Board of Directors' Report on the State of Affairs of Econergy Renewable Energy Ltd.

As of March 31, 2023

The Board of Directors of Econergy Renewable Energy Ltd. (hereinafter: "**Company**") is pleased to submit the Company's Board of Directors' Report as of March 31, 2023, in accordance with the Securities Regulations (Periodic and Immediate Reports) 5730-1970 (hereinafter: "**Reporting Regulations**")

Part A - 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 as a private company 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 supplemental Prospectus and a shelf Prospectus (dated July 8, 2021, Reference 2021-01-049951), and on July 9, 2021, the Company published a supplemental notice (Reference 01-050950) (hereinafter together: the **Prospectus**). The Company's shares have been trading on the Tel Aviv Stock Exchange Ltd. as of 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 - UK;

1.1.3. Area of activity - Romania;

1.1.4. Area of activity - Poland;

1.1.5. Area of activity - Spain;

1.1.6. Greece Area of activity.

1.2 Structure of holdings

For information regarding the structure of the Company's holdings, see Section 1.3.7 of Chapter A – Description of the Corporation's Business, attached to the Company's Annual Report for 2022, as published by the Company on March 28, 2023 (reference number: 2023-01-029689), and as amended due to scribal error on April 18, 2023 (reference number: 2023-01-036193) which is presented in this report by way of reference ("**Annual Report for 2022**").

1.3 Business environment

For information regarding 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 and 1.13.1 of Chapter A – Description of the Corporation's Business for 2022, attached to this report and Section 1.5 below.

1.4 Significant events in the reporting period and until the publication of the Report - status of project development and forecast of the Company's business results

1.4.1 Significant events in the reporting period and until the publication of the Report

a) Conclusion of receipt of investment and financing from the French Infragreen Fund amounting to approx. EUR 87.5 million

On November 17, 2022 Econergy International Ltd ("**Econergy England**"), a wholly owned subsidiary of the Company, signed binding agreements with a number of companies from the Rgreen Invest group, a leading investment fund in renewable energy in France incorporated as a company in France (hereafter collectively: "**RG**"), regarding RG's investment of EUR 87.5 million in the capital of Econergy England, as well as regarding entering into a partnership in capital and providing financing for the Company's projects in Europe at an additional total scope of approx. EUR 163.3 million ("**agreements**").

On March 5, 2023, the Company reported that the parties to the agreements signed an amendment according to which the bulk of the additional capital investment by the 5IG fund of RG Group, in accordance with the stipulations of the agreements, amounting to EUR 30 million will be brought forward and carried out on March 2, 2023 (in exchange for the allocation of Econergy England shares which will constitute 6.1% of the issued share capital of Econergy England on the date of closing the deal), and that this investment was made and received by the Company. On May 3, 2023, the Company reported that the balance of the additional capital investment totalling EUR 7.5 million euros (in exchange for the allotment of Econergy England shares, which will constitute 1.4% of the issued share capital of Econergy England at the Closing Date) was completed.

It should be noted that as of this date, companies from the company group have additional cooperation agreements with RG. For further details, see Section 1.8.2 of Chapter A - Description of the Corporation's Business attached to the annual statement for 2022 as well as the Company's immediate reports dated January 20, 2022, June 26, 2022, November 17, 2022, March 5, 2023 and May 3, 2023 (reference numbers: 2022-01-027184, 2022-01-064605, 2022-01-110790, and 2023 -01-019789 and 2023-01-047520 respectively).

b) Binding agreement with the Phoenix Insurance Company Ltd. regarding starting a cooperation, investment and provision of financing for the Company's projects in Romania and Poland at a total scope of approx. EUR 150 million and receipt of financing under this Agreement

On January 4, 2023 (in this section: "**Closing Date**"), Econergy England signed a cooperation agreement, convertible loan and fixed loan agreements, and a shareholders' agreement with the Phoenix Insurance Company Ltd. and its affiliates (hereinafter together: "**Phoenix**") with respect to starting a cooperation and the provision of loans by the Phoenix for the purpose of financing part of the construction costs of the Company's photovoltaic projects in Romania and Poland (in this section: "**project(s)**") for a total amount of approx. EUR 150 million (in this section: "**agreements**" and "**loans**", respectively), as follows:

1. Cooperation agreement with the Phoenix on projects

- The Phoenix is granted an exclusive right to invest through loans in the Company's projects in Romania amounting to approx. EUR 100 million (with respect to projects that have not yet been financed), and in Poland amounting to approx. EUR 50 million (including projects that also include storage).
- The loans will be provided by Phoenix to the legal entities with control over the projects ("**project entities**") in two ways:
  - directly through a conversion loan in the amount of approximately 49% of the project's construction costs according to the terms of the conversion loan agreements ("**the conversion loan**"); and also -
  - Indirectly through a fixed loan constituting approx. 17.67% of the project's construction costs as per the terms of the fixed loan agreements ("**Fixed Loan**") to be given to a fully owned subsidiary of Econergy England (dedicated to the financing of the projects by the Phoenix as per the cooperation agreement ("**dedicated company**"), who in turn will provide the project entities with a loan amounting to 51% of the project's construction costs, which includes the fixed loan and the loan it will receive from Econergy England constituting 33.33% of the project's construction costs ("**Econergy Loan**");

- The Phoenix will provide a fixed loan and a convertible loan amounting to 66.67% of the project's construction costs, for each project that reaches the RTB stage and meets the conditions specified in the cooperation agreement ("Approved Project") and Econergy England will finance the rest of the project's construction cost through an investment in the capital of the project entity and/or through an Econergy loan.

2. Loans Itemization

- Out of the loaned amount, a total of approximately EUR 110.2 million will be put forward by Phoenix as convertible loans and a total of approximately EUR 39.75 million will be put up by Phoenix as fixed loans.
- The following conditions will apply to the loans:
    - The convertible loan will be given directly to each project entity;
    - Once an approved project reaches the commercial operation phase and for 60 days from the aforementioned date ("**Realization Period**") the Phoenix will have the right to convert the balance of the convertible loan given to the project entity for the project in question (principal + interest) to 49% of the ownership of the project entity and 49% of the Econergy loan on the date of the conversion ("**Conversion**").
    - In case of conversion, with reference to projects in Romania, the Phoenix will be granted customary minority protections. In addition, the parties will be obligated not to make any disposition in the holdings of the project's entities for a period of 24 months from the date of commercial operation of the project ("**blocking period**"), Phoenix will receive the right to tag along in the event of the sale of the project's entity holdings, And the sale of the project entity holdings by Phoenix will be subject to the company's right of first offer.
    - If Phoenix does not exercise the conversion right of any project loan, then the relevant project entity will have the right to early repayment of the full project loan, without payment of a penalty.
- Among other things, the following conditions will apply to the convertible loans and fixed loans:
    - Withdrawals from loans will be possible for 24 months from the closing date (the Phoenix will be entitled to extend this date for up to 24 additional months);
    - The loans will carry an annual interest rate of 7.25% plus a transfer price, as required;
    - The interest rate will be updated in the following cases:
        - If the project entity takes on senior debt in relation to the loan (before repayment), the interest rate will be updated to 8% or to the euro interest plus 3%, whichever is higher;

- In the event of a default, the interest rate will increase by an additional 3%;
  - The first date for repaying the loans will apply according to the earliest of: (a) 36 months from the first withdrawal; or (b) 180 days from commercial operation. Loan repayment (principal and interest) will be paid every 3 months from the free cash flow of the project entity. The final repayment date of each loan will be 48 months from the first withdrawal date, with the possibility of an additional 12 months.
  - In respect of the loan, a list of acceptable grounds for immediate repayment of the loan and customary securities for loans of this type will be made available to Phoenix

3. Payment to the Company for services provided to the project entities

The Company is entitled to receive from each project entity, in lieu of approved projects, amounts as follows:

- In respect of EPCM services for each approved project – 1.5% of the construction cost;
- In lieu of project management services – an amount of EUR 3,600 per year for each MW with respect to each approved project for an initial period of 10 years from the date of the project's commercial operation (the arrangement will be automatically renewed for a further 10 years as per the terms detailed in the agreements).
- For realization of initiative -
  - an amount of EUR 100,000 per MW installed and connected ("**total realization of initiative**") in respect of each approved project in which a convertible loan has been converted into capital; or
  - If the company's costs to third parties related to the development of the project exceed the total realization of the initiative in relation to each project, the total realization of the initiative will be paid, plus 20%.

4. In accordance with the agreements signed with the Phoenix company, on May 15, 2023, the Company signed, through Econergy England and other companies held by the Company, the following binding agreements:

- A binding agreement with the Phoenix regarding the provision of financing for the Company's Oradea project in Romania, which is in 'under construction' status, for a total of approx. EUR 44.16 million[1], in accordance with the investment principles detailed in the previous report in relation to the cooperation agreement, the convertible loan and fixed loan agreements, and the shareholders' agreement with the Phoenix.
- The financing will be provided from time to time in accordance with the development needs of the project, and this after fulfilling the necessary terms for loans of this nature, including

[1]According to the agreement, the Phoenix will make available to the Company, if necessary, additional loans in respect of VAT, and unexpected expenses for the development of the project amounting to an additional EUR 11.66 million.

the completion of collateral registration, etc. The Company received the first financing payment on May 15, 2023.

- Below are the particulars of the Oradea project and its financing:
  - Expected installed power: 86.5 megawatts;
  - Phoenix financing (66.67% of the project financing) - approx. EUR 44.16 million which includes:
    - Convertible loan (49% of the project's financing): approx. EUR 32.456 million;
    - Fixed loan (17.67% of the project's financing): approx. EUR 11.704 million;

- A binding agreement with the Phoenix regarding entering into the provision of financing for the Company's Resko project in Poland, which is in 'under construction' status, for a total of approx. EUR 28.337 million2, in accordance with the investment principles detailed in the previous report in relation to the cooperation agreement, the convertible loan and fixed loan agreements, and the shareholders' agreement with the Phoenix.
- The financing will be provided from time to time in accordance with the development needs of the project, and this after fulfilling the necessary terms for loans of this nature, including the completion of collateral registration, etc. The Company received the first financing payment on May 15, 2023.
- Below are the particulars of the Resko project and its financing:
  - Expected installed power: 51.1 megawatts;
  - Phoenix financing (66.67% of the project financing) - approx. EUR 28.337 million which includes:
    - Convertible loan (49% of the project's financing): approx. EUR 20.827 million;
    - Fixed loan (17.67% of the project's financing): approx. EUR 7.510 million;

For further details, see the immediate reports from January 5, 2023 and May 16, 2023 (reference number: 2023-01-002413 and 2023-01-044518, respectively).

The Company's assessments regarding its expected revenue from the agreement and the projects, the projects' construction costs, income and yields, are forward-looking information, as per the term's definition in the Securities Law of 5728-1968, the realization of which is uncertain and not under the sole control of the Company. The aforementioned estimates are based, inter alia, on the Company's plans and estimates, and may not materialize due to factors

[2] According to the agreement, the Phoenix will make available to the Company, if necessary, additional loans in respect of VAT, and unexpected expenses for the development of the project amounting to an additional EUR 8.56 million.

beyond the Company's control, as well as due to a concern regarding the existence of one of the risk factors detailed in Section 1.28 of Chapter A - Description of the Corporation's Business, attached to the 2022 Annual Report.

c) Funding of the Ratesti project in Romania

The Ratesti project is the largest photovoltaic project under construction in Romania, and as of the date of publication of the report, the construction of the project has been completed and is in a state of readiness for connection to the electricity grid. On January 5, 2023, Ratesti Solar Plant, ("**project company**"), a corporation owned (50%) by Econergy England, signed a non-binding memorandum of understanding with Raiffeisen Bank International AG, one of the leading banks in Austria and Central Europe and with its subsidiary, Raiffeisen Bank S.A (collectively, "**Raiffeisen Group**"), regarding the provision of project financing totalling approx. EUR 60 million by the Raiffeisen Group for the Ratesti project with a capacity of approximately 155 MW in Romania. The memorandum of understanding includes two alternatives for the financing period, at the borrower's discretion: short-term financing, and long-term financing of up to 10 years. The repayments for the financing will be paid on the basis of revenues from the sale of electricity generated in the Ratesti project. Also, the financing position is subject to the provision of acceptable collateral for project financing of this type. To clarify, a binding financing agreement has not yet been signed between the parties, and the final terms of the transaction will be determined within the framework of a binding agreement, assuming one is signed. Signing a binding financing agreement is conditional on receiving all the required approvals, including approvals from the relevant bodies of the Raiffeisen Group, the project company and its shareholders, and regulatory approvals as required, as well as the completion of adequate inspections to the satisfaction of the Raiffeisen Group. In the company's estimation, the closing of the financing and the signing of a binding financing agreement, to the extent that it is signed, is expected during the second quarter of 2023.

For further details regarding the project status, its costs and expected revenues, see Section 1.4.2 below, as well as in an immediate report published by the Company on January 8, 2023 (Reference No.: 2023-01-003640), which is presented in this report in its entirety by way of reference.

The company's estimates regarding the signing of a binding financing agreement, the date of signing and its terms, as well as regarding the date of the completion of the Ratesti project, are forward-looking information, as this term is defined in the Securities Law of 1968, the realization of which is uncertain and not under the sole control of the Company. The aforementioned estimates are based on the Company's plans and estimates, and may not

materialize due to factors beyond the Company's control, such as changes in policy and/or financing costs, operational problems, regulatory changes, the COVID-19 crisis and the restrictions that have been and/or will be imposed as a result thereof. It should be emphasized that, as of the date of this immediate report, there is no certainty regarding the signing of a binding financing agreement due to the above, as well as due to a fear of the existence of one of the risk factors listed in Section 1.28 of Chapter A - Description of the Corporation's Business, attached to the annual report for 2022.

d) Winning tenders for the supply of electricity at a guaranteed rate from the company's storage facilities in England

On February 21, 2023, Econergy England won two government tenders for the supply of electricity through storage facilities for a period of 15 years, at a rate of GBP 63 per hour, linked to the index, and this due to the Company winning the tenders for the Swangate and Immingham projects. The company, as the winner of the tenders, will be required to be available with a 4-hour notice in any case where there is a fear of disconnections in the electricity system in order for the company's storage systems to be used as an alternative for the flow of electricity. According to the Company's estimation, during the winning period (starting in 2027) the Company is expected to receive revenues for winning the tenders, totalling approx.GBP 8.21 million, before linkage to the consumer price index. To clarify, these revenues constitute a relatively small portion of the total expected revenues from the projects, noting that in accordance with the regulation in England, the company will be able to enter into market contracts for the sale of electricity and additional electricity network services.

For additional details, see the company's report dated February 26, 2023 (reference number: 2023-01-020727).

e) Allocation of warrants to employees, to the Chairman of the Board of Directors and as a reserve of warrants for future allocations

- 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 a private allocation report to employees for the allocation of 144,500 warrants convertible into 144,500 ordinary Company shares, to 8 of the Company’s employees, as well as 735,000 warrants convertible into 735,000 ordinary Company shares to Altschuler Benefits Ltd. ("**Trustee**") which will be used as a pool for future granting of warrants to employees. On May 14, 2023, the allocation of the aforementioned warrants was concluded.

For further details, see the immediate reports from March 28, 2023 and May 7, 2023 and May 14, 2023 (Reference no.: 2023-01-029845, 2023-01-048603 -ו2023-01-051291).

- In accordance with the decision of the Company's Board of Directors of March 27, 2023, and further to the approval of the Company's general meeting of May 2, 2023, on May 15, 2023, the allocation of 150,000 warrants convertible into 150,000 ordinary Company shares to Mr. Shlomo Zohar, the Chairman of the Company's Board of Directors, was completed.

  For further details see immediate reports from March 28, 2023, March 30, 2023, April 20, 2023 and May 14, 2023 (Reference no.: 2023-01-029845, 2023-01-031024, 2023-01-037786 and 2023-01-051291).

f) Acquisition of a wind project in Romania - Salbatica

After the balance sheet date, on May 19, the acquisition of the SALBATICA project, which is a wind project in Romania of approx. 35 megawatts, was concluded, in return for approx. EUR 6.3 million. Of the cost of the project, approximately EUR 4.5 million have been paid so far, and the remaining payment is expected during the fourth quarter of 2023. As part of the project acquisition, the Company's Board of Directors approved the placement of a parent company guarantee of up to EUR 4 million in order to guarantee payment for part of a European grant which is expected to be received from the authorities in Romania and dependant on the grant amount to be received.

1.4.2 Status of project development

a) It should be noted that the Company's forecasts are based on the Company's existing work plan for the implementation of projects as detailed in Section 1.3.6 of Chapter A – Description of the Corporation’s Business, attached to the Annual Report 2022, and subject to changes in the report period as aforementioned, and which does not take into account further initiation and development of additional projects.

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

- “Early development systems" - Systems in the early development stages, which have not yet matured to licensing and for which feasibility tests for connection to the grid are being performed; comprehensive examination of land type and licensing restrictions; commercial conversations with relevant landowners for consent; economic feasibility tests; preparation of a comprehensive internal report; and with regards to which the Company estimates there is a high probability that they will move to the licensing stage within a period not exceeding 6 months.

- “Systems under license” - Systems for which there is an interest in the land and which have obtained a license to connect to the electric grid, or are in the advanced process of obtaining, a license to connect to the electricity grid and a building permit
- “Pre-construction systems” - Systems that have received all the required approvals and are in the Ready to Build process or systems for which there is approval for connection to the grid and which are in the final licensing procedures and the actual start of construction is expected within twelve months.
- “Systems under construction” - Systems whose construction process has begun.
- "Systems in ‘ready to connect’ phase" - Systems whose physical construction phase has been fully completed or for which a connection request has been submitted, but have not yet been connected to the electricity grid.

It should be noted that the company's projects are presented below with a separation between the installed voltage (MWp) of photovoltaic and wind projects and the nominal storage volume (MWh) of battery storage projects.

b) 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):

Status	Italy	UK	Romania	Spain	Poland	Greece	Total
Ready to connect	-	-	155	-	-	-	155
Under construction	22	-	222	-	52	-	295
Pre-construction	575	86	451	50	13	-	1.174
Licensing	1.069	142	1.035	52	681	460	3.440
Early development	441	602	357	263	871	500	3.034
Total MW in development	2.106	830	2.220	365	1.616	960	8.098
Number of PV, wind and storage projects	133	15	23	4	39	3	217
Of them, Number of PV, wind and storage projects		13					13

c) The following is a summary of the status of storage projects under development and the predicted outputs, as of the date of publication of the report (data presented in MWh):

Storage projects in the UK	BESS stand-alone as of 31.3.2023	BESS co-located as of 31.3.2023	Total as of March 31, 2023	Total as of December 31, 2022	Change
Ready to connect	-	-	-	-	-
Under construction	102	-	102	102	-
Pre-construction	306	61	367	367	-
Licensing	508	239	747	1.296	-42.4%
Early development	845	1,879	2,723	1,240	119.7%
Total MWh storage	**1,761**	**2,178**	**3,940**	**3,005**	31.1%

Storage projects in the UK	BESS stand-alone as of 31.3.2023	BESS co-located as of 31.3.2023	Total as of March 31, 2023	Total as of December 31, 2022	Change
Number of storage projects	**8**	**13**	**21**	**19**	10.5%

d) The following is a summary of the projects by project type (for PV and wind projects the data is presented in MW, for storage projects the data is in MWh):

Type of Project	Italy	UK	Romania	Spain	Poland	Greece	Total
PV	1,495	830	2,059	365	1,616	960	7,325
Wind	611	-	161	-	-	-	772
Total projects under development	**2.106**	**830**	**2.220**	**365**	**1.616**	**960**	**8.098**

Type of Project	Italy	UK	Romania	Spain	Poland	Greece	Total
BESS (co-located)		2.178					2,178
BESS (stand-alone)		1.761					1,761
Total projects under development		**3.940**					**3.940**

Regarding storage projects, it should be noted that apart from the projects that are already in the development process in England as detailed in the table above, the company is also examining and promoting entry into the field of storage in the other markets in which it operates. The Company conducts an ongoing assessment of the development status and the expected connection dates in each country, which are derived from the expected duration of the development process in each country and the expected duration of construction subsequent to the Ready to Build stage and up to the connection to the electricity grid. Following delays in the equipment supply chain resulting from macroeconomic effects (as set forth in Section 1.7 of Chapter A - Description of the Corporation's Business attached to the Company's Annual Report 2022), over the coming period the Company anticipates certain temporary delays during the construction period of some of the projects, which are not expected to have a material impact on the Company's activities, as detailed below:

The licensing process in Italy, up to the readiness for construction stage, is expected in the Company’s estimate to last 24 to 30 months for PV projects, depending on the project capacity, and 36 months for wind projects. For information regarding the licensing and regulation process in Italy, see Section 1.8.1.5 of Chapter A - Description of the Corporation’s Business, attached to the company’s annual report for 2022. The Company is making progress in the development procedures of the projects but is experiencing delays mainly due to the development of new network infrastructures by the electricity network operators, longer than expected waiting times in the local authorities and objections from environmental organizations and others on the local level.

The licensing process in the UK, up to the readiness for construction stage, is expected in the Company's estimate to last 18 to 24 months for PV projects, depending on the project capacity. For information regarding the licensing and regulation process in England, see Section 1.9.1.3 of Chapter A - Description of the Corporation's Business, attached to the company's annual report for 2022.

According to the British electricity regulator, more than 40% of the total capacity (about 120 gigawatts) of new projects seeking to connect to the electricity grid and already holding approved connection agreements today, have connection dates from 2030 onwards. In the open letter it published, the regulator expressed the urgent need for immediate action to achieve the goal of decarbonization by 2035.[3]The main challenges identified by the regulator in the letter are: increase in the volume of connection requests (there has been an 80% increase in network connection requests in the past year), the current licensing mechanism on a "first come, first served" basis causes significant delays in connection and over 40% of them fail to be realized and long waiting times - over half of the applications currently in the connection queue have waiting times of at least five years.

The British Electric Company is calling for a "fundamental step change" in the scope and pace of providing new electricity network infrastructure in order to gain a competitive advantage in the international race for clean investment. In its view, the electricity network upgrades are crucial to support the growing demand for electricity, which is expected to increase by 50% by 2035. Therefore, the Electric Company will invest over 16 billion GBP in the next five years in the upgrading of the electricity network infrastructure. One of the high priority issues that requires action is changing the way clean energy facilities connect to the grid: moving from a connection process based on "first come, first served" to a "connect or leave" process, developing strategic capacity hubs that allow for a more coordinated and innovative approach to connection and creating a fast connection route for critical emission reduction projects while granting priority to those areas with maximum economic value.[4]

The licensing process in Romania, up to the readiness for construction phase, is expected, according to the Company's assessment, to last 18 to 24 months for PV projects, depending on

[3] https://www.ofgem.gov.uk/publications/open-letter-future-reform-electricity-connections-process
[4] https://www.nationalgrid.com/national-grid-sets-out-urgent-reform-energy-transition

the project capacity, and 24 to 36 months for wind projects. For information regarding the licensing and regulation process in Romania, see Section 1.10.1.3 of Chapter A - Description of the Corporation's Business, attached to the company's annual report for 2022.

The licensing process in Poland, up to the Ready to Build stage, is expected in the Company's estimate to last 24 to 36 months for PV projects, depending on the project capacity. For information regarding the licensing and regulation process in Poland, see Section 1.11.1.3 of Chapter A - Description of the Corporation's Business, attached to the company's annual report for 2022.

The licensing process in Spain, up to the Ready to Build stage, is expected in the Company's estimate to last 24 to 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 - Description of the Corporation's Business, attached to the company's annual report for 2022.

The licensing process in Greece, up to the Ready to Build stage, is expected in the Company's estimate to last 24 to 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 - Description of the Corporation's Business, attached to the company's annual report for 2022. In addition, the duration of the project construction period, in all of the countries, from the Ready to Build stage and until connection of the project to the electricity grid and commercial operation, is expected, according to the Company's estimate, to last 9 to 12 months for PV projects, depending on the project capacity, and 12 to 18 months for wind projects, depending on the project capacity.

The company's connection forecasts, both in England and in the other territories, are based, among other things, on connection dates according to the applications submitted and connection approvals actually received.

e) The following is an analysis of the development of the projects in the various territories where the Company operates since the publication of the prospectus (with the exception of storage, the data is presented in MW):

Country	Status of Development	31/12/2022	Date of Report 31/03/2023	Change between 31/12/2022 and the date of the report 31/03/2023
Italy	Ready to connect	-	-	-
	Under construction	22	22	-
	Pre-construction	393	575	46%
	Licensing	997	1,069	7%
	Early development	289	441	53%
	Total Italy	**1.701**	**2.106**	**24%**
UK	Ready to connect	**-**	-	-
	Under construction	**-**	-	-
	Pre-construction	112	86	-23%
	Licensing	172	142	-17%
	Early development	372	602	62%
	Total UK	**656**	**830**	**27%**
Romania	Ready to connect	**155**	155	-
	Under construction	222	222	-
	Pre-construction	181	451	149%
	Licensing	327	1,035	216%
	Early development	801	357	-55%
	Total Romania	**1.686**	**2.220**	**32%**
Spain	Ready to connect	**-**	-	**-**
	Under construction	**-**	-	**-**
	Pre-construction	50	50	-
	Licensing	52	52	-
	Early development	234	263	12%
	Total Spain	**336**	**365**	**9%**
Poland	Ready to connect	**-**	-	-
	Under construction	52	52	-
	Pre-construction	13	13	-
	Licensing	530	681	29%
	Early development	1,054	871	-17%
	Total Poland	**1.649**	**1.616**	**-2%**
Greece	Ready to connect	**-**	-	-
	Under construction	-	-	-
	Pre-construction	-	-	-
	Licensing	460	460	-

Country	Status of Development	31/12/2022	Date of Report 31/03/2023	Change between 31/12/2022 and the date of the report 31/03/2023
	Early development	500	500	-
	Total Greece	**960**	**960**	**-**
Total	Ready to connect	155	155	-
	Under construction	295	295	-
	Pre-construction	749	1,174	57%
	Licensing	2,538	3,440	36%
	Early development	3,250	3,034	-7%
Total under development and construction		**6.987**	**8.098**	**16%**
Total storage under development	Total storage (MWh)	**3.005**	**3.940**	**31%**

Italy - The Company continued to promote new projects and under-development projects since the recent report, a total increase of 24% can be seen in the under-development project pipeline in Italy compared to the publication date of the annual report for 2022.

England - The Company has continued to expand and deepen its development activities in the UK. Concurrently, due to an issue of the overload on the electricity grid in England, as detailed in Section 1.4.2-d above, there was a decrease in photovoltaic projects in readiness for construction and licensing and in total there was a 27% increase in the pipeline of photovoltaic projects under development. For more details, see Section 6 below.. For additional information, see Subsection F below.

Romania - The Company started the construction of the Parau project, the Oradea project and the Scurtu Mare project with a capacity of 86.5, 91.5 and 44 megawatts respectively. During the period there was a 32% increase in the pipeline of projects under development, and the Company expects the scope of projects reaching readiness for construction (RTB) over the next 12 months to increase significantly. For additional information, see Subsection F below.

Spain - The Company is working to advance new projects in various stages of development.In total, a rise of 9% was recorded in the pipeline of projects under construction in Spain.

Poland - The Company continues to advance the development activity in Poland and is seeking to advance projects in all stages of development.

Storage projects in England - During the first quarter of 2023, the scope of the storage projects under development increased by approx. 31%.

f) The Company's management anticipates that not all projects in the various stages of development will reach maturity and be Ready to Build, and therefore the Company conducts ongoing assessments regarding the chances of success and the date of completion of 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 early development – 35-40%.

g) The following is the estimated connection for PV and wind projects, based on the Company's existing project pipeline:

Expected connection (MW)	**Italy**	**UK**	**Romania**	**Spain**	**Poland**	**Greece**	**Total**
2023	25	-	155	-	52	-	232
2024	345	-	508	45	-	-	898
2025	324	72	623	-	339	-	1,357
2026	657	-	426	77	295	345	1,800
Total connections expected by 2026	**1.352**	**72**	**1.712**	**122**	**686**	**345**	**4.287**

h) The following is the expected connection for storage projrcts based on the Company's existing project pipeline:

Expected connections (MWh)	**Italy**	**UK**	**Romania**	**Spain**	**Poland**	**Greece**	**Total**
2023	-	-	-	-	-	-	-

Expected connections (MWh)	Italy	UK	Romania	Spain	Poland	Greece	Total
2024	-	102	-	-	-	-	102
2025	-	362	-	-	-	-	362
2026	-	61	-	-	-	-	61
Total connections expected by 2026	**-**	**525**	**-**	**-**	**-**	**-**	**525**

As stated, the numbers in the table above assume the probabilities of success in completing the project development process in the various countries and at the various stages of the project, according to the Company's estimation as of the writing of this report.

Based on the table above, in accordance with the Company's holding rate in the various projects, and based on the assumptions regarding the realization of the projects as presented in subsection 1.4.2(F) above, the expected connection solely including the Company's share in the project pipeline, is as follows:

Estimated PV and Wind Connection (MW)	Italy	UK	Romania	Spain	Poland	Greece	Total
2023	4	-	77	-	26	-	108
2024	221	-	256	22	-	-	499
2025	130	72	311	-	318	-	832
2026	384	-	213	77	295	169	1,138
Total connections expected by 2026	**739**	**72**	**858**	**99**	**639**	**169**	**2.576**

Estimated storage connection (MWh)	Italy	UK	Romania	Spain	Poland	Greece	Total
2023	-	-	-	-	-	-	-
2024	-	51	-	-	-	-	51
2025	-	298	-	-	-	-	298
2026	-	61	-	-	-	-	61
Total connections expected by 2026	**-**	**410**	**-**	**-**	**-**	**-**	**410**

In addition, the following are the expected connections (total MWs) which includes only the company's share in the backlog of projects according to development stages as of the date of the report:

Estimated PV and Wind Connection (MW)	**2023**	**2024**	**2025**	**2026**	**Total**	**%**
Early development	-	-	100	343	**443**	17%
Licensing	-	-	585	795	**1.380**	54%
Pre-construction	3	387	147	-	**536**	21%
Under construction	27	112	-	-	**140**	5%
Ready to connect	77	-	-	-	**77**	3%
Total	**108**	**499**	**832**	**1.138**	**2.576**	100%

Estimated storage connection (MWh)	**2023**	**2024**	**2025**	**2026**	**Total**	**%**
Early development	-	-	15	61	**76**	19%
Licensing	-	-	-	-	**-**	0%
Pre-construction	-	-	283	-	**283**	69%
Under construction	-	51	-	-	**51**	12%
Ready to connect	-	-	-	-	**-**	0%
Total	**-**	**51**	**298**	**61**	**410**	100%

i) Details of the projects with a Ready for Connection status (amounts in EUR thousands):

Country	Name of Project	Technology	Installed Capacity MWp	Company Share[1]	Expected Tariff	Expected Year of Connection	First full year of operations	Expected Leverage Rate	Total Projected Construction Costs [2]	Revenue Projected [2, 3]	EBITDA [2, 3]	Total Invested Construction Costs[5]
Romania	Ratesti	Solar PV only	155	50%	70% PPA, 30% market	2023	2024	60%	101,928	19,806	17,204	101.354
	Company Share (not leveraged)		**77**						**50.964**	**9.903**	**8.602**	**50.677**

j) Details of the projects with the status of "Under Construction" (amounts in EUR thousands):

Country	Name of Project	Technology	Installed Capacity MWp	BESS MWh Capacity	Company Share [1]	Expected Tariff	Expected Year of Connection	First full year of operations	Expected Leverage Rate	Total Projected Construction Costs [2]	Revenue Projected [2, 3]	EBITDA [2, 3]	Total Invested Construction Costs[5]
Italy	Backlog of 8 projects - UBS deal	Solar PV only	22	-	5%	70% PPA, 30% market	2023	2024	60%	14,920	3,052	2,641	10.054
Poland	Resko	Solar PV only	52	-	51%	70% PPA, 30% market	2023	2024	60%	37,375	4,521	3,652	24,651
Romania	Parau	Solar PV only	92	-	50%	70% PPA, 30% market	2024	2025	60%	64,167	10,250	8,156	11.455
Romania	Scurtu Mare	Solar PV only	44	-	51%	70% PPA, 30% market	2024	2025	60%	32,640	5,085	4,330	4.957
Romania	Oradea	Solar PV only	87	-	51%	70% PPA, 30% market	2024	2025	60%	62,461	8,537	6,756	20,206
UK	West Melton (Swangate)	BESS stand-alone	-	102	50%	Market prices	2024	2025	60%	42,261	8,978	7,523	12,833
	Total		**295**	**102**						**253.823**	**40.423**	**33.058**	**84.156**

Country	Name of Project	Technology	Installed Capacity MWp	BESS MWh Capacity	Company Share [1]	Expected Tariff	Expected Year of Connection	First full year of operations	Expected Leverage Rate	Total Projected Construction Costs [2]	Revenue Projected [2, 3]	EBITDA [2, 3]	Total Invested Construction Costs[5]
	Company Total Share (not leveraged)		**140**	**102**						**120,776**	**19,020**	**15,488**	**37,549**

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

Country	Technology	Installed Capacity MWp	BESS MWh Capacity	Company Share[1]	Expected Tariff	Expected Year of Connection	First full year of operations	Total Projected Construction Costs[2]	Revenue Projected[2, 3, 4]	EBITDA[2, 3]
Italy	Pipeline of 31 projects - UBS PV transaction	148	-	5%	70% PPA, 30% market	2023-2024	2024	97,053	19,857	16,979
Italy	Pipeline of 33 PV projects up to 10MWp	209	-	100%	70% PPA, 30% market	2023-2024	2024	135,970	32,945	28,873
Italy	Onshore Wind	10	-	100%	70% PPA, 30% market	2024	2025	10,975	1,439	1,165
Italy	Onshore Wind	14	-	100%	70% PPA, 30% market	2024	2024	18,633	2,923	2,519
Romania	Solar PV only	30	-	50%	70% PPA, 30% market	2024	2025	21,924	3,365	2,850
Romania	Solar PV only	40	-	50%	70% PPA, 30% market	2024	2025	29,960	4,349	3,663
Romania	Solar PV only	33	-	50%	70% PPA, 30% market	2024	2025	26,072	3,676	3,109
Romania	Solar PV only	144	-	50%	70% PPA, 30% market	2025	2026	93,125	14,586	12,061
Romania	Solar PV only	32	-	50%	70% PPA, 30% market	2024	2025	26,818	3,757	3,212
Romania	Solar PV only	25	-	50%	70% PPA, 30% market	2024	2025	19,163	2,989	2,563
Romania	Solar PV only	54	-	51%	70% PPA, 30% market	2024	2025	46,757	6,468	5,537
Romania	Solar PV only	20	-	50%	70% PPA, 30% market	2024	2025	12,087	2,297	1,958
Romania	Solar PV only	38	-	51%	70% PPA, 30% market	2024	2025	24,847	4,501	3,846
Romania	Onshore Wind	35	-	50%	70% PPA, 30% market	2024	2025	46,400	8,954	7,954
Spain	Solar PV only	50	-	50%	70% PPA, 30% market	2024	2025	32,487	4,381	3,352
UK	BESS stand-alone	-	163	100%	Market	2025	2026	64,872	13,265	10,890
UK	BESS stand-alone	-	143	50%	Market	2025	2026	58,009	12,731	10,694
Poland	Solar PV only	13	-	51%	70% PPA, 30% market	2025	2025	7,495	1,166	943
UK	Solar PV only	22	-	100%	70% PPA, 30% market	2025	2026	13,872	1,903	1,451
UK	Solar PV + Co-located BESS	45	61	100%	70% PPA, 30% market	2025	2026	52,481	8,712	6,897
	Total	**963**	**367**					**838.997**	**154.264**	**130.515**
	Total Company share	**566**	**296**					**520.164**	**98.911**	**83.618**

(1) The Company's share in the above tables reflects estimates by the Company's management regarding existing and future partnerships, published by the company, and not the actual holding rate as of the date of the report's publication.

(2) Construction costs, projected revenue and EBITDA are presented in the above table at 100%, and not according to the Company's share (except in relation to the total Company share in the data contained in the table as stated).

(3) Average revenue and projected EBITDA for the first full five years of operation.

(4) The revenues are calculated based the assumption of transactions for the purchase of electricity closing at a fixed price (Power Purchase Agreement - PPA) for a period of 10 years starting from the first year of full operations and for 70% of the output, and the rest at expected market prices according to the Company's market consultants. In Romania, revenues are calculated on the basis of the assumption of price setting transactions for the purchase of electricity at a fixed price (Power Purchase Agreement - PPA) for a period of 10 years as of the second half of 2025. The PPA prices in the various markets are based on the estimates of the Company and its consultants.

(5) Construction costs invested as of March 31st, 2023.

1.4.3 Investment plan

The Company started building projects through EPC contractors who build the projects under the management and control of the company. The construction cost taken into account includes: engineering, procurement and construction with a turnkey contractor (EPC), grid connection costs, development and initiation costs. As of the date of publication of the Company's annual report for 2022, following delays in the equipment supply chain resulting from macroeconomic effects (as detailed in Section 1.7 of Chapter A - Description of the Corporation's Business attached to the company's Annual Report 2022), and a significant increase in the price of some of the raw materials, the Company anticipates a significant increase in the total construction cost of the projects it owns. As of the date of the report, the Company expects stability in the total construction cost of the projects it owns. For additional information, see Section 1.6 above.

It should be noted that in the Econergy Archmore portfolio, carried out in collaboration with the UBS fund, the Company is not required to provide equity.

Moreover, the Company assumes that the projects will be financed by senior debt at market-accepted rates at approx. 60% leverage.

Based on these assumptions, the Company is anticipating the following investments in the various countries over the coming years (EUR millions):

Expected Investment	**Italy**	**UK**	**Romania**	**Spain**	**Poland**	**Greece**	**Total**
2023	13	4	18	-	-	-	35
2024	74	59	32	4	60	7	236
2025	76	9	18	34	78	41	255
2026	63	19	-	3	46	37	168
Total expected investment by 2026	226	91	67	40	184	84	693

The table above includes, among other things, investments in projects throughout the projection years, that will be connected during 2027 and 2028. The investments required between 2023 and 2026 in order to meet the connection expectations by the end of 2026 only, which were presented above, amount to approx. EUR 515 million.

In the Company's forecast of investment relative to the Annual Report, a decrease was recorded, and this in light of the delay in starting the construction of projects due to delays in the completion of their development and delays resulting from problems in the supply chain.

The Company's future investment plan, on the basis of which, among other things, the Company's business forecasts regarding its projects are provided as set forth in this Report, assumes that the Company will need capital for investment which exceeds the Company's current sources of capital. Accordingly, in the Company estimate, it will be required to raise additional capital as early as 2023 onwards in order to provide its share of equity required for the construction of the projects presented in this report and according to the investment plans described above. In order to comply with the investment plan, the Company is examining various possible financing alternatives, including raising capital from the public and/or raising private capital for the Company's subsidiaries, as well as introducing partners for projects under the Company's development.

The Company's forecasts are based on the assumption of the introduction of partners in all the projects for which the Company has reached agreements (Phoenix, RGREEN and UBS agreements), and regarding all other projects, Econergy will own 100%, with the exception of projects in Romania and two storage projects in England for which the Company is considering introducing partners.

As of the date of the report, there is no certainty that the raising of capital will be completed in full according to the Company's forecasts. Failure to raise sufficient capital for the implementation of the Company's future investment plan described above is expected to significantly affect the Company's forecasts set forth in the Report, including the projected annual revenue estimates, the projected EBITDA estimates, the projected FFO estimates and the projected FCF estimates, as set out in this Report. However, according to the Company's estimates, insofar as the Company does not meet future capital raising plans, it has alternatives to the implementation of its investment plans, including the sale of projects, or some of them, at the Ready to Build stage (RTB) in anticipation of unlocked value for the Company and/or debt raising in the capital market.

1.4.4 Revenue forecast

In relation to each project, the Company has an assessment based on planning tools (which enable planning of the expected facility layout according to the terrain and planning constraints, until the expected facility size and efficiency rate are reached) and multi-year databases of expected sun radiation or wind speed, as the case may be. Based on the assessed installed capacity and the solar radiation or wind speed, the Company performs its estimates regarding the expected electricity output from the facility.

The Company usually uses current forecasts (on a quarterly level) from leading external market consultants regarding the expected sales prices in each region or country, depending on the facility's technology, in the coming years. The external consultants' forecast is based on electricity demand and supply forecasts in the region or country, on alternative energy prices and multi-year models. The market consultants' forecasts, which assist the Company, are accepted by lending banks in the countries of operation.

For the purpose of calculating the Company's revenues and the profitability of its operations in the coming years, and based on estimates from external market consultants, the Company assumed projected electricity prices in the countries of operation, by technology in the coming years, as follows[5]:

			Expected price 2024	**Market Prices over the First 10 Years**	
				Min	**Max**
Italy	Wind	€/MWh	90	75	124
Italy	PV	€/MWh	86	53	115
UK	PV	£/MWh	74	46	93
UK	BESS	£/kW/year	216	103	216
Romania	Wind	€/MWh	81	82	134
Romania	PV	€/MWh	78	58	130
Spain	PV	€/MWh	55	39	78
Poland	PV	€/MWh	81	49	118
Greece	PV	€/MWh	80	46	118

Note: Expected electricity prices during the year 2024 are calculated based on the assumption of closing transactions for the purchase of electricity at a fixed price (Power Purchase Agreement - PPA) for a period of 10 years for 70% of the output, and the rest (30%) at the 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. Also, the price forecast for storage systems includes rates that the Company won as part of government tenders in England for the supply of electricity starting from 2027.

The operating expenses assumed by the Company for estimating future revenue and profitability are based on price quotes from suppliers and existing agreements in facilities managed by the

[5] The prices are presented at their real rate, without linkage.

Company in ongoing operations, inflation assumptions based on market consultants, as well as its management's knowledge from many years of operating facilities.

The following is an analysis of the company's revenue forecast based on the Company's investment plan, presented by project with the current development status as of the date of publication of the Report (the company's share, in EUR millions):

Revenue Forecast	**2023**	**2024**	**2025**	**2026**	**Total**
Revenue from the implementation of project initiation and development	15	75	54	1	145
Revenue from the sale of electricity[6]	5	75	201	312	593
Revenue from the sale of services	3	8	12	10	33
Total	**23**	**158**	**268**	**322**	**772**

In the forecast of the Company's revenues from the implementation of the initiation and development of projects for the years 2023-2026, there was an increase of approximately 43% compared to the forecast included in the previous quarter's report. The total revenue forecast to the end of 2026 decreased by approx.8% compared to the previous quarter's forecast and this due to an expected decrease in electricity prices in the forecast years.

As mentioned above, electricity prices for the benefit of revenue forecasting are calculated based on the assumption of closing transactions for the purchase of electricity at a fixed price (Power Purchase Agreement - PPA) for a period of 10 years starting from the first full year of operation and for 70% of the output and the rest at the expected market prices according to the estimates of the company's market consultants and the PPA prices in the various markets.

It should be noted that the revenue forecast, for all its components, is a Non-Gaap forecast, that is, it was not constructed according to the accepted accounting rules.

1.4.5 Business Results Projection

[6] Assuming a sales volume of 70% according to the expected PPA rate for 10 years starting from the first year of full operation, in Romania starting from the second halfof the year 2025, and 30% market price.

The company estimates the development of the **recurring project business results** (revenues from the sale of electricity and services) in the following years as follows (the company's share, in EUR millions): [7]

Business Results Projection	**2023**	**2024**	**2025**	**2026**	**Total**
Revenue	8	83	214	322	626
EBITDA	7	76	189	275	549
FFO	7	66	150	205	428
FCF	7	62	129	156	354

1.4.6 Detail of revenue forecast for the years **2023 and 2024 only** according to development stages:

1.4.6.1 2023 (EUR millions)

Total revenue	**Italy**	**UK**	**Romania**	**Spain**	**Poland**	**Greece**	**Total**
Early development	-	-	-	-	-	-	-
Licensing	-	-	-	-	-	-	-
Pre-construction	3	-	8	-	-	-	11
Under construction	1	3	1	-	4	-	8
Ready to connect	-	-	4	-	-	-	4
Total	**4**	**3**	**13**	**-**	**4**	**-**	**23**

Revenue from project initiation and development	**Italy**	**UK**	**Romania**	**Spain**	**Poland**	**Greece**	**Total**
Early development	-	-	-	-	-	-	-
Licensing	-	-	-	-	-	-	-
Pre-construction	2	-	7	-	-	-	9
Under construction	1	3	-	-	3	-	6
Ready to connect	-	-	-	-	-	-	-
Total	**3**	**3**	**7**	**-**	**3**	**-**	**15**

Revenue from the sale of electricity	**Italy**	**UK**	**Romania**	**Spain**	**Poland**	**Greece**	**Total**
Early development	-	-	-	-	-	-	-
Licensing	-	-	-	-	-	-	-
Pre-construction	-	-	-	-	-	-	-
Under construction	(1)-	-	-	-	1	-	1
Ready to connect	-	-	4	-	-	-	4
Total	**(1)-**	**-**	**4**	**-**	**1**	**-**	**5**

[7] The recurring results are results of a cyclical nature, that is, they are not of a one-time nature. The recurring project business results of the company derive from sales of electricity and services.

Revenue from the sale of services	Italy	UK	Romania	Spain	Poland	Greece	Total
Early development	-	-	-	-	-	-	-
Licensing	-	-	-	-	-	-	-
Pre-construction	(1)-	-	1	-	-	-	1
Under construction	(1)-	(1)-	1	-	(1)-	-	1
Ready to connect	-	-	-	-	-	-	-
Total	**(1)-**	**(1)-**	**2**	**-**	**(1)-**	**-**	**3**

(1) Revenues lower than EUR 1 million.

1.4.6.2 2024 (EUR millions)

Total revenue	Italy	UK	Romania	Spain	Poland	Greece	Total
Early development	-	-	-	-	-	-	-
Licensing	1	-	31	-	-	-	32
Pre-construction	39	4	34	4	(1)-	-	81
Under construction	(1)-	3	23	-	3	-	29
Ready to connect	-	-	16	-	-	-	16
Total	**40**	**7**	**104**	**4**	**3**	**-**	**157**

Revenue from project initiation and development	Italy	UK	Romania	Spain	Poland	Greece	Total
Early development	-	-	-	-	-	-	-
Licensing	1	-	30	-	-	-	31
Pre-construction	16	4	16	3	-	-	38
Under construction	-	-	6	-	-	-	6
Ready to connect	-	-	-	-	-	-	-
Total	**17**	**4**	**52**	**3**	**-**	**-**	**75**

Revenue from the sale of electricity	Italy	UK	Romania	Spain	Poland	Greece	Total
Early development	-	-	-	-	-	-	-
Licensing	-	-	-	-	-	-	-
Pre-construction	21	-	17	1	-	-	38
Under construction	(1)-	3	16	-	3	-	22
Ready to connect	-	-	15	-	-	-	15
Total	**21**	**3**	**48**	**1**	**3**	**-**	**75**

Revenue from the sale of services	Italy	UK	Romania	Spain	Poland	Greece	Total
Early development	-	-	-	-	(1)-	-	(1)-
Licensing	(1)-	-	1	-	-	-	1
Pre-construction	2	(1)-	2	(1)-	(1)-	-	5
Under construction	(1)-	(1)-	(1)-	-	(1)-	-	1

Revenue from the sale of services	Italy	UK	Romania	Spain	Poland	Greece	Total
Ready to connect	-	-	1	-	-	-	1
Total	**2**	**1**	**4**	(1)**-**	(1)**-**	**-**	**7**

(1) Revenues lower than EUR 1 million.

1.4.7 Projection of business results **from electricity sales only** by development stages:

Below is the development of the project business results arising from the sale of electricity according to development stages (the Company's share, in EUR millions):

Revenue from the sale of electricity	2023	2024	2025	2026	Total	%
Early development	-	-	12	38	**50**	8%
Licensing	-	-	48	151	**200**	34%
Pre-construction		38	106	96	**241**	41%
Under construction	1	22	24	19	**65**	11%
Ready to connect	4	15	11	8	**38**	6%
Total	**5**	**75**	**201**	**312**	**593**	100%

EBITDA	2023	2024	2025	2026	Total	%
Early development	-	-	11	32	**42**	8%
Licensing	-	-	43	130	**173**	34%
Pre-construction		35	93	82	**211**	41%
Under construction	1	20	20	15	**56**	11%
Ready to connect	3	14	10	7	**34**	7%
Total	**4**	**68**	**177**	**266**	**516**	100%

FFO	2023	2024	2025	2026	Total	%
Early development	-	-	9	25	**34**	9%
Licensing	-	-	37	101	**137**	35%
Pre-construction		31	71	56	**158**	40%
Under construction	1	16	14	10	**41**	10%
Ready to connect	3	11	7	5	**26**	6%
Total	**4**	**58**	**138**	**195**	**395**	100%

FCF	2023	2024	2025	2026	Total	%
Early development	-	-	8	21	**29**	9%
Licensing	-	-	35	84	**119**	37%
Pre-construction		30	59	34	**124**	39%
Under construction	1	15	9	4	**29**	9%
Ready to connect	3	10	5	2	**20**	6%
Total	**4**	**55**	**116**	**146**	**321**	100%

It should be noted that the revenue forecast from the sale of electricity is a Non-Gaap forecast, that is, it was not constructed according to the accepted accounting rules. In addition, EBITDA and FFO indices are Non-Gaap indices, calculated on the basis of the assumptions underlying the business results forecast.

The EBITDA index (Earnings Before Interest, Tax, Depreciation and Amortization) is an index representing the system's operational efficiency, and is used by the Company's decision makers. The index is calculated as operating profit (revenue from electricity generation less operating and maintenance costs) less the depreciation of the systems.

The FFO index (Funds From Operations) is calculated on the basis of the EBITDA index, taking into account the expected tax and financing expenses. This index is an accepted index reflecting the ability to service the debt fund out of the receipts generated by the systems.

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

As can be seen in the tables above, more than 57% of the revenue expectations and over 50% of the Company's profitability index expectations stem from systems under construction and in readiness for constructed with regards to which, in the Company's estimation, the probability of realization is very high (85%-95% probability of realization). In contrast, only approx. 8-9% of the revenues and profitability indicators are expected from systems in early initiation.

1.4.8 <u>The effect of the interest rate increase on the company and sensitivity analysis</u>

As of the publication date of this report, inflation for the previous 12 months in the UK stands at 7.8%, and in the Eurozone at 8.1%.[8] The monetary policy of the Central Bank of England works to ensure that inflation in the country in the medium and longer term will remain at 2%, a similar trend is reflected in the forecasts of the European Central Bank.[9]

In order to curb the continued rise in inflation and cool demand, as well as in response to similar moves in the US, central banks in the UK and in Europe began to raise interest rates in the middle of 2022.The interest rate increases executed, additional expected interest rate increases and

[8] Office for National Statistics, Consumer price inflation, UK: April 2023 and Eurostat: May 2023.
[9] UK's Office for National Statistics, European Central Bank, April 2023.

expectations for inflation to remain above the target in the short term are expected to lead to an increase in the Company's future financing cost.

The Company has fixed interest financing agreements with strategic partners ("Infragreen Fund", "the Phoenix") for financing projects whose construction has begun and/or is expected to commence in the next 12 months. The agreements allow the company flexibility if it wants to refinance these projects, when market conditions will improve its situation compared to the existing loan agreements.

The company does not have the financing agreements or material obligations 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 in the company’s estimation in the short-to-medium term it might even enjoy the rising inflation.

In view of the expected increase in interest rates in the markets, below is a sensitivity analysis for the Company's FFO forecast based on an interest rate increase of 0.5%, 1% and 1.5%.

FFO sensitivity analysis to changes in interest rates	**2023**	**2024**	**2025**	**2026**
Change in FFO following a 0.5% change in interest on debt	-	-0.23%	-0.57%	-1.07%
Change in FFO following a 1.0% change in interest on debt	-	-0.50%	-1.21%	-2.19%
Change in FFO following a 1.5% change in interest on debt	-	-0.53%	-1.35%	-2.29%

1.4.9 The effects of the geopolitical situation in Europe and Israel

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, causing a considerable increase in electricity prices in Europe. However, in the fourth quarter of 2022, there was a new drop in energy in general and gas prices in particular, among other things following a series of measures taken by the European Commission to diversify gas supply, reduce energy consumption in the Eurozone and prevent a sharp increase in energy prices, as part of the comprehensive RepowerEU program, among them restrictions on the price of electricity. For additional information about this matter and the effects of the Company’s operations and forecasts, see Sections 1.7.4 and 1.7.5 of Chapter A - Description of the Corporation’s Business, attached to the Annual Report 2022.

During January 2023, the government of Israel began to promote a plan to make fundamental changes to the legal system in Israel, which provoke widespread controversies and criticisms that may lead to social and political instability, alongside a negative impact on the state of the Israeli economy and market, and this in accordance with the statements and assessments of senior economists (including the head of the Bank of Israel and officials in the Ministry of Finance), as well as according to reports from international credit rating companies. As of the date of approval of the report, the events had no material effect on the Company's activities. However, to the extent that the estimates described above come true in whole or in part, this may affect foreign exchange rates, and the availability and cost of the company's financing sources related to the Israeli economy. That said, in light of the fact that all of the company's activities are concentrated in Europe and a significant portion of the company's funding sources are from Europe, the company anticipates that the impact of the aforementioned will be, at most, limited.

The Company's estimates regarding forecast capacities, projected connection dates, probabilities for connecting facilities, investment plan forecast, revenue forecast, business results forecast (including revenue, EBITDA, FFO and available cash flow) of the Company for the years 2022-2026 are forward-looking information, as defined in the Securities Law, based on the Company's plans on the date of the Report, under the assumptions as set forth above, the realization of which is uncertain and not under the sole control of the Company. 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 that, as of the date of the Report, there is no certainty that these will be fully completed according to 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, the consequences of the corona crisis, 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 the

receipt of permits and licenses for which their 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 – Description of the Corporation's Business, attached to the Annual Report for 2022.

1.4.10 <u>The impact of global supply chains on the Company's operations</u>

In the context of the corona crisis, during 2021 there were increases in the prices of raw materials for the production of solar panels and in transportation costs. This trend became more and more acute during part of 2022 with the outbreak and continuation of the war in Ukraine and the global energy crisis. Together with these factors, the effect of the increase in price indices and increases in interest rates also affect the costs of equipment and services. In 2022, there was a downward trend in the transportation costs of products and they returned to their pre-pandemic level. This was due to a decrease in the volume of trade and the rate of growth in China and a gradual decrease in port congestion and an increase in the supply of containers, as of the date of the report a downward trend in transportation costs persists.

In accordance with these trends and with the expectation that the price level will remain stable in the short term, the Company maintains its estimates regarding the costs of establishing projects in the future and accordingly its investment plan for the coming years as they were as of the date of publication of the Company's Annual Report 2022.

For additional information about the macroeconomic effects of the company's operations, see Section 1.7 of Chapter A - Description of the Corporation's Business, attached to the annual report for 2022.

The Company's assessments regarding trends, forecasts and developments in the Group's macroeconomic environment as detailed above, including the implications of the spread of the coronavirus, 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 – Description of the Corporation's Business, attached to the annual report for 2022.

2. The financial position

The following table presents the Statement of Financial Position items in accordance with the consolidated financial statements, and the explanations for the main changes that took place therein:

Item	As of March 31		As of December 31	
	2023	2022	2022	
	(EUR thousands)			
Cash and cash equivalents	46,071	64,099	20,017	See Section 4, liquidity analysis.
Accounts receivable and debit balances	18,422	3,237	13,120	The balance mainly includes VAT receivable balances in respect of purchases for advancement of projects. The increase in the quarter is mainly due to investments made during the period which increased the VAT receivable balance by approx. EUR 5.5 million.
Financial assets at fair value through profit or loss	-	138	-	
Customers	-	99	23	
Total current assets	**64.493**	**67.573**	**33.160**	
Restricted cash	4,160	38	5,036	
Systems under construction and development (including lands)	105,660	35,065	80,187	The increase in the reporting period is due to continued investments in development projects.
Fixed assets	576	264	527	
Right-of-use assets, net	9,914	2,538	9,352	The increase in the reporting period is due to an addition in respect of the offices in London.
Deferred tax asset	856	8	877	
Loans to included companies	44,590	8,980	39,624	The increase is due to a loan of approx. EUR 4 million during the period for the Ratsheti project in Romania.
Investments in companies handled per the book value method	33,316	16,700	32,811	
Total non-current assets	**199,072**	**63,593**	**168,414**	

Item	As of March 31		As of December 31	
	2023	2022	2022	
	(EUR thousands)			
Total assets	**263,565**	**131,166**	**201,574**	
Liabilities to suppliers and service providers	6,557	915	6,627	The balance consists primarily of liabilities to vendors for projects under construction.
Accounts payable and credit balances	2,728	2,359	2,070	The increase in the quarter is due to interest to be paid for the bonds, amounting to approx. half a million euros.
Liabilities for deferred consideration	4,094	2,141	4,010	
Financial liabilities at fair value through profit or loss	6,248	-	2,365	The increase compared to 31/12/2022 is due to the weakening of the Shekel against the Euro.
Total current liabilities	**19.627**	**5.415**	**15.072**	
Other long-term liabilities	3,612	263	3,697	
Long-term loan from an affiliated party	14,539	-	964	The increase compared to 31/12/2022 is due to receiving a loan from RG of approximately EUR 13.5 million.
Deferred tax liability	824	-	849	Creation of a tax reserve for timing differences in bonds.
Debt component with respect to convertible bonds	73,386	59,527	58,317	The increase is due to the expansion of Series A bonds (approx. EUR 19 million) offsetting the decrease in the bond balance due to the weakening of the shekel against the euro (approx. EUR 4 million).
Conversion component at fair value through profit or loss in lieu of convertible bonds	1,512	7,298	1,503	
Lease liabilities	9,552	2,310	9,059	The increase in the reporting period is due to an addition in respect of the offices in London.
Total non-current liabilities	**103,425**	**69,398**	**74,389**	
Total liabilities	**123,052**	**74,813**	**89,461**	

Item	As of March 31		As of December 31	
	2023	2022	2022	
	(EUR thousands)			
Share Capital and Premium	62,846	62,424	62,618	
Capital reserves	67,365	7,517	47,864	
Retained earnings (accumulated deficit)	(10,611)	(14,338)	(9,745)	
Capital attributed to parent company shareholders	119,600	55,603	100,737	
Non-Controlling Interests	20,913	750	11,376	
Total equity	**140,513**	**56,353**	**112,113**	See statement of changes in capital.
Total liabilities and equity	**263.565**	**131.166**	**201.574**	

3. Results of operations

The following table presents the Statement of Comprehensive Income items in accordance with the financial statements, and explanations of the main changes that took place therein (EUR thousands)

Item	As of March 31		As of December 31	
	2023	2022	2022	
	(EUR thousands)			
Revenue				
Revenues from the provision of services	498	711	1,817	The decrease compared to the corresponding quarter is due to one-time revenues amounting to approx. EUR 350 thousand from services provided to a related party.

Item	As of March 31		As of December 31	
	2023	2022	2022	
	(EUR thousands)			
Income from realization of initiation	-	-	7,166	
Total revenue	**498**	**711**	**8.983**	
Expenses				
Cost of revenues	397	255	1,650	
Development expenses	119	515	1,281	
Administrative and general expenses	2,370	1,373	7.806	The increase is due to hiring new employees resulting in an increase in salary expenses.
The Company's share in losses of a company handled by the book value method	26	366	1,183	
Total Expenses	**2,912**	**2,509**	**11,920**	
Operating loss	**(2,193)**	**(1,798)**	**(2,937)**	
Financing revenues	4,178	2,179	10,256	
Financing expenses	3,488	2,615	5,025	
Financing expenses, net	(690)	436	5,231	

Item	As of March 31		As of December 31	
	2023	2022	2022	
	(EUR thousands)			
Loss before taxes on income	**(1,724)**	**(2,234)**	**2,294**	
Income tax	149	13	27	
Loss for the period	**(1,873)**	**(2,247)**	**2,267**	
Parent company shareholders	(866)	(2.223)	2,370	
Non-Controlling Interests	(1.007)	(24)	(103)	
Adjustments from the Translation of Financial Reports of Foreign Activities	-	(427)	(439)	
Total comprehensive income (loss)	**(1.873)**	**(2.674)**	**1,828**	
Total comprehensive income attributed to:				
Parent company shareholders	(866)	(2,650)	1,931	
Non-Controlling Interests	(1.007)	(24)	(103)	

4. <u>Liquidity</u>

Item	As of March 31		As of December 31	
	2023	2022	2022	
	(EUR thousands)			
Net cash flow used in operating activities	**(9,212)**	**(5,535)**	**(13,231)**	The main cash flow in the period is due to an increase in VAT balances receivable. A change of approx. EUR 5.5 million.
Net cash flow used in investing activities	**(27,924)**	**(16,190)**	**(96,172)**	The main cash flow in the period arises from provision of a loan to a subsidiary in Romania (approx. EUR 4 million) and continued investments in development projects (approx. EUR 24 million).
Net cash flow provided by financing activities	**62,270**	**(45)**	**44,959**	- During the reporting period, EUR 30 million were transferred to the Company from the sale of 6.1% of the UK subsidiary’s shares. - The Company raised bonds for approx. EUR 19 million. - The Company received a loan from RG of approximately EUR 13.5 million.

5. **Development of Capital**

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

6. **Working capital**

The Company's working capital according to the consolidated financial statements as of March 31, 2023 amounts to approx. EUR 44,866 thousand (compared to EUR 18,088 thousand as of March 31, 2022), and consists of current assets less current liabilities as detailed below:

א. The current assets amounted to approx. EUR 33,161 thousand and included mainly cash and cash equivalents.

ב. The current liabilities totaled approximately EUR 19,627 thousand and mainly include a liability to vendors and service providers, financial liabilities at fair value through profit or loss and a liability for contingent consideration.

7. **Projected cash flow**

In accordance with Regulation 10(b)(14) of the report regulations, the Company examined the existence of warning signs.

The Company has a negative cash flow from operating activities in its consolidated financial statements as of December 31, 2022, 2021 totalling approx. EUR 13,231 thousand, EUR 5,517 thousand, respectively, and a negative cash flow from current operations in its consolidated interim financial statements as of March 31, 2023 amounting to approx. EUR 9,374 thousand.

At its meeting on May 29, 2023, the Company's Board of Directors discussed the projected cash flow, reviewed the existing and expected sources and needs of cash, and also reviewed the sources of financing and potential amounts of financing available to the Company, including 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 when due, and also determined that the Company does not have a liquidity problem based on the following reasoning: the Company is expecting revenues from services provided to the subsidiary Econergy England, as well as interest revenue for loans provided to the latter.

Moreover, the Company is due to receive revenue from initiation realization fees in respect of projects in Italy.

8. **Financing sources**

Financing activity for the initiation and construction of projects (Project Finance) for the generation of electricity using renewable energy technology, is expected to be partly financed by project finance from a bank, through dedicated bank loans taken as senior debt by the project corporations (SPCs) or the Company, and partly by shareholders' loans (provided to the project as equity). 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 1.19 of Chapter A - Description of the Corporation's Business, attached to the company's annual report for 2022.

In order to comply with the investment plan, the Company is examining various possible financing alternatives, including raising capital from the public and/or raising private capital for the Company's subsidiaries, as well as introducing partners for projects under the Company's development. Meanwhile, the Company has entered into the following agreements:

- On November 17, 2022 Econergy International Ltd ("**Econergy England**"), a wholly owned subsidiary of the Company, signed binding agreements with a number of companies from the Rgreen Invest group, a leading investment fund in renewable energy in France incorporated as a company in France (hereafter collectively: "**RG**"), regarding RG's investment of EUR 87.5 million in Econergy England's capital, as well as regarding entering into a partnership in capital and providing financing for the Company's projects in Europe at an additional total scope of approx. EUR 163.3 million ("**agreements**"). For further information, see Section 1.4.1 (A) above.
- On January 4, 2023, Econergy England signed a Binding agreement with Phoenix Insurance Company Ltd. regarding commencing cooperation, investment and provision of financing for the Company's projects in Romania and Poland amounting to approx. EUR 150 million. For further information, see Section 1.4.1 (B) above.
- 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 their listing for trading on the Tel Aviv Stock Exchange Ltd. On January 12, 2023, the company completed a substantial private offering of convertible bonds (series A) by way of expanding the series of convertible bonds, in the amount of approximately NIS 70 million (net). For more details, see Appendix A to this report.

Part B - Aspects of Corporate Governance

9. Donations

The Company has not adopted a policy regarding donations, and as of the date of the report, 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 information regarding events during the report period and subsequent to the balance sheet date, see Note 3 to the consolidated interim financial statements as of March 31, 2023, as well as Section 1.4 above.

14. The 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 C - Disclosure Provisions in connection with the Corporation's Financial Reporting

15. Critical accounting estimates

For details on 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, 2022.

16. **The Company's liabilities according to due dates as of March 31, 2023**

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

The following is information regarding material valuations that were used as a basis for determining the value of data in the report:

Identification of the subject of the valuation:	Valuation of the fair value of a conversion component in Series A bonds as of March 31, 2023
Timing of the valuation:	March 31, 2023
The value of the subject of the valuation according to the valuation:	Valuation of the fair value of a conversion component in Series A bonds as of March 31, 2023 is estimated at approx. NIS 5.945 million.
Identification of appraiser:	EFS Consulting and Investment (2009) Ltd. specializes in providing economic and financial advice and independent professional valuations, in accordance with international IFRS accounting principles and Israeli standards, for financial reporting purposes and as an expert opinion for courts. The company's customers include dozens of public companies traded in Israel and abroad and private companies. The value appraiser on behalf of the company is Sagi Ben-Shalosh.
Reference to indemnity agreements with the appraiser:	The appraiser’s liability, to the extent that it stems from the valuation, will in no case exceed the total consideration paid in respect of the valuation multiplied by 3. In the event that the valuer is charged in legal proceedings, the Company will indemnify the appraiser accordingly (beyond the liability of the appraiser, as aforesaid), except in the event of malice on the part of the appraiser.
Methodology and main	B&S options model Standard Deviation - 41%

Identification of the subject of the valuation:	Valuation of the fair value of a conversion component in Series A bonds as of March 31, 2023
assumptions according to which the valuation was performed:	Risk-free interest rate - 3.8% The base asset - the Company's share price on the stock exchange at the time of the calculation - NIS 12.11

For the purpose of determining the estimated value of the conversion component of convertible bonds issued by the Company (Series A), the Company relied on a material valuation summarized as follows:

Mr. Eyal Podhorzer, **Director and CEO**	**Mr. Shlomo Zohar,** **Chairman of the Board of Directors**

Date: May 29, 2023

Executive Statements

CEO Statement

I, Eyal Podhorzer, do hereby declare that:

I have examined the quarterly statement of Econergy Renewable Energy Ltd. (hereinafter: the "**Company**") for the first quarter of 2023 (hereinafter: "**Statements**");

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;

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;

I have disclosed to the Company's Auditor and Board of Directors any fraud, whether material or immaterial, involving the CEO or his direct subordinates or in which other employees are involved who have a significant role in financial reporting, disclosure and control thereof.

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

Date: May 29, 2023

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Eyal Podhorzer, CEO

<u>Statement of the Most Senior Finance Officer</u>

I, Nir Peleg, hereby declare that:

I have examined the interim financial statements and other financial information included in the interim financial statements of Econergy Renewable Energy Ltd. (hereinafter: "**Company**") for the first quarter of 2023 (hereinafter: "**Statements**" or “”**Interim Statements**”);

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;

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;

I have disclosed to the Company's auditor and Board of Directors any fraud, whether material or immaterial, involving the General Manager or its subordinates directly or in which other employees are involved who have a significant role in financial reporting, disclosure and control thereof.

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

Date: May 29, 2023

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Nir Peleg, CFO

Appendix A - Information regarding Promissory Notes Issued by the Company

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א. Issuance of bonds (Series A)

	Bonds (Series A)
Issue date	December 9, 2021
Par value on the issue date (NIS thousands)	250,000
Par value As of March 31, 2023 (NIS thousands)	250,000
Par value CPI-linked As of March 31, 2023 (NIS thousands)	Unlinked
Accrued interest As of March 31, 2023 (NIS thousands)	1,563
Stock market value As of March 31, 2023 (NIS thousands)	193,000
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[10]
Guarantee to pay the commitment	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[11]	Material series

[10] Subject to adjustments as set out in Section 10 of the terms on the back of the Trust Deed page.

[11] A series of promissory notes 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 they are presented in the data as stated.

	Bonds (Series A)
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).
Restrictions on the authority to issue additional promissory notes	None
Financial covenants	As detailed in Section 2 below.
At the end of the reporting year and during it, was the Company in compliance with all the conditions and obligations under the trust deed	Yes
Have the conditions been met for the promissory notes' immediate repayment or for the realization of the collateral, and a description of the violations (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. Expansion of the bonds (series A)

	Bonds (Series A)
Issue date	January 12, 2023

	Bonds (Series A)
Par value on the issue date (NIS thousands)	84738.5
Par value As of March 31, 2023 (NIS thousands)	84738.5
Par value CPI-linked As of March 31, 2023 (NIS thousands)	Unlinked
Accrued interest As of March 31, 2023 (NIS thousands)	530
Stock market value As of March 31, 2023 (NIS thousands)	65,418
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 in each of the years 2023 to 2026 and on December 31 in each of the years 2023 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[12]
Guarantee to pay the commitment	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[13]	Material series
Liens in favor of bondholders, validity of liens, terms of replacement of liens	None

[12] Subject to adjustments as set out in Section 10 of the terms on the back of the Trust Deed page.
[13] A series of promissory notes 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 they are presented in the data as stated.

	Bonds (Series A)
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).
Restrictions on the authority to issue additional promissory notes	None
Financial covenants	As detailed in Section 2 below.
At the end of the reporting year and during it, was the Company in compliance with all the conditions and obligations under the trust deed	Yes
Have the conditions been met for the promissory notes' immediate repayment or for the realization of the collateral, and a description of the violations (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

3. 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 examined on the date of publication of the financial statements by the Company from the date of their issuance onwards (except for the financial covenant regarding the ratio of financial debt to adjusted consolidated EBITDA, which will be examined from the date of publication of the financial statements for the period ended June 30, 2024):

Financial covenants	Compliance with Financial Covenants As of June 30, 2022	Data as of March 31, 2023
Solo equity will not be less than EUR 35 million over a period of two consecutive quarters	Yes	EUR 119,600 thousands
The solo financial debt to the total solo balance sheet, as defined in the trust deed, will not exceed a rate of 75% over a period of two consecutive quarters.	Yes	37%
From the date of publication of the financial statements to the period ended June 30, 2024, the ratio between the financial debt and the adjusted consolidated EBITDA will not exceed 18 over a period of two consecutive quarters[14]	N/R	N/R

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

For additional information regarding the financial covenants, see Note 13 to the financial statements of 2022.

As of March 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).

[14] 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 the period mentioned, it will not be considered non-compliance with the financial covenant.