O.Y. Nofar Energy Ltd.

Third Quarterly Report For 2024

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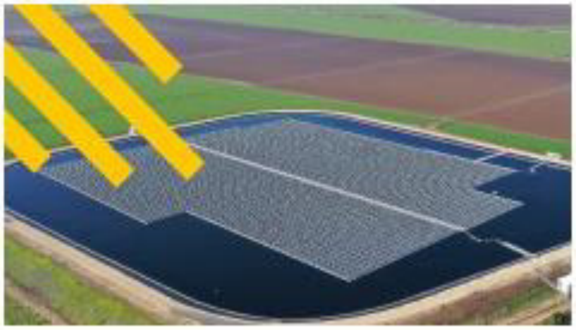
Introduction

Nofar in Numbers



PV projects connected, ready for connection, under construction and pre-construction

2.4 GW

NIS 1.802 billion
Equity
attributed to owners

PV projects
Connected and ready for connection
1,217 (557)* MW

Storage projects
Connected, ready for connection, under construction and pre-construction
1,228 (902)* MWh

PV projects
Under construction and pre construction
1,190 (950)* MW

64% increase in electricity revenues compared to Q3 of 2023

Activity in 10 territories

Expected aggregate revenues from the sale of electricity

NIS 1,595 million *

(NIS 1,129 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 for connection, 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.

Board of Directors Report of the State of the Corporation's Affairs for the period ended on September 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 September 30, 2024 (hereinafter: the "**Date of the Statement of Financial Position**") and the period of three and nine 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 2024 Annual Report (hereinafter: the "**2023 Board of Directors' Report**") and the Board of Directors' Report for the three and six month period ended June 30, 2024, which was published on August 29, 2024 (Reference No. 2024-01-090168; hereinafter: the "**Second Quarter 2024 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: the "**2023 Annual Report**"), as well as the Second 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.

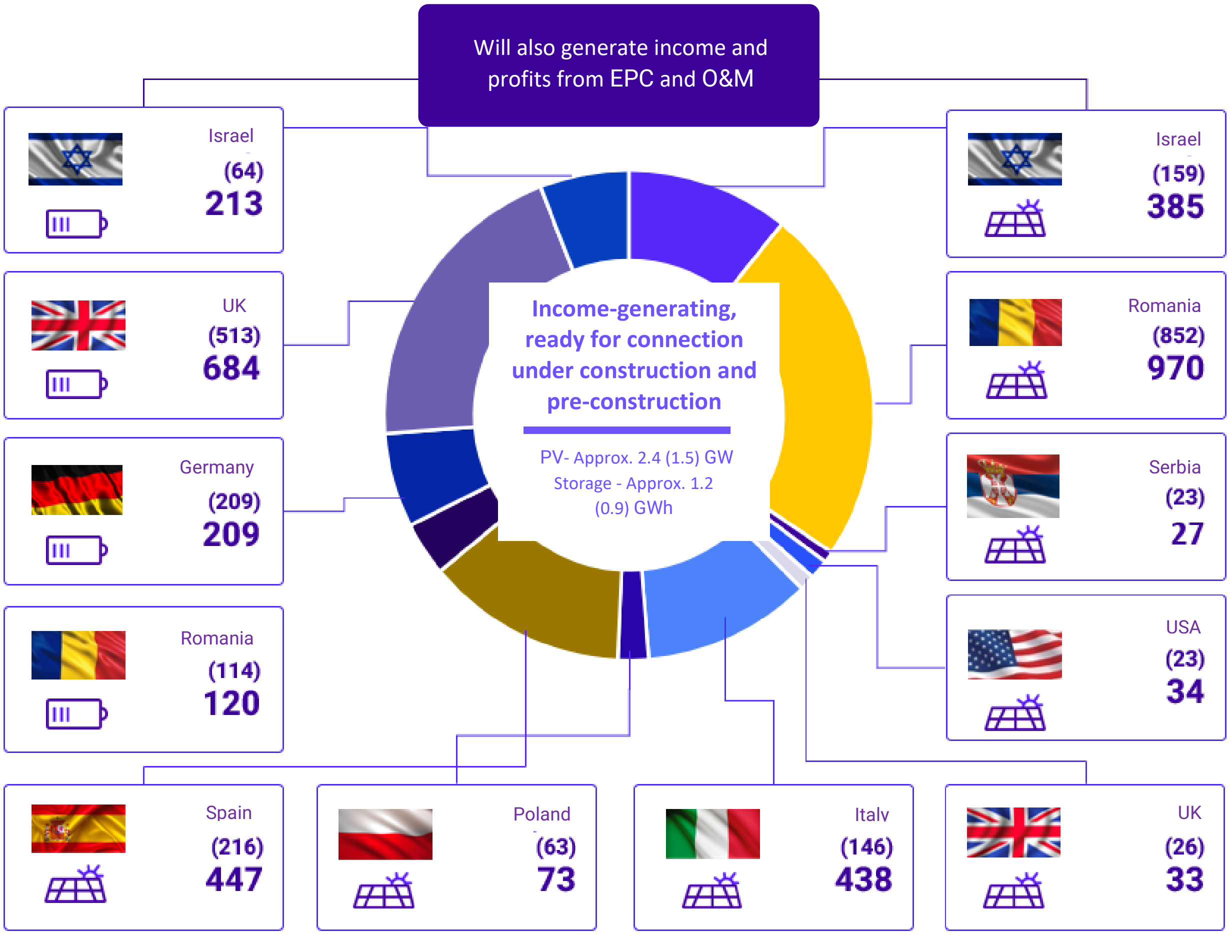
The Group's activities include the initiation, development and purchase of solar projects, wind systems and storage systems, starting from preliminary and initial stages, for the benefit of long-term holding, in Israel, Europe and the USA. These projects include large systems in Europe, which connect 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

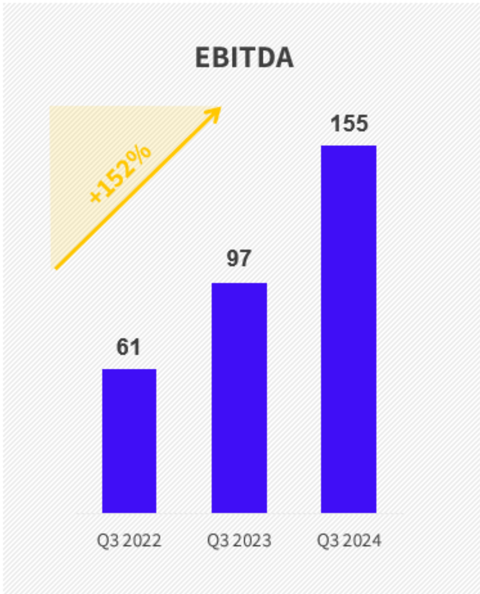
A significant backlog of yielding projects, under construction and pre-construction, as of the Report Date. Characterized by high rates[1] (100% data, Company's share in parentheses (in MW/MWh))

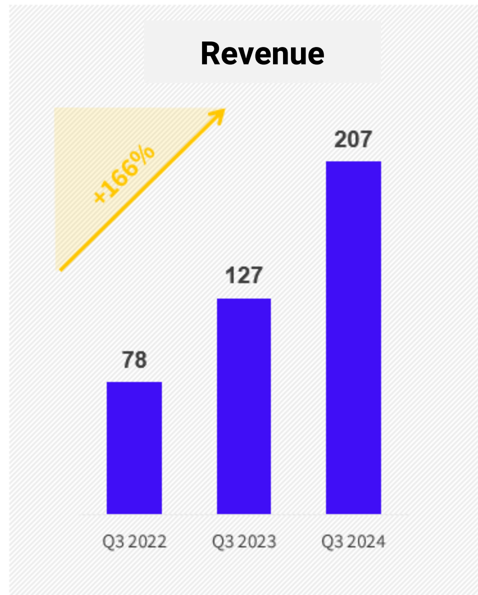


Expected aggregate revenues from the sale of electricity in the first year of yielding projects under construction and pre-construction NIS 1,595 million [1] (Company's effective share is NIS 1,129 million).

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.

Continued significant growth in all financial parameters from electricity sales
(quarterly project financial data, systems in commercial operation, millions of NIS, 100% data)

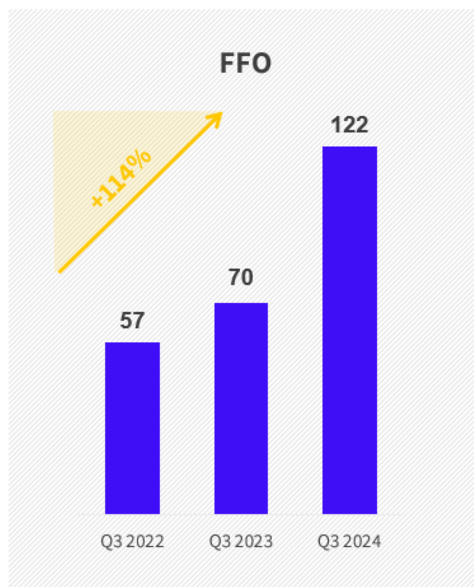




NIS 207 million
Quarterly revenue

NIS 560 million
Revenue in the last 12 months

Not including revenue from EPC and O&M services



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 & II**	**Krzywinskiel**	**Ratesti**	
Rates rage(2) (NIS/KWh, as of September 30, 2024)			0.16-2.47	0.01 - 1.68	0.33-0.74	0.1-0.73	0.1-0.73	0.132-0.588	0.322-0.531	
Number of systems	**Solar**	September 30, 2024	1,513	28	160	1	2	1	1	1,706
		September 30, 2023	1,343	20	65	1	1	---	---	1,430
		December 31, 2023	1,399	23	84	1	1	1	1	1,510
	Storage	September 30, 2024	23	2	---	---	---	---	---	25
		September 30, 2023	4	---	---	---	---	---	---	4
		December 31, 2023	7	---	---	---	---	---	---	7
Total installed power (MWp) (100%)	**Solar**	September 30, 2024	328	18	141	169	238	20	155	1,069
		September 30, 2023	283	15	51	169	155	-	-	673
		December 31, 2023	302	16	70	169	155	20	155	887
	Storage	September 30, 2024	68	2	---	---	---	---	---	70
		September 30, 2023	14	---	---	---	---	---	---	14
		December 31, 2023	21	---	---	---	---	---	---	21
Total setup costs (NIS thousands)		September 30, 2024	1,426,066	234,787	523,970	556,744	889,480	85,054	467,908	4,184,009
		September 30, 2023	1,234,439	170,742	173,029	534,723	580,398	---	---	2,693,331
		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)		September 30, 2024	82	70	62	132	138	85	102	671
Total senior debt balance (NIS		September 30, 2024	919,568	18,193	419,176	216,879	319,752	---	249,144	2,142,712

		Israel[1]	USA[5][6]	Italy[5]	Spain[5]		Poland	Romania	Total
					Olmedilla	**Sabinar I & II**	**Krzywinskiel**	**Ratesti**	
thousands)	September 30, 2023	846,583	74,494	147,074	234,143	324,769	---	---	1,627,063
	December 31, 2023	901,323	72,465	190,727	231,877	302,370	---	240,696	1,939,458
Remainder of the senior debt period, in years (weighted average)	September 30, 2024	17	4	11	14	22	---	9	---
Income (NIS thousands)	1-9/2024	221,675	13,058	44,988	79,722	49,118	5,009	61,517	475,087
	1-9/2023	155,509	9,354	14,133	63,020	50,212	---	---	292,228
	2023	205,602	12,692	18,189	75,906	56,792	220	2,451	371,852
Income from tax equity	1-9/2024	---	4,370	---	---	---	---	---	4,370
	1-9/2023	---	1,907	---	---	---	---	---	1,907
	2023	---	2,575	---	---	---	---	---	2,575
Total Income (NIS thousands)	1-9/2024	221,675	17,428	44,988	79,722	49,118	5,009	61,517	479,457
	1-9/2023	155,509	11,261	14,133	63,020	50,212	---	---	294,135
	2023	205,602	15,267	18,189	75,906	56,792	220	2,451	374,427
Total project EBITDA [3] (NIS thousands)	1-9/2024	132,004	12,806	38,903	67,768	38,974	3,464	58,761	352,680
	1-9/2023	106,944	7,091	12,224	57,538	43,573	---	---	227,370
	2023	131,085	9,277	15,143	69,123	51,194	115	2,407	278,344
Total project FFO[3] (NIS thousands)	1-9/2024	80,461	9,892	18,281	63,180	27,274	3,464	54,540	257,092
	1-9/2023	67,103	3,592	8,669	45,446	43,573	---	---	168,383
	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)	1-9/2024	41,528	5,562	17,478	43,739	18,129	3,464	45,648	175,548
	1-9/2023	38,045	(173)	8,669	26,215	43,573	---	---	116,329
	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 (NIS thousands)	1-9/24	18,762	5,566	9,176	22,963	9,518	3,464	22,824	92,273
Rate of the Company's holdings[4], indirectly (weighted average)	1-9/2024	41%	67%	33%	50%	47%	72%	50%	45%
	1-9/2023	40%	67%	29%	50%	47%	---	---	44%
	December 31, 2023	40%	67%	32%	50%	47%	72%	50%	45%

[*] Projects in commercial operation are projects connected to the electricity grid as of September 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 0.46 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 35.43 US cents per kWh. It should be noted that during the Report Period, the average tariff paid to Blue Sky was approximately 20 US cents per kWh for electricity sold to consumers and about 14 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 10.1 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. Also, as of the Report Date, the sale of the project's electricity in Romania, as well as until August, the sale of the project's electricity in Poland were carried out within the Balancing Market, until a production license was obtained.

(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):

	1-9/2024	1-9/2023	1-12/2023
Gross profit	254,541	157,391	184,221
Systems depreciation	98,141	69,980	94,122
EBITDA	352,682	227,371	278,343
Senior debt financing expenses	95,590	58,988	85,633
FFO	257,092	168,383	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, C, and D).

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 nine month period of ended on September 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 (sector notes)
Income	479,455	(176,863)	302,592
EBITDA	352,682	(123,218)	229,464
FFO	257,091	(82,747)	174,344
Free cash flow	175,548	(51,970)	123,578
Equity profit	---	---	8,495

For a nine month period ended on September 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 (sector notes)
Income	294,135	(101,782)	192,353
EBITDA	227,372	(75,136)	152,236
FFO	168,383	(47,272)	121,111
Free cash flow	116,329	(27,233)	89,096
Equity losses	---	---	14,639

For the year ended on 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 (sector notes)
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 sector notes includes data regarding income and EBITDA. For details on the method of calculation of the FFO and the free cash flow, see the table above detailing the calculation of the indices.

(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 3.71 per dollar and an average exchange rate for the Report Period of NIS 3.701 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 4.1524 to the euro and an average exchange rate for the Report Period of NIS 4.0245 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 for connection [1] (financial data in NIS millions)

	Israel		Italy	Poland	Serbia	UK	Total
Segment/ project name	PV	Storage	Sunprime	Dziewoklucz I	ADA	Buxton	
Projected power (MWp)	24.5	---	77.2	19.7	26.6	---	148.0
Storage capacity (MWh)	---	37.5	---	---	---	60.0	97.5
Weighted tariff (NIS)	0.35	---	0.34	0.37	0.43	---	---
Projected annual production hours (KWh/KWp)	1,750	---	1,366	1,128	1,300	---	---
Expected revenues for the first full year of operation [5] [6]	15.1	5.3 - 7.5	35.9	8.3	14.7	11.6	90.8 - 93.0
Total estimated setup costs[3][10]	66.1	56.3	236.9	64.4	84.6	130.7	639.0
Cost invested by the Company up to the Report Date (in NIS millions)	39	54	11	62	40	45	251
Projected operating cost for the first year of operation [6] [7]	3.6	0.3	4.8	1.6	2.9	3.6	16.9
Projected EBITDA for the first year of operation [6] [7]	11.5	4.9 - 7.2	31.1	6.6	11.8	8.0	73.9 - 76.2
Predicted leverage rate (senior debt) [10]	85%	80%	78%	56%	56%	64%	---
Projected loan period (years) [4]	20	20	10	7	7	8	---
Projected FFO for the first year of operation [6][8]	7.8	2.0 - 4.3	20.9	4.6	9.1	2.5	46.9 - 49.1
Rate of holdings [9]	37%	32%	33%	80%	85%	75%	---
Company's share in the cash flow	37%	100%	33%	100%	100%	95%	---
Has senior debt been provided	In relation to part of the projects	No	Yes	No	No	Yes	---

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

	Projects under construction										Projects pre- construction								
	Israel		Romania					UK	Germany	Italy		Poland		USA	Romania	Spain	UK	Israel	Total
Segment/ project name	PV	Storage	Iepuresti	Corbii Mari (PV)	Ghimpati	Slobozia	Volter	Cellarhead	Stendal	Sunprime		Cybinka	Krzywinskie II	Blue sky	Corbii Mari (BESS)	Sabinar III	Turners Farm	PV	
Projected power (MWp)	9.7	---	169.4	265.9	146.0	73.6	160.0	---	---	98.6	121.1	28.5	5.0	15.5	---	40.0	33.1	23.3	1,189.6
Projected storage capacity (MWh)	---	107.6	---	---	---	---	---	624.0	209.0	---	---	---	---	---	120.0	---	---	---	1,060.6
Weighted tariff (NIS) for first full year of operation	0.45	---	0.38	0.36	0.38	0.39	0.35	---	---	0.33	0.33	0.35	0.36	0.56	---	0.20	0.34	0.39	---
Projected annual production hours (KWh/KWp)	1,750	---	1,403	1,395	1,384	1,540	1,420	---	---	1,389	1,389	1,110	1,059	1,478	---	1,664	971	1,750	---
Expected revenues for the first full year of operation [5] [6]	7.6	15.1 - 21.5	90.5	135.1	76.9	44.0	79.6	141.4	72.0	45.2	55.5	11.2	1.9	12.7	24.9	13.4	11.1	15.7	853.8 - 860.2
Total projected setup costs[3][10]	26.1	123.7	528.0	693.0	433.5	241.7	411.9	1113.4	373.2	292.0	376.9	76.9	8.9	132.3	129.5	76.4	62.0	62.8	5,162.1
Cost invested by the Company as of September 30, 2024	-	8	278	112	119	97	63	262	82	93		10	-	13	-	---	1	2	1,140
Projected operating cost for the first year of operation [6] [7]	1.7	0.9	13.3	18.0	11.6	5.8	12.6	29.7	11.9	6.1	7.5	2.6	0.4	3.5	6.5	4.2	1.7	3.6	141.8
Projected EBITDA for the first year of operation [6] [7]	5.9	14.1 - 20.6	77.1	117.2	65.3	38.2	67.0	111.6	60.2	39.0	47.9	8.6	1.5	9.3	18.4	9.2	9.3	12.0	712.0 - 718.4
Projected leverage rate (senior debt) [4][10]	85%	80%	45%	55%	45%	55%	55%	63%	70%	85%	85%	56%	56%	40%	55%	59%	55%	85%	---
Projected loan period (years) [4]	20.0	20.0	12.0	12.0	12.0	12.0	12.0	6.5	7.0	20.0	20.0	12.0	7.0	7.0	12.0	23.0	12.0	20.0	---
Projected FFO for the first year of operation [6][8]	4.5	7.7 - 14.2	64.8	97.3	55.1	31.3	55.2	64.3	49.0	28.5	29.6	6.1	1.2	5.9	14.7	6.9	7.1	8.6	537.8 - 544.3
Rate of the tax equity in the investment	---	---	---	---	---	---	---	---	---	---	---	---	---	40%	---	---	---	---	---

	Projects under construction										Projects pre- construction								Total
	Israel		Romania					UK	Germany	Italy		Poland		USA	Romania	Spain	UK	Israel	
Segment/ project name	PV	Storage	Iepuresti	Corbii Mari (PV)	Ghimpati	Slobozia	Volter	Cellarhead	Stendal	Sunprime		Cybinka	Krzywinskie II	Blue sky	Corbii Mari (BESS)	Sabinar III	Turners Farm	PV	
Projected setup completion date(2)	2024	2024-2026	H2 2025	H1 2026	H2 2025	H2 2025	H1 2026	H2 2026	H2 2025	2025	2025-2026	H2 2026	H2 2025	2024-2025	H1 2026	H1 2026	H2 2025	2025	---
Rate of holdings (9)	45%	25%	95%	95%	95%	95%	95%	75%	100%	33%	33%	100%	80%	67%	95%	47%	80%	43%	---
Company's share in the cash flow	45%	100%	100%	100%	100%	100%	100%	95%	100%	33%	33%	100%	100%	100%	100%	53%	100%	43%	---
Has senior debt been provided	No	No	No	No	No	No	No	No	No	Yes	No	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)	75.8	---	85.0	305.7	210.0	931.7	1568.0	---	3,176.3
Projected storage capacity (MWh)	---	587.7	---	---	---	---	---	260.0	847.7
Weighted tariff (NIS) for first full year of operation	0.45	---	0.56	0.33	0.35	0.38	0.37	---	---
Projected annual production hours (KWh/KWp)	1,750	---	1,587	1,389	1,072	1,017	1,005	---	---
Expected revenues for the first full year of operation [5] [6]	59.7	82.3 - 117.5	75.1	140.1	78.9	356.9	586.4	61.4	1,440.7 – 1,476.0
Total projected setup costs [3] [10]	204.8	583.0	756.8	930.8	564.6	2089.2	3515.9	515.4	9,160.6
Cost invested by the Company as of September 30, 2024 [11]	-	18	9	-	30	-	-	1	58
Projected operating cost for the first year of operation [6] [7]	11.4	5.0	20.6	19.0	12.0	58.0	97.7	14.0	237.7
Projected EBITDA for the first year of operation [6] [7]	48.3	77.3 - 112.5	54.5	121.0	66.9	298.8	488.7	47.4	1,203.0 – 1,238.2
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]	37.0	47.0 - 82.2	34.8	88.3	48.8	224.1	363.0	26.7	869.7 - 904.9
Rate of the tax equity in the investment	---	---	0.4	---	---	---	---	---	---
Projected setup completion date [2]	2025-2026	2026-2027	2025-2026	2026-2027	2026	2030	2031	2028	---
Rate of holdings [9]	44%	31%	67%	33%	80%	80%	80%	75%	---
Company's share in the cash flow	44%	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	555	418	2,646	---	---	---	4,103
Projected storage capacity (MWh)	---	350	3,094	---	1,356	200	3,070	8,070
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 September 30, 2024, to a total of about NIS 18,912 thousand.

(1) For details regarding the conditions for recognizing projects ready for connection, under construction, pre 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 4.1524 to the euro; the data in relation to projects in the United States are based on an exchange rate of NIS 3.71 to the dollar; the data in relation to the UK are based on an exchange rate of NIS 4.9748 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 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, Stendal, 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.

(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 during the period. 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 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%-6.5% 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%-6.5% 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 and Cellarhead projects, 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 Toton project, indicative financing of approximately 50%-70% of the project cost at an interest rate of 7%-8% 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 65%-75% at an interest rate of 4%-5% is assumed, based on the agreement of principles agreed upon with the lenders. 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 Toton project, it should be noted that the Company has not yet completed its 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 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 or revenue forecast from battery projects (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, wins CfD tenders, or engages in a Tolling agreement, 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 84 per megawatt-hour) and an assumption of approximately 1,357 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 20 cents per kWh, respectively, for electricity sold to consumers (and about 13 and 14 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). The revenues in the table in relation to the Stendal project are based on the terms of the Tolling Principles Agreement discussed between the parties, according to which in the first year of operation part of the electricity will be sold on the open market and part at a fixed price. It should be noted that as of the Report Date, the project company entered into an agreement of principles for a tolling agreement covering 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 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 and regarding the battery projects, according to the Group's estimations. 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. For the Stendal project, operating costs were assumed in the maintenance and services agreements signed with the construction contractor, the battery supplier, and the conditions discussed regarding the Tolling Principles Agreement.

(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, 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. Also, in relation to the financing agreements that were signed before the withdrawals were made for them, it will be clarified that at the time of the Report there is no certainty regarding the compliance of the project companies with the withdrawal conditions.

(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 the construction performed by the manager of the systems necessary for the project's connection, delays in the

completion of the compliance tests, 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, pre-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 General - In July 2024, Midroog established a stable A3.il rating for the Company and the Company's Series A, Series B and Series C Bonds. For details, see the immediate report dated July 28, 2024 (Reference No.: 2024-01-076749). In September 2024, the Company issued NIS 355 million par value of the Company's Series D bonds, which were rated by Midroog Company with a A3.il stable rating. For details, see the immediate reports dated September 12, 2024 and September 13, 2024 (Reference Nos.: 2024-01-602947, 2024-01-603157, and 2024-01-603475).

1.5.2 Romania – During the year 2024, the construction of the Iepuresti, Ghimpati and Slobozia projects began (with a total capacity of about 390 MW), and the project companies of the Corbi Marii and Volter projects entered into panel purchase agreements, which determined the prices of the panels. As of the Report Date, the local development platform is engaged in the development of storage projects near the solar projects and is also conducting negotiations regarding entering into construction and maintenance agreements for the other projects. 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. 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]

1.5.3 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

[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.

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.

1.5.4 Spain - As of the Report Date, the Company holds four solar projects that are connected, ready for connection, 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 10 years. In September 2024, the electrification of the Sabinar II project was completed and the flow of electricity into the grid began, at the same time as the Sabinar III project continued to be developed.

1.5.5 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.

In addition, during the first half of the year, the first part of the Buxton project was connected, in November 2024 the connection of the second part began. As of the Report Date, Atlantic Green is preparing to build the Cellarhead project.

In November 2024, Atlantic Green entered into a senior project financing agreement for the Cellarhead project in the amount of approximately GBP 152 million (of which GBP 142 million is the CAPEX framework) with a consortium of leading international banks. For details, see the immediate report published by the Company on November 17, 2024 (reference no.: 2024-01-616101). This agreement joins the financing agreement for the Buxton project, which was funded by Goldman Sachs in the amount of GBP 16.5 million.

1.5.6 Israel - As of the Report Date, the scope of projects that are connected and ready for connection in Israel is approximately 352 MW.[4] In addition, the Company has a backlog of behind-the-meter storage projects that are connected, ready for connection, under construction, and pre-construction, with a total storage capacity of about 213 MWh.

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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 for connection projects, see Section 1.4 above.

In 2024 and until the Report Date, the Company completed the construction or connection of approximately 27 MW of solar energy on rooftops and reservoirs in Israel and about 77 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.

1.5.7 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 5.2 GW, most of which have grid connection approval. During the year 2024, Noventum continued to develop and promote its backlog of projects at the same time as examining the implementation of projects that received most of the permits required for their establishment.

1.5.8 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] Later in 2024, the project company contracted with a battery supplier and a construction contractor in purchase agreements and the construction and maintenance of the batteries. In addition, the Company signed a Tolling Principles Agreement that includes a fixed annual payment for the tolling component. Additionally, the Company is negotiating in the agreement of principles with financiers to secure funding for the project. In accordance with the principle agreement signed with a financing body, the financing is expected to be in the amount of approximately EUR 64 million (plus the VAT framework) and for a period of up to 7 years from the date of commercial operation. It is clarified that as of the Report Date, these are merely negotiations, and there is no certainty that the financing or Tolling Agreement will proceed, and their terms may differ from those stated, potentially significantly.

1.5.9 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

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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.

project with a capacity of approximately 20 MW).[6]

As of the Report Date, Electrum Nofar is engaged in the construction, development, and initiation 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 capacities of the Cybinka, Dziewoklucz, and Krzywinskie projects.

1.5.10 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 in stages of project connection to the grid.

1.5.11 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 of solar projects on the roofs of commercial buildings and storage systems in the USA.[7] 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, improving the projects and correcting existing defects, 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 should be noted that at the same time as these procedures, the Group is considering entry into utility projects in the USA.

1.5.12 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

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

[7] 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.

1,356 MWh. As of the Report Date, the Company is working to establish a local team to manage 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, and this trend also continued in 2024. In August 2024, the Central Bank of England lowered the interest rate by 0.25% for the first time since 2020 to 5%, in September 2024, the federal interest rate in the USA decreased, for the first time since 2022, by 0.5% to an interest range of 4.75% - 5.00% and in November 2024 there was another decrease of 0.25% in the base interest rate in the UK and the US. In addition, core inflation has also started to moderate, although in most countries inflation and core inflation are still higher than the targets of the central banks. Accordingly, according to estimates, there are signs of a halt in the upward trend of interest rates worldwide. In January 2024, the Bank of Israel interest rate decreased by 0.25% to a rate of 4.5%. However, in the interest rate decisions received starting from this date, the interest rate remained unchanged. Nevertheless, in Israel, the consumer price index continued to rise in 2024, culminating in an increase of approximately 3.4% from January to October 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.

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 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 and the war has caused delays in the construction of projects in various areas in Israel. 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, increase in the interest rate, 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
	September 30, 2024		September 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	565,395	8.4%	730,384	13.1%	661,388	11.7%	See the Statements of Cash Flows. Most of the decrease from the corresponding period last year is due to the injection of capital into projects in Europe and Israel against an increase from the issuance of bonds and the receipt of loans from banking corporations. The decrease compared to December 2023 is due to capital injection into projects in Europe and Israel.
Deposits in bank corporations and others	55,981	0.8%	1,174	0.0%	10,011	0.2%	The main increase is due to deposits into deposits.
Restricted use deposits	215,916	3.2%	341	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	162,755	2.4%	245,043	4.4%	217,172	3.8%	The main decrease from the same period last year and December is due to the receipts received and the decrease in the Company's revenues from construction activities.
Financial derivative	-	-	-	-	4,114	0.1%	
Accounts receivable	73,876	1.1%	101,043	1.8%	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, a decrease in advances to suppliers, and receipt of compensation from insurance for loss of revenues compared to an increase in the VAT refund receivable in consolidated companies. The increase in relation to December 2023 is mainly due to an increase in the VAT refund to be received in consolidated companies.
Inventory	34,153	0.5%	67,802	1.2%	58,058	1.0%	The decrease is due to the liquidation of inventory for projects.
Total current assets	**1,108,076**		**1,145,787**		**1,005,699**		
Investments in corporations accounted for using the equity method	1,060,747	15.7%	1,226,935	22.0%	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.

Section	As of						Explanations of the Board of Directors
	September 30, 2024		September 30, 2023		December 31, 2023		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Right of use asset	392,173	5.8%	231,720	4.2%	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.
Fixed assets	3,926,789	58.1%	2,645,153	47.5%	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	156,893	2.3%	177,159	3.2%	152,866	2.7%	The remaining balance mainly arises from goodwill related to companies where control was achieved.
Limited use cash and deposits	17,879	0.3%	18,602	0.3%	7,032	0.1%	Cash and deposits are used to ensure loan repayment.
Financial assets	38,441	0.6%	48,972	0.9%	42,333	0.7%	
Deferred taxes	16,418	0.2%	6,004	0.1%	12,569	0.2%	
Other receivables	39,952	0.6%	35,408	0.6%	36,370	0.6%	
Deposits in bank corporations and others	465	0.0%	38,557	0.7%	36,675	0.6%	Mainly deposits in bank corporations.
Total non-current assets	**5,649,757**		**4,428,510**		**4,662,568**		
Total assets	**6,757,833**		**5,574,297**		**5,668,267**		
Short-term loans and current maturities for long-term loans from banks	115,405	1.7%	49,852	0.9%	69,896	1.2%	The increase compared to previous periods is due to short-term project credit.
Bonds - current maturities	159,285	2.4%	126,750	2.3%	126,871	2.2%	
Current maturities of long-term lease liability	24,833	0.4%	15,676	0.3%	19,634	0.3%	
Suppliers and service providers	51,438	0.8%	66,250	1.2%	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	2,076	0.0%	2,075	0.0%	4,862	0.1%	
Accounts payable	81,378	1.2%	48,021	0.9%	54,807	1.0%	The main increase compared to the corresponding period last year and December 2023 is due to the obligation to pay the tax institutions in a consolidated company and interest payable for the bond.
Financial derivatives	4,047	0.1%	1,905	0.0%	1,918	0.0%	The increase compared to the corresponding period last year and December is due to forward transactions with banks. Financial derivatives are measured at fair value through profit or loss.

Section	As of						Explanations of the Board of Directors
	September 30, 2024		September 30, 2023		December 31, 2023		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Total current liabilities	**438,462**		**310,529**		**350,050**		
Long-term loans from banks	888,496	13.1%	647,446	11.6%	688,996	12.2%	The main increase is due to project loans received from banking institutions in consolidated companies.
Liabilities for leases	371,580	5.5%	218,737	3.9%	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	22,882	0.3%	8,333	0.1%	8,494	0.1%	
Deferred taxes	226,169	3.3%	227,972	4.1%	211,855	3.7%	
Bonds	1,581,178	23.4%	1,015,738	18.2%	956,209	16.9%	The increase compared to the corresponding period last year and December is due to the issuance of Series C and D bonds (minus payments made).
Convertible bonds	373,463	5.5%	366,937	6.6%	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	97,749	1.4%	22,561	0.4%	21,259	0.4%	The balance mainly stems from a commitment to pay a minority shareholder in a subsidiary for the purchase of his holdings, a commitment to the US tax partner, a commitment to use the facility and a commitment to evacuation and disposal in consolidated companies.
Total non-current liabilities	**3,561,517**		**2,507,724**		**2,547,096**		
Shareholders' equity and premium	1,716,256	25.4%	1,716,256	30.8%	1,716,256	30.3%	
Profit (loss) balance	(189,082)	2.8%-	(129,228)	2.3%-	(153,354)	2.7%-	
Capital funds	275,179	4.1%	250,123	4.5%	259,105	4.6%	Composition of funds - revaluation, translation differences, share-based payment, cash flow hedging, transactions against non-controlling interests, bond conversion component.
Total capital attributed to shareholders of the Company	**1,802,353**		**1,837,151**		**1,822,007**		
Non-controlling interests	955,501	14.14%	918,893	16.49%	949,114	16.74%	In respect of consolidated companies in which control was achieved.
Total capital	**2,758,361**		**2,756,044**		**2,771,121**		
Total liabilities and equity	**6,758,341**		**5,574,297**		**5,668,267**		

1.6 **Results of operations:**

Section	For a nine month period ended on September 30		For a three month period ended on September 30		For a one year period ended on December 31	Explanations of the Board of Directors
	2024	2023	2024	2023	2023	
	NIS thousands					
Revenue from sale of electricity and other	253,825	265,724	87,511	104,493	320,779	The main change is due to a decrease in revenues for the construction of solar facilities in Israel in contrast to an increase in revenues from electricity in Israel and abroad.
Other income - tax partner	4,370	1,907	3,081	654	2,575	
Compensation for loss of income	930	20,783	930	351	21,007	
Total income	**259,125**	**288,414**	**91,522**	**105,498**	**344,361**	
Setup and operating costs	196,222	248,298	62,448	79,147	318,475	The main decrease compared to the corresponding period is due to a decrease in income from the establishment of projects against an increase in maintenance and operation expenses.
Management and general expenses	54,193	49,375	19,533	17,996	69,961	Mainly salary expenses, professional services, management, maintenance and office fees.
Marketing and sale expenses	5,245	7,278	1,331	1,998	9,301	
Other expenses	9,287	1,616	3,835	219	39,197	
Total expenses	**264,947**	**306,567**	**87,147**	**99,360**	**436,934**	
Other income	3,870	1,467	43	41	51,282	Previous periods in respect of obtaining control of an associated company.
Operating profit (loss)	**(1,952)**	**(16,686)**	**4,418**	**6,179**	**(41,291)**	
Rate of operating profit (loss) from income	**(0.75%)**	**(5.79%)**	**4.83%**	**5.86%**	(11.99%)	
Financing expenses	98,271	102,623	37,010	47,137	125,525	The expenses are mainly for interest and linkage for the bonds and loans from banking corporations.

Section	For a nine month period ended on September 30		For a three month period ended on September 30		For a one year period ended on December 31	Explanations of the Board of Directors
	2024	2023	2024	2023	2023	
	NIS thousands					
Financing income	(45,106)	(63,955)	(16,745)	(38,264)	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	53,165	38,668	20,265	8,873	55,422	
Profit (loss) after financing expenses	**(55,117)**	**(55,354)**	**(15,847)**	**(2,694)**	**(96,713)**	
Company's share in the profits (losses) of companies handled based on the equity method, net	8,495	(14,639)	4,300	(5,348)	(31,637)	
Profit (loss) before taxes on income	**(46,622)**	**(69,993)**	**(11,547)**	**(8,042)**	**(128,350)**	
Rate of profit (loss) before income taxes	**-18%**	**-24%**	**-13%**	**-8%**	**-37%**	
Income tax expenses (tax benefits)	275	(12,388)	2,955	4,052	(26,521)	The change is mainly due to updating the Group's deferred taxes.
Profit (loss) for period	**(46,897)**	**(57,605)**	**(14,502)**	**(12,094)**	**(101,829)**	
Loss for the period attributed to:						
Shareholders of the Company	(39,927)	(62,959)	(17,631)	(18,466)	(88,661)	
Non-controlling interests	(6,970)	5,354	3,129	6,372	(13,168)	
Total profit (loss) for period	**(46,897)**	**(57,605)**	**(14,502)**	**(12,094)**	**(101,829)**	
Rate of profit (loss) for period	**-18%**	**-20%**	**-16%**	**-11%**	**-30%**	
Adjustments arising from hedging transactions	(22,319)	(909)	(21,856)	(105)	(6,952)	The change is due to adjustments in the fund in a consolidated company.

Section	For a nine month period ended on September 30		For a three month period ended on September 30		For a one year period ended on December 31	Explanations of the Board of Directors
	2024	2023	2024	2023	2023	
	NIS thousands					
Adjustments arising from transaction of financial statements for foreign operations	113,112	174,483	90,821	23,479	145,252	The change is due to exchange rate differences in respect of foreign currency balances.
Revaluation for fixed assets	391	4,824	-	67	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	2,679	6,690	327	1,511	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)	**93,863**	**185,088**	**69,292**	**24,952**	**179,537**	
Shareholders of the Company	31,862	45,313	39,923	(3,777)	29,238	
Non-controlling interests	15,104	82,170	14,867	16,635	48,470	
Total comprehensive profit (loss) for the period	**46,966**	**127,483**	**54,790**	**12,858**	**77,708**	

1.7 **Liquidity:**

Section	For a nine month period ended on September 30		For a three month period ended on September 30		For a one year period ended 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	63,457	(90,782)	18,635	9,293	(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	(1,004,218)	(235,212)	(288,413)	115,311	(384,206)	See Consolidated Statements of Cash Flows. The cash flow used for the investment activity, the increase compared to the corresponding period last year is mainly due to investments and loans in companies treated according to the equity method, investments in fixed assets, and gaining control of the companies.
Net cash flows arising from financing activities	832,794	833,274	345,533	467,464	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. In relation to December 2023, the increase is mainly due to the expansion of Series C bonds and the issuance of Series D bonds.

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

During the Report Period, the Company had a continuous negative cash flow from operating activities in the solo financial statements. During the Board of Directors meeting held on November 27, 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 negative cash flow 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 the solo financial statements does not indicate a liquidity problem for the Company.

1.6 **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 - the Company periodically issues Company bonds, and as of the date of the Report, the Company has four series of bonds (Series A, B, C and D) for a total amount of approximately NIS 2,075.6 million.

During the Report Period, the Company issued bonds as follows:

- 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 September 16, 2024, the Company completed an issue of NIS 355 million in Bonds (Series D). The Series D bonds are not index-linked, carry an annual interest rate of 6.69%, and are repayable in eight unequal semi-annual payments from June 30, 2030, to December 31, 2033. For additional details on the terms of the Series D bonds, see

Appendix A to the Board of Directors' report and the immediate reports published by the Company on September 13, 2024 (Reference No. 2024-01-603157), September 16, 2024 (Reference No. 2024-01-603475 and 2024-01-603591), and September 23, 2024 (Reference No. 2024-01-605102), which are incorporated herein by reference.

For more details about the Bonds (Series A, Series B, Series C and Series D) of the Company and their terms, see Appendix A to this Board of Directors' Report as well as the trust deeds published on August 16, 2021 (Reference No.: 2021-01-065944), on July 23, 2023 (Reference No.: 2023-01-083901 and 2023-01-083904) and on September 23, 2024 (Reference No.: 2024-01-605102), which is included in this Report by way of reference.

1.8.3 Long-term loans (including current liabilities) - the average long-term credit was about NIS 719 million in the nine-month period that ended on September 30, 2024, compared to about NIS 390.2 million in the corresponding period last year, and about NIS 499.3 million in 2023.

The average rate of the long-term credit cost was about 5.2% in the nine-month period that ended on September 30, 2024, compared to about 6.9% in the corresponding period last year and about 5.5% in 2023.

1.8.4 Short-term credit - The average short-term credit was about NIS 33.4 million in the nine-month period that ended on September 30, 2024, compared to about NIS 167.5 million in the corresponding period last year, and about NIS 275.7 million in 2023.

The average rate of the cost of short-term credit in the nine-month period that ended on September 30, 2024 was about 7% compared to about 6.4% 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 period of nine months ended on September 30, 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 61.7 million in the nine-month period ended on September 30, 2024, compared to approximately NIS 83.6 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. Average customer days amounted to about 75 days in the nine-month period that ended on September 30, 2024, compared to about 75 days in the corresponding period last year, and to about 75 days in 2023.

The customers' average credit balance amounted to about NIS 190 million in the nine-month period that ended on September 30, 2024, compared to about NIS 253.4 million in the corresponding period last year, and to about 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.

For details on the terms of the Series D bonds, see **Appendix A** to the Board of Directors' report and the shelf offer report published by the Company on September 13, 2023 (Reference No. 2024-01-603157), the report on the issuance results dated September 16, 2024 (Reference No. 2024-01-603475), and the trust deed dated and September 23, 2024 (Reference No. 2024-01-605102), 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:

Borrower name	Details of the lender	Loan balance as of September 30, 2024 (NIS millions)	Commitment to meet financial criteria	Calculation of compliance as of September 30, 2024
The Company	Trustee for the Bondholders (Series A)	754.2	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[8], all for two consecutive quarters.	Equity attributed to the Company's shareholders - Approx. NIS 1,802 million. Equity to solo balance sheet ratio of about 48.8%. (Solo equity - NIS 1,802 million. Solo net balance sheet - NIS 3,697 million.) Consolidated equity to consolidated balance sheet ratio 40.8%. Consolidated net financial debt to EBITDA ratio - 6.3 (Financial debt NIS 469 million. EBITDA NIS 74 million)
	Trustee for the Bondholders (Series B)	407.5	Minimum equity of NIS 900 million; Minimum 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.	
	Trustee for the Bondholders (Series C)	558.9		

8 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	Loan balance as of September 30, 2024 (NIS millions)	Commitment to meet financial criteria	Calculation of compliance as of September 30, 2024
	Trustee for the Bondholders (Series D)	355		
Olmedilla[9]	Banks in Spain	217	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. [10] For the last 12 months of 1.05. Maximum leverage ratio of 56%. Maintaining reserve accounts and minimal equity in the project.	The examination of the project company's compliance with the debt coverage ratio is carried out on June 30 and December 31. Accordingly, at the time of the Report, Olmedilla is not required to complete a financial ratios compliance calculation.
Sabinar I[11]	German financial body	320	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[12] for the last 12 months shall not be less than 1.05.	The examination of the project company's compliance with the debt coverage ratio is carried out on June 30 and December 31. Accordingly, at the time of the Report, Sabinar is not required to complete a debt coverage ratio compliance calculation.

[9] 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.

[10] 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.).

[11] 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.

[12] 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.).

Borrower name	Details of the lender	Loan balance as of September 30, 2024 (NIS millions)	Commitment to meet financial criteria	Calculation of compliance as of September 30, 2024
Sunprime Generation S.r.l. and Sunprime Energia Distribuita S.r.l.[13]	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[14] for the last 12 months will not be less than 1.05.	The examination of the project company's compliance with the debt coverage ratio is carried out on June 30 and December 31. Accordingly, at the time of the Report, Sunprime is not required to complete a debt coverage ratio compliance calculation.
S.R.L Ratesti Solar Plant[15]	Raiffeisen Bank International AG, and Raiffeisen Bank S.A.	236	As of June 30, 2024, Debt Service Coverage Ratio[16] 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 examination of the project company's compliance with the debt coverage ratio is carried out on June 30 and December 31. Accordingly, at the time of the Report, Ratesti is not required to complete a debt coverage ratio compliance calculation.

1.10 Material valuations

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

2 Aspects of Corporate Governance

[13] 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.

[14] 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.

[15] 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.

[16] 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.).

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:

As of September 30, 2024

	As of September 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	59,509	72,176	51,702	8,304	---	373,704	565,395
Deposits from bank corporations and others	37,100	613	---	17,396	---	872	55,981
Restricted use deposits	371	212,951	---	2,594	---	---	215,916
Customers	6,387	12,573	---	511	---	143,284	162,755
Accounts receivable	5,954	15,862	4,685	29,081	---	18,294	73,876
Inventory	---	---	---	---	---	34,153	34,153
Total current assets	**109,321**	**314,175**	**56,387**	**57,886**	**---**	**570,307**	**1,108,076**
Investment in investee companies accounted for using the equity method	---	546,253	---	---	---	514,494	1,060,747
Right of use asset	35,358	192,281	47,458	38,861	50,588	27,627	392,173
Fixed assets	204,132	1,875,525	491,063	531,949	---	824,120	3,926,789
Intangible assets	112,139	6,062	---	---	---	38,692	156,893
Long-term restricted cash	10,138	---	---	---	---	7,741	17,879
Deposits in bank corporations and others	---	---	---	51	---	414	465
Deferred taxes	---	12,803	3,615	---	---	---	16,418
Other payables - affiliated parties	---	38,651	---	---	---	1,301	39,952
Financial assets	11,123	27,318	---	---	---	---	38,441

	As of September 30, 2024						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Total non-current assets	**372,890**	**2,698,893**	**542,136**	**570,861**	**50,588**	**1,414,389**	**5,649,757**
Total assets	**482,211**	**3,013,068**	**598,523**	**628,747**	**50,588**	**1,984,696**	**6,757,833**
Short-term loans and current maturities for long-term loans from banks and others	6,442	68,393	5,597	---	---	34,973	115,405
Current maturities of long-term lease liability	2,432	6,516	3,838	668	8,693	2,686	24,833
Current maturities of bonds	---	---	---	---	131,337	27,948	159,285
Suppliers and service providers	---	12,576	681	5,835	---	32,346	51,438
Accounts payable	31,419	17,585	2,982	12	---	29,380	81,378
Liability for deferred consideration in a business combination	---	2,076	---	---	---	---	2,076
Financial derivatives	---	---	---	---	---	4,047	4,047
Total current liabilities	**40,293**	**107,146**	**13,098**	**6,515**	**140,030**	**131,380**	**438,462**
Long-term loans from banks	67,506	682,367	75,215	---	---	63,408	888,496
Lease liabilities	37,589	179,238	46,765	39,483	43,211	25,294	371,580
Affiliated party loan	---	---	22,132	---	---	750	22,882
Deferred taxes	11,955	18,099	---	---	---	196,115	226,169
Bonds	---	---	---	---	692,507	888,671	1,581,178
Convertible bonds	---	---	---	---	---	373,463	373,463
Other liabilities	20,126	22,042	---	---	733	54,848	97,749
Total non-current liabilities	**137,176**	**901,746**	**144,112**	**39,483**	**736,451**	**1,602,549**	**3,561,517**
Total liabilities	**177,469**	**1,008,892**	**157,210**	**45,998**	**876,481**	**1,733,929**	**3,999,979**
Excess of assets over liabilities (liabilities over assets)	**304,742**	**2,004,176**	**441,313**	**582,749**	**(825,893)**	**250,767**	**2,757,854**

As of September 30, 2023

	As of September 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	42,567	97,814	20,153	632	---	569,218	730,384
Deposits from bank corporations and others	---	---	---	---	---	1,174	1,174
Restricted use deposits	---	---	---	---	---	341	341
Customers	4,292	7,297	---	---	---	233,454	245,043
Accounts receivable (*)	13,081	22,555	26,346	10,773	---	28,288	101,043
Inventory	-	-	-	-	---	67,802	67,802
Total current assets	59,940	127,666	46,499	11,405	---	900,277	1,145,787
Investment in investee companies accounted for using the equity method	---	796,361	---	---	---	430,574	1,226,935
Right of use asset	33,553	121,351	669	1,414	47,398	27,335	231,720
Fixed assets (*)	208,150	1,459,849	149,266	32,416	---	795,472	2,645,153

	As of September 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
Intangible assets (*)	142,390	---	---	---	---	34,769	177,159
Long-term restricted cash	8,172	---	---	9,254	---	1,176	18,602
Deposits in bank corporations and others	38,240	---	---	---	---	317	38,557
Deferred taxes (*)	---	4,695	1,309	---	---	---	6,004
Other payables - affiliated parties	---	35,408	---	---	---	---	35,408
Financial assets	11,123	37,767	---	---	---	82	48,972
Total non-current assets	441,628	2,455,431	151,244	43,084	47,398	1,289,725	4,428,510
Total assets	501,568	2,583,097	197,743	54,489	47,398	2,190,002	5,574,297
Short-term loans and current maturities for long-term loans from banks and others	28,398	19,577	---	---	---	1,877	49,852
Current maturities of long-term lease liability	2,101	5,671	277	197	5,358	2,072	15,676
Suppliers and service providers	1,145	9,341	2,033	3,061	---	50,670	66,250
Accounts payable	23,069	442	938	(877)	---	24,449	48,021
Liability for deferred consideration in a business combination	---	2,075	---	---	---	---	2,075
Current maturities of bonds	---	---	---	---	126,750	---	126,750
Financial derivatives	---	---	---	---	---	1,905	1,905
Total current liabilities	54,713	37,106	3,248	2,381	132,108	80,973	310,529
Long-term loans from banks	52,814	528,657	---	---	---	65,975	647,446
Lease liabilities	35,084	112,322	417	1,279	41,736	27,899	218,737
Affiliated party loan	---	---	8,333	---	---	---	8,333
Deferred taxes	22,144	20,695	---	---	---	185,133	227,972
Bonds	---	---	---	---	784,740	230,998	1,015,738
Convertible bonds	---	---	---	---	---	366,937	366,937
Other liabilities	10,091	10,335	---	---	733	1,402	22,561
Total non-current liabilities	120,133	672,009	8,750	1,279	827,209	878,344	2,507,724
Total liabilities	174,846	709,115	11,998	3,660	959,317	959,317	2,818,253
Excess of assets over liabilities (liabilities over assets)	326,722	1,873,982	185,745	50,829	(911,919)	1,230,685	2,756,044

(*) Reclassified.

<u>As of December 31, 2023</u>

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

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
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
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, four of the Company's directors (namely - Mr. Yoni Tal, Ms. Dafna Esther Cohen, Mr. Gili Cohen and Ms. Yonit Partok) are independent directors, as this term is defined in the Companies Law. In addition, Mr. Zvi Levin and Uri Orbach meet the definition of independent directors, but are not classified as such. For details regarding Mr. Yoni Tal, Ms. Dafna Esther Cohen, Mr. Gili Cohen, and Ms. Yonit Partok 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 September 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.

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: November 27, 2024

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 September 30, 2024 (NIS thousands)	754,263
Nominal value including linkage as of September 30, 2024	853,690
Amount of interested accrued	3,185
Is this a material series?	Yes
Fair value as included in the financial statements as of September 30, 2024	823,844
Stock Exchange value as of September 30, 2024	822,902
Stock Exchange value near the Report Date (November 21, 2024)	826,372
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	---
The Trustee	Mishmeret Trust Services Ltd., 48 Menachem Begin Ave., Tel Aviv Telephone: 03-6374352; Fax: 03-6374344. Contact person: CPA Rami Sabati. E-mail: office@mtrust.co.il
Did the Company meet all of its obligations under the Trust Deed at the end of or during the reporting year?	Yes

	Bonds (Series A) (Data in NIS thousands)
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.
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 September 30, 2024	407,550	558,951
Nominal value including linkage as of September 30, 2024	407,550	558,951
Amount of interested accrued	5,094	9,759
Is this a material series?	Yes	Yes
Fair value as included in the financial statements	373,463 (excl. capital component)	565,043
Stock Exchange value as of Sept. 30, 2024	437,301	582,595
Stock Exchange value near the Report Date (November 21, 2024)	423,852	595,059
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.
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).	---

	Bonds (Series B)	Bonds (Series C)
	NIS thousands	
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 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. E-mail: office@mtrust.co.il	

	Bonds (Series B)	Bonds (Series C)
	NIS thousands	
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.	
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	---	---

The Bonds (Series D)

	Bonds (Series D) (Data in NIS thousands)
Issuance date	September 16, 2024
Scope of par value of bonds on the issue date	355,000
Balance of par value of bonds in circulation as of September 30, 2024 (NIS thousands)	355,000
Nominal value including linkage as of September 30, 2024	355,000
Amount of interested accrued	846
Is this a material series?	Yes
Fair value as included in the financial statements as of Sept. 30, 2024	371,576
Stock Exchange value as of September 30, 2024	356,882
Stock Exchange value near the Report Date (Nov. 21, 2024)	370,017
Nominal interest rate (fixed)	6.69%
Principal repayment date	The Bonds are scheduled for (principal) repayment in eight (8) unequal semi-annual installments. The first and second payments, each amounting to 5% of the nominal value of the Bonds, each, will be made on June 30 and December 31, 2030, respectively. The subsequent six payments (third through eighth), each amounting to 15% of the nominal value of the Bonds (Series D), will be made on June 30 and December 31 of each of the years 2031 through 2033 (inclusive).
Interest payment dates	The interest will be paid in semi-annual installments on June 30 and December 31, with the first interest payment to be paid on December 31, 2024 and the last interest payment to be paid together with the last repayment of the principal, on December 31, 2033.
Linkage	---
Conversion right of the Bonds	---

	Bonds (Series D) (Data in NIS thousands)
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 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 1.25%. Discounting the Bonds available for early redemption will be calculated as of the early redemption date and until the last payment date determined with respect to the Bonds. In the event of 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. E-mail: 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. In addition, and among others, there are grounds for early repayment in the event that the bonds cease to be rated for a period of time exceeding 60 consecutive days, except in the event that the termination of the rating is a result of reasons or circumstances beyond the control of the Company; or if the rating of the bonds has fallen below the `Baa3.il' rating or an equivalent rating.

	Bonds (Series D) (Data in NIS thousands)
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, 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, 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 also includes conditions for the expansion of the bond series (as detailed in Section 2.5 of the trust deed), conditions regarding the issuance of additional bond series (as detailed in Section 2.10 of the trust deed), restrictions on distributions (as detailed in Section 4.6 of the trust deed), and an interest rate adjustment mechanism (as detailed in Section 5.1 in the terms beyond the page in the first addendum to the trust deed). For more details, see Sections 2.5, 2.10, 4.5, 4.6 of the trust deed, and 5.1 in the terms on the overleaf in the first addendum to the trust deed, which was published in an immediate report on September 23, 2024 (Reference No. 2024-01-605102), which is incorporated herein by way of reference.
General meetings and reports on behalf of the Trustee	

Nofar

O.Y. Nofar Energy Ltd.

Condensed Consolidated Interim Financial Statements as of September 30, 2024

Unaudited

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November 27, 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 November 27, 2024, regarding the consolidated condensed financial information of the Company as of September 30, 2024, and for periods of nine and three months ended on the same date.

2) Review report of the auditor dated November 27, 2024, on the separate financial information of the Company as of September 30, 2024, and for the nine-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

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

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

Review Report of the Auditor to the Shareholders of O.Y. Nofar Energy Ltd.

Preface

We have reviewed the attached financial information of O.Y. Nofar Energy Ltd. (hereinafter: the "**Company**"), including the condensed consolidated statement of financial position as of September 30, 2024, as well as the condensed consolidated income statements, other comprehensive profit, changes to equity and cash flow for the periods of nine months and three months ended 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 39% of the total consolidated assets as of September 30, 2024, and whose revenues included in the consolidation constitute approximately 57% and 67%, respectively, of the total consolidated revenues for the nine-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, November 27, 2024 **Ziv Haft, Certified Public Accountants**

Condensed Consolidated Statements of Financial Position

	As of September 30		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Assets			
Current assets:			
Cash and cash equivalents	565,395	730,384	661,388
Deposits in bank corporations and others	55,981	1,174	10,011
Restricted use cash and deposits	215,916	341	-
Customers	162,755	245,043	217,172
Financial derivative	-	-	4,114
Accounts receivable	73,876	101,043(*)	54,956
Inventory	34,153	67,802	58,058
Total current assets	**1,108,076**	**1,145,787**	**1,005,699**
Non-current assets:			
Investments in corporations accounted for using the equity method	1,060,747	1,226,935	982,404
Right of use asset	392,173	231,720	307,700
Fixed assets	3,926,789	2,645,153	3,084,619
Intangible assets	156,893	(*)177,159	152,866
Restricted use cash and deposits	17,879	18,602	7,032
Financial assets	38,441	48,972	42,333
Deferred taxes	16,418	(*)6,004	12,569
Other receivables	39,952	35,408	36,370
Deposits in bank corporations and others	465	38,557	36,675
Total non-current assets	**5,649,757**	**4,428,510**	**4,662,568**
Total assets	**6,757,833**	**5,574,297**	**5,668,267**

(*) Reclassified

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

Condensed Consolidated Statements of Financial Position

	As of September 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	115,405	49,852	69,896
Current maturities of lease liabilities	24,833	15,676	19,634
Current maturities of bonds	159,285	126,750	126,871
Suppliers and service providers	51,438	66,250	72,062
Liability for deferred consideration in a business combination	2,076	2,075	4,862
Accounts payable	81,378	48,021	54,807
Financial derivatives	4,047	1,905	1,918
Total current liabilities	**438,462**	**310,529**	**350,050**
Non-current liabilities:			
Long-term loans from banks	888,496	647,446	688,996
Liabilities for leases	371,580	218,737	291,712
Loans from others	22,882	8,333	8,494
Deferred taxes	226,169	227,972(*)	211,855
Bonds	1,581,178	1,015,738(*)	956,209
Convertible bonds	373,463	366,937(*)	368,571
Other liabilities	97,749	22,561	21,259
Total non-current liabilities	**3,561,517**	**2,507,724**	**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	(189,082)	(129,228)	(153,354)
Capital funds	275,179	250,123	259,105
Total capital attributed to shareholders of the Company	**1,802,353**	**1,837,151**	**1,822,007**
Non-controlling interests	955,501	918,893	949,114
Total capital	**2,757,854**	**2,756,044**	**2,771,121**
Total liabilities and capital	**6,757,833**	**5,574,297**	**5,668,267**

(*) Reclassified

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

November 27, 2024			
Date of approval of the financial statements for publication	**Ofer Yannay Chairman of the Board**	**Nadav Tenne CEO**	**Noam Fisher CFO**

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

	For a nine month period ended on September 30		For a three month period ended on September 30		For year ended on December 31
	2024	**2023**	**2024**	**2023**	**2023**
	Unaudited		**Unaudited**		**Audited**
	NIS thousands				
Revenue from sale of electricity and construction	253,825	265,724	87,511	104,493	320,779
Compensation for loss of income	930	20,783	930	351	21,007
Income from tax partner	4,370	1,907	3,081	654	2,575
Total income	**259,125**	**288,414**	**91,522**	**105,498**	**344,361**
Setup and operating costs	196,222	248,298	62,448	79,147	318,475
Marketing and sale expenses	5,245	7,278	1,331	1,998	9,301
Management and general expenses	54,193	49,375	19,533	17,996	69,961
Other expenses	9,287	1,616	3,835	219	39,197
Total expenses	**264,947**	**306,567**	**87,147**	**99,360**	**436,934**
Other income	3,870	1,467	43	41	51,282
Operating profit (loss)	**(1,952)**	**(16,686)**	**4,418**	**6,179**	**(41,291)**
Financing expenses	98,271	102,623	37,010	47,137	125,525
Financing income	45,106	63,955	16,745	38,264	70,103
Net financing expenses	**53,165**	**38,668**	**20,265**	**8,873**	**55,422**
Loss after financing expenses	**(55,117)**	**(55,354)**	**(15,847)**	**(2,694)**	**(96,713)**
Company's share in the profits (losses) of companies handled based on the equity method, net	8,495	(14,639)	4,300	(5,348)	(31,637)
Loss before income tax	**(46,622)**	**(69,993)**	**(11,547)**	**(8,042)**	**(128,350)**
Income tax expenses (tax benefits)	275	(12,388)	2,955	4,052	(26,521)
Loss for the period	**(46,897)**	**(57,605)**	**(14,502)**	**(12,094)**	**(101,829)**
Profit (loss) for the period attributed to:					
Shareholders of the Company	(39,927)	(62,959)	(17,631)	(18,466)	(88,661)
Non-controlling interests	(6,970)	5,354	3,129	6,372	(13,168)
	(46,897)	**(57,605)**	**(14,502)**	**(12,094)**	**(101,829)**
Basic loss per share (in NIS) attributed to the owners of the Company	**(1.12)**	**(1.77)**	**(0.50)**	**(0.52)**	**(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 nine month period ended on September 30		For a three month period ended on September 30		For year ended on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Loss for the period	**(46,897)**	**(57,605)**	**(14,502)**	**(12,094)**	**(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	113,112	174,483	90,821	23,479	145,252
Adjustments arising from cash flow hedging transactions	(22,319)	(909)	(21,856)	(105)	(6,952)
Items not reclassified later to profit and loss:					
Share of revaluation of corporations accounted for using the equity method	2,679	6,690	327	1,511	34,846
Revaluation for fixed assets	391	4,824	-	67	6,391
Total other comprehensive income	**93,863**	**185,088**	**69,292**	**24,952**	**179,537**
Total comprehensive profit for the period	**46,966**	**127,483**	**54,790**	**12,858**	**77,708**
Total comprehensive profit (loss) for the period attributed to:					
Shareholders of the Company	31,862	45,313	39,923	(3,777)	29,238
Non-controlling interests	15,104	82,170	14,867	16,635	48,470
	46,966	**127,483**	**54,790**	**12,858**	**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 nine month period Ended on September 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	-	-	-	-	-	-	-	(39,927)	**(39,927)**	(6,970)	**(46,897)**
Other comprehensive profit (loss) for the period	-	-	3,070	79,088	-	-	(10,369)	-	**71,789**	22,074	**93,863**
Share-based payment	-	-	-	-	-	3,428	-	-	**3,428**	-	**3,428**
Transactions with minority	-	-	-	-	(54,944)	-	-	-	**(54,944)**	-	**(54,944)**
Share of non-controlling interests in capital injection to consolidated partner	-	-	-	-	-	-	-	-	-	5,511	**5,511**
Capital return for minority rights	-	-	-	-	-	-	-	-	-	(14,228)	**(14,228)**
Transfer of revaluation capital fund for fixed assets to a loss balance	-	-	(4,199)	-	-	-	-	4,199	-		**-**
Balance as of September 30, 2024	**1,716,256**	**25,452**	**119,607**	**184,630**	**(58,573)**	**18,241**	**(14,178)**	**(189,082)**	**1,802,353**	**955,501**	**2,757,854**

	Capital attributed to shareholders of the Company (NIS thousands)										
For a period of nine months ended September 30, 2023 (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, 2023 (audited)	**1,568,696**	**-**	**83,339**	**25,071**	**-**	**9,441**	**-**	**(68,533)**	**1,618,014**	**906,605**	**2,524,619**
Profit (loss) for period	-	-	-	-	-	-	-	(62,959)	**(62,959)**	5,354	**(57,605)**
Other comprehensive profit (loss) for the period	-	-	11,514	97,235	-	-	(477)	-	**108,272**	76,816	**185,088**
Entry to consolidation	-	-	-	-	-	-	-	-	**-**	1,885	**1,885**
Issuance of bonds to be converted into an equity component	-	25,452	-	-	-	-	-	-	**25,452**	-	**25,452**
Transactions with minority	-	-	-	-	(3,629)	-	-	-	**(3,629)**	498	**(3,131)**
Share of non-controlling interests in capital injection to consolidated partner	-	-	-	-	-	-	-	-	**-**	62,782	**62,782**
Capital return for minority rights	-	-	-	-	-	-	-	-	**-**	(135,047)	**(135,047)**
Share-based payment	-	-	-	-	-	4,441	-	-	**4,441**	-	**4,441**
Issue of shares	147,560	-	-	-	-	-	-	-	**147,560**	-	**147,560**
Transfer of revaluation capital fund for fixed assets to a loss balance	-	-	(2,264)	-	-	-	-	2,264	**-**	-	**-**
Balance as of September 30, 2023	**1,716,256**	**25,452**	**92,589**	**122,306**	**(3,629)**	**13,882**	**(477)**	**(129,228)**	**1,837,151**	**918,893**	**2,756,044**

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 three month period Ended on September 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 July 1, 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**
Profit (loss) for period	-	-	-	-	-	-	-	(17,631)	**(17,631)**	3,129	**(14,502)**
Other comprehensive profit (loss) for the period	**-**	**-**	327	69,681	-	**-**	(12,454)	-	**57,554**	11,738	**69,292**
Share-based payment	-	-	-	-	-	1,032	-	-	**1,032**	-	**1,032**
Share of non-controlling interests in capital injection to consolidated partner	-	-	-	-	-	-	-	-	-	5,511	**5,511**
Capital return for minority rights	-	-	-	-	-	-	-	-	-	(14,228)	**(14,228)**
Transfer of revaluation capital fund for fixed assets to a loss balance	-	-	(1,422)	-	-	-	-	1,422	-	-	**-**
Balance as of September 30, 2024	**1,716,256**	**25,452**	**119,607**	**184,630**	**(58,573)**	**18,241**	**(14,178)**	**(189,082)**	**1,802,353**	**955,501**	**2,757,854**

	Capital attributed to shareholders of the Company (NIS thousands)										
For a three month period ended on September 30, 2023 (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 July 1, 2023	**1,716,256**	**-**	**91,829**	**109,140**	**-**	**13,019**	**(422)**	**(111,580)**	**1,818,242**	**1,036,807**	**2,855,049**
Profit (loss) for period	-	-	-	-	-	-	-	(18,466)	**(18,466)**	6,372	**(12,094)**
Other comprehensive profit (loss) for the period	-	-	1,578	13,166	-	-	(55)	-	**14,689**	10,263	**24,952**
Share-based payment	-	-	-	-	-	863	-	-	**863**	-	**863**
Issuance of bonds to be converted into an equity component		25,452	-	-	-	-	-	-	**25,452**	-	**25,452**
Reimbursement of capital to non-controlling interests	-	-	-	-	-	-	-	-	**-**	(135,047)	**(135,047)**
Transactions with minority	-	-	-	-	(3,629)	-	-	-	**(3,629)**	498	**(3,131)**
Transfer of revaluation capital fund for fixed assets to a loss balance	-	-	(818)	-	-	-	-	818	**-**	-	**-**
Balance as of September 30, 2023	**1,716,256**	**25,452**	**92,589**	**122,306**	**(3,629)**	**13,882**	**(477)**	**(129,228)**	**1,837,151**	**918,893**	**2,756,044**

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 one year period ended 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 nine month period ended on September 30		For a three month period ended on September 30		For year ended on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Cash flow from current operations:					
Loss for the period	(46,897)	(57,605)	(14,502)	(12,094)	(101,829)
Expenses not involving cash flows (Appendix A)	100,276	112,811	33,183	34,308	145,144
Changes in working capital (Appendix B)	10,078	(145,988)	(46)	(12,921)	(108,953)
Net cash arising from (used for) current activities	**63,457**	**(90,782)**	**18,635**	**9,293**	**(65,638)**
Cash flows from investment activities:					
Investments in corporations accounted for using the equity method	(55,451)	(174,899)	516	(10,412)	(264,149)
Repayment of a loan from an associate	15,511	-	838	-	171,946
Purchase of shares from non-controlling interests	-	(3,131)	-	(3,131)	(3,131)
Repayment of deferred consideration	(2,826)	(121,139)	(1,991)	(101,074)	(121,139)
Investment in other receivables	(432)	-	-	-	(869)
Investment in a financial asset	-	(20,943)	-	(306)	(20,637)
Obtaining control of consolidated companies (Appendix D)	(102,419)	(193,715)	(71,416)	(61,622)	(349,795)
Deposited into restricted use deposits	(220,009)	(14,658)	(7,893)	(11,313)	(3,819)
Exercise (deposit) into deposits	(9,592)	516,134	(799)	398,260	516,134
Investments in fixed assets	(629,000)	(222,861)	(207,668)	(95,091)	(308,747)
Net cash from (used in) investing activities	**(1,004,218)**	**(235,212)**	**(288,413)**	**115,311**	**(384,206)**
Cash flows from financing activities:					
Issue of shares (less issuance expenses)	-	147,560	-	-	147,560
Short-term credit from banks, net	33,147	(305,920)	-	(305,920)	(305,920)
Issue of bonds, net	684,881	873,558	351,634	630,711	873,558
Repayment of bonds	(64,642)	(104,825)	-	-	(168,260)
Repayment of lease liabilities	(18,023)	(11,972)	(7,152)	(4,366)	(19,641)
Share of non-controlling interests in capital injection to consolidated partner	5,511	62,782	5,511	-	110,425
Reimbursement of capital to non-controlling interests	(14,228)	(135,047)	(14,228)	(135,047)	(135,047)
Receipt (repayment) of loan from a related party	11,524	(14,390)	117	(18,472)	(11,365)
Receipts from tax partner	18,356	-	18,356	-	-
Receipt of long-term loans from bank corporations and others	208,688	327,839	1,571	303,553	427,429
Payment of long-term loans from bank corporations and others	(32,420)	(6,311)	(10,276)	(2,995)	(28,024)
Net cash arising from financing activities	**832,794**	**833,274**	**345,533**	**467,464**	**890,715**
Increase (decrease) in cash and cash equivalents	**(107,967)**	**507,280**	**75,755**	**592,068**	**440,871**
Balance of cash and cash equivalents at beginning of period	**661,388**	**237,865**	**480,903**	**155,274**	**237,865**
Impact of changes in foreign exchange rates for cash and cash equivalents	11,974	(14,761)	8,737	(16,958)	(17,348)
Balance of cash and cash equivalents at end of period	**565,395**	**730,384**	**565,395**	**730,384**	**661,388**

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

Condensed Consolidated Statements of Cash Flows

	For a nine month period ended on September 30		For a three month period ended on September 30		For year ended on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Appendix A: Expenses not involving cash flows:					
Change in current tax	(13,529)	-	(6,452)	-	(6,792)
Depreciation and amortization	70,077	58,396	25,719	19,878	80,226
Net financing expenses	53,165	38,668	20,265	8,873	55,422
Company's share in the losses (profits) of companies accounted for based on the equity method, net	(8,495)	14,639	(4,300)	5,348	31,637
Impairment of assets	-	-	-	-	33,082
Income for tax partner	(4,370)	(1,907)	(3,081)	(654)	(2,575)
Profit from gaining control of an associated company	-	(1,426)	-	-	(51,228)
Share-based payment expenses	3,428	4,441	1,032	863	5,372
	100,276	**112,811**	**33,183**	**34,308**	**145,144**
Appendix B - Changes in working capital (changes in property and liability sections):					
Decrease (increase) in inventory	23,905	(16,123)	3,381	4,757	(6,378)
Decrease (increase) in customers	34,106	(41,150)	7,631	3,877	(33,363)
Decrease (increase) in receivables	(11,747)	(38,685)	(16,237)	(12,826)	5,681
Increase (decrease) in accounts payable	60,232	(5,446)	23,320	8,467	5,557
Decrease in suppliers and service providers	(20,651)	(30,981)	(3,291)	(26,287)	(9,563)
Change in deferred taxes	(12,138)	1,007	(2,969)	(299)	(34,613)
Change in financial assets	-	(12,458)	-	3,978	-
Additional information:					
Income tax paid	-	-	-	-	(6,021)
Taxes received	-	21	-	7	16
Interest received in cash	11,532	27,638	3,730	24,762	34,659
Interest paid in cash	(75,161)	(29,811)	(15,611)	(19,357)	(64,928)
	10,078	**(145,988)**	**(46)**	**(12,921)**	**(108,953)**

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

Condensed Consolidated Statements of Cash Flows

	For a nine month period ended on September 30		For a three month period ended on September 30		For year ended 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	60,436	21,549	45,986	3,469	90,037
Liability for deferred consideration	-	2,075	-	508	4,862
Classification of customers for investment in corporations accounted for using the equity method	34,218	32,599	3,772	9,764	67,383
Transaction with the minority in the subsidiary	54,944	-	-	-	-
Appendix D: Obtaining control of consolidated companies					
Working capital, net, less cash and cash equivalents	5,543	(9,969)	2,248	(801)	(1,360)
Derecognition of an investment in an investee company	(18,532)	(962)	-	-	(102,720)
Liability for deferred consideration	-	(2,075)	-	(508)	(4,862)
Fixed assets and intangible assets	115,408	215,938	69,168	62,931	642,555
Right of use asset	22,792	-	22,792	-	11,541
Lease liability	(22,792)	-	(22,792)	-	(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
	102,419	**193,715**	**71,416**	**61,622**	**349,795**

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

Notes to the Condensed Consolidated Financial Statements as of September 30, 2024

Note 1 - General:

A. O.Y. Nofar Energy Ltd. (hereinafter: the "**Company**") was incorporated on April 7, 2011, as a private company, under the Companies Law. The Company is 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. <u>Increase in inflation</u>

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.

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 September 30, 2024, and for the periods of three and nine months that ended on that date (hereinafter: the "**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 ended 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. The standard allows for early implementation while providing disclosure of this, as well as the Authority's decision that early implementation should not be carried out before annual periods beginning on January 1, 2025.

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:

	September 30, 2024	September 30, 2023	December 31, 2023
Consumer price index (in points):			
Based on the index for	108.6	104.9	105.0
Based on the known index	108.8	105.0	105.1
USD (in NIS to USD 1)	3.7100	3.8240	3.6270
GBP (in NIS to GBP 1)	4.9748	4.6779	4.6209
EUR (in NIS to EUR 1)	4.1524	4.0531	4.0116

	For a nine month period ended on		For a three month period ended on		For year ended on
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	December 31, 2023
	%	%	%	%	%
Consumer price index:					
Based on the index for	3.43	2.86	1.31	0.67	2.96
Based on the known index	3.52	3.25	1.59	0.77	3.34
USD	2.29	8.67	(1.30)	3.35	3.07
GBP	7.66	10.39	4.72	0.15	9.05
EUR	3.51	8.00	3.29	0.86	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

Translation of financial statements of balance sheet balances in foreign currency is carried out according to the exchange rate on the reporting date. Income and expenses recorded in foreign currency during the period are converted into shekels according to the average exchange rate for the period. Adjustments resulting from the translation of financial statements of foreign activities are recorded and presented within the overall profit (loss) section in the activity results.

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 of September 30		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	377,302	373,611	369,634
Non-current assets	1,039,469	584,440	681,740
Current liabilities	(284,192)	(144,112)	(136,956)
Non-current liabilities	(861,220)	(692,849)	(681,619)
Equity	(271,359)	(121,090)	(232,799)

2. Results of operations of the joint corporation

	For a nine month period ended on September 30		For a three month period ended on September 30		For the year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Income	60,561	20,074	30,311	10,401	31,541
Loss for the period	(17,076)	(32,218)	(3,203)	(7,229)	(56,740)
Comprehensive profit (loss) for the period	6,271	1,883	25,237	(2,910)	(28,242)

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

Over the four quarters ending on the reporting date, the Company's share in the total profit or loss, in absolute terms, of Ratesti constituted approximately 24% of the total profit or loss, in absolute terms, of the Company over the four quarters ending on the interim financial position reporting date. However, in 2023, the Company's share in the total profit or loss, in absolute terms, of Ratesti constituted less than 20%, and the Company estimates that in 2024, its share in the total profit or loss, in absolute terms, of Ratesti will also remain below 20%. Additionally, since Ratesti is an asset company, with all its assets and operational results derived from holding a single solar project, and as the Company's financial reports provide detailed disclosure regarding the composition of its investment in Ratesti, including asset and liability breakdowns, cash flow results, and significant agreements, the consolidation of Ratesti's financial statements does not add any information for readers of the financial reports and is therefore considered immaterial in relation to the Company's reports.

In light of the above, and in accordance with Sections 44(a) and 44(a1) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, the quarterly report does not include the financial statements of Ratesti.

The following is additional information regarding the financial situation and the results of the aggregate operations of Ratesti, which 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 of September 30		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	49,998	18,715	27,777
Non-current assets	399,980	379,493	359,366
Current liabilities	(65,267)	(2,963)	(17,709)
Non-current liabilities	(319,124)	(338,077)	(346,508)
Equity	(65,587)	(57,168)	(22,926)

2. Results of operations of the joint corporation

	For a nine month period ended on September 30		For a three month period ended on September 30		For the year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Income	61,539	-	30,317	-	2,470
Profit (loss) for the period	40,270	886	9,620	(102)	3,275
Total profit for the period	47,461	26,347	13,112	2,140	24,818

Notes to the Condensed Consolidated Financial Statements as of September 30, 2024

3. Results of cash flows

	For a nine month period ended on September 30		For a three month period ended on September 30		For the year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Net cash flows arising from current activities	30,512	21,222	21,053	2,857	21,855
Net cash flows used for investing activity	(1,777)	(17,270)	(1,067)	(1,269)	(36,189)
Net cash flows deriving from (used in) financing activities	(22,672)	4,402	(10,215)	-	26,649

4. Ratesti Loan

In 2023, Ratesti took out a loan in the total amount of EUR 60 million, under the conditions as detailed in Note 17(8) in the Company's consolidated Annual Financial Statements as of December 31, 2023. As part of the financing deal, Ratesti hedged 75% of the loan interest at a rate of 2.49%. As part of the loan agreement, Ratesti undertook to complete the construction of the project by September 30, 2024. In light of delays in the acceptance tests, it was agreed with the financing bank to postpone the completion date to December 2024. Notwithstanding the above, Ratesti has started making amortizations for the investment in the project as of July 1, 2024.

C. 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 of September 30		As of December 31
	2024	2023	2023
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	214,458	201,335	196,811
Non-current assets	1,511,374	1,313,711	1,411,597
Current liabilities	(257,638)	(318,673)	(309,779)
Non-current liabilities	(1,186,447)	(950,878)	(1,040,020)
Share capital attributed to shareholders of the Company	(281,747)	(245,495)	(258,609)

2. Results of operations of the associated companies

	For a nine month period ended on September 30		For a three month period ended on September 30		For the year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Income	197,753	138,498	84,156	46,807	178,883
Profit for the period	11,768	15,910	9,475	31,596	4,617
Comprehensive profit (loss) for the period	14,447	22,600	9,802	(19,894)	39,463

Note 5 - Acquisition of assets:

1. 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**

2. Volter - a solar project in Romania

On August 26, 2024, Nofar Ratesti BV, a corporation wholly owned by the Company, purchased the entire share capital of a corporation engaged in the development of the Volter project in Romania, a solar project with an estimated capacity of approximately 159.9 megawatts.
The consideration was paid in cash at the time the transaction was completed and amounted to approximately NIS 72 million, which was allocated to a solar project under construction.

1. Identified assets and liabilities acquired:

	Recognized value on the purchase date (Unaudited)
	NIS thousands
Assets acquired and liabilities assumed:	
Cash and cash equivalents	630
Accounts receivable	2,248
Fixed assets	69,168
Right of use asset	22,792
Lease liability	(22,792)
Total identifiable net assets	**72,046**

2. Cash flow for purchase of assets:

	As of the purchase date (Unaudited)
	NIS thousands
Consideration paid in cash and cash equivalent	72,046
Cash and cash equivalents in the Company as of the purchase date	630
Total net cash flow	**71,416**

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 September 30 and December 31 each year. As of September 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 EUR 45 million 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. Storage projects in the UK

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.

H. 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 began on April 16, 2023. As of the approval of these financial statements, the options are not exercisable.

I. Sunprime - entering into a 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 ("**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 September 30, 2027, through September 30, 2044 (the "**Final Repayment Date**").

On July 31, 2024, the first withdrawal of the loan was made in the amount of approximately EUR 17.8 million.

J. 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, C, and D, issued by the Company.

K. Iepuresti and Ghimpati projects - Engaging in a financing agreement

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 (of which EUR 110 million is CAPEX frameworks): At Euribor six-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.

L. Bonds (Series D)

On September 16, 2024, the Company completed the execution of a private placement to classified investors (hereinafter: the "**Offerees**"), of NIS 355,000,000 par value each of the Company (hereinafter: the "**Bonds (Series D)**" or the "**Bonds**"), listed for trade at a price of NIS 1 par value per Bond, for a total of approximately NIS 351.6 million for all the Bonds.

The Bonds (Series D) are scheduled for (principal) repayment in eight unequal semi-annual installments. The first and second payments, each amounting to 5% of the nominal value of the Bonds (Series D), will be made on June 30 and December 31, 2030, respectively. The subsequent six payments (third through eighth), each amounting to 15% of the nominal value of the Bonds (Series D), will be made on June 30 and December 31 of each of the years 2031 through 2033 (inclusive).

The Bonds (Series D) shall bear a fixed annual interest rate of 6.69% (hereinafter: the "**Interest**"). The Interest on the outstanding principal balance of the Bonds (Series D), as it may be from time to time, will be paid twice a year on December 31, 2024, and on June 30 and December 31 of each of the years 2024 through 2033 (inclusive), with the final interest payment to be made together with the last principal repayment on December 31, 2033. The principal of the Bonds (Series D) and interest for the same will not be linked to any index or currency.

M. Tax benefits in US projects

Further to Note 17(a)(10) in the Company's consolidated Annual Financial Statements as of December 31, 2023, due to legislative changes in the United States in 2022 (with emphasis on the Inflation Reduction Act of 2022), developers are now permitted to directly sell the ITC (Investment Tax Credit) to third parties in exchange for cash.

In the third quarter of 2024, a U.S.-based subsidiary entered into an agreement with a third party (hereinafter: the "**Purchaser**") for the sale of ITC related to projects completed at the end of 2023 and in the first half of 2024. The Purchaser paid the Company approximately USD 5.5 million in exchange for the transfer of the ITC from the said projects, with the income to be recognized over a period of five years.

Note 7 -Financial instruments:

A. Fair value

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. Risk management policy:

The Company's activity expose it to various financial risks, such as a market risk, credit risk and liquidity risk. Risk management is performed by the Company's management. For 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 September 30, 2024 (unaudited)				
	Level 1	Level 2	Level 3	Total
NIS thousands				
Non-current financial assets - fair value through profit and loss				
Financial assets	-	-	22,819	22,819
Non-current financial assets - fair value through other comprehensive profit				
Derivatives used as hedging instruments (2)	-	15,622	-	15,622
Financial liability - fair value through profit and loss				
Options given to shareholders of associates	-	-	1,918	1,918
Derivatives used for hedging transactions (1)	-	2,129	-	2,129

(1) The Company holds put options for protection purposes (not for accounting hedging) from a banking corporation in the amounts of USD 20 million, EUR 29 million, and GBP 10 million. The transactions have a term 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 September 30, 2024, is positive in the amount of NIS 15,622 thousand. The transaction is for a period of up to 14 years and includes the purchase of an IRS (Interest Rate Swap).

As of September 30, 2023 (unaudited)				
	Level 1	Level 2	Level 3	Total
NIS thousands				
Non-current financial assets - fair value through profit and loss				
Financial assets	-	-	21,256	21,256
Non-current financial assets - fair value through other comprehensive profit				
Derivatives used as hedging instruments	-	27,716	-	27,716
Current financial liability - fair value through profit and loss				
Options given to shareholders of associates	-	-	1,905	1,905

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 used as hedging instruments	-	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 none month period ended on September 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	91,996	128,835	64,333	17,428	302,592	4,242	(131,221)	175,613
Inter-sector income	-	-	-	-	-	85,834	(2,322)	83,512
Total revenue	**91,996**	**128,835**	**64,333**	**17,428**	**302,592**	**90,076**	**(133,543)**	**259,125**
Sector results - EBITDA	**52,371**	**106,739**	**57,548**	**12,806**	**229,464**	**(4,037)**	**(94,004)**	**131,423**
Expenses (income) not allocated to sectors:								
Depreciation and amortization								70,077
Company's share in the profits of companies accounted for using the equity method, net								(8,495)
Management and general expenses								52,636
Marketing and sale expenses								5,245
Other expenses								9,287
Other income								(3,870)
Net financing expenses								53,165
Loss for the period before tax								**(46,622)**

For a nine month period ended on September 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	63,779	113,232	4,081	11,261	192,353	8,425	(49,742)	151,036
Inter-sector income	-	-	-	-	-	138,605	(1,227)	137,378
Total revenue	**63,779**	**113,232**	**4,081**	**11,261**	**192,353**	**147,030**	**(50,969)**	**288,414**
Sector results - EBITDA	**40,503**	**101,112**	**3,530**	**7,091**	**152,236**	**(17,957)**	**(36,971)**	**97,308**
Expenses (income) not allocated to sectors:								
Depreciation and amortization								58,396
Company's share in the losses of companies accounted for based on the equity method, net								14,639
Management and general expenses								48,171
Marketing and sale expenses								7,278
Other expenses								1,616
Other income								(1,467)
Net financing expenses								38,668
Loss for the period before tax								**(69,993)**

For a three month period ended on September 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	40,527	52,176	31,298	8,903	132,904	1,087	(59,231)	74,760
Inter-sector income	-	-	-	-	-	18,312	(1,550)	16,762
Total revenue	**40,527**	**52,176**	**31,298**	**8,903**	**132,904**	**19,399**	**(60,781)**	**91,522**
Sector results - EBITDA	**23,324**	**43,107**	**28,278**	**7,199**	**101,908**	**(4,471)**	**(43,182)**	**54,255**
Expenses (income) not allocated to sectors:								
Depreciation and amortization								25,719
Company's share in the profits of companies accounted for using the equity method, net								(4,300)
Management and general expenses								18,995
Marketing and sale expenses								1,331
Other expenses								3,835
Other income								(43)
Net financing expenses								20,265
Loss for the period before tax								**(11,547)**

For a three month period ended on September 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	28,375	49,808	323	5,564	84,070	1,102	(18,247)	66,925
Inter-sector income	-	-	-	-	-	38,901	(328)	38,573
Total revenue	**28,375**	**49,808**	**323**	**5,564**	**84,070**	**40,003**	**(18,575)**	**105,498**
Sector results - EBITDA	**18,524**	**43,221**	**271**	**4,050**	**66,066**	**(5,667)**	**(14,627)**	**45,772**
Expenses (income) not allocated to sectors:								
Depreciation and amortization								19,878
Company's share in the losses of companies accounted for based on the equity method, net								5,348
Management and general expenses								17,539
Marketing and sale expenses								1,998
Other expenses								219
Other income								(41)
Net financing expenses								8,873
Loss for the period before tax								**(8,042)**

For the year ended on 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 (income) 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:

Entering into a financing agreement in the Cellarhead Project in England

Further to Note 13(d)(2) in the Company's consolidated Annual Financial Statements as of December 31, 2023, and further to Note 6(d), on November 14, 2024, a subsidiary (the "**Borrower**" or the "**Project Company**") wholly owned by Atlantic Green UK, a private company incorporated in England and indirectly held by the Company at a rate of 75% ("**Atlantic Green**"), which holds the Cellarhead Project—an energy storage project using batteries ("**BESS**") in England under construction with a capacity of approximately 300 MW and approximately 624 MWh (the "**Project**")—entered into an agreement with a consortium of international and Israeli banks (Goldman Sachs, Santander UK, Bank Hapoalim, and Bank Leumi) for obtaining senior project financing of up to GBP 152 million at an annual interest rate of six-month Sonia plus a margin of 2.75% to 3.75%. The interest is repaid in semi-annual payments starting from the date of the first withdrawal of the financing. The loan principal will be repaid in unequal biannual payments, as of June 30, 2027, through the final repayment date set for December 2033. Financial Benchmarks Annual ADSCR less than 1.15 and LLCR less than 1.15.

Nofar

O.Y. Nofar Energy Ltd.

Separate Interim Financial Information As of September 30,

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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 September 30, 2024 and for the periods of nine 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, November 27, 2024

Ziv Haft,
Certified Public Accountants

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

	As of September 30		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Assets			
Current assets:			
Cash and Cash Equivalents	413,375	642,460	399,265
Shorts term deposits	37,972	1,174	10,011
Restricted use deposits	-	341	-
Customers	141,889	231,129	207,686
Accounts receivable	21,473	34,832	17,822
Inventory	34,153	67,802	58,058
Financial assets	-	-	4,114
Total current assets	**648,862**	**977,738**	**696,956**
Non-current assets:			
Balance for investee companies	3,275,620	2,322,345	2,542,351
Other receivables	1,301	-	869
Limited use cash and deposits	7,741	1,176	1,293
Right of use asset	70,139	66,622	66,245
Fixed assets	121,846	122,444	124,798
Financial assets	22,819	21,256	21,968
Long-term deposits	413	38,557	36,556
Total non-current assets	**3,499,879**	**2,572,400**	**2,794,080**
Total assets	**4,148,741**	**3,550,138**	**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 as a parent company

	As of September 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	33,953	594	515
Current maturities of lease liabilities	8,117	7,060	7,060
Suppliers and service providers	22,944	50,156	32,024
Accounts payable	29,642	22,088	63,991
Financial derivatives	4,047	1,905	1,918
Current maturities of bonds	159,285	126,750	126,871
Total current liabilities	**257,988**	**208,553**	**232,379**
Non-current liabilities:			
Long-term loans from banks	16,068	16,620	16,481
Liabilities for leases	61,275	59,957	58,764
Bonds	1,581,178	1,015,738	956,209
Convertible bonds	373,463	366,937	368,571
Deferred taxes	55,677	44,450	35,892
Other liabilities	739	732	733
Total non-current liabilities	**2,088,400**	**1,504,434**	**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	(189,082)	(129,228)	(153,354)
Capital funds	275,179	250,123	259,105
Total capital attributed to the Company itself as a parent company	**1,802,353**	**1,837,151**	**1,822,007**
Total liabilities and capital	**4,148,741**	**3,550,138**	**3,491,036**

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

November 27, 2024			
Date of approval of the financial statements for publication	**Ofer Yannay** **Chairman of the Board**	**Nadav Tenne** **CEO**	**Noam Fisher** **CFO**

Income and expense amounts attributed to the Company as a parent company

	For a nine month period ended on September 30		For a three month period ended on September 30		For year ended on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Income	**108,665**	**158,394**	**28,656**	**45,428**	**193,338**
Setup and operating costs	108,224	174,886	29,432	49,882	222,043
Marketing and sale expenses	4,726	5,910	1,206	1,931	7,890
Management and general expenses	23,226	20,919	7,869	7,201	27,540
Other expenses	2,500	127	-	127	20
Total expenses	**138,676**	**201,842**	**38,507**	**59,141**	**257,493**
Other income	-	1,467	-	41	1,426
Operating loss	**(30,011)**	**(41,981)**	**(9,851)**	**(13,672)**	**(62,729)**
Financing expenses	86,689	89,042	31,495	35,443	105,656
Financing income	144,515	33,167	76,932	17,047	93,962
Net financing expenses (income)	**(57,826)**	**55,875**	**(45,437)**	**18,396**	**11,694**
Profit (loss) after financing expenses	**27,815**	**(97,856)**	**35,586**	**(32,068)**	**(74,423)**
Company's share of profits (losses) of investee companies, net	(73,315)	24,779	(56,103)	15,838	(31,888)
Loss before income tax	**(45,500)**	**(73,077)**	**(20,517)**	**(16,230)**	**(106,311)**
Income tax expenses (tax benefits)	(5,574)	(10,118)	(2,885)	2,236	(17,650)
Loss for the period	**(39,926)**	**(62,959)**	**(17,632)**	**(18,466)**	**(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	79,088	97,235	69,681	13,166	80,471
Adjustments arising from hedging transactions	(10,369)	(477)	(12,454)	(55)	(3,809)
Items not reclassified later to profit and loss:					
Part of other comprehensive profit of corporations accounted for using the equity method	2,679	6,690	327	1,511	34,846
Revaluation for fixed assets	391	4,824	-	67	6,391
	3,070	**11,514**	**327**	**1,578**	**41,237**
Total other comprehensive income	**71,789**	**108,272**	**57,554**	**14,689**	**117,899**
Total comprehensive profit (loss) for the period	**31,863**	**45,313**	**39,922**	**(3,777)**	**29,238**

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

Cash flow amounts attributed to the Company as the parent company

	For a nine month period ended on September 30		For a three month period ended on September 30		For year ended on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
Cash flow from current operations:	NIS thousands				
Loss for the period	(39,926)	(62,959)	(17,632)	(18,466)	(88,661)
Appendix A - Expenses not involving cash flows (Appendix A)	27,737	40,401	14,755	5,613	57,187
Appendix B - Changes in working capital (Appendix B)	6,935	(55,755)	(2,767)	30,271	(77,177)
Net cash arising from (used for) current activities	**(5,254)**	**(78,313)**	**(5,644)**	**17,418**	**(108,651)**
Cash flows from investment activities:					
Investments in corporations accounted for using the equity method	11,702	(5,377)	1,546	(1,458)	21,373
Investment in subsidiaries	(664,583)	(542,168)	(255,179)	(176,420)	(709,935)
Investment in other receivables	15,725	148,935	15,725	148,935	(869)
Investment return from a subsidiary	(432)	-	-	-	148,935
Purchase of shares from non-controlling interests	-	(3,131)	-	(3,131)	(3,131)
Investment in a financial asset	-	(20,943)	-	(306)	(20,637)
Repayment of deferred consideration	-	(121,139)	-	(101,074)	(121,139)
Decrease (increase) in restricted use deposits	(6,448)	(82)	(6,443)	(4)	142
Change in deposits	8,468	516,134	551	398,260	516,134
Investments in fixed assets	(3,092)	(13,380)	(451)	(4,910)	(16,168)
Net cash deriving from (used in) investing activities	**(638,660)**	**(41,151)**	**(244,251)**	**259,892**	**(185,295)**
Cash flows from financing activities:					
Issue of shares to the public (less issuance expenses)	-	147,560	-	-	147,560
Short-term credit from banks, net	33,147	(305,920)	-	(305,920)	(305,920)
Repayment of bonds	(64,642)	(104,825)	-	-	(168,260)
Issue of bonds, net	684,881	873,558	351,634	630,711	873,558
Repayment of lease liabilities	(6,953)	(5,507)	(2,263)	(1,950)	(8,078)
Repayment of long-term loans from bank corporations	(383)	(355)	(130)	(117)	(475)
Net cash arising from financing activities	**646,050**	**604,511**	**349,241**	**322,724**	**538,385**
Increase in cash and cash equivalents	**2,136**	**485,047**	**99,346**	**600,034**	**244,439**
Balance of cash and cash equivalents at beginning of period	**399,265**	**172,174**	**305,292**	**59,384**	**172,174**
Impact of changes in foreign exchange rates for cash and cash equivalents	11,974	(14,761)	8,737	(16,958)	(17,348)
Balance of cash and cash equivalents at end of period	**413,375**	**642,460**	**413,375**	**642,460**	**399,265**

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

Cash flow amounts attributed to the Company as the parent company

	For a nine month period ended on September 30		For a three month period ended on September 30		For year ended on December 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Appendix A - Expenses not involving cash flows					
Depreciation and amortization	8,820	6,290	3,057	2,193	9,658
Net financing expenses	(57,826)	55,875	(45,437)	18,395	11,694
Company's share in the losses (profits) of companies accounted for based on the equity method, net	73,315	(24,779)	56,103	(15,838)	31,888
Profit from increase to control of associate	-	(1,426)	-	-	(1,426)
Share-based payment expenses	3,428	4,441	1,032	863	5,373
	27,737	**40,401**	**14,755**	**5,613**	**57,187**
Appendix B - Changes in working capital					
Decrease (increase) in inventory	23,906	(16,123)	3,382	4,757	(6,378)
Decrease (increase) in customers	60,492	(34,048)	33,447	8,225	(30,316)
Decrease (increase) in receivables	1,817	1,148	6,244	(1,345)	19,631
Increase (decrease) in accounts payable	(38,101)	(7,353)	(42,611)	16,882	(21,298)
Increase (decrease) in suppliers and service providers	(8,986)	9,455	(3,317)	(7,113)	(8,124)
Change in deferred taxes	(5,574)	(10,108)	(2,885)	2,244	(17,640)
Additional information:					
Interest received in cash	11,532	27,638	3,730	24,762	34,659
Interest paid in cash	(38,151)	(26,364)	(757)	(18,141)	(47,711)
	6,935	**(55,755)**	**(2,767)**	**30,271**	**(77,177)**
Appendix C - Substantial non-cash transactions					
Initial recognition of usufruct asset and lease liability	5,969	14,047	963	3,336	14,047
Classification of customers for investment in corporations accounted for using the equity method	34,267	32,599	3,821	9,764	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 September 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 September 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 September 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 was done in accordance with the principles of recognition and measurement established in international financial reporting standards, such that these transactions were accounted for as transactions carried out with third parties.

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

As part of the cash flow amounts attributed to the Company itself as a parent company, the net cash flows in respect of transactions with consolidated companies are shown as part of current activity, investment activity or financing activity, as relevant. The above does not apply to transactions carried out by the Company with third parties in connection with consolidated companies.

Additional material information attributed to the Company itself as a parent company as of September 30, 2024

Note 2 - Transactions and material balances with investee companies:

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

	As of September 30		As of December 31
	2024	2023	2023
	Unaudited	Unaudited	Audited
	NIS thousands		
Customers and income receivable	129,021	216,320	184,734
Accounts receivable	4,364	2,401	5,039
Investments in related corporations	3,275,620	2,322,345	2,542,351
Financial assets	22,819	21,256	21,968
Accounts payable	-	-	(52,658)

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

	For a nine month period ended on September 30		For a three month period ended on September 30		For year ended on Dec 31
	2024	2023	2024	2023	2023
	Unaudited		Unaudited		Audited
	NIS thousands				
Income	89,858	138,605	19,561	38,901	168,768
Financing expenses	-	11,895	-	3,162	4,057
Financing income	123,483	675	72,032	140	62,385

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

Condensed consolidated interim financial statements as at and for the nine months ended 30 September 2024

(with independent auditors' report on review thereon)

KPMG S.p.A.

22 November 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 September 2024, the consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-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 nine months ended 30 September 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.

Milan, 22 November 2024

KPMG S.p.A.

Jacopo Ralph Ronzoni
Director of Audit

SUNPRIME HOLDINGS S.R.L.

Condensed Consolidated Interim Financial Statements as of September 30, 2024

Condensed Consolidated Interim Financial Statements as of September 30, 2024

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Condensed Consolidated Interim Financial Statements:

Consolidated Interim Statement of Financial Position

	Notes	September 30 2024 € thousands	December 31 2023 € thousands
Property, plant and equipment	2	205.769	138.045
Intangible assets	3	42	54
Right-of-use assets	4	21.468	15.618
Other financial assets	5	18.388	14.880
Deferred taxes	18	4.664	1.346
Non-current assets		**250.330**	**169.943**
Trade and other receivables	5	56.894	31.261
Cash and cash equivalents	5	33.970	60.880
Current assets		**90.864**	**92.141**
Total assets		**341.194**	**262.084**
Share capital	7	17.123	16.337
Share premium reserve	7	51.059	38.720
Reserves	7	1.411	17.197
Profit (loss) for the period	7	(4.243)	(14.222)
Equity		**65.350**	**58.032**
Loans and borrowings	8	179.749	143.278
Loans to shareholders	8	18.650	20.055
Lease Liabilities	4	1.015	771
Employee benefits and other provisions	9	315	201
Derivative liabilities	6	7.673	5.607
Non-current liabilities		**207.402**	**169.912**
Loans and borrowings	8	6.879	4.185
Trade and other payables	11	59.542	29.427
Lease Liabilities	4	853	497
Provision for current tax	18	1.167	31
Current liabilities		**68.441**	**34.140**
Total liabilities		**275.843**	**204.052**
Total liabilities and equity		**341.194**	**262.084**

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

		For the Quarter ended September 30	
	Notes	**2024**	**2023**
		€ thousands	**€ thousands**
Revenues	12	15.048	5.086
Cost of materials	13	(1.599)	(459)
Cost for services received	14	(5.988)	(3.109)
Personnel expenses	9	(4.295)	(2.151)
Other operating income and expenses	15	(1.032)	(1.062)
Depreciation and amortization	16	(2.508)	(926)
Impairment loss on trade and other receivables	5	(193)	-
Operating profit (loss)		**(568)**	**(2.621)**
Financial income	17	1.260	-
Financial expenses	17	(6.815)	(5.698)
Financing income (expenses), net		**(5.554)**	**(5.698)**
Profit (loss) before taxes on income		**(6.122)**	**(8.319)**
Income taxes	18	1.879	-
Profit (loss) for the period		**(4.243)**	**(8.319)**
Other comprehensive income			
Cash flow hedges – effective portion of changes in fair value	6	(2.066)	-
Net actuarial gains (losses) on defined benefit plans	9	8	-
Tax effect	18	494	-
Other comprehensive income (loss) for the period, net of tax		**(1.564)**	**-**
Total comprehensive income (loss) for the period		**(5.807)**	**(8.319)**

Consolidated Interim Statement of Changes in Equity

	Share capital	Share premium reserve	Cash flow hedge and other OCI reserves	Prior years' profit (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	-	-	-	-	(4.243)	**(4.243)**
Other comprehensive income for the period	-	-	(1.564)	-	-	**(1.564)**
Total comprehensive income for the period	-	-	**(1.564)**	**(14.222)**	**9.979**	**(5.807)**
Transactions with owners of the Group						
Issue of ordinary shares	787	12.338	-	-	-	**13.125**
Total transactions with owners of the Group	**787**	**12.338**	-	-	-	**13.125**
Balance as at September 30, 2024	**17.123**	**51.059**	**(5.825)**	**7.236**	**(4.243)**	**65.350**

	Share capital	Share premium reserve	Cash flow hedge and other OCI reserves	Prior years' profit (loss) and other reserves	Profit (loss) of 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	-	-	-	-	(8.319)	**(8.319)**
Other comprehensive income for the period	-	-	-		-	-
Total comprehensive income for the period	**-**	**-**	**-**	**(4.833)**	**(3.486)**	**(8.319)**
Transactions with owners of the Group						
Issue of ordinary shares	-	-	-	-	-	-
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 of September 30, 2023	**13.889**	**834**	**-**	**21.661**	**(8.319)**	**28.065**

Consolidated Interim Statement of Cash Flows

Cash flow from operating activities	**September 30, 2024**	**September 30, 2023**
Profit (loss) for the period	(4.243)	(8.319)
Income taxes	(1.879)	-
Adjustments for:		
Interest expense/ (income)	5.554	3.121
Depreciation and amortization	2.508	499
Provisions accruals	191	-
Change in:		
Trade and other receivables	(25.633)	(19.623)
Trade and other payables	30.109	24.858
Provisions	122	74
Cash used in operating activities	**6.729**	**609**
Interest paid	(3.807)	-
Interest received	451	-
Net cash from operating activities	**3.373**	**609**

Cash flow from investing activities		
Acquisition of property, plant and equipment	(72.124)	(65.641)
Acquisition of intangible assets	1	(50)
Acquisition of right-of-use	(5.772)	(5.352)
Other financial receivables granted in the period	(3.877)	(3.311)
Cash used in investing activities	**(81.771)**	**(74.354)**

Cash flow from financing activities		
Increase/(Decrease) in long term loans to banks	*40.487*	*111.045*
Increase/(decrease) in equity reserve	*13.125*	*13.879*
Payment of bank loans	(258)	*1.622*
Payment of shareholders loans	*(1.740)*	*(56)*
Payment of leas liabilities	*(128)*	*201*
Cash flow from financing activities	**51.486**	***126.692***
Net Increase (decrease) in cash and cash equivalents	***(26.912)***	***52.947***
Cash and cash equivalents at 1 January	***60.880***	***11.361***
Cash and cash equivalents at 30 September	***33.970***	***64.308***

Notes to the Condensed Consolidated Interim Financial Statements as of 30 September 2024

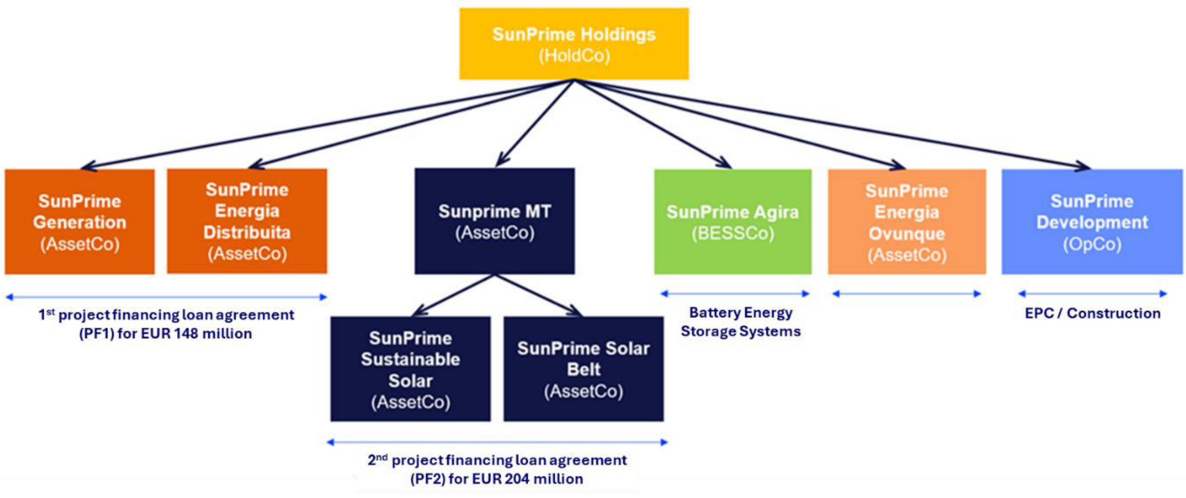
Reporting entity

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, after a business reorganization that was carried to restructure the operations of the Group.
These Condensed Consolidated Interim Financial Statements ("financial statements") as at and for the nine-month period ended September 30, 2024, comprise of 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 20 thousand euros in Sunprime MT that was completed by transferring its 100% stake in Sunprime Sustainable Solar Srl for 10 thousand euros and its 100% stake in Sunprime Solar Belt Srl for 10 thousand euros. Following the sale, Sunprime Holding Srl did not realize any goodwill, but increased its stake in Sunprime Mt Srl to 30 thousand euros.
As of 30 September 2024, the structure of the Sunprime Group is 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 mainly sold directly in the wholesale electricity market, using a leading international trading company which the company has a contract in place with.

Photovoltaic plants are usually built on the rooftop of industrial or agricultural buildings, often following the removal and disposal of asbestos, or on the ground in industrial areas. The size of the plants is in the 0.5-10 MW range with medium voltage connection.

The Group is also developing a pipeline of energy storage projects, both high voltage and medium voltage. These projects are currently in the early development stages.

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 authorization 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 in the Commercial & Industrial solar market segment.

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 48 plants connected by the company Sunprime Generation (“SPG”) amounting to 48,4 MW, 19 plants connected by the company Sunprime Energia Distribuita (“SED”) amounting to 12,8 MW, 2 plants connected by the company Sunprime MT (“SMT”) amounting to 1,9 MW, 1 plants connected by the company Sunprime Solar Belt (“SSB”) amounting to 1 MW and 6 plants connected by the company Sunprime Sustainable Solar (“SSS”) amounting to 6,6 MW for a total pipeline of 160 plants connected amounting to 141 MW owned by the Group.

At the end of July 2024, Sunprime and The European Investment Bank (EIB), Natixis Corporate & Investment Banking (Natixis CIB) have signed a project finance operation worth EUR 204 million to finance one of the largest photovoltaic portfolios in Italy (“PF2”). This is the Group's second project finance. 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 EUR 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.

C. Project submission development to the GSE

Recently it is reported that Sunprime already has 329 MWp of GSE approved project, covering 291 projects, (of which Sunprime Generation: 159 plants/165 MW, Sunprime Energia Distribuita: 66 plants/59 MW, Sunprime MT: 33 plants/69 MW, Sunprime Sustainable Solar: 33 plants/36 MW).

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 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 November 7th, 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 recognized prospectively.
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized 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 amortization 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 categorized 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.

Deferred Tax Assets

The Group has recognised deferred tax assets for deductible temporary differences and unused tax losses that it believes are *probable* to be recovered against future taxable profits. The recoverability of recognised deferred tax assets is in part dependent on the Group's ability to generate future taxable profits sufficient to utilise deductible temporary differences and tax losses (before the latter expire).
The total maximum amount of deferred tax assets that can be allocated on tax losses and tax interest in the next Group balance sheet is expected to be utilized from 2025 onwards per the expected evolution of business income.

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)
- Borrowing costs (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 flow for the period ended September 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
Balances at 31 December 2023	**6.174**	**60.725**	**72.691**	**163**	**139.752**
Additions	6.997	172	62.804	-	69.973
Reclasses	-	41.896	(41.896)	29	29
Balances at 30 September 2024	**13.171**	**102.793**	**93.599**	**192**	**209.755**
Accumulated depreciation and impairment losses	**-**	**-**	**-**	**-**	**-**
Balances at 31 December 2023	**-**	**(1.665)**	**-**	**(43)**	**(1.707)**
Depreciation	**-**	(2.253)	-	(27)	**(2.279)**
Balances at 30 September 2024	**-**	**(3.917)**	**-**	**(69)**	**(3.986)**
At 31 December 2023	**6.174**	**59.060**	**72.691**	**121**	**138.045**
At 30 September 2024	**13.171**	**98.876**	**93.599**	**123**	**205.769**

Property, plant and equipment amounted to EUR 205.8 million as of 30 September 2024 and consisted of:

- EUR 98.9 million related to solar plants that started producing (25 plants in 2022, 59 plants in 2023 and 76 plants as of September 30, 2024) mainly related to Sunprime Generation (111 plants), to Sunprime Energia Distribuita (37 plants), to Sunprime Solar Belt (2 plant), Sunprime Sustainable Solar (6 plant), to Sunprime MT (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 93.6 million mainly related to solar plants under construction;

- EUR 13.1 million of land.

Property, plant and equipment under constructions amount to EUR 93.6 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, professional fees, costs for materials and borrowing costs (refer to Note 17). These assets will start depreciation once they are 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, based on the contracts performed, it is not deemed necessary to allocate a decommissioning provision.

Note 3 - Intangible assets

In thousands of euros	**Other intangible assets**
Cost	
Balances at 31 December 2023	**69**
Disposals	(2)
Balances at 30 September 2024	**67**
Accumulated depreciation and impairment losses	-
Balance at 31 December 2023	**(15)**
Depreciation	(11)
Balances at 30 September 2024	**(26)**
At 31 December 2023	**54**
At 30 September 2024	**42**

Intangible fixed assets as of September 30, 2024, amounted to EUR 42 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 euros	**Offices**	**Cars**	**Equipment**	**Surface rights**	**Total**
Balance at 31 December 2023	**746**	**217**	**457**	**14.198**	**15.618**
Additions to right-of-use assets	17	96	1.141	5.596	6.850
Depreciation charge for the year	(120)	(63)	(464)	(353)	(1.000)
Balances at 30 September 2024	**643**	**250**	**1.134**	**19.441**	**21.468**

ROU assets as of September 30, 2024, amounted to EUR 21.5 million and consisted of:

- EUR 2 million of office buildings, equipment and companycars;
- EUR 10 million in surface rights used for the construction of production plants;
- EUR 9.4 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 Milano, via Fabio Filzi 5, 2nd floor, one new car's contract (3 thousand), two new equipment (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 euros	**September 30, 2024**	**December 31, 2023**
Interest on lease liabilities	228	51

Amounts recognized in statement of cash flows

In thousands of euros	**September 30, 2024**	**December 31, 2023**
Total cash outflow for leases	5.772	5.352

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 21.7 million mainly refer to:

- Security deposits paid to the GSE, in the amount of EUR 15 million. These will be recovered once the projects 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;
- EUR 0.9 million relates to a receivable arising from the purpose loan in favor 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;
- EUR 1.1 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.
- EUR 0.4 million financial receivables towards certain customers and EUR 0.8 million in security deposits.

Unlike PF1 the new PF2 terms allow the Company to replace cash disbursement for security deposits to GSE with bank guarantee issued by Natixis. The cost associated with these instruments is an annual interest of 2% of the nominal amount required by GSE deposit. Payment is added to the semi-annual installment. Accrued cost at September 30, 2024 is EUR 5.7 thousand over a EUR 4.4 million GSE nominal deposit amount.

ii. Trade and other receivables

In thousands of euros	**September 30 2024**	**December 31 2023**
Tax Receivables	18.182	11.732
Advances to suppliers	29.594	15.104
Trade receivables	9.118	4.455
Trade and other receivables	**56.894**	**31.291**

Trade and other receivables as of September 30, 2024, amounted to EUR 56.9 million and mainly consisted of EUR 18.2 million in Tax receivables and EUR 29.6 million in advances to suppliers and EUR 9.1 million of trade receivables. The variance in tax receivables is mostly given by the VAT receivable which amounts to 16 million. As of 30 September 2024, the company has recognized an expected credit loss of 0.2 million on trade and other receivables.

iii. Cash and cash equivalents

In thousands of euros	**September 30 2024**	**December 31 2023**
Cash at bank and petty cash	30.670	60.880
Cash equivalents	3.300	-
Cash and cash equivalents	**33.970**	**60.880**

As of 30 September 2024, the company had an available cash balance of EUR 30.7 million and had 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 148 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.

It should be noted that as of July 30, 2024, the company has received liquidity from the drawdown of the new PF2 loan agreement signed in July for EUR 204 million with The European Investment Bank (EIB) and Natixis Corporate & Investment Banking (Natixis CIB) involving the subsidiaries Sunprime MT, Sunprime Sustainable Solar, and Sunprime Solar Belt. For further details, please refer to Note 14 - Loans and Borrowings.

As of 30 September 2024, cash equivalents amounted to EUR 3.3 million and consisted of Time Deposits in Sunprime MT that have a maturity date of three months or less and can be withdrawn at any time.

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 in 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 euros	**September 30, 2024**	**December 31, 2023**
Fixed-rate instruments		
Financial liabilities	18.650	20.055
Variable-rate instruments		
Financial liabilities	184.628	148.687
Effect of interest rate swaps	582	118.950

The notional amount for PF1 is equal to EUR 118.950 thousand and the maturity date is 2032 and for PF2 is equal to EUR 12.326 thousand and the maturity date is 2043.

Note 7 - Equity

A. Share capital

In thousands of shares	**Ordinary Shares September 30 2024**	**Ordinary Shares December 31 2023**
In issue at January 1st	16.337	13
Issued for cash	787	712
Exercise of share options in convertible bond	-	15.613
In issue at 30 September - fully paid	**17.123**	**16.337**
Authorized - 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 of 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 Andromeda 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 Andromeda 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 Holdings, 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 to 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 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 as of 30 September 2024 was as follows:

In thousands of euros	30 September 2024	31 December 2023
Total liabilities	202.104	167.863
Less: cash and cash equivalents	(33.970)	(60.880)
Net debt	**168.134**	**106.984**
Total equity	65.350	58.037
Less: hedging reserve	(5.832)	(4.261)
Adjusted equity	**59.518**	**53.776**
Net debt to adjusted equity ratio	**2,82**	**1,99**

Note 8 - Loans and borrowings

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

In thousands of euros	September 30 2024	December 31 2023
Non-current liabilities		
Secured bank loans	179.749	147.038
Shareholders' loans	18.650	20.055
Lease liabilities	1.015	771
Total non-current liabilities	**199.414**	**167.864**
Current liabilities		
Unsecured bank loans	6.879	425
Current portion of lease liabilities	853	497
Total current liabilities	**7.732**	**922**

A. Terms and repayment schedule
The terms and conditions of outstanding loans are as follows

				September 30, 2024		December 31, 2023	
In thousands of euros	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Non-current liabilities							
Secured bank loans PF1	EUR	Euribor + margin 2,5%	2032	146.936	140.141	147.038	142.933
Secured bank loans PF2	EUR	Euribor + margin 2,0%	2043	43.848	37.325	-	-
Financial liabilities to shareholders	EUR	7%	2025	18.650	18.650	20.055	20.055

Unsecured bank loans	EUR	7,14%	2028	366	282	425	346
Lease liabilities	EUR	n.a.	n.a.	1.105	1.015	771	771

Current liabilities

Unsecured bank loans	EUR	7,14%	2028	366	84	425	79
Secured bank loans PF1	EUR	Euribor + margin 2,5%	2032	146.936	6.795	147.038	4.105
Current portion of lease liabilities	EUR	n.a.	n.a.	853	853	497	497

At 30 June 2024, the company repaid the first instalment of the PF1 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.

B. Interest rate

With reference to the loan received for PF1 and for PF2 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 for PF1 and from July 2024 for PF2. With reference to shareholder loans the terms of each agreement report the interest rate of 7 percent.
Finally, the loan set between Bank of Cooperative Credit and Sunprime Development for EUR 0.5 million establishes an interest rate of 7.14%.

C. Loan covenants

PF1

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 requires the DSCR > 1.05, calculated semi-annually starting from June 30, 2024.
DSCR (Debt Service Coverage Ratio) index is a prospective financial index, relevant both for companies (Sunprime Generation and Sunprime Energia Distribuita), from the perspective of business crisis and insolvency, and for banks, to verify the sustainability of the debt. This index measures the sustainability of debt (financial, consisting of principal and interest) with the cash flows that the company can generate.
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 September 2024, the company is expecting to be compliant with covenant limits that will become due at December 31, 2024.

PF2

The same collaterals required for PF1 are the same mentioned in the EUR 204 million PF2 contract signed in July with the European Investment Bank (EIB) and Natixis Corporate & Investment Banking (Natixis CIB) involving Sunprime MT, Sunprime Sustainable Solar and Sunprime Solar Belt subsidiaries.
Similarly, for PF2 the covenant mechanism is based on the DSCR (Debt Service Coverage Ratio) index and must not be less than 1.05. To date, the company is not required to comply with the covenant, which, according to the loan agreement, will become mandatory from June 30, 2027. The calculation metrics are the same as indicated above for PF1.

D. Non-convertible notes

The financial loans received from Sunprime Holdings' shareholders in the amount of EUR 18.6 million do not provide for the possibility of conversion into share capital.

The caption Loans and borrowings as of 30 September 2024 amounted to EUR 186 million (current and non-current) and is related to:

- EUR 186 million for the loan signed for PF1 and PF2:
    - EUR 142 million for PF1 signed at the end of 2022 for EUR 148 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 favor 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 2 million of interest expense accrued at the closing date and deducted the amortization over the term of the loan for capitalized costs directly attributable to obtaining the loan;
    - EUR 44 million for PF2 was signed in July 2024 for EUR 204 million with The European Investment Bank (EIB) and Natixis Corporate & Investment Banking (Natixis CIB) involving the subsidiaries Sunprime MT, Sunprime Sustainable Solar, and Sunprime Solar Belt. EUR 44 million of which is equal to the amount disbursed from the loan received, to which was then added EUR 204 thousand of interest expense accrued at the closing date and deducted the amortization over the term of the loan for capitalized costs directly attributable to obtaining the loan.
- EUR 0.4 million for the loan set between Bank of Cooperative Credit and Sunprime Development on 9 August 2023 for EUR 0.5 million with an interest rate of 7.14%.
- EUR 18.6 million refers to loans granted by shareholders of Sunprime Holdings in the amount of EUR 17.6 million and interest expenses accrued during the year in the amount of EUR 1 million.

Note 9 - Employee benefits and other provisions

The Provisions as of September 30, 2024, amounted to EUR 0.3 million for provision for employee benefits and other provisions.

A. Employee benefits liabilities

Employee benefits liabilities mainly include the following:

In thousands of euros	September 30, 2024	December 31, 2023
Non-current employee benefits liabilities		
Defined benefits liabilities	277	163
Current employee benefits liabilities		
Social security payables (included in “trade and other payables”)	216	79
Total employee benefits liabilities	**493**	**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:

	September 30, 2024
Annual discount rate	3,05%
Annual inflation rate	2,00%
Annual rate of increase of severance pays	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 euros	September 30, 2024	September 30, 2023
Wages and salaries	2.836	1.452
Social security contributions	871	452
Other personnel expenses	411	154
Expenses related to post- employment defined benefit plans	177	94
Total employee benefit expenses	**4.295**	**2.151**

The Personnel expenses as of September 30, 2024, amounted to EUR 4.3 million. Please see below the detail of the average workforce:

	2023	Increase	Decrease	2024
Executives	10	1	1	10
Employees	77	34	24	87
Total	**87**	**35**	**25**	**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 of September 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 based on 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 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 of 30 September 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 Holdings;
- Mortgage and special lien;
- Pledge on receivables arising from the shareholders' loan.

The guarantees issued to the counterparty banks that signed the PF2 financing agreement are the same and are associated to Sunprime MT held by Sunprime Holdings and Sunprime Sustainable Solar and Sunprime Solar Belt held by Sunprime MT.

With regards to the guarantees on its financial liabilities, please refer to what is described in Note 8.D.
PF2 is a Green Loan as the full amount of funds are exclusively used to build photovoltaic plants with the aim of producing renewables energy, this goal is the core business of Sunprime group.

Note 11 - Trade and other payables

Trade and other payables as of 30 September 2024 amounted to EUR 59.5 million, including EUR 42 million in trade payables and EUR 13 million in accrued trade payables. Also, include, EUR 4.7 million of other 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 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 recognized 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 euros	**September 30, 2024**	**September 30, 2023**
Geographical Market		
Italy	4.780	1.514
Switzerland	10.268	3.571

Revenue segment		
Revenue from power generation	11.123	3.581
Revenue from third-party plant construction services	3.925	1.505
Timing of revenue recognition		
Services transferred at point in time	11.123	3.581
Services transferred over time	3.925	1.503
Total revenue	**15.048**	**5.086**

Revenues as of 30 September 2024 amounted to EUR 15 million, of which:

- EUR 11.1 million relates to power generation of connected plants by Sunprime Generation, Sunprime Energia Distribuita, Sunprime Sustainable Solar, Sunprime Solar Belt, Sunprime MT e Sunprime Energia Ovunque;
- EUR 3.9 million related to third-party plant construction services and the sale of goods performed directly by Sunprime Development. As of September 30, 2024, all plant construction services are completed and invoiced.

Note 13 - Cost of materials

The cost of materials as of 30 September 2024 amounted to EUR 1.6 million and mainly refers to the cost of PV plants sold to third parties.

Note 14 - Costs of services received

In thousands of euros	**September 30, 2024**	**September 30, 2023**
Technical project team consultancy	2.672	1.266
Insurance	399	280
Legal project consultancy	199	-
Maintenance costs	947	245
Advertising	173	160
Other cost of services	1.004	996
Utilities and surveillance	594	162
Total	**5.988**	**3.109**

The costs of services received as of September 30, 2024, amounted to EUR 6 million, this caption refers mainly to: EUR 2.7 million for technical project team consultancy, EUR 399 thousand for Insurance, EUR 199 thousand for Legal project consultancy, EUR 947 thousand for maintenance costs, EUR 173 thousand for advertising, EUR 594 thousand for costs for utilities and surveillance and EUR 1 million for other services.

Note 15 - Other income and expenses

The Other income and expenses as of 30 September 2024 amounted to EUR 1 million are composed of general and administrative expenses and other income.

The item general and administrative expenses amounted to EUR 1.5 million and refers mainly to non-recurring liabilities, contingent liabilities and taxes and stamp duties.

The other income amounted to EUR 0.5 million are mainly related to reimbursements received.

Note 16 - Depreciation and amortization

The Depreciation and amortization as of September 30, 2024, amounted to EUR 2.5 million this item mainly refers to depreciation and amortization reported for operating plants of Sunprime Generation, Sunprime Energia Distribuita, Sunprime Sustainable Solar, Sunprime Solar Belt, Sunprime Energia Ovunque and Sunprime MT.

Note 17 – Financing income and expenses

According to Sunprime group policy in line with IAS 23, interest expenses directly attributable to the purchase, construction or production of a 'qualifying asset' must be capitalized 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, a portion of interest expense relating to PF1 accrued and paid as of 30 September 2024 was capitalized, pro-rated for the period of time the asset was under construction. Interest expense related to PF2 paid in the period have been capitalized almost entirely, since the drawdowns are always directly related to each project's capital expenditures, and are not used for other purposes. The Group elected to present the cash flows arising from payment of capitalized borrowing costs in the statement of cash flows within investing activities, in accordance with the provisions of IAS 7.

As of September 30, 2024, the Company has capitalized interest expenses totaling EUR 2.5 million, of which EUR 2.2 million related to PF1 and EUR 0.2 million related to PF2. The interest expense in the comparative period was fully expensed.

The finance costs amounted to EUR 6.8 million and consisted of:

- EUR 4.2 million related to the portion of interest paid to the banks of PF1 related to connected plants that was expensed during the period.
- EUR 0.9 million relating to interest expense accrued on shareholder loans received;
- EUR 0.5 million related to financial expenses related to the amortized portion of the expenses incurred to obtain the PF1 bank loan incurred by Sunprime Generation and Sunprime Energia Distribuita and PF2 bank loan incurred by Sunprime MT;
- 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;

The finance income amounted to EUR 0.9 and includes interest paid by the banks to the Company on the available cash at bank drew down for the PF1, in excess to the capex spent. 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 filed 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 and interest carry forward. As of 30 September 2024, the amount of deferred tax assets on tax losses and interest carry forward accounted is EUR 2.8 million. The Group also estimated the amount of current taxes for the period, which amounts to EUR 0.9 million.

The resulting net impact on the income statement as of 30 September 2024 is reported as follows:

In thousands of euros	**September 30, 2024**	**September 30, 2023**
Current income taxes	945	-
Deferred taxes on tax losses	(91)	-
Deferred taxes on interest expense carry-forward	(2.733)	-
Taxes (P/L)	**(1.879)**	**-**

Deferred Taxes
As of September 30, 2024, the net amount of deferred tax assets is EUR 4.7 million:

In thousands of euros	**September 30, 2024**	**December 31, 2023**
Deferred tax assets on interest rate swaps	1.839	1.346
Deferred taxes on tax losses	91	-
Deferred taxes on interest expense carry-forward	2.733	-
Deferred taxes, net	**4.664**	**1.346**

The total amount of deferred tax assets mainly includes deferred tax assets on interest expense carry forward and tax losses for EUR 2.8 million and EUR 1.8 million 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 4.6 million. Based on the most recent business plan, the accrued DTA recoverability with future taxable profits is considered probable.
The gross amount of tax losses and interest expense carry-forward at September 30, 2024 is equal to EUR 11.8 million. At December 31, 2023 the amount was equal to EUR 9.9 million and was not included in the DTA calculations.

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, and with cash injections received from shareholders this mechanism has then had a significant impact on the subsidiaries by providing them with economic support.

In November 2022, the company activated the EUR 148 million loan with a pool of Austrian and German banks for the subsidiaries Sunprime Generation and Sunprime Energia Distribuita. To date, the company has started to repay the amount drawn down, with the first repayment being made in the first half of 2024.

In July 2024, the company activated the EUR 204 million loan with The European Investment Bank (EIB) and Natixis Corporate & Investment Banking (Natixis CIB) for the subsidiaries Sunprime MT, Sunprime Sustainable Solar, and Sunprime Solar Belt. To date, the company has not yet repaid any of the drawn amount; the first repayment has been done in the first half of 2027.

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 7 (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 5 GW 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 >1 MW within specific allocated power limits, like 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 euros	**September 30, 2024**	**September 30, 2023**
Loans from shareholders		
Andromeda	11.225	36.746
Surge Srl	6.461	7.998
Antonio Mazzitelli (CEO)	962	1.447
Gabriele Angeli	1	5
Total loans from shareholders	**18.650**	**46.196**
Interest expense from shareholders included in "Total loans from shareholders"		
Andromeda	1.225	1.746
Surge Srl	381	398
Antonio Mazzitelli (CEO)	81	97
Gabriele Angeli	1	5
Total interest expense from shareholders	**1.689**	**2.246**

Transaction with key management personnel

1. **Key management personnel compensation**

In thousands of euros	**September 30, 2024**	**September 30, 2023**
CEO Compensation	240	240

2. **Key management personnel transactions**

There were no transactions recorded as of 30 September 2024 other than what outlined above.

Note 21 - Subsequent events

After 30 September 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 October 2024, with 176 plants connected for a total installed capacity of 154 MWh.

November 22, 2024

Antonio Mazzitelli
Chief Executive Officer

Part C –

Report on the Effectiveness of Internal Control over 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 Corporation, planned by the CEO and the most senior officer in the financial department or under their supervision or by a person who actually carries out the aforesaid roles, under the supervision of the Corporation's board of directors, 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 Corporation is required to disclose in reports that it published under the provisions of the law is collected, processed, summarized and reported on the date and in the form set forth by law.

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

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

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

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

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

2. Managers' Declarations:

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

I, Nadav Tenne, declare that:

(1) I have examined the quarterly report of O.Y. Nofar Energy Ltd. (hereinafter: the "**Corporation**") for the third 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 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, 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 Corporation:

(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 Corporation, including its consolidated corporations as defined in the Securities Regulations (Annual Financial Reports), 5770-2010, is provided to me by others in the Corporation and the consolidated companies, particularly during the preparation of the Reports; and

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

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

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

November 27, 2024

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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 third 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 Corporation:

(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 Corporation, including its consolidated corporations as defined in the Securities Regulations (Annual Financial Reports), 5770-2010, is provided to me by others in the Corporation and the consolidated companies, particularly during the preparation of the Reports; and

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

(c) I have not been informed of any event or matter that occurred during the period between the date of the last report (quarterly or periodic, as the case may be) and the date of this Report, 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.

November 27, 2024

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Noam Fisher, CFO