

*This document constitutes an unofficial translation of the Company's original Hebrew report dated December 22, 2024 (reference: 2024-01-626024) (the "Report"). The original Hebrew version of the Report is the binding version. This translation was prepared for convenience purposes only.*

**Energix - Renewable Energies Ltd.**  
**("the Company")**

Ramat-Gan, December 19, 2024

**To:**  
**Israel Securities Authority**  
[www.isa.gov.il](http://www.isa.gov.il)

**To:**  
**The Tel Aviv Stock Exchange Ltd.**  
[www.tase.co.il](http://www.tase.co.il)

**Subject: Engagement in a Financing Transaction for the Establishment of the E4 Project Portfolio in the USA for an Amount of up to \$225 Million**

Further to the Company's reports in its financial statements<sup>1</sup> regarding negotiations for financing 5 projects under construction with a capacity of approximately 210MWp, constituting the E4 project portfolio (the "Projects"), the Company is pleased to announce as follows:

1. On December 20, 2024, the Company, through wholly-owned U.S. subsidiaries, entered into a set of agreements for obtaining financing in a total amount of up to \$225 million (the "**Financing Transaction**" and the "**Financing Amount**", respectively). For the Company's forecast regarding the Projects costs and operational data, see Section 3 below.

The Financing Transaction was executed with a consortium of three lenders, including Bank of America, Mizrahi-Tefahot Bank, and another leading international bank. The Financing Transaction will be through a Back Leverage construction loan (short-term and long-term) for all the Projects, and a tax equity bridge loan in regards of 2 projects with a capacity of approximately 140MWp<sup>2</sup>. Shortly after the execution of the Financing Transaction, the Company drew approximately \$62 million from the construction loan. The remaining Financing Amount is expected to be received upon completion of the conditions required for additional drawdowns.

**The main terms of the Financing Transaction are as follows:**

Types of Loans and Scope of Financing	<p>(1) Construction Loan of up to \$100 million, which will be converted into a long-term loan upon the completion of the Projects and will be used by the Company to finance the construction of the projects.</p> <p>(2) A Bridge Loan of up to \$120 million for the construction period, until the investment by the Tax Equity Partner for 2 out of the 5 projects, with a capacity of approximately 140MWp, which will be provided upon the signing of binding agreements with the Tax Equity Partner (for further details regarding the negotiations</p>
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<sup>1</sup> In this regard, see the latest update in Section 2.4 of the Company's Board of Directors' Report published on November 18, 2024, together with its financial statements for Q3 2024 (Reference: 2024-01-616455) (the "**Financial Report**")

<sup>2</sup> The construction costs of the remaining 3 projects, with a capacity of approximately 70MWp that are currently in the final stages of construction, were financed by the Company's equity which is expected to be repaid upon receiving the Tax Equity Investment for the three projects during Q1 2025.

	<p>for the Tax Equity Partner transaction, see Section 2 of the Report below).</p> <p>(3) LC Facility to secure semi-annual debt service in an amount of up to \$5 million.</p>
Loan Repayment Schedules	<p>(4) The construction loans will be converted into long-term loans upon the connection of each project, or repaid on the date set according to the anticipated construction schedules for each project. The repayment of the long-term loans will be made in semi-annual installments over a period of approximately 60 months (5 years from the conversion date), based on an amortization schedule of 22 years.</p> <p>(5) The bridge loans will be repaid on the expected connection dates of each of the two projects, during the second quarter of 2025 and the first quarter of 2026, which are the anticipated dates for receiving the Tax Equity Partner's investment.</p>
Interest Rates	<p>(1) <b>Construction Loan and Bridge Loans:</b> A margin ranging between 1.4%-1.6% above the base interest rate (6-month SOFR).</p> <p>(2) <b>Long-Term Loan:</b> A margin ranging between 1.6%-1.9% above the base interest rate (6-month SOFR), which will increase by 0.125% three years after the commencement of the loan.</p>
Financial Ratio for Distribution of Free Cash Flow	Minimum Coverage Ratio for Distribution of Free Cash Flow from the Projects: A Debt Service Coverage Ratio (DSCR) of 1:1.2.
Hedging	The interest rate for the entire debt period (22 years) will be hedged at 100% of the long-term loan amount, according to the amortization schedule. The fixed interest rate from the hedging transaction (including charges) for the entire debt period is approximately 4.1%, plus the margin.
Representations and Events of Default	As customary in similar financing agreements, including cure mechanisms.
Collaterals	Customary liens in project finance transactions, including the lien of all rights and holdings in the Projects and in the entities holding the Projects, until the repayment of the construction loan and its conversion into a long-term loan. At that time, the lien will be replaced with a lien on the Company's share in the Tax Equity Partnership. Additionally, an owner guarantee will be provided to secure the Tax Equity Partner's investment until the execution of the Tax Equity Partner's agreements with respect to all 5 Projects.
Change of Ownership	The transfer of rights involving a change of the controlling interest of the Company in the Projects, is subject to the lenders' approval

2. **Negotiations for a Tax Equity Investment Transactions in the Projects:** As of the date of this immediate report, the Company is in advanced negotiations to execute 2 transactions for Tax Equity Investments in the E4 Project Portfolio – a transaction for an investment of up to \$70 million for 3 projects with a capacity of 70MWp, and a transaction for an investment of up to \$160 million for the remaining 2 projects with a capacity of 140MWp<sup>3</sup>. Both transactions are expected to be based on an ITC tax benefit of up to 50%.
3. **Below is the Company's forecast of the Projects costs and operational data, based on the Financing Transaction and additional data as of the date of this immediate report:**

Below is the Company's assessment of the expected cost data, financing scope, and Tax Equity Partner investments for the E4 portfolio\*:

Construction Costs	\$340-360 million
Tax Equity Partner Investment <sup>4</sup>	Approximately \$230 million
Back Leverage Loan	Approximately \$100 million
Equity	\$10-30 million
Expected Revenues for the First Full Year of Operation	\$21-23 million

**\*Forward-looking Statement based on the assessments and data available to the Company as of the date of this immediate report.**

4. **Details regarding the Company's negotiation for an additional financing transaction to fund the E5 portfolio in the USA:**

To provide a complete picture and further to the Company's updates in its Financial Reports, the Company hereby advises that it is currently in negotiations for a Back Leverage financing transaction and a Tax Equity Bridge Loan, in a total amount of up to \$520 million following the signing of a non-binding MOU, with one of the largest financial institutions in the world. The financing transaction, if finalized as a binding agreement, is intended to fund the construction of the E5 project portfolio in the USA, with a capacity of approx. 290MWp, and is based on a full underwriting by the financial institution for the total financing amount. The Company estimates that the construction cost of the E5 project portfolio will be \$500-550 million.

*The data presented above regarding the Company's forecasts and assessments of the financial information detailed in this report, as well as information concerning events not yet completed as of the reporting date, such as the final capacity of the projects, their construction costs, their expected commercial operation dates if and when achieved, projected revenues, loan volumes, the Company's fulfillment of the preconditions for drawdowns under the loans and their conversion, the materialization of the E5 financing transaction and Tax Equity Partner transactions into binding agreements currently under negotiation, and their scope, are based on information and estimates available to the Company as of the date of this immediate report, depend on third parties and constitute forward-looking statement under Section 32A of the Israeli Securities Law, 1968. The realization of such information is uncertain and beyond the Company's control and may not materialize, in whole or in part, with respect to the Company's assessments and working*

<sup>3</sup> Upon the completion of this Tax Equity Partnership transaction, the bridge loan under the Financing Transaction described above will be fully repaid.

<sup>4</sup> For details regarding the Tax Equity Investment transactions, see Section 2 above.



*assumptions, due to, among other factors, the risks inherent in the Company's activities, as detailed in Section 32 of Part A of the Annual Report (Reference: 2024-01-022716).*

**Sincerely,  
Energix - Renewable Energies Ltd.**

By:  
Mr. Asa Levinger, CEO  
Ms. Dafna Reznick, EVP Legal