O.Y. Nofar Energy Ltd. ("the Company")

August 05, 2026

To:

Israel Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange Ltd.

www.tase.co.il

Subject: Nofar Energy Israel Ltd. entering into an agreement for the sale of electricity under the market model regulation

Further to Section 3.1.1.2 of Chapter A of the Company's Periodic report for the year 2025[1] and Section 1.5.2 of the Company's Board of Directors report for March 31, 2026[2], the Company is pleased to announce that Nofar Energy Israel Ltd., a subsidiary of the Company[3] ("Nofar Israel"), has entered into an agreement with Super Power Electricity Limited Partnership ("the Supplier"), for the sale of electricity under the market model regulation ("the Agreement"), regarding standalone storage facilities (SA) in Israel, which Nofar Israel will act to establish, connect to the distribution network and operate in accordance with the provisions of the market model regulation ("the storage facilities" or "the Facilities").

Under the Agreement, Nofar Israel committed, from the start date of supply until the end of the Agreement period, to make available to the Supplier the storage capacity and the storage power required for discharging the storage capacity during peak hours each day, and the Supplier committed to purchase from Nofar Israel the electricity stored in the Facilities up to the storage capacity, all in accordance with the provisions of the Agreement.

Under the Agreement, Nofar Israel is expected, among other things, to establish storage facilities with a connection of approximately 50MW and a storage capacity of approximately 250MWh. According to the Company's estimates, the total gross revenues from the sale of electricity throughout the Agreement period, plus indexation, is estimated at approximately NIS 600 million, and may reach up to approximately NIS 740 million, among other things, as long as additional storage facilities are added to the Agreement and/or the storage capacity is increased, all as stated in the Agreement.

The sale of electricity under the Agreement will be carried out under the market model regulation, where the electricity price represents a discount on the generation component in accordance with the mechanism set in the Agreement and according to the commercial operation date of each facility, and not less than a minimum price set therein. In addition to the consideration from the sale of electricity, mechanisms were established regulating each party's share for additional benefits from the Facilities, if any, besides revenues and benefits due to the location of the Facilities, including urban premium, which will be credited in full to Nofar Israel.

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[1] For details, see the Company's Periodic report for 2025, as published on March 19, 2026 (Ref. No.: 2026-01-024909).

[2] For details, see the Company's first quarter report for 2026, as published on May 27, 2026 (Ref. No.: 2026-01-049085).

[3] Nofar Israel is held at a rate of 81.25% by the Company. For details regarding negotiations for an investment by Meitav in Nofar Energy, see the immediate report dated July 21, 2026 (Ref. No.: 2026-01-068985) included in this report by way of reference.

The Agreement will remain in effect, regarding all facilities, from the date of its signing until the end of 15 years from the earlier of the supply start date of the first facility or July 1, 2027. Also, regarding facilities whose supply start date will occur in the second half of 2029, a shortened period of 13 years from the supply start date of the relevant facility was established. The expected commercial operation dates of the Facilities were set in the Agreement, with their commercial operation expected to span between the years 2027-2029.

Furthermore, the Agreement established, among other things, provisions customary in agreements of this type, including regarding the availability of the Facilities, agreed compensation in case of delay in commercial operation or deviation from the established availability rates, liability cap and conditions regarding assignment of rights and financing.

To secure the Supplier's obligations under the Agreement, it was established that at the time of signing, parent company guarantees signed by Supergas Power (2019) Ltd. and Enlight Renewable Energy Ltd., which jointly hold the Supplier, will be provided to Nofar Israel, and a mechanism was established for providing an autonomous bank guarantee in certain circumstances of a credit rating downgrade, all in accordance with the terms of the Agreement.

The completion of the full execution of the Agreement and the commercial generation thereunder are subject, among other things, to the completion of the establishment of the Facilities on the dates set in the Facilities appendix, receipt of required approvals by law, allocation of the Facilities to the Supplier in accordance with the regulation and the fulfillment of other conditions set in the Agreement. In addition, the establishment of each facility may be subject to the completion of financial closing regarding it.

In the Company's estimation, entering into the Agreement constitutes another step in implementing the Company's strategy to expand its activities in the storage field and in the sale of electricity, while strengthening the future revenue base of the storage projects, and deepening the Group's activity in the private electricity market in Israel.

It will be clarified that the Company's estimates detailed above, including regarding the scope of the Facilities, the possibility of adding additional facilities and/or increasing the storage capacity, the dates of establishment and commercial operation, the allocation of the Facilities to the Supplier, the expected revenues from the Agreement, the completion of the establishment of the Facilities, the completion of financial closing and the impact of the Agreement on the Company's activities, are forward-looking information as defined in the Securities Law, 1968. Such information is based on the Company's estimates and assumptions as of the date of this report, and it may not materialize, in whole or in part, or materialize in a materially different way than expected, among other things due to regulatory changes, non-receipt of required approvals, delays in establishment, connection or change of the Facilities, changes in market conditions and electricity prices, fulfillment of conditions for adding additional facilities and/or increasing storage capacity, occurrence of force majeure events and other risk factors that are not under the Company's control.

Sincerely,

O.Y. Nofar Energy Ltd.

Signed by: Ofer Yannay, CEO and Director