Board of Directors' Report

on the State of Affairs of Econergy Renewable Energy Ltd.
As of June 30, 2024

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Powering Renewables.

Board Report
On the Status of Econergy Renewable Energy Ltd.
As of June 30, 2024

The Board of Directors of Econergy Renewable Energy Ltd. (hereinafter: the **"Company**") is pleased to submit the report of the Board of Directors of the Company as of June 30, 2024, in accordance with the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (hereinafter: the **"Reports Regulations**").

Part A | The Board of Directors' explanations of the Company's business situation

1. General - The Company's Activities and Significant Events During and Subsequent to the Reporting Period

The Company was incorporated and registered in Israel on February 9, 2021 as a private company limited by shares, in accordance with the Companies Law, 1999 (hereinafter - the "**Companies Law**"). The Company was established for the purpose of raising capital from the public in Israel through the issuance of Company shares on the Tel Aviv Stock Exchange (hereinafter - "**TASE**"), and it operates itself and through corporations under its control (hereinafter - "**Group**"), in the field of renewable energy in Europe.

On July 7, 2021, the Company published a supplementary prospectus and a shelf prospectus (dated July 8, 2021, Ref: 2021-01-049951), and on July 9, 2021, the Company published a supplementary notice (Ref: 2021-01-050950) (hereinafter collectively - the "**Prospectus**"). The Company's shares are traded on the Tel Aviv Stock Exchange Ltd. (hereinafter - "**TASE**") since July 13, 2021 under the symbol ECNR.

1.1 Areas of Activity

The Company has six business activity segments divided by geographical location, which are described as areas of activity in the Description of the Corporation's Business, as follows:

1.1.1. **Area of activity - Italy;**
1.1.2. **Area of activity - England;**
1.1.3. **Area of activity - Romania;**
1.1.4. **Area of activity - Poland;**
1.1.5. **Area of activity - Spain;**
1.1.6. **Area of activity – Greece.**

1.2 Holding Structure

For details regarding the holdings structure of the Company, see Section 1.3.5 in Chapter A – Corporate Business Description attached to the Annual Report for 2023, as published on March 28, 2024 (Reference No: 2024-01-027754) (hereinafter - the "**Annual Report for 2023**").

1.3 Business Environment

For a detailed description of the Company's business environment, see Sections 1.7, 1.8.1, 1.9.1, 1.10.1, 1.11.1, and 1.12.1 in Chapter A – Corporate Business Description, attached to the Annual Report for 2023, and also Section 1.5 below.

1.4 Significant Events During the Report Period and Up to the Date of Publication of the Report - Project Development Status and Business Outcome Forecast

1.4.1 Significant Events During the Report Period and Up to the Date of Publication of the Report

A. Parau Project Connection

On April 14, 2024, the Parau project was connected to the electricity network, and the gradual flow of electricity to the network began. For more details regarding the project connection, see the Company's immediate report from April 15, 2024 (Reference No: 2024-01-042753), fully included in this report by reference.

B. Binding Agreement with Phoenix Insurance Company Ltd. regarding collaboration, investment, and provision of funding for the Company's projects in Romania and Poland, with a total scope of approximately EUR 150 million, and the receipt of funding under this agreement on January 4, 2023 (in this section: "**Closing Date**") signed by Econergy England, on collaboration agreements, convertible loan agreements, fixed loan agreements, and a shareholders' agreement with Phoenix Insurance Company Ltd. and entities related to it (hereinafter collectively: "**Phoenix**") regarding entering into collaboration and providing loans by Phoenix for financing part of the setup costs of photovoltaic projects of the Company in Romania and Poland (in this section: the "**Projects**") with a total scope of approximately EUR 150 million (in this section - the **"Agreements**" and "**Loans**", respectively).

For details regarding the terms of the Agreements and the Loans, see Section 1.20.8 of Chapter A of the Annual Report for 2023, and also immediate reports from January 5, 2023, and May 16, 2023 (Reference No: 2023-01-002413 and 2023-01-044518, respectively), fully included in this report by reference.

According to the Agreements, on May 15, 2024, the Company completed the signing, through Econergy England and other companies held by the Company, of the following binding Agreements:

1. Binding Agreement with Phoenix regarding the provision of funding for the Scurtu Mare project of the Company in Romania, which is in the status of a project under construction, with a total scope of approximately EUR 39.8 million, according to the investment principles detailed in the previous report concerning the collaboration agreement, convertible and fixed loan agreements, and a shareholders' agreement with Phoenix. The funding will be provided as needed for the development of the project, after meeting accepted conditions for such loans, including the completion of securities registration and the like. Below are details regarding the funding of the Scurtu Mare Project – Phoenix's financing (66.67% of the project's financing) – approximately EUR 32.4 million, which includes:
    - Convertible loan (49% of the project's financing): approximately EUR 23.8 million.
    - Fixed loan (17.67% of the project's financing): approximately EUR 8.6 million.
    - The first payment in the amount of approximately 7.5 million euros was received by the Company on May 22, 2024.
    - On July 15 2024, an additional payment of approximately 20.4 million euros was received.
2. Binding agreement with Phoenix regarding the entry of funding for the Company's Bobicesti project in Romania, which is in the status of a project under construction, totaling about 18.5 million euros, in accordance with the investment principles specified in the previous report in relation to a cooperation agreement, convertible loan agreements and a fixed loan, and a shareholder agreement with Phoenix. The funding will be provided as needed for the development of the project, after meeting accepted conditions for such loans, including the completion of securities registration and the like. Below are details regarding the funding of the Bobicesti project – Phoenix's financing (66.67% of the project's financing) – approximately EUR 12.4 million, which includes:
    - A convertible loan (49% of the project financing): approx. EUR 9.1 million.
    - A fixed loan (17.67 % of the project financing): approx. EUR 3.3 million.
    - The Company received the first payment from the funding in the amount of approximately EUR 7.6 million on May 22, 2024.
3. Binding agreement with Phoenix regarding the entry of financing for the company's Melinesti project in Romania, which is in the status of a project under construction, totaling about 26.5 million euros, in accordance with the investment principles specified in the previous report in relation to a cooperation agreement, convertible loan and fixed loan agreements, and a shareholder agreement with Phoenix. The financing will be provided from time to time in accordance with the needs of the project development, after the fulfillment of acceptable conditions for loans of this type, including the completion of the registration of collateral, etc. Below are details regarding the financing of the

Melinesti project – funding of the Phoenix (66.67% of the project funding) – approximately 17.6 million euros, which includes:

- Convertible loan (49% of the project's financing): approximately EUR 13 million.
- Fixed loan (17.67% of the project's financing): approximately EUR 4.6 million.
- The first payment of approximately 12.6 million euros was received on August 6, 2024.

The Company's assessments regarding its expected revenue from the agreements and the projects are forward-looking information, as this term is defined in the Securities Law, 1968, the realization of which is uncertain and not under the sole control of the Company. The above assessments are based, among other things, on the Company's plans and estimates, and may not materialize due to factors beyond the Company's control, as well as due to the materialization of any of the risk factors described in Section 1.29 of Chapter A of the Annual Report for 2023.

C. On March 4, 2024, the Company purchased the Dalmarnock Project—a storage project in Scotland with a capacity of 40 megawatts, at a total cost of approximately EUR 5 million, which was paid in full on the day of purchase.

D. <u>Granting of Options to Employees</u>

In accordance with the decision of the Company's Board of Directors dated March 27, 2023, on March 28, 2023 the Company published an outline and report of a private allocation to employees, for the allocation of 144,500 options convertible into 144,500 ordinary Company shares, to 8 of the Company's employees, as well as 735,000 options convertible into 735,000 ordinary Company shares to Altschuler Benefits Ltd. (the "**Trustee**") which will be used as a pool for future granting of options to employees. On May 14, 2023, the allocation of such warrants (the "**Options Database**") was completed. For more details, see Immediate Reports from March 28, 2023, May 7, 2023 and May 14, 2023 (Reference No.: 2023-01-029845, 2023-01-048603 and 2023-01-051291).

On March 20, 2024, the Company's Board of Directors approved the granting of 30,500 additional options to 5 offerees from the Company's option pool for Company employees, with an exercise price set at NIS 15.92.

On May 29, 2024, the Company's Board of Directors approved the grant of 183,000 option writs, to 13 beneficiaries, from the employee option pool of the Company, and the exercise price for them was set at NIS 15.25.

On August 27, 2024, the Company's Board of Directors approved the granting of 193,500 warrants to 13 offerees, out of the Company's employee stock options and the exercise price for them was set at NIS 13.86.

E. Binding Agreement with Rivage Investment Funds for Providing a Loan to the Subsidiary in England for the Development and Acquisition of the Company's Projects in Europe and Britain with a Total Scope of Up to EUR 150 million

On February 7, 2024, Econergy England signed a binding agreement with the Rivage Investment[1] ("**Rivage**") funds, for the provision of a loan to Econergy England for the development, construction and acquisition of the Company's projects in Europe and the UK (mainly in Italy, England and Romania) in a total amount of approx. EUR 150 million (in this section - the "**Loan**", and the "**Loan Agreement**", respectively).

The loan amount is expected to be used by Econergy England to continue the development and construction of the Company's pipeline of projects in the target markets in the short term, according to the Company's investment plan detailed in Section 1.4.3 below. According to the Loan Agreement, the loan will be made available in two tranches:

EUR 100 million to be provided starting from the financial closing date of the Loan Agreement for a period of up to 24 months, under the pre-determined drawdown conditions detailed in the Loan Agreement, according to the development and establishment needs of projects and/or the acquisition of projects in Europe and Britain presented by Econergy England to the lenders, according to the provisions of the Loan Agreement (the **"First Tranche**");

An additional EUR 50 million, after the fulfillment of conditions detailed in the Loan Agreement (the **"Second Tranche**").

On February 27, 2024, EUR 25 million was received as part of the first payment and at the end of April an additional EUR 15.4 million was received. An additional payment of €20.2 million was received on July 31, 2024. The remainder of the loan is expected to be received by the end of Q1-2025, according to certain ratios required for the drawdown.

For details regarding the terms of the loan and loan agreement, including the terms of the second framework, repayment dates, interest, financial covenants and the company's compliance with them, collateral, grounds for immediate repayment, and additional limitations and main provisions, see section 8 below, as well as immediate reporting of the company from February 8, 2024 (reference number: 2024-01-014511), presented in this report in full by way of reference.

F. Engagement in a Binding Agreement for the Acquisition of UBS Holdings in Econergy Archmore by Econergy England

On February 7, 2024, a binding agreement was signed between companies owned by UBS and Econergy England, according to which Econergy England will acquire all of UBS's holdings in Econergy Archmore in consideration for a total of approx.

[1] Rivage Private Debt Fund – Fund for Infrastructure Climate Solutions (Rivage PD- FIC; Rivage Euro Debt Infrastructure High Return

EUR 8 million, so that after the transaction is completed, Econergy England will hold 90% of the shares of Econergy Archmore.

According to accounting rules, upon gaining control the Company is required to present the profit, if any, from the difference between the market value reflected from the consideration for gaining control and the value of the holding at the date of the transaction.

As a result of the foregoing, the Company recorded, during the first quarter of 2024, a profit of approximately37 million euros which is presented in the financial statements under a profit from the realization of initiation.

For further details, see Section 1.8.2.2 in Chapter A of the Annual Report for 2023, and also the immediate report from February 8, 2024 (Reference No: 2024-01-014517), fully included in this report by reference.

G. <u>Engagement in a Binding Agreement for the Acquisition of Limited Partner Holdings in Econergy Development 1</u>

On February 8, 2024, and March 18, 2024, binding agreements were signed between the Company, Econergy Management Italy Ltd. (a subsidiary), and the remaining limited partners, whereby the Company purchased all the limited partner holdings in Econergy Development 1, a partnership held by the Company at 85.7%, in exchange for approximately EUR 4 million, after which the Company will hold 100% of all rights in Econergy Development 1.

For further details, see Section 1.8.2.2 in Chapter A of the Annual Report for 2023, fully included in this report by reference.

H. <u>Sale of the Company's holdings in the Niculesti project in Romania and other assets held for sale</u>

In light of the fact that the Company has significant project development activity in Romania with an accumulation of projects of over 2.2 gigawatts and the Company's assessment of its ability to establish projects in Romania according to the company's work plan, the Company's management began advanced negotiations for the sale of two projects at a stage towards a cumulative scope of 289 megawatts. The Company expects that the sale price of the various projects will range from 120-145 thousand euros per megawatt, compared to a significantly lower development cost of about 15,000 euros per megawatt. The Company is expected to record revenue from realization initiated accordingly, and expects that the transactions will close by the end of 2024.

Instead, on June 13, 2024, Econergy England signed a binding agreement to sell all its holdings in the project's corporations in Romania holding a photovoltaic Niculesti project totaling about 214.26 megawatts, which is in the stage ahead of construction, in exchange for €145,000 per megawatt and an additional fee for the land for the project, for a total of about €32.9 million. 10% of the consideration (a total of approximately 3.29 million euros) was paid upon signing the agreement, and the balance of the consideration will be paid upon completion of the transaction, which is expected to be carried out by the end of 2024. For more details see immediate report from June 16, 2024 (reference number: 2024-01-060870), presented in this report in full by way of reference.

I. Entering into a financing agreement for the Swangate Project in England

On August 23, 2024, Swangate Energy Storage Limited (the "Project Company"), a corporation held (100%) by Econergy International Ltd., a company controlled by the Company ("Econergy England"), signed with Goldman Sachs International Bank of the Goldman Sachs Group Inc., for a financing agreement to provide project financing in the amount of about £27 million, for an electricity storage project using Swangate batteries in England with a capacity of about 50 megawatts per hour.

As part of the financing agreement, a loan of approximately £25 million will be used mainly to pay the construction and repayment expenses of shareholder loans provided for the purchase and construction of the project and an additional loan of approximately £2 million will be used to finance VAT expenses.

For details regarding the terms of the financing agreement, including repayment dates, interest, financial covenants and the company's compliance with them, collateral, grounds for immediate repayment, and additional main restrictions and provisions, see section 8 below, as well as an immediate report of the company dated August 25, 2024 (reference number: 2024-01-087414), presented in this report in full by way of reference.

The Company's assessments regarding the completion of the sale of assets in Romania, their scope, the consideration that will be paid for them, the date of the sale and the profit that will be recorded for them are forward-looking information, as this term is defined in the Securities Law, 1968, the realization of which is uncertain and not under the sole control of the Company. The above assessments are based, among other things, on the Company's estimates, and may not materialize due to factors beyond the Company's control, as well as due to the materialization of any of the risk factors described in Section 1.29 of Chapter A of the Annual Report for 2023.

1.4.2 Project Development Status

It should be noted that the association of the projects with the various statuses regarding development stages, in accordance with the details below, is based on the company's existing accumulation of projects and on the company's existing work plan for realizing projects as specified in section 1.4.4 below and in section 1.3.4 of Chapter A of the annual report for 2023, and which does not take into account continued initiation and development of additional projects.

The development status of the projects is determined according to these principles:

- "**Project under development**" **–** Systems that as of the report date have not yet matured to licensing and where all of the following conditions are met: feasibility tests for network connection are conducted; comprehensive tests of land type limitations and licensing are conducted; binding engagement with relevant landowners exists; economic feasibility tests are conducted;

- “**Projects under license**” - Systems for which there is a connection to the land and grid connection approval (except in Poland where grid connection approval is obtained at the final stage of project development) and which are in the process of obtaining a building permit.
- “**Pre-construction project”** - Systems that have received all the required approvals for starting construction or systems for which there is approval for connection to the grid and for which all significant approvals have been received (including approval for an environmental survey) in order to obtain final licensing permits.
- “**Projects under construction**” - Systems whose construction process has begun.
- "**Project ready for connection**" - Systems whose physical construction stage has been fully completed or for which a connection request has been submitted, but have not yet been connected to the electricity grid.
- "**Project in commercial operation" ("In Operation")** – Systems where the establishment has been completed and the electricity produced in them is being flowed to the relevant electrical network.
- It should be noted that the Company's projects are presented below with a separation between the installed capacity (MWp) of photovoltaic and wind projects and the nominal storage volume (MWh) of battery storage projects.

A. <u>The following is a summary of the status of photovoltaic and wind projects under development, and the predicted capacities, in the countries in which the Company operates, as of the date of publication of the Report (data presented in MW)</u>:[2]

Status	Italy	England	Romania	Spain	Poland	Greece	Total
In operation	5	-	246		-	-	252
Ready for Connection	16	-	87	-	52	-	155
Under construction	8	-	170	-	-	-	178
Pre-Construction	188	68	573	-	-	-	829
Licensing	1,607	134	945	50	436	460	3,632
Development	313	1,354	79	448	423	500	3,117
Total MW in Development	**2,137**	**1,556**	**2,100**	**498**	**911**	**960**	**8,162**
Number of PV and Wind Projects	**131**	**18**	**22**	**3**	**27**	**3**	**204**
Among them, PV Projects Integrated with Storage		**15**					**15**

B. <u>Below is a summary of storage project status in development and forecasted capacities, as of the report's publication date (data presented in MWh):</u>

Storage Projects	BESS stand-alone (as of report date)	BESS co-located (as of report date)	Total (as of report date)
In operation	-	-	-
Ready for Connection	102	-	102
Under construction	82	-	82
Pre-Construction	404	-	404
Licensing	874	263	1,137
Development	5,176	3,712	8,888
Total MWh Storage	**6,638**	**3,975**	**10,613**
Number of Storage Projects	**15**	**26**	**41**

2 The data includes projects in the initiation stage that have received approval to connect to the electricity grid starting from 2029 onwards.

C. Below is a summary of projects by type (for PV and wind projects data presented in MW, for storage projects data in MWh), as of the report's publication date:

Type of Project	Italy	England	Romania	Spain	Poland	Greece	Total
PV	1,601	1,557	1,939	498	910	960	7,465
Wind	536	-	161	-	-	-	697
Total Projects in Development	**2,137**	**1,557**	**2,100**	**498**	**910**	**960**	**8,162**

Type of Project	Italy	England	Romania	Spain	Poland	Greece	Total
BESS (co-located)	-	3,975	-	-	-	-	3,975
BESS (stand-alone)	1,376	2,859	-	-	2,403	-	6,637
Total Projects in Development	**1,376**	**6,834**	**-**	**-**	**2,403**	**-**	**10,613**

Regarding storage projects, it should be noted that apart from the projects already under development in Italy, England and Poland according to the above table, the company examines and promotes entry into the storage field also in the other markets in which it operates.

The Company continuously assesses the development status and expected connection dates in each country, derived from the expected development process in each country and the expected project construction process after the readiness phase for construction until the connection to the electric grid. Due to delays in the supply chain for equipment arising from macroeconomic effects (as detailed in Section 1.7 of Chapter A of the Annual Report for 2023), the Company expects, temporarily, some delays in the construction period of some projects, which are not expected to significantly affect the Company's operations, as detailed below:

- The licensing process in Italy, up to the RTB stage, is expected, according to the Company's assessment, to take a period of 24 to 36 months for PV projects depending on the project capacity, and a period of 36-48 months for wind projects. For details regarding the licensing and regulatory process in Italy, see Section 1.8.1.5 of Chapter A of the Annual Report for 2023. The Company is promoting development of projects but experiences delay mainly due to the development of new grid infrastructures by electric grid operators, longer waiting times than expected at local authorities, and opposition from local environmental organizations and others.

  Agro-voltaic technology in Italy - Among the various projects the Company develops in Italy with photovoltaic technology, there are projects in agro-voltaic technology, in which agricultural activity and electricity generation facilities take place together, in one area cell, by establishing solar facilities integrated with current agricultural work, in accordance with the requirements of regulation in Italy.

In this regard, it should be noted that on June 11, 2024, the Italian Parliament enacted the DL Agricoltura Law which came into force on June 16, 2024[3]. The law prohibits the establishment of ground-mounted solar PV photovoltaic systems on agricultural land, except in the following cases:

1. Establishment of photovoltaic systems with ground base trackers, which are not systems with agro-voltaic technology. This applies to areas classified as: (1) closed quarries and mines or unsuitable for further exploitation; (2) areas adjacent to factories and industrial facilities (including existing photovoltaic systems); or (3) areas adjacent to the highway network.

2. Establishment of Advanced Agrivoltaic Plants -systems that combine integrated technological solutions in real time for soil control and monitoring and agricultural output.

3. Systems that began the licensing process on the eve of the law's entry into force (i.e., until 06/15/2024).

<u>Energy storage in Italy</u> – the company has started developing storage projects in Italy. In light of the ambitious targets for renewable energy in Italy for 2030, such as power targets installed in photovoltaic facilities[4], and a worsening problem in the Italian transmission network, when in the south of the country are most of the means of production (photovoltaic and wind facilities) and there is difficulty in transferring the energy produced to the demand centers in the north, the Italian[5] government has announced a assistance plan totaling about17.7 billion euros for the construction and operation of energy storage facilities under approval. Storage project[6] revenues in Italy include several types of potential revenues[7]: (1) Capacity Payments, (2) Wholesale Market, (3) Ancillary Services, and(4) Fast Reserve Supply and Demand Balance. As of the date of this report, the company has begun the development of a backlog of storage projects in Italy with a total capacity of 1.4 gigawatt hours, of which 1.2 gigawatt hours are projects at the initiation stage and 0.2 gigawatt hours at the licensing stage.

- The licensing process in the England, up to the RTB stage, is expected, according to the Company's assessment, to take a period of 18 to 24 months for PV projects, depending on the project capacity, and a period of 24 months

[3] https://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2024-07-13&atto.codiceRedazionale=24A03724&elenco30giorni=false
[4] Italy - Draft Updated NECP 2021-2030: https://commission.europa.eu/publications/italy-draft-updated-necp-2021-2030_en
Baringa, Wholesale Power Market Report, Update Q2/2024.
[5] Italy - Draft Updated NECP 2021-2030, Terna: study on reference technologies for electrical storage,
[6] https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6758
[7] https://www.e3analytics.eu/wp-content/uploads/2023/05/Battery_Storage_Market_Analysis_E3A_May_2023_ITALY.pdf, Page 9-10

for storage projects. For details regarding the licensing and regulatory process in England, see Section 1.9.1.3 of Chapter A of the Annual Report for 2023.

On November 13, 2023, several new rules were approved by the British electricity regulator (Ofgem)[8] that grant new powers to the National Grid ESO to proactively manage the process of connecting renewable energy projects to the electric grid and even to cancel projects that delay the connection queue. This is part of the Five Point Plan[10], one of whose main objectives is to accelerate the connection of clean energy projects to the electric grid and cancel projects that do not meet the milestones set.

The new rules and milestones for managing the queues will be applicable to all projects with grid connection contracts after November 2025, and all new connection requests received by the National Grid ESO.

Regarding projects with contractual connection dates preceding the end of 2025, the ESO announced that it classified 144 projects with an installed capacity of 29 GW (out of 232 projects with an installed capacity of 45 GW) as at a "high risk" of failing to meet their contractual connection date and even hired an independent engineering consulting firm to review the projects and provide a view of their ability to meet their connection date.

After the balance sheet date, elections were held in the United Kingdom, where the Labour Party, which has a renewable energy-supportive policy, won. This policy includes ambitious targets for 2030: tripling the installed capacity of photovoltaic facilities, doubling the installed capacity of onshore wind farms, and quadrupling the installed capacity of offshore wind farms.

The renewable energy targets mentioned above are expected to reduce electricity generation from natural gas, which is likely to lower the marginal cost of electricity in wholesale markets. At the same time, the increase in intermittent generation is expected to lead to higher demand for system balancing by grid operators. These measures may increase revenue opportunities for battery energy storage systems (BESS), ancillary services, and the balance mechanism.

- The Company estimates that the licensing process in Romania, up to the RTB stage, is expected to take 24 months for PV projects, depending on the project capacity, and 24 to 36 months for wind projects. For details regarding the licensing and regulatory process in Romania, see Section 1.10.1.3 of Chapter A of the Annual Report for 2023.

  In this regard, it should also be noted that[11] the Romanian Ministry of Energy approved in early August 2024 the government tender plan through CFD contracts (Contracts for Differences). According to reports, in 2024, tenders are

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8 https://www.ofgem.gov.uk/publications/cmp376-inclusion-queue-management-process-within-cusc
9 The operator of the British electricity system.
10 https://www.nationalgrideso.com/news/eso-leads-way-major-initiative-accelerate-connections-electricity-transmission-grid
11 https://legislatie.just.ro/Public/DetaliiDocument/286539

expected to be issued for a planned capacity of 500 megawatts in photovoltaic technology and 1 gigawatt in onshore wind technology. In 2025, the planned capacity is 2 gigawatts in photovoltaic technology and 1.5 gigawatts in onshore wind technology.

- The licensing process in Poland, up to the construction-ready stage, is expected, according to the company's assessment, to take approximately 36 months for PV projects and storage projects, depending on the project's capacity. For information regarding the licensing and regulation process in Poland, see Section 1.11.1.3 of Chapter A of the Annual Report for 2023.

  The Company has begun developing storage projects in Poland. Based on the Company's consultant's [12] forecasts, a rapid increase in electricity generation from renewable energy technologies is expected in Poland in the coming years, which will necessitate a significant expansion in the integration of energy storage facilities. In 2022, energy storage projects in Poland were awarded availability agreements for the first time in a government tender. In the most recent tender held in December 2023, storage accounted for approximately 24% of the total winning capacity, compared to about 3% in 2022.[12]. In addition to income from availability payments (Capacity Payments), the field may allow additional potential revenue, such as (1) the sale and purchase of electricity (Wholesale Market), (2) Ancillary Services and (3) balancing supply and demand in the electricity grid (Balancing Mechanism). As of the report date, the Company continued developing a portfolio of storage projects with a total capacity of 2,403 megawatt-hours, including 1.6 gigawatt-hours of projects in the initiation phase, 0.7 gigawatt-hours in the licensing phase, and 0.1 gigawatt-hours nearing construction.

- The Company estimates that the licensing process in Spain, up to the RTB stage, is expected to take 36 months for PV projects, depending on the project capacity. For information regarding the licensing and regulation process in Spain, see Section 1.12.1.3 of Chapter A of the Annual Report for 2023.

- The Company estimates that the licensing process in Greece, up to the RTB stage, is expected to take 36 months for PV projects, depending on the project capacity. For information regarding the licensing and regulation process in Greece, see Section 1.13.1.3 of Chapter A of the Annual Report for 2023.

Moreover, the duration of the project construction period, in all countries, from the RTB stage up to the project’s connection to the electricity grid and commercial operation, is expected, according to the Company’s estimate, to take 9 to 18 months for PV projects, depending on the project capacity, 15 to 18 months for wind projects, depending on the project capacity, and 12 to 21 months for storage projects, depending on the project capacity.

[12] Aurora Energy Research, Polish Power and Renewables Market Forecast, Update April 2024

D. The following is an analysis of the projects' development in the various territories where the Company operates since the 2023 Annual Report (with the exception of storage, the data is presented in MW):

Country	Development Status	Date of publication of report 12/31/2023	Report Publication Date Report 30/6/2024
Italy	In operation	4	5
	Ready for Connection	17	16
	Under construction	-	8
	Pre-Construction	262	188
	Licensing	1,526	1,607
	Development	513	313
	Total Italy	2,322	**2,137**
England	In operation	-	-
	Ready for Connection	-	-
	Under construction	-	-
	Pre-Construction	201	68
	Licensing	22	134
	Development	1,354	1,354
	Total England	1,577	**1,557**
Romania	In operation	155	246
	Ready for Connection	92	87
	Under construction	198	170
	Pre-Construction	591	573
	Licensing	1,251	945
	Development	-	79
	Total Romania	2,286	**2,100**
Spain	In operation	-	-
	Ready for Connection	-	-
	Under construction	-	-
	Pre-Construction	50	-
	Licensing	-	50
	Development	221	448
	Total Spain	271	**498**
Poland	In operation	-	-
	Ready for Connection	51.2	52
	Under construction	-	-
	Pre-Construction	-	-
	Licensing	488	436
	Development	429	423

Country	Development Status	Date of publication of report 12/31/2023	Report Publication Date Report 30/6/2024
	Total Poland	968	**910**
Greece	In operation	-	-
	Ready for Connection	-	-
	Under construction	-	-
	Pre-Construction	-	-
	Licensing	460	460
	Development	500	500
	Total Greece	960	**960**
Total	In operation	159	252
	Ready for Connection	160	68
	Under construction	198	264
	Pre-Construction	1,104	829
	Licensing	3,746	3,632
	Development	3,017	3,117
Total in Development and Construction	**MW**	**8,385**	**8,162**
Total Storage in Development in England	MWh	6,747	6,835
Total Storage in Development in Poland	MWh		2,403
Total storage under development in Italy	MWh		1,376
Total Storage in Development	**MWh**	**6,747**	**10,613**

Italy – Since the last report, the Company has connected one project to the power grid and continued developing new projects as well as those already in the development process. In addition, the Company began developing accumulated storage projects with a total capacity of 1.4 gigawatt-hours, including 1.2 gigawatt-hours of projects at the initiation stage and 0.2 gigawatt-hours at the licensing stage. As of the report publication date, the Company's portfolio of storage projects in Italy includes seven stand-alone projects.

England – The Company continued to expand and deepen its development activities in the country. In addition, the Company completed the construction of the West Melton (Swangate) project, which is expected to be connected to the electricity grid in the third quarter 2024. In addition, the Company has begun the construction of the Dalmarnock storage project with a capacity of 82 megawatt hours, the Company expects that the project will be connected to the electricity grid in the third quarter 2025. As of the date of publication of the report, accumulated storage projects in England include 11 stand-alone projects and15 co-located projects.

Romania – The Ratesti project with a capacity of about 155 megawatts, and the Parau project with a capacity of about 92 megawatts, were connected to the electric grid. The Company continues the construction of the Bobicesti and Melinesti projects and the Scurtu Mare project with a capacity of 25, 31 and 55 megawatts respectively. The Company completed the construction of the Oradea project, which is expected to connect to the electricity grid in the fourth quarter 2024. Bobicesti and Scurtu Mare projects are expected to finish construction and connect to the electricity grid by the end of 2024. The Melinesti project is expected to finish construction and connect to the electricity grid in the second quarter 2025. Additionally, as of the report's publication date, the company began constructing the Iancu Jianu project with a capacity of 58 megawatts.

Spain - The Company continues to develop the existing pipeline of projects in the country.

Poland – The Company continued the development of portfolio storage projects with a total capacity of 2,403 megawatt hours, of which 1.6 gigawatt hours of projects in the development stage, 0.7 gigawatt hours in licensing and 0.1 gigawatt hours in preparation for construction. As of the date of publication of the report, portfolio storage projects in Poland including eight stand-alone projects.

Greece – The Company continues to develop the existing project portfolio in the country.

E. The Company's executive anticipates that not all projects at various development stages will reach full maturity and readiness for construction, and therefore the Company performs ongoing assessments of the likelihood of success and the completion time of the development. According to the Company's assessment, the expected investment, construction and connection of projects is lower than the number of projects under development and the projected capacity of projects under development.

The probabilities of successful completion of the development processes according to their status vary from country to country depending on different regulatory procedures, and on the basis of its experience, the Company assesses them as follows:

Systems in Pre-Construction – 85-95%.
Systems Under License – 60-80%.
Systems in Initiation – 35-40%. – 35-40%.

The Company wishes to update that from now on, it will report connection forecasts on an annual basis as part of its annual report, except for updates regarding material changes, if any occur in the Company's forecasts, which will continue to be included in its quarterly reports.

As of the date of this report, no material changes have occurred in the Company's connection forecast, as detailed in the Board of Directors' report for the first quarter of 2024. For more details, see section 1.4.4 of the aforesaid report, as published by the Company on May 30, 2024 (reference number: 2024-01-054532), which is included in this report by reference.

F. Use of Non-GAAP Metrics

The EBITDA, FFO and FCF indices of the Company's projects are non-GAAP financial indices, i.e., they are not accounting indices, and accordingly, these indices were not built according to the accounting standards.

Some of the companies are held/expected to be held for valuation of the Company, by a third party as detailed in Note 2 of the Company's financial statements. The established engagement patterns within the Group regarding systems that are not under the Company's control are managed using the book value method. According to this method, the results of held corporations are not expressed in a detailed manner in the financial statements of the company (income, expenses, etc.), but through a single "net" amount, which does not allow the reader to calculate the above indicators out of the financial statements. Thus, as for the evaluation of the Company, it is of importance in presenting the total revenues and financial indicators as stated, in such a way as to allow the readers of the reports to examine and analyze the results of the different systems.

EBITDA (earnings before interest, taxes, depreciation, and amortization) - The index is calculated as the revenues of a project less all expenses except financing, taxes, depreciation, and amortization.

FFO (funds from operations) – The index is calculated based on the EBITDA index, considering tax and financing expenses excluding financing expenses for shareholder loans.

FCF (free cash flow) - The free cash flow to the owner after the debt service is calculated on the basis of the FFO less payments in respect of a loan principal, excluding the shareholder loan principal.

G. Details of projects in operation (amounts in thousands of euros), as of the report publication date (excluding the project's results for the six-month period ended June 30, 2024):

Country	Name of Project	Technology	Installed Capacity MWp	The Company's Share (1)	First Full Year of Operations	Validity of Electricity Sales Agreement and Rate (4)	Amortized cost	Expected Leverage Rate (2)	Construction costs	KWh/KWp/Year	Project results for the six-month period ended on 30.6.2024				Projected results for first five full years of operation(5)			
											Revenue (3)	EBITDA	FFO	FCF	Projected revenues (3)	EBITDA	FFO	FCF
Italy	Palmeri	PV	1	50%	2025	N/R	1,133	60%	1,133	2,046	-	-	-	-	146	126	87	42
Italy	Cumiana	PV	4	100%	2025	N/R	3,378	60%	3,410	1.542	89	77	(26)	-	493	402	286	201
Romania	Parau	PV	92	50%	2025	N/R	64,828	60%	64,828	1,416	1,887	1,785	(512)	-	10,545	8,562	6,177	4,490
Romania	Ratesti	PV	155	50%	2024	N/R	102,074	59%	102,074	1,434	7,816	7,655	5,068	-	17,445	14,948	11,174	4,013
		Total	**252**				**171,413**		**171,445**		**9,792**	**9,517**	**4,530**	**-**	**28,629**	**24,038**	**17,724**	**8,746**
		The Company's Share	**128**								**4,941**	**4,797**	**2,252**	**-**	**14,561**	**12,220**	**9,005**	**4,474**

(1) The Company's share - actual.

(2) Leverage rate in Palmeri, Cumiana and Parau projects is an expected leverage rate, the Company estimates.

(3) The revenue forecast is based on the first quarter price forecast 2024. Revenues are calculated on the basis of the assumption of closing fixed price electricity purchase transactions (PPA) for a period of 10 years starting from the first full year of operation, in Romania starting from the second half of 2025, and to 70% of the output, and the rest at expected market prices according to the Company's market advisors. The PPA prices in the various markets are based on the estimates of the Company and its consultants.

(4) PPA agreements have not yet been signed.

(5) The figure reflects an estimated average of each of the first five full operating years.

H. Detail of the projects in statuses under construction and ready for connection (amounts in EUR thousand), as of the report publication date:

Country	Name of Project	Technology	Project Status	Installed Capacity MWp	BESS MWh Capacity	Company Share [1]	Expected Year of Connection	First Full Year of Operations	Total Projected Construction Costs[2]	Invested Construction Costs as of June 30, 2024	Expected leverage rate [4]	KWh/ KWp/ Year	Project Results - annual projections for the first five full years of operation [5]			
													Revenues [2], [3]	EBITDA [2]	FFO	FCF
Italy	Indovina 2	PV	Ready for Connection	1	-	50%	2024	2025	995	866	60%	2,008	146	125	90	56
Italy	Baldacchino Benedetto	PV	Ready for Connection	1	-	50%	2024	2025	1,573	786	60%	2,060	147	126	92	13
Italy	Gallo Assunta	PV	Ready for Connection	1	-	50%	2024	2025	1,195	462	60%	2,044	147	126	90	47
Italy	Societa Verde	PV	Ready for Connection	1	-	50%	2024	2025	913	790	60%	2,056	146	126	90	60
Italy	Rivarolo Canavese	PV	Ready for Connection	11	-	50%	2024	2025	9,103	9,103	60%	1,587	1,343	1,111	781	518
Italy	Casucci Giuseppa	PV	Under construction	2	-	50%	2025	2025	1,621	531	60%	2,015	295	254	186	127
Italy	Favari	PV	Ready for Connection	1	-	50%	2024	2025	873	831	60%	1,949	142	122	87	59
Italy	Leini Doneddu	PV	Under construction	6	-	50%	2025	2025	4,718	823	60%	1,553	682	558	397	221
Poland	Resko	PV	Ready for Connection	52	-	51%	2024	2025	41,513	38,589	70%	1,143	4,518	3,678	2,560	1,146
Romania	Melinesti-Goesti	PV	Under construction	31	-	51%	2025	2026	23,352	1,900	60%	1,507	3,601	3,077	2,228	1,791
Romania	Bobicesti	PV	Under construction	25	-	51%	2024	2025	17,772	4,563	60%	1,528	3,110	2,694	2,039	1,593
Romania	Scurtu Mare	PV	Under construction	55	-	51%	2024	2025	38,935	11,316	60%	1,480	6,552	5,647	4,255	3,252
Romania	Iancu Jianu	PV	Under construction	58	-	51%	2025	2026	31,507	6,341	76%	1,545	6,896	5,918	4,234	3,311
Romania	Oradea	PV	Ready for Connection	87	-	51%	2024	2025	62,325	56,577	64%	1,264	8,792	7,105	4,881	3,126
England	West Melton	Storage	Ready for Connection	-	102	100%	2024	2025	41,032	16,503	72%	-	6,063	4,655	3,369	540
England	Dalmarnock	Storage	Under construction	-	82	100%	2025	2026	25,256	5,014	60%	-	5,090	3,941	1,816	35
Total				**325**	**184**				**302,683**	**154,995**			**47,670**	**39,263**	**27,195**	**15,895**
The Company's Share				**166**	**184**								**29,746**	**24,211**	**16,392**	**8,377**

(1) The Company's share in the table above reflects its management's estimates in relation to existing partnerships.
(2) The data is presented in the above table at 100%, and not according to the Company's share (except in relation to the total Company share included in the table).
(3) The revenue forecast is based on the first quarter price forecast 2024. PV project revenues are calculated on the basis of the assumption of closing fixed price electricity purchase transactions (PPA) for a period of 10 years starting from the first full operating year (in Romania from the second half of 2025) and to 70% of the output, and the rest at expected market prices according to the Company's market advisors. The PPA prices in the various markets are based on the estimates of the Company and its consultants. Revenues from storage projects are calculated based on the price forecast of the Company's consultants.
(4) PPA agreements have not yet been signed.
(5) The figure reflects an estimated average of each of the first five full operating years.

Details of the projects with “pre-construction” status (amounts in EUR thousands):

Country	Name of Project	Technology	Installed Capacity MWp	BESS MWh Capacity	Company Share (1)	Year of Construction Start	Expected Year of Connection	First Full Year of Operations	Total projected construction costs (2)	Invested Construction Costs as of June 30, 2024	Expected Leverage Ratio	KWh/ KWp/ Year	Project Results - annual projections for the first five full years of operation (4)			
													Revenues (2), (3)	EBITDA (2)	FFO	FCF
Italy	Portfolio of 16 projects up to MWp10	PV	70	-	50%-100%	2024-2026	2025-2026	2026-2027	53,042	7,064	60%	1,464-2,033	8,689	7,216	5,109	3,464
Italy	Lombardore Benigno	PV	19	-	50%	2024	2025	2026	14,163	329	60%	1,520	2,074	1,677	1,168	755
Italy	Guarini	PV	99	-	50%	2024	2025	2026	76,756	1,291	57%	1,768	12,679	10,598	7,527	4,851
Poland	Konin	Storage	-	98	100%	2024	2025	2026	32,116	65	60%	-	9,902	8,688	6,531	4,465
Romania	ASRA Baneasa	PV	33	-	50%	2024	2025	2026	24,729	953	60%	1,435	3,662	3,103	2,196	1,596
Romania	ASRA Mircea Voda	PV	34	-	50%	2024	2025	2026	25,551	1,583	60%	1,391	3,628	3,057	2,193	1,656
Romania	ASRA Vanatori	PV	27	-	50%	2024	2025	2026	22,839	1,488	60%	1,425	2,987	2,527	1,797	1,205
Romania	Ovidiu	PV	60	-	50%	2024	2025	2026	49,636	592	70%	1,572	7,256	6,247	4,315	2,599
Romania	Mihailesti	PV	54	-	50%	2024	2025	2026	25,754	1,760	60%	1,524	6,348	5,436	3,987	3,125
Romania	Salbatica 3	Wind	35	-	50%	2025	2025	2026	61,044	7,365	50%	3,025	8,833	7,858	4,900	2,954
Romania	Rosiori	PV	40	-	50%	2024	2025	2026	24,561	1,319	60%	1,459	4,527	3,848	2,777	2,088
England	Exton	PV	47	-	50%	2025	2026	2026	32,658	342	55%	1,129	4,197	3,262	2,229	780
England	Immingham	Storage	-	163	100%	2024	2025	2026	60,000	4,124	50%	-	10,181	7,882	4,436	86
England	Orrell	Storage	-	143	100%	2025	2026	2027	43,234	326	60%	-	9,245	7,194	5,799	2,706
England	Berrington	PV	21		50%	2025	2026	2027	13,852	597	60%	1,131	1,873	1,455	935	356
	Total		**540**	**404**					**559,936**	**29,198**			**96,080**	**80,049**	**55,898**	**32,687**
	The Company’s Share		**278**	**404**									**63,725**	**52,769**	**36,948**	**20,448**

(1) The Company's share in the table above reflects the Company's management assessments in relation to existing and future partnerships published by the Company and not the actual holding rate as of the date of publication of the report.
(2) The data is presented in the above table at 100%, and not according to the Company's share (except in relation to the total Company share included in the table).

(3) The revenue forecast is based on the first quarter price forecast 2024. Revenues from PV and wind projects are calculated on the basis of the assumption of closing fixed-price electricity purchase transactions (PPA) for 10 years starting from the first full operating year (in Romania from the second half of 2025) and to 70% of the output, and the rest at expected market prices according to the Company's market advisors. The PPA prices in the various markets are based on the estimates of the Company and its consultants. Revenues from storage projects are calculated based on the price forecast of the Company's consultants.

(4) The figure reflects an estimated average of each of the first five full operating years.

The Company's assessments regarding the duration of the development and licensing process for projects in different countries, the duration of the construction of projects in different countries, expected grid connection dates, completion probabilities of projects at various stages, forecasted capacities, forecasted construction costs, forecasted income, expected selling price, expected leverage ratio, forecasted EBITDA, forecasted FFO, and other data derived from these are considered forward-looking information, as defined by this term in the Securities Law. These estimates may not materialize, in whole or in part, or may materialize differently than estimated by the Company, as a result of various factors beyond the Company's control. As of the date of this report, there is no certainty regarding the implementation of the projects mentioned above or regarding the timelines for their completion, including, among other things, due to the fact that the completion of the projects involves: obtaining regulatory approvals, which there is no certainty will be received; raising the required funding for the construction of the projects, which there is no certainty will be raised; completing due diligence regarding projects at advanced stages, which there is no certainty that its results will indicate the economic feasibility of developing and constructing the project; and also due to the realization of one or more of the risk factors detailed in section 1.29 of Chapter A of the Annual Report for 2023.

1.4.3 Investment Plan

The Company wishes to update that from now on, it will report investment forecasts on an annual basis as part of its annual report, except for updates regarding material changes, if any occur in the Company's forecasts, which will continue to be included in its quarterly reports.

As of the date of this report, there have been no significant changes in the Company's investment forecast, as detailed in the report of the Board of Directors for the first quarter of 2024. For more details, see section 1.4.4 of the aforesaid report, as published by the Company on May 30, 2024 (reference number: 2024-01-054532), which is included in this report by reference.

1.4.4 Revenue Forecast

The Company wishes to update that from now on, it will report revenue forecasts on an annual basis as part of its annual report, except for updates regarding material changes, if any occur in the Company's forecasts, which will continue to be included in its quarterly reports.

As of the date of this report, there have been no significant changes in the Company's revenue forecast, as detailed in the report of the Board of Directors for the first quarter of 2024. For more details, see section 1.4.4 of the aforesaid report, as published by the Company on May 30, 2024 (reference number: 2024-01-054532), which is included in this report by reference.

1.4.5 Business Results Forecast

The Company wishes to update that from now on, it will report its business results forecast on an annual basis as part of its annual report, except for updates regarding material changes, if any occur in the Company's forecasts, which will continue to be included in its quarterly reports.

As of the date of this report, there have been no significant changes in the Company's business results forecast, as detailed in the report of the Board of Directors for the first quarter of 2024. For more details, see section 1.4.4 of the aforesaid report, as published by the Company on May 30, 2024 (reference number: 2024-01-054532), which is included in this report by reference.

1.4.6 Project financing forecast

In addition to providing project funding for the Ratesti project and the Swangate project (West Melton) (for more details see section 8 C, 1.4.1 IX below), as of the date of publication of the report, the Company is conducting advanced negotiations in several countries simultaneously regarding project funding in the amount of 298 million euros, according to the table attached:

Country	Name of Project	Technology	Installed capacity (MWp, MWh)	Status	Total financing (in millions €)	Signed/advanced negotiations
Romania	Ratesti	PV	155MW	In commercial operation	60	Signed Agreement
England	Swangate	Storage	102 MWh	Ready for Connection	30[13]	Signed Agreement
Romania	Parau	PV	92 MW	In commercial operation	39	Advanced Negotiations
Romania	Oradea	PV	87 MW	Ready for Connection	40	
Romania	Iancu Jianu	PV	58 MW	Under construction	24	
Romania	Salbatica 3	Wind	35 MW	Pre-Construction	30	
England	Dalmarnock	Storage	82 MWh	Under construction	19	
England	Inmingham	Storage	163 MWh	Pre-Construction	28	
Poland	Resko	PV	MW52	Ready for Connection	29	
Poland	Konin	Storage	98 MWh	Pre-Construction	26	
Italy	Guarini	PV	99 MW	Pre-Construction	44	
Italy	Backlog of 10 projects	PV	26 MW	In commercial activation, ready to connect and set up	19	
Total Financing Agreements in Advanced Negotiations			**449 MW, 343 MWh**		**298**	
Total financing agreements (signed and in advanced negotiations)			**604 MW, 445 MWh**		**388**	

[13] Actual funding is made in GBP.

The Company estimates that most of the financing agreements specified in the table, which are in advanced negotiations, are expected to be closed by the end of 2024.

The Company's assessments regarding the completion of the financing transactions detailed above, the negotiation process leading to a binding agreement, their scope, terms, and the timing of their execution, constitute forward-looking information, as defined in the Securities Law, 1968, the realization of which is uncertain and not entirely within the Company's control. The aforementioned assessments are based, *inter alia*, on the Company's assessments, and may not be realized due to factors that are not under the Company's control, as well as due to the concern of the existence of one of the risk factors listed in section 1.29 of Chapter A of the annual report for 2023.

1.4.7 The Effect of the Increase in Interest Rates on the Company

Inflation for the last 12 months, until July 2024, is 2.2% in the UK[14], and 2.8% in the Eurozone[15]. As of the date of publication of this report, inflation in the Eurozone remains above the European Central Bank's 2% target, and in June this year, the European Central Bank announced a decline in the rate of inflation, so that in 2024 it will be about 2.5% and reach below the target by 2026[16]. In the UK, the Bank of England's monetary policy is working to ensure that the inflation rate in the country in the medium and long term will be about 2%, when until June this year it met this target.[17]

In order to curb the continued rise in inflation and to cool demand, as well as in response to similar moves in the US, central banks in the UK and in Europe began raising interest rates in mid-2022, while moderating the rates of increase during the second half of 2023. In August 2024, the Bank of England announced that it would reduce the interest rate to 5%.[18] In Europe, it was decided to reduce the interest rate by 25 points, so that it would be 4.25%.[19] Despite the positive trend, the Company is acting with the necessary caution and estimates that the interest rate increases that have been implemented, along with the expectation of inflation remaining above the target in the short term, are likely to result in higher financing costs for the Company in future funding rounds.

According to forecasts of the European Central Bank[20], inflation in the active countries will moderate in 2024 and 2025: annual inflation in the Eurozone is expected to fall to 2.2% in 2025 compared to an estimate of 2.5% in 2024. According to Bank of England forecasts, the annual inflation rate in the UK is expected to be 2.5% in 2025 compared to an estimate of 2.3% in 2024[21].

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[14] Office for National Statistics, Consumer price inflation, UK: July 2024.
[15] https://ec.europa.eu/eurostat/databrowser/view/prc_hicp_manr/default/table?lang=en&category=prc.prc_hicp
[16] https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.mp240606~2148ecdb3c.en.html
[17] https://www.bankofengland.co.uk/monetary-policy/inflation
[18] https://www.bankofengland.co.uk/monetary-policy-report/2024/august-2024
[19] https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.mp240411~1345644915.en.html
[20] https://www.ecb.europa.eu/press/projections/html/ecb.projections202406_eurosystemstaff~ee3c69d1c5.en.html#toc6
[21] https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2024/august/monetary-policy-report-august-2024.pdf

In August 2024, the credit rating firm Fitch announced the downgrade of Israel's credit rating from A+ to A level, after Moody's in February 2024 decided to downgrade Israel's credit rating from A1 to A2 rating, and in April 2024, S&P decided to downgrade Israel's credit rating from AA- to A+ level. This situation may lead to an increase in financing costs in shekels, should the Company decide to act to raise debt or capital in shekels.

The Company has fixed interest financing agreements with strategic partners (the "Infragreen Fund" "The Phoenix") for the financing of projects whose construction has begun and/or is expected to begin in the next 12 months, and a financing agreement was signed in relation to the Ratesti project, which was connected to the electricity grid (in addition to hedging for the interest rate). The agreements allow the Company flexibility if it wishes to refinance these projects when market conditions will improve its situation compared to the existing loan agreements.

The Company does not have financing agreements or material liabilities that are linked to inflationary changes. On the other hand, the electricity prices in the countries of activity are affected by the rising inflation and therefore, the Company estimates that in the short-to-medium term it might even benefit from the rising inflation.

The Company wishes to update that from now on, it will report a sensitivity analysis of the FFO forecast to interest rate changes on an annual basis as part of its annual report, except for updates regarding material changes, if any occur in the Company's forecasts, which will continue to be included in its quarterly reports.

As of the date of this report, there have been no significant changes in the sensitivity analysis of the FFO forecast for interest rate changes, as detailed in the report of the Board of Directors for the first quarter of 2024. For more details, see section 1.4.4 of the aforesaid report, as published by the Company on May 30, 2024 (reference number: 2024-01-054532), which is included in this report by reference.

1.4.8 Effects of the geopolitical situation in Europe and Israel and the effect of the Iron Swords War

On October 7, 2023, the terrorist organization Hamas attacked the State of Israel. As a result of the attack, the Israeli government declared as of that date, that the State of Israel is in a state of war (hereinafter - the "**War**"). The measures taken due to the state of war, including the extensive recruitment of reserves, the absence of workers from workplaces, and the reduction of activity in educational institutions, affected the Israeli economy, and this trend may continue depending on the extent and duration of the fighting. Macroeconomic effects are expected in Israel, including an effect on spending, the deficit, the rate of inflation and growth. In addition, since the beginning of the War, credit rating agencies have made decisions to downgrade Israel's credit rating and/or place it on a watch list.

However, as of the date of approval of the report, the War and its consequences do not exist and are not expected to have a material impact on the Company's activities, taking into account that all of the Company's projects are located in Europe and the UK, as well as most of the Company's personnel. That said, changes in foreign exchange rates and the availability and cost of the Company's funding sources related to the Israeli economy, may affect the Company's activities, but in light of the fact that all of the Company's activities are concentrated in Europe and a significant part of the Company's funding sources are from Europe, the company anticipates that the said impact will, at most, be restricted.

The geopolitical situation in Europe, and in particular in the countries where the Company operates, may have an impact on the economy in Europe, on the prices of goods, transportation and energy, and as a result - on the Company's activities. During 2022, Russia's military attack on Ukraine and the rise in inflation created great pressure in the energy market which resulted in a very substantial increase in the gas, oil, and carbon markets which led to a considerable increase in electricity prices in Europe. However, in the fourth quarter of 2022, there was a new decline in gas prices in particular and energy in general, partly due to a series of measures taken by the European Commission to diversify the gas supply, reduce energy consumption in the Eurozone and prevent a sharp increase in energy prices, as part of the comprehensive RepowerEU plan, including limitations on the price of electricity.

In December 2023, the Commission approved a 12-month extension of three emergency regulations to improve the security of the gas supply and strengthen market resilience, which included the temporary regulation limiting the price of electricity that extended until January 2025, the temporary regulation for coordinating gas purchases and cross-border exchanges in the event of a shortage that was extended until December 2024, and the regulation for the acceleration of renewable energy sources that was extended until the end of June 2025. In addition, in 2023 several additional plans were published promoting renewable energy and increasing the energy independence of the European Union. For additional information on this matter and the effects on the Company's activities and forecasts, see Section 1.3 above and Sections 1.7.4 and 1.7.5 of Chapter A of the Annual Report for 2023

The Company's assessments regarding forecasted capacities, expected connection dates, probabilities of facility connections, investment plan forecasts, revenue forecasts, business results forecasts (including revenues, EBITDA, FFO) for the years 2024-2026, expectations regarding the increase in the Company's equity, anticipated recognition of capital gains from the sale of projects in the pre-construction phase in Romania, expected progress in negotiations on project financing transactions, and anticipated recognition of accounting profits following the acquisition of UBS Group funds' shares in a joint venture for the development of renewable energy projects in Italy by the Company's subsidiary in England, inflation and interest rate developments, and macroeconomic impacts on the Company's operations constitute forward-looking information, as defined in the Securities Law, based on the Company's plans and assessments as of the report date, under the assumptions detailed above, the realization of which is uncertain and not entirely within the Company's control. The estimates are based on the Company's plans with regard to each system and its characteristics, which may not materialize due to factors beyond the Company's control, such as delays in obtaining the permits required for the construction of the systems, changes in system construction costs, construction delays, delays in the supply of system parts, changes in exchange

rates, regulatory changes, changes in financing costs including failure to raise sufficient capital sources for the implementation of the Company's future investment plan described above, for which, as of the date of the report, there is no certainty that these will be fully completed in accordance with the Company's forecasts, changes in interest rates, system defects, weather effects, changes in the consumer's electricity rates, changes in electricity consumption, changes in tax rates, changes in the electricity economy, geopolitical changes, etc. It should be emphasized that there is no certainty regarding the implementation of projects in pre-construction, among other things, due to the fact that these projects are subject to permits and licenses whose receipt is uncertain, as well as due to concern regarding the existence of any of the risk factors detailed in Section 1.29 of Chapter A of the Annual Report for 2023.

1.4.9 Impact of Global Supply Chains on the Company's Operations

In 2022, there was a downward trend in the transportation costs of products and they returned to their level just prior to the coronavirus outbreak. This was due to a decrease in the volume of trade and rate of growth in China and a gradual decrease in port congestion and increase in the supply of containers. During 2023, the trend of declining product costs continued. As of the report date, the costs of the main products required for the Company's operations have reached a significantly lower level than even before the outbreak of the COVID-19 pandemic. The Company adjusted its estimates regarding project construction costs in accordance with these trends. For additional information regarding the macroeconomic effects on the Company's operations, see Section 1.7 of Chapter A of the Annual Report for 2023.

The Company's assessments regarding trends, forecasts and developments in the Group's macroeconomic environment as detailed above is forward-looking information as defined in the Securities Law, based, among other things, on publications and on expectations and assessments regarding economic or sectoral developments, the realization of which is uncertain and not under the Company's control. Therefore, it is possible that the aforementioned developments and trends will materialize differently, due in part to factors that by their very nature are not under the Company's control or due to the realization of risk factors detailed in Section 1.29 of Chapter A of the Annual Report for 2023.

2. Financial Position

The following table will present the sections of the balance sheet in accordance with the consolidated financial statements, and the explanations for the main changes that have occurred in them:

Item	As of 30 June		As of December 31	Explanations
	2024	2023	2023	
	(in EUR thousand)			
Cash and Cash Equivalents	64,513	64,265	52,412	See details of the change in the liquidity table in Section 4 below.
Customers	60	112	-	
Accounts Receivable and Debit Balances	19,993	17,365	18,811	The balance mainly includes VAT receivable in the amount of about 10.5 million euros and interest receivable from the Parau project (about 4.4 million euros).
Assets Held for Sale	7,268	-	5,583	The increase stems from investments in projects during the period, especially Project Nicolesti
Total Current Assets	**91,834**	**81,742**	**76,806**	
Restricted Cash	5,304	3,726	5,300	
Systems Under Construction and Development (Including Land)	237,211	127,131	181,325	The increase is due to continued investment in development projects and acquisition of 'development' assets during the period.
Intangible Assets	40,032	-	-	Excess cost due to business combinations and an increase in holding percentages in Archmore, see Note 5 of the Financial Reports.
Goodwill	9,548	-	-	Goodwill due to business combinations and an increase in holding percentages in Archmore, see Note 5 in the Financial Reports.
Property, plant, and equipment	905	657	720	
Right-of-use Assets	13,443	10,310	10,715	The main increase is due to additions of assets in projects in Romania and England.
Deferred Tax Asset	27	2,784	21	
Loans to Associates	64,007	84,839	61,646	
Investments in Companies Accounted for Using the Equity Method	46,906	33,987	35,605	The increase in investment is due to business combinations and an increase in holding rates in Archmore (see note 5 of the

Item	As of 30 June		As of December 31	Explanations
	2024	2023	2023	
	(in EUR thousand)			
				financial statements (5.6 million euros)) and equity profits for the period of 4.4 million euros.
Total Non-Current Assets	**417,383**	**263,434**	**295,332**	
Total Assets	**509,217**	**345,176**	**372,138**	
Liabilities to Suppliers and Service Providers	1,700	2,126	1,773	
Accounts Payable and Credit Balances	14,487	4,428	7,758	The increase stems mainly from interest payable to related parties in respect of the loans of RG and Phoenix as well as from prepaid income in respect of the sale of Niculesti in the amount of approximately 3 million euros.
Contingent Consideration Liabilities	3,643	4,574	1,359	
Conversion component at fair value through profit or loss	2,209	416	4,289	
Financial Liabilities at Fair Value Through Profit or Loss	8,778	7,857	8.454	
	30,817	**19,401**	**23,633**	
Convertible Loans	71,327	40,489	57,142	Reclassified as a current liability according to the amendment to IAS 1.
Convertible Bonds	75,872	72,593	74,359	Reclassified as a current liability according to the amendment to IAS 1.
Total Current Liabilities	**178,016**	**132,483**	**155,134**	
Other Long-Term Liabilities	3,278	3,143	6,224	
Long-term Loans for Associated Parties	67,126	53,293	62,762	
Other Long-Term Loans	65,609	-	-	During 2024, 70,650 million euros were received from Rivage as part of a loan agreement. In the reports, the loan is presented less transaction costs in the amount of approximately 4.5 million euros.
Deferred Tax Liability	11,648	1,305	643	Deferred tax liability due to business combinations and an increase in holding rates in Archmore, see Note 5 to the financial statements.

Item	As of 30 June		As of December 31	Explanations
	2024	2023	2023	
	(in EUR thousand)			
Lease Liabilities	12,387	9,517	10,517	The main increase is due to additions of assets in projects in Romania and England.
Total Non-Current Liabilities	**160,048**	**67,258**	**80,146**	
Total Liabilities	**338,064**	**199,741**	**235,280**	
Equity Attributed to Company Shareholders	140,081	122,267	114,114	
Non-Controlling Interests	31,072	23,168	22,744	
Total Equity	**171,153**	**145,435**	**136,858**	
Total Liabilities and Equity	**509,217**	**345,176**	**372,138**	

3. Operating Results

The following table presents the Statement of Comprehensive Income items in accordance with the financial statements, and explanations for the main changes that have taken place therein (ןמ EUR thousand)

Item	For the period of 6 months ended on June 30		For the period of one year ended on December 31	Explanations
	2024	2023	2023	
	(in EUR thousand)			
Revenue from Electricity Sales	89	-	-	Revenue from electricity sales from the Cumiana project, which was connected in Q1-2024.
Revenue from Provision of Services	922	625	1,099	The item mainly includes revenue from asset management, technical support, and project management.
Revenue from Realization of Initiative	37,004	-	-	Derives from business combinations and an increase in holding rates in Archmore, see Note 5 to the financial statements.

Item	For the period of 6 months ended on June 30		For the period of one year ended on December 31	Explanations
	2024	2023	2023	
	(in EUR thousand)			
The Company's Share in the Profits of Treated Companies by the Equity Method, Net	4,439	-	-	The main profit is attributed to the Ratesti project in Romania, which was connected in Q4-2023.
Total Revenues	**42,454**	**625**	**1,099**	
Maintenance of Systems and Related	305	333	613	
Depreciation and Amortizations	390	222	960	
Wages and Related	4,416	3,337	7,308	The increase during the period is due to the expansion of activities and an increase in the number of employees.
Administration, Headquarters and Others	2,568	2,461	4,870	The change results from an increase in professional services as part of the activity expansion.
The Company's Share in Losses of Equity-Accounted Investees, Net	-	98	537	
Total Expenses	**7,679**	**6,451**	**14,288**	
Profit (loss) for the Period	**34,775**	**(5,826)**	**(13,189)**	
Financing Income	5,653	7,734	9,480	
Financing Expenses	2,686	6,295	8,623	
Profit (loss) Before Income Tax	**37,742**	**(4,387)**	**(12,332)**	
Income tax	236	339	1,151	
Net Profit (loss) for the Period	**37,506**	**(4,726)**	**(13,483)**	
Adjustments Arising from Translation of Financial Statements of Foreign Operations	350	(33)	(85)	
Total Comprehensive Profit (Loss) Including Other	**37,856**	**(4,759)**	**(13,568)**	

4. Liquidity

Item	For the period of 6 months ended on June 30		For the period of one year ended on December 31	Explanations
	2024	2023	2023	
	(in EUR thousand)			
Net cash flow used in operating activities	(5,793)	(13,871)	(14,808)	The main cash flow is due to wage payments, headquarters, VAT receivable, and timing differences for payments to erection suppliers.
Net Cash Flows from Used in Investing Activities	(59,714)	(89,745)	(125,607)	• Providing loans totaling approximately EUR 2.4 million to projects in Italy. • Purchases during the period of development and construction of projects in the amount of approximately 59 million euros. • An investment of EUR 0.9 million in the included company EGD.
Net cash flow generated from Financing Activities	77,702	149,035	173,905	• During the period, approximately 70 million euros were injected into the Company from Rivage and approximately 15 million euros from Phoenix. • Purchase of the remaining shares in the subsidiary Development 1 for approximately EUR 4 million.

5. Development of Capital

See the consolidated report on the changes in capital in the consolidated financial reports.

6. Working Capital

The negative working capital of the Company according to the consolidated financial statements as of June 30, 2024 amounts to approximately 86,182 thousand euros (compared to 50,741 thousand euros as of June 30, 2023), and consists of current assets less current liabilities as follows:

A. Current assets amounted to approx. EUR 91,834 thousand and include mainly cash, cash equivalents, accounts receivable and debit balances.

B. The current liabilities totaled approximately EUR 178,016 thousand and include loan balances and convertible debentures which are presented within current liabilities following an amendment to IAS 1 effective from January 1, 2024.

7. Forecasted Cash Flows

In accordance with Regulation 10(b)(14) of the Report Regulations, the Company has examined the existence of warning signs.

The Company has negative cash flow from operating activities in its consolidated financial statements as of June 30, 2024 in the amount of approximately 5,793 thousand euros and negative cash flow from operating activities in its consolidated financial statements as of June 30, 2023 in the amount of approximately 13,871 thousand euros.

The Company has positive cash flow from operating activities in its separate financial statements as of June 30, 2024 and December 31, 2023, totaling approximately 614 and 4,329 thousand euros, respectively.

Following Note 2B (1) of the Consolidated Financial Statements, in January 2020, the IASB published an amendment to IAS 1 regarding the requirements for classifying liabilities as current or non-current. The amendment took effect starting January 1, 2024.

The Company has convertible debentures that can be immediately converted into ordinary shares of the Company and loans that can be immediately converted into ordinary shares of the Project Company, where the conversion components were classified in its financial statements as financial liabilities. As a result of the above amendment, liabilities in the amount of 133,670 thousand euros and in the amount of 113,132 thousand euros as of December 31, 2023 and June 30, 2023 respectively, were reclassified from non-current liabilities to current liabilities.

As a result, as of June 30, 2024, the Company has a working capital deficit in its consolidated statements of 85,284 thousand euros (excluding loans and convertible bonds, the Company has a positive working capital of 61,017 thousand euros), resulting from the option to convert bonds and loans with a short-term conversion component.

At its meeting on August 27, 2024, the Company's Board of Directors discussed the expected cash flow, reviewed the existing and expected cash sources and needs, and reviewed the potential financing sources and amounts available to the Company, which include, among other things, the Company's cash balance.

Based on an examination of these data, the Company's Board of Directors has determined that there is no reasonable concern that during the projected cash flow period the Company will not meet its existing and expected liabilities on their due date, and also determined that the Company does not have a liquidity problem and that the Company expects to be in compliance with the financial covenants to which it has committed, all based on the following reasons:

- The Company is expecting revenue from the sale of electricity in respect of several projects that are expected to be connected to the electricity grid in the coming year.
- The company is expecting a cash flow from the sale of assets in Romania.
- The Company is expecting a cash flow through bank financing for projects that were financed by shareholder loans.
- The Company expects that it can create cash flow from the realization of project initiation that is expected to generate initiation profits for the Company.

8. Financing Sources

Financing for project initiation and construction activities (Project Finance) for the production of electricity using renewable energy technology is expected to be partially carried out through project-bank financing, through dedicated bank loans that will be taken as senior debt by the project corporations (SPCs) or the Company, and partially through the shareholder loans (provided as equity in the project). As of the date of the report, the Company has not yet taken project finance loans for projects under construction. For additional information, see Section 1.20 of Chapter A of the Annual Report for 2023. In order to comply with the investment plan, the Company is examining various options for financing alternatives, including raising capital from the public, and/or raising private capital for the Company's subsidiaries, as well as introducing partners in projects under its development. Meanwhile, the Company has entered into the following agreements:

A. On November 17, 2022, Econergy England entered into binding agreements with a number of companies from the Rgreen Invest Group, a leading renewable energy investment fund in France incorporated as a company in France (hereinafter collectively: "**RG**"), regarding RG's investment of 87.5 million euros in Econergy UK capital, as well as regarding the entry into an equity partnership and providing financing for the Company's projects in Europe with an additional total of approximately 163.3 million euros. For additional information, see Section 1.4.1(A) above.

B. On January 4, 2023, Econergy UK signed a binding agreement with Phoenix Insurance Company Ltd. regarding entering into a cooperation, investment and provision of financing for the Company's projects in Romania and Poland in a total amount of approx. EUR 150 million. For additional information, see Section 1.4.1(B) above.

C. On November 21, 2023, Ratesti Solar Plant (the "**Project Company**"), a corporation held (50%) by Econergy England, signed a financing agreement to provide project financing for the project with Raiffeisen Bank International AG, one of the leading banks in Austria and Central Europe and its subsidiary, Raiffeisen Bank S.A. (together - "**Raiffeisen Group**"), in a total amount of 60 million euros by Raiffeisen Group. On December 22, 2023, the conditions for financial closure of the financing agreement were met and the full amount of the loan funds were transferred to the project company. For additional information regarding the financing agreement, see Section 1.20.10 of Chapter A of the Annual Report for 2023, and immediate reports published by the Company on November 22, 2023 and November 26, 2023 (Refs: 2023-01-126582 and 2023-01-127749, respectively), which are included in this report in full by way of reference.

D. On February 7, 2024, Econergy UK signed a binding agreement with the Rivage Investment ("Rivage") funds, for the provision of a loan to Econergy UK for the development, construction and acquisition of the Company's projects in Europe and the UK (mainly in Italy, England and Romania) in a total amount of approx. EUR 150 million. For additional information, see Section 1.4.1(E) above.

E. In addition, on December 9 2022, the Company raised debt in the amount of approx. NIS 242.5 million from the public, through the issuance of bonds convertible into the Company's shares from a new series and listed for trading on the TASE. On January 12, 2023, the Company completed a substantial private offering of convertible bonds (Series A) by way of an expansion of the convertible bond series, in the amount of approx. NIS 70 million (net). For additional information, see Appendix A to this report.

Below are details about significant loans taken by the Group companies:

The Borrower	The Lender	balance as of June 30, 2024 (EUR thousand)	Interest Terms and Linkage[22]	Dates of Repayment	Financial covenants and standing calculation as of June 30, 2024	Default Event Cross default	Ecurities, Mortgages, Guarantees, and Repurchase Rights for the Loan and Their Value in The Financial Statements	Additional Information
Ratesti Solar Plant SRL	Raiffeisen Bank International;AG Raiffeisen Bank S.A.	60,000	3-month Euribor plus a margin of between 3% and 4%	The loan interest is payable in quarterly payments starting from December 31 2023. The loan principal is repayable in unequal quarterly payments, starting from September 30, 2024, and ending on December 31, 2033. Additionally, the agreement includes a Cash Sweep mechanism for accelerating the loan repayment	starting from June 30, 2024, the DSCR[23] shall not exceed 1.2. The value of the borrower's assets is higher than the value of its liabilities (including contingent liabilities). The net asset value of the borrower is at least 50% higher than the allocated capital As of the date of the report, the Company meets the criteria (DSCR as of the date of the report stands at 2.3.	he agreement includes standard reasons for immediate repayment in project financing agreements, such as non-payment, non-compliance with financial ratios, breach of obligations, false representations, cross default concerning other debts of the borrower, cessation of repayment by the borrower or its shareholders and construction and maintenance contractors, illegality of the obligation under the financing agreements, cessation of activity, unlawful acts, abandonment, change in law, illegality, non-compliance with the COD and obtaining the specified Generation License, significant damage, change of control, significant adverse change, legal proceedings with a significant adverse effect,	The loan is secured by customary securities in project financing agreements including a fixed mortgage on the shares, owner loans provided to the borrower by its shareholders, the assets and bank accounts of the borrower, a negative pledge commitment, and subordination of owner loans provided to the borrower.	The agreement includes representations and obligations as customary in such transactions, including a commitment that the COD of the project will be by February 2024, that the Generation License will be obtained by March 31, 2025, etc. Also, the agreement includes the right to perform early repayment and also obligations to perform early repayment in cases as customary in project financing agreements including in the event of a change of control in the borrower, Early repayment (except in the cases specified in the agreement), during the first 4 years involves the payment of an early repayment fee as detailed in the agreement. Additionally, the agreement includes various restrictions concerning distributions as customary in project financing agreements. For additional information, see the immediate report published by the Company on November 22, 2023 (Ref: 2023-01-126582), which its information in this annual report brought by way of reference.

[22] Without transaction fees (including credit provision fee, credit cancellation fee, and credit non-utilization fee) and arrears interest.
[23] DSCR - the ratio between the cash flow for the period (EBITDA plus (or minus) net working capital and additional payments received that are not included in EBITDA) and the payments under the financing agreement for the same period (principal, interest, fees, etc.).

The Borrower	The Lender	balance as of June 30, 2024 (EUR thousand)	Interest Terms and Linkage[22]	Dates of Repayment	Financial covenants and standing calculation as of June 30, 2024	Default Event Cross default	Ecurities, Mortgages, Guarantees, and Repurchase Rights for the Loan and Their Value in The Financial Statements	Additional Information
						termination of any of the project agreements with significant effect, cancellation of the Generation License or another permit related to environmental quality, etc.[24]		
Econergy International Ltd.	Rivage Private Debt Fund – Fund for Infrastructure Climate Solutions (Rivage PD-FIC; Rivage Euro Debt Infrastructure High Return	65,609[25]	For the First Framework - fixed interest rate between 9%-9.5% For the Second Framework (if granted by the lenders) - an interest rate not exceeding Mid Swap plus 6% - 6.5%	For the First Framework - the loan will be secured for a period of 5 years from financial closing, the loan principal will start to be repaid in the middle of the fifth year and the remainder at the end of the loan. Interest is payable every 3 months. For the Second Framework - the loan will be secured no earlier than June 30, 2024, for a period not	a. Commitment that no distribution will be made by Econergy England, except for interest and principal payments on behalf of debentures (Series A') issued by the Company under the terms detailed in the loan agreement; b. Compliance with the LTV ratio consolidated between 55% and 75%	Standard reasons for immediate repayment as customary in such loan agreements, including among others: non-payment, non-compliance with financial ratios, breach of obligations, false representations, Cross Default concerning debts and/or obligations of project corporations, cessation of repayment by the borrower and/or significant project corporations and/or a third party providing securities, cessation of activity, legal proceedings significant against the group, significant adverse	Securities customary in a transaction of this type, including: mortgage on the holdings of the company in shares of Econergy England and also mortgage on the holdings of Rgreen Invest in shares of Econergy England; mortgage on bank accounts of Econergy England; mortgage on owner loans	The Company has committed to additional major restrictions and instructions: A. To have surpluses sufficient for the payment of its obligations according to the terms of the debentures (Series A') issued by the company, through raising debt and/or capital and/or realization of assets. b. Commitment to meeting project backlog targets in relation to the development rate of the projects approved by the lender's technical advisor at several dates, as detailed in the loan agreement. c. Commitment to developing projects in the photovoltaic, wind, and storage sectors in Europe and Britain under the terms detailed in the agreement, to allow periodic supervision and control by Rivage over the development pace, and to

[24] Further to the application dated 11.3.24, the Company has completed the conditions set forth in the financing agreement except for the completion of the project. In coordination with the lender, the Project Company will submit a request to extend the date for completion of the project until the end of 2024.

[25] The loan is provided in two frameworks: EUR 100 to be provided starting from the financial closing date of the loan agreement for a period of up to 24 months, according to the preliminary conditions for withdrawal detailed in the loan agreement, according to the needs of the development and construction of projects and/or acquisition of projects in Europe and UK to be presented by Econergy England to the lenders, in accordance with the terms of the loan agreement (the **"First Framework**"); and an additional EUR 50 million, after the fulfillment of the conditions detailed in the loan agreement (the **"Second Framework**").

The Borrower	The Lender	balance as of June 30, 2024 (EUR thousand)	Interest Terms and Linkage[22]	Dates of Repayment	Financial covenants and standing calculation as of June 30, 2024	Default Event Cross default	Ecurities, Mortgages, Guarantees, and Repurchase Rights for the Loan and Their Value in The Financial Statements	Additional Information
				shorter than that of the First Framework and according to the terms to be determined.	at various dates as detailed in the loan agreement, from March 31, 2024. As of the date of the report, the Company meets the benchmark (consolidated LTV ratio as of the date of the report 15%). Moreover, concerning obtaining the Second Framework: c. Compliance with the ratio of total equity to total assets of not less than 30%. d. Compliance with the consolidated LTV ratio not exceeding 60% from the signing date until December 31, 2024, and not more than 65% thereafter.	events, non-performance of actions specified in the loan agreement for the purpose of repaying the principal of the debentures (Series A'), unlawful acts, abandonment, changes in law, change of control.	provided to Econergy England by the Company; mortgage on the holdings of Econergy England in shares of significant subsidiary companies to which the loan alone will be provided by the lender (if there are such loans)	meet the development targets as detailed in the loan agreement. d. Use of the loan for the purpose of acquiring projects at the RTB stage or advanced initiation will be to the extent of no more than EUR 20 million, and subject to meeting the profitability ratios set in the loan agreement concerning such projects. e. Senior financing will be allowed for projects subject to the terms detailed in the loan agreement. f. Restrictions were set on the transfers of shares of the company and Rgreen Invest in the borrower, and of the controlling shareholders of the company until the conditions set in the loan agreement are met. For additional details, see the immediate report published by the company on February 8, 2024 (reference number: 2024-01-014511) which is included in this report by way of reference.

The Borrower	The Lender	balance as of June 30, 2024 (EUR thousand)	Interest Terms and Linkage[22]	Dates of Repayment	Financial covenants and standing calculation as of June 30, 2024	Default Event Cross default	Ecurities, Mortgages, Guarantees, and Repurchase Rights for the Loan and Their Value in The Financial Statements	Additional Information
Swangate Energy Storage Limited	Goldman Sachs International Bank (“**GS**”)	- [26]	Annual interest according to the rate "Sonia - three months" plus an annual margin in the range of about 3%-3.5% regarding the General Framework, and regarding the VAT Framework, plus an annual margin of about 2%-2.5%.[27]	The final repayment date of the loan is 31.12.2031. The principal will be repaid in quarterly installments starting from 31.03.2025, with an annual fixed payment of about 10%-12% of the initial loan amount, plus a balloon payment in the 7th year from the date of the loan at the rate of about 30% of the initial loan amount. The interest will be repaid in quarterly payments as of 09/30/24. In addition, a quarterly cash sweep mechanism for the ongoing repayment of the principal	-	The financing agreement includes grounds for immediate repayment, as is customary in such agreements, including, among others: non-payment, failure to meet financial covenants, breach of obligations, breach of representations, cross-default in relation to other financial liabilities of the project company and Econergy UK (and with respect to Econergy UK—an amount exceeding £2 million), insolvency of the Project Company, Econergy UK, the construction contractor, and the LTSA contractor, cessation of operations, illegal actions, abandonment, changes in law, material adverse change, failure to meet the project completion date under the conditions set in the financing agreement, change of control in the Project Company, and more.	a. A lien on all the assets of the Project Company, including the project rights (real estate and movables), receipts, bank accounts ("Project Assets"); B. Lien on the shares of the Project Company by Econergy England; C. Landings of shareholder loans granted by Econergy England and/or anyone acting on its behalf to the Project Company; D. Commitment to a negative lien on the part of the borrower and on the part of Econergy England in	The financing agreement includes representations and commitments as customary in such transactions, including the commitment that the project completion date will be no later than April 30, 2025, no changes will be made to the project agreements without GS's approval, a prohibition on the sale of assets, an obligation to submit reports, disclosures, and a financial model, the purchase of insurance, and similar obligations. Additionally, the financing agreement includes the right to make early repayments as detailed in the agreement's terms, as well as the obligation to make early repayments in certain cases, such as illegality, a change of control in the Project Company (i.e., Econergy UK will cease to control and hold 100% directly or indirectly in the Project Company), or cancellation of the RTMA agreement (except in cases where the cancellation is not due to a breach of the agreement by the Project Company). In addition, the financing agreement includes various restrictions in relation to distributions, as is customary in this type of financing agreement.

[26] A loan totaling approximately £27 million, of which £25 million will mainly be used to pay the construction and repayment expenses of shareholder loans provided for the purpose of purchasing and establishing the project (the “**General Framework**”), and a total of approximately £2 million as a loan for the purpose of financing VAT expenses (the “**VAT Framework**”).

[27] It should be noted that close to the date of the first withdrawal, a hedging agreement for hedging the exposure to change in the interest rate is expected to be signed by the borrower.

The Borrower	The Lender	balance as of June 30, 2024 (EUR thousand)	Interest Terms and Linkage[22]	Dates of Repayment	Financial covenants and standing calculation as of June 30, 2024	Default Event Cross default	Ecurities, Mortgages, Guarantees, and Repurchase Rights for the Loan and Their Value in The Financial Statements	Additional Information
				payments was determined up to the amount of the fixed quarterly principal payment required under the conditions set forth in the financing agreement.			relation to the Project Assets; e. Deposits from the revenues of the Project Company and/or financed to cover current costs of operation and maintenance of the project; In addition, a company guarantee of Econergy England was provided in favor of GS for the purpose of securing certain obligations of the borrower.	Refunds for granting the financing will be paid on the basis of the revenues in the Swangate project. For more details, see the immediate report published by the Company on August 25, 2024 (reference number:2024-01-087414) whose information is presented in this report by way of reference.

Part C | Corporate Governance Aspects

9. Donations

The Company has not adopted a policy on donations, and as of the report date, the Company has no commitment to make donations in the future.

10. Minimum Number of Directors with Accounting and Financial Expertise

According to the provisions of Section 92(A)(12) of the Companies Law, 1999 (the "Companies Law"), the Company's Board of Directors has determined that the minimum number of directors required in the Company who possess accounting and financial expertise will be two (2), including external directors (appointed in accordance with the provisions of the Companies Law, subject to the Company becoming a public company) given the nature of the Company's activities, the complexity of its operations and its size.

11. Independent Directors

In its Articles of Association, the Company did not adopt provisions regarding the proportion of independent directors according to the provisions of the First Schedule to the Companies Law. On September 29, 2021, the Company's general meeting approved the appointment of two external directors to the Company, and on August 9, 2021, the Company appointed an additional director who was classified as an independent director by the Company’s Audit Committee at its meeting on January 11, 2022.

12. Independent Signatory

As of the date of the report, the Company does not have an independent signatory, as defined in the Securities Law.

13. Events during the reporting period and Subsequent to the Date of the Statement of Financial Position

For details regarding events during the reporting period and after the balance sheet date, see Note 4 to the consolidated financial statements as of June 30, 2024, as well as section 1.4 above.

14. Effectiveness of Internal Control over Financial Reporting and Disclosure

A report on the effectiveness of internal control over financial reporting and disclosure is attached to this report.

Part D | Disclosure Provisions in connection with the Corporation's Financial Reporting

15. Critical Accounting Estimates

For information regarding the critical accounting estimates used by the Company in its financial statements, see Note 3 to the annual consolidated financial statements as of December 31, 2023.

16. Status of the Company's liabilities by maturity dates as of June 30, 2024

For details regarding the status of the Company's liabilities according to due dates, see the Statement of Liabilities that the Company publishes at the same time as the publication of the Report, with the information included therein presented in the report by way of reference.

17. Valuations

During the reporting period, no significant or very significant valuations were made that served as the basis for determining the value of data in the report.

Mr. Eyal Podhorzer, CEO and Director	Mr. Shlomo Zohar, Chairman of the Board of Directors	Mr. Nir Peleg, CFO

Date: August 27, 2024

Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure

The management, under the supervision of the Board of Directors of Econergy Renewable Energy Ltd. (the "**Company**"), is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure in the Company.

For this matter, the members of management are:

1. Mr. Eyal Podhorzer, Director and CEO;
2. Mr. Nir Peleg, CFO.

Internal control over financial reporting and disclosure includes controls and procedures existing at the corporate designed by the CEO and the most senior finance officer or under their supervision or by the person who performs these duties in practice, under the supervision of the corporate's Board of Directors and which are designed to provide reasonable security with regard to the reliability of the financial reporting and the preparation of reports according to the provisions of the law, and to ensure that information that the corporate is lawfully required to disclose in its published reports is collected, processed, summarized and reported at the time and in the format stipulated by the law.

The internal control includes, among other things, controls and procedures designed to ensure that information disclosed is required of the corporate as stated above, is collected and transmitted to the corporate's management, including the CEO and the most senior finance officer or to those who perform these duties in practice, in order to enable decision making at the appropriate time, regarding disclosure requirements.

Due to its structural limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misrepresentation or omission of information in reports will be prevented or discovered.

In the quarterly report regarding the effectiveness of internal control over financial reporting and disclosure, which was attached to the quarterly report for the period ended March 31, 2024 (the **“Most Recent Quarterly Report on Internal Control**"), the internal control was found to be effective.

Up to the date of the Report, no event or matter has been brought to the attention of the Board of Directors and the management that could change the evaluation of the effectiveness of the internal control, as noted in the most recent quarterly report regarding internal control;

As of the date of the report, on the basis of statements in the Most Recent Quarterly Report on Internal Control, and based on information brought to the attention of the management and the Board of Directors as stated above, the internal control is effective.

Executive Statements

CEO Statement

I, Eyal Podhorzer, do hereby declare that:

1. I have reviewed the quarterly report of Econergy Renewable Energy Ltd. (hereinafter: "the **Company**") for the second quarter of 2024 (hereinafter: "the **Reports**");
2. Based on my knowledge, the statements do not include any misrepresentation of a material fact and do not lack a representation of a material fact which is necessary so that the representations included therein, in view of the circumstances in which such representations were included, will not be misleading with respect to the reporting period;
3. Based on my knowledge, the financial statements and other financial information included in the statements do properly reflect, in all material respects, the Company's financial position, operating results and cash flows as of the dates and for the periods to which the statements relate;
4. I have disclosed to the Corporation's Auditor, the Board of Directors and the Corporation's Audit and Financial Statement Committees, based on my current assessment of the internal control over financial reporting and disclosure:
   A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure that could reasonably be expected to adversely affect the Company's ability to collect, process, summarize, or report financial information in a manner that could undermine the reliability of financial reporting and the preparation of financial statements in accordance with legal requirements; and also –
   B. Any fraud, whether material or not, involving the CEO or those directly subordinate to him or involving other employees who have a significant role in the internal control over financial reporting and disclosure;
5. I, alone or together with others in the corporation:
   A. I have established controls and procedures, or verified the establishment and existence of controls and procedures under my supervision, designed to ensure that material information relating to the corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the consolidated companies, in particular during the period of preparation of the reports; and -
   B. I established controls and procedures, or verified the establishment and existence of controls and procedures under my supervision, intended to reasonably ensure the reliability of financial reporting and the preparation of financial statements in accordance with the provisions of the law, including in accordance with accepted accounting rules;
   C. I have evaluated the effectiveness of the internal control over the financial reporting and the disclosure, and I have presented in this report the conclusions of the Board of Directors and the management regarding the effectiveness of the internal control as of the date of the reports.

The aforesaid does not derogate from my responsibility or the responsibility of any other person, under any law.

Date: August 27, 2024

Eyal Podhorzer, CEO

Statement of the Most Senior Finance Officer

I, Nir Peleg, hereby declare that:

1. I have examined the Interim Financial Statements and the other financial information contained in the Reports of Econergy Renewable Energy Ltd. (hereinafter: the **"Company**") for the second quarter of 2024 (hereinafter: the **"Reports**");
2. To my knowledge, the interim financial statements and other financial information included in the interim financial statements do not include any misrepresentation of a material fact and do not lack a representation of a material fact which is necessary so that the representations included therein, in light of the circumstances in which such representations were included, will not be misleading with respect to the reporting period;
3. To the best of my knowledge, the interim financial statements and other financial information included in the interim financial statements adequately reflect, in all material respects, the Company's financial position, operating results and cash flows for the dates and periods to which the they relate;
4. I have disclosed to the Corporation's Auditor, the Board of Directors and the Corporation's Audit and Financial Statement Committees, based on my current assessment of the internal control over financial reporting and disclosure:
   - A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure that could reasonably be expected to adversely affect the Company's ability to collect, process, summarize, or report financial information in a manner that could undermine the reliability of financial reporting and the preparation of financial statements in accordance with legal requirements; and also –
   - B. Any fraud, whether material or not, involving the CEO or those directly subordinate to him or involving other employees who have a significant role in the internal control over financial reporting and disclosure;
5. I, alone or together with others in the corporation:
   - A. I have established controls and procedures, or verified the establishment and existence of controls and procedures under my supervision, designed to ensure that material information relating to the corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, insofar as it is relevant to the financial statements and other financial information included in the reports, brought to my attention by others in the corporation and the consolidated companies, in particular during the period of preparation of the reports; and -
   - B. I established controls and procedures, or verified the establishment and existence of controls and procedures under my supervision, intended to reasonably ensure the reliability of financial reporting and the preparation of financial statements in accordance with the provisions of the law, including in accordance with accepted accounting rules;
   - C. I have assessed the effectiveness of the internal control over the financial reporting and disclosure, insofar as it relates to the financial statements and the other financial information contained in the reports as of the date of the reports, my conclusions regarding my assessment as stated were brought before the Board of Directors and the management and are included in this report.

The aforesaid does not derogate from my responsibility or the responsibility of any other person, under any law.

Date: August 27, 2024

Nir Peleg, CFO

Appendix A | Information regarding bonds issued by the Company

1. Below are details regarding the Company's promissory notes as of June 30, 2024

	Bonds (Series A)
Issue date	December 9, 2021
Par value on the issue date (NIS thousands)	250,000
Par value as of March 31, 2024 (NIS thousand)	334,738.5
Par value CPI-linked as of March 31, 2024 (NIS thousand)	Unlinked
Accrued interest as of March 31, 2024 (NIS thousands)	-
Stock exchange value as of 30.6.2024 (thousand ILS)	301,599
Interest Type and Rate	Fixed annual interest at a rate of 2.5%
Principal repayment dates	One payment on June 30, 2026
Interest payment dates	Semi-annual payments on June 30 of each of the years 2022 to 2026 and on December 31 of each of the years 2022 to 2025
Linkage base	None
Conversion right	The bonds are convertible into the Company's shares from the date of issue and until June 30, 2026
Main conditions for conversion	Each NIS 35.5 PV of the bonds can be converted into one ordinary share of the Company
Payment guarantee	None
Early redemption	In the event of a decision of the Board of Directors of the Stock Exchange, as detailed in Section 8 of the trust deed.
Materiality[28]	Material series
Liens in favor of bondholders, validity of liens, terms of replacement of liens	None
Restrictions in connection with the creation of additional liens	The Company will not create a general floating lien on all its existing and future assets and rights for the benefit of a third party, unless at the same time as the creation of the floating lien for the benefit of the third party, it will create a lien of the same type and degree, pari passu according to the ratio of the debts to fully secure the Company's commitment to the bondholders (Series A).

28 A bond series is material if the total liabilities in its respect as of the end of the reporting year as presented in the Company's separate financial statement (according to Regulation 9C of the Securities Regulations (Periodic and Immediate Reports), 1970, constitute 5% or more of the Company's total liabilities as presented in the data.

	Bonds (Series A)
Restrictions on the authority to issue additional bonds	None
Financial covenants	As detailed in Section 2 below.
Was the Company in compliance with all the conditions and obligations under the trust deed during and at the end of the reporting year	Yes
Have the conditions been met for the bonds' immediate repayment or for the exercise of the collateral, and a description of the breaches (if any)	No
Was the Company required by the trustee to perform actions	No
Name of trust company **Name of person in charge of the series** **Address** **Telephone**	Reznik Paz Nevo Trusts Ltd. Hagar Shaul, Adv. 14 Yad Harutsim, Tel Aviv 03-6389200
Bondholders meeting	No bondholders meeting was held
Bond rating	The bonds are not rated

2. Financial covenants and other significant conditions - Bonds (Series A)

The following is information regarding the Company's compliance with the financial covenants of the bonds (Series A).

The Company's compliance with each of the financial covenants will be evaluated at the time of the publication of the financial statements by the Company from the issuance date onward (except for the financial covenant regarding the ratio of financial debt to adjusted consolidated EBITDA, which has been evaluated starting with the publication of the current financial statements for the period ended June 30, 2024):

Financial covenants	Compliance with financial covenants As of December 31, 2023	Given as of June 30, 2024
Solo equity will not be less than EUR 35 million over a period of two consecutive quarters.	Yes	EUR 140,081 thousand
Solo financial debt to solo balance sheet, as defined in the trust deed, will not exceed a rate of 75% over a period of two consecutive quarters.	Yes	36%
The ratio of financial debt to adjusted consolidated EBITDA shall not exceed 18 over a period of two consecutive quarters[29]	Yes	4

[29] In this regard, it should be clarified that the ratio in this section will not be examined during the period prior to the date of publication of the financial statements for the period ended June 30, 2024, and accordingly, if the Company does not meet this ratio in that period, it will not be considered non-compliance with the financial covenant. For the first review date, which will be conducted for the Company's financial statements as of June 30, 2024, the review will cover the 6-month period starting from January 1, 2024 (2 quarters), annualized to four quarters. For the second review date, which will be conducted on September 30, 2024, the review will cover the 9-month period starting from January 1, 2024 (3 quarters), annualized to four quarters.

"Solo equity", "Financial debt", "Solo financial debt", "Adjusted Consolidated EBITDA" - as defined in the trust deed.

For further details about the financial metrics, see Note 15 of the Annual Financial Statements for 2023, which are included in the Annual Report for 2023, referenced in this report. As of December 31, 2023, and as of the date of approval of the report, the Company is in compliance with all of its commitments to the bondholders (Series A).