

Board of Directors Report of the State of the Corporation's Affairs for the Period Ended on June 30, 2025

The board of directors of O.Y. Nofar Energy Ltd. (hereinafter: the "**Corporation**" or the "**Company**") is pleased to hereby present the Board of Directors' Report of the State of the Company's Affairs as of June 30, 2025 (hereinafter: the "**Date of the Statement of Financial Position**") and the period of six and three months ended 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, 2024 - Part B of the 2024 Annual Report (hereinafter: "**2024 Board of Directors' Report**") and for the three-month period ended March 31, 2025, which was published on May 29, 2025 (Reference No. 2025-01-038625; hereinafter: "**First Quarter 2025 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 2024 Annual Report, including the Corporate Business Description section in the 2024 Annual Report (hereinafter: the "**Description of the Corporation's Business Chapter**"), the 2024 Board of Directors' Report, the financial statements as of December 31, 2024, and the Report on Additional Details for 2024, which was published on the MAGNA system on March 31, 2025 (Reference No. 2025-01-022569) (hereinafter collectively: "**2024 Annual Report**"), as well as the First Quarter 2025 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.

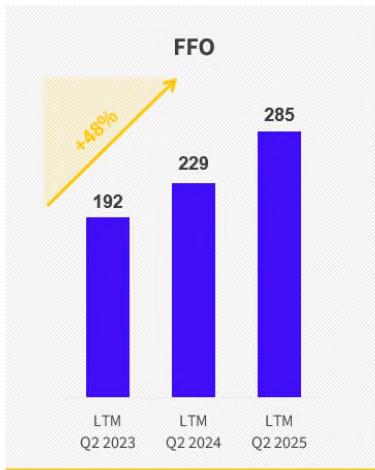
The Group's activities include the initiation, development and purchase of solar projects, wind systems and storage systems, starting from preliminary and initial stages, for the benefit of long-term holding, in Israel, Europe and the USA. These projects include large systems in Europe, which connect 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, 3.1 - 3.4 of the chapter Description of the Corporation's Business - Part A of the Annual Report for 2024, as well as Note 31 to the financial statements as of December 31, 2024.

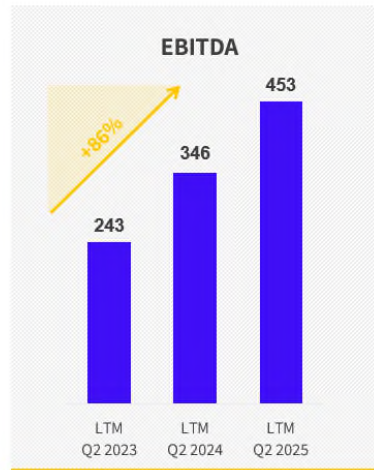
For details regarding the Company's business environment, see Sections 2.2, 3.1.1, 3.2.1, 3.3.1 and 3.4 of the chapter Description of the Corporation's Business - Part A of the Annual Report for 2024.

1.3 Key indicators in the Company's activity

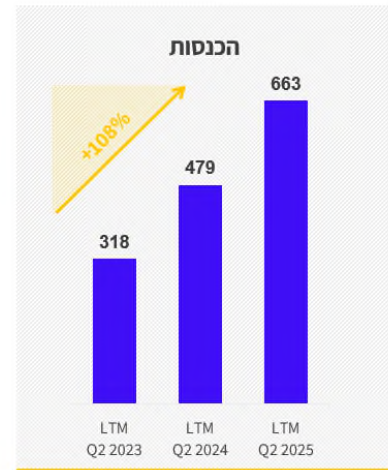
Continued growth in all financial parameters from electricity sales (project financial data for 12-month period preceding end of each quarter, systems in commercial operation, NIS millions, 100% data)



Excluding revenues from EPC & O&M services



NIS 453 million EBITDA, last 12 months



NIS 663 million Revenues, last 12 months

1.4 Main data regarding the systems in commercial operation, ready for connection, construction, nearing construction, 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, construction, nearing construction, advanced development, and development:

Systems in commercial operation^(*)

		Israel ⁽¹⁾	USA ⁽⁵⁾⁽⁶⁾	Italy ⁽⁵⁾	Spain ⁽⁵⁾		England	Poland ⁽¹⁰⁾	Serbia	Romania	Total	
					Olmedilla	Sabinar I & II	Buxton ⁽⁸⁾		Ada	Ratesti		
Rates rage⁽²⁾ (NIS/KWh, as of June 30, 2025)		0.16-2.47	0.104-1.455	0.315 - 0.672	0.01-0.25	0.01-0.2	0.245-2.744	-1.2-2.53	0-1.573	0.123-0.242	---	
Solar - weighted rate per KWh, storage - annual income per KWh, in the fifth year (NIS) ⁽¹¹⁾		---	---	0.35	0.18	0.19-0.22	241.9	0.33-0.35	0.33	0.32	---	
Solar - weighted rate per KWh, storage - annual income per KWh, in the tenth year (NIS) ⁽¹¹⁾		---	---	0.35	0.19	0.19	292.3	0.34-0.37	0.3	0.27	---	
Number of systems	Solar	Jun. 30, 2025	1,525	31	232	1	2	1	2	1	1	1,796
		Jun. 30, 2024	1,487	28	138	1	1	-	1	-	1	1,657
		December 31, 2024	1,523	28	196	1	2	1	1	-	1	1,753
	Storage	Jun. 30, 2025	38	2	-	-	-	1	-	-	-	41
		Jun. 30, 2024	9	2	-	-	-	-	-	-	-	11
		December 31, 2024	27	2	-	-	-	1	-	-	-	30
Total installed power (MWp) (100%)	Solar	Jun. 30, 2025	330	18	215	169	238	-	40	27	155	1,192
		Jun. 30, 2024	323	18	122	169	155	-	20	-	155	962
		December 31, 2024	329	18	178	169	238	-	20	---	155	1,107
	Storage	Jun. 30, 2025	111	2	-	-	-	60	-	-	-	173
		Jun. 30, 2024	29	2	-	-	-	-	-	-	-	31
		December 31, 2024	80	2	-	-	-	60	-	-	-	142
Total setup costs (NIS thousands)		Jun. 30, 2025	1,434,798	213,522	796,503	514,078	853,147	128,864	148,213	73,646	445,340	4,608,111
		Jun. 30, 2024	1,408,786	237,821	449,352	539,019	577,299	-	84,386	-	453,011	3,749,674
		December 31, 2024	1,433,533	230,767	645,265	510,712	832,823	127,490	79,547	-	427,459	4,287,596

		Israel ⁽¹⁾	USA ⁽⁵⁾⁽⁶⁾	Italy ⁽⁵⁾	Spain ⁽⁵⁾		England	Poland ⁽¹⁰⁾	Serbia	Romania	Total
					Olmedilla	Sabinar I & II	Buxton ⁽⁸⁾		Ada	Ratesti	
Equity balance provided by the Company (millions of NIS)⁽⁷⁾	Jun. 30, 2025	123	57	78	118	167	42	148	74	98	905
Total senior debt balance (NIS thousands)	Jun. 30, 2025	1,010,611	58,013	637,203	200,819	466,694	76,289	-	-	188,138	2,637,767
	Jun. 30, 2024	932,966	19,089	359,482	223,029	295,741	-	-	-	241,212	2,071,519
	December 31, 2024	1,046,349	67,680	516,212	201,690	461,303	75,476	-	-	211,372	2,580,082
Remainder of the senior debt period, in years (weighted average)	Jun. 30, 2025	17	4	14	13	21	5	-	-	9	---
Income (NIS thousands)	1-6/2025	154,184	6,148	47,462	41,134	31,197	5,726	4,463	2,573	15,474	308,361
	1-6/2024	130,050	7,236	22,421	49,820	26,839	-	3,186	-	31,228	270,780
	2024	285,746	17,599	54,555	89,817	62,013	4,423	5,584	-	97,400	617,137
Income from Tax Equity	1-6/2025	-	3,254	-	-	-	-	-	-	-	3,254
	1-6/2024	-	1,289	-	-	-	-	-	-	-	1,289
	2024	-	6,038	-	-	-	-	-	-	-	6,038
Total Income (NIS thousands)	1-6/2025	154,184	9,402	47,462	41,134	31,197	5,726	4,463	2,573	15,474	311,616
	1-6/2024	130,050	8,525	22,421	49,820	26,839	-	3,186	-	31,228	272,069
	2024	285,746	23,637	54,555	89,817	62,013	4,423	5,584	---	97,400	623,175
Total project EBITDA⁽³⁾ (NIS thousands)	1-6/2025	87,026	5,775	39,913	34,612	21,295	3,670	3,443	2,573	6,733	205,040
	1-6/2024	77,174	5,607	18,951	43,151	20,480	-	1,943	-	30,588	197,894
	2024	161,507	18,443	45,920	72,218	47,193	4,142	3,937	---	92,083	445,443
Total project FFO⁽³⁾ (NIS thousands)	1-6/2025	50,839	3,778	23,850	30,885	9,998	947	3,443	2,573	(248)	126,065
	1-6/2024	44,341	3,563	12,230	39,053	13,036	-	1,943	-	21,119	135,285
	2024	89,223	14,647	20,978	64,188	32,193	3,795	3,937	---	64,864	293,825
Total free flow after senior debt service (NIS thousands)⁽³⁾	1-6/2025	21,937	1,766	12,482	21,394	(4,251)	947	3,443	2,573	(32,658)	27,633
	1-6/2024	18,780	683	11,433	29,395	3,960	-	1,943	-	21,119	87,313
	2024	33,245	8,223	4,549	44,858	13,164	3,795	3,937	-	51,611	163,382
Company's share in free cash flow after debt service (NIS thousands)	1-6/2025	11,836	1,766	6,553	11,232	(2,232)	900	3,443	2,573	(16,329)	19,742
Rate of the Company's holdings⁽⁴⁾, indirectly (weighted average)	Jun. 30, 2025	42%	67%	33%	50%	47%	75%	100%	87%	50%	46%
	Jun. 30, 2024	41%	67%	33%	50%	47%	-	72%	-	50%	45%
	December 31, 2024	42%	67%	33%	50%	47%	75%	80%	87%	50%	47%

(*) Projects in commercial operation are projects connected to the electricity grid as of June 30, 2025, 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 approximately 0.16-2.47 agorot/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 at no consideration or against payment of a negligible amount. It should be noted that during the Report Period, the average tariff paid to Blue Sky was approximately 16 US cents per kWh for electricity sold to consumers and about 14 US cents per kWh produced. As detailed in the Company's 2024 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 0.83-1.85 euro cents per kWh. As detailed in the Company's 2024 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, Serbia, 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 of the Report Date, 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). It should be noted that during the Report Period, the flow of electricity by the projects in Spain to the grid was temporarily limited due to the floods in Spain, which caused a temporary shutdown of parts of the electricity grid. Also, as of the Report Date, the sale of the project's electricity in Dziejoklucz in Poland was 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, 2024, 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 interest payments 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.

Net cash flow was calculated based on FFO less loan principal payments for the senior debt loan that were paid during the Report Period.

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

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

	1-6/2025	1-6/2024	1-12/2024
Gross profit	120,592	37,856	306,392
Systems depreciation	84,448	26,329	139,051
EBITDA	205,040	64,185	445,443
Senior debt financing expenses	78,975	32,728	151,619
FFO	126,065	31,457	293,824

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 six-month period ended June 30, 2025:

	Aggregate data	Adjustments for share in investee companies not held by the Company	Data of consolidated companies and the Company's share in associates (Sectors note)
Income	311,616	(106,451)	205,165
EBITDA	205,040	(64,350)	140,690
FFO	126,065	(36,046)	90,019

	Aggregate data	Adjustments for share in investee companies not held by the Company	Data of consolidated companies and the Company's share in associates (Sectors note)
Free cash flow	27,633	1,673	29,306
Equity gains (losses)	---	---	(8,866)

For a six-month period ended June 30, 2024:

	Aggregate data	Adjustments for share in investee companies not held by the Company	Data including the Company's share in the investee companies (Sectors note)
Income	272,069	(102,379)	169,690
EBITDA	197,894	(70,338)	127,556
FFO	135,284	(43,561)	91,723
Free cash flow	87,313	(26,034)	61,279
Equity gains (losses)	---	---	(4,195)

For the year ended December 31, 2024:

	Aggregate data	Adjustments for share in investee companies not held by the Company	Data of consolidated companies and the Company's share in associates (Sectors note)
Income	623,175	(235,539)	387,636
EBITDA	445,443	(160,727)	284,716
FFO	293,824	(94,551)	199,273
Free cash flow	163,383	(44,344)	119,039
Equity profits (losses)	---	---	18,137

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

- (4) The share of the Company's holdings is calculated as a weighted average, indirectly, in relation to the system providers. The vast majority of the project corporations operate by virtue of use permits or lease agreements and projects on reservoirs by virtue of direct lease agreements with the Israel Land Authority.
- (5) The data regarding the systems in the USA are based on Blue Sky's financial statements and NIS-USD exchange rates, which at the time of the report NIS 3.372 per dollar and an average exchange rate for the Report Period of NIS 3.598 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 3.955 to the euro and an average exchange rate for the Report Period of NIS 3.935 to the euro, as applicable. The data regarding the systems in the United Kingdom are based on NIS-pound exchange rates, which as of the date of the report are NIS 4.624 per pound and an average exchange rate for the Report Period of NIS 4.669 per pound, 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.

- (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.
- (8) Regarding the Buxton project, it should be noted that during the Report Period, the project is partially operational.
- (9) Regarding the Ratesti project, it should be noted that in accordance with regulation in Romania, in December 2024 the project was disconnected from the grid until a production license was received, which was received in February 2025. During this period, the project did not generate any revenue.
- (10) The projects in Poland are: Krzywinski I and Dziewoklucz I. It should be noted that during the Report Period, the grid operator limited the flow of electricity by the Dziewoklucz project company, due to infrastructure work required on the grid lines adjacent to the project.
- (11) The weighted tariff for years 5 and 10 is based on estimates received from international consulting firms regarding electricity prices per kilowatt-hour of solar systems and annual revenues per kilowatt-hour of storage systems in the fifth and tenth years from the date of commercial operation, all with the addition of index linkage and green certificates in the countries where they exist, according to the consulting firms' estimates, and also with respect to projects that sell electricity by virtue of the CFD regulation - in accordance with the tariff set in the regulation plus index linkage according to the consulting firms' estimates. It is clarified that the information as stated is published on a non-reliance basis, and that there is a possibility that actual revenues will differ, including significantly, from the estimates of the consulting companies. It should be noted that with respect to Israel and the US (except for the Bracero and Fairway projects), year 5 and 10 rates were not provided, as the Company does not have forecasts from an external entity.

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

Segment/ project name	Israel		Italy	Romania			Total
	PV	Storage	Sunprime	Iepuresti	Ghimpati	Slobozia	
Projected power (MWp)	25.7	---	87.5	169.4	146.0	73.6	502.2
Storage capacity (MWh)	---	3.8	---	---	---	---	3.8
Weighted tariff for first full year of operation (NIS)	0.35	135	0.33	0.34	0.34	0.21	---
Solar - weighted rate per KWh, storage - annual income per KWh, in the fifth year (NIS) ⁽¹²⁾	---	---	0.33	0.32	0.30	0.26	---
Solar - weighted rate per KWh, storage - annual income per KWh, in the tenth year (NIS) ⁽¹²⁾	---	---	0.33	0.27	0.26	0.28	---
Projected annual production hours (KWh/KWp)	1,590	---	1,377	1,403	1,384	1,540	---
Expected revenues for the first full year of operation ^{(5) (6)}	14.2	0.5	39.3	81.2	69.0	24.3	228.5
Total estimated setup costs ⁽³⁾⁽¹⁰⁾	71.9	3.1	237.5	510.0	415.8	237.3	1,475.6
Equity provided by the Company as of June 30, 2025 ⁽¹¹⁾	44.0	3.1	0.0	353.0	293.0	193.0	886.1
Projected operating cost for the first year of operation ^{(6) (7)}	2.3	0.2	5.2	12.7	11.2	5.7	37.3
Projected EBITDA for the first year of operation ^{(6) (7)}	11.9	0.3	34.1	68.4	57.9	18.6	191.2
Predicted leverage rate (senior debt) ⁽¹⁰⁾	0.9	0.8	0.8	0.5	0.5	0.6	---
Projected loan period (years) ⁽⁴⁾	23.0	23.0	19.9	12.0	12.0	15.0	---
Projected FFO for the first year of operation ⁽⁶⁾⁽⁸⁾	8.0	0.2	24.8	55.4	47.2	9.9	145.5
Rate of holdings ⁽⁹⁾	41%	25%	33%	95%	95%	95%	---
Company's share in the cash flow for first year of operation	41%	100%	33%	100%	100%	100%	---
Has senior debt been provided	In relation to part of the projects	No	Yes	Yes	Yes	No	---

⁽¹⁾ The equity capital allocated to these projects is allocated from the construction profit of Sunprime, which serves as the construction contractor for the projects. Accordingly, the Company did not provide equity capital for the establishment of these projects.

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

Segment/ project name	Projects under construction					Projects nearing construction					
	Israel		Romania		Italy	Italy		Romania		Israel	
	PV	Storage	Corbii Mari (PV)	Volter	PV	PV	Storage	Ratesti (BESS)	Corbii Mari (BESS)	PV	Storage
Projected power (MWp)	21.4	---	281.0	178.8	52.9	216.0	---	---	---	13.6	---
Projected storage capacity (MWh)	---	107.7	---	---	---	---	800.0	240.0	120.0	---	460.0
Solar - weighted rate (NIS), storage - annual income per KWh, for the first full year of operation (NIS)	0.39	135	0.34	0.34	0.33	0.31	241.27	229.40	229.40	0.30	135
Solar - weighted rate per KWh, storage - annual income per KWh, in the fifth year (NIS) ⁽¹²⁾	---	---	0.29	0.29	0.33	0.31	161.6	243.7	237.9	---	---
Solar - weighted rate per KWh, storage - annual income per KWh, in the tenth year (NIS) ⁽¹²⁾	---	---	0.26	0.26	0.33	0.31	191.2	222.7	227.1	---	---
Projected annual production hours (KWh/KWp)	1,600	---	1,393	1,392	1,392	1,392	---	---	---	1,600	---
Expected revenues for the first full year of operation ^{(5) (6)}	13.2	14.5	131.5	83.6	24.6	94.2	193.0	55.1	27.5	6.6	62.1
Total projected setup costs ⁽³⁾⁽¹⁰⁾	59.6	54.9	660.1	435.1	141.2	549.4	672.4	133.7	79.7	53.0	239.2
Equity provided by the Company as of June 30, 2025	1.0	17.0	154.0	74.0	0.0	8.0	24.0	0.0	0.0	0.0	1.0
Projected operating cost for the first year of operation ^{(6) (7)}	2.6	3.3	16.0	13.8	3.1	12.8	45.9	5.6	2.8	2.0	11.5
Projected EBITDA for the first year of operation ^{(6) (7)}	10.5	11.2	115.5	69.8	21.4	81.3	147.1	49.5	24.7	4.6	50.6
Projected leverage rate (senior debt) ⁽⁴⁾⁽¹⁰⁾	85%	80%	55%	55%	85%	85%	70%	45%	45%	85%	80%
Projected loan period (years) ⁽⁴⁾	23	20	12	12	20	20.0	7.0	12.0	12.0	23.0	20.0
Projected FFO for the first year of operation ⁽⁶⁾⁽⁸⁾	7.3	8.2	93.5	55.3	15.9	59.7	122.7	45.8	22.6	1.7	37.4
Rate of the Tax Equity in the investment	---	---	---	---	---	---	---	---	---	---	---
Projected setup completion date ⁽²⁾	2025-2026	2025-2026	H2 2026	H2 2026	2025-2026	2025-2026	2026	H1 2026	H2 2026	2025-2026	2026-2027
Rate of holdings ⁽⁹⁾	60%	25%	95%	95%	33%	33%	33%	50%	95%	79%	70%
Company's share in the cash flow for first year of operation	60%	100%	100%	100%	33%	33%	33%	50%	100%	79%	70%
Has senior debt been provided	Partial	No	No	No	Partial	No	No	No	No	No	No

Continued - Projects under construction or nearing construction as of the Report Date (financial data in NIS millions)

Segment/ project name	Projects under construction					Projects nearing construction					Total
	UK	Germany	USA	Poland		USA			Spain	UK	
	Cellarhead	Stendal	Blue Sky	Krzywinski II	Cybinka	Blue Sky	Bracero (BESS)	Fairway (BESS)	Sabinar III	Noventum RTB	
Projected power (MWp)	---	---	1.8	5.0	40.0	0.4	---	---	40.0	62.8	913.6
Projected storage capacity (MWh)	624.0	209.0	---	---	---	---	460.0	240.0	---	---	3260.7
Weighted tariff (NIS) for first full year of operation	198.13	436.96	0.66	0.31	0.31	0.74	307.88	275.38	0.18	0.29	---
Solar - weighted rate per KWh, storage - annual income per KWh, in the fifth year (NIS) ⁽¹²⁾	279.5	268.1	---	0.34	0.34	---	303.88	269.96	0.20	0.36	---
Solar - weighted rate per KWh, storage - annual income per KWh, in the tenth year (NIS) ⁽¹²⁾	310.8	238.8	---	0.34	0.37	---	236.68	218.98	0.20	0.38	---
Projected annual production hours (KWh/KWp)	---	---	1,519	1,062	1,110	1,600	---	---	1,664	971	---
Expected revenues for the first full year of operation ^{(5) (6)}	123.6	91.3	1.8	1.6	13.8	0.5	141.6	66.1	11.9	17.4	1,175.5
Total projected setup costs ⁽³⁾⁽¹⁰⁾	1,063.7	355.7	21.0	8.5	94.5	4.0	701.4	411.4	72.8	134.1	5,945.3
Equity provided by the Company as of June 30, 2025	275.0	126.0	0.0	0.0	11.0	1.0			9.9	5.1	0.0
Projected operating cost for the first year of operation ^{(6) (7)}	31.4	14.7	0.5	0.6	2.6	0.1	22.6	12.1	3.0	3.7	210.9
Projected EBITDA for the first year of operation ^{(6) (7)}	92.2	76.7	1.3	1.1	11.1	0.3	119.0	54.0	8.9	13.7	964.6
Projected leverage rate (senior debt) ⁽⁴⁾⁽¹⁰⁾	62%	70%	35%	56%	56%	35%	23%	23%	59%	55%	---
Projected loan period (years) ⁽⁴⁾	7	7	5	7	12	5.0	5.0	5.0	23.0	12.0	---
Projected FFO for the first year of operation ⁽⁶⁾⁽⁸⁾	49.2	65.3	0.7	0.8	8.1	0.3	106.4	46.5	6.4	8.9	762.6
Rate of the Tax Equity in the investment	---	---	35%	---	---	0.4	0.4	0.4	---	---	---
Projected setup completion date ⁽²⁾	H1 2027	H2 2025	2025-2026	H2 2025	H2 2026	2026	H1 2027	H2 2027	H2 2027	H1 2026	---
Rate of holdings ⁽⁹⁾	100%	100%	67%	100%	100%	67%	90%	90%	47%	80%	---
Company's share in the cash flow for first year of operation	100%	100%	100%	100%	100%	100%	100%	100%	53%	100%	---
Has senior debt been provided	No	No	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 (Sunprime)		Poland		England		
	PV	Storage	Blue Sky		PV	Storage	PV	BESS	Noventum Distribution	Noventum Transmission	Toton
			PV	Storage							
Projected power (MWp)	143.5	---	10.0	---	218.8	---	210.0	---	1,104.7	4,150.1	---
Projected storage capacity (MWh)	---	6,562.0	---	430.0	---	1,434.0	---	100.0	---	---	260.0
Weighted tariff (NIS) for first full year of operation	0.39	135	0.64	243.25	0.29	241.27	0.36	185.89	0.35	0.34	199.53
Solar - weighted rate per KWh, storage - annual income per KWh, in the fifth year (NIS) ⁽¹²⁾	---	---	---	---	0.29	115.8	0.35	196.7	0.36	0.38	285.4
Solar - weighted rate per KWh, storage - annual income per KWh, in the tenth year (NIS) ⁽¹²⁾	---	---	---	---	0.29	127.7	0.34	203.1	0.37	0.36	308.7
Projected annual production hours (KWh/KWp)	2,000	---	1,321	---	1,392	---	1,072	---	1,012	1,000	---
Expected revenues for the first full year of operation ^{(5) (6)}	111.5	885.9	8.5	104.6	87.7	346.0	80.4	18.6	386.8	1,408.4	51.9
Total projected setup costs ⁽³⁾⁽¹⁰⁾	614.9	3,412.2	102.6	660.8	552.9	1,205.2	537.8	67.3	2,359.4	8,863.8	373.4
Equity provided by the Company as of June 30, 2025 ⁽¹¹⁾	2	4	29		13	43	39	0.0	29	7.0	2.0
Projected operating cost for the first year of operation ^{(6) (7)}	20.2	164.1	1.9	46.1	13.0	82.2	11.4	2.6	65.5	246.2	12.3
Projected EBITDA for the first year of operation ^{(6) (7)}	91.4	721.8	6.6	58.5	74.8	263.7	69.0	16.0	321.3	1,162.2	39.6
Projected leverage rate (senior debt) ⁽¹¹⁾	85%	80%	35%	40%	85%	70%	56%	45%	55%	55%	60%
Projected loan period (years) ⁽⁴⁾	23	20	5	7	20	7.0	7.0	12.0	12.0	12.0	10
Projected FFO for the first year of operation ⁽⁶⁾⁽⁸⁾	56.4	533.5	4.1	40.0	51.9	219.9	52.4	15.6	236.4	843.5	24.2
Rate of the Tax Equity in the investment	---	---	35%	30%	---	---	---	---	---	---	---
Projected setup completion date ⁽²⁾	2026-2027	2026-2029	2026-2027	2026-2027	2026-2028	2026-2027	2028	2028	2030	2031	2028
Rate of holdings ⁽⁹⁾	95%	93%	67%	67%	33%		33%	100%	80%		80%
Company's share in the cash flow in the first year of operation	95%	93%	100%	100%	33%		33%	100%	100%		100%

Continued - Licensed projects as of the Report Date ⁽¹⁾ (financial data in NIS millions)

Country	Romania						Spain		Total
	Ghimpati BESS		Iepuresti BESS		Corbii Mari BESS	Volter BESS	Olmedilla BESS	Sabinar BESS	
	Phase 2	Phase 1	Phase 2	Phase 1					
Projected power (MWp)	---	---	---	---	---	---	---	---	5,837.1
Projected storage capacity (MWh)	240.0	320.0	320.0	240.0	644.0	300.0	260.0	386.0	11,496.0
Weighted tariff (NIS) for first full year of operation	159.67	283.03	159.16	282.71	203.59	203.59	135.45	135.77	---
Solar - weighted rate per KWh, storage - annual income per KWh, in the fifth year (NIS) ⁽¹²⁾	121.8	121.8	169.4	169.4	169.4	169.4	132.1	132.1	---
Solar - weighted rate per KWh, storage - annual income per KWh, in the tenth year (NIS) ⁽¹²⁾	111.3	111.3	156.5	156.5	156.5	156.5	109.8	109.8	---
Projected annual production hours (KWh/KWp)	---	---	---	---	---	---	---	---	---
Expected revenues for the first full year of operation ^{(5) (6)}	51.9	67.9	90.5	50.9	38.3	131.1	61.1	35.2	52.4
Total projected setup costs ^{(3) (10)}	373.4	170.0	226.6	160.2	91.5	387.6	167.7	130.3	192.4
Equity provided by the Company as of June 30, 2025 ⁽¹¹⁾	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Projected operating cost for the first year of operation ^{(6) (7)}	12.3	10.1	13.4	5.4	4.1	19.1	8.9	8.7	13.0
Projected EBITDA for the first year of operation ^{(6) (7)}	39.6	57.9	77.1	45.5	34.2	112.0	52.2	26.5	39.4
Projected leverage rate (senior debt) ⁽¹¹⁾	60%	45%	0.5	0.5	0.5	45%	45%	59%	59%
Projected loan period (years) ⁽⁴⁾	10	15	12.0	12.0	12.0	15	12	23	23
Projected FFO for the first year of operation ^{(6) (8)}	24.2	56.7	75.5	44.4	33.6	109.3	51.0	22.0	37.8
Rate of the Tax Equity in the investment	---	---	---	---	---	---	---	---	---
Projected setup completion date ⁽²⁾	2028	H2 2026	H2 2026	H2 2026	H2 2026	H2 2026	H2 2026	H1 2027	H1 2027
Rate of holdings ⁽⁹⁾	100%	95%	95%	95%	95%	95%	95%	50%	47%
Company's share in the cash flow in the first year of operation	100%	100%	100%	100%	100%	100%	100%	53%	53%

Projects under development as of the Report publication date⁽¹⁾

Country	Israel	USA	Poland	Romania	UK	Greece	Italy	Total
		Blue Sky			Noventum	Storage	Sunprime	
Power (in MW)	234	23	418	---	714	---	---	1389
Projected storage capacity (MWh)	1801	490	2994	400	---	100	1689	7474
Rate of holdings ⁽¹⁰⁾	100%	67%	100%	95%	80%	100%	33%	---
Company's share in the cash flow	100%	100%	100%	100%	100%	100%	33%	---

The remaining expenses in advance for projects under development amounted, as of June 30, 2025, to a total of about NIS 49,102 thousand.

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

It should be noted that the disclosure regarding the projects in Israel, Italy, and Blue Sky, 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, Poland, 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 3.955 to the euro; the data in relation to projects in the United States are based on an exchange rate of NIS 3.372 to the dollar; the data in relation to the UK are based on an exchange rate of NIS 4.624 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. However, there is a high probability that not all projects that have not yet received connection permits will receive connection permits or will receive connection permits in the

supplies in accordance with the applications submitted in relation to them or in accordance with the supplies that can be constructed on the land.

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 Stendal, Corbii Mari, 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 and Nofar USA'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, and the Company's estimates of development and 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, Ghimpatu, 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 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 and Nofar USA projects are based on the estimates of the management of Blue Sky and Nofar USA. The construction costs for the Cellarhead project 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, the construction agreements of the Buxton and Cellarhead projects, while considering the decline in the battery prices. The construction costs for the Stendal project are based on the construction cost of the project rights and construction and procurement agreements for this project.

- (4) For systems in Israel with a guaranteed rate for which the financing terms have not yet been agreed, the leverage rate and margin are based on the leverage rate and margins agreed upon in the memorandum of principles signed with Bank Leumi. For the projects with an unsecured rate, the leverage rates and margins are based on the financing terms signed with Bank Leumi, taking into account the Company's estimates of the increase in margins due to the lack of clarity regarding the income from these projects. For the Sunprime projects, the leverage rate is based on the terms of the financing agreements signed by Sunprime. For the projects in Poland, an indicative financing rate of approximately 36% was assumed at an interest rate of 5.6%-7%, in accordance with the indications received as part of the negotiations and the EURIBOR Swap Rates for the estimated loan period. For the projects in Romania, financing rates were assumed in accordance with the financing agreements signed for the Iepuresti and Ghimpatu projects, in accordance with the draft Memorandum of Principles regarding the financing of the Slobizia, Corbii Mari and Volter projects and the EURIBOR Swap Rates for the estimated loan period. For the projects in the US, it was assumed that the leverage rate would be 35%. 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). Regarding projects of Nofar USA, a leveraging rate was assumed of 35% with interest of 7%, in accordance with the estimate of the management of Nofar USA. In addition to the senior debt used for the construction of the projects in the USA, the project companies usually enter 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. In this regard, it was assumed that the tax partners would invest a sum equivalent to 30%-40% of the project cost, in accordance with the rates invested in relation to projects in commercial operation that sold the tax benefits; in relation to the Cellarhead project, the financing costs are in accordance with the terms of the signed financing agreement and the Sonia Swap Rates for the estimated loan period; in relation to the Toton project, an indicative financing of approximately 50%-70% of the project cost was assumed at an interest rate of 6% to 7% based on the terms of the Buxton and Cellarhead financing

agreement and market estimates of the interest rate. It will be emphasized that as of the Report Date, there is no certainty that the financing terms will be in accordance with the Company's estimates. As to the Toton project, it is noted that the Company has not yet completed its purchase (which is expected to arrive at the time of its arrival to RTB).

- (5) The rates and revenues on the table of the solar systems in Israel include, *inter alia*, the Company's estimates in relation to the actual system supply and the scope of real-time consumption from the systems. The revenues on the table of the storage systems in Israel are based on an annual revenue assumption of approximately NIS 135 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, an addition for negative price estimates with a conservative assumption, an addition for an urban premium assuming 50% of the facilities, and an addition for additional network services (subsidy, network services). 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 1,590-2,000 hours of sunlight per year on average, depending on the location of the project and the type of 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, and regarding the Slobozia project, in accordance with the rate determined in the CfD tender, plus linkage. 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 1,138 sun hours per year, depending on the project's location, and regarding the Dzieqoklucz and Cybinka projects - based on the rate determined in a CfD tender, plus linkage. The revenues in the table for the Sunprime solar projects are based on the tariffs won by Sunprime in tenders (ranging from EUR 72.8 to EUR 89.6 per kWh, averaging around EUR 82 per megawatt-hour) and an assumption of approximately 1,361 average sun hours per year and regarding the storage projects, the consulting company's estimates as to storage project revenues during the first year of operation. The revenues in the table for the Blue Sky project are based on the following: regarding projects in which the Company has precise data on the average electricity rates paid by the customers - according to this average, for the other projects - based on the electricity rates published by the grid operator,

estimates of annual sun hours (between 1,330 and 1,600 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 the Report Period, the average tariff paid to Blue Sky was approximately 16 cents per kWh, for electricity sold to consumers and about 14 cents per kWh produced, 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 solar projects in the US are based on forecasts by external consulting firms and the estimates of the local management. The revenues in the table regarding the Cellarhead and Toton projects are based on a forecast of revenues from the sale of electricity and system services provided to the Company by an external consulting firm (with the addition of index linkage based on the consulting firm's estimates). The revenues in the table regarding the Stendal project are based on estimates by an international consulting firm regarding revenues from batteries in the first year of operation and the terms of the Tolling Agreement signed in relation to the project, according to which in the first year of operation, part of the period electricity will be sold on the open market and part at a fixed price.

- (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 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 Blue Sky, it is assumed that operating expenses will be consistent with the average annual operating expenses per kilowatt in the connected systems. 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 storage projects, according to the estimates of consulting firms regarding electricity prices. 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. Regarding the Stendal project, operating costs were estimated in maintenance and service agreements signed with the construction contractor, battery supplier, and the terms of the Tolling 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 Ghimpatu), Poland, and Serbia. 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 with respect to projects in Israel, some of the landowners have an option to purchase holdings in the project company under the terms specified in the agreement. The holding rate presented is based on the assumption that some of the landowners will exercise the option, in accordance with the Company's management's assessments regarding the chances of exercising each option.

It should be noted that all holdings in the project corporations of Olmedilla, Sabinar, Buxton, Cellarhead, Sunprime (the project corporations in which financing was taken), Ratesti, Iepursti, Ghimpatu and Stendal are pledged, as of the Report Date, in favor of the banks financing these projects.

(10) The construction costs include, among other things, a discount regarding the forfeiture of construction guarantees of projects by virtue of competitive procedures for roof installations and reservoirs, which will be connected to the grid after the binding date, with the aim of maintaining the rates the Company won.

(11) The invested equity rate was calculated assuming the receipt of financing at the rate as detailed in the above table. It should be noted that as of the Report Date, some of the projects in Israel, Poland, some of the projects in Sunprime, Blue Sky projects, Noventum projects, and Romania (Slobozia, Corbii Mari, Volter), are financed from equity. At the time of receiving the financing for these projects, the Company intends to withdraw part of the equity invested in the projects.

(12) The weighted tariff for years 5 and 10 is based on estimates received from international consulting firms regarding electricity prices per kilowatt-hour of solar systems and annual revenues per kilowatt-hour of storage systems in the fifth and tenth years from the date of the project's connection, all with the addition of index linkage and green certificates, according to the consulting firms' estimates, and also with respect to projects that sell electricity by virtue of the CFD regulation - in accordance with the tariff set in the regulation plus index linkage according to the consulting firms' estimates. It is clarified that the information as stated is published on a non-reliance basis, and that there is a possibility that actual revenues will differ, including significantly, from the estimates of the consulting companies. It should be noted that with respect to Israel and the US,

year 5 and 10 rates were not provided, as the Company does not have forecasts from an external entity.

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, inflation rate of each country, 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 2024 Annual Report.

It should be emphasized that, as of the Report Date, there is no certainty regarding the execution of projects that are under construction, nearing construction, in licensing, in advanced development, or in development. This uncertainty is due, among other reasons, to the fact that these projects are subject to obtaining various approvals (including land rezoning, building permits, positive connection responses, available quotas, compliance with the Electricity Authority's tests, connection approvals, and the like), as detailed in Sections 3.1.1.1, 3.3.1.3, 3.3.1.5, 4.9, and 4.14 of the Description of the Company's Business chapter in the 2024 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 2024 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 2025, the Company continued to advance and expand its development platforms and project portfolio, as follows:

- 1.5.1 Romania – During the year 2024, the construction of the Iepuresti, Ghimpati and Slobozia projects began (with a total capacity of about 390 MW) and in recent years, was completed, and the project companies of the Corbi Marii and Volter projects entered into panel purchase agreements, which determined the prices of the panels. Additionally, in the first quarter of 2025, Corbi Mari's project company entered into a construction agreement. As of the Report Date, the local development platform is in talks to close the financial financing of the Slobozia, Corbi Mari and Volter projects in Romania, estimated at between EUR 180 and 200 million, developing storage projects adjacent to the solar projects, negotiating construction and maintenance agreements for the remaining projects, negotiating to enter into battery projects, entering into a memorandum of understanding to purchase shares in a company engaged in electricity trading, and is also identifying potential buyers for the electricity to be produced in its facilities. Also, during the first quarter of 2025, the Slobozia project company (approximately 73.6 MW) won a price-for-deferral (CfD) tender held by the Romanian Ministry of Energy, at the highest rate set in the tender of approximately EUR 54.18 per MWh (index-linked) for a period of 15 years. It is clarified that as of the Report Date, binding purchase and financing agreements have not yet been signed in relation to the transactions, projects and financings as aforesaid, and that the engagement in financing agreements and agreements as aforesaid, as well as entry into a trading platform or additional storage projects as aforesaid, depend on factors beyond the control of the Company, and there is no certainty that they will materialize, and may even materialize in a manner different, including materially, from that described above.

- 1.5.2 [Italy](#) - The Company operates in Italy through Sunprime HoldCo S.R.L ("**Sunprime**"), indirectly held at approximately 33.3% by the Company, specializing in rooftop projects in Italy with guaranteed and high tariffs (CfD). During 2024 and 2025, Sunprime continued to establish and connect projects, while continuing to expand its project backlog. In addition, during the first quarter of 2025, Sunprime won a Capacity Market tender for projects totaling approximately 56 megawatts. As of the Report Date, Sunprime is engaged in preparations for the establishment of storage projects, with a capacity of 800 megawatt hours in the status of being ready for construction and another 3.1 gigawatt hours in the advanced initiation and initiation stages, in addition to the establishment and development of the solar projects it owns, and is also in talks to obtain financing for the establishment of a portfolio of rooftop and storage projects in an estimated amount of approximately EUR 500 million (of which approximately EUR 430 million are long-term loans and the remainder is a guarantee framework, VAT and a debt coverage cushion framework), after entering into a memorandum of principles regarding the receipt of said financing. It is clarified that as of the Report Date, a financing agreement has not yet been signed and that entering into a financing agreement and making the withdrawal depends on factors beyond the control of the Company, and there is no certainty that they will materialize and may even materialize in a manner different, including materially, from that described above. For details, see the immediate report dated March 23, 2025 (Reference No.: 2025-01-019017), the contents of which are included in this Report by reference.
- 1.5.3 [Spain](#) -As of the Report Date, the Company holds four solar projects that are connected, ready to connect, or in preparation for construction in the country, with a total capacity of 447 MW. Of this, approximately 274 MW is selling the electricity produced under PPA agreements ranging from 3 to 10 years. As of the Report Date, the Company is engaged in initiating the Sabinar III project, in parallel with the development of storage projects that will also be connected to the Olmedilla and Sabinar projects, and is also examining the development of wind systems that will also be connected to the same Olmedilla project. In addition, after the balance sheet date, the Olmedilla project company completed a refinancing process that included, among other things, increasing the debt by approximately EUR 11 million, rescheduling the loan for a period of 17 years (until September 2042) and reducing the interest margin to 1.75% to 2.25%.

1.5.4 [Stand Alone Storage in the UK](#) – As of the Report Date, Atlantic Green UK Limited ("**Atlantic Green**"), the Company's storage platform in the UK, 75% owned by the Company, is engaged in continuing to run the Buxton project and establishing the Cellarhead project, with a capacity of approximately 624 megawatt hours¹, which is one of the largest in the UK, while also examining the improvement of its operations, through entry into new projects, entry into additional areas, etc. After the balance sheet date, the Company entered into an agreement with its partner to purchase its holdings in Atlantic Green for an amount that is not material to the Company.



¹ 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.

1.5.5 [Israel](#) - As of the Report Date, the scope of solar projects that are connected and ready to connect in Israel is approximately 355 MW.² In addition, the Company has a backlog of projects that are connected, ready to connect, under construction, nearing construction, licensing and development with a total storage capacity of about 7 gigawatt hours. In addition, the Company entered into and completed a transaction to acquire the rights of its partners in Aspen Solar. Additionally, over the past few months, the Company has worked to renew the credit facilities provided to it by banks in Israel, while simultaneously increasing the credit facilities to a total of NIS 550 million (compared to NIS 200 million last year), and is also in talks to extend the facilities and obtain additional credit facilities. Additionally, over the past few months, the Company has been developing three plans for which the Planning Director's recommendation was received. It should be emphasized that these are only initial development stages and therefore there is no certainty regarding the implementation of the aforementioned projects. In addition, in July 2025, the Company entered into a memorandum of understanding with Bank Leumi regarding the provision of refinancing in a total amount of up to approximately NIS 2.4 billion for a portfolio of solar and storage projects and approximately 115 project corporations in Israel, with an estimated capacity of approximately 355 megawatts in commercial operation.³ From the credit framework, an amount of up to NIS 2 billion will be allocated as a refinancing and capital extraction framework from income-producing assets, which will be used to repay existing debt in the amount of approximately NIS 1 billion, and the balance for capital extraction for the Company in an estimated amount of up to NIS 500 million and the balance for capital extraction for its partners in the project corporations, as well as an amount of up to NIS 400 million will be allocated as a framework for improving existing assets, an amount of up to NIS 100 million will be allocated as a rolling bridging framework to finance the implementation of improvements to existing assets during their construction period, and an amount of approximately NIS 100 million will be allocated as a framework for debt service. It is clarified that a binding agreement has not yet been signed between the parties, and that the final financing terms will be determined within the framework of a binding agreement, if signed, after completing negotiations and due diligence to the satisfaction of the Bank, and receiving all required approvals, including approvals from the relevant bodies of the parties, and that there is no certainty of entering into a binding agreement, and if signed, its terms may differ from those described, including substantially. It should also be noted that if the financing agreement is not signed by March 31, 2026, the memorandum of understandings will expire.

² For details regarding the proportion of the Company's holdings in the connected and ready to connect projects, see Section 1.4 above.

- 1.5.6 [Noventum](#) - Noventum is a British platform established by Nofar in 2021 together with a local partner, where Nofar holds 80% of the Company and finances the partner's share through an interest-bearing loan. The platform focuses on developing renewable energy projects. The Company has developed capabilities and expertise in all aspects of developing renewable projects in the country and has created a significant project backlog of approximately 5.1 GW, most of which have grid connection approval. During 2024 and 2025, 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. The development procedures included, among other things, submitting projects totaling approximately 2.5 gigawatts as part of the Gate-2 process conducted by the transmission network manager.
- 1.5.7 [Germany](#) – In 2023 and 2024, the Company entered into the Stendal project, which is a storage project in Germany with a capacity of 104 megawatts, and also entered into purchase, construction, financing and tolling agreements, which enabled the start of construction of the project. For additional details, see immediate reports published by the Company on December 8, 2024 (Reference No.: 2024-01-619949) and on March 1, 2025 (Reference No.: 2025-01-013676), which are included in this Report by way of reference. In parallel with these activities, the Company is examining entry into additional storage projects in Germany, along with the possibility of adding value to the project by selling part of the holdings in this project.

³ For details, see the immediate report published by the Company on July 23, 2025 (reference no.: 2025-01-055032), which is included in this Report by way of reference.

- 1.5.8 [Poland](#) – As of the Report Date, the Company's development platform in Poland holds a portfolio of projects in various stages with a total capacity of approximately 502 megawatts and approximately 3,094 megawatt hours, including connected projects with a capacity of approximately 40 megawatts, and projects under construction, nearing construction, development and initiation⁴ with a total capacity of approximately 462 megawatts and 3,094 megawatt hours. Additionally, due to regulatory changes in Poland, the Company is working to increase the capacities of the Cybinka, Dziewoklucz, and Krzywinskie projects. In addition, the Company is in talks to enter into a financing agreement for the Dziewoklucz and Krzywinskie projects with an estimated financing volume of approximately EUR 13 million, as well as to leverage value in projects in Poland. It should be clarified that these are only initial negotiation stages, which depend on factors beyond the control of the Company, and there is no certainty that they will materialize, and may even materialize in a different manner, including substantially, than described above. Additionally, in April 2025, the Company acquired the minority shareholder's holdings (20%) in the local startup platform (formerly Electrum Nofar, as defined in the Description of the Corporation's Business chapter) in exchange for an amount immaterial to the Company, so that after the acquisition, the Company (indirectly) holds 100% of the rights in projects in Poland.
- 1.5.9 [Serbia](#) – Following Nofar Europe's entry into two solar projects with a total capacity of approximately 26.6 megawatts in Serbia, during the first quarter of 2025 the projects were connected to the electricity grid and as of the Report Date, the projects are in the commissioning stages. It should be noted that in May 2025, the local authority forfeited a bank guarantee that was provided in connection with the purchase of the project land on the grounds of non-compliance with one of the conditions set forth in the project land purchase agreement, and subsequently also threatened to cancel the project land purchase agreement due to non-compliance with the terms of the agreement. To the best of the Company's knowledge, as of Report Date, an expert was appointed by the municipal authority to examine the project company's compliance with the terms of the agreement. It should be noted that the project company and its legal advisors believe that the municipal authority's activities are contrary to the provisions of the agreement and local law, and in the event of the agreement being terminated, they intend to act to protect their rights while also examining the possibility of reaching a settlement agreement with the local authority.
- 1.5.10 [USA](#) - The Company holds 67% of the rights in Blue Sky, which is engaged in the initiation, development, licensing, planning, management, construction and holding of solar projects on

⁴ In light of the initial stages of development, as of the Report Date, there is no certainty regarding the success of the negotiation of the establishment of the systems.

the roofs of commercial buildings and storage systems in the USA.⁵ 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, and the sale of the tax credit for them. During 2024 and 2025, Blue Sky entered into agreements regarding the development of storage projects with a total capacity of approximately 700 megawatt hours. In parallel, 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. For details regarding a claim filed by one of the minority shareholders of Blue Sky and companies under its control, see Note 17.6.c of the consolidated financial statements attached to the 2024 Periodic Report.

Also, in the first quarter of 2025, a company 90% held by Nofar USA entered into an agreement regarding the entry into two storage projects with a total capacity of approximately 700 megawatt hours, and in April 2025, carried out the work required to begin construction work to secure ITC. At the same time, the Company is continuing to develop the projects, and is also conducting initial contacts to obtain financing for these projects in an estimated amount of approximately USD 50 million. It should be clarified that these are only initial negotiation stages, which depend on factors beyond the control of the Company, and there is no certainty that they will materialize, and may even materialize in a different manner, including substantially, than described above. Also, in light of the changes in tax benefits promoted by the Trump administration, Nofar USA is exploring entering projects at opportunity prices. For additional details regarding the terms of the purchase agreement, see Section 3.4.1 in Chapter A of the Corporate Business Description Report for 2024. For details regarding the Company's assessment of the costs of establishing the projects and their results, see Section 1.4 above.

1.5.11 [Greece](#) - In 2023, the Company entered the storage sector in Greece concerning the development of storage projects, which as of the Report Date, are in the initial stages of development, with a capacity of about 100 MWh. It should be noted that following delays in development procedures and changes in regulation, the Company agreed with the project developers to cancel and reduce the scope of the projects to be purchased by the Company to 100 megawatt hours, as described above, and to refund the funds paid by the Company.

⁵ 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.

For details regarding changes in inflation, interest, exchange rates, maritime shipping and the impact of the Iron Swords War on the Company's activities, see Section 2.2 in Part A of this Report (Chapter Description of the Corporation's Business). It is noted that these changes, both in Israel and globally, have implications 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.

As of 2022, inflation has begun 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%. In the US, later in 2024, there were two additional interest rate cuts of 0.25% each, to an interest rate range of 4.25%-4.5%, and in 2025 there were no changes in the period up to the Report Date, and the interest rate stabilized at the aforementioned range. There have been further decreases in the Bank of England interest rate, and as of the Report Date, the Bank of England interest rate is 4%.

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 3.2%. The background to the Bank of Israel's decisions to leave the interest rate unchanged was the inflation rate, which increased at the beginning of 2025 to 3.8% and stands at approximately 3.3% as of June 2025. The Bank of Israel justifies the decision to leave the interest rate unchanged, contrary to the global trend, by geopolitical developments and their effects on economic activity, supply constraints, deterioration in global trade conditions, and the volatility of the shekel.⁶

⁶ See: <https://www.ynet.co.il/economy/article/sjf9xf11zex>

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, which continues to this day. The war may have macroeconomic implications, including an impact on an increase in the consumer price index as a result of a shortage of workers or a shortage of various products, the weakening of the shekel against foreign currencies, an interest rate increase (or avoidance of an interest rate reduction) as part of a restrictive monetary policy, or implications as a result of a downgrade of Israel's credit rating, the cancellation of trade agreements between Israel and various countries, etc. With respect to the Group's activities, bearing in mind its activities in a field essential to the economy and the fact that the Company views the continuity of business activity as a national mission, the Group continues its ongoing activities in Israel, including the continued initiation, planning and construction of projects, all under the necessary restrictions and instructions from the Home Front Command. As of the Report Date, the war has not had a material impact on the Group's operations or financial results. The Company's operations outside of Israel continue as usual. Additionally, operations in Israel continue as usual, subject to the Home Front Command's restrictions. However, some of the Company's employees were drafted under Order 8, which reduced the Company's workforce and required the Company to reorganize its operations amid the war. In addition, the war caused delays in the construction of projects in various areas of the country, due to restrictions on access to these sites. 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 or the imposition of sanctions 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. 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.

On July 4, 2025, the Budget Reconciliation Bill, also known as the "One Big Beautiful Bill", was adopted, which also included a legislative change regarding tax benefits (ITC and PTC) relevant to the Company's operations in the US. According to the Budget Reconciliation Bill, the ITC benefit rate will remain unchanged for storage projects that will be built by 2033 and will then decrease until their cancellation in 2035. For solar projects, the tax benefit rate will remain unchanged for projects that will complete construction by the end of 2027 or that will begin construction by July 4, 2026, provided that their construction is completed by the end of 2030. In addition, the law establishes restrictions regarding the use of equipment manufactured by a Prohibited Foreign Entity, as well as restrictions regarding the sale of electricity credits (transferability) for projects that will begin construction after two years from the date of debt approval. On August 15, 2025, a presidential decree was published defining "beginning of construction" for solar projects over 1.5 megawatts and wind projects that will begin construction after September 2, 2025, so that beginning of construction will be defined as the beginning of significant on-site construction work or the beginning of off-site construction work of a substantial nature, generally characterized by the purchase of unique equipment for the project. In addition, an investment of 5% of the project's construction cost will be considered the start of construction for solar projects under 1.5 megawatts and for storage projects. Limitations were also set regarding the completion of wind projects and solar projects over 1.5 megawatts. Nofar USA is regularly monitoring the aforementioned changes to ensure compliance with legal restrictions.

These changes described above, 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 2024, see Sections 2.2, 3.2.1.3, 3.3.1.2, and 3.4 in the Corporate Business Description chapter – Part A of the Company's 2024 Annual Report, which information is incorporated by reference into this report.

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 changes in the state of the global economy, 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 2024 Annual Report, which information is incorporated by reference into this Report.

1.5 Financial condition:

Section	As of						Explanations of the Board of Directors
	Jun. 30, 2025		Jun. 30, 2024		December 31, 2024		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Cash and cash equivalents	320,479	4.5%	480,903	7.8%	362,634	5.8%	See the Statement of Cash Flows. Most of the decrease from the corresponding period last year and December 2024 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.
Shorts term deposits	67,545	0.9%	1,819	0.0%	47,498	0.8%	The main increase from the corresponding period last year is due to deposits into deposits.
Short-term restricted cash	2,374	0.0%	208,670	3.4%	2,566	0.0%	The decrease from the same period last year stems from the withdrawal of funding for a project for which the conditions for withdrawal have not yet been met.
Customers	157,994	2.2%	170,199	2.7%	146,069	2.3%	The main decrease from the same period last year is due to the receipts received and the decrease in the Company's revenues from construction activities. The main increase in relation to December 2024 is mainly due to debts for electricity abroad.
Accounts receivable	169,961	2.4%	54,242	0.9%	105,707	1.7%	The main increase compared to the same period last year and compared to December 2024 stems from VAT receivable, investments in initiating and developing projects whose construction has not yet begun in Israel and abroad, and advances to suppliers for the construction of projects abroad.
Inventory	14,112	0.2%	37,534	0.6%	25,128	0.4%	The decrease is due to the liquidation of inventory for projects.
Financial assets short term	93	0.0%	3,782	0.1%	11,803	0.2%	
Total current assets	732,558		957,149		701,405		

Section	As of						Explanations of the Board of Directors
	Jun. 30, 2025		Jun. 30, 2024		December 31, 2024		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Investment in investee companies accounted for using the equity method	1,066,428	15.0%	1,048,953	16.9%	1,018,961	16.4%	The main increase stems from investments for the purpose of establishing projects (including through loans).
Right of use asset	422,758	5.9%	319,615	5.2%	360,373	5.8%	The increase primarily results from a consolidated company where control was obtained and additional transactions made by the group during the Report Period.
Financial derivatives	26,003	0.4%	44,058	0.7%	25,966	0.4%	
Long term liabilities	40,783	0.6%	38,714	0.6%	37,108	0.6%	
Fixed assets	4,625,365	65.0%	3,554,077	57.3%	3,888,407	62.4%	The increase in the fixed asset balance is mainly due to the construction of photovoltaic systems owned by the group during the Report Period, and from a consolidated company in which control was obtained.
Long term deposits	7,872	0.1%	54,718	0.9%	307	0.0%	
Long-term restricted cash	24,539	0.3%	11,043	0.2%	25,277	0.4%	Cash and deposits are used to ensure loan repayment.
Deferred taxes	28,265	0.4%	15,699	0.3%	20,543	0.3%	
Intangible asset	143,002	2.0%	156,949	2.5%	149,407	2.4%	The remaining balance mainly arises from goodwill related to companies where control was achieved.
Total non-current assets	6,385,015		5,243,826		5,526,349		
Total assets	7,117,573		6,200,975		6,227,754		
Short-term loans and current maturities for long-term loans from banks	221,163	3.1%	119,694	1.9%	166,097	2.7%	The increase compared to previous periods is due to short-term credit used for the construction of projects and current maturities of project loans received.
Bonds - current maturities	125,026	1.8%	157,232	2.5%	137,294	2.2%	

Section	As of						Explanations of the Board of Directors
	Jun. 30, 2025		Jun. 30, 2024		December 31, 2024		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Current maturities of long-term lease liability	30,661	0.4%	21,973	0.4%	23,405	0.4%	
Suppliers and service providers	157,341	2.2%	55,793	0.9%	100,722	1.6%	The main increase compared to the corresponding period last year and December 2024 is due to construction activity in Europe, compared to a decrease in construction activity in Israel.
Accounts payable	53,677	0.8%	71,504	1.2%	47,254	0.8%	The main decrease compared to the corresponding period last year is due to a decrease in liabilities to institutions compared to an increase in the liability to a tax partner in the US.
Financial derivatives	1,918	0.0%	1,918	0.0%	1,918	0.0%	
Liability for deferred consideration in a business combination	88,745	1.2%	4,068	0.1%	0	0.0%	
Total current liabilities	678,531		432,182		476,690		
Long-term loans from banks	1,062,642	14.9%	864,173	13.9%	808,239	13.0%	The increase is due to project loans received from banking institutions in consolidated companies and obtaining control in the consolidated company.
Lease liabilities	399,012	5.6%	301,751	4.9%	343,907	5.5%	
Loans from others	22,418	0.3%	21,520	0.3%	21,462	0.3%	The balance is from loans granted by minority shareholders.
Deferred taxes	189,179	2.7%	211,503	3.4%	149,592	2.4%	
Bonds	1,781,931	25.0%	1,216,020	19.6%	1,539,557	24.7%	The increase compared to the corresponding period last year is due to the issuance of Series C + D Bonds (minus payments made). The increase compared to December 2024, is due to the expansion of Series C Bonds (minus payments made).
Convertible bonds	467,942	6.6%	371,808	6.0%	375,317	6.0%	The increase compared to the same period last year and December 2024 is due to the expansion of Series B bonds.

Section	As of						Explanations of the Board of Directors
	Jun. 30, 2025		Jun. 30, 2024		December 31, 2024		
	In NIS thousands						
	Amount	% of total balance sheet	Amount	% of total balance sheet	Amount	% of total balance sheet	
Other liabilities	93,223	1.3%	71,269	1.1%	102,201	1.6%	The increase compared to the corresponding period last year stems mainly 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	4,016,347		3,058,044		3,340,275		
Shareholders' equity and premium	1,716,256	24.1%	1,716,256	27.7%	1,716,256	27.6%	
Surpluses (loss balance)	(255,388)	-3.6%	(172,873)	-2.8%	(174,634)	-2.8%	
Capital funds	169,232	2.4%	218,015	3.5%	86,711	1.4%	Composition of funds - in funds for 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	1,630,100		1,761,398		1,628,333		
Non-controlling interests	792,595	11.14%	949,351	15.31%	782,456	12.56%	In respect of consolidated companies in which control was achieved.
Total capital	2,422,695		2,710,749		2,410,789		
Total liabilities and equity	7,117,573		6,200,975		6,227,754		

1.6 Results of operations:

Section	For a six-month period ended on June 30		For a three-month period ended on June 30		For a period of one year ended on December 31	Explanations of the Board of Directors
	2025	2024	2025	2024	2024	
	NIS thousands					
Revenue from sale of electricity and other	162,377	166,314	104,078	100,856	313,207	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	3,254	1,289	1,620	650	6,038	
Compensation for loss of income	---	---	---	---	930	
Total income	165,631	167,603	105,698	101,506	320,175	
Setup and operating costs	140,670	133,774	80,145	66,497	264,467	The main decrease compared to the same period stems from income from the construction of solar installations in Israel, compared to an increase in maintenance and operating expenses.
Management and general expenses	37,698	34,660	17,842	18,609	75,766	Mainly salary expenses, professional services, management, maintenance and office fees.
Marketing and sale expenses	4,686	3,914	2,195	1,508	6,867	Mainly salary expenses, advertising and branding.
Other expenses	5,052	5,452	2,429	1,282	13,936	
Total expenses	188,106	177,800	102,611	87,896	361,036	
Other revenues	5,542	3,827	4,326	162	5,269	Mainly due to gaining control of an associated company.

Operating profit (loss)	(16,933)	(6,370)	7,413	13,772	(35,592)	
Rate of operating profit (loss) from income	(10.22%)	(3.80%)	7.01%	13.57%	(11.12%)	
Financing expenses	88,636	61,261	57,084	30,839	104,567	The expenses are mainly for interest and linkage for the bonds and loans from banking corporations, less non-specific credit capitalization.
Financing income	(16,807)	(28,361)	(4,176)	(10,366)	(56,506)	Income mainly from interest on loans to corporations accounted for using the equity method, income from exchange rate differences on foreign exchange balances, and interest on deposits in banks.
Net financing expenses	71,829	32,900	52,908	20,473	48,061	
Loss after financing expenses	(88,762)	(39,270)	(45,495)	(6,701)	(83,653)	
Company's share in the profits (losses) of companies handled based on the equity method, net	(8,866)	4,195	4,657	10,805	18,137	Derived from associated corporations in Italy, Romania and Israel.
Loss before income tax	(97,628)	(35,075)	(40,838)	4,104	(65,516)	
Rate of loss before income tax	(59%)	(21%)	(39%)	4%	(20%)	
Tax expenses (tax benefits) on income	(5,157)	(2,680)	4,156	3,906	(18,998)	
Profit (loss) for period	(92,471)	(32,395)	(44,994)	198	(46,518)	
Loss for the period attributed to:						
Shareholders of the Company	(82,864)	(22,296)	(47,508)	(5,285)	(26,905)	
Non-controlling interests	(9,607)	(10,099)	2,514	5,483	(19,613)	

Total profit (loss) for period	(92,471)	(32,395)	(44,994)	198	(46,518)	
Rate of profit (loss) for period	(56%)	(19%)	(43%)	0%	(15%)	
Adjustments arising from hedging transactions	(8,821)	(463)	(3,065)	2,078	(20,673)	The change is due to adjustments in the fund in a consolidated company.
Adjustments arising from transaction of financial statements for foreign operations	114,632	22,291	(65,170)	38,040	(151,865)	The change is due to translation differences in respect of foreign currency balances.
Revaluation for fixed assets	433	2,352	-	1,242	2,852	The change is due to the update of the revaluation fund carried out by the Company regarding solar systems operating on rooftops in Israel.
Part of other comprehensive profit of corporations accounted for using the equity method	242	391	-	(55)	391	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 in Israel.
Total other comprehensive profit (loss)	106,486	24,571	(68,235)	41,305	(169,295)	
Shareholders of the Company	(7,656)	(8,061)	(101,575)	19,873	(143,812)	
Non-controlling interests	21,671	237	(11,654)	21,630	(72,001)	
Total comprehensive profit (loss) for the year	14,015	(7,824)	(113,229)	41,503	(215,813)	

1.7 Liquidity:

Section	For a six-month period ended on June 30		For a three-month period ended on June 30		For a period of one year ended on December 31	Explanations of the Board of Directors
	2025	2024	2025	2024	2024	
	NIS thousands					
Net cash flow arising from (used for) current activities	(65,279)	44,822	(32,679)	(5,544)	43,249	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	(491,113)	(715,805)	(155,109)	(362,096)	(1,065,122)	See Consolidated Statements of Cash Flows. The cash flow used for the investment activity, the increase is mainly due to investments and loans in companies treated according to the equity method, and investments in fixed assets.
Net cash flow deriving from (used in) financing activities	513,658	487,261	120,546	(56,392)	712,049	See Consolidated Statements of Cash Flows. Cash flows from financing activities is mainly due to the expansion of Series B + C bonds and loans from banking corporations.

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 August 26, 2025, 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 the expenses required for the development and construction and projects and 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.

1.8 Sources of financing:

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

1.8.1 Issue of shares - Following a private investment by Noy Fund in September 2020, where they invested a total of approximately NIS 224.9 million in exchange for shares that constituted about 24.64% of the Company's issued and paid-up share capital at that time, and the Company's initial public offering (IPO) of shares based on the Company's prospectus in December 2020, where 5,802,950 shares were issued for a total payment of NIS 578 million 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. During the Report Period, the Company did not issue shares.

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) in circulation for a total amount of approximately NIS 2,564 million.

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

- In January 2025, the Company completed an exchange purchase offer of approximately NIS 379 million par value Bonds (Series A) in exchange for the issuance, through an expansion of a series, of approximately NIS 401 million Bonds (Series D), based on an exchange ratio of 1.059. For details, see the immediate report dated January 14, 2025 (Reference No.: 2025-01-003956), the contents of which are cited in this report by reference.

- In February 2025, the Company completed the issuance, through series expansions, of approximately NIS 92.4 million par value Bonds (Series B), in consideration for NIS 1.065 per NIS 1 par value and a total of approximately NIS 98.4 million gross, and of approximately NIS 286.3 million par value Bonds (Series C), in consideration for NIS 1.053 per NIS 1 par value and a total of approximately NIS 301.5 million gross. For details, see the immediate report dated February 12, 2025 (Reference No.: 2025-01-010343), the contents of which are cited in this report 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 1,027 million in the six-month period that ended June 30, 2025, compared to about NIS 703 million in the corresponding period last year, and about NIS 829 million in 2024.
- 1.8.4** The average rate of the long-term credit cost was about 5.56% in the six-month period that ended June 30, 2025, compared to about 4.57% in the corresponding period last year and about 5.5% in 2024.
- 1.8.5** Short-term credit - The average short-term credit was about NIS 140.1 million in the six-month period that ended June 30, 2025, compared to about NIS 33.4 million in the corresponding period last year, and about NIS 39.6 million in 2024.

The average rate of the cost of short-term credit in the six-month period that ended June 30, 2025 was about 6.75% compared to about 6.79% in the corresponding period last year, and about 6.75% in 2024.

- 1.8.6** 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 six months ended on June 30, 2025, compared to about 65 days in the corresponding period last year, and about 65 days in 2024.

The average credit balance of the suppliers amounted to approximately NIS 129 million in the six-month period ended on June 30, 2025, compared to approximately NIS 63.9 million in the corresponding period last year, and to approximately NIS 86.4 million in 2024.

1.8.7 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 six-month period that ended June 30, 2025, compared to about 75 days in the corresponding period last year, and to about 75 days in 2024.

The average credit balance of customers amounted to approximately NIS 152 million in the six-month period ended on June 30, 2025, compared to approximately NIS 193.7 million in the corresponding period last year, and to approximately NIS 181 million in 2024.

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.

1.8.8 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 for 2024 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	Balance of the loan as of June 30, 2025 (NIS millions)	Commitment to meet financial criteria	Calculation of compliance as of June 30, 2025
The Company	Trustee for the Bondholders (Series A)	291	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 ⁷ , all for two consecutive quarters.	Equity attributed to the Company's shareholders - approximately NIS 1,630 million. Equity to solo balance sheet ratio of about 39%. (Solo equity - NIS 1,630 million. Solo net balance sheet - NIS 4,183 million.)

⁷ It is clarified that, according to the provisions of the trust deeds signed between the Company and Mishmeret Trust Company Ltd., the consolidated net financial debt, used for calculating the numerator in the mentioned ratio, includes the financial debt taken by the Company and entities under its control. However, it does not include, among other things, the Company's share in the financial debt taken by associated companies. Additionally, it deducts, among other things, the financial debt taken by the Company and entities under its control for development and construction activities, for projects under construction, and for projects that have not yet passed one year from their commercial operation date or from the date of their acquisition, whichever is later. This also includes financial debt taken by the Company and entities under its control up to the amounts provided for these projects (including for projects held by associated companies), provided there is no other senior financial debt for such financing.

Additionally, the EBITDA used to calculate the denominator in the ratio is based on earnings before interest, taxes, depreciation, and amortization according to the Company's financial statements. This includes adding profits, management fees, and development fees from consolidated entities, excluding one-time profits (losses) and expenses as detailed in the trust deeds, and excluding expenses related to share-based payments. Therefore, the EBITDA used to calculate this ratio includes the results of the construction and operation activities of the Company and entities under its control (excluding adjustments as detailed in the trust deeds), the profits and development fees from consolidated companies, and the results of the consolidated projects, excluding expenses as detailed in the trust deeds. Accordingly, the EBITDA mentioned does not include the Company's share in the results of the operations of its associated companies (which are accounted for in its financial statements using the equity method; the "Associated Companies").

Borrower name	Details of the lender	Balance of the loan as of June 30, 2025 (NIS millions)	Commitment to meet financial criteria	Calculation of compliance as of June 30, 2025
	Trustee for the Bondholders (Series B)	500	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.	Consolidated equity to consolidated balance sheet ratio 34%. Consolidated net financial debt to EBITDA ratio - 9.5 (Financial debt NIS 832 million. EBITDA NIS 88 million)
	Trustee for the Bondholders (Series C)	803		
	Trustee for the Bondholders (Series D)	756		
Sabinar I⁸	German financial body	304	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 DSCR ⁹ for the last 12 months shall not be less than 1.05.	Historical 12-month ADSCR ratio: 1.21

⁸ 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.

⁹ DSCR - 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	Balance of the loan as of June 30, 2025 (NIS millions)	Commitment to meet financial criteria	Calculation of compliance as of June 30, 2025
A wholly owned subsidiary of Atlantic Green UK Limited (Cellarhead project)	Consortium of Israeli and international banks: Goldman Sachs, Santander UK, Bank Hapoalim and Bank Leumi.	---	Annual historical DSCR is less than 1.15 and LLCR is less than 1.15.	As of the Report Date, the Company is not required to examine the criteria.

1.10 Material valuations

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

2 Aspects of Corporate Governance

2.1. The effectiveness of internal control

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

Additionally, in accordance with Article 9B(c1) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, the provisions of Article 9B(c) 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 (December 2020) (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 June 30, 2025

	As of June 30, 2025						
	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	67,136	120,657	14,489	30,967	-	87,230	320,479
Deposits from bank corporations and others	2,050	-	-	4,451	-	61,044	67,545
Restricted use deposits	-	2,374	-	-	-	-	2,374
Customers	6,268	17,215	183	2,111	-	132,217	157,994
Accounts receivable	8,227	27,024	10,673	99,766	-	24,271	169,961
Inventory	-	-	-	-	-	14,112	14,112
Financial derivative	-	93	-	-	-	-	93
Total current assets	83,681	167,363	25,345	137,295	0	318,874	732,558
Investment in investee companies accounted for using the equity method	-	536,926	-	-	-	529,502	1,066,428
Right of use asset	32,611	216,579	42,214	60,555	38,915	31,884	422,758
Fixed assets	185,973	2,007,490	562,993	1,042,729	-	826,180	4,625,365
Intangible assets	100,318	42,620	-	-	-	64	143,002
Long-term restricted cash	18,920	-	-	-	-	5,619	24,539
Deposits in bank corporations and others	-	-	-	25,339	-	(17,467)	7,872
Deferred taxes	-	19,189	9,076	-	-	-	28,265
Other payables - affiliated parties	-	39,380	-	-	-	1,403	40,783
Financial assets	-	14,880	-	-	-	11,123	26,003
Total non-current assets	337,822	2,877,064	614,283	1,128,623	38,915	1,388,308	6,385,015
Total assets	421,503	3,044,427	639,628	1,265,918	38,915	1,707,182	7,117,573
Short-term loans and current maturities for long-term loans from banks and others	3,771	52,753	5,070	16,058	-	143,511	221,163
Current maturities of long-term lease liability	2,083	14,637	3,536	2,540	5,178	2,687	30,661
Current maturities of bonds	-	-	-	-	125,026	-	125,026
Suppliers and service providers	12,223	47,922	41,974	30,035	-	25,187	157,341
Accounts payable	25,129	19,743	7,027	1,482	-	296	53,677
Liability for deferred consideration in a business combination	-	-	-	-	-	88,745	88,745
Financial derivatives	-	-	-	-	-	1,918	1,918
Total current liabilities	43,206	135,055	57,607	50,115	130,204	262,344	678,531

	As of June 30, 2025						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Long-term loans from banks	59,166	680,883	74,701	94,753	-	153,139	1,062,642
Lease liabilities	35,152	211,924	44,536	59,411	16,467	31,522	399,012
Affiliated party loan	-	21,668	-	-	-	750	22,418
Deferred taxes	1,755	46,619	-	-	-	140,805	189,179
Bonds	-	-	-	-	334,074	1,447,857	1,781,931
Convertible bonds	-	-	-	-	-	467,942	467,942
Other liabilities	13,630	76,873	-	-	2,720	-	93,223
Total non-current liabilities	109,703	1,037,967	119,237	154,164	353,261	2,242,015	4,016,347
Total liabilities	152,909	1,173,022	176,844	204,279	483,465	2,504,359	4,694,878
Excess of assets over liabilities (liabilities over assets)	268,594	1,871,405	462,784	1,061,639	(444,550)	(797,177)	2,422,695

As of June 30, 2024

	As of June 30, 2024						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Cash and cash equivalents	47,369	132,330	87,781	1,423	-	212,000	480,903
Deposits from bank corporations and others	-	-	-	-	-	1,819	1,819
Restricted use deposits	744	205,442	-	2,484	-	-	208,670
Customers	4,999	13,694	-	1,361	-	150,145	170,199
Accounts receivable	4,552	12,506	2,986	9,708	-	24,490	54,242
Inventory	-	-	-	-	-	37,534	37,534
Financial derivative	-	3,782	-	-	-	-	3,782
Total current assets	57,664	367,754	90,767	14,976	-	425,988	957,149
Investment in investee companies accounted for using the equity method	-	587,235	-	-	-	461,718	1,048,953
Right of use asset	37,017	94,275	44,525	37,922	73,946	31,930	319,615
Fixed assets	208,962	1,575,427	455,131	350,725	-	963,832	3,554,077
Intangible assets	113,621	5,868	-	-	-	37,460	156,949
Long-term restricted cash	9,745	-	-	-	-	1,298	11,043
Deposits in bank corporations and others	37,590	-	-	16,760	-	368	54,718
Deferred taxes	-	12,247	3,452	-	-	-	15,699
Other payables - affiliated parties	-	37,413	-	-	-	1,301	38,714

	As of June 30, 2024						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Financial assets	11,123	32,935	-	-	-	-	44,058
Total non-current assets	418,058	2,345,400	503,108	405,407	73,946	1,497,907	5,243,826
Total assets	475,722	2,713,154	593,875	420,383	73,946	1,923,895	6,200,975
Short-term loans and current maturities for long-term loans from banks and others	16,517	61,214	7,126	-	-	34,837	119,694
Current maturities of long-term lease liability	2,427	4,521	3,760	1,394	7,184	2,687	21,973
Current maturities of bonds	-	-	-	-	129,284	27,948	157,232
Suppliers and service providers	175	5,292	338	10,719	-	39,269	55,793
Accounts payable	20,758	24,644	1,878	40	-	24,184	71,504
Liability for deferred consideration in a business combination	-	4,068	-	-	-	-	4,068
Financial derivatives	-	-	-	-	-	1,918	1,918
Total current liabilities	39,877	99,739	13,102	12,153	136,468	130,843	432,182
Long-term loans from banks	58,541	672,204	69,945	-	-	63,483	864,173
Lease liabilities	38,369	84,894	43,361	36,975	68,554	29,598	301,751
Affiliated party loan	-	-	20,770	-	-	750	21,520
Deferred taxes	11,173	19,252	-	-	-	181,078	211,503
Bonds	-	-	-	-	650,980	565,040	1,216,020
Convertible bonds	-	-	-	-	-	371,808	371,808
Other liabilities	7,141	61,750	-	-	733	1,645	71,269
Total non-current liabilities	115,224	838,100	134,076	36,975	720,267	1,213,402	3,058,044
Total liabilities	155,101	937,839	147,178	49,128	856,735	1,344,245	3,490,226
Excess of assets over liabilities (liabilities over assets)	320,621	1,775,315	446,697	371,255	(782,789)	579,650	2,710,749

As of December 31, 2024

Section	As of December 31, 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	50,077	188,569	26,942	5,762	-	91,284	362,634
Deposits from bank corporations and others	38,676	561	-	-	-	8,261	47,498
Restricted use deposits	365	2,201	-	-	-	-	2,566

Section	As of December 31, 2024						
	NIS thousands						
	Linked to the USD	Linked to the EUR	Linked to the GBP	Linked to another currency	Index-linked	Unlinked	Amount
Customers	5,170	2,755	90	134	-	137,920	146,069
Accounts receivable	11,618	15,475	2,994	47,933	-	27,687	105,707
Inventory	-	-	-	-	-	25,128	25,128
Financial derivative	-	11,803	-	-	-	-	11,803
Total current assets	105,906	221,364	30,026	53,829	-	290,280	701,405
Investment in investee companies accounted for using the equity method	-	519,831	-	-	-	499,130	1,018,961
Right of use asset	34,536	175,288	42,785	34,525	45,611	27,628	360,373
Fixed assets	187,759	1,746,443	485,064	672,178	-	796,963	3,888,407
Intangible assets	108,499	5,543	-	-	-	35,365	149,407
Long-term restricted deposits	9,966	-	-	-	-	15,311	25,277
Deposits in bank corporations and others	-	-	-	47	-	260	307
Deferred taxes	-	11,949	2,893	-	-	5,701	20,543
Other receivables	-	35,875	-	-	-	1,233	37,108
Financial assets	11,123	14,843	-	-	-	-	25,966
Total non-current assets	351,883	2,509,772	530,742	706,750	45,611	1,381,591	5,526,349
Total assets	457,789	2,731,136	560,768	760,579	45,611	1,671,871	6,227,754
Short-term loans and current maturities for long-term loans from banks and others	5,687	50,752	1,566	-	-	108,092	166,097
Current maturity in respect of a lease	2,420	5,927	3,529	1,298	7,544	2,687	23,405
Current maturities of bonds	-	-	-	-	109,346	27,948	137,294
Suppliers and service providers	8,978	31,699	8,147	20,105	-	31,793	100,722
Accounts payable	26,218	8,720	4,144	70	-	8,102	47,254
Financial derivatives	-	-	-	-	-	1,918	1,918
Total current liabilities	43,303	97,098	17,386	21,473	116,890	180,540	476,690
Long-term loans from banks	64,691	612,241	72,788	-	-	58,519	808,239
Lease liabilities	36,730	163,624	42,558	35,048	40,653	25,294	343,907
Affiliated party loan	-	-	20,710	-	-	752	21,462
Deferred taxes	5,623	16,686	-	-	-	127,283	149,592
Bonds	-	-	-	-	650,955	888,602	1,539,557
Convertible bonds	-	-	-	-	-	375,317	375,317
Other liabilities	17,838	33,314	-	-	733	50,316	102,201
Total non-current liabilities	124,882	825,865	136,056	35,048	692,341	1,526,083	3,340,275
Total liabilities	168,185	922,963	153,442	56,521	809,231	1,706,623	3,816,965
Excess of assets over liabilities (liabilities over assets)	289,604	1,808,173	407,326	704,058	(763,620)	(34,752)	2,410,789

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 2024 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 2024 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 Fartook) are independent directors, as this term is defined in the Companies Law. In addition, Mr. Tzvi 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 Fartook see Article 26 of Chapter D - Additional Details on the Corporation for the 2024 Periodic Report.

2.6 Auditor

Since the publication of the 2024 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 2024, which is included in this Report by way of reference.

2.7 Details regarding the Company's auditor

The Company's auditors are KPMG Somekh Chaikin. It should be noted that on January 5, 2025, the general meeting of the Company's shareholders decided to appoint the accounting firm KPMG Somekh Chaikin as the Company's auditors, replacing the BDO firm Ziv Haft.

Since the publication of the 2024 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 2024 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 1.8 above and Notes 5, 6, and 8 to the consolidated financial statements as of June 30, 2025. In addition to what is stated in these sections and notes:

- At the Company's general meeting held on January 5, 2025, the general meeting approved (1) the reappointment of Mr. Ofer Yannay as a director of the Company and Chairman of the Board of Directors of the Company until the end of the next annual general meeting of the Company; (2) the reappointment of Mr. Yoni Tal, Ms. Yonit Fartook, Mr. Tzvi Levin and Mr. Uri Orbach directors of the Company until the end of the next annual general meeting of the Company; and (3) the appointment of the accounting firm Somekh Chaikin KMPG as the Company's auditors (replaced by the BDO firm), and the authorization of the Company's Board of Directors to determine their remuneration. For further details, see the meeting notice report published on November 28, 2024 (Reference No.: 2024-01-620382), which is included in this Report by way of reference.
- On January 24, 2025, the Company announced a change in the holdings of Mr. Gili Cohen, outside director of the Company, due to the sale of shares on the stock exchange. For details, see the immediate report dated January 24, 2025 (Reference No.: 2025-01-006567), the contents of which are included in this report by reference.
- On January 9, 2025, an employee of the Company's solar system cleaning contractor filed a claim against his employer (the panel cleaning company), the Company, and others for bodily injuries that he claims were caused to him, allegedly, in a work accident while he was working as a solar panel cleaner at one of the Group's facilities. As of the Report Date, the Group's insurance company appointed a law firm to handle the claim against the Company.
- On February 10, 2025, the Company allotted 18,130 options to employees. For details, see immediate report dated February 10, 2025 (Reference No.: 2025-01-009848).

- On February 20, 2025, Noy Fund (as defined in the Corporate Business Description Report attached to the 2024 Periodic Report) and Mr. Noam Fisher, the Company's former CFO, sold their entire holdings in the Company in an off-exchange transaction. For details, see immediate report dated February 20, 2025 (Reference No.: 2025-01-012040).
- On March 30, 2025, Mr. Noam Fisher terminated his position as the Company's Chief Financial Officer and Mr. Oren Ben Shimol was appointed as the Company's acting Chief Financial Officer. For details, see the immediate reports dated March 30, 2025 (Reference Nos.: 2025-01-022171, 2025-01-022174).
- On April 3, 2025, the Company published an immediate report regarding the change in the holdings of Mr. Ofer Yannay, Chairman of the Board of Directors and controlling shareholder, due to the sale of the Company's Bonds (Series B) outside the stock exchange. For details, see the immediate report dated April 3, 2025 (Reference No.: 2025-01-024637), which is included in this Report by way of reference.
- On June 5, 2025, the Company published an immediate report regarding the allocation and expiration of employee options in the Company. For details, see the immediate report dated June 5, 2025 (Reference No.: 2025-01-040668), which is included in this Report by way of reference.
- On June 22, 2025, the Company reported that it was in talks with Noy Fund regarding the possibility of Noy Fund investing in renewable energy activities in Israel. For details, see the immediate report dated June 22, 2025 (Reference No.: 2025-01-044008), the contents of which are cited in this report by reference.
- On June 25, 2025, the Company announced that Nadav Tenne and Shahar Gershon, who served as joint CEOs of the Company at the time, wished to terminate their positions with the Company, that the termination of their positions was expected to take effect on December 25, 2025, and that the Company had begun procedures to locate a CEO whose appointment was expected to be approved in the near future. For details, see the immediate report dated June 25, 2025 (Reference No.: 2025-01-045134), which is included in this Report by way of reference.
- On June 25, 2025, the Company published an immediate report regarding the sale of all of Mr. Nadav Tenne and Shahar Gershon's holdings in the Company. For details, see the immediate report dated June 25, 2025 (Reference No.: 2025-01-045581), the contents of which are cited in this Report by reference.
- On June 29, 2025, the Company published an immediate report regarding Menora Mivtachim Holdings Ltd. becoming an interested party in the Company. For details, see the immediate report dated June 29, 2025 (Reference No.: 2025-01-046290), the contents of which are cited in this Report by reference.

- On June 29, 2025, the Company announced that it had learned that a request for certification of a class action lawsuit had been filed with the District Court in the Central Lod District by the Applicant, who claims to be a shareholder in the Company, against the Company, its Chairman of the Board of Directors and the Joint CEOs (collectively: "the Respondents"), in connection with various claims against the Respondents in connection with breach of disclosure obligations under the Securities Law, breach of contract, negligence and breach of duty of care and duty of loyalty. For details, see the immediate report published by the Company on June 29, 2025 (Reference No.: 2025-01-046297), which is included in this Report by way of reference.
- On July 23, 2025, the Company announced: the appointment of Mr. Ami Landau as the Company's CEO, effective February 1, 2026 (or an earlier date, if his notice period with his previous employer is shortened), the termination of the term of office of Mr. Nadav Tenne and Shahar Gershon as joint CEOs (effective July 22, 2025), the termination of the term of office of Mr. Ofer Yannay as Chairman of the Company's Board of Directors and his appointment as Acting CEO of the Company, as well as the appointment of Mr. Tzvi Levin as Chairman of the Company's Board of Directors. For details, see the immediate reports dated July 22, 2025, which is included in this Report by way of reference.
- On July 24, 2025, the Company announced an engagement in a memorandum of understanding with Bank Leumi to refinance the activities of Nofar Israel, as detailed in Section 1.5.5 above.
- On July 25, 2025, the Company published a notice of a special general meeting of the Company's shareholders and a report of a material private placement, the agenda of which included approval of the terms of office of Mr. Ami Landau as the Company's CEO, including approval of the allocation of 109,766 restricted shares (RS). For details, see the meeting notice dated July 24, 2025 (Reference No.: 2025-01-055359), and the amendment to the notice dated August 25, 2025 (Reference No.: 2025-01-063476), which are included in this Report by way of reference.
- On July 29, 2025, Midroog Ltd. announced that it was maintaining the A3.il rating with a stable outlook for the Company and the Company's bonds. For details, see the immediate report published by the Company on July 29, 2025 of Midroog Ltd. (Reference No.: 2025-15-056303), which is included in this Report by way of reference.
- On July 30, 2025, the Company published a report on an immaterial private placement of 167,630 options to an officer in a subsidiary of the Company and a senior officer in the Company. For details, see the immediate report dated July 30, 2025, which is included in this Report by way of reference.

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

3.1. State of the Company's 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.

Tzvi Levin,
Chairman of the Board of Directors

Ofer Yannay,
Acting CEO and Director

Date: August 26, 2025



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

	Bonds (Series A) (Data in NIS thousands)
Issuance date	August 16, 2021; September 8, 2022; May 10, 2023 (*)
Scope of par value of bonds on the issue date	400,000; 717,005; 967,005 (*)
Balance of par value of bonds in circulation as of June 30, 2025 (NIS thousands)	290,869
Nominal value including linkage as of June 30, 2025	334,074
Amount of interested accrued	-
Is this a material series?	Yes
Fair value as included in the financial statements as of June 30, 2025	316,842
Stock Exchange value as of June 30, 2025	323,650
Stock market value near the Report Date (August 20, 2025)	326,878
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%.
Rating	A3.il with a stable outlook
Rating company	Midroog
Guarantee to secure the Company's obligations according to the trust deed	---

	Bonds (Series A) (Data in NIS thousands)
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	No
Limitations of the creation of pledges	The Company has committed not to create any new general floating charge over all of its assets and rights, current or future, in favor of any third party unless, simultaneously with the creation of the floating charge in favor of the third party, it also creates a floating charge in favor of the trustee on all of its assets, on a pari passu basis, according to the ratio of debts between the bonds and the third party.
Additional restrictions	The Company has committed to maintaining financial covenants of equity (as defined in the trust deed), which shall not be less than NIS 550 million, a ratio between solo equity and the net solo balance sheet (as these terms are defined in the trust deed), which shall not be less than 35%, and starting from December 2023, a ratio between consolidated net financial debt to EBITDA (as these terms are defined in the trust deed), which shall not exceed 15. The trust deed also includes conditions for the expansion of the bond series (as detailed in Section 2.4 of the trust deed), conditions regarding the issuance of additional bond series (as detailed in Section 2.9 of the trust deed), restrictions on distributions (as detailed in Section 4.6 of the trust deed), changes in the Company's control, and an interest rate adjustment mechanism (as detailed in Section 6.1 in the terms beyond the page in the first addendum to the trust deed). For more details, see Sections 2.4, 2.9, 4.5, 4.6 of the trust deed, and 6.1 in the terms on the overleaf in the first addendum to the trust deed, which was published in an immediate report on August 16, 2021 (Reference No. 2021-01-065944), which is incorporated herein by way of reference.

	Bonds (Series A) (Data in NIS thousands)
General meetings and reports on behalf of the Trustee	<p>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.</p> <p>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.</p>

- (*) It is noted that on January 15, 2025, the Company completed an exchange purchase offer of approximately NIS 379 million par value Bonds (Series A) in exchange for the issuance, through an expansion of a series, of approximately NIS 401 million Bonds (Series D), based on an exchange ratio of 1.059. For details, see the immediate report dated January 14, 2025 (Reference No.: 2025-01-003956), the contents of which are cited in this report by reference.

Bonds (Series B and C)

	Bonds (Series B)	Bonds (Series C)
Issuance date	July 20, 2023; February 12, 2025	July 20, 2023; February 14, 2024; February 12, 2025
Scope of par value of bonds on the issue date (NIS thousands)	407,550; 499,993	233,951; 558,951; 845,321
Balance of par value of bonds in circulation as of June 30, 2025 (NIS thousands)	499,993	803,055
Par value including linkage as of June 30, 2025 (NIS thousands)	499,993	803,055
Amount of interested accrued (NIS thousands)	-	-
Is this a material series?	Yes	Yes
Fair value as included in the financial statements (NIS thousands)	467,942	817,069
Stock Exchange value as of June 30, 2025 (NIS thousands)	434,041	849,472
Stock market value near the Report Date (August 20, 2025) (NIS thousands)	593,492	853,728
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	<p>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 June 30, 2025, is 4,343,988 shares.</p> <p>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).</p>	---

<p>Right to early redemption</p>	<p>The Company is not allowed to make an early repayment of the Bond on its own initiative.</p> <p>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.</p> <p>The Company is not allowed to make an early repayment of the Bond on its own initiative.</p>	<p>There is a right at the initiative of the stock exchange or the Company.</p> <p>In the event of 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.</p> <p>In the event of early redemption initiated by the Stock Exchange, the redemption</p>
---	---	--

		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.
Rating	A3.il with a stable outlook	A3.il with a stable outlook
Rating company	Midroog	Midroog
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.	
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.	

<p>Additional restrictions</p>	<p>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.</p> <p>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.</p>	
<p>General meetings and reports on behalf of the Trustee</p>	<p>---</p>	<p>---</p>



The Bonds (Series D)

	Bonds (Series D)
Issuance date	September 16, 2024; January 15, 2025
Scope of par value of bonds on the issue date (NIS thousands)	355,000; 756,289
Balance of par value of bonds in circulation as of June 30, 2025 (NIS thousands)	756,289
Par value including linkage as of June 30, 2025 (NIS thousands)	756,289
Amount of interested accrued (NIS thousands)	-
Is this a material series?	Yes
Fair value as included in the financial statements as of June 30, 2025 (NIS thousands)	773,046
Stock Exchange value as of June 30, 2025 (NIS thousands)	808,776
Stock market value near the Report Date (August 20, 2025) (NIS thousands)	818,986
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)
Right to early redemption	<p>There is a right at the initiative of the stock exchange or the Company.</p> <p>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.</p> <p>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.</p>
Rating	A3.il with a stable outlook
Rating company	Midroog
Guarantee to secure the Company's obligations according to the trust deed	---
Remaining scope of par value of Bonds purchased by a subsidiary of the Company	---

	Bonds (Series D)
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.
Limitations of the creation of pledges	The Company has committed not to create any new general floating charge over all of its assets and rights, current or future, in favor of any third party unless, simultaneously with the creation of the floating charge in favor of the third party, it also creates a floating charge in favor of the trustee on all of its assets, on a pari passu basis, according to the ratio of debts between the bonds and the third party.

	Bonds (Series D)
<p>Additional restrictions</p>	<p>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.</p> <p>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.</p>
<p>General meetings and reports on behalf of the Trustee</p>	<p>---</p>



O.Y. Nofar Energy Ltd.

**Condensed Consolidated
Interim Financial
Statements as of June
30, 2025
Unaudited**

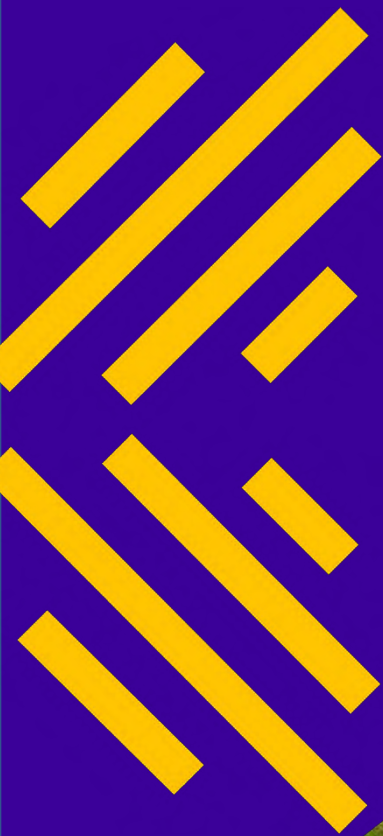


Table of Contents

3

Letter of consent for inclusion of the report by the Auditors of the Company given together with the publication of a periodic report

4

Review report of the auditor to the shareholders of O.Y Nofar Energy Ltd.

5-6

Condensed Consolidated Statements of Financial Position

7-8

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

9-13

Condensed Consolidated Statements of Changes in Equity

14-16

Condensed Consolidated Statements of Cash Flows

17-37

Notes to Condensed Consolidated Financial Statements

Somekh Chaikin
KPMG MILLENNIUM TOWER
17 Ha'arba'ah St., PO Box 609
Tel Aviv 6100601
03 684 8000



August 26, 2025

To
The Board of Directors of
O.Y. Nofar Energy Ltd. (the "**Company**")
1 HaTachana Street, Kfar Saba

To Whom It May Concern:

Re: Letter of consent in connection with a shelf prospectus of O.Y. Nofar Energy Ltd. dated May 2024

We hereby inform you that we agree to the inclusion of our reports (including by way of reference) detailed below in connection with the shelf prospectus from May 2024.

- A. Auditor's review report dated August 26, 2025 on the Company's condensed consolidated financial information as of June 30, 2025 and for the six-month and three-month periods ended on that date.
- B. A report by the auditor dated August 26, 2025, regarding the separate condensed financial information of the Company as of June 30, 2025, and periods of six and three months ended on the same date, in accordance with Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Somekh Chaikin
Accountants



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

Preface

We have reviewed the attached financial information of O.Y. Nofar Energy Ltd. and its subsidiaries (hereinafter: the "Group"), including the consolidated condensed statement of financial position as of June 30, 2025, as well as the consolidated condensed statements of profit and loss, comprehensive profit, changes to equity and cash flow for the periods of six 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.

The Company's financial information as of June 30, 2024 and for the six and three-month periods ended on that date was reviewed by previous auditors whose report thereon dated August 28, 2024 included an unqualified conclusion.

We did not review the financial information for the condensed interim periods of consolidated companies whose assets as included in the consolidation constitute approximately 3% of the total consolidated assets as of June 30, 2025, and whose income included in the consolidation constitutes approximately 8% of the total consolidated income for the periods of six and three months ended on the same date. Additionally, we did not review the condensed interim financial information of an investee company accounted for using the equity method, in which the investment is approximately NIS 122,615 thousand as of June 30, 2025, and the Group's share of its losses is approximately NIS 6,654 thousand and NIS 3,196 thousand, for the six and three-month period ended on that date, respectively. The condensed financial information for the interim periods of the same entities was reviewed by other accountants, whose review report was provided to us, and our conclusion, inasmuch as it relates to the financial information in respect of the same entities, is based on the review report prepared by the other accountants.

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.

Somekh Chaikin, Accountants, August 26, 2025

Condensed Consolidated Statements of Financial Position

	As of June 30		As of December 31
	2025	2024	2024
	Unaudited	Unaudited	Audited
NIS thousands			
Assets			
Current assets:			
Cash and cash equivalents	320,479	480,903	362,634
Deposits in bank corporations and others	67,545	1,819	47,498
Restricted use deposits	2,374	208,670	2,566
Customers	157,994	170,199	146,069
Financial assets	93	3,782	11,803
Accounts receivable	169,961	54,242	105,707
Inventory	14,112	37,534	25,128
Total current assets	732,558	957,149	701,405
Non-current assets:			
Investment in corporations accounted for using the equity method	1,066,428	1,048,953	1,018,961
Right of use asset	422,758	319,615	360,373
Fixed assets	4,625,365	3,554,077	3,888,407
Intangible assets	143,002	156,949	149,407
Restricted use deposits and cash	24,539	11,043	25,277
Financial assets	26,003	44,058	25,966
Deferred taxes	28,265	15,699	20,543
Other receivables	40,783	38,714	37,108
Deposits in bank corporations and others	7,872	54,718	307
Total non-current assets	6,385,015	5,243,826	5,526,349
Total assets	7,117,573	6,200,975	6,227,754

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

Condensed Consolidated Statements of Financial Position

	As of June 30		As of December 31
	2025	2024	2024
	Unaudited	Unaudited	Unaudited
	NIS thousands		
Liabilities and equity			
Current liabilities:			
Short-term loans and current maturities for long-term loans from banks	221,163	119,694	166,097
Current maturities of lease liabilities	30,661	21,973	23,405
Current maturities of bonds	125,026	157,232	137,294
Suppliers and service providers	157,341	55,793	100,722
Liability for deferred consideration in a business combination	88,745	4,068	-
Accounts payable	53,677	71,504	47,254
Financial derivatives	1,918	1,918	1,918
Total current liabilities	678,531	432,182	476,690
Non-current liabilities:			
Long-term loans from banks	1,062,642	864,173	808,239
Liabilities for leases	399,012	301,751	343,907
Loans from related parties	22,418	21,520	21,462
Deferred taxes	189,179	211,503	149,592
Bonds	1,781,931	1,216,020	1,539,557
Convertible bonds	467,942	371,808	375,317
Other liabilities	93,223	71,269	102,201
Total non-current liabilities	4,016,347	3,058,044	3,340,275
Capital:			
Capital attributed to shareholders of the Company			
Share capital and premium	1,716,256	1,716,256	1,716,256
Loss balance	(255,388)	(172,873)	(174,634)
Capital funds	169,232	218,015	86,711
Total capital attributed to the Company's shareholders	1,630,100	1,761,398	1,628,333
Non-controlling interests	792,595	949,351	782,456
Total capital	2,422,695	2,710,749	2,410,789
Total liabilities and equity	7,117,573	6,200,975	6,227,754

August 26, 2025

**Date of approval of the
Financial Statements
for publication**

**Zvi Levin
Chairman of the
Board**

**Ofer Yannay
Acting CEO**

**Oren Ben Shimol
Acting CFO**

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

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

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Revenue from sale of electricity and construction	162,377	166,314	104,078	100,856	313,207
Compensation for loss of income	-	-	-	-	930
Income from tax partner	3,254	1,289	1,620	650	6,038
Total income and profits	165,631	167,603	105,698	101,506	320,175
Setup and operating costs	140,670	133,774	80,145	66,497	264,467
Marketing and sale expenses	4,686	3,914	2,195	1,508	6,867
Management and general expenses	37,698	34,660	17,842	18,609	75,766
Other expenses	5,052	5,452	2,429	1,282	13,936
Total expenses	188,106	177,800	102,611	87,896	361,036
Other income	5,542	3,827	4,326	162	5,269
Operating profit (loss)	(16,933)	(6,370)	7,413	13,772	(35,592)
Financing expenses	88,636	61,261	57,084	30,839	104,567
Financing income	16,807	28,361	4,176	10,366	56,506
Net financing expenses	71,829	32,900	52,908	20,473	48,061
Loss after financing expenses	(88,762)	(39,270)	(45,495)	(6,701)	(83,653)
Company's share in the profits (losses) of companies accounted for using the equity method, net	(8,866)	4,195	4,657	10,805	18,137
Profit (loss) before taxes on income	(97,628)	(35,075)	(40,838)	4,104	(65,516)
Income tax expenses (benefits)	(5,157)	(2,680)	4,156	3,906	(18,998)
Profit (loss) for period	(92,471)	(32,395)	(44,994)	198	(46,518)
Profit (loss) for the period attributed to:					
Shareholders of the Company	(82,864)	(22,296)	(47,508)	(5,285)	(26,905)
Non-controlling interests	(9,607)	(10,099)	2,514	5,483	(19,613)
	(92,471)	(32,395)	(44,994)	198	(46,518)
Basic and diluted loss per share (in NIS) attributed to the owners of the Company	(2.33)	(0.63)	(1.34)	(0.15)	(0.76)

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

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

Other comprehensive profit (loss):

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Profit (loss) for period	(92,471)	(32,395)	(44,994)	198	(46,518)
<u>Amounts that will be classified or reclassified to profit or loss</u>					
Adjustments arising from translation of financial statements for foreign operations	114,632	22,291	(65,170)	38,040	(151,865)
Adjustments arising from cash flow hedging transactions	(8,821)	(463)	(3,065)	2,078	(20,673)
<u>Items not reclassified later to profit and loss:</u>					
The share in the revaluation of corporations accounted for using the equity method	242	2,352	-	1,242	2,852
Revaluation for fixed assets	433	391	-	(55)	391
Total other comprehensive income (loss)	106,486	24,571	(68,235)	41,305	(169,295)
Total comprehensive profit (loss) for the period	14,015	(7,824)	(113,229)	41,503	(215,813)
<u>Comprehensive profit (loss) for the period attributed to:</u>					
Shareholders of the Company	(7,656)	(8,061)	(101,575)	19,873	(143,812)
Non-controlling interests	21,671	237	(11,654)	21,630	(72,001)
	14,015	(7,824)	(113,229)	41,503	(215,813)

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

Condensed Consolidated Statements of Changes in Equity

For the six-month period ended on June 30, 2025 (unaudited)

	Capital attributed to shareholders of the Company										Non-controlling interests	Total capital
	Share capital and premium	Receipts on account of the conversion component of bonds	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for transactions with non-controlling rights	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company			
	NIS thousands											
Balance as of January 1, 2025 (audited)	1,716,256	25,452	118,352	(5,152)	(57,914)	19,237	(13,264)	(174,634)	1,628,333	782,456	2,410,789	
Loss for the period	-	-	-	-	-	-	-	(82,864)	(82,864)	(9,607)	(92,471)	
Other comprehensive profit for the period:	-	-	675	72,943	-	-	1,589	-	75,207	31,279	106,486	
Issue of convertible bonds for capital component	-	6,654	-	-	-	-	-	-	6,654	-	6,654	
Share-based payment	-	-	-	-	-	2,081	-	-	2,081	-	2,081	
Entry into consolidation	-	-	-	-	-	-	-	-	-	2,801	2,801	
Acquisition of non-controlling interests	-	-	-	-	689	-	-	-	689	(14,334)	(13,645)	
Transfer of revaluation capital fund for fixed assets to loss balance	-	-	(2,110)	-	-	-	-	2,110	-	-	-	
Balance as of June 30, 2025	1,716,256	32,106	116,917	67,791	(57,225)	21,318	(11,675)	(255,388)	1,630,100	792,595	2,422,695	

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

Condensed consolidated Statements of Changes in equity

For the six-month period ended on June 30, 2024 (unaudited)

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

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

Condensed Consolidated Statements of Changes in Equity

For the three-month period ended on June 30, 2025 (unaudited)

	Capital attributed to shareholders of the Company										
	Share capital and premium	Receipts on account of the conversion component of bonds	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for transactions with non-controlling rights	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company	Non-controlling interests	Total capital
	NIS thousands										
Balance as of April 1, 2025	1,716,256	32,106	117,875	120,409	(57,914)	20,551	(10,226)	(208,838)	1,730,219	815,783	2,546,002
Profit (loss) for period	-	-	-	-	-	-	-	(47,508)	(47,508)	2,514	(44,994)
Other comprehensive profit (loss) for the period	-	-	-	(52,618)	-	-	(1,449)	-	(54,067)	(14,169)	(68,236)
Share-based payment	-	-	-	-	-	767	-	-	767	-	767
Entry into consolidation	-	-	-	-	-	-	-	-	-	2,801	2,801
Acquisition of non-controlling interests	-	-	-	-	689	-	-	-	689	(14,334)	(13,645)
Transfer of revaluation capital fund for fixed assets to loss balance	-	-	(958)	-	-	-	-	958	-	-	-
Balance as of June 30, 2025	1,716,256	32,106	116,917	67,791	(57,225)	21,318	(11,675)	(255,388)	1,630,100	792,595	2,422,695

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

Condensed Consolidated Statements of Changes in Equity

For the three-month period ended on June 30, 2024 (unaudited)

	Capital attributed to shareholders of the Company (NIS thousands)										
	Share capital and premium	Receipts on account of the conversion component of bonds	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for transactions with non-controlling rights	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company	Non-controlling interests	Total capital
Balance as of April 1, 2024	1,716,256	25,452	120,909	92,371	(3,629)	15,735	(3,117)	(168,982)	1,794,995	927,721	2,722,716
Profit (loss) for period	-	-	-	-	-	-	-	(5,285)	(5,285)	5,483	198
Total profit for the period	-	-	1,187	22,578	-	-	1,393	-	25,158	16,147	41,305
Share-based payment	-	-	-	-	-	1,474	-	-	1,474	-	1,474
Transactions with the minority	-	-	-	-	(54,944)	-	-	-	(54,944)	-	(54,944)
Transfer of revaluation capital fund for fixed assets to loss balance	-	-	(1,394)	-	-	-	-	1,394	-	-	-
Balance as of June 30, 2024	1,716,256	25,452	120,702	114,949	(58,573)	17,209	(1,724)	(172,873)	1,761,398	949,351	2,710,749

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

Condensed Consolidated Statements of Changes in Equity

For a period of one year ended on December 31, 2024 (audited)

	Capital attributed to shareholders of the Company									Non-controlling interests	Total capital
	Share capital and premium	Receipts on account of the conversion component of bonds	Capital fund for revaluation of fixed assets	Adjustments arising from transaction of financial statements for foreign operations	Capital reserve for transactions with non-controlling rights	Capital reserve for share-based payment	Capital reserve from cash flow hedging transactions	Loss balance	Total capital attributed to shareholders of the Company		
	NIS thousands										
Balance as of January 1, 2024	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 year	-	-	-	-	-	-	-	(26,907)	(26,907)	(19,611)	(46,518)
Other comprehensive profit (loss) for the year	-	-	3,243	(110,694)	-	-	(9,455)	-	(116,906)	(52,389)	(169,295)
Portion of minority interests in the injection of capital to a consolidated partnership	-	-	-	-	-	-	-	-	-	6,140	6,140
Return of capital for non-controlling interests	-	-	-	-	-	-	-	-	-	(99,952)	(99,952)
Transaction with non-controlling rights	-	-	-	-	(54,285)	-	-	-	(54,285)	(846)	(55,131)
Share-based payment	-	-	-	-	-	4,424	-	-	4,424	-	4,424
Transfer of revaluation capital fund for fixed assets to loss balance	-	-	(5,627)	-	-	-	-	5,627	-	-	-
Balance as of December 31, 2024	1,716,256	25,452	118,352	(5,152)	(57,914)	19,237	(13,264)	(174,634)	1,628,333	782,456	2,410,789

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

Condensed Consolidated Statements of Cash Flows

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Cash flow from current operations:					
Profit (loss) for period	(92,471)	(32,395)	(44,994)	198	(46,518)
Expenses not involving cash flows (Appendix A)	142,411	67,093	83,185	26,976	139,782
Changes in working capital (Appendix B)	(115,219)	10,124	(70,870)	(32,718)	(50,015)
Net cash arising from (used for) current activities	(65,279)	44,822	(32,679)	(5,544)	43,249
Cash flows from investment activities:					
Investments in corporations accounted for using the equity method	(2,393)	(55,967)	-	-	(53,877)
Repayment of a loan from an associated company	7,465	14,673	7,465	14,673	21,049
Investment in other receivables	-	(432)	-	(432)	(432)
Repayment of deferred consideration	-	(835)	-	-	(4,903)
Exercise of financial assets	11,110	-	-	-	-
Obtaining control of consolidated companies (Appendix D)	1,656	(31,003)	5,871	(31,003)	(102,419)
Change in restricted use deposits	1,015	(212,116)	(8,553)	(2,127)	(21,329)
Exercise of deposits (deposit into deposits)	(17,600)	(8,793)	56,477	(18,604)	657
Investments in fixed assets	(492,366)	(421,332)	(216,369)	(324,603)	(903,868)
Net cash used for investing activity	(491,113)	(715,805)	(155,109)	(362,096)	(1,065,122)
Cash flows from financing activities:					
Short term credit from banks, net	35,367	33,147	20,244	12,366	98,147
Issue of bonds, net	397,602	333,247	-	-	684,881
Repayment of bonds	(72,636)	(64,642)	(72,636)	(64,642)	(130,251)
Repayment of lease liabilities	(20,481)	(10,871)	(12,093)	(5,312)	(26,038)
Portion of minority interests in the injection of capital to a consolidated partnership	-	-	-	-	6,140
Return of capital for non-controlling interests	-	-	-	-	(99,952)
Acquisition of non-controlling interests	(13,645)	-	(13,645)	-	(1,215)
Receipt of loan from affiliated party	-	11,407	-	11,407	11,524
Receipts from (payments to) tax partner	-	-	-	-	18,356
Receipt of long term loans from bank corporations and others	216,812	207,117	216,812	1,079	207,184
Payment of long term loans from bank corporations and others	(29,361)	(22,144)	(18,136)	(11,290)	(56,727)
Net cash deriving from (used in) financing activities	513,658	487,261	120,546	(56,392)	712,049
Decrease in cash and cash equivalents	(42,734)	(183,722)	(67,242)	(424,032)	(309,824)
Balance of cash and cash equivalents at beginning of period	362,634	661,388	386,249	903,087	661,388
Impact of changes in foreign exchange rates for cash and cash equivalents	579	3,237	1,472	1,848	11,070
Balance of cash and cash equivalents at end of period	320,479	480,903	320,479	480,903	362,634

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

Condensed Consolidated Statements of Cash Flows

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Appendix A: Adjustments required to present cash flows from current activities:					
Change in current tax	6,074	(7,077)	6,732	(6,252)	11,744
Depreciation and amortization	58,989	44,358	33,145	22,736	96,966
Net financing expenses	71,829	32,900	52,908	20,473	48,061
Company's share in the losses (profits) of companies accounted for based on the equity method, net	8,866	(4,195)	(4,657)	(10,805)	(18,137)
Impairment of Assets	1,916	-	-	-	2,762
Income for tax partner	(3,254)	(1,289)	(1,620)	(650)	(6,038)
Gain from revaluation of previous holdings of an associated company according to the transfer of control approach	(4,090)	-	(4,090)	-	
Share-based payment expenses	2,081	2,396	767	1,474	4,424
	142,411	67,093	83,185	26,976	139,782
Appendix B: Changes in working capital (changes in sections of assets and liabilities):					
Decrease in inventory	11,017	20,524	4,963	9,897	32,930
Decrease (increase) in customers	(35,137)	26,475	(22,318)	(19,955)	31,319
Decrease (increase) in receivables	(62,043)	4,490	(34,014)	7,711	(55,657)
Increase (decrease) in accounts payable	19,625	36,912	(11,268)	39,544	70,858
Increase (decrease) in suppliers and service providers	56,023	(17,360)	73,054	(23,257)	23,840
Change in deferred taxes	(11,231)	(9,169)	(2,576)	(1,805)	(29,267)
<u>Additional Information:</u>					
Income tax paid	(493)	-	(399)	-	(11,650)
Interest received in cash	2,962	7,802	1,445	5,542	15,296
Interest paid in cash	(95,942)	(59,550)	(79,757)	(50,395)	(127,684)
	(115,219)	10,124	(70,870)	(32,718)	(50,015)

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

Condensed Consolidated Statements of Cash Flows

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Appendix C: Substantial non-cash transactions					
Initial recognition of usufruct asset and lease liability	15,384	14,450	4,616	6,584	56,995
Classification of customers for investment in corporations accounted for using the equity method	32,814	30,446	-	22,445	39,598
Transaction with the minority in the subsidiary	689	54,944	689	54,944	54,944
Appendix D: Obtaining control of consolidated companies					
Working capital, net, excluding cash and cash equivalents	4,626	3,295	4,626	3,295	5,543
Long-term deposit	7,484	-	7,484	-	-
Goodwill	65	-	65	-	-
Advances on account of investments	-	(18,532)	-	(18,532)	(18,532)
Right of use asset	50,620		50,620	-	-
Fixed assets and intangible assets	166,695	46,240	161,152	46,240	115,408
Liability for deferred consideration	(87,613)	-	(87,613)	-	22,792
Short term and long term loans from bank corporations and others	(54,924)	-	(54,924)	-	-
Other long-term payables	(9,758)	-	-	-	-
Deferred taxes	(24,919)	-	(24,919)	-	-
Lease liability	(50,620)	-	(50,620)	-	(22,792)
	1,656	31,003	5,871	31,003	102,419

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

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

Note 1 - General:

- A. O.Y. Nofar Energy Ltd. (hereinafter: the “**Company**”) was incorporated on April 7, 2011, as a private company under the Companies Law. The Company is domiciled in Israel, and its registered office is located on Haodem Street in the Yitzhar Industrial Park, Ad Halom. The Company’s securities were listed for trade on the Tel Aviv Stock Exchange Ltd.

The Company is engaged, itself and through corporations held thereby (hereinafter: the “**Group**”), directly and indirectly, including in cooperation with third parties, in long-term development and investment activity of production systems of “clean” electricity from solar energy, systems for storing electricity in batteries in Israel, the USA and Europe, as well as in the construction (EPC), operation and maintenance (O&M) of photovoltaic systems in Israel, mainly for corporations held by it, including in collaboration with third parties. The Company’s activities are based on the creation of collaborations with local developers abroad, kibbutzim or real estate companies in Israel. As part of the cooperation, a joint corporation was established which is held by the Company and the partner in parts, as agreed.

In addition to Israel, the Company is also an EPC contractor and maintenance contractor for most of the projects (solar projects and battery storage project and charging stations), and which operates along the entire value chain of the construction of the systems, which gives the Company knowledge, experience and reputation, allowing the Company to supervise the planning, construction and maintenance of the projects and initiate projects that include the use of unique technologies (such as floating systems, storage facilities, etc.), which contributes to the advancement of the systems owned by the group companies in a relatively quick period of time and to the fact that these systems are designed and maintained in an optimal and efficient manner, in parallel to the developments of the development platforms and the Company’s project backlog.

Definitions in these Financial Statements:

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

B. Business Environment

For details regarding the Company’s business environment, see Note 1, Sections B-E, in the Company’s annual financial statements as of December 31, 2024.

C. "Iron Swords" War

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

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

Note 2 - Basis of Preparation of the Financial Statements:

A. Format of preparation of the interim financial statements

These Financial Statements were prepared in a condensed format as of June 30, 2025 and for periods of six and three months ended on that date (hereinafter: “**Interim Financial Statements**”). These reports should be read in conjunction with the Company’s annual financial statements as of December 31, 2024 and For the year ended on the same date and the accompanying notes (hereinafter: the “**Annual Financial Statements**”). In addition, these statements were prepared in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports) – 5730-1970.

The condensed consolidated interim financial statements were approved for publication by the Group’s Board of Directors on August 26, 2025.

B. Use of estimates and discretion:

In the preparation of the Condensed Consolidated Interim Financial Statements in accordance with IFRS, the Company’s management is required to use discretion in order to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. It should be clarified that actual results may differ from these estimates.

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

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

C. Exchange rates and linkage basis:

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

(3) Below are data on exchange rates and the index:

	June 30, 2025	June 30, 2024	December 31, 2024
Consumer price index (in points):			
Based on index for	110.73	107.2	108.4
Based on known index	110.4	107.1	108.7
US dollar (in NIS for 1 dollar)	3.372	3.759	3.647
Pound sterling (in NIS for 1 pound)	4.623	4.751	4.574
EUR (in NIS for 1 euro)	3.955	4.020	3.796

	For a period of six months ended on		For a period of three months ended on		For year ended on
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	Dec. 31, 2024
	%	%	%	%	%
Consumer price index:					
Based on index for	2.15	2.10	1.08	1.13	3.24
Based on known index	1.56	1.90	1.27	1.61	3.43
USD	(7.62)	3.64	(9.31)	2.12	0.55
Pound Sterling	2.04	2.80	(3.89)	2.08	(1.01)
Euro	5.05	0.21	(1.66)	1.03	(5.37)

Note 3 - Significant Accounting Policies:

Principles of preparing the Condensed Interim Financial Statements

The condensed interim financial statements comply with the provisions of International Accounting Standard 34 regarding financial reporting for interim periods. Additionally, the condensed interim financial statements also comply with the disclosure provisions under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. The condensed interim financial statements were prepared based on the same accounting policies and calculation methods applied in the Company's annual financial statements as of December 31, 2024.

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

Note 4 - Additional Information on Investments in Companies Accounted for Using the Equity Method:

Financial statement translation of balance sheet balances in foreign currency is performed according to the exchange rate on the reporting date. Income and expenses recorded in foreign currency during the period are converted into shekels at the average exchange rate for the period. Adjustments resulting from the translation of financial statements of foreign operations are recorded and presented within the comprehensive income (loss) section in the results of operations.

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

The following is additional information regarding the financial position and the aggregate results of operations of an associate held at a rate of 63.5% on a consolidated basis and 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 June 30		As of December 31
	2025	2024	2024
	(Unaudited)		(Audited)
NIS thousands			
Current assets	214,567	243,293	184,786
Non-current assets	1,241,890	899,155	1,076,075
Current liabilities	(294,343)	(202,434)	(253,678)
Non-current liabilities	(892,451)	(659,937)	(749,962)
Equity	(269,663)	(280,077)	(257,221)

2. Summary financial information on operating results

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	(Unaudited)		(Unaudited)		(Unaudited)
NIS thousands					
Income	58,690	30,250	37,407	19,748	80,115
Profit (loss) for the period	1,545	(13,872)	11,884	1,235	(8,899)
Comprehensive profit (loss) for the period	31,248	(18,924)	2,335	(487)	(48,217)

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

B. Ratesti Solar Plant SRL ("Ratesti"):

The following is additional information regarding the financial position and the aggregate results of operations of Ratesti, which is an associate held at a rate of 50% (without adjustment to the ownership rates held by the Company):

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

	As of June 30		As of December 31
	2025	2024	2024
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	12,396	32,101	55,632
Non-current assets	378,560	392,239	363,091
Current liabilities	(29,506)	(43,696)	(28,997)
Non-current liabilities	(289,513)	(322,472)	(306,404)
Equity	(71,937)	(58,172)	(83,322)

2. Summary financial information on operating results

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	(Unaudited)		(Unaudited)		(Unaudited)
	NIS thousands				
Income	15,456	31,223	12,032	19,301	97,371
Profit (loss) for the period	(13,291)	30,651	(6,382)	19,684	64,630
Comprehensive profit (loss) for the period	(8,339)	34,361	(13,914)	22,713	55,572

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

C. Joint corporations in Israel:

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

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

	As of June 30		As of December 31
	2025	2024	2024
	(Unaudited)		(Audited)
	NIS thousands		
Current assets	183,552	198,511	204,401
Non-current assets	1,347,805	1,534,115	1,514,387
Current liabilities	(148,115)	(258,228)	(248,405)
Non-current liabilities	(1,186,020)	(1,170,223)	(1,202,817)
Capital attributed to shareholders of the Company	(197,222)	(304,175)	(267,566)

2. Summary financial information on operating results

	For a period of six months ended on June 30		For a period of three months ended on June 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Income	114,296	113,596	56,429	68,652	253,625
Profit (loss) for period	(4,880)	2,294	3,089	7,893	(3,663)
Comprehensive profit (loss) for the period	(4,987)	4,646	2,740	9,135	(811)

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

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

1. [Entering into a project financing agreement for the Stendal project in Germany](#)

Further to Note 13(9) of the Company's annual financial statements as of December 31, 2024, on February 27, 2025, a wholly owned (indirect) subsidiary of the Company incorporated in Germany (the "**Project Company**") entered into a project financing agreement with a leading European bank in connection with financing in a total amount of approximately EUR 86.5 million, which will be used for the construction of the Stendal Project. Under the agreement, the Project Company was provided with long-term financing and VAT facilities in a total amount of approximately EUR 71 million, as well as a guarantee facility in the amount of approximately EUR 16 million, for a term until the end of seven years from the date of commercial operation. The financing will be provided in several drawdowns, subject to the fulfillment of certain conditions precedent, including, among others, the provision of the required equity, execution of an interest rate hedge for 70% of the loan amount, and submission of various documents as detailed in the agreement. The loan will bear interest at the Euribor rate plus a margin of between 2% and 2.1%. Interest payments will be made on a monthly basis during the construction period, and semi-annual payments following the commercial operation date. The loan principal will be repaid in unequal semi-annual installments, beginning on June 30, 2027, through the final maturity date set for September 2033 (the "**Final Maturity Date**"). In addition, the agreement includes a Cash Sweep mechanism for accelerating principal repayments. The financial covenants the Company is required to meet include an annual ADSCR and HDSCR higher than 1.05, and starting from the fifth year, an LLCR higher than 1.15. On June 30, 2025, there was a first withdrawal from the loan facility in the amount of EUR 5.4 million.

2. [Exchange purchase offer of Series A Bonds for Series D of the Company](#)

Further to Note 19 of the Company's financial statements as of December 31, 2024, on January 15, 2025, the Company completed an issuance by way of an exchange tender offer made to the holders of Series A bonds (the "**Exchanged Bonds**") in return for Series D bonds (the "**Exchange Bonds**"). A total par value of NIS 378,932,360 of Exchanged Bonds was exchanged for a total par value of NIS 401,289,369 of allocated Exchange Bonds. The total consideration for the purpose of calculating withholding tax on capital gains from the sale of the Exchanged Bonds was NIS 418,691,952, based on the product of the number of Exchange Bonds received by holders who accepted the exchange offer and the average price of the Exchange Bonds. The Exchange Bonds issued and allocated as part of the exchange offer in return for the Exchanged Bonds were issued without a discount. The accounting treatment of the exchange was treated as a material change in terms. As a result of the aforementioned exchange, the Company recorded a profit of approximately NIS 2 million.

3. [Private placement of Convertible Bonds \(Series B\) of the Company](#)

Further to Note 19 of the Company's financial statements as of December 31, 2024, on February 11, 2025, the Company completed a private placement to classified investors (hereinafter: the "**Offerees**"), of 92,443,000 Bonds (Series B) par value NIS 1 each of the Company (hereinafter: the "**Series B Bonds**" or the "**Bonds**"). The placement was executed by way of an expansion of the Company's existing Series B Bond series, which is listed for trading on the stock exchange. Following the completion of the placement, the total outstanding par value of Series B Bonds in circulation amounts to NIS 499,993,000. The total gross consideration that the Company received for the allocation amounts to NIS 98,452 thousand.

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

4. [Private placement of Bonds \(Series C\) of the Company](#)

Further to Note 19 of the Company's financial statements as of December 31, 2024, on February 11, 2025, the Company completed a private placement to classified investors (hereinafter: the "Offerees"), of 286,370,000 Bonds (Series C) par value NIS 1 each of the Company (hereinafter: the "Series C Bonds" or the "Bonds"). The placement was executed by way of an expansion of the Company's existing Series C Bond series, which is listed for trading on the stock exchange. Following the completion of the placement, the total outstanding par value of Series C Bonds in circulation amounts to NIS 845,321,000. The total gross consideration that the Company received for the allocation amounts to NIS 301,548 thousand.

5. [Sunprime's Award in the Capacity Availability Tender Process](#)

Further to Note 17(a)(2) of the Company's financial statements as of December 31, 2024, in the framework of the capacity availability tender conducted in February 2025 by the transmission system operator in Italy (TERNA), Sunprime was notified of the award of several projects. On March 20, 2025, Sunprime entered into Market Capacity Agreements in connection with its award in the tender for several storage projects with a total capacity of approximately 56 megawatts and a total energy capacity of approximately 112 megawatts. Under the Market Capacity Agreements, Sunprime is entitled to receive payments from the transmission system operator over a period of 15 years starting from January 2027, in an aggregate estimated amount of approximately EUR 15.45 million, spread over the availability period. It is clarified that the Market Capacity payments are in addition to the ongoing revenues expected to be generated by the storage projects under potential Tolling Agreements and/or electricity trading in the various market segments in Italy.

6. [Appointment of a Co-CEO and Conclusion of Office of Co-CEOs](#)

On March 9, 2025, Mr. Shahar Gershon was appointed as Co-Chief Executive Officer and VP of Business Development of the Company. On June 25, 2025, Mr. Tenne and Gershon announced that they wished to terminate their positions at the Company. For details regarding changes in the Company's senior management after the balance sheet date, see Note 8(2) below.

7. [Engagement in storage projects in Texas](#)

On March 14, 2025, a subsidiary held 90% indirectly by the Company, and 10% by a related party of the Company, completed a share purchase agreement, under which it acquired 100% of the rights in two energy storage facility projects ("Utility") in Texas, USA. Both projects have been granted preliminary approval for connection to the grid: (i) the Bracero Pecan Project, with a planned capacity of 230 MW and 460 MWh; and (ii) the Fairway Project, with a planned capacity of approximately 120 MW and 240 MWh. During April, in accordance with the terms of the agreement, Nofar Texas replaced an existing bank guarantee in the amount of USD 5.5 million, which serves as collateral for the network operator within the framework of the Bracero Pecan project. The total consideration in the agreement is approximately USD 10 million. As of the Report Date, Nofar Texas has made a first payment of approximately USD 1.15 million. Additional payments will be made based on milestones, primarily Final Notice to Proceed and Commercial Operation Date, and will be adjusted in accordance with changes in project capacity.

Nofar Texas' obligations under the agreement are backed by the Company's corporate guarantee. In August, after the Reporting Date, grid connection documents (Interconnection Studies) for the Fairway project were received and a Standard Generation Interconnection Agreement (SGIA) was signed. The project company provided the network operator with a performance guarantee of approximately USD 11.4 million.

The purchase of the shares was treated as an acquisition of assets because the companies do not meet the definition of a business. In accordance with the Company's accounting policy, the fair value of the contingent consideration is not measured, and if the conditions are met in the future, the consideration will be recorded at the time of payment.

8. [Petition for a class action against the Company and officers of the Company](#)

On June 29, 2025, the Company learned that a petition was filed with the District Court in the Central Lod District to approve a class action lawsuit by the applicant, who claims to be a shareholder in the Company (the "**Petitioner**"), against the Company, its Chairman of the Board of Directors and the Company's co-CEOs at the time (together: the "**Respondents**"). As part of the petition, the Petitioner raised various claims against the Respondents in connection with violation of disclosure obligations under the Securities Law, breach of contract, negligence, and breach of the duty of care and duty of loyalty. The Petition was filed on behalf of everyone who purchased shares of the Company on the stock exchange after February 20, 2025 and held them on June 25, 2025, except for the Respondents. The damage alleged in the Petition is approximately NIS 58.8 million.

The Company is studying the claims raised within the Petition with its legal counsel, and at this stage, it is not possible to assess its chances, including the chances that it will be certified as a class action.

9. [Options to employees and officers](#)

On June 5, 2025, the Company's Board of Directors decided on a non-material private allocation of 41,083 options exercisable for up to 41,083 common shares of the Company to ten employees, in accordance with the provisions of the Company's option plan. The options are exercisable on the following dates:

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

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

The value of the options granted to the employees is NIS 1.2 million. The life of the options is 6 years from the effective date. As of the date of approval of the financial statements, the options cannot yet be exercised.

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

Note 6 - Business Combinations During the Period

Acquisition of full rights in the Aspen Solar Group (hereinafter: "Aspen"):

On April 15, 2025, Nofar Energy Kfir LP (hereinafter: "Kfir"), a partnership fully held by the Company, engaged in and completed a transaction for the purchase of the partnership's rights in Aspen. The acquisition was made by purchasing all of the owner's holdings and loans, including holdings in the general partner of the Partnership. Within the transaction, the Company acquired 35% of the rights of the limited partners in the Kfir Partnership, and the issued and paid up share capital of a general partner. 49% of the issued share capital of Aspen Solar Ltd. After the completion of the aforementioned transaction, the Company became the sole owner (100%) of Kfir and Aspen indirectly. As of the Report Date, the scope of Aspen Group's connected solar projects in Israel stands at approximately 15.5 megawatts, including over 300 solar installations on rooftops in Israel.

Aspen's contribution to the Group's revenue and profit in the three-month period ended on June 30, 2025, amounted to NIS 13,205 thousand and NIS 2,427 thousand, respectively.

Management estimates that if the acquisition had been made on January 1, 2025, the amount of revenue in the Consolidated Statement of Profit and Loss for the six-month period ended June 30, 2025 would have been NIS 175,549 thousand and the consolidated loss for the same period would have been NIS 85,561 thousand. In determining the amounts, management assumed that the fair value adjustments as of the acquisition date were identical to the adjustments that would have been received if the acquisition had occurred on January 1, 2025.

The following is data regarding the consideration transferred according to its various components, the assets and liabilities recognized at the date of acquisition:

The total consideration for the transaction was determined in a loan in the amount of NIS 91,010 thousand, and will be paid on the final repayment date, December 31, 2025. The provision of a seller's loan by the seller to Kfir at the time of completion will be used, among other things, to repay existing loans, a mezzanine loan and an shareholder's loan to the seller in the amount of NIS 64,012 thousand at the time of the transaction. The profit recognized in the Statement of Profit and Loss in the Company's other income section from the fair value revaluation of previous holdings in the associated company amounted to NIS 4,090 thousand. Following the acquisition, goodwill was recognized in the amount of NIS 65 thousand. The value of the rights that do not confer control over the Partnership is measured according to their share in the fair value of the net assets multiplied by their holding rate. The total value of the minority interests as of the acquisition date amounted to NIS 2,801 thousand.

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

Identified assets and liabilities acquired (based on amounts as detailed below):

	Recognized value on the purchase date (*)
	(Unaudited)
	NIS thousands
Cash and cash equivalents	5,871
Customers	5,086
Accounts receivable	3,066
Fixed assets, net	161,152
Long term deposits	7,484
Right of use asset	50,620
Suppliers and service providers	(929)
Other accounts payable	(14,209)
Short-term loans and current maturities for long-term loans from banks	(54,924)
Deferred taxes	(24,919)
Liability for deferred consideration in a business combination	(87,613)
Lease liabilities	(50,620)

Determining the fair value

The allocation of share purchase cost (PPA) within obtaining control of the Partnership was performed by an external independent appraiser. The fair value of the fixed asset items is based on the value of activity including the cash flows expected from the projects owned by them, while using the discount rate of 9.8% (WACC) reflecting the weighted average cost of capital. The value of the remaining assets and liabilities corresponds to their balance in the books as of the purchase date.

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

Note 7 – Financial Instruments:

a. Fair value

All of the assets and liabilities measured at fair value or that can be disclosed for their fair value are divided into categories within the rating of the fair value, based on the lowest level of data that is significant to the measurement of the fair value generally:

Level 1: Quoted prices (without adjustments) in an active market for identical assets and liabilities.

Level 2: data that is not quoted prices included in level 1, which is observable, directly or indirectly.

Level 3: Data that is not based on observable market information.

Quoted value for disclosure only of the Company's bonds (Level 1) NIS thousands:

As of June 30, 2025		As of June 30, 2024		As of December 31, 2024	
Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
(Unaudited)				Audited	
2,374,899	2,381,707	1,745,060	1,753,209	2,052,168	2,150,649

Financial Criteria: As of the date of the financial statements, the Group meets the required standards.

b. Risk management policy:

The Company's activity expose it to various financial risks, such as: market risk, credit risk and liquidity risk. Risk management is performed by the Company's management. For additional information regarding risk management, see Note 32 of the Company's Annual Financial Statements as of December 31, 2024.

c. Financial instruments in fair value recognized in the Statement of Financial Position

1. **Composition:**

As of June 30, 2025 (unaudited)				
	Level 1	Level 2	Level 3	Total
NIS thousands				
Financial assets - fair value through profit and loss				
Derivatives used for hedging transactions (1)	-	93	-	93
Financial assets	-	-	11,123	11,123
Non-current financial assets - fair value through other comprehensive income				
Derivatives used for hedging transactions (2)	-	14,880	-	14,880
Current financial liabilities - fair value through profit and loss				
Options granted to shareholders in associated companies	-	-	(1,918)	(1,918)

(1) The Company has a euro put option for hedging purposes (not an accounting hedge) from a banking corporation in the amount of EUR 3 million. The transactions are for a period of up to one year.

(2) Derivatives used for hedging transactions of loans with variable interest. In order to reduce exposure, the consolidated corporations entered into hedging transactions whose net fair value as of June 30, 2025 is positive in the amount of NIS 14,880 thousand. The transaction is for a term of up to 14 years and includes the purchase of an IRS (Interest Rate Swap).

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

As of June 30, 2024 (unaudited)				
	Level 1	Level 2	Level 3	Total
NIS thousands				
Financial assets - fair value through profit and loss				
Derivatives used for hedging transactions	-	3,782	-	3,782
Financial assets	-	-	22,113	22,113
Non-current financial assets - fair value through other comprehensive income				
Derivatives used for hedging transactions	-	21,945	-	21,945
Current financial liabilities - fair value through profit and loss				
Options granted to shareholders in associated companies	-	-	(1,918)	(1,918)

As of December 31, 2024 (audited)				
	Level 1	Level 2	Level 3	Total
NIS thousands				
Financial assets - fair value through profit and loss				
Derivatives used for hedging transactions	-	495	-	495
Financial assets	-	-	22,431	22,431
Non-current financial assets - fair value through other comprehensive income				
Derivatives used for hedging transactions	-	14,843	-	14,843
Current financial liabilities - fair value through profit and loss				
Options granted to shareholders in associated companies	-	-	(1,918)	(1,918)

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

Note 7 - Information on Activity Sectors:

a. Description of activity sectors

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

Development of and investment in photovoltaic systems in Israel:

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

Initiating and investing in renewable energy in Europe:

Engaging in the initiation, financing, establishment, operation and holding of **renewable** energy projects in the solar field, electricity storage in batteries and wind in Poland, Romania, Germany, Spain, Italy, England, Greece, and Serbia.

The Company's activity in the field of activity is based on establishing or entering a development platform in a certain country or geographic region, with the aim that the platform will initiate, develop, build, finance, own and sell projects of the type stipulated in the agreement with the partner. With the establishment of the platform or the entry of the Company, the Company works to establish a local team (or enter into service agreements) which is responsible for carrying out the activities of the platform and creating value in the project.

Initiating and investing in renewable energy, other:

Engaging in the initiation, financing, establishment, operation and holding of **renewable** energy projects in the solar field, electricity storage in batteries in the united states.

This activity is not recognized as a reportable segment since it does not meet any of the quantitative criteria in 2024 and 2023.

Construction and operation of photovoltaic systems in Israel:

In the construction (EPC), and operation and maintenance (O&M) of photovoltaic systems, itself and through subcontractors. Within this field of activity, the Company is mainly engaged in the construction as well as the operation and maintenance of photovoltaic systems held by the Company in cooperation with third parties, through the joint project corporations, as part of the Company's activity in the field of development and investment, as well as in the construction and/or operation and maintenance of photovoltaic systems held in full by third parties. The construction activity segment does not include income from the construction of photovoltaic systems for the Company's own use.

The reports submitted to the Company's chief operational decision-maker, for the purpose of resource allocation and performance evaluation, reflect the Company's total revenues and its share of the revenues of the associates from electricity production, of all generating facilities held by the Company (directly and/or indirectly), by way of proportional consolidation, using the project EBITDA index, calculated as the aggregate total of the gross profit (revenues from electricity production minus operating and maintenance costs), neutralizing the depreciation of the systems, according to the amounts included in the financial statements of the project corporations.

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

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

b. Composition:

For the six-month period ended on June 30, 2025:

	Initiation and investment in photovoltaic systems in Israel	Initiating and investing in renewable energy in Europe		Initiation and other investment	Total initiating and investment	Construction and operation of photovoltaic systems in Israel	Adjustments to the financial statement	Total in financial report
		Initiation and investment Spain	Initiation and other investment					
NIS thousands								
(Unaudited)								
Income from external	72,794	72,331	50,637	9,403	205,165	4,496	(85,750)	123,911
Inter-sector income	-	-	-	-	-	51,608	(9,891)	41,717
Total revenue	72,794	72,331	50,637	9,403	205,165	56,104	(95,641)	165,628
Operating cost (without depreciation)	32,184	16,424	12,241	3,626	64,475	53,408	(34,983)	82,900
Segment results - EBITDA	40,610	55,907	38,396	5,777	140,690	2,696	(60,658)	82,728
<u>Expenses not allocated to sectors:</u>								
Depreciation and amortization								58,989
The Company's share of losses of companies accounted for using the equity method, net								8,866
Management and general expenses								36,476
Marketing and sale expenses								4,686
Other expenses								5,052
Other income								(5,542)
Net financing expenses								71,829
Loss before tax								(97,628)

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

For the six-month period ended on June 30, 2024:

	Initiation and investment in photovoltaic systems in Israel	Initiating and investing in renewable energy in Europe		Initiation and other investment	Total initiating and investment	Construction and operation of photovoltaic systems in Israel	Adjustments to the financial statement	Total in financial report
		Initiation and investment Spain	Initiation and other investment					
NIS thousands								
(Unaudited)								
Income from external	51,469	76,660	33,036	8,525	169,690	3,155	(71,991)	100,854
Inter-sector income	-	-	-	-	-	67,522	(773)	66,749
Total revenue	51,469	76,660	33,036	8,525	169,690	70,677	(72,764)	167,603
Operating cost (without depreciation)	22,422	13,028	3,766	2,918	42,134	70,243	(21,942)	90,435
Segment results - EBITDA	29,047	63,632	29,270	5,607	127,556	434	(50,822)	77,168
Expenses not allocated to sectors:								
Depreciation and amortization								44,358
The Company's share in the profits of companies handled based on the equity method, net								(4,195)
Management and general expenses								33,641
Marketing and sale expenses								3,914
Other expenses								5,452
Other income								(3,827)
Net financing expenses								32,900
Loss before tax								(35,075)

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

For the three-month period ended on June 30, 2025:

	Initiation and investment in photovoltaic systems in Israel	Initiating and investing in renewable energy in Europe		Initiation and other investment	Total initiating and investment	Construction and operation of photovoltaic systems in Israel	Adjustments to the financial statement	Total in financial report
		Initiation and investment Spain	Initiation and other investment					
NIS thousands								
(Unaudited)								
Income from external	46,551	49,229	34,445	5,518	135,743	2,810	(52,616)	85,937
Inter-sector income	-	-	-	-	-	25,438	(5,677)	19,761
Total revenue	46,551	49,229	34,445	5,518	135,743	28,248	(58,293)	105,698
Operating cost (without depreciation)	18,107	9,228	7,437	2,270	37,042	28,227	(17,623)	47,646
Segment results - EBITDA	28,444	40,001	27,008	3,248	98,701	21	(40,670)	58,052
Expenses not allocated to sectors:								
Depreciation and amortization								33,145
The Company's share in the profits of companies handled based on the equity method, net								(4,657)
Management and general expenses								17,196
Marketing and sale expenses								2,195
Other expenses								2,429
Other income								(4,326)
Net financing expenses								52,908
Loss before tax								(40,838)

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

For the three-month period ended on June 30, 2024:

	Initiation and investment in photovoltaic systems in Israel	Initiating and investing in renewable energy in Europe		Initiation and other investment	Total initiating and investment	Construction and operation of photovoltaic systems in Israel	Adjustments to the financial statement	Total in financial report
		Initiation and investment Spain	Initiation and other investment					
NIS thousands								
(Unaudited)								
Income from external	31,795	22,946	52,903	5,938	113,582	49	(46,691)	66,940
Inter-sector income	-	-	-	-	-	35,204	(639)	34,565
Total revenue	31,795	22,946	52,903	5,938	113,582	35,253	(47,330)	101,505
Operating cost (without depreciation)	13,007	1,880	9,203	1,757	25,847	32,084	(13,668)	44,263
Segment results - EBITDA	18,788	21,066	43,700	4,181	87,735	3,169	(33,662)	57,242
Expenses not allocated to sectors:								
Depreciation and amortization								22,736
The Company's share in the profits of companies handled based on the equity method, net								(10,805)
Management and general expenses								18,106
Marketing and sale expenses								1,508
Other expenses								1,282
Other income								(162)
Net financing expenses								20,473
Profit before tax								4,104

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

For the year ended on December 31, 2024:

	Initiation and investment in photovoltaic systems in Israel	Initiating and investing in renewable energy in Europe		Initiation and other investment	Total initiating and investment	Construction and operation of photovoltaic systems in Israel	Adjustments to the financial statement	Total in financial report
		Initiation and investment Spain	Initiation and other investment					
NIS thousands								
(Audited)								
Income from external	118,819	151,830	93,350	23,637	387,636	7,709	(178,675)	216,670
Inter-sector income	-	-	-	-	-	106,120	(2,615)	103,505
Total revenue	118,819	151,830	93,350	23,637	387,636	113,829	(181,290)	320,175
Operating cost (without depreciation)	55,237	32,419	10,070	5,194	102,920	120,282	(52,780)	170,422
Segment results - EBITDA	63,582	119,411	83,280	18,443	284,716	(6,453)	(128,510)	149,753
Expenses not allocated to sectors:								
Depreciation and amortization								96,966
The Company's share in the profits of companies handled based on the equity method, net								(18,137)
Management and general expenses								72,845
Marketing and sale expenses								6,867
Other expenses								13,936
Other income								(5,269)
Net financing expenses								48,061
Loss before tax								(65,516)

c. Seasonality:

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

Notes to the Condensed Consolidated Financial Statements as of June 30, 2025

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

1. [Options to officers of the Company and subsidiary](#)

On July 22, 2025, following the approval of the Remuneration Committee and the Company's Board of Directors, the Company reported an immaterial private placement of 167,630 options (non-tradable) exercisable for up to 167,630 ordinary shares of the Company, representing approximately 0.41% of the Company's fully diluted capital and voting rights.

The options will be allocated to two beneficiaries, including an officer in a subsidiary of the Company who was allocated 140,000 options and a senior officer in the Company who was allocated 27,630. An employer-employee relationship exists between the Offerees and the Company or the Subsidiary, as the case may be. The terms of the options will be identical to the terms of the options described in the outline published by the Company on April 25, 2024.

As amended on May 30, 2024 (the "**Outline**"), subject to the following change in relation to the first Offeree - the vesting period of the options allotted to the officer according to this Report will begin on the date the officer begins his employment in the subsidiary, on April 16, 2023, in lieu of the resolution date by the Board of Directors.

The remaining terms of the options, including the exercise price (NIS 99.6 per share), will be as specified in the Outline. The options will be granted without consideration, as part of the Company's employee stock option plan, as described in the Outline.

2. [Changes to the Company's senior management](#)

On July 22, 2025, the Company's Board of Directors decided to terminate the term of office of Mr. Nadav Tenne and Shahar Gershon as co-CEOs (effective July 22, 2025), appoint Mr. Ami Landau as CEO of the Company effective February 1, 2026, or an earlier date, if his notice period with his previous employer is shortened, terminate the term of office of Mr. Ofer Yannay as Chairman of the Company's Board of Directors and his appointment as acting CEO of the Company, and appoint Mr. Tzvi Levin as Chairman of the Company's Board of Directors.

In addition, the Company issued a notice of a special general meeting to be held on September 1, 2025, the agenda of which includes approval of the terms of office and employment of Mr. Ami Landau as the Company's CEO, including the allotment of 109,766 restricted shares, as detailed in the notice.

3. [Memorandum of understanding with Bank Leumi to refinance the activity of Nofar Israel](#)

On July 23, 2025, the Company entered into a Memorandum of Understanding with Bank Leumi regarding the provision of refinancing in a total amount of up to approximately NIS 2.4 billion (the "Credit Facility") for a portfolio of solar and storage projects in Israel held by the Company and approximately 115 project corporations with an estimated capacity of approximately 355 megawatts in commercial operation.

From the Credit Facility, an amount of up to NIS 2 billion will be allocated as a refinancing and capital extraction framework from income-producing assets ("Long-Term Facility"), which will be used to repay existing debt in the amount of approximately NIS 1 billion, and the balance for capital extraction for the Company and its partners in the project corporations in an estimated amount of up to NIS 500 million, as well as an amount of up to NIS 400 million will be allocated as a framework for improving existing assets ("Improvement Facility"), an amount of up to NIS 100 million will be allocated as a rolling bridging framework to finance the implementation of improvements to existing assets during their construction period ("Rolling Bridging Facility") and an amount of approximately NIS 100 million will be allocated as a debt service framework ("DSRF Facility," hereinafter collectively: the "Loan").

The Loan will be provided by the bank or a syndicate of financiers to a designated corporation owned and controlled by a third party, which will provide and manage the provision of loans to the Nofar Israel project corporations. A binding agreement between the parties has not yet been signed.

The Long-Term and Improvement Facilities will carry a base interest rate plus a margin of 1.6%-2.4%. The Bridging Facility will bear Prime interest + 0.8%-1.4% (rolling), the DSRF Facility will bear Prime interest + 2.5%-3.5%. The Long-Term Facility will be available for up to 18 months from the date of signing the Loan Agreement. The availability of the Improvement Facility will be up to 36 months from the signing date of the Agreement. Financial Covenants: Historical and Projected Minimum ADSCR and Minimum LLCR of 1.05.



O.Y. Nofar Energy Ltd.

Separate Interim Financial Information

As of June 30, 2025

Unaudited



Table of Contents

3

The auditor's special review report on separate interim financial information

4-5

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

6

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

7-8

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

9-10

Additional material information relating to the Company itself as a parent company as of June 30, 2025

Somekh Chaikin
KPMG MILLENNIUM TOWER
17 Ha'arba'ah St., PO Box 609
Tel Aviv 6100601
03-684-8000



To

Shareholders of O.Y. Nofar Energy Ltd.

Re: Special Report of the Auditors as to Separate Interim Financial Information under Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970

Preface

We have reviewed the separate interim financial information presented according to Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 of O.Y. Nofar Energy Ltd. (hereinafter: the "**Company**") as of June 30, 2025, and for a periods of six and three months then ended. The separate interim financial information the responsibility of the Company's board of directors and management. Our responsibility is to express a conclusion regarding the interim separate financial information for these interim periods based on our review.

The Company's separate interim financial information as of June 30, 2024 and for the six- and three-month periods ended on that date was reviewed by previous auditors whose report thereon dated August 28, 2024 included an unqualified conclusion.

We did not review the condensed financial information for the interim periods of investee companies accounted for using the equity method, in which investments amounted to approximately NIS 212,893 thousand as of June 30, 2025, and the Group's share of their results was approximately NIS 5,804 thousand and approximately NIS 2,346 thousand, for the six- and three-month periods ended on that date, respectively. The condensed financial information for the interim periods of the same entities was reviewed by other accountants, whose review report was provided to us, and our conclusion, inasmuch as it relates to the financial information in respect of the same entities, is based on the review report prepared by the other accountants.

Scope of the Review

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

Conclusion

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

Somekh Chaikin
Accountants

August 26, 2025

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

	As of June 30		As of December 31
	2025	2024	2024
	Unaudited	Unaudited	Audited
	NIS thousands		
Assets			
Current assets			
Cash and cash equivalents	151,381	305,292	203,932
Deposits in bank corporations and others	35,704	1,819	37,505
Customers	130,349	147,812	135,494
Accounts receivable	37,452	18,288	23,380
Inventory	14,112	37,534	25,128
Financial assets	93	3,782	11,803
Total current assets	369,091	514,527	437,242
Non-current assets:			
Balance for investee companies	3,792,985	2,944,357	3,257,455
Other receivables	1,234	1,301	1,234
Long-term restricted cash	5,619	1,298	6,624
Right of use asset	63,189	71,361	64,660
Fixed assets	126,506	124,535	128,062
Financial assets	11,123	22,113	11,123
Long term deposits	279	38,008	307
Deferred taxes	-	-	2,010
Total non-current assets	4,000,935	3,202,973	3,471,475
Total assets	4,370,026	3,717,500	3,908,717

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

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

	As of June 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
Liabilities and equity			
Current liabilities:			
Short-term loans and current maturities for long-term loans from banks	140,648	33,823	105,259
Current maturities of lease liabilities	7,496	8,312	7,923
Suppliers and service providers	24,876	21,970	28,450
Accounts payable	7,966	21,895	12,077
Financial derivatives	1,918	1,918	1,918
Current maturities of bonds	125,026	157,232	137,294
Total current liabilities	307,930	245,150	292,921
Non-current liabilities:			
Long-term loans from banks	115,630	16,208	15,925
Liabilities for leases	55,018	62,358	55,936
Bonds	1,781,931	1,216,020	1,539,557
Convertible bonds	467,942	371,808	375,317
Deferred taxes	10,736	43,831	-
Other liabilities	739	727	728
Total non-current liabilities	2,431,996	1,710,952	1,987,463
Capital attributed to the Company itself as a parent company:			
Share capital and premium	1,716,256	1,716,256	1,716,256
Loss balance	(255,388)	(172,873)	(174,634)
Capital reserves	169,232	218,015	86,711
Total capital attributed to the Company itself as a parent company	1,630,100	1,761,398	1,628,333
Total liabilities and equity	4,370,026	3,717,500	3,908,717

August 26, 2025

**Date of approval of the
Financial Statements
for publication**

**Tzvi Levin
Chairman of the
Board**

**Ofer Yannay
Acting CEO**

**Oren Ben Shimol
Acting CFO**

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

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

	For a six-month period ended on June 30		For a three-month period ended on June 30		For year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
NIS thousands					
Income	64,520	80,009	33,604	40,314	138,117
Setup and operating costs	64,873	78,794	32,578	36,088	139,932
Marketing and sale expenses	4,627	3,520	2,186	1,333	6,255
Management and general expenses	18,434	15,357	8,493	7,436	30,912
Other expenses	128	2,500	87	-	2,767
Total expenses	88,062	100,171	43,344	44,857	179,866
Other income	5,287	-	4,090	-	-
Operating loss	(18,255)	(20,162)	(5,650)	(4,543)	(41,749)
Financing expenses	141,524	55,194	111,471	32,402	230,698
Financing income	193,793	67,583	40,743	43,442	186,530
Net financing expenses (income)	(52,269)	(12,389)	70,728	(11,040)	44,168
Profit (loss) after financing expenses	34,014	(7,773)	(76,378)	6,497	(85,917)
The Company's share in the profits (losses) of investee companies, net	(117,902)	(17,212)	31,600	(14,086)	46,932
Loss before income tax	(83,888)	(24,985)	(44,778)	(7,589)	(38,985)
Income tax expenses (benefit)	(1,024)	(2,689)	2,730	(2,304)	(12,080)
Loss for the period	(82,864)	(22,296)	(47,508)	(5,285)	(26,905)
Other comprehensive profit (loss) (after tax impact):					
Amounts that will be classified or reclassified to profit or loss:					
Adjustments arising from translation of financial statements for foreign operations	72,943	9,407	(52,618)	22,578	(110,694)
Adjustments arising from hedging transactions	1,589	2,085	(1,449)	1,393	(9,455)
Items not reclassified later to profit and loss:					
Part of other comprehensive income of corporations accounted for using the equity method	242	2,352	-	1,242	2,852
Revaluation for fixed assets	433	391	-	(55)	391
	675	2,743	-	1,187	3,243
Total other comprehensive income (loss)	75,207	14,235	(54,067)	25,158	(116,906)
Total comprehensive profit (loss) for the period	(7,657)	(8,061)	(101,575)	19,873	(143,811)

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

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

	For a six-month period ended on June 30		For a three-month period ended on June 30		For year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
Cash flow from current operations:	NIS thousands				
Loss for the period	(82,864)	(22,296)	(47,508)	(5,285)	(26,905)
Appendix A - Expenses not involving cash flows (Appendix A)	69,925	12,982	39,006	7,403	13,568
Appendix B - Changes in working capital (Appendix B)	(117,000)	9,704	(96,019)	(47,663)	(15,907)
Net cash deriving from (used in) continuing activities	(129,939)	390	(104,521)	(45,545)	(29,244)
Cash flows from investment activities:					
Investments in corporations accounted for using the equity method	6,754	10,156	8,332	13,171	19,704
Investment in subsidiaries	(400,680)	(409,404)	(98,235)	(327,342)	(941,515)
Investment return from a subsidiary	-	-	-	-	110,473
Exercise of financial assets	11,110	-	-	-	-
Investment in other receivables	-	(432)	-	(432)	(432)
Decrease (increase) in restricted use deposits	1,005	(5)	(59)	(2)	(5,331)
Change in deposits	4,356	7,917	43,738	(1,894)	8,444
Investments in fixed assets	(1,505)	(2,641)	(522)	(1,144)	(11,226)
Net cash used for investing activity	(378,960)	(394,409)	(46,746)	(317,643)	(819,883)
Cash flows from financing activities:					
Short term credit from banks, net	35,367	33,147	20,244	12,366	98,147
Repayment of bonds	(72,636)	(64,642)	(72,636)	(64,642)	(130,251)
Issue of bonds, net	397,602	333,247	-	-	684,881
Repayment of lease liabilities	(4,291)	(4,690)	(2,275)	(2,423)	(9,538)
Receipt of long term loans from bank corporations	100,000	-	100,000	-	-
Repayment of long term loans from bank corporations	(273)	(253)	(138)	(128)	(515)
Net cash arising from financing activities	455,769	296,809	45,195	(54,827)	642,724
Decrease in cash and cash equivalents	(53,130)	(97,210)	(106,072)	(418,015)	(206,403)
Balance of cash and cash equivalents at beginning of year	203,932	399,265	255,981	721,459	399,265
Impact of changes in foreign exchange rates for cash and cash equivalents	579	3,237	1,472	1,848	11,070
Balance of cash and cash equivalents at end of period	151,381	305,292	151,381	305,292	203,932

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

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

	For a six-month period ended on June 30		For a three-month period ended June 30		For year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Appendix A - Expenses not involving cash flows					
Depreciation and amortization	6,301	5,763	3,201	2,882	11,908
Net financing expenses (income)	(52,269)	(12,389)	70,728	(11,040)	44,168
Company's share in the losses (profits) of companies accounted for based on the equity method, net	117,902	17,212	(31,600)	14,086	(46,932)
Gain from revaluation of previous holdings by the controlling shareholder of an associated company	(4,090)	-	(4,090)	-	
Share-based payment expenses	2,081	2,396	767	1,475	4,424
	69,925	12,982	39,006	7,403	13,568
Appendix B - Changes in working capital					
Decrease in inventory	11,016	20,524	4,963	9,897	32,930
Decrease (increase) in customers	(32,547)	27,045	(20,766)	(14,953)	21,304
Decrease (increase) in receivables	(16,671)	(4,426)	(10,323)	3,499	5,726
Increase (decrease) in accounts payable	(4,124)	4,510	(7,685)	(5,234)	4,173
Increase (decrease) in suppliers and service providers	(4,214)	(5,669)	4,592	(7,116)	(1,676)
Change in deferred taxes	(1,024)	(2,688)	2,730	(2,304)	(12,024)
<u>Additional Information:</u>					
Interest received in cash	2,962	7,802	1,445	5,542	15,296
Interest paid in cash	(72,398)	(37,394)	(70,975)	(36,994)	(81,636)
	(117,000)	9,704	(96,019)	(47,663)	(15,907)
Appendix C - Substantial non-cash transactions					
Initial recognition of right of use asset and lease liability	646	5,969	-	539	2,025
Classification of customers for investment in corporations accounted for using the equity method	32,814	30,446	-	22,445	50,881

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

Additional material information relating to the Company itself as a parent company as of June 30, 2025

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 and the Tenth Schedule 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, 2024 and the additional material information attached to it, as well as with the Company's condensed consolidated interim financial statements as of June 30, 2025.

The accounting policy applied in the separate financial information is the same as the accounting policy detailed in Note 2 to the Company's consolidated financial statements as of December 31, 2024, subject to the above in this section and the contents of Note 1.2 below.

1.2. The handling of inter-company transactions:

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

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

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

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

1.3. Material events in the Report Period and thereafter:

Regarding the Company's bonds and convertible bonds, see Note 5(2-4) to the Company's interim condensed consolidated financial statements as of June 30, 2025.

Additional material information relating to the Company itself as a parent company as of June 30, 2025

Note 2 - Transactions and material balances with investee companies:

1. Balances of interested parties and affiliates

	As of June 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
Customers and income receivable	113,279	127,622	118,893
Accounts receivable	11,201	1,741	7,098
Investments and loans in related corporations	3,792,985	2,944,357	3,257,455

2. Transactions with interested parties and affiliates

	For a six-month period ended on June 30		For a three-month period ended on June 30		For year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Income	51,608	70,297	25,501	36,821	111,469
Financing income (expenses)	119,980	51,451	(26,497)	37,457	22,986

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. Ofer Yannay, Acting CEO and Director;
2. Oren Ben Shimol, Acting 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, and which is intended to provide reasonable certainty with respect to the reliability of the financial reporting and the preparation of the reports in accordance with the provisions of the law, and to ensure that information that the Corporation is required to disclose in reports that it published under the provisions of the law is collected, processed, summarized and reported on the date and in the form set forth by law.

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

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

In the annual report regarding effectiveness of the internal control of financial reporting and disclosure that is attached to the periodic report for a period ending on December 31, 2024 (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, 2024, 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, Ofer Yannay, declare that:

(1) I have examined the quarterly report of O.Y. Nofar Energy Ltd. (hereinafter: the "**Corporation**") for the second quarter of 2025 (hereinafter: the "**Reports**");

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

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

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

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

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

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

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

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

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

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

August 26, 2025

Ofer Yannay, Acting CEO
and Director



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

I, Oren Ben Shimol, declare that:

(1) I have examined the interim financial statements and the other financial information included in the reports for the interim period of O.Y. Nofar Energy Ltd. (hereinafter: the "**Corporation**") for the second quarter of 2025 (hereinafter: the "**Reports**");

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

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

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

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

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

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

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

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

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

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

August 26, 2025

Oren Ben Shimol, Acting CFO

