UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

May 24, 2023

Commission File Number: **001-36761**

Kenon Holdings Ltd.

(translation of registrant's name into English)

1 Temasek Avenue #37-02B
Millenia Tower
Singapore 039192
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

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Periodic Report of OPC Energy Ltd. for the Three-Month Period Ended March 31, 2023

On May 24, 2023, Kenon Holdings Ltd.'s subsidiary OPC Energy Ltd. ("**OPC**") reported to the Israeli Securities Authority and the Tel Aviv Stock Exchange its periodic report (in Hebrew) for the three-month period ended March 31, 2023 ("**OPC's Periodic Report**"). English convenience translations of the (i) Report of the Board of Directors for the Three-Month Period ended March 31, 2023 and (ii) Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2023, each as published in OPC's Periodic Report are furnished as Exhibits 99.1 and 99.2, respectively, to this Report on Form 6-K. In the event of a discrepancy between the Hebrew and English versions, the Hebrew version shall prevail.

Forward Looking Statements

This Report on Form 6-K, including the exhibits hereto, includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements with respect to OPC's business strategy, statements relating to OPC's and CPV's development projects including expected start of construction and completion or operation dates, estimated cost and investment in projects, and characteristics (e.g., capacity and technology) and stage of development of such projects, including expected commercial operation date ("COD"), estimated construction cost and capacity, and statements with respect to CPV's development pipeline and backlog and projects including the description of projects in various stages of developments and statements relating to expectations about these projects, statements and plans with respect to the construction and operation of facilities for generation of energy on the consumers' premises and arrangements for supply and sale of energy to consumers, statements with respect to the OPC Sorek 2 Ltd. project and its construction, equipment supply and long-term maintenance agreements, statements with respect to industry and potential regulatory developments in Israel and the U.S., the OPC-Hadera power plant, OPC's plans and expectations regarding regulatory clearances and approvals for its projects, and the technologies intended to be used thereto, the Electricity Authority tariffs, including the expected impact of the updated tariffs for 2023 on OPC's profits, expected timing and impact of maintenance, renovation and construction work on OPC's power plants, including statements relating to the impact and duration of OPC-Hadera's steam turbine shutdown and the related maintenance plans, the expected COD of Energean's Karish reservoir and expected impact of COD delays, the expected interpretation and impact of regulations on OPC and its subsidiaries, OPC's expansion plans and goals, OPC's adoption of certain accounting standards and the expected effects of those standards on OPC's results, statements relating to Rogue's Wind project, and statements relating to potential expansion activities by OPC outside of Israel. These statements are based on OPC Energy Ltd. management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. These forward-looking statements are subject to a number of risks and uncertainties which could cause the actual results to differ materially from those indicated in such forward-looking statements. Such risks include risks relating to potential failure to obtain regulatory or other approvals for projects or to meet the required conditions and milestones for development of its projects, the risk that OPC (including CPV) may fail to develop or complete projects or any other planned transactions including dispositions or acquisitions, as planned (including as to the actual cost and characteristics of projects) or at all, risks relating to potential new regulations or existing regulations having different interpretations or impacts than expected, the risk that changes to the accounting standards may have a material effect on OPC's results, risks relating to changes to the updated Electricity Authority tariffs and the potential impact on OPC's results, including due to failure to obtain necessary approvals from third-parties or relevant authorities, risks relating to changes in customs duty on imported solar panels and its impact on CPV's results, risks relating to electricity prices in the U.S. where CPV operates and the impact of hedging arrangements of CPV, and other risks and factors, including those risks set forth under the heading "Risk Factors" in Kenon's most recent Annual Report on Form 20-F filed with the SEC and other filings. Except as required by law, Kenon undertakes no obligation to update these forward-looking statements, whether as a result of new information, future events, or otherwise.

Exhibits

99.1	OPC Energy Ltd. – Report of the Board of Directors for the Three-Month Period ended March 31, 2023, as published on May 24, 2023 with the Israeli Securities Authority and Tel Aviv Stock Exchange*
99.2	OPC Energy Ltd. – Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2023, as published on May 24, 2023 with the Israeli Securities Authority and Tel Aviv Stock Exchange*

*English convenience translation from Hebrew original document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	KENON HOLDINGS LTD.
Date: May 24, 2023	By: /s/ Robert L. Rosen
	Name: Robert L. Rosen
	Title: Chief Executive Officer

Exhibit 99.1

OPC Energy Ltd.
Report of the Board of Directors

OPC ENERGY LTD.

Report of the Board of Directors regarding the Company's Matters
for the Three-Month Period Ended March 31, 2023

The Board of Directors of OPC Energy Ltd. (hereinafter – "the Company") is pleased to present herein the Report of the Board of Directors regarding the activities of the Company and its investee companies (hereinafter together – "the Group"), as at March 31, 2023 and for the three-month period then ended ("the Period of the Report").

Except for the data reviewed in the Company's consolidated financial statements as at March 31, 2023 (hereinafter – "the Interim Statements") that is included in this report below, the data appearing in the Report of the Board of Directors has not been audited or reviewed by the Company's auditing CPAs.

This Report of the Board of Directors is submitted on the assumption that the Interim Statements and all the sections of the Company's Periodic Report for 2022, which was published on March 19, 2023 (Reference No.: 2023-01-028212) ("the Periodic Report for 2022") are known to the reader and references to the Company's reports include the information stated therein by means of reference.

OPC Energy Ltd.
Report of the Board of Directors

1. Executive Summary[1]

Highlights of the results (in millions of shekels)

	For the Three Months Ended March 31		
	2022	2021	Change
Adjusted EBITDA* – consolidated	275	238	16%
Adjusted EBITDA* – Israel	118	120	(2)%
Adjusted EBITDA* – U.S.	164	123	33%
Adjusted EBITDA* renewable energies – U.S.	7	8	(12)%
Adjusted EBITDA* energy transition – U.S.	181	136	33%
Income	79	104	(24)%
Adjusted income*	103	85	21%

* Adjusted EBITDA and net income – for additional information regarding the definition and manner of the calculation – see Sections 4B, 4E and 5E of Report of the Board of Directors which are included in the Periodic Report for 2022.

Main developments in the period of the report

Israel

Eshkol tender – a bid was submitted for acquisition of the Eshkol power plant by a joint company held in equal shares by the Group and the Noy Fund.

Israel Lands Authority tenders – win in a land tender of Israel Lands Authority for a consideration of about NIS 484 million, involving construction of facilities for solar generation of electricity, with a capacity of about 245 megawatts, together with storage, with a capacity of about 1,375 megawatts/hour.

Completion of the Veridis transaction and structural change in Israel – investment of capital in the first quarter in the amount of about NIS 452 million for further growth in Israel and the structural change such that Veridis holds 20% of all the activities in Israel.

Completion of Gat transaction and financing of the project – acquisition of a power plant with a capacity of 75 megawatts, for a consideration of NIS 872 million (after initial adjustments of working capital) and closing of a project financing agreement in the amount of NIS 450 million.

Increaser of the electricity tariffs – an average increase of about 12% in the generation component compared with the corresponding quarter last year.

Update of the hourly demand brackets from the beginning of the quarter – negative impact on the results in Israel activities and change in the seasonality of the revenues – significant increase in the summer period at the expense of the other months of the year, particularly the months of the first quarter.

Commercial operation of the Karish reservoir starting from the end of the first quarter – estimated annual savings of about NIS 60 million.

Signing of agreement with the Bazan Group for supply of solar electricity – scope of 50 megawatts, graduated commencing from January 2025.

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[1] The Executive Summary below is presented solely for convenience and it is not a substitute for reading the full detail (including with reference to the matters referred to in the Summary) as stated in this report with all its parts (including warnings relating to “forward-looking” information, definitions or explanations with respect to the indices for measurement of the results).

1. Executive Summary (Cont.)

Main developments in 2022 (Cont.)

U.S.

Decline in the energy margins starting from the beginning of the quarter offset by hedging of the energy margins – the decline is against the background of the warm winte high inventory levels.

Completion of the Mountain Wind transaction and financing of the project subsequent to the date of the report – acquisition of a portfolio of active wind farms with a capaci 81.5 megawatts for a consideration of about NIS 625 million (about $175 million[1]), and closing of the project financing agreement, in the amount of about NIS 270 million (abou million).

Signing of an agreement with a tax partner in Maple Hill – investment of the tax partner in the aggregate amount of about NIS 280 million (about $78 million), constit about 40% of the construction cost, in light of the increase of the ITC rate as a result of the IRA Law.

Extension of the of Valley financing agreement – reaching of principle consents that require formal approvals and signing of final documents for extension of the repayment da the loan by 3 additional years along with reduction of the debt of about $55 million (CPV's share – 50%) and update of the weighted-average interest margin to about 5.75%.

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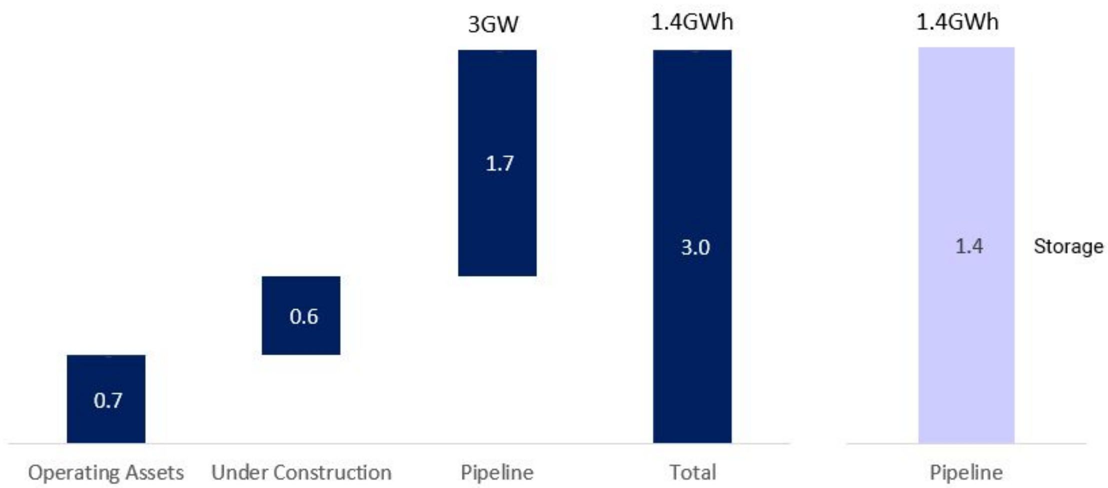
[2] In this report, "dollar" means the U.S. dollar.

Portfolio of about 13 GW and about 1.4 GWh of storage (*)

US

(*) For additional information – see Section 5 below.

Israel



2. Brief description of the Group's area of activities

The Company is a public company the securities of which are listed for trade on the Tel Aviv Stock Exchange Ltd. (hereinafter – "the Stock Exchange").

For details regarding the Group's activity segments in the period of the report and the update thereto commencing from the end of 2022 – see the Directors' Report for 2022.

3. Main Developments in the Company's Business Environment

3.1 General

A. Macro-economic environment (particularly changes in inflation and interest) – for details regarding significant changes in the macro-economic environment in Israel and in the U.S., mainly during 2022 and as a result of the impact of the business environment on the activities of the Group companies, among other things, the prices of energy, electricity and natural gas, tariffs in the Israeli electricity sector, the costs of executing construction projects, financing expenses, currency exchange rates and the like – see Section 11 below.

Set forth below is data with reference to the Consumer Price Index (CPI) in Israel and in the U.S. and the interest rates of Bank of Israel and the Fed and the currency exchange rate:

	For the three months ended				For the year ended		Proximate to the approval date of the report
	3.31.23	Change	3.31.22	Change	12.31.22	Change	
CPI – Israel	108.9	1.1%	103.5	1.2%	107.7	5.3%	110.1
CPI – U.S.	300.84	1.1%	283.7	2.1%	297.7	7.1%	303.3
Interest rate – Bank of Israel	4.25%	1%	0.1%	–	3.25%	3.2%	4.75%
Interest rate – the Fed – U.S.	4.75% – 5%	0.5%	0.25% – 0.5%	0.25%	4.5% – 4.25%	4.25%	5% – 5.25%
Shekel/dollar currency exchange rate	3.615	2.73%	3.176	2.12%	3.519	13.15%	3.66

In January 2023, the Government began advancement of a plan for making changes in Israel's judicial system. Pursuant to the publications in the media, the changes could impact the strength of the Israeli economy, and in particular they could lead to a reduction of the credit rating of the State of Israel (where as at the publication date of the report, the Moody's rating company reduced the rating outlook from "positive" to "stable"), adversely impact investments in the Israeli economy and trigger a removal of money and investments from Israel, increase the costs of the financing sources in Israel, cause of weakening of the exchange rate of the shekel against other currencies (including the dollar) and harm the activities of the business sector. To the extent the above estimates materialize, wholly or partly, this could negatively impact the financial position and activities of the Company customers and suppliers and could also impact the availability and cost of the capital and financing sources that are required by the Company, mainly for purposes of supporting its continued business growth.

B. The Coronavirus and broad global impacts on raw-material prices and the supply chain – for details regarding the impacts of the global trends that started against the background of the Coronavirus crisis and the Company's estimate regarding the continuation and scope thereof on the Group's activities, if any – see Section 3.1B to the Report of the Board of Directors for 2022.

3. Main Developments in the Company's Business Environment (Cont.)

3.2 Activities in Israel

C. Update of the electricity tariffs in the period of the report, including the brackets of the demand hours –

In the period of the report and thereafter, as well as during 2022, a number of updates of the Electricity Authority of the electricity tariff and the generation component entered into effect. For additional details – see Sections 7.2.3 and 7.10 of Part A of the Periodic Report for 2022.

Set forth below is data regarding the weighted-average generation component (the prices are denominated in kilowatt hours):

Period	2023	2022	Quarterly change
January	31.20	25.26	
February	30.81	28.69	
March	30.81	28.69	+12%
First quarter average	**30.94**	**27.55**	

Commencing from April 2023, the weighted-average generation component is about NIS 0.3039 per kilowatt hour.

For additional details regarding the updates made and the circumstances thereof – see Section 3.2C to the Report of the Board of Directors for 2022. It is noted that the results of the Group's activities in Israel are materially impacted by changes in the electricity generation tariff, in such a manner that an increase in the electricity tariff has a positive impact on the Group's result, and vice-versa.

Update of the brackets of the demand hours

In August 2022, the Electricity Authority published a decision to revise, the time of use (TOU) demand categories (brackets) for purposes of adjusting the structure of the load and time tariffs (TOAZ) for a significant integration of solar energy and storage. For additional details – see Section 3.2C of the Report of the Board of Directors for 2022. Based on the decision, the updated tariff structure entered into effect at the beginning of 2023 upon update of the tariff to the consumer for 2023.

As result of the decision, the Group acts on an ongoing basis to adjust the mix of its sales in Israel, to the extent possible, to the structure of the updated demand-hours categories. As stated in the Periodic Report for 2022, update of the demand-hours categories has a negative impact on the Group's results, as detailed in Section 4 below, this being since, in general, the consumption profile of the Group's customers, which are mostly industrial and commercial customers, has low consumption volatility in the daytime hours compared with the consumption profile of households that is reflected in the tariffs and arrangements determined in the update with reference to the low-level and peak hours.[1] In the Company's estimation, the annual scope of the negative impact on its activities in Israel is estimated at about NIS 35 million. In addition, a change in the demand brackets changes the seasonal breakdown of the Company's revenues and income in Israel over the year in such a manner that it significantly increases the third quarter (summer season) at the expense of the other quarters – particularly the first quarter, such that the results of the Group's activities in Israel in the period of the report compared with the corresponding quarter last year were more severely impacted against the background of the seasonal difference, as stated (for additional details – see Section 4 below).

3. Main Developments in the Company's Business Environment (Cont.)

3.2 Activities in Israel (Cont.)

D. Supplementary arrangements and granting of a supply license to Rotem – in February 2023, the Electricity Authority published a proposed decision that includes application of benchmarks and granting of a supplier license to Rotem – for additional details – see Section 3.2E of the Report of the Board of Directors for 2022 ("the Proposed Decision"). As at the approval date of the report, a final decision had not yet been published and the arrangements included as part of the Proposed Decision had not yet entered into effect, where to the best of the Company's knowledge, the Electricity Authority is expected to publish a decision regarding the matter. There is no certainty regarding the final language of the arrangements that will be determined (if ultimately determined) and the scope of their impact. Based on the publication, the Proposed Decision creates uniformity regarding many aspects of the regulation applicable to Rotem with that of the generation facilities that are authorized to execute bilateral transactions, and thus they should permit Rotem to operate in the energy market in a manner similar to that of the other generation facilities that are authorized to execute bilateral transactions. In addition, as stated in Section 7.15.5.1 of Part A of the Periodic Report for 2022, in the Company's estimation arrangements as stated in the proposed decision are expected to settle certain disputes between Rotem and the System Operator. Accordingly, to the extent an arrangement is not determined regarding Rotem, as stated, and/or a different arrangement is determined or an arrangement that does not include granting a supply license to Rotem, Rotem will be required to settle the disputes with the System Operator, as stated, and as at the approval date of the report, the Company is not able to estimate the impact of the said disputes on Rotem's activities[4].

For additional details regarding developments of the Group's activities in Israel – see Sections 5 and 9 below.

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[3] For additional details – see Sections 7.2.4 and 7.10.2 of Part A of the Periodic Report for 2022. **That stated in this Section with reference to the impacts of the update to the hourly demand brackets constitutes "forward-looking" information as it is defined in the Securities Law, which is based on the Company's estimates and assumptions as at the date of the report and regarding which there is no certainty it will materialize. Ultimately, the impact could be different than that stated, this being due to, among other things, the Company's estimates with respect to the consumption profile not materializing, the manner of its distribution and/or the actual mix of the customers and/or occurrence of one or more of the risk factors the Company is subject to.**

[4] For additional details – see Section 7.3.18.5 of Part A of the Periodic Report, which is presented by means of reference.

3. Main Developments in the Company's Business Environment (Cont.)

3.3 Activities in the U.S.

E. Electricity and natural gas prices

Natural gas prices

Set forth below are the average natural gas in each of the main markets in which the power plants of the CPV Group operate (the prices are denominated in dollars per MMBtu)*:

Region (Power Plant)	For the Three Months Ended March 31 2023	2022	Change
TETCO M3 (Shore, Valley)	2.93	6.73	(56)%
Transco Zone 5 North (Maryland)	3.19	7.47	(57)%
TETCO M2 (Fairview)	2.25	4.10	(45)%
Dominion South (Valley)	2.22	4.06	(45)%
Algonquin (Towantic)	5.13	13.67	(62)%

*Source: The Day-Ahead prices at gas Midpoints as reported in Platt's Gas Daily. It is clarified that the actual gas prices of the power plants of the CPV Group could be significantly different.

As is shown by the above table, the natural gas prices in the CPV Group's activity markets decreased significantly in the period of the report compared with the corresponding period last year. In the estimation of the CPV Group, the said decrease in the natural gas price is mainly against the background of the warm winter conditions that existed in the CPV Group's activity markets along with high seasonal inventory levels of natural gas.

Electricity prices

The following table summarizes the average electricity prices in each of the main markets in which power plants of the CPV Group are active (the prices are denominated in dollars per megawatt hour):

Region (Power Plant)	For the Three Months Ended March 31 2023	2022	Change
PJM West (Shore and Maryland)	33.13	55.58	(40)%
PJM AD Hub (Fairview)	31.05	48.46	(36)%
NY-ISO Zone G (Valley)	42.09	94.69	(56)%
ISO-NE Mass Hub (Towantic)	50.57	110.72	(54)%

Based on Day-Ahead prices as published by the relevant ISO. It is clarified that the actual gas prices of the power plants of the CPV Group could be significantly different.

The decrease in the electricity prices in the period of the report compared with the corresponding periods last year, as shown by the above table, corresponds to the trend of decreasing natural gas prices.

3. Main Developments in the Company's Business Environment (Cont.)

3.3 Activities in the U.S. (Cont.)

F. Availability (capacity) payments

Availability (capacity) is a payment component that is paid by regulatory bodies that manage demand and loads (system operators) for electricity generators, with respect to their ability to generate energy at the required times for purposes of reliability of the system. This payment component is an additional component, separate and apart from the component based on the energy prices (which is paid in respect of sale of the electricity). Definition of the payment component, as stated, including entitlement to a payment for seeing to availability of the electricity, including provisions regarding bonus or penalty payments, are governed by the tariffs determined by the FERC of every market. Accordingly, NY-ISO, PJM and ISO-NE publish mandatory public tenders for determination of the a1vailability (capacity) tariffs.

It is noted that, in the nature of things, an increase in the availability (capacity) prices favorably impacts CPV's results, and vice-versa. The impact on the overall results changes as a function of the energy margins, which impacts the essential payment component for generation of the electricity and the sale thereof – this being taking into account that the weight of the availability (capacity) payments is usually lower than the sale of the electricity component.

PJM market

In the PJM market, the capacity payments vary between the market's sub-regions, as a function of local supply and demand and transmission capabilities.

Set forth below are the capacity tariffs in the sub-regions that are relevant to the CPV Group's power plants and in the general market (the prices are denominated in dollars per megawatt per day). It can be seen in the following table that the availability prices have declined from period to period – this being mainly as a result of a decline in the expected demand, increase in the projects based on gas and renewable energy projects – and respectively, offering of lower prices by the players as part of the availability tenders.

Sub-Region	CPV Plants[5]	2024/2025	2023/2024	2022/2023	2021/2022
PJM RTO		28.92	34.13	50	140
PJM COMED	Three Rivers	28.92	34.13	-	-
PJM MAAC	Fairview, Maryland, Maple Hill	49.49	49.49	95.79	140
PJM EMAAC	Shore	54.95	49.49	97.86	165.73

Source: PJM

[5] The Three Rivers project, which is in the construction stages, will be entitled to capacity payments, subject to completion of the construction, commencing from its commercial operation.

3. Main Developments in the Company's Business Environment (Cont.)

3.3 Activities in the U.S. (Cont.)

F. Availability payments (Cont.)

NYISO market

Similar to the PJM market, the NYISO market availability payments are made as part of a mechanism for centralized purchase of availability. For additional details, particularly regarding seasonal and new tenders – see Section 3.3G of the Report of the Board of Directors for 2022.

Set forth below are the capacity prices determined in the seasonal tenders in NYISO market, the availability prices rose compared with prior periods – and this being mainly due to exit from the system of power plants and an anticipated increase in demand (the prices are denominated in dollars per megawatt per day):

Sub-Area	CPV Plants	Summer 2023	Winter 2022/2023	Summer 2022	Winter 2021/2022
NYISO Rest of the Market	–	153.26	39.12	110.87	33.15
Lower Hudson Valley	Valley	164.35	43.43	151.63	33.48

Source: NYISO – the Company's processing in order to convert from dollars for kilowatt per month to dollars for megawatt per day.

It is noted that the Valley power plant is located in Area G (Lower Hudson Valley) and the actual capacity prices for the Valley power plants are impacted by the seasonal tenders, the monthly tenders and the SPOT prices, with variable capacity prices every month, as well as bilateral agreements with energy suppliers in the market.

3. Main Developments in the Company's Business Environment (Cont.)

3.3 Activities in the U.S. (Cont.)

F. Availability payments (Cont.)

ISO-NE market

The Towantic power plant, which operates in this market, participated for the first time in a capacity tender for 2018–2019 at a price of $313.97 MW/day and determination of the tariff for seven years in respect of 725 megawatts linked to the Utilities Inputs Index, which will apply up to May 2025. Set forth below are the capacity payments determined in the sub-regions that are relevant to the Towantic power plant (the prices are denominated in dollars per megawatt per day):

Sub-Region	CPV Power Plants	2026/2027	2025/2026
ISO-NE Rest of the Market	Towantic	85.15	85.15

Source: NE-ISO – the Company's processing in order to convert from dollars for kilowatt per month to dollars for megawatt per day.

It is noted that the actual availability prices for the Towantic power plant are impacted by forward tenders, supplemental annual tenders, monthly tenders with variable capacity prices in every month and bilateral agreements with the energy suppliers in the market.

G. For additional details regarding the IRA Law, which grants significant tax benefits to projects involving renewable energies and carbon capture technologies, and the impact thereof on the construction and development projects of the CPV Group – see Section 3.2H of the Report of the Board of Directors for 2022.

For additional details regarding developments in the Company's activities in the U.S. – see Sections 5 and 9 below.

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS)

The Group's activities in Israel and the United States are subject to seasonal fluctuations (for additional details regarding seasonal impacts – see Sections 7.10 and 8.7 to Part A of the Company's Periodic Report for 2022 and Section 3.2C above.

In Israel, the TOAZ tariffs are supervised (controlled) and published by the Electricity Authority. For details regarding a decision to update the hourly demand categories of the TOAZ commencing from January 1, 2023 – see Section 3.2C above and Section 7.2.4 of Part A (Description of the Company's Business) of the Periodic Report for 2022. Update of the hourly demand brackets changes the breakdown of the Company's revenues over the quarters in such a manner that it increases the third quarter (the summer months) at the expense of the other quarters, and particularly the first quarter.

In the United States, the electricity tariffs are not supervised (controlled) and are impacted by the demand for electricity, which is generally high in the summer and the winter compared with the average and as a function of the natural gas prices. In 2023, the winter season was warmer than usual in such a manner that had a negative impact on the electricity margins relative to this season, as detailed in Section 3.3 above.

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

A. Statement of income[6]

Section	For the three months ended March 31 2023	2022	Board's explanations
Revenues from sale and provision of services (1)	519	468	For details – see this Section below.
Cost of sales and provision of services (without depreciation and amortization) (2)	364	311	For details – see this Section below.
Depreciation and amortization	48	42	
Gross profit	**107**	**115**	For details – see Sections C and D below.
Administrative and general expenses	59	48	For details – see Sections C and D below.
Share in earnings of associated companies[7]	85	95	For details – see Section D below.
Business development expenses	15	10	
Ordinary income	**118**	**152**	
Financing expenses, net	18	21	
Income before taxes on income	**100**	**131**	
Taxes on income	21	27	
Net income for the period *	**79**	**104**	
Adjustments	24	(19)	For details – see Section F below.
Adjusted income for the period[8] **	**103**	**85**	

* Net income for the period of about NIS 63 million in the period of the report and a loss of about NIS 78 million in the corresponding period last year is attributable to the Company's shareholders and the balance is attributable to the holders of the non-controlling interests.

** Adjusted net income for the period of about NIS 79 million in the period of the report and about NIS 66 million in the corresponding period last year is attributable to the Company's shareholders and the balance is attributable to the holders of the non-controlling interests.

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[6] The results of the associated companies in the U.S. are presented in the category "Company's share in earnings of associated companies".

[7] The earnings of associated companies in the U.S. includes income or loss in respect of changes in the fair value of derivative financial instruments from plans of the CPV Group that hedge electricity margins, which are not designated for application of hedge accounting and that were not yet realized as at the date of the financial statements.

[8] It is emphasized that "adjusted income or loss" as stated in this report is not a recognized data item that is recognized under IFRS or under any other set of generally accepted accounting principles as an index for measuring financial performance and should not be considered as a substitute for income or loss or other terms provided in accordance with IFRS. It is possible that the Company's definitions of "adjusted income or loss" are different than those used by other companies. Nonetheless, the Company believes that the "adjusted income or loss" provides information that is useful to management and investors by means of eliminating certain line items (categories) that do not constitute an indication of the Company's ongoing business activities.

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

A. Statement of income (Cont.)

(1) Changes in revenues (in NIS millions):

Revenues	For the Three Months Ended March 31, 2023	For the Three Months Ended March 31, 2022	Board's Explanations
Revenues in Israel			
Revenues from sale of energy to private customers	300	291	The increase stems from an increase in customer consumption, in the amount of about NIS 81 million, offset by a decrease, in the amount of about NIS 72 million, which is a result of the impact in the change of the hourly demand brackets, net of an increase in the generation component (as detailed Section 3.2C, above).
Revenues from private customers in respect of infrastructure services	116	75	The increase, stems mainly from an increase in the infrastructure tariff and an increase in customer consumption, in the amounts of about NIS 33 million and about NIS 9 million, respectively.
Revenues from sale of energy to the System Operator and to other suppliers	23	40	Most of the decrease, in the amount of about NIS 11 million, stems from an increase in customer consumption, which decreased the revenues from surplus electricity.
Revenues from sale of steam	17	14	
Other revenues	8	8	
Total revenues in Israel	**464**	**428**	
Revenues in the U.S.			
Revenues from sale of electricity from renewable energy	24	22	
Revenues from provision of services (under others)	31	18	
Total revenues in the U.S.	**55**	**40**	
Total revenues	**519**	**468**	

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

A. Statement of income (Cont.)

(2) Changes in the cost of sales and provision of services (not including depreciation and amortization) (in NIS millions):

Cost of Sales and Provision of Services	For the Three Months Ended December 31 2023	2022	Board's Explanations
Cost of sales in Israel			
Natural gas and diesel oil	133	123	An increase, in the amount of about NIS 18 million, stemming from an increase in the natural gas tariff as a result of an increase in the generation component and the shekel/dollar exchange rate, an increase, in the amount of about NIS 10 million, in the quantity of the gas consumed against the background of unplanned maintenance work at the Rotem Power Plant in the corresponding period last year, offset by a decrease, in the amount of about NIS 18 million, deriving from compensation from Energean relating to Rotem and Hadera. (For details – see Note 8A(1) to the Interim Statements).
Expenses in respect of acquisition of energy	43	57	A decrease, in the amount of about NIS 22 million, against the background of unplanned maintenance work at the Rotem Power Plant in the corresponding period last year, offset by an increase, in the amount of about NIS 10 million, deriving from an increase in consumption by customers in the period of the report.
Expenses in respect of infrastructure services	116	75	The increase stems mainly from an increase in the infrastructure tariff and an increase in customer consumption, in the amounts of about NIS 33 million and about NIS 9 million, respectively.
Cost of transmission of gas	7	8	
Operating expenses	21	20	
Other expenses	12	6	An increase, in the amount of about NIS 6 million, in respect of activities relating to the commercial operation of Zomet, which is expected to take place in the second quarter of 2023.
Total cost of sales in Israel	**332**	**289**	
Cost of sales and services in the U.S.			
Cost of sales in respect of sale of electricity from renewable energy	8	6	
Cost in respect provision of services (under others)	24	–	
Total cost of sales and provision of services in the U.S.	**32**	**22**	
Total cost of sales and provision of services	**364**	**311**	

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

B. Calculation of the EBITDA and Adjusted EBITDA[9] (in millions of NIS):

	For the Three Months Ended December 31	
	2023	**2022**
Revenues from sales and provision of services	519	468
Cost of sales (without depreciation and amortization)	(364)	(311)
Administrative and general expenses (without depreciation and amortization)	(55)	(46)
Business development expenses	(15)	(10)
Consolidated EBITDA	**85**	**101**
Share of Group in proportionate EBITDA of associated companies (1)	160	160
EBITDA (total consolidated and the proportionate amount of associated companies)	**245**	**261**
Adjustments – see detail in Section F below	30	(23)
Adjusted EBITDA	**275**	**238**

(1) Calculation of proportionate "EBITDA" and "Adjusted EBITDA" of associated companies[10] (in millions of NIS):

	For the Three Months Ended December 31	
	2023	**2022**
Revenues from availability payments	57	60
Revenues from sales of energy and other	275	475
Cost of sales – natural gas (without depreciation and amortization)	(158)	(295)
Cost of sales – other expenses (without depreciation and amortization)	(68)	(57)
Gain (loss) from realization of transactions hedging the electricity margins	83	(41)
Changes in fair value of forward transactions in hedging plans of the electricity margins	(23)	23
Administrative and general expenses (without depreciation and amortization)	(6)	(5)
Proportionate EBITDA of associated companies	**160**	**160**
Adjustments in respect of associated companies (see detail in Section F below)	(23)	23
Adjusted proportionate EBITDA of associated companies	**183**	**137**

[9] For details regarding the definitions of "EBITDA" and "Adjusted EBITDA" – see Section 4B of the Report of the Board of Directors for 2022.
[10] Represents the EBITDA of the associated companies on the basis of the rate of holdings of the CPV Group therein.

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

B. EBITDA and Adjusted EBITDA (Cont.)

Set forth below is a breakdown of the adjusted EBITDA data broken down by the subsidiaries (on a consolidated basis) and the associated companies (on a proportionate basis, based on the rate of the holdings of the CPV Group therein) (in NIS millions):

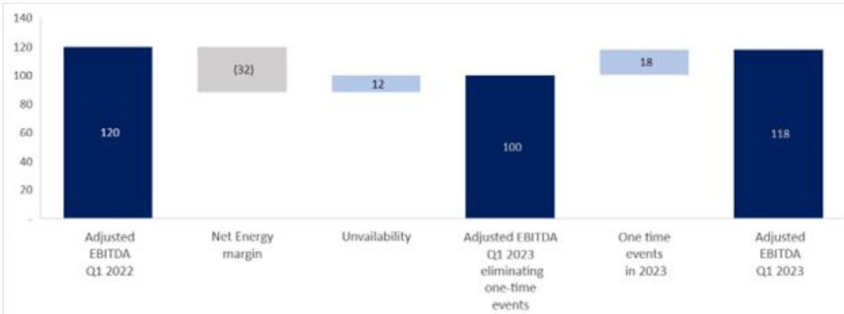
	Basis of presentation in the Company's financial statements	**For the Three Months Ended December 31**	
		2023	**2022**
Rotem	Consolidated	101	101
Hadera	Consolidated	26	25
Zomet	Consolidated	(3)	(2)
Business development costs, headquarters and others	Consolidated	(6)	(4)
Total Israel		**118**	**120**
Fairview	Associate	56	14
Towantic	Associate	31	23
Maryland	Associate	11	8
Shore	Associate	9	9
Valley	Associate	76	84
Other	Consolidated	(2)	(2)
Total energy transition in the U.S.		**181**	**136**
Keenan	Consolidated	16	14
Development costs of renewable energy	Consolidated	(9)	(6)
Total renewable energy in the U.S.		**7**	**8**
Total activities under other segments	Consolidated	–	(1)
Headquarters in the United States[11]	Consolidated	(24)	(20)
Total United States		**164**	**123**
Company headquarters (not allocated to the segments)[11]	Consolidated	(7)	(5)
Adjusted EBITDA		**275**	**238**

[11] After elimination of management fees between the CPV Group and the Company, in the amounts of about NIS 5 million and about NIS 5 million for the three-month periods ended March 31, 2023 and 2022, respectively.

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

C. Analysis of the change in adjusted EBITDA – segment in Israel

Set forth below is an analysis of the change in adjusted EBITDA in Israel in the period of the report compared with the corresponding period last year (in NIS millions):



1. Energy margin – the decrease in energy margin in the period of the report compared with the corresponding period last year stems mainly from a negative impact on the revenues as a result of revision of the hourly demand brackets, in the aggregate amount of about NIS 72 million, of which about NIS 61 million will be recovered mainly in the third quarter of 2023 (for additional details – see Section 3.2C above), net of the increase in the generation tariff, in the amount of about NIS 39 million, and an increase in the natural gas prices as a result of an increase in the generation tariff, and from the weakness of the shekel against the dollar (an increase of about NIS 14 million). On the other hand, there was an increase in sales of energy, in the amount of about NIS 13 million, due to an increase in customer consumption.

2. Unavailability due to maintenance work – during the corresponding quarter last year, the Rotem and Hadera power plants were shut down for different periods of time for purposes of maintenance work, which had a negative impact on their results compared with the period of the report. For additional details – see Section 4C(3) to the Report of the Board of Directors for 2022. Later on in 2023 Hadera's gas turbines are expected to undergo maintenance, in the cumulative amount of about 45 days[1].

3. One-time events – in the period of the report, Rotem and Hadera recognized a contractual monetary amount it is entitled to from Energean, in the aggregate amount of about NIS 18 million further to amendment of the agreements from May 2022. The said amount is expected to be received in the beginning of 2024. For additional details – see Note 8A(1) to the Interim Statements.

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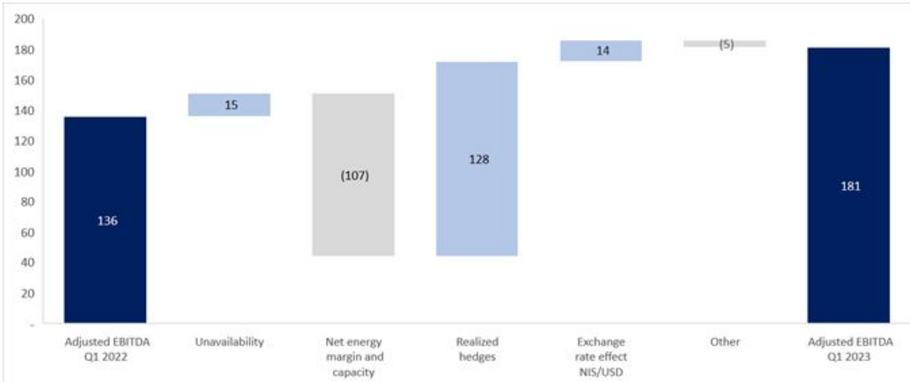
[12] **That stated with reference to the maintenance work and the duration of the period thereof constitutes "forward-looking" information, as it is defined in the Securities Law, 1968 ("the Securities Law") which is based on the Company's estimates as at the submission date of the report. Actually, the maintenance work could be postponed or could continue even beyond that planned due to, among other things, technical delays, disruptions or breakdowns in the work process, and/or delay in arrival of the work teams or equipment to the site. The maintenance work and a delay and/or problems with the maintenance work (particularly a continuing delay) could have a significant negative impact on Hadera's results.**

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

D. Analysis of the change in adjusted EBITDA – energy transition segment in the U.S.

Set forth below is an analysis of the change in the adjusted EBITDA in the energy transition segment in the U.S. in the period of the report compared with the corresponding period last year (in millions of NIS):[13]



1. Unavailability – most of the increase stems from unplanned maintenance work at the Valley power plant in the corresponding period last year. As stated in the Periodic Report for 2022, later on in 2023, the Shore, Fairview and Valley power plants are each expected to perform significant maintenance work (significant maintenance work generally lasts for about 30 to 40 days).[14]

2. Energy margin and availability (capacity) payments – as stated in Section 3.3F above, in the period of the report the gas prices and the electricity prices declined significantly compared with the corresponding period last year, and correspondingly there was a decline, in the amount of about NIS 98 million, in the electricity margins of the CPV Group (on the assumption of full capacity). In addition, there was a decrease, in the amount of about NIS 9 million, in the availability payments in the period of the report compared with the corresponding period last year (for details regarding the availability tariffs – see Section 3.3(F) above).

3. Energy hedges[15] – the said decrease in the electricity margins in some of the power plants was partly offset by hedging made during 2022 the realization of which led to an increase in the results of the CPV Group in the period of the report, in the amount of about NIS 128 million, compared with the corresponding period last year. For details regarding energy hedges for the balance of 2023 – see Section E below.

[13] For the definition of adjusted EBITDA – see Section 4B above to the Report of the Board of Directors for 2022.

[14] **That stated with reference to maintenance work, the duration thereof and the expected projects constitutes "forward-looking" information, as it is defined in the Securities Law, 1968 ("the Securities Law"). It is noted that additional maintenance work may be required in the power plants of the CPV Group, including unplanned maintenance work, due to a change in the timetables or breakdowns. Partial activities or a shutdown of the power plants for extended periods would have a negative impact on the results of the CPV Group.**

[15] For details relating to the risk management policies in the CPV Group, and particularly with reference to hedging of part of the electricity margins – see Note 23 to the consolidated financial statements for 2022.

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

E. Additional details regarding energy hedges and guaranteed availability payments in the Energy Transition segment in the U.S.[16]

As at the approval date of the report, the CPV Group has entered into hedging agreements, which assure the energy margins and availability payments for the nominal supply of the power plants running on natural gas (that are held through associated companies). For details regarding the manner of provision of collaterals by the CPV Group in respect of the hedging agreements – see Section 4D(5) of the Report of the Board of Directors for 2022.

Set forth below is the scope of the hedging for the rest of 2023:

	April–December 2023 (**)
Scope of the hedged energy (% of the power plant's capacity based on the expected generation)	10%
Hedged energy margin (millions of NIS) (*)	About 70 (about $20 million)

Set forth below is the scope of the secured availability payments for the rest of 2023:

	April–December 2023 (**)
Scope of the availability payments (% of the power plant's capacity)	92%
Availability payments (millions of NIS) (*)	About 145 (about $40 million)

(*) The data presented in the above tables is on the basis of the rate of holdings of the CPV Group in the associated companies.

(**) As at the approval date of the report.

16 The estimated percentages and the actual hedged energy margins could change due to new hedges and/or sales of availability made or as a result of market conditions.

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

F. <u>Adjustments to EBITDA and income for the year</u>

Section	For the three months ended March 31 2023	2022	Board's explanations
Change in the fair value of derivative financial instruments in the U.S. (as part of the Company's share of income of associated companies in the U.S.)	23	(23)	Represents the change in the fair value of derivative financial instruments that are used in programs for hedging electricity margins of the transition generation energies segment in the U.S. and that were not designated for hedge accounting – for details see Section E above.
Change in expenses, not in the ordinary course of business and/or of a non-recurring natures	7	–	In the period of the report, represents activities in respect of the Company's preparations for the commercial operation of the Zomet power plant, which is expected to take place in the first half of 2023.
Total adjustments to EBITDA	**30**	**(23)**	
Tax impact in respect of the adjustments	(6)	4	
Total adjustments to net income for the period	**24**	**(19)**	

4. Results of operations for the three-month period ended March 31, 2023 (in millions of NIS) (Cont.)

G. Detail regarding sales, generation and purchases of energy (in millions of kilowatt/hours)

Israel

Set forth below is detail of actual generation of the power plants in Israel:

		For the period ended March 31, 2022				For the period ended March 31, 2023			
	Capacity (MW)	Potential electricity generation (GWh)	Net electricity generation (GWh)	Actual generation percentage (%)	Actual availability percentage (%)	Potential electricity generation (GWh)	Net electricity generation (GWh)	Actual generation percentage (%)	Actual availability percentage (%)
Rotem	466	962	831	86.4%	87.9%	966	911	94.3%	100%
Hadera	144	259	255	98.5%	98.5%	259	252	97.3%	97.3%

U.S.

Set forth below is detail of the actual generation (*) of the active power plants in the U.S.

		For the period ended March 31, 2022				For the period ended March 31, 2023			
	Capacity (MW)	Potential electricity generation (GWh)	Net electricity generation (GWh)	Actual generation percentage (%)	Actual availability percentage (%)	Potential electricity generation (GWh)	Net electricity generation (GWh)	Actual generation percentage (%)	Actual availability percentage (%)
		Energy transition projects (natural gas)							
Fairview	1,050	2,324	2,107	94.6%	96.7%	2,323	2,166	97.2%	100.0%
Towantic	805	1,740	1,232	67.8%	95.1%	1,681	1,333	73.1%	95.7%
Maryland	745	1,619	802	49.0%	95.2%	1,619	1,191	73.4%	99.5%
Shore	725	1,625	927	58.5%	99.3%	1,272	826	52.2%	77.0%
Valley	720	1,638	1,349	88.6%	93.9%	1,638	1,161	74.7%	83.1%
		Renewable energy projects							
Keennan II	152	328	72	22.0%	93.9%	328	60	18.4%	95.7%

(*) The net generation is the gross generation during the period less the electricity used for the power plant's internal purposes. The actual generation percentage is the quantity of the electricity generated in the facilities compared with the maximum quantity that can be generated in the period and it is impacted by unplanned power outages or current maintenance in the power plants that are scheduled for fixed time periods. The revenues of the power plants from energy stem from net generation of electricity.

5. Initiation and Construction Projects

A. Initiation and construction projects in Israel and in the U.S.

1. Main details with reference to construction projects in Israel (held at 100% ownership by OPC Israel, which is 80% held by the Company)[17]:

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[17] **That stated in connection with projects that have not yet reached operation including with reference to the expected operation date, the technologies and/or characteristics and the anticipated cost of the investment, is "forward-looking" information, as it is defined in the Securities Law, which is based on the Company's estimates and assumptions as at the approval date of the report and regarding which there is no certainty it will be realized (in whole or in part). Completion of the said projects (or any one of them) may not occur or may occur in a manner different than that stated above, among other things due to dependency on various factors, including those that are not under the Company's control, including assurance of connection to the network and output of electricity from the project sites and/or connection to the infrastructures (including gas infrastructures), receipt of permits, completion of planning processes and licensing, completion of construction work, final costs in respect of development, construction and land, the proper functioning of the equipment and/or the terms of undertakings with main suppliers (as applicable) and there is no certainty they will be fulfilled, the manner of their fulfillment, the extent of their impact or what their final terms will be. Ultimately technical, operational or other delays and/or breakdowns and/or an increase in expenses could be caused, this being as a result of, among other things, factors as stated above or as a result of occurrence of one or more of the risk factors the Company is exposed to, including construction risks (including *force majeure* events), regulatory risks, macro-economic changes, delays and increased costs due relating to the supply chain, transport and changes in raw-material prices and etc. For additional details regarding risk factors – see Section 19 of Part A of the Periodic Report for 2022. It is further clarified that delays in completion of the above-mentioned projects beyond the date originally planned for this could impact the ability of the Company and the Group companies to comply with their obligations to third parties (including, authorities, conditions of permits, lenders, yard consumers and others) in connection with the projects.**

5. Initiation and Construction Projects

A. Initiation and construction projects in Israel and in the U.S.

1. Main details with reference to construction projects in Israel (held at 100% ownership by OPC Israel, which is 80% held by the Company):

Power plants/ facilities for generation of energy	Status	Capacity (megawatts)	Location	Technology	Date/ expectation of the start of the commercial operation	Main customer/ consumer	Total expected construction cost (NIS billions)	Total expected construction cost (NIS billions)
Zomet Energy Ltd. ("Zomet")	Under construction	≈ 396	Plugot Intersection	Conventional powered by natural gas in an open cycle	The first half of 2023 (1)	The System Operator[18]	[19]≈ 1.4	[20]≈ 1.3

(1) As at the approval date of the report, the power plant is undergoing acceptance tests in anticipation of commercial operation.

[18] Noga Management of Electricity Systems Ltd.

[19] The estimate of the costs, as stated, does not take into account the amount of the assessment issued by Israel Lands Authority in January 2021, in the amount of about NIS 200 million (not including VAT) in respect of capitalization fees. For additional details – see Note 11B to the consolidated financial statements for 2022. As at the approval date of the report, Zomet filed an appeal of the decision received in the first appeal of the final assessment as stated in Note 11B of the consolidated financial statements for 2022.

[20] The estimate of the costs, as stated, does not take into account amounts in respect of milestones provided in the construction agreements of the Zomet power plant that were partly completed and does not take into account the assessment issued by Israel Lands Authority in January 2021, in the amount of about NIS 200 million, as stated.

5. Initiation and Construction Projects (Cont.)

A. Initiation and construction projects in Israel and in the U.S. (Cont.)

Main details with reference to the initiation and construction projects in Israel[19]: (Cont.)

Power plants/ facilities for generation of energy	Status	Capacity (megawatts)	Location	Technology	Date/ expectation of the start of the commercial operation	Average expected tariff for sale of electricity	Total expected construction cost (NIS millions)	Total cost of the investment as at March 31, 2023 (NIS millions)
OPC Sorek 2 Ltd. ("Sorek 2")	Under construction	≈ 87	On the premises of the Sorek B seawater desalination facility	Powered by natural gas, cogeneration	The first half of 2024[21]	Yard consumers and the System Operator	≈ 200	[22]≈ 91

[21] It is noted that a delay in the commercial operation beyond the projected contractual date, as detailed in Section 7.15.1.2 of Part A of the Periodic Report for 2022, which is not considered a justified delay as defined in the project agreements, could trigger payment of monthly compensation at a limited graduated rate (taking into account the length of the delay, where a delay after full utilization of the compensation ceiling could give rise to a cancellation right). It is clarified that in the initial delay period, the amount of the compensation for an unjustified delay is not material.

[22] Not including amounts relating to milestones provided in the Sorek Power Plant construction agreement that were partially completed.

5. Initiation and Construction Projects (Cont.)

A. Initiation and construction projects in Israel and in the U.S. (Cont.)

Main details with reference to the initiation and construction projects in Israel[19]: (Cont.)

Power plants/ facilities for generation of energy	Status	Capacity (megawatts)	Location	Technology	Date/ expectation of the start of the commercial operation	Average expected tariff for sale of electricity	Total expected construction cost (NIS millions)	Total cost of the investment as at March 31, 2023 (NIS millions)
Facilities for generation of energy located on the consumer's premises	In various stages of development / construction	Projects with a cumulative scope of about 110 megawatts. The Company intends to act to expand projects with a cumulative scope of at least 120 megawatts[23]	On the premises of consumers throughout Israel	Conventional, natural gas and renewable energy (solar, storage)	Gradually starting from the first half of 2023	Yard consumers also including Group customers and the System Operator.	An average of about NIS 4 per megawatt	≈ 126

For additional details regarding projects in development stages in Israel (Hadera 2 and Rotem 2) – see Section 6A to the Report of the Board of Directors for 2022. In addition, for details regarding a win in a tender of Israel Lands Authority – see Section 9D below.

[23] Every facility with a capacity of up to 16 megawatts. **The Company's intention, as stated, reflects its intention as at the approval date of the report only, and there is no certainty that the matters will materialize based on the said expectation, and the said intention is subject to, among other things, the discretion of the Company's competent organs. As at the approval date of the report, there is no certainty regarding signing of additional binding agreements with consumers, and there is no certainty regarding the number of consumers with which the Company will sign agreements and/or regarding the scope of the megawatts the Company will contract for and/or the type of technology if agreements are signed. As stated, as at the approval date of the report, all of the preconditions for execution of all the projects for construction of facilities for generation of electricity on the customer's premises had not yet been fulfilled, and the fulfillment thereof is subject to various factors, such as, licensing, connection and construction processes.**

5. Initiation and Construction Projects (Cont.)

A. Initiation and construction projects in Israel and in the U.S. (Cont.)

Main details with reference to the initiation and construction projects in Israel[19]: (Cont.)

2. Main details regarding construction projects or projects that have a PPA for long-term sale in the U.S.[24]

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[24] Details with respect to the scope of the investments in the United States were translated from dollars and presented in NIS based on the currency rate of exchange on March 31, 2023 – $1 = NIS 3.615. **The information presented below regarding projects under construction, including regarding the expected commercial structure, the projected commercial operation date and the expected construction costs, including "forward-looking" information, as defined in the Securities Law, regarding which there is no certainty it will materialize (in whole or in part), including due to factors that are not under the control of the CPV Group. The information is based on, among other things, estimates and plans of the CPV Group, and the realization of which is not certain, and which might not be realized due to factors, such as: delays in receipt of permits, an increase in the construction costs, delays in the construction work and/or technical or operational malfunctions, problems or delays regarding signing an agreement for connection to the network or connection of the project to transmission or other infrastructures, an increase in costs due to the commercial conditions in the agreements with main suppliers (such as equipment suppliers and contractors), problems signing an investment agreement with a Tax Equity Partner regarding part of the cost of the project and utilization of the tax benefits (if relevant), problems signing commercial agreements for of the potential revenues from the project, regulatory changes (including changes impacting main suppliers of the projects), an increase in the financing expenses, unforeseen expenses, macro-economic changes, weather events, impacts of the Coronavirus crisis (including delays and an increase in costs of undertakings in the supply chain, transport and an increase in raw-material prices), etc. Completion of the projects in accordance with the said estimates is subject to the fulfillment of conditions which as at the approval date of the report had not yet been fulfilled and, therefore, there is no certainty they will be completed in accordance with that stated. Construction delays could even impact the ability of the companies to comply with liabilities to third parties in connection with the projects. For additional details regarding the risk factors involved with the activities of the CPV Group – see Section 8.20 of Part A of the Periodic Report for 2022.**

5. Initiation and Construction Projects (Cont.)

A. Initiation and construction projects in Israel and in the U.S. (Cont.)

1. Main details with reference to the construction projects or projects that have a PPA for long-term sale in the United States:[24]

Project	**Status**	**Capacity (megawatts)**	**Rate of holdings of the CPV Group**	**Presentation format in the financial statements**	**Location**	**Tech-nology**	**Expected commercial operation date**	**Regulated market**	**Total estimated construction cost for 100% of the project (NIS billions)[25]**	**Amount of the investment in the project at March 31, 2023 NIS billions)**
CPV Three Rivers LLC (“Three Rivers”)	Under construction	1,258	10%	Associated company	Illinois	Natural gas, combined cycle	The second half of 2023	PJM ComEd	≈ 4.7 (≈ $1.3 billion)	≈ 4 (≈ $1.2 billion)

[25] Including initiation fees and reimbursement of pre-construction development expenses to the CPV Group.

5. Initiation and Construction Projects (Cont.)

A. Initiation and construction projects in Israel and in the U.S. (Cont.)

Main details with reference to the construction projects in the United States[29]: (Cont.)

Project	Capacity (megawatts)	Rate of holdings of the CPV Group	Presentation format in the financial statements	Location	Tech-nology	Expected commercial operation date	Regulated market	Total estimated construction cost for 100% of the project (NIS billions)[27]	Amount of the investment in the project at March 31, 2023 NIS billions)
CPV Maple Hill Solar LLC (“Maple Hill”).	126 MWdc[26]	[27]100%	Consolidated	Pennsylvania	Solar	Second half of 2023[28]	PJM MAAC market. Long-term PPA. Green certificates[29].	≈ 0.8 (≈ $0.2 billion)[30]	≈ 0.5 (≈ $0.1 billion)

[26] About 100 MWac.

[27] For details regarding an undertaking subsequent to the date of the report in an investment agreement with “tax partner” (“Tax Equity Partner”) in the amount of about $78 million – see Note 7A(3) to the Interim Statements.

[28] For details regarding a change in the project’s supplier of the panels – see Section 8.14.7 of Part A to the Periodic Report for 2022. As at the date of the report, the supply and assembly (installation) of the solar panels in the project had not yet been completed. The expected operation date of Maple Hill could be delayed even beyond that stated, including as a result of delays in arrival of all the required equipment and completion of the assembly (installation) thereof, regulatory factors, changes due to market conditions relating to raw materials and supply chains, or completion of the process of connection with the network by PJM. Delays could impact Maple Hill’s ability to comply with certain availability commitments with third parties and could cause, among other possible consequences, payment of agreement compensation.

[29] About half of the electricity is under a long-term PPA agreement, including hedging of the electricity price with a fixed price, and investments with international energy companies for sale of 100% of the project’s green certificates.

[30] The expected cost of the investment in the project is subject to changes due to, among other things, the final costs involved in supply of the solar panels, the construction work and/or connection work. Furthermore, the costs in the table include development fees to the CPV Group that are estimated, as at the approval date of the report, at the aggregate amount of about $35 million that could be subject to changes based on the updates of the document of principles with the tax partner. **That stated with reference to the amount of the development fees to the credit of (to the benefit of) the CPV Group constitutes “forward-looking” information as it is defined in the Securities Law, which is based on estimates of the CPV Group as at the date of the report, and that is subject to the final conditions determined, if in fact determined, in a binding agreement with the tax partner, which has not yet been signed.**

5. Initiation and Construction Projects (Cont.)

Project	Capacity (MW)	Rate of holdings of the CPV Group	Presentation format in the financial statements	Location	Tech-nology	Expected commercial operation date	Regulated market	Total estimated construction cost for 100% of the project (NIS billions)	Amount of the investment in the project at March 31, 2023 NIS billions)
CPV Stagecoach Solar, LLC (“Stagecoach”).	100	100%	Consolidated	Georgia	Solar	First half of 2024	Long-term PPA agreement (including green certificates)[31]	≈ 458 (≈ $127 million)[32]	≈ 173 (≈ $48 million)

[31] All of the electricity and the green certificates in the framework of a long-term PPA agreement.

[32] Including development fees estimated as at the approval date of the report in the amount of about $23 million. **That stated with reference to the amount of the development fees to the credit of the CPV Group constitutes “forward-looking” as it is defined in the Securities Law, which is based on estimates of the CPV Group as at the date of the approval report, and that is subject final conditions to be determined.**

5. Initiation and Construction Projects (Cont.)

B. Additional details regarding development projects in the U.S.

For additional details – see Section 6B of the Report of the Board of Directors for 2022.

List of development projects

Set forth below is a summary of the scope of the development projects (in megawatts) in the United States as at the approval date of the report[33]:

Technology	Advanced[34]	Early stage	Total*
Solar[35]	1,650	1,050	**2,700**
Wind (1)	100	450	**550**
Total renewable energy	**1,750**	**1,500**	**3,250**
Carbon capture projects (natural gas with reduced emissions) (2)	1,300	2,000	**3,300**
Total natural gas	650	600	**1,250**

* It is noted that out of the total of the development projects, as stated above, a scope of about 1,600 megawatts (of which about 1,000 megawatts is renewable energy) and about 2,700 megawatts (of which about 700 megawatts is renewable energy) are in the PJM market in an advanced stage and in an initial stage, respectively.

(1) For additional details regarding the Rogue's Wind project, with a capacity of 114 megawatts, in Pennsylvania, which signed a long-term PPA agreement, which is in advanced development and the commencement date of its construction is expected to be in the second half of 2023 – see Section 6A(3) of the Report of the Board of Directors for 2022 and Section 8.14.7 of Part A of the Periodic Report for 2022.

(2) For additional details regarding development of two power plants with reduced emissions in natural gas that are based on use of advanced technologies for carbon capture – see Section 6A(6) of the Report of the Board of Directors for 2022.

[33] **The information presented in this section with reference to development projects of the CPV Group, including regarding the status of the projects and/or their characteristics (the capacity, technology, the possibility for integrated carbon capture, etc.), constitutes "forward-looking" information as it is defined in the Securities Law, regarding which there is no certainty it will be realized or the manner in which it will be realized. It is clarified that as at the approval date of the report there is no certainty regarding the actual execution of the development projects (in whole or in part), and their progress and the rate of their progress is subject to, among other things, completion of development and licensing processes, obtain control over the lands, signing agreements (such as equipment and construction agreements), execution of construction processes and completion of the connection process, assurance of financing and receipt of various regulatory approvals and permits. In addition, advancement of the development projects is subject to the discretion of the competent authorities of the CPV Group and of the Company.**

[34] In general, the CPV Group views projects that in its estimation are in a period of up to two years or up to three years to the start of the construction as projects in the advanced development stage (there is no certainty the development projects, including projects in the advanced stage, will be executed). That stated is impacted by, among other things, the scope of the project and the technology, and could change based on specific characteristics of a certain project, as well as from external circumstances that are relevant to a certain project, such as the anticipated activities' market or regulatory circumstances, including, projects that are designated to operate in the PJM market could be impacted by the changes in the proposed working framework described in Section 8.1.2.2(A) of Part A to the Periodic Report for 2022, and their progress could be delayed as a result of this proposal. It is clarified that in the early development stages (in particular), the scope of the projects and their characteristics are subject to changes, if and to the extent they reach advanced stages.

[35] The capacities in the solar technology included in this report are denominated in MWdc. The capacities in the solar technology projects in the advanced development stages and in the early development stages are about 1,300 MWac and about 1,850 MWac.

6. Financial Position as at March 31, 2023 (in millions of NIS)

Category	3/31/2023	12/31/2022	Board's Explanations
Current Assets			
Cash and cash equivalents	1,503	849	For additional information – see the Company's condensed consolidated statements of cash flows in the interim financial statements and Part 7 below.
Short-term deposits	–	125	The decrease stems from release of short-term deposits.
Short-term deposits and restricted cash	23	36	
Trade receivables and accrued income	191	260	Most of the decrease stems from a decrease in accrued income in Israel, in the amount of about NIS 85 million, mainly as a result of the timing differences and the impact of the seasonal factor with respect the sales, which became larger in the period of the report against the background of a change in the hourly demand brackets (for details – see Section 3.2C) above.
Receivables and debit balances	179	190	Most of the decrease stems from a decrease, in the amount of about NIS 70 million, in the balance of other receivables and debit balances in the U.S., mainly as a result of release of collaterals in connection with transactions hedging electricity margins in Valley, offset by an increase, in the amount of about NIS 30 million, in the balance of VAT institutions, and an increase, in the amount of about NIS 18 million, in respect of compensation from Energean (for additional details – see Note 8A(1) to the Interim Statements).
Inventory	8	7	
Short-term derivative financial instruments	9	10	
Total current assets	**1,913**	**1,477**	

6. Financial Position as at March 31, 2023 (in millions of NIS) (Cont.)

Category	3/31/2023	12/31/2022	Board's Explanations
Non-Current Assets			
Long-term deposits and restricted cash	54	53	
Long-term prepaid expenses and other receivable	198	179	Most of the increase stems from an investment in infrastructures of Zomet, in the amount of about NIS 19 million.
Investments in associated companies	2,419	2,296	The increase stems mainly from equity earnings of the CPV Group and from an increase in the shekel/dollar exchange rate, in the amount of about NIS 63 million, offset by other comprehensive loss, in the amount of about NIS 18 million. For additional details regarding investments in associated companies – see Sections 4D above.
Deferred tax assets	17	22	
Long-term derivative financial instruments	58	57	
Property, plant and equipment	5,385	4,324	Most of the increase, in the amount of about NIS 870 million, stems from the initial consolidation of the Gat power plant (for additional details – see Note 6A(1) to the Interim Statements), an increase deriving from investments in Israel and the U.S. (mainly in construction and development projects), in the amount of about NIS 199 million, and an increase of about NIS 24 million, in property, plant and equipment in the U.S. due to an increase in the shekel/dollar exchange rate. This increase was partly offset by depreciation expenses in respect of property, plant and equipment in Israel, in the aggregate amount of about NIS 35 million.
Right-of use assets	354	347	
Intangible assets	885	777	Most of the increase derives from recognition of goodwill, in the amount of about NIS 85 million, in respect of acquisition of the Gat power plant, and an increase, in the amount of about NIS 20 million, as a result of the impact of the increase in the shekel/dollar exchange rate on the intangible assets in the U.S.
Total non-current assets	**9,370**	**8,055**	
Total assets	**11,283**	**9,532**	

6. Financial Position as at March 31, 2023 (in millions of NIS) (Cont.)

Category	3/31/2023	12/31/2022	Board's Explanations
Current Liabilities			
Current maturities of loans from banks and financial institutions	122	92	Most of the increase stems from update of the current maturities of the project credit in Israel and the U.S. based on the repayment schedules, in the amounts of about NIS 40 million and about NIS 12 million, respectively. On the other hand, there was a decrease stemming from repayment of project credit in Israel and the U.S. based on the repayment schedules, in the amount of about NIS 11 million and about NIS 12 million, respectively.
Current maturities of loans from holders of non-controlling interests	65	13	Most of the increase stems from update of the current maturities of the loans based on the Company's expectation regarding the repayment schedule of the debt from holders of non-controlling interests in Rotem, in the amount of about NIS 52 million.
Current maturities of debentures	112	33	The increase stems from update of the current maturities of the debentures based on the repayment schedules, in the amount of about NIS 95 million. On the other hand, there was a decline stemming from repayment of debentures based on the repayment schedule, in the amount of about NIS 16 million.
Trade payables	338	335	
Payables and other credit balances	384	110	Most of the increase, in the amount of about NIS 286 million, derives from deferred consideration in respect of acquisition of the Gat power plant, as detailed in Note 6A(1) to the Interim Statements, an increase, in the amount of about NIS 13 million, in the balance of VAT institutions, offset by a decrease, in the amount of about NIS 15 million, in respect of liabilities for employee wages and payroll-related agencies, and a decrease in the balance of interest payable, in the amount of about NIS 12 million.
Short-term derivative financial instruments	3	3	
Current maturities of lease liabilities	62	61	
Current tax liabilities	2	2	
Total current liabilities	**1,088**	**649**	

6. Financial Position as at March 31, 2023 (in millions of NIS) (Cont.)

Category	3/31/2023	12/31/2022	Board's Explanations
Non-Current Liabilities			
Long-term loans from banks and financial institutions	2,243	1,724	Most of the increase stems from a long-term loan, in the amount of about NIS 450 million, for financing acquisition of the Gat power plant (for additional details – see Notes 6 A(1) and 7A(1) to the Interim Statements) and withdrawals, in the amount of about NIS 100 million, in the framework of the Zomet Financing Agreement. The increase was partly offset by a decrease, in the amounts of about NIS 40 million and about NIS 12 million, as a result of update of the current maturities of the project credit in Israel and in the U.S., respectively.
Long-term loans from holders of non-controlling interests and others	382	424	Most of the decrease stems from a decrease, in the amount of about NIS 88 million, in loans from the holders of non-controlling interests in Rotem, this being as a result of repayment and update of the current maturities of the loans. This decrease was partly offset by an increase deriving from an increase in the balance of the long-term loans from the holders of non-controlling interests in the CPV Group, where an increase of about NIS 37 million is in respect of additional loans provided to the Group and accrual of interest to the principal in the period of the report, and an increase of about NIS 11 million due to an increase of the shekel/dollar exchange rate.
Debentures	1,722	1,807	The decrease stems from update of the current maturities of the debentures (Series B and Series C), in the amount of about NIS 95 million. On the other hand, there was an increase deriving from linkage differences in respect of the debentures (Series B), in the amount of about NIS 11 million.
Long-term lease liabilities	70	69	
Other long-term liabilities	156	146	
Liabilities for deferred taxes	473	347	Most of the increase, in the amount of about NIS 110 million, stems from the initial consolidation of the Gat power plant (for additional details – see Note 6A (1) to the Interim Statements).
Total non-current liabilities	**5,046**	**4,517**	
Total liabilities	**6,134**	**5,166**	

7. Liquidity and sources of financing (in NIS millions)

Category	For the Three Months Ended 3/31/2023	For the Three Months Ended 3/31/2022	Board's Explanations
Cash flows provided by operating activities	103	91	Most of the increase in the cash flows provided by operating activities stems from an increase in the Group's working capital, in the amount of about NIS 33 million, offset by a decrease in the income on a cash basis, in the amount of about NIS 20 million.
Cash flows used in investing activities	(263)	(278)	During the period of the report, the Group acquired the Gat power plant, for a consideration of about NIS 268 million (for additional details – see Note 6A(1) of the Interim Statements). On the other hand, cash was provided to the Group, in the amounts of about NIS 125 million and about NIS 73 million, in respect of release of short-term deposits and in respect of release of collaterals relating to hedging electricity margins in the CPV Group, respectively. In addition, there was a decrease, in the amount of about NIS 79 million, in investments in property, plant and equipment in Israel.
Cash flows provided by financing activities	779	123	Most of the increase in the cash flows provided by financing activities stems from a receipt in the period of the report, in the amount of about NIS 452 million, in respect of a swap of shares of transaction and investment with Veridis (for additional details – see Note 6A(2) of the Interim Statements), a loan, in the amount of about NIS 450 million, for purposes of financing a transaction for acquisition of the Gat power plant (for additional details – see Note 7A(1) of the Interim Statements), and an increase, in the amount of about NIS 148 million, in investments and loans from holders of non-controlling interests in the CPV Group. On the other hand, in the period of the report the Group repaid a loan to the prior holders of the rights in the Gat power plant, in the amount of about NIS 303 million (for additional details – see Note 6A(1) of the Interim Statements), and in addition there was a decrease, in the amount of about NIS 56 million, in respect of withdrawals from Zomet's financing agreement framework.

For additional details – see the Company's condensed consolidated interim statements of cash flows in the Interim Statements.

As at March 31, 2023 and 2022 and as at December 31, 2022, the Group's working capital (current assets less current liabilities) amounted to about NIS 825 million, about NIS 318 million and about NIS 828 million, respectively.

8. Adjusted financial debt, net

A. Compositions of the adjusted financial debt, net

For details regarding definition of the net financial debt and the adjusted net financial debt – see Section 9 of the Report of the Board of Directors for 2022.

The following table details the adjusted financial debt, net, as at March 31, 2023 (in millions of NIS)[36]:

	Method of presentation in the Company's financial statements	Debt (including interest payable)	Cash and cash equivalents and deposits*	Restricted cash used for debt service reserves	Net debt
The Company	Consolidated	1,836	261	–	1,575
Rotem	Consolidated	–	79	–	(79)
Hadera	Consolidated	663	15	50	598
Zomet	Consolidated	945	12	–	933
Gat Partnership	Consolidated	447	19	–	428
Gnrgy	Consolidated	3	6	–	(3)
Others in Israel (1)	Consolidated	–	(1) 80	–	(80)
Total Israel and headquarters		**3,894**	**472**	**50**	**3,372**
Keenan (renewable energy)	Consolidated	307	3	–	304
Maple Hill (renewable energy)	Consolidated	–	8	–	(8)
Fairview	Associate	394	1	–	393
Towantic	Associate	460	10	–	450
Maryland (2)	Associate	300	8	–	292
Shore (2)	Associate	629	8	–	621
Valley (3)	Associate	840	22	–	818
Three Rivers	Associate	298	–	–	298
Others in the U.S.	Consolidated	–	1,020	–	(1,020)
Total U.S.		**3,228**	**1,080**	–	**2,148**
Total adjusted financial debt, net		**7,122**	**1,552**	**50**	**5,520**

* Including balances of restricted cash that serve for financing the current ongoing activities of the associated companies.

(1) Including balances of cash and cash equivalents in OPC Power Plants.

(2) Companies in the CPV Group are subject to financial covenants by force of the various financial agreements. As at the date of the financial statements, the companies are in compliance with all the financial covenants determined. As part of the financial agreements, an historical debt-service coverage ratio financial covenant of 1:1 during the last four quarters was determined for Shore and Maryland. As at the date of the financial statements, Maryland and Shore are in compliance with the benchmark (4.06 and 1.13, respectively).

[36] In addition, the Group has liabilities to the holders of non-controlling interests, the balance of which as at March 31, 2023 is about NIS 447 million.

8. Adjusted financial debt, net (Cont.)

A. Compositions of the adjusted financial debt, net (Cont.)

(3) Based on Valley's financing agreement, the contractual repayment date of the liabilities, the balance of which as at the date of the report is about NIS 1.5 billion (about $415 million – the share of the CPV Group – 50%) falls on June 30, 2023. In the period of the report and thereafter, Valley reached principle consents for extension of the financing agreement, the main terms of which are: (A) extension of the repayment date of the loan up to May 31, 2026; (B) update of the weighted-average interest margin on the loan to about 5.75%; and (C) reduction of the scope of the debt by about NIS 200 million (about $55 million), mainly by means of investment by the shareholders (the Company's share in the investment is about NIS 60 million (about $17 million)). As at the approval date of the report, extension of the financing agreement is contingent on receipt of formal approvals and signing of final documents, which in the estimation of the management of the CPV Group is expected to take place in the second quarter of 2023. It is noted that in a case where the extension documents are not signed on the said date, it is not expected that Valley will be able to repay the loan on June 30, 2023 based on its cash flows from current operating activities. As at the approval date of the report, the said circumstances have no impact on the financial results and activities of the Group and of Valley[37].

[37] As stated in Section 8.1.4(F) of Part A of the Periodic Report for 2022, on the approval date of the report Valley submitted a request to receive an environmental permit under Title V, and in the interim period it is permitted to continue its activities under the prior permit up to a final decision (after full utilization of an appeal in a case of a rejection) regarding the Title V permit. Further to that stated in Section 8.1.4(A) to Part A of the Periodic Report for 2022, as at the approval date of the report, the agreement for extension of the statutory time limit was extended up to September 29, 2023. Up to receipt of the Title V permit (if received), the revised terms of Valley's financing agreement are expected to be negatively impacted by the fact that receipt of the permit has not yet been completed (among other things regarding the extension period of the loan and the interest rate). As at the approval date of the report, there is no certainty that the Title V permit will be received or regarding the timing of its receipt. **That stated above includes "forward-looking" information as it is defined in the Securities Law, which is based on the estimates of the CPV Group. Ultimately, the processes regarding the Title V permit could be different due to regulatory decisions, changes in regulation or the policies the relevant authorities will apply, in such a manner that could have a negative impact on Valley's activities. That stated regarding signing of the financing extension documents, the expected date of their completion and/or the financing conditions (if signed), including the scope of the investment of the shareholders, constitutes "forward-looking" information, regarding which there is no certainty it will materialize and/or which might ultimately be different than that stated – this being due to factors that are not under the CPV Group's control.**

8. Adjusted financial debt, net (Cont.)

The following table details the financial debt, net, as at December 31, 2022 (in millions of NIS):

	Method of presentation in the Company's financial statements	Debt (including interest payable)	Cash and cash equivalents and deposits*	Restricted cash used for debt service reserves	Net debt
The Company	Consolidated	1,854	584	–	1,270
Rotem	Consolidated	–	25	–	(25)
Hadera	Consolidated	670	8	50	612
Zomet	Consolidated	833	9	–	824
Gnrgy	Consolidated	4	11	–	(7)
Others in Israel	Consolidated	–	96	–	(96)
Total Israel and headquarters		**3,361**	**733**	**50**	**2,578**
Keenan (renewable energy)	Consolidated	310	2	1	307
Maple Hill (renewable energy)	Consolidated	–	11	–	(11)
Fairview	Associate	442	1	–	441
Towantic	Associate	509	37	2	470
Maryland	Associate	300	6	–	294
Shore	Associate	607	16	–	591
Valley	Associate	895	2	–	893
Three Rivers	Associate	290	–	–	290
Others in the U.S.	Consolidated	–	228	–	(228)
Total U.S.		**3,353**	**303**	**3**	**3,047**
Total adjusted financial debt, net		**6,714**	**1,036**	**45**	**5,625**

* Including balances of restricted cash that serve for financing the current ongoing activities of the associated companies.

8. Adjusted financial debt, net (Cont.)

A. Compositions of the adjusted financial debt, net (Cont.)

The following table details the financial debt, net, as at March 31, 2022 (in millions of NIS):

	Method of presentation in the Company's financial statements	Debt (including interest payable)	Cash and cash equivalents and deposits*	Restricted cash used for debt service reserves	Net debt
The Company	Consolidated	1,814	157	–	1,657
Rotem	Consolidated	–	54	–	(54)
Hadera	Consolidated	677	46	46	585
Zomet	Consolidated	682	68	–	614
Gnrgy	Consolidated	4	17	–	(13)
Others in Israel	Consolidated	–	90	–	(90)
Total Israel and headquarters		**3,177**	**432**	**46**	**2,699**
Keenan (renewable energy)	Consolidated	301	4	–	297
Maple Hill (renewable energy)	Consolidated	–	16	–	(16)
Fairview	Associate	466	3	–	463
Towantic	Associate	482	6	–	466
Maryland	Associate	302	–	–	302
Shore	Associate	551	3	–	548
Valley	Associate	912	4	–	908
Three Rivers	Associate	250	1	–	249
Others in the U.S.	Consolidated	–	216	–	(216)
Total U.S.		**3,264**	**263**	**–**	**3,001**
Total adjusted financial debt, net		**6,441**	**695**	**46**	**5,700**

* Including balances of restricted cash that serve for financing the current ongoing activities of the associated companies.

B. Interest and linkage bases

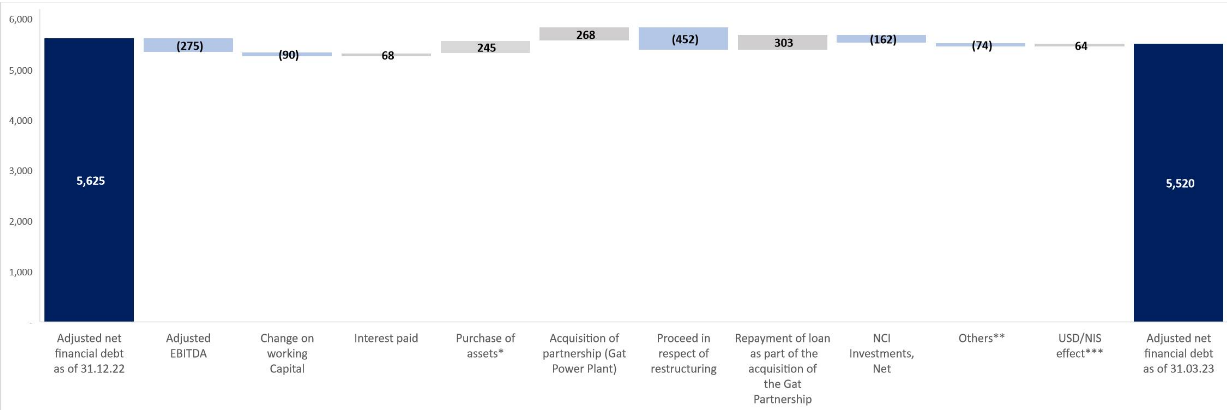
For information regarding interest and linkage bases – see Section 9 of the Report of the Board of Directors for 2022.

C. Financial covenants

The Company and its investee companies are subject to financial covenants provided in their financing agreements and trust certificates. As at the date of the financial statements, the Company and its investee companies were in compliance with all the financial covenants provided. For detail regarding the covenants for violation, relating to significant loans and debentures – see Note 7C to the Interim Statements[38]:

[38] For a description of the material financial covenants of the Company and the investee companies – see Sections 7.18.3 and 10.5 to Part A to the Periodic Report for 2022.

Movement in the adjusted financial debt, net, for the three-month period ended March 31, 2023:



(*) Includes the amount of about NIS 21 million in respect of current payments and the amount of about NIS 224 million in respect of payments relating to construction projects.

(**) Most of the decrease, in the amount of about NIS 73 million, is a result of release of collaterals in connection with hedging of the electricity margins in the CPV Group.

(***) In respect of translation of the net financial debt of the U.S. which is denominated in dollars into the Company’s functional currency.

9. Additional Events in the Company's Areas of Activity

Activities in Israel

A. Completion of investment transaction and a structural change in the area of activities in Israel – for additional details regarding completion of the transaction in the period of the report and the terms of the shareholders' agreement – see Section 2.4.1 of Part A of the Periodic Report for 2022 and Note 6A(2) to the Interim Statements.

B. Completion of transaction for acquisition of the power plant in the Kiryat Gat Industrial Zone and the financing agreement – for additional details regarding the acquisition transaction of the Gat power plant and the related project financing agreement that was completed in the period of the report – see Notes 6A(1) and 7A(1) to the Interim Statements and the Company's Immediate Report dated March 30, 2023 (Reference No.: 2023-01-032026).

C. Commercial operations of the Karish reservoir (Energean agreement) in the end of March 2023 – for additional details regarding the commercial operation of the Karish reservoir in the period of the report – see Note 8B(1) to the Interim Statements.

In the Company's estimation, upon the commercial operation of the Karish reservoir, an annual monetary savings is expected estimated at about NIS 60 million, based on the average projected gas consumption of Rotem and Hadera[38].

[39] **That stated above regarding estimate of the expected monetary savings, includes "forward-looking" information, as it is defined in the Securities Law, regarding which there is no certainty it will be realized or the manner of its realization, which is dependent on, among other things, factors that are not under the Company's control, operating factors, third parties, changes in the actual gas consumption, currency rate of exchange, etc.**

9. Additional Events in the Company's Areas of Activity (Cont.)

Activities in Israel (Cont.)

D. Win in a tender of Israel Lands Authority for construction of facilities for generation of electricity using renewable energy in Israel

On May 10, 2023, the Group was announced as a winner in a tender of Israel Lands Authority for planning and an option to acquire lease rights in land for construction of facilities for generation of electricity using renewable energy using photovoltaic technology together with storage with respect to three sites in the area of the Local Industrial Council of Naot Hovav, with a cumulative scope of about 2,270 dunams. The Group's bids in the tender amount, in the aggregate, to about NIS 484 million for the three sites. In light of proximity of the sites to each other, the Group intends to advance construction of a project for generation of electricity using photovoltaic technology on the sites that are the subject of the tender with a cumulative capacity of about 245 megawatts plus storage capacity estimated at a capacity of about 1,375 megawatts per hour. Pursuant to the Company's initial estimate, the proximity of the sites that are the subject of the win to each other should allow a continuous project in such a manner that will lead to savings on costs and streamlining the development processes. In the Group's estimation, the total cost of the three projects (including the land) is estimated at about NIS 2.2 billion to about NIS 2.4 billion, and in this preliminary stage, subject to completion of all the development processes and receipt of the required approvals, the project will reach the construction stage in the first half of 2026.

For additional details regarding the tender and the payment terms included therein – see Note 10G to the Interim Statements.

The win in the tender is part of realization of the Group's strategy and targets for expansion of its activities in the area of generation and supply of electricity in Israel, in general, and in the area of renewable energy, in particular (as stated in Part A of the Periodic Report for 2022) and constitutes a significant foothold in the area of generation of solar energy and storage in Israel. At the same time, the Group is advancing undertakings with consumers in Israel in agreements for supply of electricity and energy from renewable sources (including storage).

As at the approval date of the report, there is no certainty that the approvals and the required consents for development of the project will be completed with respect to any of the sites.

9. Additional Events in the Company's Areas of Activity (Cont.)

Activities in Israel (Cont.)

E. Tender for sale of Eshkol as part of the reform of Israel Electric Company[41] – on May 22, 2023, OPC Holdings Israel submitted (through a designated company as stated below) a bid for acquisition of the Eshkol power plant as part of a tender of Israel Electric Company. The bid was submitted by a joint company held in equal shares (50/50) by OPC Holdings Israel and the Noy Fund, after they received the required approvals for their members and after signing the agreements governing the relationships between the parties in connection with their holdings in the Eshkol power plant. On May 22, 2023, the Group, by means of a joint designated company held in equal shares by OPC Power Plants Ltd. (a subsidiary that is held at the rate of 80% (indirectly) by the Company) and a company held by the Noy Fund, submitted a bid for acquisition of the Eshkol power plant, in the framework of a tender of Israel Electric Company. That stated above is after receiving the approvals for submission of the joint bid and signing of an agreement that governs the relationships between the parties in connection with their holdings in the designated company (if it is declared the winner). The tender includes acquisition of a number of generation units that operate using conventional technology (natural gas) with a cumulative capacity of about 1,680 megawatts[42], and the possibility to construct additional capacity of 600 megawatts to 850 megawatts[43] based on regulations of the Electricity Authority, for the Eshkol site that is located in the Ashdod area. In order to secure the bid, the shareholders of the designated company (each one based on its proportionate share) provided a bank guarantee, in the aggregate amount of NIS 100 million[44].

Further to that stated in Section 7.2.8 of the Periodic Report for 2022 regarding the aggregate capacity allocated to the Group for purposes of the Concentration Regulations, it is noted that to the extent the designated company is declared as the winner in the tender, the aggregate capacity allocated to the Group will be about 3,150 megawatts.

F. Agreement for sale of electricity (PPA) with Bazan – further to that stated in Section 7.6.2 of the Company's Periodic Report for 2022 regarding an agreement of Rotem for sale of electricity (PPA) to Bazan, in May 2023, new PPA agreements were signed between Rotem and Bazan for supply of electricity to the consumption facilities of the Bazan Group (hereinafter – "the PPA Agreements" or "the Undertaking") for a maximum scope of 125 megawatt/hour. Supply of the electricity is in exchange for a payment equal to the TAOZ (load time) high-voltage tariff determined from time to time by the Electricity Authority and less a discount on the generation component in accordance with the rates and arrangements detailed in the agreement. The period of the agreement is ten years, commencing from July 2023 (upon conclusion of the present agreement as stated in above-mentioned Periodic Report), subject to grounds for early termination[45], along with defined exit points commencing after the passage of 5 years from the commencement date of the supply and pursuant to the provisions agreed to. As part of the Undertaking, additional provisions were included that are customary in PPA agreements of this type, among other things, regarding consumption in excess of the maximum quantity, a commitment for availability of the power plant and supply of the electricity from different sources.

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[41] For additional details – see Section 7.2.11.2 of Part A of the Periodic Report for 2022.

[42] Out of this capacity, steam units on the site with a cumulative capacity of about 912 megawatts, are expected to discontinue their activities within 3 – 6 years, while the other units are expected to operate based on a license for a period of 20 years.

[43] The possibility of constructing the additional capacity is subject to the existence of additional conditions, among others, approval of the site plan for construction of the additional capacity (which as at the approval date of the report there is no certainty regarding their ultimate existence of the timing of their occurrence).

[44] Which based on the tender will be updated to NIS 200 million in a case of announcement of a win in the tender.

[45] Including, non-compliance with the commitments (including, as stated, with reference to supply of renewable energy sources, license cancellation, construction of a generation facility using natural gas by Bazan above a certain capacity, and etc. – all of this subject to the provisions determined.

9. Additional Events in the Company's Areas of Activity (Cont.)

Activities in Israel (Cont.)

F. Agreement for sale of electricity (PPA) with Bazan – (Cont.)

In addition, as part of the Undertaking provisions were included regarding supply of electricity in the scope of about 50 megawatts from renewable energy generation facilities in a graduated manner, starting from January 2025 and in accordance with the dates stipulated[46], and "green certificates"[47] subject to ceilings and the conditions agreed to. The arrangements in respect of supply of the electricity based on generation from renewable energy constitute part of the Company's strategy to expand its activities in the area of renewable energy and supply of electricity from renewable energy sources in Israel.

[46] Subject to entry into effect of the decision of the Electricity Authority regarding regulation of the activities of generation and storage facilities that are connected to or integrated in the distribution network (grid).

[47] The certificates constitute exclusive approval for the quantity of energy that will be generated in Israel from a renewable energy source. At the present time, there are green certificates in Israel of the IREC (International Renewable Energy Certificate) type that are issued by the international IREC organization and that meet the international standard regarding green certificates and the use thereof.

9. Additional Events in the Company's Areas of Activity (Cont.)

Activities in the U.S.

G. Completion of the transaction for acquisition of Mountain Wind subsequent to the date of the report and the financing agreement – for details regarding completion of the acquisition transaction and the related financing agreement, see Notes 6B(1) and 7A(2) to the Interim Statements and the Company's Immediate Report dated April 9, 2023 (Reference No.: 2023-01-034375).

H. Signing of a Tax Equity Partner agreement in the Maple Hill project subsequent to the date of the report – for additional details, see Note 7A(3) to the Interim Statements and the Company's Immediate Report dated May 14, 2023 (Reference No.: 2023-01-043609).

I. Reaching of principle consents with Valley's lenders for extension of the credit agreement – for additional details, see Section 8A(3) above and Note 10F to the Interim Statements.

J. Proposed Clean Power Plan – in May 2023, the U.S. Environmental Protection Agency announced a proposal Clean Power Plan 2.0, the goal of which is to significantly limit emission of greenhouse gases from generation of energy through fossils. Pursuant to the proposal, the regulation will require large electricity generation facilities operating using natural gas with an output coefficient of more than 50% to integrate burning of hydrogen or, alternatively, carbon capture technology – this being commencing from 2032 or 2035, respectively. As at the approval date of the report, the said proposal, is not final and will be subject to comments of the public and a thorough examination process. In CPV's estimation, the proposed plan could undergo significant changes before its potential application in 2024.

10. Debentures (Series B) and (Series C)

In the period of the report, there were no significant changes in the details of the outstanding debentures issued by the Company and that were offered to the public pursuant to a prospectus, the details of the trustees for the debentures, the conditions for call the debentures for immediate repayment, compliance on the part of the Company with these conditions and the collaterals for the debentures, as detailed in Section 11 to the Report of the Board of Directors for 2022 and in Note 17 to the consolidated financial statements for 2022.

The Company is in compliance with all the conditions of the Company's debentures (Series B and Series C) and the trust certificates. The Company was not required to take any action in accordance with the request of the trustees for the said debentures.

11. Impacts of changes in the macro-economic environment on the Group's activities and its results

Changes in the macro-economic environment, which are characterized by high rates of inflation, strengthening of the dollar against the shekel and rising interest rates, could impact the Group's activities in different ways, including, an impact on the electricity generation component (and as a result an impact on the Company's natural gas revenues and costs) and other index-linked revenues, an increase in fixed expenses (including wages), maintenance costs, project construction costs – both in Israel and overseas, equipment acquisition costs and financing expenses in respect of loans and debentures the Group companies are liable for that bear variable interest and/or are linked to the CPI. In addition, an increase in the interest rate could impact the economic feasibility of projects under construction, the discount rates used for examining impairment of the value of active projects, projects under construction or in the development stage and cash-generating units to which goodwill was allocated, and the fair value of a liability in respect of a profit-sharing plan in the CPV Group. It is noted that changes in the currency exchange rate, particularly the exchange rate of the dollar, also impact the Company.

11. Impacts of changes in the macro-economic environment on the Group's activities and its results (Cont.)

Set forth below is disclosure regarding impacts of changes in the currency exchange rates, CPI and interest rates on the Group's activities. Taking into account the complexity of an analysis of the impacts of the said factors, particularly since some of them are indirect (and not direct) impacts and the existence of reciprocal relationships between the various macro-economic parameters, the Company is not able to estimate the impacts of the changes in the said macro-economic parameters on the Company's overall results.

Currency (particularly the dollar)

The Group is exposed to changes in the currency exchange rates, particularly the exchange rate of the dollar.

Regarding its activities in Israel, the Company is exposed to a change in the exchange rate of the dollar, directly and indirectly, due to the linkage of a significant part of its revenues to the generation tariff (which is impacted, in part, by changes in the exchange rate of the dollar), while on the other hand acquisitions of the natural gas, some of which are linked to the dollar exchange rate and/or are denominated based on the dollar exchange rate, are also linked to the generation tariff and include dollar floor prices.

Therefore, even though an increase in the rate of the dollar increases the cost of the natural gas purchased by the Company, the structure of the revenues includes a partial natural hedge that reduces the said exposure. Nonetheless, it is pointed out that generally the generation component is updated once a year, and accordingly timing differences are possible between the impact of a rise in the rate of the dollar on the current gas cost and its impact on the Company's gross margin. The said timing differences could have a negative effect on the Company's current profit and cash flows in the short run. In the long run, a rise in the rate of the dollar will lead to an increase in the generation tariff and, in turn, to an increase in the Company's revenues corresponding to the increase in the gas costs, such that a strengthening of the dollar could adversely impact the Company's profits.

In addition, from time to time the Company enters into hedges of the currency exposure in significant construction and maintenance contracts that are denominated in different currencies, particularly the dollar and the euro.

It is noted that from time to time, and based on business considerations and risk-management policies, the Company makes use of forward contracts on the exchange rates.

With reference to the Company's investment in the CPV Group, which operates in the U.S. with a dollar functional currency, in general a fall in the dollar rate has a negative impact on the dollar value of the Company's investment and on the Company's net income and shareholders' equity. On the other hand, due to the need to raise financing in Israel in shekels in order to finance the expected investments in the construction and development projects of the CPV Group, an increase in the dollar could lead to an increase in the financing requirements in order to realize these investments.

11. Impacts of changes in the macro-economic environment on the Group's activities and its results (Cont.)

CPI (inflation)

The Group is exposed to changes in the CPI. Regarding its activities in Israel, the Company is exposed to changes in the CPI, directly and indirectly, mainly due to linkage of a significant part of its revenues to the generation component (which is impacted partly by a change in the CPI). On the other hand, purchases of the natural gas are partly linked to the generation component and include, as stated, a dollar floor price. Also, part of the Company's capital costs and investments are linked to the CPI, directly or indirectly. Therefore, despite the fact that an increase in the CPI increases the Company's costs and investments, the structure of the revenues includes a partial natural hedge that reduces the said exposure, such that the Company's profits could be positively affected by an increase in the CPI.

Furthermore, the Company is exposed to changes in the CPI with respect to the terms of the Company's debentures (Series B) and part of Hadera's loans (regarding which hedging transactions were not executed as detailed in Note 23 to the financial statements for 2022). An increase in the CPI increases the Company's liabilities and financing costs. In order to reduce part of the exposure to changes in the CPI with respect to Hadera's loans, in June 2019 the Group entered into transactions with a bank for purposes of hedging part of the exposure to the CPI.

Interest rates

The Group loans and liabilities bearing variable interest that is based on prime or Libor plus a margin. An increase in the variable interest rates could cause an increase in the Group's financing costs. In addition, an increase in the interest rates could impact the discount rates for projects (active, under construction and in development) and could also lead to a lack of economic feasibility of continued development and/or acquisition of projects and a slowdown in the Company's growth processes, along with an existence of signs of impairment of value of assets and/or recording of impairment losses in the financial statements.

In order to reduce the exposure to changes in the interest rate in Israel (mainly prime), the Group makes use of mix of loans (including credit frameworks) and debentures in such a manner that part of the loans and the debentures bear fixed interest and part of them bear variable interest.

Most of the long-term loans and credit frameworks of the CPV Group (including through associated companies) bear variable interest (mainly Libor) and have cash flow exposure to changes in the interest rates. In order to reduce part of the exposure to interest risk, the CPV Group enters into transactions for swap of variable dollar interest for fixed dollar interest with respect to part of its long-term loans.

For additional details regarding the Group's policies for management of the financial risks and sensitivity analyses – see Note 23 to the financial statements for 2022.

12. Significant valuations

Transaction for acquisition of the Gat power plant

Further to that stated in Note 6(1)1 to the Interim Statements regarding completion of a transaction for acquisition of all the rights in the Gat Power Plant on March 30, 2023, on the completion date of the transaction the Company performed a valuation for determination of the fair value of the identified assets and liabilities of the Gat Power Plant and determination of the amount of the goodwill and the manner of allocation thereof to the cash-generating units, by means of an external independent appraiser (BDO Ziv Haft). For additional details regarding the valuation – see Note 6A(1) to the Interim Statements. Up to the approval date of the report, the Company had not yet completed allocation of the acquisition cost – this being in light of the short period of time from the date of the business combination and the approval date of the report, and as a result part of the fair value data is still not final and there could be changes to them.

Details in the valuation:

Subject matter of the valuation	Determination of the fair value of the identified assets and liabilities of the Gat power plant and determination of the amount of the goodwill and the metho allocation thereof to the cash-generating units pursuant to the provisions of IFRS 3.
Date of the valuation	March 30, 2023.
Value of the identified assets and liabilities and the amount of the goodwill as at the valuation date	About NIS 555 million.
Identity of the appraiser and his characteristics	The valuation was performed by a team headed by Mr. Sagiv Mizrahi, CPA, a partner and team manager in the Corporate Finance Department of the Office of (Ziv Haft). Sagiv has a Bachelor's degree in applied mathematics from Bar Ilan University and a Master's degree in business administration (MBA), with ho and a specialization in financial management from Tel-Aviv University. Sagiv has more than 10 years of experience in the areas of business and econ consulting, valuations of companies and financial instruments and economic–accounting work of various types in accordance with International Fina Reporting Standards (IFRS) and generally accepted accounting principles in the U.S. (U.S GAAP). In the past, Sagiv was a lecturer at Bar Ilan Universi accounting and valuations.
Valuation model	The fair value of the power plant was estimated using the revenues' method, the multi-period excess earnings method (MPEEM). The fundamental assumpti this method is that the value of the asset being estimated equals the present value of the free cash flows allocable to the asset less the fair rate of return o required assets (the cash flow assets) for purposes of realization of these cash flows.
The assumptions based on which the appraiser performed the valuation	– The nominal shekel weighted-average cost of capital (WACC) rates ranges between 8% and 8.75%. – Forecast years – represents the period between March 31, 2023 and up to December 31, 2059, and is based on an estimate of the economic useful life c power plant.

12. Significant valuations (Cont.)

Transaction for acquisition of the Mountain Wind wind plants

Further to that stated in Note 6B(1) to the Interim Statements with respect to completion of the transaction for acquisition of all of the rights in the Mountain Wind project on April 5, 2023, as at the completion date of the transaction the CPV Group made an initial valuation in order to determine the fair value of the identified assets and liabilities of the Mountain Wind project as well as to determine the amount and manner of allocation of the goodwill to the cash-generating units. For additional details regarding the valuation – see Note 6B(1) to the Interim Statements. Up to the approval date of the report, the CPV Group had not yet completed allocation of the acquisition cost – this being in light of the short period of time from the date of the business combination and the approval date of the report, and as a result part of the fair value data is still not final and there could be changes to them.

Details in the valuation:

Subject matter of the valuation	Determination of the fair value of the identified assets and liabilities of the Mountain Wind project and determination of the amount of the goodwill pursua the provisions of IFRS 3.
Date of the valuation	April 5, 2023.
Value of the identified assets and liabilities and the amount of the goodwill as at the valuation date	About NIS 625 million.
Identity of the appraiser and his characteristics	As at the approval date of the report, an initial allocation of the acquisition cost was made by the CPV Group
Valuation model	The fair value was estimated using the DCF method by means of discounting the project's future pre-tax cash flows, at an after-tax weighted-average co capital (WACC).
The assumptions based on which the appraiser performed the valuation	– The nominal shekel weighted-average cost of capital (WACC) rates ranges between 5.75% and 6.25%. – Market prices – the market prices (electricity, availability of RECs, etc.) are based PPA agreements and market forecasts received from external, indeper information sources, taking into account the region and the relevant market for each project and the relevant regulation. – Forecast years – between 20 and 39 years, and is based on an estimate of the economic useful life of the project's power (wind) plant.

Yair Caspi
Chairman of the Board of Directors

Giora Almogy
CEO

Date: May 23, 2023

Exhibit 99.2

OPC Energy Ltd.
Condensed Consolidated Interim
Financial Statements
As of March 31, 2023
(Unaudited)

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Somekh Chaikin
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Review Report of the Independent Auditors to the Shareholders of OPC Energy Ltd.

Introduction

We have reviewed the accompanying financial information of OPC Energy Ltd. (hereinafter – the "Company") and its subsidiaries, including the condensed consolidated interim statement of financial position as of March 31, 2023, and the condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and management are responsible for preparing and presenting financial information for this interim period in accordance with IAS 34, Interim Financial Reporting, and are also responsible for preparing financial information for this interim period under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion regarding the financial information for this interim period based on our review.

Review scope

We conducted our review in accordance with Review Standard (Israel) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel. A review of financial information for interim periods consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially smaller in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might have been identifiable in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned financial information was not prepared, in all material respects, in accordance with the International Accounting Standard (IAS 34).

In addition to that mentioned in the previous paragraph, based on our review, nothing has come to our attention that causes us to believe that the aforementioned financial information does not comply, in all material respects, with the disclosure requirements of Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Somekh Chaikin
Certified Public Accountants

May 23, 2023

Condensed Consolidated Interim Statements of Financial Position as of

	March 31 2023	March 31 2022	December 31 2022
	(Unaudited)	(Unaudited)	(Audited)
	NIS million	NIS million	NIS million
Current assets			
Cash and cash equivalents	**1,503**	668	849
Short term deposits	**-**	-	125
Short-term restricted deposits and cash	**23**	14	36
Trade receivables and accrued income	**191**	163	260
Other receivables and debit balances	**179**	91	190
Inventories	**8**	6	7
Short-term derivative financial instruments	**9**	2	10
Total current assets	**1,913**	944	1,477
Non-current assets			
Long-term restricted deposits and cash	**54**	79	53
Prepaid expenses and other long-term receivables	**198**	179	179
Investments in associates	**2,419**	1,874	2,296
Deferred tax assets	**17**	39	22
Long-term derivative financial instruments	**58**	50	57
Property, plant & equipment	**5,385**	3,785	4,324
Right-of-use assets	**354**	298	347
Intangible assets	**885**	708	777
Total non-current assets	**9,370**	7,012	8,055
Total assets	**11,283**	7,956	9,532

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statements of Financial Position as of

	March 31 2023 (Unaudited) NIS million	March 31 2022 (Unaudited) NIS million	December 31 2022 (Audited) NIS million
Current liabilities			
Current maturities of long-term loans from banks and financial institutions	**122**	70	92
Current maturities of loans from non-controlling interests	**65**	34	13
Current maturities of debentures	**112**	27	33
Trade payables	**338**	359	335
Payables and credit balances	**384**	65	110
Short-term derivative financial instruments	**3**	12	3
Current maturities of lease liabilities	**62**	59	61
Current tax liabilities	**2**	-	2
Total current liabilities	**1,088**	626	649
Non-current liabilities			
Long-term loans from banking corporations and financial institutions	**2,243**	1,594	1,724
Long-term loans from non-controlling interests	**382**	406	424
Debentures	**1,722**	1,785	1,807
Long-term lease liabilities	**70**	44	69
Other long-term liabilities	**156**	101	146
Deferred tax liabilities	**473**	320	347
Total non-current liabilities	**5,046**	4,250	4,517
Total liabilities	**6,134**	4,876	5,166
Equity			
Share capital	**2**	2	2
Share premium	**3,209**	2,392	3,209
Capital reserves	**565**	137	327
Retained earnings (loss)	**32**	(120)	(31)
Total equity attributable to the Company's shareholders	**3,808**	2,411	3,507
Non-controlling interests	**1,341**	669	859
Total equity	**5,149**	3,080	4,366
Total liabilities and equity	**11,283**	7,956	9,532

Yair Caspi Chairman of the Board of Directors	Giora Almogy Chief Executive Officer	Ana Berenshtein Shvartsman Chief Financial Officer

Financial statements approval date: May 23, 2023

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statements of Income

	For the three-month period ended March 31		For the year ended December 31
	2023	2022	2022
	(Unaudited)	(Unaudited)	(Audited)
	NIS million	NIS million	NIS million
Revenues from sales and services	**519**	468	1,927
Cost of sales and services (excluding depreciation and amortization)	**364**	311	1,404
Depreciation and amortization	**48**	42	191
Gross profit	**107**	115	332
General and administrative expenses	**59**	48	239
Share in profits of associates	**85**	95	286
Business development expenses	**15**	10	50
Operating profit	**118**	152	329
Finance expenses	**44**	41	167
Finance income	**26**	20	120
Finance expenses, net	**18**	21	47
Profit before taxes on income	**100**	131	282
Expenses for income tax	**21**	27	65
Profit for the period	**79**	104	217
Attributable to:			
The Company's shareholders	**63**	78	167
Non-controlling interests	**16**	26	50
Profit for the period	**79**	104	217
Profit per share attributed to the Company's owners			
Basic and diluted earnings per share (in NIS)	**0.28**	0.38	0.79

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statements of Comprehensive Income

	For the three-month period ended March 31		For the year ended December 31
	2023	**2022**	**2022**
	(Unaudited)	**(Unaudited)**	**(Audited)**
	NIS million	**NIS million**	**NIS million**
Profit for the period	**79**	104	217
Other comprehensive income items that, subsequent to initial recognition in comprehensive income, were or will be transferred to profit and loss			
Effective portion of the change in the fair value of cash flow hedges	**4**	24	50
Net change in fair value of derivative financial instruments used to hedge cash flows recognized in the cost of the hedged item	**(3)**	3	(4)
Net change in fair value of derivative financial instruments used to hedge cash flows transferred to profit and loss	**(4)**	(2)	(14)
Share in other comprehensive income (loss) of associates, net of tax	**(18)**	45	64
Foreign currency translation differences in respect of foreign operations	**106**	30	267
Tax on other comprehensive income (loss) items	**1**	(5)	(9)
Other comprehensive income for the period, net of tax	**86**	95	354
Total comprehensive income for the period	**165**	199	571
Attributable to:			
The Company’s shareholders	**134**	144	412
Non-controlling interests	**31**	55	159
Comprehensive income for the period	**165**	199	571

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to the Company's shareholders										
	Share capital	Share premium	Capital reserve from transactions with non-controlling interests and merger	Hedge fund	Foreign operations translation reserve	Capital reserve from transactions with shareholders	Capital reserve for share-based payment	Retained earnings (retained loss)	Total	Non-controlling interests	Total equity
	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million
						(Unaudited)					
For the three-month period ended March 31, 2023											
Balance as of January 1, 2023	**2**	**3,209**	**(25)**	**91**	**159**	**78**	**24**	**(31)**	**3,507**	**859**	**4,366**
Investments by holders of non-controlling interests in equity of subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**162**	**162**
Share-based payment	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**4**	**-**	**4**
Exercised options and RSUs	***-**	**-**	**-**	**-**	**-**	**-**	***-**	**-**	**-**	**-**	**-**
Restructuring - share exchange and investment transaction with Veridis	**-**	**-**	**163**	**-**	**-**	**-**	**-**	**-**	**163**	**289**	**452**
Other comprehensive income (loss) for the period, net of tax	**-**	**-**	**-**	**(13)**	**84**	**-**	**-**	**-**	**71**	**15**	**86**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**63**	**63**	**16**	**79**
Balance as of March 31, 2023	**2**	**3,209**	**138**	**78**	**243**	**78**	**28**	**32**	**3,808**	**1,341**	**5,149**
For the three-month period ended March 31, 2022											
Balance as of January 1 2022	2	2,392	(25)	32	(27)	78	10	(198)	2,264	577	2,841
Investments by holders of non-controlling interests in equity of subsidiary	-	-	-	-	-	-	-	-	-	37	37
Share-based payment	-	-	-	-	-	-	3	-	3	-	3
Other comprehensive income for the period, net of tax	-	-	-	47	19	-	-	-	66	29	95
Profit for the period	-	-	-	-	-	-	-	78	78	26	104
Balance as of March 31, 2022	2	2,392	(25)	79	(8)	78	13	(120)	2,411	669	3,080

* Amount is less than NIS 1 million.

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statements of Changes in Equity (cont.)

	Attributable to the Company's shareholders										
	Share capital	Share premium	Capital reserve from transactions with non-controlling interests and merger	Hedge fund	Foreign operations translation reserve	Capital reserve from transactions with shareholders	Capital reserve for share-based payment	Retained loss	Total	Non-controlling interests	Total equity
	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million	NIS million
						(Audited)					
For the year ended December 31, 2022											
Balance as of January 1 2022	2	2,392	(25)	32	(27)	78	10	(198)	2,264	577	2,841
Issuance of shares (less issuance expenses)	*-	815	-	-	-	-	-	-	815	-	815
Investments by holders of non-controlling interests in equity of subsidiary	-	-	-	-	-	-	-	-	-	123	123
Share-based payment	-	-	-	-	-	-	16	-	16	-	16
Exercised options and RSUs	*-	2	-	-	-	-	(2)	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	59	186	-	-	-	245	109	354
Profit for the year	-	-	-	-	-	-	-	167	167	50	217
Balance as of December 31, 2022	2	3,209	(25)	91	159	78	24	(31)	3,507	859	4,366

* Amount is less than NIS 1 million.

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statements of Cash Flow

	For the three-month period ended March 31		For the year ended December 31
	2023	**2022**	**2022**
	(Unaudited)	**(Unaudited)**	**(Audited)**
	NIS million	**NIS million**	**NIS million**
Cash flows from operating activities			
Profit for the period	**79**	104	217
Adjustments:			
Depreciation, amortization and diesel fuel consumption	**52**	45	210
Finance expenses, net	**18**	21	47
Expenses for income tax	**21**	27	65
Share in profits of associates	**(85)**	(95)	(286)
Share-based compensation transactions (including cash-settled transactions)	**9**	12	62
	94	114	315
Changes in inventory, trade and other receivables	**92**	25	(84)
Changes in trade payables, service providers, other payables and long-term liabilities	**(82)**	(48)	(19)
	10	(23)	(103)
Income tax paid	**(1)**	-	(5)
Net cash from operating activities	**103**	91	207
Cash flows from investing activities			
Interest received	**6**	-	8
Short-term restricted deposits and cash, net	**15**	(13)	(33)
Short-term deposits, net	**125**	-	(125)
Provision of short-term collateral[(1)]	**-**	-	(79)
Release of short-term collateral[(1)]	**73**	-	17
Withdrawals from long-term restricted cash	**-**	15	44
Deposits to long-term restricted cash	**-**	(1)	(2)
Acquisition of partnership (Gat Power Plant), net of acquired cash[(2)]	**(268)**	-	-
Investment in associates	**(4)**	(1)	(10)
Proceeds for repayment of partnership capital from associates	**7**	8	15
Purchase of property, plant, and equipment, intangible assets and long-term deferred expenses	**(223)**	(284)	(942)
Receipt (payment) for derivative financial instruments, net	**6**	(2)	5
Net cash used in investing activities	**(263)**	(278)	(1,102)

1. Included mainly a collateral provided to secure transactions to hedge electricity margins in Valley (an associate of **CPV** Group) in 2022, and which was released in the reporting period.

2. For further details regarding the completion of the transaction to acquire the Gat Power Plant, specifically the repayment of shareholder loans amounting to NIS 303 million (presented under financing activity) and a NIS 300 million payment in the three-month periods ended March 31, payable by December 31, 2023, see Note 6A1.

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statements of Cash Flow (cont.)

	For the three-month period ended March 31		For the year ended December 31
	2023	2022	2022
	(Unaudited)	(Unaudited)	(Audited)
	NIS million	NIS million	NIS million
Cash flows from financing activities			
Proceeds of share issuance, less issuance expenses	**-**	-	815
Receipt of long-term loans from banking corporations and financial institutions	**547**	156	291
Receipt of long-term loans from non-controlling interests	**35**	11	46
Investments by holders of non-controlling interests in equity of subsidiary	**162**	37	123
Proceed in respect of restructuring - share exchange and investment transaction with Veridis	**452**	-	-
Interest paid	**(34)**	(30)	(86)
Prepaid costs for loans taken	**(3)**	(3)	(9)
Repayment of long-term loans from banking corporations and others	**(24)**	(21)	(74)
Repayment of long-term loans as part of the acquisition of the Gat Partnership	**(303)**	-	-
Repayment of long-term loans from non-controlling interests	**(36)**	(14)	(89)
Repayment of debentures	**(16)**	(10)	(20)
Receipt (payment) for derivative financial instruments, net	1	(2)	(3)
Repayment of principal in respect of lease liabilities	**(2)**	(1)	(8)
Net cash provided by financing activities	**779**	123	986
Net increase (decrease) in cash and cash equivalents	**619**	(64)	91
Balance of cash and cash equivalents at beginning of period	**849**	731	731
Effect of exchange rate fluctuations on cash and cash equivalent balances	**35**	1	27
Balance of cash and cash equivalents at end of period	**1,503**	668	849

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

NOTE 1 - GENERAL

The Reporting Entity

OPC Energy Ltd. (hereinafter – "the Company") was incorporated in Israel on February 2, 2010. The Company's registered address is 121 Menachem Begin Blvd., Tel Aviv, Israel. The Company's controlling shareholder is Kenon Holdings Ltd. (hereinafter - the "Parent Company"), a company incorporated in Singapore, the shares of which are dual-listed on the New York Stock Exchange (NYSE) and the Tel Aviv Stock Exchange (hereinafter - the "TASE").

The Company is a publicly traded company whose securities are traded on the TASE.

As of the approval date of the report, the Company and its investees (hereinafter - the "Group") are engaged in the generation and supply of electricity and energy through three reportable segments. For further details regarding the Group's operating segments during the reporting period, see Note 27 to the Financial Statements as of December 31, 2022 (hereinafter – the "Annual Financial Statements").

NOTE 2 - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

A. Statement of compliance with International Financial Reporting Standards (IFRS)

The Condensed Consolidated Interim Financial Statements were prepared in accordance with International Accounting Standard 34 (hereinafter – "IAS 34") - "Interim Financial Reporting" and do not include all of the information required in complete Annual Financial Statements. These statements should be read in conjunction with the Annual Financial Statements. In addition, these financial statements were prepared in accordance with the provisions of Section D of the Securities Regulations (Periodic and Immediate Reports) 1970.

The Condensed Consolidated Interim Financial Statements were approved for publication by the Company's Board of Directors on May 23, 2023.

B. Functional and presentation currency

The New Israeli Shekel (NIS) is the currency that represents the primary economic environment in which the Company operates. Accordingly, the NIS is the Company's functional currency. The NIS also serves as the presentation currency in these financial statements. Currencies other than the NIS constitute foreign currency.

C. Use of estimates and judgments

In preparation of the condensed consolidated interim financial statements in accordance with the IFRS, the Company's management is required to use judgment when making estimates, assessments and assumptions that affect implementation of the policies and the amounts of assets, liabilities, income and expenses. It is clarified that the actual results may differ from these estimates.

Management's judgment, at the time of implementing the Group's accounting policies and the main assumptions used in the estimates involving uncertainty, are consistent with those used in the Annual Financial Statements.

NOTE 2 - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont.)

D. Reclassification

The Group carried out several immaterial reclassifications in its comparative figures, such that their classification will match their classification in the current financial statements.

E. Seasonality

The Group companies' results in Israel are based on the generation component, which constitute part of the energy demand management rate (hereinafter – the "TAOZ"), which is regulated and published by the Israeli Electricity Authority. Through January 2023, the year was broken down into three seasons: summer (July and August), winter (December, January and February) and "transitional" (March through June and September through November), and for each season a different tariff was set for each demand hour cluster (hereinafter - "DHC"). Two key changes occurred as from January 2023: (1) The cancellation of the mid-peak DHC tariff, on account of the expansion of the number of months of the peak and off-peak DHCs; (2) the summer season was extended to 4 months instead of two months, such that June to September are considered as summer, March to May and October to November are considered as the transitional season, and the winter season did not change. Changing the DHCs alters the seasonality of the distribution of the Company's revenues and profitability in Israel over the year, so as to significantly increase the third quarter (the summer months) on account of the other quarters, especially the first quarter.

In the USA, the activity of CPV Group is affected by seasonality as a result of variable demand due to, among other things, weather changes in different seasons, and gas and electricity prices. In general, with respect to gas-fired power plants, there is higher profitability in seasons where temperatures are at their highest or lowest - usually during summer and winter. Similarly, the profitability of renewable energy production is subject to production volume, which varies based on wind and solar constructions, as well as its electricity price, which tends to be higher in winter, unless there is a fixed contractual price for the project.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The Group's accounting policies in these condensed consolidated interim financial statements are the same as the policies applied to the Annual Financial Statements.

NOTE 4 - SEGMENT REPORTING

A. Further to Note 27 to the annual financial statements, there was no change during the reporting period in the composition of the Group's reportable segments nor in the manner in which the segments' performance is measured by the chief operating decision maker.

B. Regarding the change in the segments' composition as of December 31, 2022, see Note 27 to the annual financial statements.

	For the three-month period ended March 31, 2023					
	Israel	**Energy transition in the USA**	**Renewable energies in the USA**	**Other activities in the USA**	**Adjustments to consolidated**	**Consolidated - total**
In NIS million			**(Unaudited)**			
Revenues from sales and services	**464**	**497**	**27**	**28**	**(497)**	**519**
Adjusted EBITDA[(1)] for the period	**118**	**181**	**7**	**-**	**(183)**	**123**
Adjustments:						
Non-recurring expenses						**(7)**
Unattributed general and administrative expenses in the USA						**(24)**
General and administrative expenses not allocated to segments						**(7)**
Total EBITDA for the period						85
Depreciation and amortization						**(5**2)
Finance expenses, net						**(18)**
Share in profits of associates						**85**
						15
Profit before taxes on income						100
Expenses for income tax						**21**
Profit for the period						79

	For the three-month period ended March 31, 2022(*)					
	Israel	**Energy transition in the USA**	**Renewable energies in the USA**	**Other activities in the USA**	**Adjustments to consolidated**	**Consolidated - total**
In NIS million			**(Unaudited)**			
Revenues from sales and services	**428**	**473**	**22**	**18**	**(473)**	**468**
Adjusted EBITDA for the period	**120**	**136**	**8**	**(1)**	**(137)**	**126**
Adjustments:						
Unattributed general and administrative expenses in the USA						**(20)**
General and administrative expenses not allocated to segments						**(5)**
Total EBITDA for the period						**101**
Depreciation and amortization						**(44)**
Finance expenses, net						**(21)**
Share in profits of associates						**95**
						30
Profit before taxes on income						**131**
Expenses for income tax						**27**
Profit for the period						**104**

(*) Restated due to the change in the segments' composition; for additional details, see Section B above.[1]

(1) For the definition of adjusted EBITDA, see Note 27 to the annual financial statements.

NOTE 4 - SEGMENT REPORTING (cont.)

	For the year ended December 31, 2022					
	Israel	Energy transition in the USA	Renewable energies in the USA	Other activities in the USA	Adjustments to consolidated	Consolidated - total
In NIS million	(Audited)					
Revenues from sales and services	**1,735**	**1,967**	**95**	**97**	**(1,967)**	**1,927**
Annualized EBITDA	**367**	**562**	**26**	**-**	**(564)**	**391**
Adjustments:						
Non-recurring expenses						**(10)**
Unattributed general and administrative expenses in the USA						**(111)**
General and administrative expenses not allocated to segments						**(26)**
Total EBITDA for the year						244
Depreciation and amortization						**(201)**
Finance expenses, net						**(47)**
Share in profits of associates						**286**
						38
Profit before taxes on income						**282**
Expenses for income tax						**65**
Profit for the year						**217**

NOTE 5 - REVENUES FROM SALES AND SERVICES

Composition of revenues from sales and provision of services:

	For the three-month period ended March 31		For the year ended December 31
	2023	2022	2022
In NIS million	(Unaudited)		(Audited)
Revenues from sale of electricity in Israel:			
Revenues from the sale of energy to private customers	**300**	291	1,212
Revenues from energy sales to the System Operator and other suppliers	**23**	40	107
Revenues from sale of steam in Israel	**17**	14	62
Other income in Israel	**8**	8	39
Total revenues from sale of energy and others in Israel (excluding infrastructure services)	**348**	353	1,420
Revenues from private customers for infrastructure services	**116**	75	315
Total income in Israel	**464**	428	1,735
Revenues from the sale of electricity from renewable energy in the USA	**24**	22	87
Revenues from provision of services in the US	**31**	18	105
Total revenues in the USA	**55**	40	192
Total income	**519**	468	1,927

NOTE 6 - SUBSIDIARIES

A. Israel

1. Business combination that took place in the reporting period - acquisition of the Gat Power Plant

Further to what is stated in Note 28D to the annual financial statements regarding the Group's engagement in a transaction for the acquisition of the Gat Power Plant, on March 30, 2023, the transaction was completed, and all rights in the Gat Power Plant were transferred to the Group. The transaction was completed in consideration for a total of NIS 873 million (which is subject to adjustments to working capital as is generally accepted in agreements of this type), of which NIS 303 million were used to repay the shareholders' loan, and the remaining balance of NIS 570 million was used to acquire all the rights in the Gat Partnership (of which a total of NIS 300 million constitutes a deferred consideration that will be paid through December 31, 2023). For more information regarding the project financing agreement that was signed on March 30, 2023, and which was used to finance part of the consideration as stated above, see Note 7A1.

Management estimates that had the acquisition taken place on January 1, 2023, the revenue amount in the consolidated statement of income for the first quarter of 2023 would have been NIS 550 million and the consolidated income for that period would have been NIS 78 million.

Determination of fair value of assets and liabilities identifiable as of the acquisition date:

The acquisition of the Gat Power Plant was accounted for according to the provisions of IFRS 3 - "Business Combinations". Therefore, on the Transaction Completion Date, the Company included in its financial statements the net identifiable assets of the Gat Power Plant in accordance with their fair value. By the approval date of the financial statements, the Company had not yet completed allocation of the acquisition cost to the identified assets and liabilities, in light of the short time from the date of the business combination to the date approval of the financial statements. As a result, some of the fair value figures are still provisional and there may be changes that will affect the data included in these financial statements.

Set forth below is the fair value of the identifiable assets and liabilities acquired (according to temporary amounts):

	In NIS million
Cash and cash equivalents	2
Trade and other receivables	24
Property, plant, and equipment and right-of-use assets - facilities and electricity generation and supply license (1)	795
Property, plant, and equipment - land owned by the Gat Partnership (2)	84
Trade and other payables	(23)
Loans from former right holders (3)	(303)
Deferred tax liability	(109)
Identifiable assets, net	470
Goodwill (4)	85
Total consideration (5)	555

(1) The Group opted to implement the expedient as per IFRS 3 and allocate the fair value of the facilities and the electricity supply license to a single asset. The fair value was determined by an independent appraiser using the income approach, the MultiPeriod Excess Earning Method (MPEEM). The valuation methodology included several key assumptions that constituted the basis for cash flow forecasts, including, among other things, electricity and gas prices, and nominal post-tax discount rate of 8%-8.75%. The said assets are amortized over 27 years from the acquisition date, considering an expected residual value at the end of the assets' useful life.

(2) The fair value of the land was determined by an external and independent land appraiser using the discounted cash flow technique (the discount rate used is 8%).

(3) As stated above, the loans were repaid immediately after the acquisition date.

(4) The goodwill arising as part of the business combination reflects the synergy between the activity of the Gat Power Plant and the Rotem Power Plant.

(5) The consideration includes a cash payment of NIS 270 million plus deferred consideration, whose present value is estimated at NIS 285 million.

	In NIS million
The aggregate cash flows that were used by the Group for the acquisition transaction:	
Cash and other cash equivalents paid	270
Cash and other cash equivalents acquired	(2)
	268

Furthermore, NIS 303 million was used to repay the shareholders' loan as described above.

NOTE 6 - SUBSIDIARIES (cont.)

A. Israel (cont.)

2. Restructuring and investment transaction - Veridis transaction

The restructuring (transfer of assets and share exchange) and investment transaction entered into between Veridis, the Company and OPC Israel (a wholly-owned subsidiary of the Company) was completed in January 2023; as part of the transaction, assets were transferred from the Company and from Veridis to OPC Israel and a wholly-owned company thereof; the transfer was tax-exempt in accordance with the provisions of the Income Tax Ordinance and was made in consideration for the allocation of shares in OPC Israel and a wholly-owned company thereof.

In addition, a shareholders agreement between the Company and Veridis was signed and came into force, which regulates their relationship in OPC Israel, such that as from the transaction completion date, all of the Company's electricity and energy generation and supply in Israel are wholly-owned by OPC Israel.[21] Furthermore, on the transaction completion date, Veridis transferred to OPC Israel a total of NIS 452 million (after adjustments to working capital as is generally accepted in agreements of this type); against the transfer of said investment and Veridis's rights in the Rotem companies, 20% of OPC Israel's issued capital was allocated to Veridis. It should be noted that a total of NIS 400 million out of the said investment amount was used by Rotem to repay (pro rata) part of shareholders' loans extended by the Company and Veridis to Rotem in 2021 (for more information, see Note 25D2 to the Annual Financial Statements). In addition, as part of the Transaction, arrangements were put in place regarding guarantees that the Company provided and/or will provide in favor of the assets transferred to OPC Israel, as well as indemnity arrangements in respect of such guarantees that will be retained by the Company. As of the approval date of the report, the parties take steps to complete actions in connection with the financing agreements of the Zomet and Hadera power plants, and in connection with adapting the said agreements to the holdings structure after the completion of the transaction.

The accounting treatment applied to the Veridis transaction in accordance with the provisions of IFRS 10 is a transaction with non-controlling interests while retaining control; accordingly, all differences between the cash received from Veridis as stated above and the increase in the non-controlling interests line item was recognized in capital reserve from transactions with non-controlling interests.

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[2] In January 2023, on the eve of the transaction's completion, the Company transferred to OPC Israel, among other things, the shares of OPC Power Plants, the holdings in Rotem 2, the holdings in Gnrgy, as well as other companies and operations in the area of activity in Israel, such as energy generation facilities on consumers' premises, virtual electricity supply activity, and more.

B. USA - Renewable energies segment

1. Business combination that took place subsequent to the reporting period - acquisition of the Mountain Wind Power Plants

Further to what is stated in Note 29B to the annual financial statements regarding CPV Group's engagement in an agreement for the acquisition of all rights in four active wind energy power plants (hereinafter - the "Mountain Wind Project"), on April 5, 2023, the transaction was completed and CPV Group received all rights in the Mountain Wind Project against payment of a NIS 625 million (USD 175 million) consideration (after adjustments as is generally accepted in agreements of this type). For more information regarding the project financing agreement that was signed on April 6, 2023, and which was used to finance part of the consideration as stated above, see Note 7A2.

The acquisition of the Mountain Wind project was accounted for according to the provisions of IFRS 3 - "Business Combinations". Therefore, the Company will include - in its financial statements for the second quarter of 2023, at the Transaction Completion Date - the fair value of the net identifiable assets and goodwill of the Mountain Wind Project.

As of the approval date of the financial statements, the Company had not yet completed the attribution of the acquisition cost to the identifiable assets and liabilities, in light of the short time that had elapsed from the date of the business combination to the financial statements approval date. As a result, some of the fair value data is temporary and there may be changes that will affect the data included below.

Set forth below is the fair value of the identifiable assets and liabilities acquired (based on temporary values):

	In NIS million (Based on the exchange rate at the acquisition date)	In USD millions
Trade and other receivables	14	4
Property, plant & equipment (1)	451	127
Intangible assets (1)	93	26
Trade and other payables	(3)	(1)
Liabilities in respect of evacuation and removal	(5)	(2)
Identifiable assets, net	550	154
Goodwill (2)	75	21
Total consideration	625	175

(1) The fair value was determined by the CPV Group using the discounted cash flow method. The valuation methodology included a number of key assumptions that constituted the basis for cash flow forecasts, including, among other things, electricity prices, and nominal post-tax discount rate of 5.75%-6.25%. Intangible assets are amortized over 13 to 17 years, and property, plant, and equipment items are depreciated over 20 to 29 years.

(2) The goodwill reflects the business potential embodied in the Group's entry into the renewable energies market in New England, USA. CPV Group expects that the entire amount of the goodwill will be deductible for tax purposes.

NOTE 7 - CREDIT FROM BANKING CORPORATIONS AND OTHERS, DEBENTURES, GUARANTEES AND EQUITY

A. Significant events during and after the reporting period

1. Gat Financing Agreement:

In March 2023, the Gat Partnership and Bank Leumi le-Israel B.M. (hereinafter - "Bank Leumi") signed a financing agreement for a senior debt (project financing) to finance the construction of the Gat Power Plant, as described in Note 6A1; set forth below are the key points of the agreement:

Loan principal	NIS 450 million, repayable in quarterly installments, starting from September 25, 2023, with the final repayment date being May 10, 2039 (subject to the stipulated early repayment provisions in the agreement).
Interest on the loan	• Prime interest + a spread ranging from 0.4% to 0.9% per annum. • Conversion from a variable interest to fixed, unlinked interest, in accordance with the conversion mechanism (unlinked interest payable on government bonds as defined in the agreement + a spread ranging from 2.05% to 2.55%), according to the earliest of: four years from the date of the first withdrawal or at the Gat Partnership's discretion, or at the Bank's discretion, in accordance with the forced conversion mechanism, as stipulated in the agreement. • Repayment in quarterly installments, starting on June 25, 2023.
Collaterals and pledges	• Collateral was provided on all of the Gat Partnership's assets and rights in it, including the real estate, bank accounts, insurances, the Gat Partnership's assets and rights in connection with the Project Agreements (as defined in the agreement). • A line was placed on the rights of the entities holding the Gat Partnership. • Guarantees were provided by the Company and Veridis Power Plants, each in accordance with its proportionate share in the Gat Partnership, as well as OPC Power Plants, to pay all principal and accrued interest payments, in connection with the completion of the registration of the collateral and the payment of the Deferred Consideration balance under the circumstances and subject to the terms set in the letter of guarantee.
Liabilities	The agreement prescribes certain restrictions and liabilities as is generally accepted in agreements of this type, including: • Prohibition on pledging assets, and restrictions on the sale and transfer of assets. • Restrictions on assuming financial debts and providing guarantees. • Requirement to obtain Bank Leumi's approval for engagement in material agreements and other material actions. • Undertaking in connection with holding certain reserve deposits for maintenance and debt service. • Bank Leumi was granted veto rights and other rights in connection with certain decisions as is generally accepted in agreements of this type. • Undertaking to obtain rating for the project under certain circumstances;
Financial covenants and default events	The agreement prescribes standard default events as is generally accepted in agreements of this type, including: • Various default events. • Shutdown of the Gat Power Plant. • Payment default. • Events that have a material adverse effect. • Cross-default events by parties to certain project agreements. • certain events relating to the project (as defined in the agreement). • Certain changes in ownership/control. • Certain force majeure events. • Events associated with insurance coverage of activity of the Gat Power Plant. • Non-compliance with the financial ratios as set out in Note 7C and OPC Power Plants and certain other Group entities' non-compliance with certain financial covenants. • Certain legal proceedings in connection with the Gat Partnership.
Conditions for distribution	Distributions by the Gat Partnership (as defined in the Gat Financing Agreement, including a repayment of shareholders' loans) is subject to a number of terms and conditions outlined in the agreement, including, among other things: • Compliance with the following financial covenants: Historic DSCR, Average Projected DSCR and LLCR at a minimal rate of 1.15. • A first quarterly principal and interest payment was made. • The provisions of the agreement were complied with. • No more than four distributions will be carried out in a 12-month period.

NOTE 7 - CREDIT FROM BANKING CORPORATIONS AND OTHERS, DEBENTURES, GUARANTEES AND EQUITY (cont.)

A. Significant events during and after the reporting period (cont.)

1. Gat Financing Agreement:\ (cont.):

Equity Subscription Agreement of the Gat Partnership:

In March 2023, the Gat Partnership, the Entities Holding the Gat Partnership, including OPC Power Plants and Bank Leumi signed an equity subscription agreement, under which the said entities made certain undertakings toward Bank Leumi in connection with the Gat Partnership's activity, including undertakings to bear 6 months of debt service at the terms set forth in the said agreement; to provide equity capital; an undertaking to make certain guarantees in favor of third parties in connection with the Gat Power Plant’s activity, to the extent required; certain financial covenants of OPC Power Plants and the Group companies; payment of certain amounts in connection with the arbitration proceeding between the Gat Partnership and the Operator (as defined in the agreement), bearing capacity payments under some circumstances prescribed in the said equity subscription agreement, and paying any amount to Bank Leumi beyond the principal and the accrued interest under the abovementioned Letter of Guarantee, to the extent it is realized.

2. The Mountain Wind financing agreement

On April 6, 2023, a CPV Group and a banking corporation entered into a financing agreement that includes: (1) a term loan of NIS 270 million (USD 75 million) that was used to fund part of the purchase consideration of the Mountain Wind Project (as described in Note 6B1 above) (hereinafter - the “Loan”); and (2) ancillary credit facilities for working capital and LC at a total amount of NIS 60 million (USD 17 million) for the current credit needs of the Mountain Wind Project.

The term of the Loan and Credit Facilities is for a period of 5 years. The Loan bears annual interest of SOFR plus a fixed margin and a variable margin of between 1.625% and 1.75% over the term of the loan; the interest will be paid at least every quarter. It should be noted that the CPV Group hedged the exposure to changes in variable SOFR interest by entering into an interest rate swap in respect of 75% of the outstanding balance of the Loan and opted to apply cash flow hedge accounting. The weighted interest as of the transaction date is 5.3%.

The agreement and credit facilities include generally accepted grounds for immediate repayment of the outstanding debt balance, and generally accepted financial covenants in connection with distributions. Furthermore, in order to secure the credit facilities, the banking corporation was provided with pledges on the assets of the Mountain Wind Project and the rights therein.

3. Tax equity partner agreement in Maple Hill

On May 12, 2023, CPV Group entered into a NIS 280 million (USD 78 million) tax equity partner investment agreement in the Maple Hill project (hereinafter - the “Project”). Pursuant to the Agreement, the tax equity partner’s investment in the Project shall be provided in part (20%) on the date of completion of the construction works (Mechanical Completion) and the remainder (80%) on the Commercial Operation Date, as these terms are defined in the Agreement, subject to the fulfillment of the terms and conditions prescribed for that in the Agreement on each said date, as is the accepted norm in agreements of this type. It should be noted that if commercial operation of the Project will not be completed by December 31, 2023, the tax equity partner will be entitled to a NIS 13 million (approx. USD 4 million) compensation and for a certain period that was set, also to an option to sell to CPV Group his share in accordance with a mechanism set in the agreement, which is mainly derived on injection of the tax equity partner’s investments through that date.

In consideration for its investment in the project corporation, the tax equity partner is expected to receive most of the project’s tax benefits, including increased Investment Tax Credit (ITC) rate of 40% (following the IRA legislation), and participation in the distributable free cash flow from the project (at single rates and on a gradual basis as set out in the investment agreement). In addition, the tax equity partner is entitled to participate in the project's loss for tax purposes; in the first few years, the tax equity partner’s share in such loss for tax purposes or taxable income is high. At the end of 6 years from the commercial operation date, the tax equity partner’s share in such taxable income decreases significantly, and CPV Group has the option to acquire the tax equity partner’s share in the project corporation within a certain period and in accordance with a mechanism and conditions set out in the agreement in connection therewith.

As is generally accepted in engagements of this type, the agreement includes a guarantee provided by CPV Group, and an undertaking to indemnify the tax equity partner in connection with certain matters. Furthermore, the tax equity partner has certain veto rights, among other things, in respect of the creation of liens on the Project Partnership’s assets or the entry of the Project Corporation into additional material Project agreements.

The completion of the agreement and the injection of the tax equity partner's investments on the dates set for that purpose as stated above is subject to conditions precedent, which have not yet been fulfilled as of the approval date of the report.

NOTE 7 - CREDIT FROM BANKING CORPORATIONS AND OTHERS, DEBENTURES, GUARANTEES AND EQUITY (cont.)

B. Changes in the Group's material guarantees:

Further to Note 16C to the Annual Financial Statements, following are details on the main changes which took place during the reporting period in the bank guarantee amounts given by Group companies to third parties:

	As of March 31, 2023	As of December 31, 2022
For operating projects in Israel (Rotem, Hadera and the Gat Power Plant) (1)	140	111
For projects under construction in Israel (Zomet, Sorek and consumers' premises)	129	128
For virtual supply activity in Israel	53	62
For operating projects in the USA (Keenan)	51	50
In respect of projects under construction and development in the USA (CPV Group) (2)	185	90
Total	**558**	**441**

(1) The increase in the bank guarantees balance stems mainly from an increase in bank guarantees provided by Rotem in favor of the System Operator at the total amount of NIS 8 million, and the provision of NIS 15 million in bank guarantees by OPC Israel on behalf of the Gat Partnership, mainly in favor of the System Operator.

(2) The increase in the guarantees balance stems mainly from the provision of bank guarantees to various parties in connection with the Project, which is in advanced development stages.

In addition, shortly before the report's approval date, guarantees were provided by the Company - NIS 15 million in respect of ILA tenders (for further details, see Note 10G) and NIS 50 million in respect of the Eshkol tender (which represents 50% of total guarantee for the share of OPC Israel in the joint corporation bidding in the Eshkol tender).

C. Financial covenants:

Further to what is stated in Note 17B to the annual financial statements, set forth below are the financial covenants attached to the Series B and C debentures as defined in the deeds of trust, and the actual amounts and/or ratios as of March 31, 2023:

Ratio	Required value Series B	Required value Series C	Actual value
Net financial debt (1) to adjusted EBITDA (2)	will not exceed 13 (for distribution purposes - 11)	will not exceed 13 (for distribution purposes - 11)	5.2
The Company shareholders' equity (separate)	will not fall below NIS 250 million (for distribution purposes - NIS 350 million)	will not fall below NIS 1 billion (for distribution purposes - NIS 1.4 billion)	NIS 3,808 million
The Company's equity to asset ratio (separate)	will not fall below 17% (for distribution purposes - 27%)	will not fall below 20% (for distribution purposes - 30%)	67%
The Company's equity to asset ratio (consolidated)	--	will not fall below 17%	46%

(1) The consolidated net financial debt less the financial debt designated for construction of the projects that have not yet started to generate EBITDA.
(2) Adjusted EBITDA as defined in the deed of trust.

As of March 31, 2023, the Company complies with the said financial covenants.

NOTE 7 - CREDIT FROM BANKING CORPORATIONS AND OTHERS, DEBENTURES, GUARANTEES AND EQUITY (cont.)

C. Financial covenants (cont.):

Further to Note 16 to the annual financial statements and Note 7A1, set forth below are the financial covenants, as defined in the said note, which apply to Group companies in connection with their financing agreements with banking corporations (including long-term loans and binding short-term credit facilities), and the actual amounts and/or ratios as of March 31, 2023:

Financial covenants	**Breach ratio**	**Actual value**
Covenants applicable to Hadera in connection with the Hadera Financing Agreement		
Minimum projected DSCR	1.10	1.21
Average projected DSCR	1.10	1.59
LLCR	1.10	1.70
Covenants applicable to the Company in connection with the Hadera Equity Subscription Agreement		
Company's shareholders equity (separate) (through the end of the construction contractor's warranty period)	will not fall below NIS 250 million	NIS 3,808 million
The Company's equity to asset ratio (separate)	will not fall below 20%	67%
Minimum cash balance or bank guarantee from Hadera's commercial operation date through the end of the construction contractor's warranty period	will not fall below NIS 50 million	The cash balance is higher than NIS 50 million
Covenants applicable to Zomet in connection with the Zomet Financing Agreement (1)		
Expected ADSCR	1.05	1.18
Historic ADSCR	1.05	N/A
LLCR	1.05	1.51
Covenants applicable to the Gat Partnership in connection with the Gat Financing Agreement		
Historic ADSCR	1.05	1.35
Minimum projected DSCR	1.05	1.35
Average projected DSCR	1.05	1.36
LLCR	1.05	1.35
Covenants applicable to OPC Power Plants in connection with the Gat Equity Subscription Agreement		
OPC Power Plants' total assets balance	will not fall below NIS 2,500 million	NIS 5,343 million
OPC Power Plant's equity to asset ratio	will not fall below 15%	31%
OPC Power Plants' net debt to adjusted EBITDA ratio	will not exceed 12	2.6
OPC Power Plants' minimum cash balance	will not fall below NIS 30 million	The cash balance is higher than NIS 30 million
OPC Power Plants' minimum cash balance ("standalone")	will not fall below NIS 20 million	The cash balance is higher than NIS 20 million
Covenants applicable to the Company in connection with the Harel credit facility		
The Company shareholders' equity (separate)	will not fall below NIS 550 million	NIS 3,808 million
The Company's equity to asset ratio (separate)	will not fall below 20%	67%
The Company's net debt to adjusted EBITDA ratio	will not exceed 12	5.2
The LTV of the pledged rights	will be less than 50%	N/A
Covenants applicable to the Company in connection with the Discount credit facility		
The Company shareholders' equity (separate)	will not at any time fall below NIS 1,000 million	NIS 3,808 million
The Company's equity to asset ratio (separate)	will not fall below 20%	67%
Covenants applicable to the Company in connection with the Mizrahi credit facility		
The Company's shareholders' equity	will not fall below NIS 550 million	NIS 5,150 million
The Company's equity to asset ratio	will not fall below 20%	46%
Covenants applicable to the Company in connection with Hapoalim credit facility		
The Company's shareholders' equity (separate)	will not at any time fall below NIS 1,200 million	NIS 3,808 million
The Company's equity to asset ratio	will not at any time fall below 40%	46%
The ratio between the net financial debt less the financial debt designated for construction of the projects that have not yet started to generate EBITDA, and the adjusted EBITDA	will not exceed 12	5.2

(1) It should be noted that pursuant to the Zomet Financing Agreement, so long as Zomet Power Plant's commercial operation period has not commenced, all financial covenants are assessed in relation to the period starting on the first repayment date of the loans (except for the historic ADSCR, which will be assessed initially in the commercial operation period).

As of March 31, 2023, the Group companies comply with the said financial covenants.

NOTE 7 - CREDIT FROM BANKING CORPORATIONS AND OTHERS, DEBENTURES, GUARANTEES AND EQUITY (cont.)

D. Issuance of shares in respect of share-based payment and exercise of options

During the reporting period, the Company issued a total of 6,737 ordinary shares of the Company of NIS 0.01 par value each to Group officers in view of the vesting of some of the RSUs awarded to them as part of an equity-based compensation plan to Company's employees as described in Note 18B to the Annual Financial Statements.

NOTE 8 - COMMITMENTS, CLAIMS AND OTHER LIABILITIES

A. Commitments

1. Further to what is stated in Note 28C3 to the annual financial statements regarding Rotem and Hadera's natural gas purchase agreements with Energean Israel Limited (hereinafter – "Energean"), in the reporting period Energean issued Hadera with a notice regarding the completion of the commissioning for the purpose of the Hadera agreement on February 28, 2023; Energean also issued Rotem with a notice regarding the completion of the commissioning for the purpose of the Rotem agreement on March 25, 2023, and a notice regarding commercial operation on March 26, 2023.

   Furthermore, in the reporting period, Rotem and Hadera recognized NIS 18 million (approx. USD 5 million) in contractual financial amount, which was recognized in the cost of sales line item and is expected to be received in cash in early 2024.

2. Further to what is stated in Note 11B1(e) to the annual financial statements regarding the filing of the appraisal appeal by the joint corporation in respect of the assessment that was issued by the Israel Lands Authority in respect of the land of the Zomet Power Plant, **in** January 2023, a decision was made regarding the initial appeal, whereby the amount of the final assessment was reduced to NIS 154 million (excluding VAT). Zomet filed an appeal on the decision.

B. Claims and other liabilities

Further to what is stated in Note 28A1 to the annual financial statements regarding a motion for certification of a derivative lawsuit regarding the power purchase transaction, in February 2023 the court handed down a judgment that approved the settlement agreement, and subsequent to the report date,, Rotem paid a total of NIS 2 million, which reflects its share as set out in the settlement agreement.

NOTE 9 - FINANCIAL INSTRUMENTS

A. Financial instruments measured at fair value for disclosure purposes only.

The carrying amounts of certain financial assets and financial liabilities, including short-term and long-term deposits, cash and cash equivalents, restricted cash, trade receivables, other receivables, derivative financial instruments, trade payables and other payables of the Group are the same as their fair value or close thereto.

The fair values of the other financial assets and financial liabilities, together with the carrying amounts stated in the statement of financial position, are as follows:

	As of March 31, 2023	
	Carrying amount (*)	Fair value
	(Unaudited)	**(Unaudited)**
	NIS million	NIS million
Loans from banks and financial institutions (Level 2)	2,365	2,388
Loans from non-controlling interests (Level 2)	447	417
Debentures (Level 1)	1,836	1,676
	4,648	4,481

	As of March 31, 2022	
	Carrying amount (*)	Fair value
	(Unaudited)	**(Unaudited)**
	NIS million	NIS million
Loans from banks and financial institutions (Level 2)	1,664	1,784
Loans from non-controlling interests (Level 2)	434	417
Debentures (Level 1)	1,814	1,867
	3,912	4,068

	As of December 31, 2022	
	Carrying amount (*)	Fair value
	(Audited)	**(Audited)**
	NIS million	NIS million
Loans from banks and financial institutions (Level 2)	**1,817**	1,859
Loans from non-controlling interests (Level 2)	437	400
Debentures (Level 1)	1,854	1,734
	4,108	3,993

(*) Includes current maturities and interest payable.

For details regarding the Group’s risk management policies, including entering into financial derivatives as well as the manner of determining the fair value, see Note 23 to the Annual Financial Statements.

B. Fair value hierarchy of financial instruments measured at fair value.

The table below presents an analysis of financial instruments measured at fair value, on a periodic basis, using an evaluation method.

The evaluation techniques and various levels were detailed in Note 23 to the annual financial statements.

	For the three-month period ended March 31		**For the year ended December 31**
	2023	**2022**	**2022**
	(Unaudited)		**(Audited)**
Financial assets			
Derivatives used for hedge accounting			
CPI swap contracts (Level 2)	38	30	33
Interest rate swaps (US LIBOR) (Level 2)	21	12	24
Forwards on exchange rates (Level 2)	1	-	2
	60	42	59

(*) The nominal NIS-denominated discounted interest rate range in the value calculations is 3.94%-4.20% and the real discounted interest rate range is 0.24%-2.10%.

NOTE 10 - SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

A. In the three-month periods ended March 31, 2023 and 2022, the Group purchased property, plant and equipment totaling NIS 1,095 million and NIS 219 million, respectively, including property, plant and equipment purchased under a business combination in the three-month period ended March 31, 2023 totaling NIS 870 million, as set out in Note 6A1.

The said purchase amounts include credit costs capitalized to property, plant, and equipment, for a total of NIS 23 million and NIS 11 million, during the three-month periods ended March 31, 2023 and 2022, respectively. In addition, the said amounts include non-cash purchases totaling NIS 30 million and NIS 37 million during these periods, respectively.

B. Further to what is stated in Note 18C to the annual financial statements regarding a profit-sharing plan for CPV Group employees, the Plan’s fair value as of the report date amounted to NIS 150 million (approx. USD 42 million); this value was estimated using the option pricing model (OPM), based on a standard deviation of 28%, risk-free interest of 3.77%, and expected useful life until exercise of 3 years. During the reporting period, NIS 5 million in expenses were recognized in respect of the plan (in the first quarter of 2022 - NIS 9 million).

C. Further to what is stated in Note 25A2 to the annual financial statements, in the reporting period, the Company and non-controlling interests made equity investments in the partnership OPC Power Ventures LP (both directly and indirectly) a total of NIS 370 million (approx. USD 103 million), and extended it NIS 115 million (USD 32 million) in loans, based on their stake in the partnership. As of the report’s approval date, the total balance of investment undertakings and shareholders’ loans advanced by all partners is estimated at NIS 215 million (USD 60 million).

D. For more information regarding developments in credit from banking corporations and others, debentures, guarantees and equity in the reporting period and thereafter, see note 7.

E. For more information regarding developments in commitments, legal claims and other liabilities in the reporting period and thereafter, see note 8.

F. For information regarding the acquisition of the Mountain Wind wind farms subsequent to the reporting period, see Note 6B1.

G. On May 10, 2023, it was announced that the Group through OPC Power Plants (hereinafter - the “Winner”) won the tender issued by Israel Lands Administration (hereinafter - “ILA”) for planning and an option to purchase leasehold rights in land for the construction of renewable energy electricity generation facilities using photovoltaic technology in combination with storage in relation to three compounds in the Neot Hovav Industrial Local Council, with a total area of approx. 227 hectares. The Group’s bids on this Tender total NIS 484 million, in the aggregate, for all three Tender Compounds.

Under the Tender terms, the bids’ amount shall be paid in the following manner for each of the compounds: in connection with participating in the Tender, the Group has provided a NIS 5 million guarantee for each of the compounds the Tender concerns (a total of NIS 15 million), which, in accordance with the terms of the Tender, was realized upon winning and will be deducted from the first payment, as stated below. (2) Within 90 days of the notice of the win, a planning authorization agreement will be signed between the Winning Bidder and the ILA for the period prescribed in the tender documents, subject to paying an amount equal to 20% of the bid amount for each compound; (3) Upon authorizing a new outline plan, under which the project(s) may be constructed (to the extent that it is authorized), lease agreements will be signed for a period of 24 years and 11 months, to construct and operate the project(s), against payment of the remaining 80% of the bid amount per compound. To clarify, 20% of the bid amount (the first payment) will not be returned to the Winning Bidder even if the project(s)’ development and planning procedures never develop into an authorized plan and lease agreements are not signed.

As of the approval date of the report, it is uncertain that approvals, consents, or actions required for the completion of the project/s will be completed with respect to any of the compounds.

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES

The Group attaches to these condensed consolidated interim financial statements the condensed interim financial statements of Valley and Towantic, and the condensed interim financial statements of Fairview (hereinafter - "Material Associates"), including adjustments from US GAAP to IFRS presented below. According to an approval issued by the Israel Securities Authority Staff at the request of the Company, the Company shall publish the condensed interim financial statements of Fairview for the first quarter of 2023 by June 30, 2023.

In accordance with legal advice obtained by CPV Group, under relevant legislation in the US, signing the financial statements of material associates is not required, and the attached financial statements were approved by the competent organs and accompanied by a review report of the independent auditors.

The Material Associates' functional and presentation currency is the USD.

The financial statements of the Material Associates are drawn up in accordance with US GAAP, which vary, in some respects, from IFRS. Set forth below is information regarding adjustments made to the Material Associates' financial statements in order to make them compatible with the Company's accounting policies and rules.

Valley

Further to what is stated in Note 26D to the annual financial statements, in the reporting period and thereafter Valley reached agreements in principle for the extension of the term of a financing agreement, whose contractual repayment date with regard to loans whose balance as of the report date is NIS 1.5 billion (approx. USD 415 million, CPV's share - 50%), will be June 30, 2023. Set forth below are the key terms of the extension: (a) Postponing the loan's repayment date to May 31, 2026; (b) updating the weighted interest spread on the loan to 5.75%; and (c) reducing the debt amount by NIS 200 million (approx. USD 55 million), mainly by injection of funds by shareholders (Comapny's share in the said injection of funds - NIS 60 million (USD 17 million). As of the approval date of the report, the extension of the term of the financing agreement is subject to obtaining formal approvals and signing final documents, which, in the opinion of CPV's management, are expected to take place before the end of the second quarter of 2023. It should be noted that in the event that the extension documents will not be signed on the said date, it is not expected that Valley will be able to repay the loan on June 30, 2023, based on its cash flows from operating activities. Accordingly, Valley's financial statements as of March 31, 2023, include a disclosure about the ability of CPV Valley Holdings LLC to repay its undertakings under its financing agreement. As of the report approval date, the aforesaid circumstances have no effect on the Group and Valley's financial and operating results.

Statement of Financial Position:

		As of March 31, 2023		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, C, D	781,001	(162,678)	**618,323**
Intangible assets	D	20,437	(20,437)	-
Other assets		75,747	-	**75,747**
Total assets		877,185	(183,115)	**694,070**
Accounts payable and deferred expenses	A	12,638	(1,423)	**11,215**
Other liabilities		464,170	-	**464,170**
Total liabilities		476,808	(1,423)	**475,385**
Partners' equity	A, C	400,377	(181,692)	**218,685**
Total liabilities and equity		877,185	(183,115)	**694,070**

		As of March 31, 2022		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, C, D	804,997	(180,901)	**624,096**
Intangible assets	D	14,526	(14,526)	-
Other assets		124,609	-	**124,609**
Total assets		944,132	(195,427)	**748,705**
Accounts payable and deferred expenses	A	19,902	(1,487)	**18,415**
Other liabilities		575,489	-	**575,489**
Total liabilities		595,391	(1,487)	**593,904**
Partners' equity	A, C	348,741	(193,940)	**154,801**
Total liabilities and equity		944,132	(195,427)	**748,705**

		As of December 31, 2022		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, C, D	786,365	(165,597)	**620,768**
Intangible assets	D	20,604	(20,604)	-
Other assets		116,963	-	**116,963**
Total assets		923,932	(186,201)	**737,731**
Accounts payable and deferred expenses	A	31,775	(1,409)	**30,366**
Other liabilities		518,259	-	**518,259**
Total liabilities		550,034	(1,409)	**548,625**

Partners' equity	A, C	373,898	(184,792)	**189,106**
Total liabilities and equity		923,932	(186,201)	**737,731**

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Valley (cont.)

Statements of income and other comprehensive income:

		For the three-month period ended March 31, 2023		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Revenues		77,918	-	**77,918**
Operating expenses	A	36,548	(1,423)	**35,125**
Depreciation and amortization	C	6,515	(1,677)	**4,838**
Operating profit		34,855	3,100	**37,955**
Finance expenses	B	9,127	(1,534)	**7,593**
Profit for the period		25,728	4,634	**30,362**
Other comprehensive income (loss) - derivative financial instruments	B	751	(1,534)	**(783)**
Comprehensive income for the period		26,479	3,100	**29,579**

		For the three-month period ended March 31, 2022		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Revenues		115,761	-	**115,761**
Operating expenses	A	73,755	(1,487)	**72,268**
Depreciation and amortization	C	6,435	(1,677)	**4,758**
Operating profit		35,571	3,164	**38,735**
Finance expenses	B	7,835	(1,749)	**6,086**
Profit for the period		27,736	4,913	**32,649**
Other comprehensive income (loss) - derivative financial instruments	B	5,107	(1,749)	**3,358**
Comprehensive income for the period		32,843	3,164	**36,007**

		For the year ended December 31, 2022		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Revenues		405,548	-	**405,548**
Operating expenses	A	296,645	(5,603)	**291,042**
Depreciation and amortization	C	25,714	(6,709)	**19,005**
Operating profit		83,189	12,312	**95,501**
Finance expenses	B	32,913	(6,546)	**26,367**
Profit for the year		50,276	18,858	**69,134**
Other comprehensive income (loss) - derivative financial instruments	B	7,724	(6,546)	**1,178**
Comprehensive income for the year		58,000	12,312	**70,312**

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Valley (cont.)

Material adjustments to the statement of cash flows:

		For the three-month period ended March 31, 2023		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the period	A, B, C	25,728	4,634	**30,362**
Net cash from operating activities		35,984	-	**35,984**
Net cash provided by (used in) investing activities	E	(226)	19,989	**19,763**
Net cash used in financing activities		(44,720)	-	**(44,720)**
Net increase (decrease) in cash and cash equivalents		(8,962)	19,989	**11,027**
Balance of cash and cash equivalents at beginning of period	E	145	1,042	**1,187**
Restricted cash balance at beginning of period	E	57,680	(57,680)	-
Balance of cash and cash equivalents at end of period	E	92	12,122	**12,214**
Restricted cash balance at end of period	E	48,771	(48,771)	-

		For the three-month period ended March 31, 2022		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the period	A, B, C	27,736	4,913	**32,649**
Net cash from operating activities		23,180	-	**23,180**
Net cash used in investing activities	E	(4,342)	(13,383)	**(17,725)**
Net cash used in financing activities		(3,093)	-	**(3,093)**
Net increase (decrease) in cash and cash equivalents		15,745	(13,383)	**2,362**
Balance of cash and cash equivalents at beginning of period	E	98	181	**279**
Restricted cash balance at beginning of period	E	76,390	(76,390)	-
Balance of cash and cash equivalents at end of period	E	98	2,543	**2,641**
Restricted cash balance at end of period	E	92,135	(92,135)	**-**

		For the year ended December 31, 2022		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the year	A, B, C	50,276	18,858	**69,134**
Net cash from operating activities		62,497	-	**62,497**
Net cash provided by (used in) investing activities	E	(11,226)	19,571	**8,345**
Net cash used in financing activities		(69,934)	-	**(69,934)**
Net increase (decrease) in cash and cash equivalents		(18,663)	19,571	**908**
Balance of cash and cash equivalents at beginning of year	E	98	180	**278**
Restricted cash balance at beginning of year	E	76,390	(76,390)	**-**
Balance of cash and cash equivalents at end of year	E	145	1,041	**1,186**
Restricted cash balance at end of year	E	57,680	(57,680)	-

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Fairview

Statement of Financial Position:

		As of March 31, 2023		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, D	833,254	47,403	**880,657**
Intangible assets	D	27,406	(27,406)	-
Other assets		85,949	-	**85,949**
Total assets		946,609	19,997	**966,606**
Accounts payable and deferred expenses	A	16,288	(6,668)	**9,620**
Other liabilities		452,867	630	**453,497**
Total liabilities		469,155	(6,038)	**463,117**
Partners' equity	A	477,454	26,035	**503,489**
Total liabilities and equity		946,609	19,997	**966,606**

		As of March 31, 2022		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, D	858,066	40,107	**898,173**
Intangible assets	D	28,276	(28,276)	-
Other assets		159,899	-	**159,899**
Total assets		1,046,241	11,831	**1,058,072**
Accounts payable and deferred expenses	A	33,142	(6,575)	**26,567**
Other liabilities		625,841	910	**626,751**
Total liabilities		658,983	(5,665)	**653,318**
Partners' equity	A	387,258	17,496	**404,754**
Total liabilities and equity		1,046,241	11,831	**1,058,072**

		As of December 31, 2022		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, D	839,665	45,684	**885,349**
Intangible assets	D	27,624	(27,624)	-
Other assets		152,461	-	**152,461**
Total assets		1,019,750	18,060	**1,037,810**
Accounts payable and deferred expenses	A	38,800	(6,354)	**32,446**
Other liabilities		533,630	700	**534,330**
Total liabilities		572,430	(5,654)	566,776
Partners' equity	A	447,320	23,714	**471,034**
Total liabilities and equity		1,019,750	18,060	**1,037,810**

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Fairview (cont.)

Statements of income and other comprehensive income:

		For the three-month period ended March 31, 2023			
		US GAAP	IFRS adjustments	Adjustments to the Group's accounting policies*	IFRS - according to the Group's accounting policies
		In USD thousand	In USD thousand	In USD thousand	In USD thousand
Revenues		89,095	-	8,053	**97,148**
Operating expenses	A	48,225	(2,251)	8,053	**54,027**
Operating profit		40,870	2,251	-	**43,121**
Finance expenses	B	7,390	(1,379)	-	**6,011**
Profit for the period		33,480	3,630	-	**37,110**
Other comprehensive income - interest rate swaps	B	(3,346)	(1,309)	-	**(4,655)**
Comprehensive income for the period		30,134	2,321	-	**32,455**

		For the three-month period ended March 31, 2022			
		US GAAP	IFRS adjustments	Adjustments to the Group's accounting policies*	IFRS - according to the Group's accounting policies
		In USD thousand	In USD thousand	In USD thousand	In USD thousand
Revenues		109,840	-	(12,268)	**97,572**
Operating expenses	A	72,539	(2,243)	(12,268)	**58,028**
Operating profit		37,301	2,243	-	**39,544**
Finance expenses	B	7,362	(1,488)	-	**5,874**
Profit for the period		29,939	3,731	-	**33,670**
Other comprehensive income - interest rate swaps	B	16,104	(1,418)	-	**14,686**
Comprehensive income for the period		46,043	2,313	-	**48,356**

		For the year ended December 31, 2022			
		US GAAP	IFRS adjustments	Adjustments to the Group's accounting policies*	IFRS - according to the Group's accounting policies
		In USD thousand	In USD thousand	In USD thousand	In USD thousand
Revenues		450,906	-	(76,939)	**373,967**
Operating expenses	A	345,546	(8,251)	(76,939)	**260,356**
Operating profit		105,360	8,251	-	**113,611**
Finance expenses	B	21,065	(6,360)	-	**14,705**
Profit for the year		84,295	14,611	-	**98,906**
Other comprehensive income - interest rate swaps	B	21,810	(6,080)	-	**15,730**
Comprehensive loss for the year		106,105	8,531	-	**114,636**

(*) Represents adjustments to the Group's accounting policies regarding the presentation of hedging transactions regarding energy margins.

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Fairview (cont.)

Material adjustments to the statement of cash flows:

		For the three-month period ended March 31, 2023		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the period	A, B	33,480	3,630	**37,110**
Net cash from operating activities		57,137	-	**57,137**
Net cash provided by (used in) investing activities	E	(160)	9,129	**8,969**
Net cash used in financing activities		(66,732)	-	**(66,732)**
Net increase (decrease) in cash and cash equivalents		(9,755)	9,129	**(626)**
Balance of cash and cash equivalents at beginning of period	E	89	1,370	**1,459**
Restricted cash balance at beginning of period	E	38,404	(38,404)	**-**
Balance of cash and cash equivalents at end of period	E	57	776	**833**
Restricted cash balance at end of period	E	28,681	(28,681)	**-**

		For the three-month period ended March 31, 2022		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the period	A, B	29,939	3,731	**33,670**
Net cash from operating activities		54,557	-	**54,557**
Net cash provided by (used in) investing activities	E	(104)	29,704	**29,600**
Net cash used in financing activities		(84,524)	-	**(84,524)**
Net increase (decrease) in cash and cash equivalents		(30,071)	29,704	**(367)**
Balance of cash and cash equivalents at beginning of period	E	78	4,330	**4,408**
Restricted cash balance at beginning of period	E	72,663	(72,663)	**-**
Balance of cash and cash equivalents at end of period	E	76	3,965	**4,041**
Restricted cash balance at end of period	E	42,594	(42,594)	**-**

		For the year ended December 31, 2022		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the year	A, B	84,295	14,611	**98,906**
Net cash from operating activities		140,040	-	**140,040**
Net cash provided by (used in) investing activities	E	(7,323)	31,299	**23,976**
Net cash used in financing activities		(166,965)	-	**(166,965)**
Net increase (decrease) in cash and cash equivalents		(34,248)	31,299	**(2,949)**
Balance of cash and cash equivalents at beginning of year	E	78	4,330	**4,408**
Restricted cash balance at beginning of year	E	72,663	(72,663)	**-**
Balance of cash and cash equivalents at end of year	E	89	1,370	**1,459**
Restricted cash balance at end of year	E	38,404	(38,404)	**-**

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Towantic

Statement of Financial Position:

		As of March 31, 2023		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, D	758,664	80,991	**839,655**
Intangible assets	D	53,965	(53,965)	-
Other assets		127,053	-	**127,053**
Total assets		939,682	27,026	**966,708**
Accounts payable and deferred expenses	A	15,871	(2,109)	**13,762**
Other liabilities		514,313	(158)	**514,155**
Total liabilities		530,184	(2,267)	**527,917**
Partners' equity	A	409,498	29,293	**438,791**
Total liabilities and equity		939,682	27,026	**966,708**

		As of March 31, 2022		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, D	783,649	82,397	**866,046**
Intangible assets	D	57,474	(57,474)	-
Other assets		138,907	-	**138,907**
Total assets		980,030	24,923	**1,004,953**
Accounts payable and deferred expenses	A	25,921	(1,923)	**23,998**
Other liabilities		626,076	(228)	**625,848**
Total liabilities		651,997	(2,151)	**649,846**
Partners' equity	A	328,033	27,074	**355,107**
Total liabilities and equity		980,030	24,923	**1,004,953**

		As of December 31, 2022		
		US GAAP	**Adjustments**	**IFRS**
		In USD thousand	**In USD thousand**	**In USD thousand**
Property, plant & equipment	A, D	764,996	81,413	**846,409**
Intangible assets	D	54,842	(54,842)	-
Other assets		176,558	-	**176,558**
Total assets		996,396	26,571	**1,022,967**
Accounts payable and deferred expenses	A	21,025	(1,857)	**19,168**
Other liabilities		605,364	(175)	**605,189**
Total liabilities		626,389	(2,032)	**624,357**
Partners' equity	A	370,007	28,603	**398,610**
Total liabilities and equity		996,396	26,571	**1,022,967**

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Towantic (cont.)

Statements of income and other comprehensive income:

		For the three-month period ended March 31, 2023			
		US GAAP	IFRS adjustments	Adjustments to the Group's accounting policies*	IFRS - according to the Group's accounting policies
		In USD thousand	In USD thousand	In USD thousand	In USD thousand
Revenues		113,886	-	(1,496)	**112,390**
Operating expenses	A	56,550	(2,109)	(1,496)	**52,945**
Depreciation and amortization	A	7,209	1,402	-	**8,611**
Operating profit		50,127	707	-	**50,834**
Finance expenses	B	6,670	(1,390)	-	**5,280**
Profit for the period		43,457	2,097	-	**45,554**
Other comprehensive income - interest rate swaps	B	(3,966)	(1,407)	-	**(5,373)**
Comprehensive income for the period		39,491	690	-	**40,181**

		For the three-month period ended March 31, 2022			
		US GAAP	IFRS adjustments	Adjustments to the Group's accounting policies*	IFRS - according to the Group's accounting policies
		In USD thousand	In USD thousand	In USD thousand	In USD thousand
Revenues		145,992	-	8,721	**154,713**
Operating expenses	A	122,344	(1,923)	8,721	**129,142**
Depreciation and amortization	A	7,192	647	-	**7,839**
Operating profit		16,456	1,276	-	**17,732**
Finance expenses	B	6,969	(1,679)	-	**5,290**
Profit for the period		9,487	2,955	-	**12,442**
Other comprehensive income - interest rate swaps	B	15,803	(1,696)	-	**14,107**
Comprehensive income for the period		25,290	1,259	-	**26,549**

		For the year ended December 31, 2022			
		US GAAP	IFRS adjustments	Adjustments to the Group's accounting policies*	IFRS - according to the Group's accounting policies
		In USD thousand	In USD thousand	In USD thousand	In USD thousand
Revenues		445,028	-	49,637	**494,665**
Operating expenses	A	349,588	(7,460)	49,637	**391,765**
Depreciation and amortization	A	28,815	4,602	-	**33,417**
Operating profit		66,625	2,858	-	**69,483**
Finance expenses	B	28,645	(6,597)	-	**22,048**
Profit for the year		37,980	9,455	-	**47,435**
Other comprehensive income - interest rate swaps	B	29,284	(6,667)	-	**22,617**
Comprehensive loss for the year		67,264	2,788	-	**70,052**

(*) Represents adjustments to the Group's accounting policies regarding the presentation of hedging transactions regarding energy margins.

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Towantic (cont.)

Material adjustments to the statement of cash flows:

		For the three-month period ended March 31, 2023		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the period	A, B	43,457	2,097	**45,554**
Net cash from operating activities		32,443	-	**32,443**
Net cash from investing activities	E	-	4,194	**4,194**
Net cash used in financing activities		(65,979)	-	**(65,979)**
Net increase (decrease) in cash and cash equivalents		(33,536)	4,194	**(29,342)**
Balance of cash and cash equivalents at beginning of period	E	90	40,230	**40,320**
Restricted cash balance at beginning of period	E	119,838	(119,838)	**-**
Balance of cash and cash equivalents at end of period	E	100	10,878	**10,978**
Restricted cash balance at end of period	E	86,292	(86,292)	**-**

		For the three-month period ended March 31, 2022		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the period	A, B	9,487	2,955	**12,442**
Net cash from operating activities		28,010	-	**28,010**
Net cash used in investing activities	E	(182)	(269)	**(451)**
Net cash used in financing activities		(10,056)	-	**(10,056)**
Net increase (decrease) in cash and cash equivalents		17,772	(269)	**17,503**
Balance of cash and cash equivalents at beginning of period	E	100	1,350	**1,450**
Restricted cash balance at beginning of period	E	78,410	(78,410)	**-**
Balance of cash and cash equivalents at end of period	E	100	18,853	**18,953**
Restricted cash balance at end of period	E	96,182	(96,182)	**-**

		For the year ended December 31, 2022		
		US GAAP	Adjustments	IFRS
		In USD thousand	In USD thousand	In USD thousand
Profit for the year	A, B	37,980	9,455	**47,435**
Net cash from operating activities		78,126	-	**78,126**
Net cash used in investing activities	E	(519)	(2,548)	**(3,067)**
Net cash used in financing activities		(36,189)	-	**(36,189)**
Net increase (decrease) in cash and cash equivalents		41,418	(2,548)	**38,870**
Balance of cash and cash equivalents at beginning of year	E	100	1,350	**1,450**
Restricted cash balance at beginning of year	E	78,410	(78,410)	**-**
Balance of cash and cash equivalents at end of year	E	90	40,230	**40,320**
Restricted cash balance at end of year	E	119,838	(119,838)	**-**

NOTE 11 - ATTACHMENT OF FINANCIAL STATEMENTS OF MATERIAL ASSOCIATES (cont.)

Set forth below is a breakdown of the key adjustments between US GAAP and IFRS in Valley, Fairview, and Towantic

A. Maintenance costs under the Long Term Maintenance Plan (hereinafter - the “LTCP Agreement”): under IFRS, variable payments which were paid in accordance with the milestones as set in the LTCP Agreement are capitalized to the cost of property, plant and equipment and amortized over the period from the date on which maintenance work was carried out until the date on which maintenance work is due to take place again. Under US GAAP, the said payments are recognized on payment date within current expenses in the statement of income.

B. Hedge effectiveness of interest rate swaps: in accordance with the IFRS - the associates recognize adjustments relating to the ineffective portion of their cash flow hedge under finance expenses in profit and loss. Under US GAAP, there is no part which is not effective, and the hedging results are recognized in full in other comprehensive income.

C. Impairment of property, plant and equipment in Valley: In 2021, prior to the acquisition date of CPV Group, indications of impairment of the property, plant and equipment were identified. Under IFRS, the carrying amount exceeded the recoverable amount (the discounted cash flows that Valley expects to generate from the asset), and consequently an impairment loss was recognized. Under US GAAP, the non-discounted cash flows that Valley expects to generate from the asset exceeded the carrying amount, and therefore no impairment loss was recognized. Since the impairment loss was taken into account as part of the excess cost allocation work as of the acquisition date of CPV Group, its subsequent reversal in Valley’s financial statements, if recognized, shall not affect the Company's results.

D. Intangible assets: Under IFRS, certain intangible assets are defined as property, plant and equipment.

E. Restricted cash: The presentation of restricted cash in the cash flow statements varies between IFRS and US GAAP.