Solaer Renewable Energies, Ltd.

First Quarterly Report for 2024

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Board of Directors’ Report

As at March, 31, 2024

The Company is traded on the High Tech Index and, accordingly, the Company's Board of Directors has chosen to adopt the alleviations listed in Regulations 3 and 5 of the Securities Regulations (Reports of a Corporation, the Shares of Which are Included in the TA High Tech Index), 5777 – 2016) relating to the mandatory comparative data, exemption from attaching Director's Affidavits and the alleviations by virtue of Regulation 5d(b)(1)-(4), in the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970, which include: (a) An alleviation regarding the attachment of a very material valuation; (b) An alleviation regarding the attachment of the financial statements of an affiliate; (c) An alleviation regarding the reports relating to the effectiveness of the Internal Audit.

The Board of Directors' Report on the Status of the Company's Affairs

The Board of Solaer Renewable Energies Ltd. (hereinafter: " **the Board** and "**the Company**") respectfully submits the Board of Directors' Report that reviews the major changes in the Company's operations during the three-month period) and ending on March 31, 2024 (hereinafter: "**the Report Period**" and "**the Report Date**" according to the matter), which reviews the description of the Company and its business developments pursuant to the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970 hereinafter: "**The Reporting Regulations**")

This Report was prepared under the assumption that its readers have the Board of Directors Report on the Company's Status of Affairs for the year ending December 31, 2023 at their disposal. Accordingly, the review introduced below is limited in scope and relates to events and changes that have occurred in the Group's status of affairs during the Report period, which had a material effect on the Group and, it should be read together with the Description of the Corporation's Businesses Chapter and the financial statements in the 2023 Periodic Report, which were published on March 27, 2024 (Reference: 2024-01-026761) the aforementioned is included entirely by way of the reference (hereinafter: "**The 2023 Periodic Report**").

The Company's Consolidated Financial Statements as at March 31, 2024 are attached to this Report (hereinafter: "the **financial statements**").

First Part

The Board's Explanations Re the Corporation's Business Situation, its Operational Results, Equity Capital and Cash Flows.

a. <u>*General*</u>

The Company was incorporated in Israel as a private company on September 26, 2019 pursuant to the Companies Law, 5759 – 1999 (hereinafter: "**the Companies Law**") and commenced operations on September 30, 2020.

b. <u>A Review of the Solaer Group's Operational Development</u>

See Sections 2.4 and 6 of Part A (Description of the Corporation's Businesses) attached to the 2023.Periodic Report for a description on the major developments occurring in the Group's business.

c. <u>Fields of Operation</u>

As at the Report date, the Company operates in four operational fields as detailed in Section 2.2 in Part A (Description of the Corporation's Business) in the 2023 Periodic Report:

1. The photovoltaic operational field in Israel;
2. The photovoltaic systems operational field promotion in Spain and Italy;
3. The photovoltaic systems operational field for promotion in other territories;
4. Management and Construction

See Section 2.3 of Part A (Description of the Corporation's Business)in the 2023 Periodic Report for details about all the systems included in the Company's operations.

Update Regarding the Company's Major Operational Markets:

1. **Spain**:

   Spain continues to be one of the leading renewable energy markets in Europe, when the photovoltaic capacity increased by 9%in 2023, with a total installed capacity of 77 renewable giga watts as at the end of 2023, when, in 2023 for the first time, the renewable energy generation capacity overtook the traditional energy generation.

   In view of renewable energy's high penetration rate in Spain, while a continued decline in daylight electricity prices is expected, stabilization at€40-€50 per MWh expected as of 2030,[i]

   For the purposes of reaching the target that Spain has set for integrating an accumulation of 22 giga watts by 2030 and, in order to cope with the grid' is loads and excess production during various hours[ii], the government has promoted a tender for availability payments that provide a clear preference for renewable energies and formal accumulation over disqualified technologies (because producers are required to confirm that they attain a NET ZERO, emissions rate, i.e., a full reduction off of their CO2emissions)[iii]

   Furthermore, there is an option to for an additional accumulation capacity installation for existing projects without the need for an additional electricity connection for the project. This matter is given priority for hybrid systems over standalone systems and constitutes an additional incentive for integrating accumulationה.[iv]

2. **Italy**:

   As at the present, the renewable energy connection rate in Italy has not met the government targets that require an additional approximate 4 giga watts per hour. Furthermore, there is an exacerbation problem in the conduction grid between the south and the north, when most of the solar energy is produced in the south, with difficulty in transferring it to the demand centers in the north.[v]

In order to cope with the aforementioned problem, inter alia, already, in the present, accumulation installations are entitled to participate in availability tenders that are prepared every year, which provide a fixed payment for periods of 15 years for new installations.[vi]

According to the attitude of the Italian Electricity Authority Manager (TERNA), 71 GWh of batteries are required by 2030 in order to meet European targets and, therefore, an aid package of $17.7 million is being consolidated for adopting the batteries that are currently in the approval processes[5]

On the photovoltaic side, there is a program in the final approval processes in the sum of €1.7 billion to stimulate photovoltaic projects that include the participation of up to 40% in the construction costs and a high guaranteed long-term tariff for these systems. Most of the Company's projects in Italy currently defined as photovoltaic and, should the program get final approval, they will be entitled to be included in it subject to meeting certain conditions.[vii]

3. **Chile**:

The Chilean government is planning closure of all the cold installations by 2030, when production from the hydroelectric installations constitute 30% of electricity generation are in a multi-annual declining trend, in view of deprivation of the water reservoirs in the country. The shortfall in electricity production that will be created as a result of this, is expected to be met by renewable energy installations and message adaptation of accumulation.[viii]

In the recent tenders for the long-term PPA Agreements, a significant accumulations has already been integrated. A tender that was expected later during the year for a total of 500 MW for standalone storage installations was removed from the agenda in view of the large investments of the private sector in accumulation already at present.[ix]

d. *Disclosure Regarding the Implications of the "Iron Swords" War*

As at the date of publishing this Report the State of Israel is in a state of war in Gaza and on additional fronts, after, on October 7, 2023, the terror organization Hamas had attacked the State of Israel (hereinafter: "**The war**").

As at the Report date, the Company has continued its regular operations in Israel as usual, including continuing promotion, planning and construction, all under the mandatory restrictions and conditions from the Rear Command. It should be noted that, as at the date of approving the Report, has not been any material effect on the Company's commercially operated installations in Israel and they are generating electricity as usual.

The Company continues to regularly examine the effects of the war and the economic situation on its business operations. As at this Report date, there is uncertainty relating to the development, scope duration and implications of the war, and what its economic effects on the State of Israel and the Company in particular will be are not known. However, in view of the Company being an international company and the fact that its primary venture and construction operations are outside of Israel, as at the present, the impact of the war on the Company has not been material and, the Company believes that its future impact on the Company will also not be material, albeit the aforementioned is dependent on developments in the war and its implications.

The Company and its employees extend deepest condolences to the families of the murdered and before the wishing them recovery from their wounds and the rapid return of the hostages and missing persons, the safe return of the Israel Defense Force soldiers the Security forces and the rehabilitation of the victims.

The Company's aforementioned assumptions and evaluations regarding the impact of the war on the Company's businesses constitute forward-looking information as defined in the Securities Law, 5728 – 1968 (hereinafter: "The Securities Law"), the eventuality of which is uncertain and based on this assessments, forecasts and/or estimates of the Company pursuant to its experience and pursuant to developments on the subject. The actual effects include be different, primarily as a result of the extent and rate of the recovery in the sector and in the supply chain, from different developments or eventuality from the estimate from geopolitical changes, changes in the regulation and economic and other various effects the could change and their eventuality is not under the Company's control.

e. Major Events during the Report Period and as at the Report Approval Date

1. See Section e of the Company's Board of Directors Report, attached to the 2023 Periodic Report, introduced by way of a reference, for events that occurred from January 1, 2023 up to the date of publishing the 2023 Periodic Reports.
2. On April 11, 2024, following the Company's Report of convening a Special General Meeting from March 7, 2024 (reference: 2024-01-023310), on the agenda of which was extending the tenure of the External Directors, Mr. Daniel Avidan and Ms Jacqueline Natalie Struminger for an additional three-year tenure period (hereinafter in this subsection: "**the Meeting**"), the results of the meeting were received, pursuant to which the subject was approved and the tenure of the External Directors was extended See the Company's Immediate Report dated April 11, 2020 44 additional details about the results of the Meeting and the appointments of the External Directors, as aforementioned (reference: 2024-01-036907, 2024-01-036913, 2024-01--036916 and 2024-01-036925).
3. On April 14, 2024, following the content in Section 9 in the Board of Directors' Reports in the 2023 Periodic Report and after approval of the Exchange, the Company allocated 15,222 options (nonnegotiable) to a Company employee who is not an Officer (hereinafter in this subsection: "**the options**," "**the offeree**" and "**the allocation**," respectively). See the Company's Immediate Reports dated March 17, 2024, April 10, 2024 and April 14, respectively for additional details about the allocation (references: 2024-01-026850, 2024-01-036082 2024-01-037198-ו, respectively).
4. On April 18, 2024, following the content in Section 21 in Part A of the 2023 Periodic Report, regarding the legal dispute between Solaer Israel Ltd. (a company under the ownership and control of the Company) and a public company, as defined in Section 1 of Part A in the Arctic Report (hearing after jointly in this subsection: "**the parties**"),in relation to the Solaer Israel Partnership – the public company informed the Company

that after it had received the force of a verdict, the parties prepared a compromise agreement, in the framework of which all the disputes between the parties were resolved (hereinafter in this subsection: "**termination of the litigation**"). See Company's Immediate Repot dated April18, 2024) for details (reference: 2024-01-039625).

5. On May 7, 2024, the Company made a private issue of face value 108,910,000 bonds (Series A) to classified investors counted, among the investors detailed in the First Addendum pursuant to Section 15a(b)(1) of the Securities Law, by way of expanding the Company's bonds Series (Series A), in consideration for NIS 112,656,504 (a consideration of 103.44 agarot for each NIS 1 face value bond (Series A), which the Company used for the purposes of its regular operations, including extending construction guarantee for the Company's projects (hereinafter in this subsection: "**Extending the Series**"). See the Company's immediate reports from May 2, 2024 and May 7, 2024 for additional details about expanding the Series (reference: 2024-01-042205, 2024-01-042406 2024-01-044251-ו, respectively).

6. On May 29, 2024 the Companies Parque Solar Cachiyuyo SpA and Qanquiña SpA, Companies incorporated in Chile and which are held in concatenation at a rate of 47.4% by the Company and under its control,(hereinafter in this section: "**the sellers**"), signed a non-binding Memorandum of Understanding with one of the largest energy companies in the world (hearing after in this section: "**the buyer**"), for sales of electricity Power Purchase Agreement - PPA) to be produced in the Cachiyuyo and Qanquiña projects with a total capacity of 130 MW and with the addition of 780 MWh accumulation (hereinafter: "**the agreement**" and "**PPA**", respectively). Pursuant to the agreement, the sellers and buyer will engage in a PPA for a 13-year period commencing from the dates of connecting the projects to the grid, which is expected to occur during 2025 and, no later than January 1, 2026, subject to the existence of

conditions established in the agreement (hereinafter: “**The engagement period**”). According to the Company, the total anticipated annual receipts to be received from the electricity sales and availability payments by virtue of the agreement, are USD 27 million, when the total receipts in each engagement period is expected to be $350 million. See Company’s Immediate Report dated May 30, 2024 (Reference: 2024-01-054520).

The anticipated capacities in the projects, signing the binding PPA on the basis of the Memorandum of Understanding, constructing the project’s according to the forecasts, including the date of conviction to the electricity grid, and the anticipated revenues from the contracts etc. are forward-looking information as defined in the Securities Law, 5728 – 1968, which is based on information available to the Company including the agreement between the parties. However, the aforementioned information could change materially, as a result of changes the final agreed between the parties, changes in the markets, significant regulatory changes, and in view of the Company’s risk factors deriving from its operations, as published in the Company’s Periodic and Immediate Reports, including in the Company’s 2023 Periodic Report, which could result in a different eventuation of the Company’s assessments from those described in the aforementioned Report.

f. ***Accumulation of Projects:***

a. Accumulation of photovoltaic projects connected, under construction and toward construction as at the Report publication

Status	Country	* Expectation For Connection	Project's Name	The Capacity (MW)	accumulation Capacity (MWh)	Solaer's Share **	Anticipated Leverage Level:	Expected Construction Costs	Equity Capital Invested	Equity Capital Balance for Investment	Expected Contractual Profit	Annual Revenue	Annual EBITDA	Annual FFO
										The Company's Share:				
								NIS millions						
Connected	Israel	Connected	The Roofs Project:	71	-	93.0%	-	-	-	-	-	33	22	19
	Spain		Alizarsun	50	-	71.3%	-	-	-	-	-	16	12	8
Under construction/ toward construction	Israel	2025	Ashdot Yaakov	8	10	100.0%	85%	29	-	4	3	5	4	3
	Spain	2024	Alizarsun 1b	6	-	47.4%	85%	7	-	1	1	3	3	2
			Cacin	25	-	11.9%	70%	60	14	-	3	12	10	8
			Fargue (2)	25	-	11.9%	70%	60	-	2	3	12	10	8
		2025	Alfonso El Sabio 1+2 (1)(5)	400	800	47.4%	70%	1600	103	179	63	227	193	137
			Calasparra&Villena	49	-	47.4%	85%	118	31	-	6	22	19	13
			Elche 1	20	-	51.0%	85%	48	-	4	2	9	8	5
			Mequinenza	125	-	47.4%	85%	302	35	5	15	56	47	33
	Poland:	2024	Poland 1a	3	-	70.0%	-	6	2	4	-	1	1	1

	Chile	2024	Esmeralda + Hortencias	6	-	47.4%	85%	15	5	-	1	2	1	1
		2025	Cachiyuyo	46	330	47.4%	85%	347	20	15	11	42	38	20
			Qanqina	84	450	47.4%	85%	523	21	27	17	76	69	42
		2026	Calbuco Wind (2)	48	-	47.4%	85%	209	2	14	5	40	36	25
	Italy	2026	Gravinia de Puglia (4)	140	-	47.4%	85%	360	13	19	17	58	46	29
Total				**1,106**	**1,590**	**49%**	**78%**	**3,684**	**246**	**274**	**147**	**614**	**519**	**354**

b. Accumulation of photovoltaic projects in advanced development and initiation as at the Report publication date:

Status	Country	* Expectation For Connection	Project's Name	The Capacity (MW)	accumulation Capacity (MWh)	Solaer's Share **	Leverage Level Anticipated	Expected Construction Costs	Equity Capital Invested	Equity Capital Balance for Investment	Expected Contractual Profit	Annual Revenues[3]	Annual EBITDA[3]	Annual FFO[3]
										The Company's Share:				
								NIS Millions						
Advanced Development	Spain	2026	Alfonso El Sabio 3 (5)	200	400	47.4%	70%	832	56	92	32	116	100	71
			Elche 2+3 (5)	130	260	51.0%	85%	541	-	41	21	73	63	37

SOLAER RENEWABLE ENERGIES

Status	Country	* Expectation For Connection	Project's Name	The Capacity (MW)	accumulation Capacity (MWh)	Solaer's Share **	Leverage Level Anticipated	Expected Construction Costs	Equity Capital Invested	Equity Capital Balance for Investment	Expected Contractual Profit	Annual Revenues[3]	Annual EBITDA[3]	Annual FFO[3]
										The Company's Share:				
								NIS Millions						
			Elche 4+5 (5)	100	200	51.0%	85%	400	-	31	16	56	48	29
	Poland:		Poland 1	100	-	70.0%	85%	242	-	25	12	35	27	16
			Poland 2 (2)	100	-	70.0%	85%	242	-	25	12	35	27	16
	Italy		Ferrandina	70	-	47.4%	85%	180	8	9	8	26	20	12
			Genzano Energia	99	-	47.4%	85%	255	22	7	12	36	27	15
Venture			Matera Energia	151	-	47.4%	85%	364	20	16	18	57	45	28
	Spain		Elche 6 (5)	100	200	51.0%	85%	400	-	31	16	56	48	29
			Toledo (5)	133	266	47.4%	85%	553	19	30	21	72	60	35
	Chile		ENAPAC PV (2)	150	400	51.0%	85%	643	10	44	24	101	90	56
	Spain	2027	Alizarsun 2	50	100	47.4%	85%	200	-	14	8	28	24	14
	Italy		Sardinia (2)	1,297	-	47.4%	85%	3,133	-	223	154	365	264	118
	Israel		Ayit	250	100	81.0%	85%	751	3	89	32	165	156	118
Total				**2,930**	**1,926**	**56%**	**84%**	**8,736**	**138**	**677**	**386**	**1,221**	**999**	**594**

1. On January 4, 2023, a binding investment agreement was signed between Re Solar and a European investment fund, in the framework of which, the European investments fund undertook to invest an estimated some of €30-40 million, which would imparted with holdings of 49% in the projects with a total capacity of 300 MW as part of the Alfonso El Sabio portfolios. According to the Company of the investments

fund’s investment would supplement the total equity capital balance required for constructing these projects. See the Immediate Report dated January 5, 2023 for additional details (reference: 2023-01-002880).

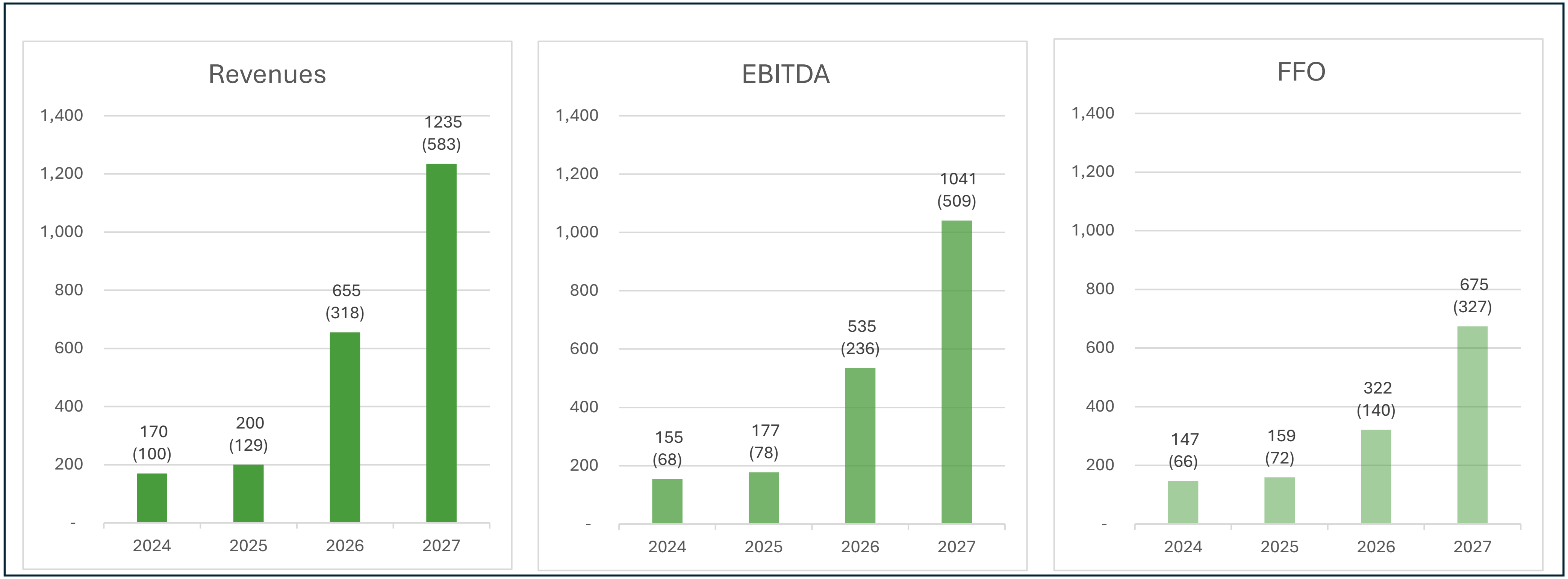
2. It must be emphasized that the Company is in the process of examining acquisition of the aforementioned projects **there is no certainty that the aforementioned projects will be realized by the Company**. The project are as follows: Calbuco Wind,Fargue, Enapac PV, Poland 2 and Sardinia. These projects have a total power capacity of 1,620 MW, with a forecast construction cost of NIS 4,287 million and total forecast revenues of NIS 553 million, the total forecast EBITDA is NIS 427 million and the total FFO forecast is NIS 223 million

3. The revenues, EBITDA and FFO data all for a full representative year, which is calculated as the first full operational year apart from Alizersun, which is calculated pursuant to the actual 2023 results. On September 27, 2023, the Company reported signing an agreement for the sale of the project. See the Company’s Immediate Report dated September 28, 2023 for an expansion relating to the aforementioned engagement (Reference: 2023-01110802). accumulation capacity Spain – the data are forecast pursuant to the Company’s business plan. ** The owners loans balance for some of the Partners as at March 31, 2024 is NIS 174 million and it increases the flows arising from the projects to the Company, in view of the legal mechanism that imparts the Company with preference in relation to the Partners’ flows and its effective share in the earnings, accordingly.

4. On September 27, 2023, the Company reported signing an agreement for the sale of the project. See the Company’s Immediate Report dated September 28, 2023 for an expansion relating to the aforementioned engagement (Reference: 2023-01-110802).

5. Accumulation capacity Spain – the data are forecast pursuant to the Company’s business plan.

Economic Performance Forecasts of the Existing Accumulation of Projects



* The data in parenthesis represent the Company's share in the holdings of the projects. The Company's effective share in the available cash flows of these projects is 85% (hereinafter: "**the effective share**"), This, by virtue of the owners loan in relation to the Partners' share that imparts preference in the Earnings for the Company, the balance of which as at March 31, 2024, is NIS 174 million. The effective share shall apply until

full settlement of the owners loan. In addition to the aforementioned financial data, the Company is entitled to construction profits at an average rate of 10% of the projects' construction costs, when the Company's shares in these construction profits is 51%.

The aforementioned forecast is based on the accumulation tables of the Projects in Sections f(a) and f(b) above and takes the anticipated connection dates in relation to each project specifically into account, pursuant to the assessment of Company's Management and its professional consultants.

The revenues, EBITDA and FFO (hereinafter: "**financial data**") include receipt of the proceeds from electricity sales, from services and incidentals and the sale of projects classified in the financial statements is held for sale. Furthermore, the assumption at the foundation of the financial data is based on signed electricity sales agreements, electricity price curves in the free market that were received from leading consultation companies and the Company's Management's experience from operations in the target markets.

It must also be clarified that, as aforementioned in assessment two (2) in the project accumulation tables in Sections f(a) and f(b) above, the Company is in the process of examining the acquisition of some of the projects and there is no certainty that the aforementioned projects will be realized by the Company. In view of the initial stage of the projects in Sardinia (Italy), the level of its essentiality and for purposes of conservatism, the aforementioned project was not taken into account in the financial data in the aforementioned forecast.

It must be clarified that, the expectation of connecting the projects, their anticipated capacities, there accumulation capacities, the anticipated leverage level of the projects, their expected construction costs, the balance of equity capital for investment, the anticipated contractual earnings, the annual revenues in the projects, the EBITDA and FFO of the project etc. are forward-looking information as defined in the Securities Law, 5728 – 1968 and is based on information available to the Company, including the existence of agreements, the Company' experience and its professional consultants and the market conditions. However, the aforementioned information could change materially, as a result of changes in market conditions, changes in the markets, significant regulatory changes, changes in the preferences of countries, macro changes, energy prices and in view of the Company's risk factors deriving from its operations, as published in the Company's Periodic and Immediate Reports, including in the Company's 2023 Periodic Report, which could result in a different eventuation of the Company's assessments from those described in the aforementioned Report.

g. ***Financial Data***

1. Statement on the Financial Position, Pursuant to the Company's Consolidated Financial Statements as at March 31, 2024 (Reviewed)

Entry	For the three-month period ending on March 31		For the year ending, December 31, 2023	The Board's Explanations
	2024	2023		
	NIS thousands			
	Current Assets			
Cash and cash equivalents	140,749	36,586	152,578	The increase in relation to the previous corresponding period derives primarily from expanding the Bond Series A by NIS 55 million and from issuing capital in the sum of NIS 80 million.
Deposits	-	355	-	-
Encumbered deposits	31,935	9,273	4,242	The increase in relation to previous periods, derives from making a deposit in favor of the PPA relating to the Company's projects in Spain.
Trade receivables	12,617	12,580	8,170	The increase in relation to December 31, 2023, derived primarily from revenues receivable from providing construction services tor projects in Spain.
Other accounts receivable	27,529	49,597	20,131	The increase in relation to December 31, 2023, derived primarily from advance payments to suppliers for constructing projects in Spain and Chile.
Assets held for sale	88,685	24,249	85,731	The balance is for projects in Italy and Spain that are classified as assets held for sale and which are designated for sale during the forthcoming year.
Total Current Assets	**301,515**	**132,640**	**270,852**	
	Non-Current Assets			
Encumbered long-term deposits	16,408	14,493	14,903	-

Entry	For the three-month period ending on March 31		For the year ending, December 31, 2023	The Board's Explanations
	2024	2023		
	NIS thousands			
	Current Assets			
Investments in affiliates accounted for in the equity method	10,285	380	5,891	The balance derives from an investment in projects in Spain through an affiliate, held at the rate of 25% by Re Solar.
Property, plant and equipment, net	704	477	430	-
Connected systems for generating electricity	202,945	215,001	205,120	The decrease in relation to previous periods derives from depreciation expenses.
Ground connected electricity generating systems	197,721	174,920	201,272	The reduction in relation to December 31, 2023, the arrives from a decrease in the euro-shekel exchange rate and depreciation expenses.
Electricity production systems under construction and initiation	378,452	351,567	365,986	The increase in relation to December 31, 2023, derived primarily from an investment in projects and capitalization of financing expenses in a total sum of NIS 20 million and, in contrast, a decrease in the exchange rate and justification to the entry "assets held for sale" in ta total sum of NIS 8 million.
Advances for acquiring projects	24,115	27,865	23,761	-
Contract asset for a concession arrangement	12,443	12,587	12,493	-

Entry	For the three-month period ending on March 31		For the year ending, December 31, 2023	The Board's Explanations
	2024	2023		
	NIS thousands			
	Current Assets			
Right of use assets	144,093	139,091	138,932	The primary increase from the previous corresponding period, derives from connecting the systems to the Israeli electricity grid, linkage to the Index and entrance to the incidence of the standard of additional projects in Chile.
Goodwill	1,213	1,198	1,222	-
Deferred taxes	7,390	3,053	6,678	The primary increase in relation to the corresponding previous period, derives from creating deferred taxes in view of expected future taxable revenues by virtue of granting management and construction services to the project companies in Spain and Chile and from classifying assets held for sale in Italy and Spain.
Long-term other accounts receivable	20,089	8,279	19,219	The primary increase in relation to the corresponding previous period, derives from a rise in the value of a bridging asset for the Series A bonds and developing the Anpac Project in Chile via a loan to the Project Company for its development. In addition, the increase derives from classifying long-term VAT receivable in Italy
Loan to a related party	7,068	6,462	6,935	-
Total Non-Current Assets	**1,022,926**	**955,373**	**1,002,842**	-
Total Assets:	**1,324,441**	**1,088,013**	**1,273,694**	-
	Current Liabilities			

Entry	For the three-month period ending on March 31		For the year ending, December 31, 2023	The Board's Explanations
	2024	2023		
	NIS thousands			
	Current Assets			
Credit and current maturities from banks and other corporations.	14,611	14,161	14,625	-
Current maturities of bonds	49,037	25,677	48,897	The primary increase in relation to the corresponding previous period, derives from expanding Series A in July 2023 and payment of a future reserve of 15% at the end of 2024.
Trade payables	12,517	6,687	9,260	The primary increase between the periods derives from development and construction commencement of projects in Spain and Chile.
Other accounts payable	24,996	16,201	13,874	The primary increase in relation to the corresponding previous period from interest payable for the bonds Series A, the roofs loan and the loan for the Alizersun Project.
Current maturities of leasing liabilities	10,466	9,650	10,069	-
Total Current Liabilities	**111,627**	**72,376**	**96,725**	-
	Long-Term Liabilities -			
Liabilities to banks and other credit providers	537,245	418,846	489,399	The primary increase in relation to December 31, 2023, derive from withdrawing NIS 50 million from the mezzanine loan in favor of financing construction of the Calasparra project in Spain
Bonds	239,264	227,853	238,072	The primary increase derives from expanding the Bonds Series A alongside redeeming the principal on December 31, 2023.

Entry	For the three-month period ending on March 31		For the year ending, December 31, 2023	The Board's Explanations
	2024	2023		
	NIS thousands			
	Current Assets			
Liability for employee benefits, net	206	290	203	-
Deferred taxes liabilities	53,519	45,904	53,194	-
Long-term leasing liability	137,556	131,159	133,074	The increase in relation to the corresponding previous period, derives primarily from new sales agreements for additional systems that were connected to the electricity grid and from the entrance of new projects in Chile to the incidence of the Standard.
Liability for dissolution and rehabilitation	682	634	677	-
Total Non-Current liabilities	**968,472**	**824,686**	**914,619**	-
Total Equity	**244,342**	**190,951**	**262,350**	-
Total Equity and Liabilities	**1,324,441**	**1,088,013**	**1,273,694**	-

2. **Operational Results (Financial Data in NIS Thousands) Pursuant to the Company's Consolidated Financial Statements As at March 31, 2024 (Reviewed)**

Entry	For the three-month period ending on March 31		For the year ending, December 31, 2023	The Board's Explanations
	2024	2023		
	NIS thousands			

Revenues				
Total revenues	**9,635**	**9,469**	**47,670**	In Q1/24, the revenues balance is comprised of NIS 2.4 million for construction services and another NIS 7.2 million for electricity sales. Revenues from electricity sales decreased by NIS 1.8 million in relation to the corresponding previous period, when NIS 900 thousand of the decrease derives from a one-time breakdown in the regional electricity grid infrastructure in the Alizersun Project, which was repaired during February 2024.
Expenses				
Construction, maintenance and incidentals	(3,706)	(2,766)	(10,604)	The decrease in relation to the corresponding previous period, the Ross from merely from the project construction services in Spain that were provided to third parties.
Project development expenses	(150)	-	(1,782)	The decreased derived primarily from progress in developing projects, the cost of which can be capitalized.
Salary and social benefits	(3,370)	(2,074)	(10,123)	The salary costs hike in relation to the corresponding previous period, the rise primarily from increasing the workforce in the European and Chilean operations, which is manifest, inter alia, by changing external consultants with the Company's permanent employees and from redeeming accumulated leave days for previous periods in a total sum of NIS 500 thousand.
Administration, head office and others	(3,739)	(3,459)	(12,691)	-

Total expenses	**(10,965)**	**(8,299)**	**(35,200)**	-
Profit (loss) before taxes, financing, depreciation and amortization, earnings of Investee companies	**(1,330)**	**1,170**	**12,470**	-
The Company's share in the earnings (losses) of an investee company treated under the equity method	(179)	57	102	-
Profit (loss) before taxes, financing, depreciation and amortization	**(1,509)**	**1,227**	**12,572**	-
Depreciation and amortization	(5,768)	(5,160)	(21,730)	The primary increase derives from revaluing the Alizersun Project and connecting additional systems in Israel.
Impairment of the systems	-	-	(2,297)	-
Loss before taxes and financing	**(7,277)**	**(3,933)**	**(11,455)**	-
Finance expenses	(12,762)	(11,262)	(50,754)	The primary increase in relation to the corresponding previous period, derives primarily from exchange rate differences expenses of NIS 4 million, against a reduction in the impact of

				linkage to the Index as a result of a more moderate increase rate of the Index in the sum of NIS 3 million.
Finance revenues	1,307	14,297	28,691	The primary increase in relation to the corresponding previous period, derives from rate differences.
Net finance income (expenses)	**(11,455)**	**3,035**	**(22,063)**	-
Pre Taxes on Income Loss	**(18,732)**	**(898)**	**(33,518)**	-
Taxes on income revenues	280	1,583	4,280	-
Earnings (loss) for the period	**(18,452)**	**685**	**(29,238)**	-
Other Comprehensive Income (Loss)				-
Sums that will not be reclassified later to profit or loss (net of tax)				-
Earnings from reevaluation of connected electricity production systems	-	2,620	21,467	-
Earnings from re-measuring defined benefit programs	-	-	76	-
Sums that are likely to be				-

reclassified to profit or loss				
Provisions from translating the financial statements of foreign operations	(478)	1,374	4,901	-
Net change in the fair value of financial instruments used for hedging the cash flows	774	1,095	(105)	-
Total other comprehensive income for the period	**296**	**5,089**	**26,339**	-
Other comprehensive income (loss) for the period	**(18,156)**	**5,774**	**(2,899)**	-

3. Liquidity and Material Financing Sources

a. Cash flows (NIS thousands):

Entry	For the three-month period ending on March 31		For the year ending December 31, 2023	The Board's Explanations
	2024	2023		

	in NIS thousands			
Net cash used for regular operations	(7,393)	(8,181)	(3,346)	-
Net cash used for investment operations	(50,579)	(43,078)	(78,068)	The major increase in relation to the corresponding previous period, derived from an increase in the volumes of restricted deposits required for constructing projects and from electricity sales.
Net cash derived from financing operations	45,888	17,393	163,664	The major increase in relation to corresponding previous period derived from withdrawing NIS 28 million from the mezzanine loan and the development.
The effect of exchange rate fluctuations on cash and cash equivalent balances	255	836	712	-
Total cash flows	**(11,829)**	**(33,030)**	**82,962**	-

b. Financing Sources

- As at March 31, 2024, the cash balance was NIS 141 million. Furthermore, the Company has balances of deposits and cash restricted for use (encumbered deposits) and deposits of NIS 32 million.

- In Q1/24, the average long-term credit balance, including current maturities amounted to NIS 816 million. The average short-term credit balance amounted to immaterial sums.

  See Section 17.6 in Part A (Description of the Corporation's Operations) in the 2023 Party Report, regarding the material loans taken by the Group's companies.

- On May 7, 2024, the Company made a private bonds issue (Series A) with a face value of NIS 108,910,000 to classified investors counted, among the investors detailed in the First Addendum pursuant to Section 15a(b)(1) of the Securities Law, by way of expanding the Company's bonds Series (Series A), in consideration for NIS 112,656,504. (Consideration in the sum of 103.44 agarot for each bond (Series A) NIS one face value), which the Company will use for the purposes of its regular operations, including extending construction guarantees for the Company's projects (hearing after in this subsection: "**Extending the Series**"). See the Company's immediate reports from May 2, 2024 and May 7, 2024 for additional details about expanding the Series (reference: 2024-01-042205, 2024-01-042406 2024-01-ו-044251, respectively).

See Note 4 to the financial statements dated March 31, 2024 and Section 17 in Part A (Description of the Corporation's Operations) for additional details regarding the source of funding.

h. *Contractual Cash Flows*

Pursuant to Regulation 10 (b)(14) of the Reporting Regulations, the Company examined the existence of warning signs.

The Company has negative cash flows from regular operations of NIS 7.4 million in its consolidated financial statements as at March 31, 2024and, as at December 31, 2023, NIS 3.5 million.

The Company had negative cash flows from regular operations of NIS 10.5 million in its solo financial statements as at March 31, 2024 and NIS 9.7 million as at December 31, 2023.

Furthermore, as at March 31, 2024, the Company has positive working capital of NIS 119 million and, as at December 31, 2023, NIS 174 million

At its Meeting on March 30, 2024, the Company's Board discussed the contractual cash flows, reviewed the sources and existing and future cash needs and also reviewed the financing sources and the potential financing volumes available to the Company, which, inter alia, include the Company's cash balance, expanding the bond Series A by NIS 112 million in May 2024, the funding agreements and the Memoranda of Understanding that had been signed and the anticipated cash flows of the projects during the forthcoming years, which includes retirement of the owners loan that was extended to the Partners.

Reliant on the examination of these data, the Company's Board established that there is no reasonable fear that, during the forecast cash flows period, the Company will not meet its existing and expected liabilities when reaching their due date and also established that the Company does not have any liquidity problem.

It must be emphasized that the aforementioned in this section regarding the anticipated cash flows from the projects and developments in the Group's macroeconomic environment that could have an impact on the contractual cash flows are within the bounds of forward-looking information, as this term is defined in the Securities Law, which are dependent on factors not under the Company's control and, thus, it is not certain and, the actual results could differ materially from the estimated results that are implied from this information.

i. Supply and Customer Credit

The Company has engaged with many suppliers the payment terms with whom very for the most part between current + 60 days and current + 90 days. However, the Company has a limited number of suppliers and service providers, the terms of payment with whom are shorter and vary between current and current +30 days. The Company regularly works at increasing the supplier credit periods.

Most of the Company's customers from electricity production are municipal customers or the Electric Corporation, the payment terms of which vary between current + 30 days and current + 60 days.

j. Economic Risks

Further to the provisions in Section 26, Part A in the 2023 Periodic Report, the Company's operations are accompanied by risk factors relating to liquidity and financing sources, as follows:

1. **Liquidity Risks**

A liquidity risk is the risk that the Group would have difficulty in meeting the settlement of its financial commitments that are settled by delivering cash or any other financial asset. The Group's approach to liquidity risk management is to guarantee to the extent possible, the degree of sufficient liquidity for complying with its liabilities punctually, under regular conditions and under pressure conditions without this causing it undesirable losses or prejudicing its reputation.

The cash flows forecast is, for the most part, established at the consolidated Group level. The Company is examining current forecasts of demands for its liquidity in order to ensure that there is sufficient cash for the operational purposes, while meticulously seeing to the fact that at any time, there will be sufficient unused credit facilities so that the Company will not deviate from the established credit facilities. These forecasts take the Company's program to use debt for the purposes of financing its operations into account and, including complying with the financial covenants, which obligate maintaining a sufficient debt coverage ratio.

The Company's Management, which manages the short, medium and long-term financial and liquidity risks in accordance with the Company's needs is responsible for liquidity risk management. The Group's goal is to preserve the existing ratio between receipt of ongoing financing and the existing flexibility by using credit.

The ultimate responsibility for liquidity risk management applies to the Board of Directors, in the framework of liquidity risk management in relation to Management's requirements regarding short, medium and long-term financing and liquidity.

As at the date of the financial statements, the Company has a cash and cash equivalents balance of NIS 141 million systems connected to the electricity grid in Israel and Spain with a total capacity of121 MW and projects under initiation, advanced development, construction and nearing construction in Israel, Spain, Italy, Chile and Poland with a total capacity of -3,915 MW. The Company had a total loss of NIS 18 million and negative cash flows from regular operation of NIS 7.4 million for the period ended March31,2024. Inter alia, the Company's business model includes revenues from ventures and enterprise premiums, when, at any points in time in the lifespan of the project, the Company examines maximizing its value via a full or partial realization of the project in various stages.

2. Market Risks

A market risk is a risk of changes in the market prices to which the Group is exposed, for example: The electricity sales tariff, raw material prices, exchange rates of foreign currency, interest rates and the Consumer Price Index, which could have an impact on the Group's revenues or the value of its holdings of financial instruments. The purpose of market risk management is to manage and inspect exposure to market risks using conventional parameters, while maximizing returns.

Consumer Price Index: In the course of its business, the Company is exposed to changes in the Consumer Price Index, inter alia, in instances in which the rentals are linked to the Index while the receipts deriving from the project located on the premises are not linked to the Index. This exposure for rentals is immaterial, because only a small part of the accumulation belongs to this category. However, the Company has an indexed Series A bonds balance of NIS 217 million (before linkage), of which 90 million are hedged and not exposed to any Index rise.

Electricity Sale Tariff: The Company is exposed to risks that involve electricity price declines primarily in projects in which the electricity sales are executed to end customers (for example projects in the framework of the net gauge setup) or to an electricity grid at spot prices (for example the project in Spain). To minimize the risk, the Company works at including a maximum quantity of the Company's projects in the framework of the various regulations of the Electricity Authority, which guarantees fixed electricity tariffs over the lifespan of the project. Furthermore, in relation to the project in Spain, the Company sees to engaging in electricity sales agreements at fixed prices vis-à-vis financially stable commercial entities for most of the projects' long-term production volume.

Raw Materials: The Company's operations are dependent on purchasing material volumes of equipment for the purposes of constructing the various projects. Because of this, the Company is, to a large degree, exposed to the cost and availability of the raw materials. Cost hikes of the raw materials and a decrease in their availability would result in prejudicing the profitability of the projects that the Company establishes and would make it difficult to complete the construction of the project on time. In order to minimize the risk, the Company adopts the following procedures: (a) Creating balances for all the major components via engagement with a broad bank of suppliers; (b) Engagement in the framework agreements intended to establish short and medium-term prices and availability; (c) Timing the Company's entry into projects is executed pursuant to the availability of raw materials.

Interest Rate Risk: The risk of interest rate changes derives from loans bearing variable interest rates that expose the Company to a cash flows risk and losses. The Company and corporations under its ownership have loans at a variable interest rates that are linked to the Euribor rate. On October 13, 2020, a loan agreement was signed with an Israeli insurance company, for financing the roofs project. This loan bears fixed interest and, therefore, is not affected by interest rate changes in the economy The Company also has senior debt credit facilities in the Alizersun Project at a fixed interest rate of 2.75%. Furthermore, in June 2022, Re Solar signed a development loan agreement of the renewed credit facilities type from Bank Austria AG KommunalKredit, which was established in June 2023 and includes credit facilities in a total sum of €60 million for retirement on June 30, 2026,nd an interest rate as of July 1, 2024, of Euribor+5.5%instead of Euribor+6.5% up to the aforementioned date (as detailed in Section 3.1 above.). Regarding this loan, any change of 0.5% in the interest rate will result in an annual interest expenses hike of €300 thousand.

Furthermore, on February 3, 2023, Re Solar signed an agreement with a German investments fund for extending mezzanine funding of up to €50 million for the purposes of supplementing equity capital for the Company's projects in Europe at a fixed annual interest of 6.9% and, therefore is not exposed to any interest rate risk for this loan. As provided in Section 3.1 above, as at the date of publishing the Report, pursuant to the loan agreement, the withdrawal period has terminated and boy additional withdrawals can be made by virtue of the loan agreement.

The Company also has indexed bonds at an interest rate of 2.3% linked to the Index when, as aforementioned, a hedged sum of, NIS 90 million in a manner that reflects the aforementioned fixed interest rate of 4.96% for the lifespan of the bonds

Exchange Rate Risk: Some of the Company's financial debt has been extended in a foreign currency – euro). Therefore, changes in the shekel-euro exchange rate are likely to have an effect on the Company's financing costs and, as a result, on the Company's profitability.

Furthermore, the Company's operations in Spain and Italy are executed in euro, its operations in Poland are executed in zloty and in Chile in US dollars and in Chilean Pesos. While changes in the exchange rates are not expected to have an effect on the profitability of the project in these countries, they will have an effect on the value of the project in the Company's financial statements and their contribution to the results of the Company's operations.

Because most of the Company's funding agreements are in euro and, in view of the fact that the raw material costs in the projects under construction and nearing construction are also, for the most part in euro, the Company does not have any material exposure due to the weakening of the shekel.

For the purposes of diminishing exposure to changes in the exchange rates, from time to time, the Group executes hedging transactions and, inter alia, as aforementioned, executed hedging for the Company's bonds.

As at the Report Date the Company does not have any hedging transactions, apart from hedging of NIS 90 million for the bonds reserve.

See Section 26 of Part A (Description Company's Business) in the 2023 Periodic Report for additional details about the financial risk factors.

The information regarding the aforementioned risk factors and their impact on the Company are in the bounds of forward-looking information, as defined in the Securities Law. Inter alia, this information relies on the Company's estimates that are based on past experience and familiarity with the relevant markets for its operational fields and, information on the subject of relevant regulatory developments for the Company's operational fields. The Company is likely to be exposed to additional risk factors in the future and the impact of each risk factor, should it eventuate, is likely to differ from the Company's assessments. As aforementioned, forward-looking information is information based on existing information in the Company as at the Report date. The actual results could differ materially from the assessed or implied results from this information.

Part two

Corporate Governance Aspects

a. ***Donations***

As at the Report date, the Company does not have any policy regarding donations. From time to time, the Company donates immaterial sums to various associations and organizations, that are not associated in any manner whatsoever with the Stakeholders and Officers in the Company.

b. ***Directors with Accounting and Financial Expertise***

There was no change in the Board's establishments regarding the required minimum number of Directors with accounting and financial expertise, as detailed in the Board's Report attached to the 2023 Periodic Report. See Article 26

in the additional details part in th 2023 Periodic Report for details about Directors with accounting and financial expertise.

c. ***Independent Directors***

As at this Report date, in its Articles, the Company had not adopted an instruction regarding the rate of Independent Directors as the term is defined in the Companies Law. it should be noted that Mr. Amit Hayut serves as an Independent Director in the Company See Article 26 in the additional details part in th 2023 Periodic Report for details about Mr. Amit Hayut.

d. ***Internal Auditor***

During the quarter there was not any

material change in relation to the data regarding the Internal Auditor of the Company as detailed in the Annual Board of Directors' Report attached to the 2023 Periodic Report.

e. ***Independent Authorized Signatories***

As at the Report date, the Company does not have independent authorized signatories, as they are defined in Section 37(d) of the Securities Law.

Part Three

Disclosure Instructions Relating to the Corporation's Financial Statements

a. In the financial statements, the Company uses accounting estimates that have a material effect on the Company's results, such as an examination of the existence of control, the fair value of the electricity generating photovoltaic systems; measuring tax assets and liabilities, capitalization rates for the purposes of measuring a liability for leaseholds etc.

<u>See Note 3 of the financial statements as at March 31, 2024 for additional details.</u>

b. **Details regarding the bonds (Series A) that the Company issued proximate to the Report publication date are attached Bonds (Series A)[x]**	
First Issue date	January 19, 2022
Date 1 of the Series expansion	July 11, 2023
Date 2 of the Series expansion	May 7, 2024
Total face value on the issue date (in NIS thousands)	242,000
Total face value after expansion 1 of the Series (in NIS thousands)	300,500
Total face value after expansion 2 of the Series (in NIS thousands)	379,360
The value of the bonds on the Exchange as at the Report approval date (NIS thousands)	396,924
Type of interest	2.3% fixed linked to the CPI
Interest Payment Dates	Twice a year on June 30 and December 31 of each year between 2022 and 2027 inclusive
Principal Payment Dates	In 5 unequal payments to be paid on December 31 of each your between 2023 and 2027 (inclusive), in a manner so that the first payment will constitute 10% of the face value of the bonds; each of the second and third payments must be 15% of the face value of the bond; the first payment will constitute 20% of the face value of the bonds and the first

b. **Details regarding the bonds (Series A) that the Company issued proximate to the Report publication date are attached Bonds (Series A)[x]**	
	and final payment will constitute 40% of the face value of the bonds
Is this series material (the Corporation's total liabilities, pursuant to which, up to the end of the Report year constitute 5% or more of the Corporation's total liabilities)	Yes
Face value as at March 31, 2024 (in NIS thousands)	270,450
Book value of the bonds balance as at March 31, 2024 (NIS thousands)	288,301
Book value of the interest payable as at March 31, 2024 (NIS thousands)	1,687
Stock exchange value as at March 31, 2024 (NIS thousands)	278,239
Early Redemption:	Should the Exchange resolve to remove the bonds from listing for trading, because the value of the bonds (Series A) is less than the sum established in the Exchange's stipulations, the Company must make early redemption, in the framework of which the Company must redeem the bonds (Series A), the holders of which have requested redemption. The redemption consideration must not be less than the sum of the adjusted value of the bonds (i.e. The face value of the bonds (Series A) with addition of linkage differentials and accrued interest up to the actual payment date as specified in the bonds conditions). Furthermore, at its sole discretion, the Company shall be entitled to make early redemption at any time, as of the termination of 30 days from the date of listing the bonds (Series A) for trading. In an event as aforementioned, the instructions detailed in Section 12.2 of the Trust Deed, dated January 23, 2022 shall apply (see Immediate Report Number 2022-02-009501 for additional details about the Trust Deed)

b. Details regarding the bonds (Series A) that the Company issued proximate to the Report publication date are attached Bonds (Series A)x	
	("**the Trust Deed**,") all subject to the stipulations of the Securities Authority and the instructions in the Exchange Regulations and the stipulations by virtue of it.
Guarantees	As at the date of the Trust Deed coming into force the bonds (Series A) are not guaranteed with collateral and/or guarantees and/or encumbrances of any kind and type whatsoever. The status of the bondholders is that of unsecured creditors of the Company with all implied by this.
Financial Covenants	Until the full, final and exact settlement of the debt pursuant to the bonds conditions (Series A), the Company undertakes to comply with all the financial covenants detailed below vis-à-vis the bondholders (Series A).t - The equity capital (pursuant to the Company's Consolidated Financial Statements) must not be less than NIS 85 million during a period of two consecutive quarters – As at March 31, 2024, equity capital was NIS 240 million. **The Company complies with the covenant.** - The ratio between the solo equity capital and the net total solo balance sheet must not be less than a rate of 25% during a period of two consecutive quarters. As at March 31, 2024,the ratio between the solo equity capital and the total net solo balance sheet was 47.9%. **The Company complies with the covenant.** - The ratio between the net consolidated financial debt and the consolidated adjusted -EBITDA must not exceed 15 during two consecutive quarters. As at March 31, 2024, the ratio between the consolidated net financial debt and the adjusted consolidated -EBITDA was 12.07. **The Company complies with the covenant.** Pursuant to the provisions in the Company's Trust Deed, the

b. Details regarding the bonds (Series A) that the Company issued proximate to the Report publication date are attached Bonds (Series A)[x]	
	net consolidated financial debt includes – (1) Short-term debt from financial institutions and from any other entity dealing with extending loans in the sum of NIS 22,661 thousand; (2) long-term debt from financial institutions and any other entity dealing in extending loans in the sum of NIS 537,245; (3) Debt vis-à-vis the bondholders in the sum of NIS289,968 thousand; (4) other interest-bearing financial liabilities (these liabilities include leasing liabilities (IFRS16) and loans from others) in the sum of NIS 148,806 thousand, less unrestricted cash and cash equivalents in the sum of NIS 140,749. The net consolidated financial debt includes the net financial debt as aforementioned less: (1) Leasing liabilities that are presented pursuant to International Financial Reporting Standard IFRS 16 in the sum of NIS 148,022 thousand; (2) Liabilities for assets that have not yet been commercially activated or a year from the date of activating them commercially has not yet transpired or from the date of completing their acquisition, whichever is the later, on the examination date, when, in this framework, liabilities that the Company took and that were extended by it as funding the construction of an asset as aforementioned or instead of funding for constructing an asset as aforementioned (at the level of the funding as aforementioned), provided that the is no other senior financial debt for funding that the Company extended in relation to that asset, as aforementioned, in the sum of NIS 250,130 thousand. Therefore, the net consolidated financial debt amounts to NIS 459,799 thousand. The adjusted consolidated EBITDA in Q1/24 includes an operating loss (loss before financing and taxes) of NIS (1,330) thousand with the addition of: (1) The results of

b.	**Details regarding the bonds (Series A) that the Company issued proximate to the Report publication date are attached Bonds (Series A)**[x]
	installations accounted for under the financial asset method (interpretation of IFRIC 12) pursuant to the property, plant and equipment method in the sum of NIS 353 thousand; (2) Maintenance and construction profits that the Company received from consolidated corporations or its investees in the sum of NIS 2,081 thousand;[xi]. On neutralizing: (1) The effects of installations accounted for under the financial asset method (interpretation of IFRIC 12) in the sum of NIS 47 thousand; (2) Expenses for a share-based payment of NIS 148 thousand, which amounts to a sum of NIS 1,205 thousand and in the regulation for four quarters is 38,096 NIS thousands. Accordingly, the ratio between the net consolidated financial debt and the consolidated adjusted EBITDA is 12.07.
Restrictions on Distributing a Dividend	There are no restrictions on distributing a dividend apart from the requirement for complying with the financial covenants as aforementioned
Compliance with all the conditions and commitments pursuant to the Trust Deed, on the termination of and during the Report Period.	Yes.
Were there conditions that constitute grounds for placing the bonds (Series A) for immediate redemption?	No
Trustee's Details	Custody – The Trust Services Company Ltd. Name of the responsible person for the Series at the Trustee CPA Rami Sabati Means of Communications – Telephone No: 03-637-4352 Fax No: 03-637-4344 E-mail :RamiS@Mtrust.co.il. Mailing Address: 46-48 Menachem Begin Road, Tel Aviv.

Paula Vilin Segev, Chairperson of the Board	Alon Segev, Director and CEO

Date: May 30, 2024


SOLAER
RENEWABLE ENERGIES

Solaer Renewable Energies Ltd.

Summarized Consolidated Interim Financial Report as at March 31, 2024

Solaer Renewable Energies Ltd.

Summarized Consolidated Interim Financial Report as at March 31, 2024

Contents

Summarized Consolidated Interim Statements on the Financial Position

Solaer Renewable Energies Ltd.

	As at March 31		As at December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Current Assets			
Cash and cash equivalents	140,749	36,586	152,578
Deposits	-	355	-
Encumbered deposits	31,935	9,273	4,242
Trade receivables	12,617	12,580	8,170
Other accounts receivable	27,529	49,597	20,131
Assets held for sale	88,685	24,249	85,731
	301,515	132,640	270,852
Non-current assets			
Encumbered long-term deposits	16,408	14,493	14,903
Investments in investee companies treated according to the equity method	10,285	380	5,891
Property, plant and equipment, net	704	477	430
Electricity generating systems connected on roofs	202,945	215,001	205,120
Ground connected electricity generating systems	197,721	174,920	201,272
Electricity production systems under construction and initiation	378,452	351,567	365,986
Advances for acquiring projects	24,115	27,865	23,761
Contract asset for a concession arrangement	12,443	12,587	12,493
Right of use assets	144,093	139,091	138,932
Goodwill	1,213	1,198	1,222
Deferred tax assets	7,390	3,053	6,678
Long-term other accounts receivable	20,089	8,279	19,219
Loan to a related party	7,068	6,462	6,935
	1,022,926	955,373	1,002,842
	1,324,441	1,088,013	1,273,694

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

Summarized Consolidated Interim Statements on the Financial Position

Solaer Renewable Energies Ltd.

		As at March 31		As at December 31
		2024	2023	2023
		Unaudited		Audited
	Note	NIS thousands		
Current Liabilities				
Credit and current maturities from banks and other corporations.		14,611	14,161 (*)	14,625
Current maturities of bonds		49,037	25,677	48,897
Trade payables		12,517	6,687	9,260
Other accounts payable		24,996	16,201	13,874
Current maturities of leasing liabilities		10,466	9,650	10,069
		111,627	72,376	96,725
Non-Current Liabilities				
Liabilities to banks and other credit providers	4b	537,245	418,846 (*)	489,399
Bonds	4d	239,264	227,853	238,072
Net liability for employee benefits		206	290	203
Deferred tax liabilities		53,519	45,904	53,194
Long-term leasing liability		137,556	131,159	133,074
Liability for dissolution and rehabilitation		682	634	677
		968,472	824,686	914,619
Equity				
Share capital		- (**)	- (**)	- (**)
Premium on shares		238,317	168,938	238,317
Capital reserves		73,382	59,857	73,601
Receipts on account of options and shares		9,581	-	9,581
Retained losses		(80,918)	(58,723)	(71,039)
Total equity attributed to the owners of the Company		240,362	170,072	250,460
Non-controlling interests		3,980	20,879	11,890
Total Equity		244,342	190,951	262,350
Total Liabilities and Equity		1,324,441	1,088,013	1,273,694

(*) Reclassified. (**) Represents a sum lower than NIS 1 thousand

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

May 30, 2024

SUMMARIZED CONSOLIDATED INTERIM STATEMENTS ON THE FINANCIAL POSITION

Solaer Renewable Energies Ltd.

Confirmation date of the the financial statements.	Paula Vilin Segev Chairperson of the Board of Directors	Alon Segev CEO	Yair Eisen VP Finances

SUMMARIZED CONSOLIDATED INTERIM STATEMENTS ON COMPREHENSIVE INCOME (LOSS)

Solaer Renewable Energies Ltd.

	For the three-month period ending on		For the year ending
	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Revenues			
Revenues	9,635	9,469	47,670
	9,635	9,469	47,670
Expenses			
Construction, maintenance and incidentals	(3,706)	(2,766)	(10,604)
Project development expenses	(150)	-	(1,782)
Salary and social benefits	(3,370)	(2,074)	(10,123)
Administration, head office and others	(3,739)	(3,459)	(12,691)
	(10,965)	(8,299)	(35,200)
Profit (loss) before taxes, financing, depreciation and amortization, earnings of Investee companies	(1,330)	1,170	12,470
The Company's share in the earnings (losses) of an investee company treated under the equity method.	(179)	57	102
Profit (loss) before taxes, financing, depreciation and amortization	(1,509)	1,227	12,572
Depreciation and amortization	(5,768)	(5,160)	(21,730)
Impairment of the systems	-	-	(2,297)
Loss before taxes and financing	(7,277)	(3,933)	(11,455)
Finance expenses	(12,762)	(11,262)	(50,754)
Finance revenues	1,307	14,297	28,691
Net finance income (expenses)	(11,455)	3,035	(22,063)
Pre taxes on income loss	(18,732)	(898)	(33,518)
Taxes on income revenues	280	1,583	4,280
Earnings (loss) for the period	(18,452)	685	(29,238)
Other comprehensive Income			
<u>Sums that will not be reclassified later to profit or loss (net of tax)</u>			
Earnings from reevaluation of connected electricity production systems	-	2,620	21,467
Earnings from re-measuring defined benefit programs	-	-	76
<u>Sums that are likely to be reclassified to profit or loss</u>			
Provisions from translating the financial statements of foreign operations	(478)	1,374	4,901
Net change in the fair value of financial instruments used for hedging the cash flows	774	1,095	(105)
Total other comprehensive income for the period	296	5,089	26,339
Comprehensive earnings (loss), net of tax	(18,156)	5,774	(2,899)

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

Summarized Consolidated Interim Statements on Comprehensive Income (Loss)

Solaer Renewable Energies Ltd.

	For the three-month period ending on		For the year ending
	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Earnings (loss) for the period attributed to:			
The owners of the Company	(10,597)	5,910	(7,452)
Non-controlling interests	(7,855)	(5,225)	(21,786)
	(18,452)	685	(29,238)
Comprehensive earnings (loss) for the period attributed to:			
The owners of the Company	(10,246)	10,746	11,040
Non-controlling interests	(7,910)	(4,972)	(13,939)
	(18,156)	5,774	(2,899)
Earnings (loss) per share attributed to the shareholders of the Parent Company (in NIS):			
Basic and diluted earnings (loss) per share	(0.65)	0.43	(0.54)
Sum of the share capital that was used in calculating earnings (loss) per share:			
Basic and diluted per share	16,412,102	13,814,602	13,850,184

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

	For the three-month period ending on March 31												
	2024												
	Share capital	Premium on shares	Revaluation reserve	Reserve for from re-measuring defined benefit programs	Capital reserve for share-based payment transactions	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Receipts on account of option warrants	Capital reserve from hedging' transactions	Retained losses	Total equity attributed to the owners	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as at January 1, 2024	- (*)	238,317	50,579	(214)	4,820	(726)	19,401	9,581	(259)	(71,039)	250,460	11,890	262,350
Loss for the period	-	-	-	-	-	-	-	-	-	(10,597)	(10,597)	(7,855)	(18,452)
Total other comprehensive earnings for the period	-	-	-	-	-	(423)	-	-	774	-	351	(55)	296
Reduction in the reevaluation reserve for surpluses	-	-	(718)	-	-	-	-	-	-	718	-	-	-
Share-based payment	-	-	-	-	148	-	-	-	-	-	148	-	148
Balance as at March 31, 2024	- (*)	238,317	49,861	(214)	4,968	(1,149)	19,401	9,581	515	(80,918)	240,362	3,980	244,342

(*) Represents a sum lower than NIS 1

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

	For the three-month period ending on March 31 2023											
	Share capital	Premium on shares	Revaluation reserve	Reserve for from re-measuring defined benefit programs	Capital reserve for share-based payment transactions	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Capital reserve from hedging' transactions	Retained losses	Total equity attributed to the owners	Non-controlling interests	Total equity
	Unaudited											
	NIS thousands											
Balance as at January 1, 2023	- (*)	168,938	36,470	(290)	3,428	(3,782)	19,313	(154)	(64,943)	158,980	25,819	184,799
Earnings (loss) for the period	-	-	-	-	-	-	-	-	5,909	5,909	(5,225)	684
Total other comprehensive earnings for the period	-	-	2,620	-	-	1,122	-	1,095	-	4,837	253	5,090
Reduction in the reevaluation reserve for surpluses	-	-	(311)	-	-	-	-	-	311	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-	29	-	-	29	32	61
Share-based payment	-	-	-	-	318	-	-	-	-	318	-	318

	For the three-month period ending on March 31 2023											
	Share capital	Premium on shares	Revaluation reserve	Reserve for from re-measuring defined benefit programs	Capital reserve for share-based payment transactions	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Capital reserve from hedging' transactions	Retained losses	Total equity attributed to the owners	Non-controlling interests	Total equity
	Unaudited											
	NIS thousands											
Balance as at March 31, 2023	- (*)	168,938	38,779	(290)	3,746	(2,660)	19,342	941	(58,723)	170,073	20,879	190,952

(*) Represents a sum lower than NIS 1

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

	Share capital	Premium on shares	Revaluation reserve	Reserve for from re-measuring defined benefit programs	Capital reserve for share-based payment transactions	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Receipts on account of option warrants	Capital reserve from hedging' transactions	Retained losses	Total equity attributed to the owners	Non-controlling interests	Total equity
	For the year ending, December 31, 2023												
	Audited												
	NIS thousands												
Balance as at January 1, 2023	- (*)	168,938	36,470	(290)	3,428	(3,782)	19,312	-	(154)	(64,943)	158,979	25,819	184,798
Loss for the year	-	-	-	-	-	-	-	-	-	(7,452)	(7,452)	(21,786)	(29,238)
Other comprehensive income for the year	-	-	15,465	76	-	3,056	-	-	(105)	-	18,492	7,847	26,339
Reduction in the reevaluation reserve for surpluses	-	-	(1,356)	-	-	-	-	-	-	1,356	-	-	-
Issuance of shares and option warrants	-	69,379	-	-	-	-	-	9,581	-	-	78,960	-	78,960
Transactions with non-controlling interests	-	-	-	-	-	-	89	-	-	-	89	98	187
Distribution of earnings in a consolidated partnership	-	-	-	-	-	-	-	-	-	-	-	(88)	(88)
Share-based payment	-	-	-	-	1,392	-	-	-	-	-	1,392	-	1,392
Balance as at December 31, 2023	- (*)	238,317	50,579	(214)	4,820	(726)	19,401	9,581	(259)	(71,039)	250,460	11,890	262,350

(*) Represents a sum lower than NIS 1

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

	For the three-month period ending on March 31		For the year ending December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Cash flow for regular operations			
Earnings (loss) for the period	(18,452)	685	(29,238)
The mandatory adjustments for presenting cash flows from regular operations			
a. Expenses (revenues) that are not involved in the cash flow			
Depreciation and amortization	5,768	5,160	21,730
Taxes on income	(280)	(1,583)	(4,280)
Finance expenditure (revenue), net	11,455	(3,035)	22,063
The Company's share in the losses of an investee company treated under the equity method	179	(57)	(102)
Share-based transactions payment	148	318	1,392
Reduction of projects without any economic feasibility	-	-	1,129
Loss from impairment as a result of revaluing connected systems	-	-	2,297
	17,270	803	44,229
b. Changes in assets and liabilities entries (changes in working capital)			
Decrease (increase) in trade receivables	(4,453)	(223)	4,175
Decrease (increase) in other accounts receivable	(3,081)	(4,996)	5,078
Decrease (increase) in other long-term accounts receivable	238	(167)	(7,293)
Increase in trade payables	461	1,126	2,173
Hike in other accounts payable	2,397	1,575	2,453
Decrease in contract assets for concession arrangement	50	48	142
	(4,388)	(2,637)	6,728
Cash from regular operations	(5,913)	(1,149)	21,719
Cash paid and received during the year for			
Loan interest payments	(1,035)	(2,695)	(10,756)
Interest payment for a leasing liability	(1,332)	(1,342)	(5,239)
Interest payments for bonds	-	(2,921)	(9,665)
Interest payments for commissions and institutions	(291)	(106)	(890)
Taxes paid	(104)	(57)	(60)
Interest received	939	89	1,545
	(1,823)	(7,032)	(25,065)
Net cash used for regular operations	(7,393)	(8,181)	(3,346)

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

	For the three-month period ending on		For the year ending
	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Cash flows from investment operations:			
Acquisition of a fixed Asset	(305)	(6)	(69)
Investment in electricity production systems under construction and initiation	(15,476)	(17,083)	(61,684)
Extending guarantees for electricity production systems under construction and initiation	-	(19,661)	(19,661)
Settlement of extending guarantees for electricity production systems under construction and initiation	-	-	19,661
Investments in investee companies	(4,614)	-	(5,466)
Advances for acquiring projects	(295)	(5,707)	(13,334)
Withdrawal (deposit) in short-term encumbered deposits	(27,956)	(135)	4,955
Deposit in long-term encumbered deposits	(1,412)	(26)	(48)
Short-term deposit withdrawal	-	-	322
Loan extended to another	(521)	(460)	(2,744)
Net cash used for investment operations	(50,579)	(43,078)	(78,068)
Cash flows from financing operations:			
Share and Bonds issue	-	-	78,648
Payment for settling derivative financial instruments	-	-	(2,198)
Net short-term credit from banks	-	(899)	(899)
Redemption of bonds	-	-	(32,598)
Bonds issue, net	-	-	54,355
Receipt of loans from banks	49,671	24,178	133,950
Distribution of earnings in a consolidated partnership	-	-	(88)
Settlement of loans from banks	(1,618)	(4,916)	(63,867)
Payment of a leasing liability reserve	(2,165)	(970)	(3,639)
Net cash derived from financing operations	45,888	17,393	163,664

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

	For the three-month period ending on		For the year ending
	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
The effect of exchange rate fluctuations on cash and cash equivalent balances			
The effect of exchange rate fluctuations on cash and cash equivalent balances	255	836	712
Increase (decrease) in cash and cash equivalents	(11,829)	(33,030)	82,962
Cash and cash equivalents balance at the beginning of the period.	152,578	69,616	69,616
Cash and cash equivalents balance at the end of the period.	140,749	36,586	152,578
(a) Non-monetary material operations			
Supplier credit for electricity production systems under construction and initiation	7,217	2,614	4,364
Increase in a right of use asset against leasing liabilities resulting from new leasing agreements	7,029	4,444	6,496

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

Note 1 - General

a. A General Description the Company and its Operations

Solaer Renewable Energies Ltd. (hereinafter: "the Company") was established and incorporated in Israel on June 26,2019 (hereinafter: "the establishment date"),as a private limited liability company, pursuant to the Companies Law, 5759 – 1999,

Ms Paula Vilin Segev is the Controlling Shareholder in the Company

From the Company's establishment to the initial public issue date, the Company did not have any operations. On the date of completing the issue, the operations of Solaer Israel Ltd. (hereinafter: "A sister company"), as well as the holding in the entities dealing in promotion, development, planning, licensing, financing procedure management, establishment, management, activation and maintenance of the electricity production system from renewable energy sources were transferred to the ownership of the Company, pursuant to Section 15 of the Income Tax Ordinance.

On September 30, 2020, Solaer Israel merged Re Solar Ltd. Into it pursuant to the Companies Law. Within the framework of the aforementioned merger, all Re Solar's operations, including its assets, rights and liabilities, were transferred in their as is condition to Solaer, all exempt from tax pursuant to Section 103 of the Income Tax Ordinance (New Version) and subject to the conditions detailed in the split agreement. After the merger, the holdings ratio in Solaer Israel was preserved.

On February 2, 2021, subject to the existence of conditions precedent detailed in the split agreement and, after executing the aforementioned merger, Solaer Israel transferred most of its operations in the renewable energy field to the Company and all the employees and officers in Solaer Israel were transferred as employed by the Company (hereinafter in this section: "The transferred operations"), together and as one piece, with the tax exemption pursuant to Section 105 of the Income Tax Ordinance, this with the retroactive force to the determining date, September 30, 2020.

All Solaer Israel's operations were transferred to the Company apart from its holdings in the Partnerships with Energix, its holdings in the Partnerships with Afcon and some of the maintenance operations to third parties and additional rights and commitments instructions, all pursuant to the provisions in the split agreement. See Note 4c below for an expansion on the compromise agreement signed after the reporting date.

The Company, including the corporations held by it directly and indirectly (hereinafter jointly: "The Group") deals in promoting, developing, planning, licensing, managing financing procedures, constructing, managing, activating and maintaining electricity generating systems from renewable energy sources in Israel, Spain, Italy, Poland and Chile. The Company is examining opportunities and collaboration in additional countries globally.

b. The Effects of Changes in the Inflation Indices and Interest Rates on the Company's Operations

Recent years have been characterized by a high inflation environment. The Index rise had an effect on the indexed bonds and the loan from a financial institution. On the other hand, a nominal value of 90 million from the existing bonds reserve are hedged and not exposed to rises in the Index.

Furthermore the Company has revenues from electricity sales that are also linked to the Index so that the rise in the Index increases the loan payments on the one hand and, on the other hand increases the revenues from electricity generation over time.
Regarding the interest effect, there are loans linked to Euribor interest rate, so that loans that are affected by changes in the interest rate could have an impact on the Company's future results.

c. The Iron Swords War

As at the date of the financial statements approval, the State of Israel is in a state of war in Gaza and on additional fronts, after, on October 7, 2023, the terror organization Hamas had attacked the State of Israel (hereinafter: "The War"). Because of the war, certain regions in the North and South have been defined as combat zones, citizens have been evacuated from these regions and employment places in those regions have been closed. The actions and additional actions adopted in the wake of the war, have a crucial impact on the Israeli economy's economic activity and on the capital market, fluctuations in the shekel exchange rate against foreign currencies and a rise in the risk level and uncertainty.
During the combat period and as at the report date, the Company has continued and continues its regular operations in Israel, including continuing promotion, planning and construction, all under the mandatory restrictions and conditions from the Rear Command. It should be noted that, as at the date of the financial statements approval, all the Company's installations in commercial operations in Israel generate electricity as usual.

The Company continues to examine the effects of the war and the economic situation on its business operations regularly. As at the report date, there is uncertainty relating to the development and scope of the war, the duration of its implications and how the Iron Swords War will develop and the level of its economic effect on the State of Israel and the Company in particular are vague. However, in view of the Company being international and the fact that its venture and construction operations are outside of Israel, as at the date of approving the financial statements, the impact of the Iron Salt War on the Company and its results has not been material and, the Company believes that its future impact on the Company will also be material, albeit the fact that the aforementioned is dependent on developments in the war and its implications.

d. Definitions

The Company	-	Solaer Renewable Energies Ltd..
The Group	-	The Company and the consolidated companies in the financial statements
Solaer Israel	-	Solaer Israel Ltd. – A Company under the proprietorship of the Controlling Shareholder in the Company
IEC	-	Israel Electric Corporation Ltd
Related parties	-	As defined in International Accounting Standard 24 relating to related parties.
Stakeholder	-	"Controlling Shareholders"- In the sense of Clause 1 of the definition of a controlling shareholder in a corporation in Section 1 of the Securities Law, 5728 – 1968.

The Electricity Authority	-	The Public Services Authority – Electricity
KWP/MWP	-	Kilowatts/megawatt units used for measuring the size of the systems
Consolidated companies/subsidiaries	-	Companies, including partnerships, the financial statements of which are fully consolidated directly, subsidiaries, or indirectly with the Company's financial statements
Index	-	The Consumer Price Index published by the Central Bureau of. Statistics

Note 2 – The Basis for Preparing the Financial Statements

a. Declaration on Compliance with International Financial Reporting Standards.

The summarized interim consolidated financial statements were prepared pursuant to – IAS 34, *Financial Reporting for the Interim Period* and do not include all the data required in the full annual financial statements. They should be read together with the financial statements for the day and year ending December 31, 2023 (hereinafter – "the annual financial statements").

Furthermore, these financial statements were prepared pursuant to the instructions in Part D of the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970.

The summarized consolidated interim financial statements were authorized for publication by the Company's Board on May 30, 2024.

b. The Use of Estimates and Discretion

On preparing the financial statements pursuant to IFRS, the Company Management has to use discretion for the purposes of making assessments and assumptions, which have an effect on implementing the policy and the sums of the assets and liabilities, revenue and expenses. It must be clarified that the actual results could differ the from these estimates.

Management's discretion when implementing the Group's accounting policy and the main assumptions used in the evaluations, which involve uncertainty are consistent with those used when preparing the annual financial statements.

Note 3 – Material Accounting Policy

The Principles when Preparing the Summarized Interim Financial Statements

Apart from the details below, the Group's accounting policy in these summarized interim consolidated financial statements is the accounting policy applied in the 2023 annual financial statements.

a. Initial Implementation of the New Standards, Amendments to the Standards and Interpretations

Amendment to IAS 1, Presenting the Financial Statements: Classifying Liabilities As Current or Non-current and a Sequential Amendment: Non-current Liabilities With Financial Covenants

The amendment, together with the sequential amendment to IAS 1 (see below), replaces a certain classification requirement of liabilities as current or non-current.
Pursuant to the amendment, a liability must be classified as non-current when the entity has a right to defer payment to a period of at least 12 months after the reporting period, which is of substance and that exists to the end of the reporting period.
The sequential amendment, as published in October 2022, establishes that the financial covenants with which the entity is required to comply after the report date, will not have an effect on

classifying a liability as current or non-current. Furthermore, the sequential amendment adds disclosure requirements for liabilities that are subject to an examination of the financial covenants within 12 months after the reporting date, such as disclosure regarding the nature of the financial covenants, the date on which it is necessary to comply with them and facts and circumstances that indicate the fact that the entity had difficulty in complying with the financial covenants.
Furthermore, the amendment clarified that the right of converting the liability will affect the classification of the instrument in its entirety as current or non-current, unless the conversion component is capital.

The amendment and the sequential amendment must be implemented in the reporting periods commencing on January 1, 2024. The amendment and sequential amendment must be implemented retrospectively, including amendment of the comparative figures

Implementation of the amendment had no material effect on the financial statements.

b. New Standards, Amendments to Standards and Interpretations that have not yet been Adopted

International Financial Reporting Standard 18 IFRS, Presentation and Disclosure in Financial Statements

This Standard replaces International Accounting Standard IAS *1 Presentation of Financial Statements*. The purpose of the Standard is to provide improved structure and content
for financial statements, especially in the Statement on Profit and Loss.
The Standard includes new disclosure and presentation demands that you introduced from International Accounting Standard IAS 1 *Presentation of Financial Statements* with light style changes.
As a part of the new disclosure demands, companies will be required to present to interim sums in the Statement on Profit or Loss: Operating income and earnings
before financing and tax In addition, for most of the companies, the results in the Statement on Profit or Loss will be classified into three categories: Operating income, gains from investments and finance revenues.

In addition to the changes in the structure of the Statements of Profit and Loss, the Standard also includes a demand for providing separate disclosure in the financial statements regarding the use of performance indices defined by Management non-GAAP" Indices).

Furthermore, in the framework of the amendment, specific instructions for clustering and splitting items in the financial statements and notes have been added. The Standard will encourage companies to avoid aid classifying items as "other" (for example, other expenses), and such a classification will lead to additional disclosure demands.

The initial implementation date of the Amendment is for the annual periods commencing onJanuary1,2027 with an option for early implementation.

The Company examines the implications of the amendment for its financial statements without any intention for early implementation.

Note 4 – Material Events during and after the Reporting Period

a. On January 26, 2024, through Agua Sol, the Company signed with an international investments bank (hereinafter: "the investments bank"), , which will be solely responsible in the Anpac project for raising capital, the debt and hedges (should any be necessary for the project) in a total sum of $1.5 billion. The investment bank has been given exclusivity for attaining funding for the project, when the exclusivity period shall be the earlier between 24 months from the date of signing the agreement or from the date on which the project companies sign an engagement document or acquisition agreement, a loan agreement and/or other express documents apart from the content relating to funding the project (hereinafter: "The exclusivity period"). The consideration to be paid to the investment bank will be on the basis of "success," only as dependent on raising equity and debt for the project and it is expected to amount to immaterial sums in relation to the entire cost of the project. Furthermore, the investments bank is entitled to a refund of various expenses as is conventional in this type of agreements. In addition, there are additional sections in the agreement, which, inter alia, include references to confidentiality, indemnification, increasing responsibility and additional and various protections, as is conventional in this type of agreements.

b. On February 14, 2024, the Company withdrew €12.9 million (about NIS 50.6 million) from the mezzanine loan facilities that were extended by the European investments fund, for constructing the Calasparra Project in Spain. See Note 15d5 of the annual financial statements for additional details.

c. Further to Note 18b of the annual financial statements, regarding the legal dispute between Solaer Israel Ltd. and Energix Renewable Energies Ltd. (hereinafter jointly: "the parties"), relating to the partnership held by the parties and relating to the operations that were transferred to the Company by virtue of a split agreement dated April 18, 2024, after had received the force of a verdict, the parties prepared a compromise agreement, in the framework of which all the disputes between the parties were resolved.

d. On May 07, 2024, the Company completed an issuance of bonds with a face value of NIS 108,910 thousand by way of expanding the bond series (Series A) that had been issued by the Company on January 18, 2022 as stated in Note 15(d)5 of the annual financial statements. The net proceeds after discounts and issuance expenses are NIS 111,822 thousand. The proceeds include linkage of the bonds to the December 2021 Index and interest accumulated as of January 1, 2024. Payment of the principal will be made in 5 unequal payments at the end of each year, as of December 31, 2024. The bonds bear linked interest at an annual rate of 2.3%, paid twice annually on June 30 and December 31. The bonds principal and interest are linked to the December 2021 Index. Until full settlement of the debt, the Company undertook vis-à-vis the bondholders, to comply with the financial conventions that are established in the Trust Deed and that are detailed in Note 15d5 of the annual financial statements. As at the report date,, the Company has complied with the financial covenants.

e. During the report period, there was a breakdown in the regional electricity grid infrastructure in the Alizersun Project, in the framework of which, the system's electricity production was significantly impaired for 22 days. The breakdown was repaired during February 2024 and the system resumed routine operations. The extent of the damage caused by this breakdown is manifest in damage to the Company's revenues and has been estimated at NIS 900 thousand.

f. On May 29, 2024, through consolidated subsidiaries in Chile, held in concatenation at a rate of 47.4%, the Company signed a non-binding Memorandum of Understanding with one of the largest energy companies in the world for the sale of electricity to be produced in the Cachiyo and Canquina Projects in a total capacity of 130 MW and with the addition of an accumulation of 780 MWh Pursuant to the agreement, the sellers and buyer will engage in a PPA for a 13-year period commencing from the dates of connecting the projects to the grid and no later than January 1, 2026, subject to the existence of conditions established in the agreement.

Note 5 - Financial Instruments

a. Financial Instruments Not Measured at Fair Value

Apart from the details in the following table, the Company believes that the book value of the financial assets and liabilities presented in the financial statements correlate with or are closely identical to their fair value.

	As at March 31, 2024		As at March 31, 2023		As at December 31, 2023	
	Balance	Fair value	Balance	Fair value	Balance	Fair value
	Unaudited				Audited	
	NIS thousands					
Financial liabilities						
Bonds (*)	289,988	278,239	254,986	200,981	286,969	270,531
Liabilities to banks and other credit providers (*)	377,333	318,907	294,066	230,119	326,716	277,378
	667,321	597,146	549,052	431,100	613,685	547,909

The fair value of the loans is measured pursuant to the conventional interest rates for similar loans

(*) Including interest payable.

b. Financial Instruments Measured at Fair Value

The following table presents an analysis of the financial instruments measured at fair value on a future basis, while using the valuation method pursuant to the fair value levels in the hierarchy. The various levels are defined as follows:

- Level 1 :Quoted prices (not adjusted) in the active market for identifiable instruments.
- Level 2 :Data observed, directly or indirectly that are not included in Level 1 above.
- Level 3 :Data that are not based on observed market data.

	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousands			
Long-term financial assets:				
Derivative financial instruments	-	3,626	-	3,626
	-	3,626	-	3,626
	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousands			
Financial assets				
Derivative financial instruments	-	2,063	-	2,063
	-	2,063	-	2,063
	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousands			
Long-term financial assets:				
Derivative financial instruments	-	2,962	-	2,962
	-	2,962	-	2,962

Note 6 – Transactions with Stakeholders and Related Parties in the Reporting Period:

1. In 2024, Energy Intersol, a subsidiary held by the Company in concatenation at a rate of 51%, commenced providing construction services to an affiliated company. In the Report Period, Construction Revenues NIS 2,439 thousand were recorded.

2. In 2024, salary expenses for redemption of accumulated leave days for the previous periods for the Company's Controlling Shareholders in a total sum of NIS 500 thousand were recorded.

Note 7 – Sectors

The Group's operational sectors are presented based on data that was surveyed by the Group's main operational decision-maker (the Group's CEO) for the purposes of allocating resources to the sectors and assessing their performances.

As at the date of approving the financial statements, the Group has three reportable sectors as detailed below, which constitute the Company's strategic business units. These business units include operational fields and are examined separately for the purposes of allocating resources and assessing performances.

The sector's results are based on the Company's operating income, on neutralizing depreciation and amortization expenses and an impairment of the systems attributed to the reportable sectors of the Company (without depreciation expenses deriving from implementing IFRS 16 and, in contrast recording leasing expenses pursuant to actual payment).

a. <u>The Photovoltaic Operational Sector in Israel</u>

Either itself or through it its investee corporations, the Company promotes, develops, plans, licenses, manages financing procedures, construction, management, activation and maintenance of electricity production systems from renewable energy sources in Israel. The Company's major operations in Israel are promoting and constructing yielding projects of photovoltaic systems, on the ground or on the roofs of public buildings, factories etc. and, which are used for the purposes of the electricity current to the national distribution and conduction lines and for self-use of private consumers, pursuant to the Electricity Authority's various regulations.

b. <u>The Operational Field of the Photo Voltaic Systems in Spain and Italy</u>

The Company operates, itself or through its investee corporations, in Spain and Italy through joint ventures with third parties in the field of promoting, developing and constructing photovoltaic systems.

The sector constitutes a cluster of the Group of operations in Spain and Italy. Management believes that the two operational sectors can be clustered into one operational sector, because both operational sectors have similar economic and business characteristics, the agreements are similar and their essence and the decisions adopted jointly and, therefore, the principal decision-maker perceives the Company's operations in those countries as one sector.

c. Management and Construction

The Group's revenues from providing management services to projects in the development, construction or operating stages and from providing construction and maintenance services to projects under partial or full ownership of the Company are surveyed by the chief operational decision-maker.

Following are the sectorial data for the reporting sectors

	For the three-month period ending on March 31, 2024					
	Israel – photovoltaic	Spain and Italy – photovoltaic	Management and Construction	Other	Adjustments for consolidated	Total consolidated
	Unaudited					
	NIS thousands					
Revenues from external entities	5,336	1,516	3,252	345	(814)	9,635
Inter-sectorial revenues	-	-	1,767	-	(1,767)	-
Total revenues of the sector	**5,336**	**1,516**	**5,019**	**345**	**(2,581)**	**9,635**
Sectorial Results	**2,430**	**852**	**(609)**	**(59)**	**1,133**	**3,747**
Items that were not allocated to sectors						
Expenses that were not allocated to sectors						(6,345)
Depreciation, amortization and systems impairments						(4,500)
Finance expenses. net						(11,455)
Losses of an affiliated company						(179)
Pre-tax loss						**(18,732)**

	For the three-month period ending on March 31, 2023					
	Israel – photovoltaic	Spain and Italy – photovoltaic	Management and construction	Other	Adjustments for consolidated	Total consolidated
	Unaudited					
	NIS thousands					
Revenues from external entities	5,676	2,858	-	935	-	9,469
Inter-sectorial revenues	-	-	3,175	-	(3,175)	-
Total revenues of the sector	**5,676**	**2,858**	**3,175**	**935**	**(3,175)**	**9,469**
Sectorial Results	**2,865**	**2,106**	**(541)**	**107**	**(211)**	**4,326**
Items that were not allocated to sectors						
Expenses that were not allocated to sectors						(4,790)
Depreciation, amortization and systems impairments						(3,526)
Net finance revenues						3,035
Profits of an affiliated company						57
Pre-tax loss						**(898)**

	For the year ending , December 31, 2023					
	Israel – photovoltaic	Spain and Italy Photovoltaic	Management and construction	Other	Adjustments for consolidated	Total consolidated
	Audited					
	NIS thousands					
Revenues from external entities	28,980	15,737	-	2,953	-	47,670
Inter-sectorial revenues	-	-	34,046	-	(34,046)	-
Total revenues of the sector	**28,980**	**15,737**	**34,046**	**2,953**	**(34,046)**	**47,670**
Sectorial Results	**16,480**	**12,649**	**12,701**	**(303)**	**(15,286)**	**26,241**
Items that were not allocated to sectors						
Expenses that were not allocated to sectors						(18,992)
Depreciation, amortization and systems impairments						(18,806)
Finance expenses. net						(22,063)
Profits of an affiliated company						102
Pre-tax loss						**(33,518)**

Data Based on Geographic Regions

The Company's domestic country is Israel and the Group's promotion, development, construction, management, activation and maintenance operations are concentrated primarily in Israel, Spain and Italy.

When presenting the information on a geographical sectorial basis, the sector revenues are based on the geographic location of the customers.

	For the three-month period ending on March 31		For the year ending December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Revenues from external entities			
Israel	5,336	5,676	28,980
Spain	4,299	3,793	18,690
Consolidated	**9,635**	**9,469**	**47,670**

Major Customers

The Group's revenues from the customer, Alpik, which belongs to the photovoltaic sector in Spain in the three-month, month period ending on March 31, 2024 and 2023 and in 2023 are NIS 2,210 thousand, NIS 2,858 thousand and NIS15,737 thousand respectively.

Solaer Renewable Energies Ltd.

Summarized Interim Financial Report

As at March 31, 2024

SOLAER RENEWABLE ENERGIES

Solaer Renewable Energies Ltd.

Summarized Interim Solo Financial Report

As at March 31, 2024

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Summarized Interim Data on the Financial Position Solaer Renewable Energies Ltd.

	As at March 31		As at December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Current Assets			
Cash and cash equivalents	60,375	15,950	78,898
Deposits	-	355	-
Trade receivables	10	154	10
Other accounts receivable	6,086	3,277	5,681
Associated Companies	4,052	3,897	1,998
Loans to investee companies	88,494	53,635	88,464
	159,017	77,268	175,051
Non-current assets			
Encumbered deposit	5,305	5,088	5,241
Investments in investee companies	29,840	48,386	39,877
Loans to investee companies	347,906	348,858	328,942
Electricity production systems under construction and initiation	1,815	2,325	1,267
Property, plant and equipment, net	549	474	423
Right of use assets	2,870	2,788	3,126
Deferred tax assets	4,410	918	4,891
Loan to a related party	7,068	6,462	6,935
Long-term other accounts receivable	3,626	5,435	2,962
	403,389	420,734	393,664
	562,406	498,002	568,715

The additional information attached to the summarized solo interim financial data constitutes an integral part hereof.

	As at March 31		As at December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Current Liabilities			
Current maturities of bonds	49,037	25,677	48,897
Trade payables	1,884	2,004	1,409
Other accounts payable	5,995	8,364	3,915
Current maturities of leasing liabilities	1,188	1,147	1,246
	58,104	37,192	55,467
Non-Current Liabilities			
Bonds	239,264	227,853	238,072
Associated Companies	-	49,625	-
Net liability for employee benefits	206	290	203
Surplus liabilities over assets in investee entities treated under the equity method	23,081	11,651	22,943
Long-term leasing liability	1,389	1,319	1,570
	263,940	290,738	262,788
Equity			
Share capital	- (*)	- (*)	- (*)
Premium on shares	238,317	168,938	238,317
Capital reserves	73,382	59,857	73,601
Receipts on account of options and shares	9,581	-	9,581
Retained loss	(80,918)	(58,723)	(71,039)
Total equity attributed to the owners of the Company	240,362	170,072	250,460
Total Liabilities and Equity	562,406	498,002	568,715

(*) Represents a sum lower than NIS 1

The additional information attached to the summarized solo interim financial data constitutes an integral part hereof.

May 13th 2024			
Confirmation date of the the financial statements.	Paula Vilin Segev Chairperson of the Board of Directors	Alon Segev CEO	Yair Eisen VP Finances

	For the three-month period ending on		For the year ending
	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Revenues	2,596	3,466	26,707
Expenses			
Cost of revenues	(1,310)	(1,726)	(7,410)
Project development expenses	(20)	-	(1,129)
Salary and social benefits	(3,968)	(3,343)	(13,001)
Administration, head office and others	(2,664)	(1,987)	(8,562)
Loss before taxes, financing, depreciation and amortization, loss from investee companies	(5,366)	(3,590)	(3,395)
Loss from investee companies	(9,753)	(8,144)	(42,850)
Loss before taxes, financing, depreciation and amortization	(15,119)	(11,734)	(46,245)
Depreciation and amortization	(362)	(281)	(1,377)
Loss before taxes and financing	(15,481)	(12,015)	(47,622)
Finance expenses	(5,885)	(3,990)	(20,911)
Finance revenues	11,022	21,756	57,596
Net finance revenues	5,137	17,766	36,685
Pre taxes on income earnings (loss)	(10,344)	5,751	(10,937)
Taxes on income revenue (expenses)	(253)	159	3,485
Earnings (loss) for the period	(10,597)	5,910	(7,452)
Other comprehensive Income			
Adjustments deriving from translating the financial statements of external operations of Investee companies	(423)	1,121	3,056
Net change in the fair value of financial instruments used for hedging the cash flows	774	1,095	(105)
Sums that will not be reclassified later to profit or loss (net of tax)			
Earnings (loss) from re-measuring defined benefit programs	-	-	76
The share in other comprehensive income of investee companies	-	2,620	15,465
Total other comprehensive income for the period	351	4,836	18,492
Comprehensive loss net of tax	(10,246)	10,746	11,040

The additional information attached to the summarized solo interim financial data constitutes an integral part hereof.

	For the three-month period ending on		For the year ending
	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Cash flow for regular operations			
Earnings (loss) for the period	(10,597)	5,910	(7,452)
Revenue and expenses that are not involved in the cash flow			
Depreciation and amortization	362	277	1,377
Taxes on income expenses (revenues)	253	(159)	(3,485)
Financing revenue, net	(5,137)	(17,766)	(36,685)
Share in the losses of investee companies	9,753	8,144	42,850
Share-based transactions payment	148	318	1,392
	5,379	(9,186)	5,449
Changes in the assets and liabilities entries			
Decrease in trade receivables	-	30	174
Decrease (increase) in other accounts receivable	(311)	(580)	501
Decrease (increase) in the balances of associated companies, net	(6,345)	(5,505)	844
Increase in trade payables	475	798	203
Increase (decrease) in other accounts payable	399	2,774	(379)
Hike in long-term accounts receivable	-	(6)	-
	(5,782)	(2,489)	1,343
Cash paid and received during the year for:			
Interest paid	(51)	(3,152)	(10,112)
Taxes paid	(109)	-	-
Interest received	637	89	1,118
	477	(3,063)	(8,994)
Net cash used for regular operations	(10,523)	(8,828)	(9,654)

The additional information attached to the summarized solo interim financial data constitutes an integral part hereof.

	For the three-month period ending on		For the year ending
	March 31		December 31
	2024	2023	2023
	Unaudited		Audited
	NIS thousands		
Cash flows from investment operations:			
Acquisition of a fixed Asset	(157)	(6)	(65)
Loan extended to investee companies	(7,382)	(18,864)	(57,252)
Retirement of loans from investee companies	-	-	5,094
Investment in electricity production systems under construction and initiation	(548)	(177)	(680)
Short-term deposits withdrawal (investment)	-	-	356
Investments in investee companies	-	(6)	(6)
Net cash used for investment operations	(8,087)	(19,053)	(52,553)
Cash flows from (to) financing operations:			
Private share and options issue (less the issue expenses)	-	-	78,648
Net short-term credit from banks	-	(896)	(896)
Bond issue (less the issue expenses)	-	-	54,355
Payment of a leasing liability reserve	(315)	(271)	(1,249)
Payment of a bonds reserve	-	-	(32,598)
Payment for settling derivative financial instruments	-	-	(2,198)
Net cash derived from (used for) financing operations	(315)	(1,167)	96,062
The effect of exchange rate fluctuations on cash and cash equivalent balances			
The effect of exchange rate fluctuations on cash and cash equivalent balances	402	297	342
Increase (decrease) in cash and cash equivalents	(18,523)	(28,751)	34,197
Cash and cash equivalents balance at the beginning of the period	78,898	44,701	44,701
Cash and cash equivalents balance at the end of the period	60,375	15,950	78,898
(a) Non-monetary material operations			
Increase in a right of use asset against leasing liabilities for resulting from new leasing agreements	-	549	1,877

The additional information attached to the summarized solo interim financial data constitutes an integral part hereof.

Note 1 - General

Solaer Renewable Energies Ltd. (hereinafter: "the Company") was established and incorporated in Israel on June 26,2019 (hereinafter: “the establishment date”),as a private limited liability company, pursuant to the Companies Law, 5759 – 1999,

From the Company’s establishment date until the date of the initial public issue, on February 2, 2021, the Company had not had any activity. On the issue date, the operations from a sister company and holding of entities dealing in the promotion, development, planning, licensing, management of financing procedures, construction, management, activation and maintenance of electricity producing systems from renewable energy sources, were transferred to the ownership of the Company pursuant to Section 105 of the Income Tax Ordinance.

The Company, including the corporations held by it directly and indirectly (hereinafter jointly: “The Group”) deals in promoting, developing, planning, licensing, managing financing procedures, constructing, managing, activating and maintaining electricity producing systems from renewable energy sources in Israel, Spain, Italy and Poland. The Company is examining opportunities and collaboration in additional countries globally.

Following are the financial data from the Group’s Interim Consolidated Financial Statements as at March 31, 2024 (hereinafter – “the Summarized Interim Consolidated Financial Statements”), which are published in the framework of the periodic reports, attributed to the Company itself (hereinafter – “summarized interim solo financial data”), which are presented pursuant to Regulation 38d (hereinafter – “the Regulation”) and the Tenth Addendum to the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970 (hereinafter – “the Tenth Addendum”), regarding the Corporation’s solo financial data.

These summarized interim solo financial data should be read together with the solo financial data as at December 31, 2023 and with the consolidated reports

In these solo financial data –

(1) The Company - Solaer Renewable Energies Ltd.

(2) Consolidated Companies/Subsidiaries- Companies, including partnerships, the financial statements of which are fully consolidated whether directly or indirectly with the Company’s financial statements

(3) Investee companies - Consolidated companies and companies, including partnerships or joint ventures, in which the Company’s investment is included, whether directly or indirectly in the Financial statements on the basis of the equity value.

Note 2 – The Principles of the Accounting Policy Applied in the Summarized Interim Solo Financial Data

The accounting policy in these summarized interim Financial Data as at December 31, 2023 are in accordance with the accounting policy rules detailed in the solo financial data as at December 31, 2022.

Note 3- Initial Implementation of the New Standards, Amendments to the Standards and Interpretations

As of January 1, 2024,the Company implements the amendments to the following Standards:

Amendment to IAS 1, Presenting the Financial Statements: Classifying liabilities as current or non-current and a sequential amendment: Non-current liabilities with financial covenants.

See Note 3a of the summarized consolidated interim financial statements as at March 31, 2024 for an expansion.

Note 4 – Material Events during and after the Reporting Period

See Note 4 of the Summarized Consolidated Interim Financial Statements as at March 31, 2024 for additional information regarding events in and after the reporting period.

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[i] Out of the Procurement Report, the Company adds AURORA ENERGY' consultation

[ii] LCP Delta Unlocking Opportunities Analyzing Spain's Battery Storage Landscape

[iii] Nota de prensa

[iv] Hybridization of renewable energy generation installations raises regulatory issues in Spain

[v] Italy: Capacity Auctions for 71 GWh of additional Grid Storage

[vi] https://www.erg.eu/en/our-energy/energy-management/capacity-market

[vii] ADVANCED AGRIVOLTAICS: INCENTIVES FOR THE AGRIVOLTAIC SECTOR HAVE BEEN LAUNCHED

[viii] Out of the Procurement Report, the Company adds AURORA ENERGY' consultation

[ix] Chile's energy storage push: The market has responded

[x] See the Trust Deed dated January 23, 2022 (reference number: 2022-01-009501) for additional details regarding the bonds (Series A) (hereinafter:
The Trust Deed") introduced in this report by way of a referral.

[xi] It must be clarified that, it is impossible to see the management and promotion fees that the Company received from the consolidated corporations or from its investees, in the consolidated reports, because these are canceled in the consolidation. The source of the aforementioned revenues is by virtue of services that the Company provides to the consolidated corporations or its investees by virtue of the management and construction operational fields.