



# ENERGIX-RENEWABLE ENERGIES LTD (the "Company")

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Ramat-Gan, August 17, 2025

To:

Israel Securities Authority

[www.isa.gov.il](http://www.isa.gov.il)

Tel Aviv Stock Exchange Ltd.

[www.tase.co.il](http://www.tase.co.il)

**Subject: Publication of Regulations and Update of the Definition of "Commencement of Construction" for the Purpose of ITC Tax Benefits Applicability in the USA under the "One Big Beautiful Bill"**

Further to the immediate report published by the Company on July 6, 2025 (Reference: 2025-01-048842), regarding the adoption of the comprehensive federal law "One Big Beautiful Bill" ("OBBB") relevant to the applicability of the ITC tax benefit for the Company's activities in the USA, and to its updates on this matter included in the Q2 2025 financial report published by the Company on August 11, 2025 (Reference: 2025-01-059264)<sup>101</sup>, the Company is pleased to announce the following:

Pursuant to the presidential order issued by the President of the USA, Donald Trump, on July 8, 2025 (after the publication of the OBBB), on August 15, 2025, new regulations were published, effective as of September 2, 2025, in which the definition of the term "commencement of construction" was updated in relation to projects being constructed by the Company, which constitutes one of the required conditions for the applicability of the Safe Harbor protection for maintaining the ITC tax benefit rates as they were prior to the adoption of the OBBB (the "Regulations").

According to public publications and initial legal advice received by the Company as of the reporting date, the definition of the term "commencement of construction" was updated in the Regulations so that it continues to include two out of three components that were in effect prior to the publication of the Regulations:

- (i) Commencement of significant construction works on site
- (ii) Commencement of substantial "off-site" works – "MPT", which are generally characterized by the purchase of equipment unique to the project or with a long delivery time.

Additionally, the Regulations are not retroactive, and therefore the third component currently existing in the Regulations for the term "commencement of construction", which refers to the purchase of equipment for the project in an amount constituting at least 5% of the total construction cost of that project, will continue to be in effect until September 2, 2025. It should be emphasized that until this date, there will be no change in the regulatory status in the USA regarding the above.

**In light of the above, the Company estimates that the Regulations will not have a material impact on the Company's assessments regarding the lack of material impact of the adoption of the OBBB on its future activities in the USA and its business plans until the end of 2030, even after the publication of the Regulations, based on projects expected to reach commercial operation by December 31, 2027, and actions the Company has taken and/or is preparing to take to apply the Safe Harbor protection to projects it will construct in accordance with the OBBB and the Regulations. As of the reporting date, the Company estimates that it has secured the applicability of the ITC tax benefit for projects it will construct until 2028 with a capacity of approximately 2.4GWp.**

Additionally, it should be clarified that as of the reporting date, no new regulations have yet been published regarding the purchase of equipment from Foreign Entity Of Concern (FEOC) countries, which may include additional provisions regarding the reduction of the ITC tax benefit applicability. According to the Company's assessment, since most of the equipment used in its activities in the USA is manufactured in the USA or in countries not classified as FEOC, these regulations are not expected to have a material impact on the Company, if at all.

For further details regarding the Company's activities in the USA in the photovoltaic and storage fields (including the realization 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, as amended on March 9, 2025 (Reference 2025-01-015516), as well as Section 5.1 of the Board of Directors' report published as part of the Company's Q2 2025 financial report, regarding the status of the Company's project backlog in the USA, as published on August 11, 2025 (Reference: 2025-01-059264).

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*Alt: Energix Logo*

### **Disclaimer and Forward-Looking Information:**

It should be clarified that the Company is still studying the Regulations together with the law and their possible effects on the Company, so updates and adjustments to the above may occur. In addition, the information detailed above regarding the provisions of the law, the Regulations and their effects on the Company, as well as the Company's ability to implement Safe Harbor protection and maintain eligibility for the future ITC tax benefit to which projects will be entitled, as well as the actual realization of the tax benefits to which the Company will be entitled, the capacities the Company intends to establish in the USA and their construction timelines, are based on information published regarding the law and the Regulations, IRS guidelines, and the Company's assessments as of this reporting date and constitute forward-looking information under Section 32A of the Securities Law, 1968, the realization of which is not certain. Such information may not materialize or may materialize in a manner materially different from that described above, depending on further legislative amendments and binding guidelines to be published under this legislation, the actual purchase of equipment required to ensure the preservation of the tax benefit, the actual construction of projects with the stated capacities, the Company's compliance with the conditions set forth in the law and the Regulations for eligibility for the tax benefit, as well as other risk factors that may affect the Company's activities as detailed in the Company's annual report for 2024 published on March 3, 2025, as amended on March 9, 2025 (Reference: 2025-01-015516).

Sincerely,

ENERGIX-RENEWABLE ENERGIES LTD

By: Mr. Asa Levinger, CEO  
Dafna Reznik, Chief Legal Officer

This is an unofficial AI generated translation of the official Hebrew version and has no binding force. The only binding version is the official Hebrew version. For more information, please review the legal disclaimer.

<sup>101</sup> Section I2.3 of Part A – Board of Directors' Report, in the Company's Q2 2025 financial report, as published on August 11, 2025 (Reference: 2025-01-059264).