)	(566)
Depreciation and amortization	16	(1.779)	(499)
Impairment loss on trade and other receivables	5	(134)	-
Operating profit (loss)		**(1.998)**	**(3.246)**
Financing income	17	989	-
Financing expenses	17	(4.090)	(3.139)
Financing income (expenses), net		**(3.101)**	**(3.139)**
Profit (loss) before taxes on income		**(5.099)**	**(6.385)**
Income taxes	18	1.626	-
Profit (loss) for the period		**(3.473)**	**(6.385)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value	6	2.598	-
Net actuarial gains (losses) on defined benefit plans	9	12	-
Tax effect	18	(626)	-
Other comprehensive income (loss) for the period, net of tax		**1.984**	**-**
Total comprehensive income (loss) for the period		**(1.489)**	**(6.385)**

Consolidated Interim Statement of Changes in Equity

	Share capital	Share premium reserve	Cash flow hedge reserve	Prior years' profit and (loss) and other reserves	Profit (loss) for the period	Total Equity
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Balance as at January 1, 2024	**16.337**	**38.720**	**(4.261)**	**21.458**	**(14.222)**	**58.032**
Total comprehensive income for the period						
Allocation of previous year loss	-	-	-	(14.222)	14.222	-
Profit (loss) for the period	-	-	-	-	(3.473)	**(3.473)**
Other comprehensive income for the period	-	-	1.984	-	-	**1.984**
Total comprehensive income for the period	-	-	**1.984**	**(14.222)**	**10.750**	**(1.489)**
Transactions with owners of the Group						
Issue of ordinary shares	**787**	**12.338**	-	-	-	**13.125**
Equity loan conversions	-	-	-	-	-	-
Total transactions with owners of the Group	**787**	**12.338**	-	-	-	**13.125**
Balance as at June 30, 2024	**17.123**	**51.059**	**(2.277)**	**7.236**	**(3.473)**	**69.668**

	Share capital	Share premium reserve	Cash flow hedge reserve	Prior years' profit and (loss) and other reserves	Profit (loss) for the period	Total Equity
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Balance as at January 1, 2023	**13**	**834**	**-**	**26.291**	**(4.833)**	**22.305**
Total comprehensive income for the period						
Allocation of previous year loss	-	-	-	(4.833)	4.833	-
Profit (loss) for the period	-	-	-	-	(6.385)	**(6.385)**
Total comprehensive income for the period	**-**	**-**	**-**	**(4.833)**	**(1.553)**	**(6.385)**
Transactions with owners of the Group						
Changes in equity interests	-	-	-	**(1.654)**	-	**(1.654)**
Equity loan conversions	**13.877**	-	-	**1.857**	-	**15.734**
Total transactions with owners of the Group	**13.877**	**-**	**-**	**203**	**-**	**14.080**
Balance as at June 30, 2023	**13.889**	**834**	**-**	**21.661**	**(6.385)**	**29.999**

Consolidated Interim Statement of Cash Flows

Cash flows from operating activities	**June 30, 2024**	**June 30, 2023**
Profit (loss) for the period	(3.473)	(6.385)
Income taxes	(1.626)	-
Adjustments for:		
Interest expense /(income)	2.726	3.121
Depreciation and amortization	2.154	499
Change in:		
Trade and other receivables	(12.208)	(10.361)
Trade and other payables	15.084	17.492
Provisions	88	135
Cash used in operating activities	*2.746*	*4.501*
Interest received/(paid)	(7.151)	-
Employee benefits provisions reversal	(30)	200
Net cash used in operating activities	**(4.435)**	**4.701**

Cash flows from investing activities		
Acquisition of property, plant and equipment	(42.991)	(46.172)
Acquisition of intangible assets	4	14
Acquisition of right-of-use	(5.107)	(5.053)
Other financial receivables granted in the period	(3.433)	(2.535)
Cash used in investing activities	**(51.527)**	**(53.746)**

Cash flows from financing activities		
Increase/(Decrease) to long term loans to banks	(219)	82.695
Increase/(decrease) in equity reserve	13.125	13.879
Payment of shareholders loans	(720)	966
Payment of lease liabilities	(56)	(56)
Cash flows from financing activities	**12.130**	**97.485**
Net Increase (decrease) in cash and cash equivalents	**(43.831)**	**48.440**
Cash and cash equivalents at 1 January	**60.880**	**11.361**
Cash and cash equivalents at 30 June	**17.049**	**59.801**

Notes to the Condensed Consolidated Interim Financial Statements as at 30 June 2024

Reporting entity

A. Group Structure

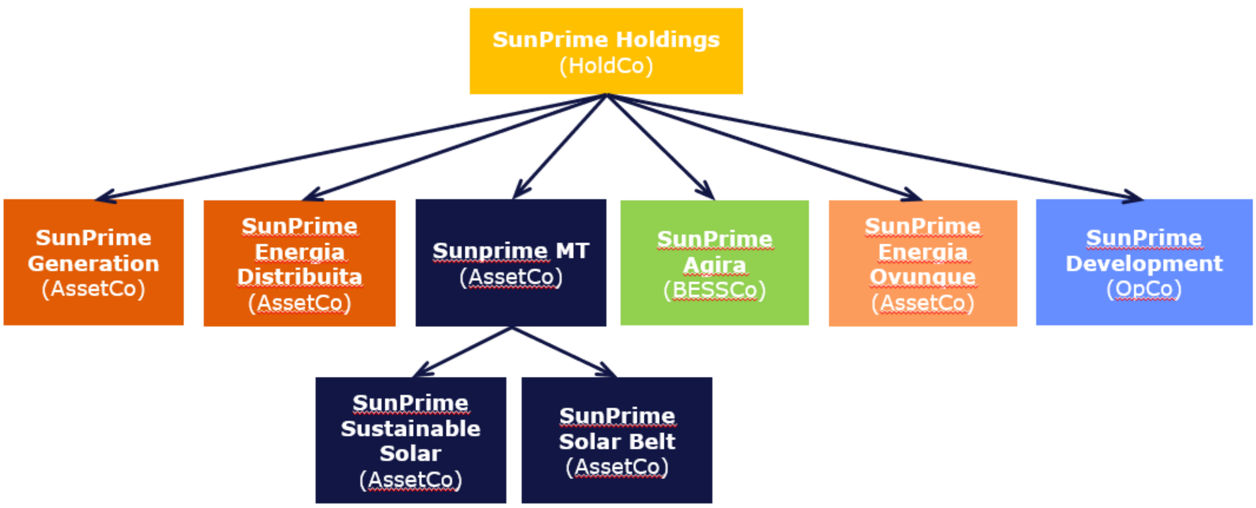
Sunprime Holdings (the "Company") is domiciled in Italy and was established in May 2022 as the holding company of the Sunprime Group, subsequent to a business combination that was carried out under common control to restructure the operations of the Group and book value accounting is applied.

These Condensed Consolidated Interim Financial Statements ("financial statements") as at and for the six month period ended June 30, 2024 comprise the Company and the following fully consolidated subsidiaries (together referred to as "the Group"):

Company	Role	Direct or indirect ownership	% Owned By Sunprime Holdings
Sunprime Generation Srl	Subsidiary company	Direct	100%
Sunprime Development Srl	Subsidiary company	Direct	100%
Sunprime Energia Distribuita Srl	Subsidiary company	Direct	100%
Sunprime Mt Srl	Subsidiary company	Direct	100%
Sunprime Energia Ovunque Srl	Subsidiary company	Direct	100%
Sunprime Agira Srl	Subsidiary company	Direct	100%
Sunprime Sustainable Solar Srl	Subsidiary company	Indirect	100%
Sunprime Solar Belt Srl	Subsidiary company	Indirect	100%

In May 2024, the company carried out a share capital increase of EUR 20k in Sunprime MT by transferring its 100% stake in Sunprime Sustainable Solar Srl for EUR 10k and its 100% stake in Sunprime Solar Belt Srl for EUR 10k. Following the sale, Sunprime Holding Srl did not generate any goodwill, but increased its stake in Sunprime Mt Srl by EUR 30k.

As at 30 June 2024, the structure of the Sunprime Group was as follows:



B. Activities of the Group

Through its subsidiaries, the Group is involved in the origination, development and construction of photovoltaic plants, as well as the subsequent sale of electricity to third party wholesalers. Currently, the energy produced is sold directly to a leading international trading company in the wholesale electricity market which the company has a contract in place with.

Photovoltaic plants are usually built on the roof of industrial or agricultural buildings, often following the removal and disposal of asbestos ("*brownfield*"), or on the ground in industrial areas. The size of the plants is in the 0.5-2 MW range with medium voltage connection.

The company is committed to building its portfolio of financed projects and developing new rooftop and ground-mounted projects, seeking to take advantage of the authorisation simplifications recently introduced by the legislator to promote energy transition, with the aim of positioning itself among the country's largest producers of renewable energy.

With respect to the connections of the pipeline projects, it should be noted that the subsidiaries continue with their project implementation and construction activities: during the year, there were 38 plants connected by the company Sunprime Generation ("SPG") amounting to 39MW, 14 plants connected by the company Sunprime Energia Distribuita ("SED") amounting to 9,5MW and 2 plants connected by the company Sunprime Sustainable Solar ("SSS") amounting to 3,6MW for a total of 138 plants connected amounting to 122MW owned by the Group.

C. Project submission development to the GSE

Recently it is reported that Sunprime Generation and Sunprime Energia Distribuita, have obtained admission to the GSE incentive tariff for 306 projects totaling 270 MW (SPG: 216 plants/197 MW, SED:89 plants/71 MW), of which 215 projects for a total of 218 MW (SED: 63 plants/57 MW), SPG_ 152 plants/161 MW) are connected or under construction thanks to the funds raised through projects finance.

Basis of Accounting

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2023 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the Group's financial position and performance for the period.
These interim financial statements were authorized for issue by the Company's Board of Directors on August 26, 2024.

Basis of Preparation

These condensed consolidated interim financial statements have been prepared only to fulfil the requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Therefore, the financial statements of the Company valid for statutory purposes in Italy remain the one prepared in accordance with the Italian regulations governing financial reporting and the accounting principles promulgated by the OIC (Organismo Italiano di Contabilità, the Italian Accounting Standard Setter).

Functional currency

The functional currency of the Company, i.e. the currency of the economic environment in which the Company operates, is the euro.

Use of estimates and judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following:

Useful life of solar plants

The company acquires surface rights by signing notarial deeds with the counterparty selling these rights for 30 years. The company elected to adopt the accounting policy according to which the useful life is based on the years of the surface right on which the solar plant will be built. Therefore, the amortisation of the right of use asset (the surface right) and the tangible fixed asset (the plant) will start when each specific plant goes into operation. This period is consistent with what is certified by the manufacturers.

Fair value of derivative instruments

Derivatives accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in Note 8.

Note 1 – Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these Condensed Consolidated Interim Financial Statements, except if mentioned otherwise.
Set out below is an index of material accounting policies, the details of which are included in the pages that follow:

- Property, Plant and Equipment (Note 2)
- Leases (Note 4)
- Financial instruments, including derivatives (Note 5, 6 and 8)
- Equity (Note 7)
- Revenues from contracts with customers (Note 12)
- Financial expenses (Note 17)

Changes in material accounting policies

For reporting periods starting January 1, 2024 the following new accounting Standards or amendments to existing Standards occurred:

- Lease liability in a sale and leaseback (Amendments to IFRS 16);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Non-current liabilities with covenants (Amendments to IAS 1);
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7);

None of these amendments materially impacted the Company's financial position, profit or loss or cash flows for the period ended June 30, 2024.

Note 2 - Property, Plant and Equipment

In thousands of euro	**Land and Buildings**	**Plant and Equipment**	**Assets Under Construction**	**Fixtures and fittings**	**Total**
Cost					
Balances at 31 December 2023	**6.174**	**60.725**	**72.691**	**163**	**139.752**
Additions	2.584	-	42.445	22	45.052
Reclasses	-	40.325	(40.325)		-
Balances at 30 June 2024	**8.758**	**101.050**	**74.811**	**185**	**184.804**
Accumulated depreciation and impairment losses					
Balances at 31 December 2023	**-**	**(1.665)**	**-**	**(43)**	**(1.707)**
Depreciation	**-**	(1.387)	-	(17)	**(1.404)**
Balances at 30 June 2024	**-**	**(3.052)**	**-**	**(60)**	**(3.112)**
At 31 December 2023	**6.174**	**59.060**	**72.691**	**120**	**138.045**
At 30 June 2024	**8.758**	**97.998**	**74.811**	**125**	**181.692**

Property, plant and equipment amounted to EUR 181.7 million as at 30 June 2024 and consisted of:

- EUR 97.9 million related to solar plants that started producing (25 plants in 2022, 59 plants in 2023 and 55 plants as at June 30, 2024) mainly related to Sunprime Generation (101 plants), to Sunprime Energia Distribuita (33 plants), to Sunprime Solar Belt (1 plant), Sunprime Solar Belt (2 plant) and to Sunprime Energia Ovunque (2 plant). These plants are depreciated over the useful life of the solar plant, which is generally considered 30 years;
- EUR 74.8 million mainly related to solar plants under construction;
- EUR 8.8 million of land.

Property, plant and equipment under constructions amount to EUR 74.8 million and are mainly related to solar plants under construction. They refer to capitalized costs to realize renewable energy plants that will start producing in the future. The capitalized costs mainly refer to advances paid to the Italian main energy supplier, as well as professional fees and costs for materials. These assets will start depreciation once they will be placed into production.

Towards the end of the surface right (30 years), the company will have to come to an agreement with the owner and possibly renew the grant of the right, sell the facility, or it will have to proceed to dismantle the facility and restore the site as stipulated in the notarial deed of purchase.

At present, the company is active on this issue, in fact, during the process of selecting suppliers for procurement, it tends to enter into agreements with suppliers who can also perform these material disposal services paying, where due, also levies (i.e. RAEE) included in the purchase cost of materials. Therefore, on the basis of the contracts performed, it is not deemed necessary to allocate a decommissioning provision.

Note 3 - Intangible assets

In thousands of euro	**Other intagible assets**
Cost	
Balances at 31 December 2023	**69**
Disposals	(4)
Balances at 30 June 2024	**65**
Accumulated depreciation and impairment losses	
Balances at 31 December 2023	**(15)**
Depreciation	(7)
Balances at 30 June 2024	**(22)**
At 31 December 2023	**54**
At 30 June 2024	**43**

Intangible fixed assets as of June 30, 2024 amounted to EUR 43 thousand and consisted of intangible fixed assets such as licenses for software used by the company and notary costs for company establishment services.

Note 4 - Leases

The following table outlines the breakdown of Right of Use asset roll-forward for the period:

In thousands of euro	**Offices**	**Cars**	**Equipment**	**Surface rights**	**Total**
Balance at 31 December 2023	**746**	**217**	**457**	**14.198**	**15.618**
Additions to right-of-use assets	363	3	390	4.802	5.422
Depreciation charge for the year	(79)	(43)	(108)	(137)	(367)
Balances at 30 June 2024	**1.030**	**177**	**738**	**18.863**	**20.809**

ROU assets as of June 30, 2024 amounted to EUR 20.8 million and consisted of:

- EUR 1.9 million of office buildings, equipment and company cars;
- EUR 9 million in surface rights used for the construction of production plants;
- EUR 9.9 million in surface rights related to solar plants that were not yet connected to the grid.

Additions in RoU consist of new offices (363 thousand) rented in Via Filzi 5, 2th floor, one new car's contract (3 thousand), two new equipments (390 thousand) and new surface rights (4.802 thousand).

Lease liabilities for surface rights in most cases are close to zero since the related payments are made upfront at lease inception.

Amounts recognized in profit or loss

In thousands of euro	**June 30 2024**	**December 31 2023**
Interest on lease liabilities	45	51

Amounts recognized in statement of cash flows

In thousands of euro	**June 30 2024**	**December 31 2023**
Total cash outflow for leases	45	8

The Company's lease liabilities are included in the headings of non-current and current "lease liabilities" on the balance sheet. In addition, these financial liabilities accrue interest recognized in the heading "financing expenses" on the income statement.

Note 5 - Financial assets

i. Other long-term financial assets

Financial assets in the amount of EUR 17.9 million mainly refer to security deposits paid to the GSE, in the amount of EUR 14.1 million. These will be recovered once the projects will go into operation and the Company will request the GSE to use the incentive tariff on its plants. For now, given the market situation, the Company is taking advantage of the spot market tariffs, so it has not yet applied for the feed-in tariff. The remaining EUR 0.9 million relates to a receivable arising from the purpose loan in favour of a third-party entity to be paid to Banco BPM S.p.A. for the purchase of the real estate owned by another entity and EUR 1.6 million in security deposits.

In addition, the account includes EUR 1.2 million related to a restricted bank account that does not meet the definition of "cash and cash equivalents" provided by IAS 7 since it cannot be withdrawn at any time without penalty and it has a maturity over 3 months.

ii. Trade and other receivables

In thousands of euro	**June 30 2024**	**December 31 2023**
Tax Receivables	16.884	11.732
Advances to suppliers	22.615	15.074
Trade receivables	3.969	4.455
Trade and other receivables	**43.469**	**31.261**

Trade and other receivables as at June 30, 2024 amounted to EUR 43.5 million and mainly consisted of EUR 16.9 million in Tax receivables and EUR 22.6 million in advances to suppliers and EUR 3.9 million of trade receivables.

The variance in tax receivables is mostly given by the VAT credit which amounts to 15 million.
As of 30 June 2024, the company has recognized an expected credit loss of 0.1 million on trade and other receivables.

iii. Cash and cash equivalents

In thousands of euro	**June 30 2024**	**December 31 2023**
Cash at bank and petty cash	17.049	60.880
Cash and cash equivalents	**17.049**	**60.880**

As of 30 June 2024, the company had an available cash balance of EUR 17 million, at the date of present reporting there was no further availability in the restricted current accounts related to the fulfilment of the requirements under the PF1 loan agreement signed at the end of 2022 for EUR 150 million with a pool of Austrian and German banks comprising Kommunalkredit Austria AG, acting as Mandated Lead Arranger and Structuring Bank, together with KfW IPEX-Bank and Norddeutsche Landesbank Girozentrale (Nord LB), both acting as registered Co-Arrangers for the subsidiaries Sunprime Generation and Sunprime Energia Distribuita.

This restricted account has liquidity which, according to the rules of the loan agreement, the company may transfer to its current account by means of special transfer requests.

For more details, please refer to the note 14 - Loans and Borrowings.

Note 6 - Derivatives

A. Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

The level identified is 2 since its price is not found on an active market.

Type	**Valuation technique**
Interest rate swap	Mark to market: Mark to market is an accounting practice that involves adjusting the value of an asset to reflect its value as determined by current market conditions. The market value is determined based on what a company would get for the asset if it was sold at that point in time.

B. Financial risk management

The Group has exposure to market risk, which is the risk that changes in market prices – mainly interest rates – will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the risk management policies. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Exposure to interest rate risk

In thousands of euro	June 30 2024	December 31 2023
Fixed-rate instruments		
Financial liabilities	19.356	20.055
Variable-rate instruments		
Financial liabilities	144.814	148.687
Effect of interest rate swaps	420	118.950

The notional amount is equal to EUR 118.950 thousand and the maturity date is 2032.

Note 7 - Equity

A. Share capital

In thousands of shares	Ordinary Shares June 30 2024	Ordinary Shares December 31 2023
In issue at 1 January	16.337	13
Issued for cash	787	712
Exercise of share options in convertible bond	-	15.613
In issue at 30 June - fully paid	**17.123**	**16.337**
Authorised - per value EUR	**17.123**	**16.337**

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Issue of ordinary shares

On December 19, 2023 the Company approved a capital increase for EUR 1.5 million (with EUR 23.5 million share premium), part of which has been subscribed as at December 31, 2023 (EUR 11.9 million) and the remainder in 2024. The payment was received as a first step in December 2023 in the amount of EUR 11.9 million.

On January 3, 2024 the shareholder Andromenda completed the second step of the capital increase resolved in December 2023 by paying in the EUR 13.1 million (of which EUR 0.8 million share capital and EUR 12.3 million share premium reserve), thus bringing its investment in Sunprime Holdings' shares to EUR 10.9 million and a total share capital of EUR 17.1 million. After this capital increase Andromenda owns 63.5% of Sunprime Holdings.

Equity loan conversion (conversion of convertible bond)

On 26 March 2023, Andromeda announced the conversion of EUR 15.7 million of convertible loans in exchange for an additional 5% of Sunprime's share capital. This transaction was then finalized with a share capital increase on 6 April 2023 for EUR 13.9 million and Share premium reserve of EUR 30.5 million. Following the conversion, Andromeda holds 55% of the share capital of Sunprime Holdings.

During the first quarter of 2023, on 9 March 2023, the shareholder Andromeda entered into investment and financing agreements with Sunprime relating to the possibility of converting loans of up to EUR 22.5 million it had provided in the past into shares of Sunprime and providing further convertible loans of up to EUR 17.5 million, so that after the disbursement and conversion of all such shareholder loans, as converted, Andromeda's shareholding in Sunprime's share capital will increase to 60%.

According to the agreement, the additional shareholder loan will be disbursed at the request of the other shareholders, will bear interest at 9% per annum, and will be payable, using a cash sweep mechanism, in semi-annual instalments five years from the date of disbursement, in accordance with the provisions set forth in the agreements. In addition, at the request of Andromeda, the other shareholders of Sunprime Holding will provide a pledge on their shares in Sunprime Holding or a bank guarantee to secure repayment of the shareholder loan.

According to the agreements, Sunprime Holding will repay EUR 1.3 million of the shareholder loan provided to it by the other shareholders (in addition to Andromeda) ('Sunprime Management') on the date of signing and will pay an additional EUR 1.7 million after the capacity of Sunprime's connected plants reaches 300 MWp. The remainder of the loan will be repaid according to the shareholder financing agreement.

During the second quarter of 2023, the shareholder Andromeda disbursed a convertible loan in the amount of EUR 17.5 million pursuant to the investment and financing agreements, respectively received from Sunprime Holdings EUR 7.5 million on 27 April 2023 and EUR 10 million on 31 May 2023.

The loans received were managed by Sunprime Holding in turn providing new loans to the subsidiaries to ensure the necessary liquidity to enable the development of the projects.

During the third quarter of 2023, the Group approved a capital increase partly subscribed in December by the shareholder Andromeda divided between EUR 3.2 million in share capital and EUR 48.4 million in premium reserve. This subscription took place in two stages: the first stage through the conversion of the two shareholder loans of EUR 7.5 million and EUR 17.5 million and accrued interest, which were contributed as EUR 1.7 million in share capital and EUR 26.5 million in premium reserve; the second stage through a payment of new cash, which resulted in a contribution of EUR 1.5 million in share capital and EUR 23.5 million in premium reserve. The payment of new liquidity, indicated in phase two, took place partly in December 2023 in the amount of EUR 11.9 million (of which EUR 0.7 million share capital and EUR 11.2 million share premium reserve) and EUR 13.1 million for the capital increase subscribed in January 2024 (of which EUR 0.8 million share capital and EUR 12.3 million share premium reserve). After this capital increase Andromeda owns 63.5 % of Sunprime Holdings.

B. Nature and purpose of reserves

The reserves are composed by:

- **Hedging reserve**: the hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability. It is not distributable.
- **Share premium reserve:** includes the additional paid-in capital following the capital increases that occurred during the period and in previous periods.
- **Retained earnings:** it includes the profit (loss) for prior periods.

C. Capital management

The Company's purpose is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'net debt' to 'adjusted equity'. Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging and cost of hedging reserves. The Company's net debt to adjusted equity ratio at 30 June 2024 was as follows:

In thousands of euro	**30 June 2024**	**31 December 2023**
Total liabilities	160.869	167.863
Less: cash and cash equivalents	(17.049)	(60.880)
Net debt	**143.820**	**106.984**
Total equity	69.668	58.032
Less: hedging reserve	(2.287)	(4.261)
Adjusted equity	**67.382**	**53.771**
Net debt to adjusted equity ratio	**2,13**	**1,99**

Note 8 - Loans and borrowings

The table below shows a breakdown of current and non-current loans and borrowings:

In thousands of euro	**June 30, 2024**	**December 31, 2023**
Non-current liabilities		
Secured bank loans	144.429	147.038
Financial liabilities to shareholders	19.356	20.055
Lease liabilities	886	771
Total non-current liabilities	**164.671**	**167.864**
Current liabilities		
Unsecured bank loans	386	425
Current portion of lease liabilities	823	497
Total current liabilities	**1.209**	**922**

A. Terms and repayment schedule

The terms and conditions of outstanding loans are as follows

In thousands of euro	**Currency**	**Nominal interest rate**	**Year of maturity**	**June 30, 2024** Face value	**June 30, 2024** Carrying amount	**December 31, 2023** Face value	**December 31, 2023** Carrying amount
Non-current liabilities							
Secured bank loans	EUR	Euribor + margin 2,0%	2032	144.429	137.634	147.038	142.933
Financial liabilities to shareholders	EUR	7%	2025	19.356	19.356	20.055	20.055
Secured bank loans	EUR	7,14%	2028	386	304	425	346
Lease liabilities	EUR				886		771
Current liabilities							
Secured bank loans	EUR	7,14%	2028	386	82	425	79
Secured bank loans	EUR	Euribor + margin 2,0%	2032	144.429	6.795	147.038	4.105
Current portion of lease liabilities	EUR				823		497

B. Interest rate

With reference to the loan received for PF1 from the German/Austrian banking syndicate the rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- Margin; and
- EURIBOR.

Each Borrower shall pay accrued interest on each Loan on the last day of each Interest Period. From FY 2024, payments will be made semi-annually.

With reference to the shareholder loans the terms of each agreement report the interest rate of 7 percent.

Finally, the loan entered into between Bank of Cooperative Credit and Sunprime Development for EUR 0.5 million sets an interest rate of 7.14%.

C. Loan covenants

With reference to the loan received for PF1 from the German/Austrian banking syndicate signed in November 2022, below is an indication of the existing collateral: a mortgage on real rights, a special lien on movable assets, a pledge on the company's current accounts, a pledge on the project companies shares, and a pledge/assignment of receivables from subordinated debt and/or trade receivables.

The covenant mechanism is based on the DSCR (Debt Service Coverage Ratio) index, which is a prospective financial index, relevant both for companies, from the perspective of business crisis and insolvency, and for banks, in order to verify the sustainability of the debt, on the loan stipulated it is indicated that it must not be less than 1.05. This index measures the sustainability of debt (financial, consisting of principal and interest) with the cash flows that the company is able to generate.

To date, the company is obliged to comply with the covenant, which, according to the loan agreement, will

become mandatory in the first half of 2024. Should the company fall below the level set by the DSRA, it will have to restore financial stability by making cash disbursements in a special escrow account. As of 30 June 2024, the company is in compliance with the covenant limit.
At 30 June 2024, the company has repaid the first instalment of the loan, which amounts to EUR 0.2 million, according to the repayment schedule provided for in the regulation. It should be noted that the costs related to the construction of the pipeline and the financial costs are fully financed by the disbursement of the loan itself, and the revenues generated are at the service of the capital line, therefore, at the date of this report, the possibility of non-compliance with the covenant is not envisaged.

D. Non-convertible notes

The financial loans received from Sunprime Holdings' shareholders in the amount of EUR 20 million do not provide for the possibility of conversion into share capital.

The caption Loans and borrowings as of 30 June 2024 amounted to EUR 164 million (current and non-current) and is related to:

- EUR 144 million for the loan signed at the end of 2022 for EUR 150 million with a pool of Austrian and German banks consisting of Kommunalkredit Austria AG, acting as Mandated Lead Arranger and Structuring Bank, together with KfW IPEX-Bank and Norddeutsche Landesbank Girozentrale (Nord LB), both acting as registered Co-Arrangers in favour of the subsidiaries Sunprime Generation and Sunprime Energia Distribuita; EUR 140 million of which is equal to the amount disbursed from the loan received, to which was then added EUR 4 million of interest expense accrued at the closing date and deducted the amortisation over the term of the loan for capitalised costs directly attributable to obtaining the loan.
- EUR 0.4 million for the loan entered into between Bank of Cooperative Credit and Sunprime Development on 9 August 2023 for EUR 0.5 million with an interest rate of 7.14%. As of the date of this document, principal of EUR 38.8 thousand and interest of EUR 15.1 thousand have been paid, leaving the remaining debt at EUR 0.4 million.
- EUR 19 million refer to loans granted by shareholders of Sunprime Holdings in the amount of EUR 19 million and interest expenses accrued during the year in the amount of EUR 0.6 million.

Note 9 - Employee benefits and other provisions

The Provisions as of June 30, 2024 amounted to EUR 0.2 million for provision for employee benefits and other provisions.

A. Employee benefits liabilities
Employee benefits liabilities mainly include the following:

In thousands of euro	**June 30, 2024**	**December 31, 2023**
Non-current employee benefits liabilities		
Defined benefits liabilities	239	163
Current employee benefits liabilities		
Social security payables (included in “trade and other payables”)	202	79
Total employee benefits liabilities	**346**	**242**

B. Defined Benefit Obligation valuation of IAS 19

The actuarial reference model for the valuation of severance pay is based on various demographic and economic assumptions.

The economic technical bases used are:

	June 30, 2024
Annual discount rate	3,25%
Annual inflation rate	2,00%
Annual rate of increase of severance pay	3,00%

- the annual discount rate used to determine the present value of the obligation was inferred, consistently with para. 83 of IAS 19, from the Iboxx Corporate AA index with duration 7-10 recorded at the valuation date. For this purpose, the yield with a duration comparable to the duration of the group of employees subject to the valuation was chosen;
- the annual rate of increase of the TFR as provided for by Article 2120 of the Italian Civil Code, is equal to 75% of inflation plus 1.5 percentage points;
- the annual rate of salary increase applied exclusively for companies with an average of less than 50 employees during 2006 was determined based on what was communicated by Company managers.

The demographic assumptions used are:

Death	ISTAT mortality tables 2022
Incapacity	INPS tables by age and gender
Retirement	100% upon reaching AGO requirements

Frequency Turnover and advances	
Frequency Advances	0,5%
Frequency Turnover	15%

C. Personnel expenses

In thousands of euro	June 30 2024	June 30 2023
Wages and salaries	1.843	971
Social security contributions	596	444
Other personnel expenses	377	538
Expenses related to post- employment defined benefit plans	117	148
Total employee benefit expenses	**2.933**	**2.102**

The Personnel expenses as at June 30, 2024 amounted to EUR 2.9 million. Please see below the detail of the average workforce:

	2023	Increase	Decrease	2024
Executives	10	-	1	9
Employees	77	26	13	90
Total	**87**	**26**	**14**	**99**

Note 10 – Commitments and contingencies

Commitments and contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability without adjustment for The Company's credit risk. The carrying amount of the provision is adjusted each period to reflect the time that has passed and the amount of the adjustment is recognized as a financing expense.

The Company recognizes a reimbursement asset if, and only if, it is virtually certain that the reimbursement will be received if The Company settles the obligation. The amount recognized in respect of the reimbursement does not exceed the amount of the provision.

The company periodically verifies the status of the development of the practices of the business, for those that are blocked it evaluates the possibility of interfacing with an external legal advisor to mediate with the counterparty to try to find an agreement that could lead to the continuation of the contract or the termination of the existing contract. As at June 30, 2024, there are no material open legal claims that will lead to a probable cash outflow for the Group.

As a result of the investments made by the shareholders, the company is in a strong period of growth to build its pipeline on the basis of the established and partly refinanced construction plan. Based on the construction plan, the company schedules its procurement of materials and services to ensure construction on schedule. During the financial year, updates are made in order to adjust and revise procurement schedules.

Commitments for construction activities are only made to suppliers after the pipeline project financing contract has been concluded.

The Group has an estimated contingent asset of EUR 2 million related to claims against ENEL due to delays in the connection of the Group's plants. This contingent asset does not meet the recognition requirements of IAS 37 and therefore has not been recognized in the financial statements as at 30 June 2024.

Guarantees

The company issued an escrow account for EUR 1.2 million with the Bank of Cooperative Credit bank as security.

The guarantees issued to the counterparty banks that signed the PF1 financing agreement and are mainly related to:
- First lien on the shares of Sunprime Generation and Sunprime Energia Distribuita held by Sunprime Holding;

- Mortgage and special lien;

- Pledge on receivables arising from the shareholders' loan.

With regard to the guarantees on its financial liabilities, please refer to what is described in Note 8.D.

Note 11 - Trade and other payables

Trade and other payables as at 30 June 2024 amounted to EUR 44 million, including EUR 15 million in trade payables and EUR 26 million in accrued trade payables. Also, include, EUR 2.7 million of others payables and EUR 0.2 million of social security payables spoken into note 9.

Note 12 – Revenue from contracts with customers

The Group generates revenue primarily from the following revenue streams:

- Sale energy to third-party customers produced by solar plants owned by the Group. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue at point in time, when the customer obtains control over the promised goods (i.e. energy). The revenue is measured according to the amount of the consideration to which the Company expects to be entitled in exchange for the goods or services promised to the customer, other than amounts collected for third parties.
- Construction services provided to third party customers: revenue and associated costs are recognised over time – i.e. before the goods are delivered to the customer. Progress is determined based on the cost-to-cost method because the customer obtains control of the work in progress as the made-to-order solar plant is being manufactured, and the cost measure faithfully depicts the transformation of the work in progress.
- Sale of spare parts: recognized at point in time when control of the good is transferred to the customer.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

In thousands of euro	**June 30, 2024**	**June 30, 2023**
Geographical Market		
Italy	2.750	670
Switzerland	4.823	1.824
Major service line		
Revenue from power generation	5.381	1.833
Revenue from third-party plant construction services	2.192	662
Timing of revenue recognition		
Services transferred at point in time	5.381	1.833
Services transferred over time	2.192	662
Total revenue	**7.572**	**2.495**

Revenues as at 30 June 2024 amounted to EUR 7.6 million, of which:

- EUR 5.4 million relates to power generation of connected plants by Sunprime Generation, Sunprime Energia Distribuita, Sunprime Sustainable Solar and Sunprime Solar Belt;

  EUR 2.2 million related to third-party plant construction services and the sale of goods performed directly by Sunprime Development. As at June 30, 2024, all plant construction services are completed and invoiced.

Note 13 - Cost of materials

The cost of materials as at 30 June 2024 amounted to EUR 0.5 million and mainly refers to cost of materials, related to office supplies and stationary.

Note 14 - Costs of services received

In thousands euro	**June 30, 2024**	**June 30, 2023**
Technical project team consultancy	1.513	647
Insurance	233	212
Legal project consultancy	108	-
Maintenance costs	601	143
Advertising	115	80
Other cost of services	552	1.278
Utilities and securities	414	13
Total	**3.536**	**2.373**

The costs of services received as at June 30, 2024 amounted to EUR 3.5 million, this caption refers mainly to: EUR 1.5 million for technical project team consultancy, EUR 233 thousand for Insurance, EUR 108 thousand for Legal project consultancy, EUR 601 thousand for maintenance costs, EUR 115 thousand for advertising, EUR 414 thousand for costs for utilities and securities and EUR 552 thousand for other services.

Note 15 - Other income and expenses

The Other income and expenses as at 30 June 2024 amounted to EUR 0.7 million are composed by general and administrative expenses and other income.

The item general and administrative expenses amounted to EUR 0.9 million and refers mainly to non-recurring liabilities, contingent liabilities and taxes and stamp duties.

The other income amounted to EUR 0.2 million are mainly related to interest income received, non-recurring income and other income.

Note 16 - Depreciation and amortization

The Depreciation and amortization as at June 30, 2024 amounted to EUR 2.4 million this item mainly refers to depreciation and amortisation reported for operating plants of Sunprime Generation, Sunprime Energia Distribuita, Sunprime Sustainable Solar, Sunprime Solar Belt and Sunprime Energia Ovunque.

Note 17 – Financing income and expenses

According to Sunprime's group policy in line with IAS 23, interest expenses directly attributable to the purchase, construction or production of a ‘qualifying asset’ must be capitalised as part of the cost of the asset. A qualifying asset is an asset that requires a significant period of time to be ready for its intended use or sale.

The general requirement of IAS 16 remains that an expense, to be capitalizable, must be reliably measurable and produce future economic benefits.

Therefore, the portion of interest expense relating to PF1 accrued and paid as at 30 June 2024 was partly expensed in the income statement for the portion relating to connected plants, while the remaining portion relating to plants not yet connected was capitalised.

Therefore, the interest expenses in the comparative period were fully expensed.

The finance income amounted to EUR 0.9 and are interest paid from the banks of PF1.

The finance costs amounted to EUR 4.1 million and consisted of:

- EUR 2.7 million related to the portion of interest paid to the banks of PF1 is related to connected plants, while the remaining portion of EUR 2.1 million refers to plants still under construction and has been capitalised. As of 30 June 2024, the total amount paid was EUR 4.8 million from Sunprime Generation EUR 3.6 million and Sunprime Energia Distribuita EUR 1.2 million;
- EUR 0.6 million relating to interest expense accrued on shareholder loans received;
- EUR 249 thousand related to financial expenses related to the amortised portion of the expenses incurred to obtain the PF1 bank loan incurred by Sunprime Generation and Sunprime Energia Distribuita;
- EUR 0.4 million related to write-down of the financial receivable for forfeiture of certain GSE projects recorded in 2024 for Sunprime Generation and Sunprime Energia Distribuita;

For any further details regarding financing, please refer to the Loans and borrowings note 8.

Note 18 - Income Taxes

Starting from fiscal year 2023, the Group will file a consolidated tax return including all the entities that make up the Group. Sunprime Holdings S.r.l. performs the tax consolidation for all the Group entities that are included in the consolidation.

During the second quarter of 2024, following the successful completion of a test on a future forecasting exercise, which was then validated by an external advisor, the company was able to account for deferred tax assets on past tax losses. As at 30 June 2024, the amount of deferred tax assets on tax losses accounted is EUR 2.5 million.

The Group also estimated the amount of current taxes for the period, which amount to EUR 0.8 million.

The resulting net impact on the income statement as at 30 June 2024 is reported as follows:

In thousands of euro	**June 30, 2024**	**December 31, 2023**
Deferred tax assets on tax losses	2.458	-
Current income taxes	-832	-
Deferred taxes, net	**1.626**	**-**

Deferred Taxes

As at June 30, 2024 the net amount of deferred tax assets and liabilities is EUR 3.2 million:

In thousands of euro	**June 30, 2024**	**December 31, 2023**
Deferred tax assets	3.177	1.346
Deferred taxes, net	**3.177**	**1.346**

The total amount of deferred tax assets include: deferred tax assets on tax losses for EUR 2.5 million as described above, EUR 0.7 million of deferred tax assets related to the tax effect calculated for hedging instruments and as a result of IAS 19 for a total of deferred tax assets of EUR 3.2 million.

Note 19 – Exposure to risks

The Group has exposure to the following risks from its use of financial instruments:

A. Credit risk

The carrying amount of financial assets represents the maximum credit exposure, notwithstanding the carrying amount of security or any other credit enhancements. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.
The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 1/2 months and by selling its goods and services to customers with a high credit rating.
The Group incorporates the credit risk in the valuation of its financial assets via the Expected Credit Losses model (see Note 5).

B. Liquidity Risk

Given the company's recent incorporation at a particular time in history, the main risk to which it is exposed is liquidity risk, which is typically represented by the possibility that an entity may have difficulty raising sufficient funds to meet its obligations. To cope with this risk, the company has consistently demonstrated its business model, with cash injections received from shareholders this mechanism has then had a significant impact on the subsidiaries by providing them with economic support.

To cover this risk, the company demonstrated consistency in its business model, with liquidity injections from shareholders that then had a significant impact on the subsidiaries by providing them with financial support.

In November 2022, the company activated the EUR 150 million loan with a pool of Austrian and German banks for the subsidiaries Sunprime Generation and Sunprime Energia Distribuita. To date, the company has not yet repaid any of the drawn amount; the first repayment will be made in the first half of 2024. In order to cope with this risk, the company is trying to bring the projects in the construction plan to connection in order to generate revenue from power generation, which will then be used to fulfil the loan repayment.

C. Market risk

Please refer to Note 6 (C).

D. Regulatory risk

The context in which the company operates calls for an overall and progressive adjustment of regulation, both in terms of infrastructure and of the design of markets and regulatory instruments intended to support investments and guarantee the efficient operation of the system. This adjustment takes place within a regulatory framework that is also evolving, the main objective being the effective simplification of regulation. The regulator's choices will also increasingly have to consider the technical-economic impacts on the future, also in view of the speed with which technological innovation changes the cost dynamics of investments.

The next Decree FER X will be published soon and is expected to include several new features:

- The scheme will be based on CfD with presumably higher tariffs;
- The capacity to be allocated in the period 2024-2028 is 62 GW (of which 45 GW solar, or/and 5GW under 1MWp);
- for plants <1 MW, no prior project submission is required for participation in the registers, these plants directly access the support mechanism;
- Participation in auctions (divided into several procedures) is foreseen for competitive plants >1MW within specific allocated power limits, similar to DMFER1.

At the moment, there is still no real certainty as to when the new decree should be usable, it is estimated from December 2024, but certainly on the basis of these assumptions, mentioned above, a very favorable environment will open up for the company to work on developing its business.

Note 20 - Related parties

Transactions conducted with related parties, including intercompany transactions, do not qualify as atypical or unusual and are part of the ordinary course of business of Group companies. These transactions are settled at arm's length, considering the characteristics of the goods and services provided. The Group has the following transactions with related parties, that only relate to financing agreements:

In thousands of euro	**June 30, 2024**	**June 30, 2023**
Loans from shareholders		
Andromeda	11.049	28.502
Surge s.r.l.	7.359	7.864
Antonio Mazzitelli (CEO)	946	1.668
Gabriele Angeli	1	305
Total loans from shareholders	**19.356**	**28.135**
Interest expense from shareholders included in "Total loans from shareholders"		
Andromeda	1.049	1.002
Surge S.r.l.	259	264
Antonio Mazzitelli (CEO)	66	68
Gabriele Angeli	1	5
Total interest expense from shareholders	**1.376**	**880**

Transaction with key management personnel

1. **Key management personnel compensation**

In thousands of euro	**June 30, 2024**	**June 30, 2023**
CEO Compensation	240	240

2. **Key management personnel transactions**

There were no transactions recorded as at 30 June 2024 other than what outlined above.

Note 21 - Subsequent events

After 30 June 2024, the company continued to build its portfolio of financed projects and to develop new rooftop and ground-mounted projects, seeking to take advantage of the authorization simplifications introduced by the legislator to promote the energy transition, with the aim of positioning itself among the country's largest producers of renewable energy.

In line with the company's development strategies, further connection activities of the company's plants were recorded in July 2024, with 148 plants connected for a total installed capacity of 132 MWh.

At the end of July it is reported that The European Investment Bank (EIB), Natixis Corporate & Investment Banking (Natixis CIB) and the Sunprime Group have signed a project finance operation worth €204 million to finance one of the largest photovoltaic portfolios in Italy.

This loan will support the construction and operation of more than 100 photovoltaic systems on roofs and on land across Italy with a maximum total installed capacity of up to 220 MW. This strategy reinforces the smart use of space and decentralized production.

Once operational, by 2026, these plants will generate about 275 GWh/year of renewable electricity, meeting the needs of more than 105 thousand Italian families. This operation will help achieve the EIB's RePowerEU targets, totaling an additional €45 billion by 2027, and Italy's targets for renewable energy. It is also estimated that the PV portfolio will gradually reduce CO_2 emissions by about 2.35 million tons over its life cycle.

August 26, 2024

Antonio Mazzitelli
Chief Executive Officer

Part C -

Quarterly Report of Effectiveness of Internal Control on Financial Reporting and Disclosure

Quarterly 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;

Internal control of financial reporting and disclosure includes reviews and procedures existing in the Company, 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 Company's board of directors, intended to supply reasonable assurance 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 Company 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 Company is required to disclose as stated is accrued and transferred to the management of the Company, 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 of procedures and controls under my supervision, which are intended to ensure that material information related to the Company, including its consolidated corporations as defined in the Securities Regulations (Annual Financial Reports), 5770-2010, is provided to me by others in the Company 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.

August 28, 2024

Nadav Tenne, CEO

(b) Declaration of the 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 second quarter of 2024 (hereinafter: the "**Reports**");

(2) Insofar as I am aware, 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) Insofar as I am aware, 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 of procedures and controls under my supervision, which are intended to ensure that material information related to the Company, including its consolidated corporations as defined in the Securities Regulations (Annual Financial Reports), 5770-2010, is provided to me by others in the Company 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, related 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.

August 28, 2024

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Noam Fisher, CFO