ENERGIX RENEWABLES

*This document constitutes an unofficial translation of the Company's original Hebrew report dated July 6, 2025 (reference: 2025-01-048842) (the **"Report"**). The 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, July 7, 2025

To:

Israel Securities Authority
www.isa.gov.il

To:

The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Subject: Adoption of the "One Big Beautiful Bill" and Relevant Provisions Regarding the U.S. Federal Investment Tax Credits (ITC) Regime

The Company hereby announces that on July 4, 2025, the federal law "One Big Beautiful Bill" (the **"Law"**) was adopted. The Law includes, among others, amendments to the existing federal tax incentive framework, and in specific the Investment Tax Credits (ITC), which is relevant to the Company's operations in the United States.

Based on public information and initial legal advice received by the Company regarding the key elements of the ITC tax incentive following the enactment of the Law, the Company estimates that the adoption of the Law is not expected to impact its operations in the United States or its business plans for the construction and connection to the electricity grid of projects by the end of 2030, with an aggregate capacity of ~5GWp. The above is based, among others, on the Company's rights under its strategic agreement with First Solar for the supply of U.S. manufactured PV panels, under which the Company intends to purchase additional PV panels during 2025 and 2026, in addition to the PV panels already in its possession. These purchases are expected to enable the Company to maintain the applicable ITC tax benefit rates under the Safe Harbor protection, as further detailed below.

The following are the main elements of the ITC tax incentive framework following the enactment of the Law:

1. The tax incentive level remains unchanged, at a rate of 30% to 50% of the investment cost qualified for tax purposes, subject to compliance with the mandatory conditions that were in effect prior to the enactment of the Law. Specifically, a 30% ITC base rate applies subject to compliance with prevailing wage and apprenticeship requirements[1], and up to an additional 10% tax benefit available for each of the following: (i) the use of domestically manufactured equipment; and (ii) the development of facilities in areas pre-designated as eligible for the incentive, known as Energy Communities.

2. Projects with construction completion and connected to the electricity grid by December 31, 2027 (instead of 2033) will be entitled to the full ITC tax benefit rates as detailed in Section 1 above, with no change.

3. In addition, a transition mechanism ("Safe Harbor") was adopted, under which a photovoltaic project will be entitled to the full ITC tax benefit rates as detailed in Section 1 above, with no change, provided that the following cumulative conditions are met:

    (i) The project meets a "start of construction" status (as defined under IRS regulations) within 12 months from the date of enactment of the Law (i.e., by July 2026); and

[1] For entities that do not meet the baseline eligibility requirements, the applicable tax incentive rate stands at 6%.

(ii) The construction of the project is completed and the project is connected to the electricity grid within a period of up to four calendar years from the date it completed the requirement of the "start of construction" status (meaning, for example, a project that achieves "start of construction" status in July 2026 must be connected to the grid no later than December 31, 2030).

4. Storage- Storage projects that meet the existing eligibility requirements for tax incentives will be entitled to receive 100% of the ITC tax benefits until the end of 2033. Thereafter, the tax benefits will gradually decrease to 75% until the end of 2034, 50% until the end of 2035, and will be phased out starting from the beginning of 2036.
5. Additionally, the Law includes provisions and restrictions for companies that purchase equipment from entities defined in the Law as "Foreign Entity of Concern." The legislation sets a threshold, decreased each year, regarding the proportion of equipment purchased from such entities relative to the total equipment cost for the project. Projects exceeding this threshold will be ineligible for the tax incentives and may also be subject to penalties.

For further details regarding the Company's operations in the United States in the photovoltaic and storage sectors (including the use of the ITC tax benefit), see Sections 7.1(c) and 7.3 of Part A of the Company's Annual Report dated March 3, 2025 (Reference No. 2025-01-014025), as amended on March 9, 2025 (Reference No. 2025-01-015516), and for the status of the Company's project pipeline in the U.S., see Section 4.1 of the Board of Directors' Report published as part of the Company's Q1 2025 Financial Statements, published on May 12, 2025 (Reference No. 2025-01-032972).

<u>Disclaimer and Forward-Looking statement:</u>

It is clarified that the Company is still reviewing the Law and its possible effects on the Company, and therefore the above description may be changed. Furthermore, the information detailed above regarding the provisions of the Law and its effects on the Company, including the Company's ability to apply the Safe Harbor protection and maintain eligibility for future ITC tax benefits, the actual eligibility of the projects for ITC benefits, the capacities the projects Company intends to develop and construct in the U.S., and their expected timelines, are based on public information published in respect of the Law, the current IRS regulations, and the Company's estimations as of the date of this report. Such information constitutes forward-looking statement pursuant to Section 32A of the Securities Law, 1968, the realization of which is uncertain. Such information may not materialize or may materialize substantially different from what is described above, depending on additional regulatory amendments and the binding guidelines issued under such legislation, the execution of equipment purchases necessary to ensure the preservation of the tax benefit, the actual development of projects with the stated capacities, the Company's compliance with the conditions prescribed by law for eligibility for the tax benefit, as well as other risk factors that may affect the Company's operations, all as detailed in the Company's 2024 annual report published on March 3, 2025 (Reference No. 2025-01-014025), as amended on March 9, 2025 (Reference No. 2025-01-015516).

Sincerely,
Energix - Renewable Energies Ltd.

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