

**ELCO LIMITED**  
**Interim Consolidated Financial Information**  
**As of March 31, 2023**  
**Convenience Translation into U.S. Dollars**  
**(Unaudited)**

This is an English translation of parts of the information included in the full Hebrew report of the company, that was published on May 31, 2023 (reference No. 2023-01-050998) at the ISA reporting website ([magna.isa.gov.il](http://magna.isa.gov.il)) (hereafter: "the Hebrew Version"). The English version is Voluntary and only for convenience purposes. This is not an official translation and has no binding force. The translation in any case cannot perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

## **ELCO LIMITED**

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**To: Elco LTD.**

**Re: Convenience Translation of Interim Financial Information**

Per your request, we have reviewed the accompanying interim consolidated financial information of Elco Ltd. ("the Company") as of March 31, 2023 and for the period of three months then ended ("the Interim Financial Information"). The Interim Financial Information is the responsibility of the Company's Board of Directors and management. Our responsibility is to express a conclusion regarding the Interim Financial Information based on our review.

We did not review the interim financial information of certain subsidiaries, whose assets constitute approximately 0.6% of the total consolidated assets as of March 31, 2023 and whose revenues constitute approximately 0.96% of the total consolidated revenue for period of the three months ended on March 31, 2023. Furthermore, we did not review the interim financial information of certain companies accounted for at equity, the investment in which amounted to approximately 150,040 thousand dollars as of March 31, 2023, and the Company's share of their profits amounted to approximately 7,313 thousand dollars for the period of three months ended on March 31, 2023. The interim financial information for those companies were reviewed by other auditors, whose reports have been furnished to us, and our conclusion, insofar as it relates to amounts included for those companies, is based on the reports of the other auditors.

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less 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 be identified in an audit. Accordingly, we do not express an audit opinion.

The accompanying Interim Financial Information in US Dollars are a convenience translation of the interim consolidated financial statements as prepared in New Israeli Shekels at the rate of exchange of the Shekel into US Dollars prevailing on March 31, 2023, as described in note 3 of the Interim Financial Information.

Based on our review and the reports of the other auditors, we concluded an unqualified conclusion on the Company's consolidated interim financial statements in our report dated May 31, 2023.

The accompanying interim financial information, which are derived from the company's interim consolidated financial statements, are condensed interim financial information and do not include the disclosures required by International Financial Reporting Standards (IFRS). If the omitted disclosures were included in the accompanying interim financial information, it might influence the user's conclusions about the consolidated financial position, results of operations, changes in equity and cash flows of the company. Accordingly, the accompanying interim financial information are not designated for those who are not informed about such matters.

Based on our review and the reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not present fairly, in all material respects, the information contained in it.

Tel-Aviv, Israel  
May 31, 2023

KOST FORER GABBAY & KASIERER  
A Member of Ernst & Young Global

**CONSOLIDATED INFORMATION OF FINANCIAL POSITION  
CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	<b>March 31 2023</b>	<b>March 31 2022</b>	<b>December 31 2022</b>
	Unaudited	Unaudited	Audited
<b>Current assets</b>			
Cash and cash equivalents	301,264	305,460	366,596
Short-term investments	126,185	119,939	112,541
Trade receivables	697,183	606,643	638,288
Other accounts receivables	752,771	591,571	664,329
Inventory, inventory of land, buildings and apartments for sale	642,945	594,514	601,790
Assets held for sale	117,018	106,185	117,392
	<b>2,637,366</b>	<b>2,324,312</b>	<b>2,500,936</b>
<b>Non-current assets</b>			
Long-term receivables	65,434	52,808 *)	57,783
Receivables for concession arrangement for the provision of services	42,466	30,082	37,269
Investment in entities accounted for at equity	998,717	675,801	945,226
Long-term inventory of land	335,292	175,713	274,608
Investment property and investment property under construction	119,016	109,287	118,612
Fixed assets	469,309	368,076	415,254
Right-of-use assets	646,090	613,207 *)	639,452
Goodwill and other intangible assets	1,304,619	1,233,034 *)	1,302,906
Intangible asset for a concession project	-	111,118	-
Deferred taxes	30,916	32,842	29,456
	<b>4,011,859</b>	<b>3,401,968</b>	<b>3,820,566</b>
	<b>6,649,225</b>	<b>5,726,280</b>	<b>6,321,502</b>

\*) Reclassified.

**CONSOLIDATED INFORMATION OF FINANCIAL POSITION  
CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	<b>March 31 2023</b> Unaudited	<b>March 31 2022</b> Unaudited	<b>December 31 2022</b> Audited
<b>Current Liabilities</b>			
Credit from banking institutions and others	621,264	517,669	563,387
Bonds - current maturities	111,786	72,698	95,092
Current maturities of leasing liabilities	96,221	87,685	95,627
Suppliers and providers of services	1,075,793	940,174	1,008,483
Other payables	748,071	714,641 *)	741,758
Dividend payable to shareholders in the company	13,831	13,831	-
Liabilities attributed to assets held for sale	120,416	-	119,547
	<b>2,787,382</b>	<b>2,346,698</b>	<b>2,623,894</b>
<b>Long-Term Liabilities</b>			
Credit from banking institutions and others	690,409	598,077	631,993
Bonds	682,543	551,170	591,510
Leasing liabilities	612,736	584,242	606,687
Other liabilities	168,576	170,946 *)	166,065
Employee benefit liabilities, net	24,231	25,048	24,262
Deferred taxes	173,775	138,565	170,018
	<b>2,352,270</b>	<b>2,068,048</b>	<b>2,190,535</b>
<b>Equity</b>			
Equity attributable to equity holders of the Company	719,982	644,429	713,977
Non-controlling interests	789,591	667,105 *)	793,096
Total equity	1,509,573	1,311,534	1,507,073
	<b>6,649,225</b>	<b>5,726,280</b>	<b>6,321,502</b>

\*) Reclassified.

May 31, 2023

Date of approval of  
financial statements

E. Vessely  
Chief Financial Officer

D. Salkind  
Joint General Manager

M. Fridman  
Chairman of the Board  
of Directors

# ELCO LIMITED

## CONSOLIDATED INFORMATION OF PROFIT OR LOSS CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	Three months ended March 31 2023	Three months ended March 31 2022	Year ended December 31 2022
	Unaudited	Unaudited	Audited
Revenues, net	1,298,777	1,267,660	5,172,900
Adjustment of the fair value and the results of the disposal of income-generating assets, net	(100)	9,287	9,099
Group's share of the profits of companies accounted for at equity, net	7,214	51,217	77,153
Other income	2,555	3,567	52,459
<b>Total</b>	<b>1,308,446</b>	<b>1,331,731</b>	<b>5,311,611</b>
Cost of producing revenues	(1,091,856)	(1,004,393)	(4,186,135)
Selling and marketing expenses	(119,729)	(104,516)	(451,255)
Administrative and general expenses	(44,896)	(37,813)	(159,032)
Other expenses	(11,766)	(1,601)	(89,539)
Financing income	8,681	6,236	22,542
Financing expenses	(36,281)	(18,897)	(97,299)
<b>Total</b>	<b>(1,295,847)</b>	<b>(1,160,984)</b>	<b>(4,960,718)</b>
<b>Income before taxes on income</b>	<b>12,599</b>	<b>170,747</b>	<b>350,893</b>
Taxes on income	(10,577)	(44,045)	(110,738)
<b>Net income</b>	<b>2,022</b>	<b>126,702</b>	<b>240,155</b>
Attributable to:			
Equity holders in the Company	3,611	82,995	118,822
Non-controlling interest	(1,589)	43,707	121,333
<b>Earnings per share - attributable to the</b>	<b>2,022</b>	<b>126,702</b>	<b>240,155</b>
<b>Equity holders of the Company:</b>			
Basic - Earnings	0.13	3.04	4.36
Fully diluted - Earnings	0.13	3.00	3.99

**ELCO LIMITED**

**CONSOLIDATED INFORMATION OF CHANGES IN EQUITY  
CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

**CONSOLIDATED INFORMATION OF COMPREHENSIVE INCOME  
CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	Three months ended March 31 2023	Three months ended March 31 2022	Year ended December 31 2022
	Unaudited	Unaudited	Audited
<b>Net income</b>	<b>2,022</b>	<b>126,702</b>	<b>240,155</b>
Other comprehensive income (loss) (after tax effects):			
<b>Amounts that will never be reclassified to profit or loss:</b>			
Gain from the re-measurement of defined benefit plans, net	-	417	1,465
Revaluation of a fixed asset that has been reclassified to investment property	3,545	-	-
	<b>3,545</b>	<b>417</b>	<b>1,465</b>
<b>Amounts that will be classified or reclassified to the profit or loss, when specific conditions are met:</b>			
Adjustments deriving from the translation of the financial statements of foreign operations, net	13,231	8,099	85,620
Realization of reserve on translation differences on foreign operations	-	-	582
Gain (loss) on hedging transactions, net	5,100	(992)	90
	<b>18,331</b>	<b>7,107</b>	<b>86,292</b>
<b>Total other comprehensive income</b>	<b>21,876</b>	<b>7,524</b>	<b>87,757</b>
<b>Total comprehensive income</b>	<b>23,898</b>	<b>134,226</b>	<b>327,912</b>
Comprehensive income attributable to:			
Equity holders in the company	18,563	88,105	172,164
Non-controlling interests	5,335	46,121	155,748
	<b>23,898</b>	<b>134,226</b>	<b>327,912</b>

**CONSOLIDATED INFORMATION OF CHANGES IN EQUITY**  
**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital reserve on transactions With controlling interests	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on hedging transactions	Capital reserve on the re-measurement of defined benefit plans	Adjustments deriving from the translation of financial Statements	Capital reserve on share-based payment	Revaluation reserve	Total Attributable to equity holders in the company	Non-controlling interests	Total equity
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>Balance as of January 1, 2023 (Audited)</b>	31,537	17,504	(77,433)	852,179	279	(50,814)	3,502	533	(72,396)	9,086	-	713,977	793,096	1,507,073
Net income (loss)	-	-	-	3,611	-	-	-	-	-	-	-	3,611	(1,589)	2,022
Total other comprehensive income	-	-	-	-	-	-	2,194	-	9,213	-	3,545	14,952	6,924	21,876
<b>Total comprehensive income</b>	-	-	-	3,611	-	-	2,194	-	9,213	-	3,545	18,563	5,335	23,898
Cost of share-based payment	-	-	-	-	-	-	-	-	-	95	-	95	1,992	2,087
Dividend to shareholders in the company	-	-	-	(13,831)	-	-	-	-	-	-	-	(13,831)	-	(13,831)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(15,384)	(15,384)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(430)	(516)	-	-	-	-	-	-	-	(946)	(542)	(1,488)
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	2,124	-	-	1	(1)	-	-	-	2,124	5,094	7,218
<b>As of March 31, 2023</b>	<b>31,537</b>	<b>17,504</b>	<b>(77,863)</b>	<b>843,567</b>	<b>279</b>	<b>(50,814)</b>	<b>5,697</b>	<b>532</b>	<b>(63,183)</b>	<b>9,181</b>	<b>3,545</b>	<b>719,982</b>	<b>789,591</b>	<b>1,509,573</b>

**CONSOLIDATED INFORMATION OF CHANGES IN EQUITY**  
**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital reserve on transactions with controlling interests	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on hedging transactions	Capital reserve on the re-measurement of defined benefit plans	Adjustments deriving from the translation of financial Statements	Capital reserve on share-based payment	Total Attributable to equity holders in the company	Non-controlling interests	Total equity
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>Balance as of January 1, 2022 (Audited)</b>	31,534	17,224	(64,491)	748,996	279	(50,523)	3,209	(176)	(124,840)	8,942	570,154	637,137 *)	1,207,291
Net income	-	-	-	82,995	-	-	-	-	-	-	82,995	43,707	126,702
Total other comprehensive income (loss)	-	-	-	-	-	-	(637)	199	5,548	-	5,110	2,414	7,524
<b>Total comprehensive income (loss)</b>	-	-	-	82,995	-	-	(637)	199	5,548	-	88,105	46,121	134,226
Cost of share-based payment	-	-	-	-	-	-	-	-	-	121	121	547	668
Dividend to shareholders in the company	-	-	-	(13,831)	-	-	-	-	-	-	(13,831)	-	(13,831)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(17,316)	(17,316)
Acquisition of treasury shares in subsidiary companies	-	-	-	(66)	-	-	-	-	-	-	(66)	(72)	(138)
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	(53)	-	-	-	-	(1)	-	(54)	688	634
<b>As of March 31, 2022</b>	<b>31,534</b>	<b>17,224</b>	<b>(64,491)</b>	<b>818,041</b>	<b>279</b>	<b>(50,523)</b>	<b>2,572</b>	<b>23</b>	<b>(119,293)</b>	<b>9,063</b>	<b>644,429</b>	<b>667,105</b>	<b>1,311,534</b>

\*) Reclassified.

**CONSOLIDATED INFORMATION OF CHANGES IN EQUITY**  
**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	Capital reserve						Capital reserve on the re-measurement of defined benefit plans	Adjustments deriving from the translation of financial Statements	Capital reserve on share-based payment	Total attributable to equity holders in the company		Non-controlling interests	Total equity			
	Capital reserve on financial assets at fair value through other comprehensive income		Capital reserve on hedging transactions	Audited	Audited	Audited				Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on the re-measurement of defined benefit plans					
	Share capital	Share premium								Share capital	Share premium	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on the re-measurement of defined benefit plans	Capital reserve on share-based payment	Total attributable to equity holders in the company	Non-controlling interests
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	
<b>Balance as of January 1, 2022</b>	<b>31,534</b>	<b>17,224</b>	<b>(64,491)</b>	<b>748,996</b>	<b>279</b>	<b>(50,523)</b>	<b>3,209</b>	<b>(176)</b>	<b>(124,840)</b>	<b>8,942</b>	<b>570,154</b>	<b>637,137</b>	<b>1,207,291</b>			
Net income	-	-	-	-	118,822	-	-	-	-	-	118,822	121,333	240,155			
Total other comprehensive income	-	-	-	-	-	-	-	292	721	52,329	-	53,342	34,415	87,757		
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,822</b>	<b>-</b>	<b>-</b>	<b>292</b>	<b>721</b>	<b>52,329</b>	<b>-</b>	<b>172,164</b>	<b>155,748</b>	<b>327,912</b>			
Cost of share-based payment	-	-	-	-	-	-	-	-	-	-	424	424	4,602	5,026		
Dividend to shareholders in the company	-	-	-	-	(19,364)	-	-	-	-	-	-	(19,364)	-	(19,364)		
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(34,097)	(34,097)		
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(12,942)	(11,490)	-	-	-	-	-	-	-	(24,432)	(10,699)	(35,131)		
Exercise of option warrants	3	280	-	-	-	-	-	-	-	-	(280)	3	-	3		
Non-controlling interests in initially consolidated companies	-	-	-	-	-	-	-	-	-	-	-	-	27,596	27,596		
Issuance of capital /purchase and sale of shares in consolidated companies	-	-	-	15,215	-	(291)	1	(12)	115	-	15,028	12,809	27,837			
<b>As of December 31, 2022</b>	<b>31,537</b>	<b>17,504</b>	<b>(77,433)</b>	<b>852,179</b>	<b>279</b>	<b>(50,814)</b>	<b>3,502</b>	<b>533</b>	<b>(72,396)</b>	<b>9,086</b>	<b>713,977</b>	<b>793,096</b>	<b>1,507,073</b>			

**CONSOLIDATED INFORMATION OF CASH FLOWS**  
**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	<b>Three months ended March 31 2023</b>	<b>Three months ended March 31 2022</b>	<b>Year ended December 31 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Cash flows from operating activities:</b>			
Net income	2,022	126,702	240,155
Adjustments required in order to present the cash flows from operating activities (Appendix A')	(95,364)	(115,531)	90,172
<b>Net cash generated by (absorbed) by operating activities (before acquisition of land)</b>	<b>(93,342)</b>	<b>11,171</b>	<b>330,327</b>
Acquisition of land *)	(54,279)	(120,031)	(238,833)
<b>Net cash (generated) absorbed by operating activities</b>	<b>(147,621)</b>	<b>(108,860)</b>	<b>91,494</b>
<b>Cash flows from investment activities:</b>			
Acquisition of fixed assets and intangible assets	(51,900)	(34,860)	(156,409)
Investment in investment property	(454)	(7,599)	(9,707)
Newly consolidated subsidiaries and activities (Appendix B')	-	(825)	(27,776)
Change in investment in and loans to investee companies, net	(39,834)	(21,120)	(224,118)
Purchase of short-term investments, net	(13,810)	(27,725)	(30,805)
Consideration from the disposal of fixed assets, investment property and other investments	2,684	19,099	188,684
Decrease (increase) in long-term loans and deposits	(4,682)	5,560	(1,391)
<b>Net cash absorbed by investment activities</b>	<b>(107,996)</b>	<b>(67,470)</b>	<b>(261,522)</b>
<b>Cash absorbed by discontinued activities last years</b>	<b>-</b>	<b>-</b>	<b>(24,205)</b>
<b>Cash flows from financing activities:</b>			
Dividend paid to shareholders in the company	-	-	(19,364)
Dividend to non-controlling interests	(6,331)	(6,704)	(33,299)
Issuance of bonds	126,183	68,350	188,725
Repayment of long-term liabilities	(55,658)	(91,090)	(351,253)
Repayment of leasing liabilities	(25,818)	(24,626)	(91,788)
Receipt of long-term liabilities	110,453	52,654	383,601
Short-term bank credit, net	29,245	173,443	198,570
Exercise of option warrants issuance of capital/sale of shares to non-controlling interests	11,827	634	7,238
Purchase of treasury shares in the company and in consolidated companies	(1,488)	(138)	(35,131)
<b>Net cash generated by financing activities</b>	<b>188,413</b>	<b>172,523</b>	<b>247,299</b>
<b>Translation differences in respect of cash and cash equivalents balances</b>	<b>1,872</b>	<b>491</b>	<b>4,754</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(65,332)</b>	<b>(3,316)</b>	<b>57,820</b>
<b>Balance of cash and cash equivalents at the beginning of the period</b>	<b>366,596</b>	<b>308,776</b>	<b>308,776</b>
<b>Balance of cash and cash equivalents at the end of the period</b>	<b>301,264</b>	<b>305,460</b>	<b>366,596</b>

\*) The acquisition of and investment in land are presented under inventories of real estate.

**CONSOLIDATED INFORMATION OF CASH FLOWS**  
**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

**CONSOLIDATED INFORMATION OF CASH FLOWS**  
**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

**Appendix A' - Adjustments required in order to present the cash flows from operating activities:**

	<b>Three months ended March 31 2023</b>	<b>Three months ended March 31 2022</b>	<b>Year ended December 31 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Income and expenses not involving cash flows:</b>			
The Group's share of the profits of companies accounted for at equity, net	(7,214)	(51,217)	(77,153)
Dividends, success fee and interest received from companies accounted for at equity	2,217	11,851	85,161
Success fee in respect of increase in the value of housing complexes (Promote)	(3,842)	(72,495)	(191,039)
Realization of reserve on translation differences on foreign operations	-	-	582
Adjustment of fair value and the results of the disposal of income-generating assets, net	100	(9,287)	(9,099)
Depreciation and amortization	55,983	51,119	214,468
Impairment in the investment in a company accounted for at equity	8,840	-	62,067
Deferred taxes, net	(183)	31,227	60,927
Change in employee benefit liabilities	120	(273)	(1,118)
Gain on the sale of fixed assets and other investments	(344)	(133)	(37,504)
Erosion (revaluation) of long-term receivable and liabilities, net	1,607	(1,270)	15,295
Increase in the value of short-term investments	(282)	(156)	(296)
Cost of share-based payment	2,087	668	5,026
<b>Changes in asset and liability items:</b>			
Decrease (increase) in inventory and inventory of real estate (before acquisition of land)	(31,979)	(24,639)	31,709
Increase in trade receivables	(56,656)	(28,095)	(34,331)
Increase in other accounts receivable	(75,624)	(52,780)	(106,528)
Increase in suppliers and providers of services	38,230	11,933	46,636
Increase (decrease) in other accounts payable	(28,424)	18,016	25,369
	<u>(95,364)</u>	<u>(115,531)</u>	<u>90,172</u>

**CONSOLIDATED INFORMATION OF CASH FLOWS**  
**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

**Appendix B' - Acquisition of initially consolidated subsidiaries**

**The subsidiaries' assets and liabilities at date of acquisition:**

	Three months ended March 31 2023	Three months ended March 31 2022	Year ended December 31 2022
	Unaudited	Unaudited	Audited
Working capital, net (except cash)	-	(96)	11,339
Fixed assets	-	-	(1,786)
Right-of-use assets	-	-	(3,039)
Intangible assets	-	(619)	(25,049)
Goodwill	-	(905)	(63,169)
Other non-current assets	-	-	(45)
Deferred taxes	-	113	4,123
Leasing liabilities	-	-	2,859
Loans from banks and other non-current liabilities	-	-	12,412
Liability for put option, conditional consideration and future dividends for non-controlling interests	-	682	6,983
Non-controlling interests	-	-	27,596
	<hr/>	<hr/>	<hr/>
	-	(825)	(27,776)

**Appendix C' - Further information on cash flows**

	Three months ended March 31 2023	Three months ended March 31 2022	Year ended December 31 2022
	Unaudited	Unaudited	Audited
Cash paid in the period for:			
Interest	30,338	18,128	89,337
Taxes on income	16,963	21,229	104,996
Cash received for:			
Interest	10,472	1,519	14,011
Taxes on income	2,848	3,164	9,266

**Appendix D' – Significant activities not involving cash flows**

	Three months ended March 31 2023	Three months ended March 31 2022	Year ended December 31 2022
	Unaudited	Unaudited	Audited
Acquisition of fixed assets, investment property and intangible assets	41,199	17,699	18,791
Increase of right - of - use asset against leasing liability	21,648	27,744	104,847
Dividend payable to shareholders in the company	13,831	13,831	-

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION****Note 1 - General**

The accompanying Financial Information, is derived from the Hebrew version of the Company's interim consolidated financial statement as of March 31, 2023 and for the period of three months ended on that date and do not include the disclosures required by International Financial Reporting Standards (IFRS) (hereinafter - The Interim Consolidate Financial Information).

The interim consolidated financial information should be read together with the Company's Hebrew version of the annual consolidated financial statement as at December 31, 2022 and for the year ended on that date and the accompanying notes thereto (hereinafter – The Annual Consolidated Financial Statement).

The interim consolidated financial information is a translation which is based on The Interim Consolidated Financial Statements, which have been prepared in accordance with International Financial Reporting Standard IAS 34 "Financial Reporting for Interim Periods", and also in accordance with the disclosure requirements in accordance with section D of the Securities Regulations (Periodic and Immediate Reports) - 1970.

**Note 2 - General description of the Company and its activities**

Elco Ltd. (hereinafter - The Company), was incorporated in Israel in the year 1949 and its shares are traded on the Stock Exchange in Israel.

As of the date of the financial information, the Group operates in Israel and abroad in four segments, in accordance with its investee companies, as follow:

**Electra –** Operates in the field of services for buildings and infrastructures in Israel and abroad, which includes: the instillation and provision of service for central air-conditioning systems, elevators, sanitation, infrastructures, the execution and construction of national infrastructure facilities, integrated security and protection solutions, electricity and piping, construction, the supervision and management of real estate, entrepreneurial real estate activity, the management and the maintenance of assets, the public transportation field and the shuttle services field.

**Electra Consumer Products –** Operates in Israel in the importing, manufacturing, exporting, marketing, sale and distribution of electrical consumer products and in the provision of services for products, in the operation of retail marketing chains for the sale of electrical products, in the operation in the food retail field and in the field of investment property.

**Electra Real Estate –** Operates in the field of the purchase, management and enhancement of housing complexes for rental in the South Eastern United States, which are held directly by a subsidiary company and by funds that invest in housing complexes in the United States, and though a fund which raises debt and provides loans and instruments for the supplementation of shareholders' equity for investments in housing complexes and in a REIT fund for investment in hotels in the U.S.A and in fund that invests in office space in Great Britain.

**Electra**

# **ELCO LIMITED**

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## **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Power –** Operates in the marketing, sale and distribution of LPG and LPG consuming products, in marketing and sale of Natural gas, electricity and thermal energy.

**Other activities** – Relates primarily to the operations of DIC and Dream Group.

### **Note 3 - Convenience translation**

The Interim Consolidate Financial Information in US Dollars is a translation of the statements as prepared in New Israeli Shekels ("NIS" or "Shekel") at the rate of exchange of the Shekel for the US Dollar prevailing on March 31, 2023 (NIS 3.615 = US\$ 1).

It should be noted that the New Israeli Shekel amounts, on the basis of which the convenience translation figures were prepared, do not necessarily represent the current cost amounts of the various elements within The Interim Consolidate Financial Statements and, also, that it should not be construed from the translation into US Dollar figures that the Israeli currency amounts actually represent, or could be converted into Dollars. This financial information has been prepared for the convenience of the reader. In the event of any discrepancy between the contents of this translation and the Hebrew original, the Hebrew original prevails.

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