
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

September 2, 2020

Commission File Number 001-36761

Kenon Holdings Ltd.

**1 Temasek Avenue #36-01
Millenia Tower
Singapore 039192
(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

EXHIBITS 99.1 AND 99.2 TO THIS REPORT ON FORM 6-K ARE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-201716) OF KENON HOLDINGS LTD. AND IN THE PROSPECTUSES RELATING TO SUCH REGISTRATION STATEMENT.

Exhibits

99.1	Press Release, dated September 2, 2020: Kenon Holdings Reports Q2 2020 Results and Additional Updates
99.2	Q2 2020 Summary Financial Information of Kenon and OPC and Reconciliation of Certain non-IFRS Financial Information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KENON HOLDINGS LTD.

Date: September 2, 2020

By: /s/ Robert L. Rosen

Name: Robert L. Rosen

Title: Chief Executive Officer



Kenon Holdings Reports Q2 2020 Results and Additional Updates

Singapore, September 2, 2020. Kenon Holdings Ltd. (NYSE: KEN, TASE: KEN) ("Kenon") announces its results for Q2 2020 and additional updates to its businesses.

Key Highlights

Kenon

- In September 2020, Kenon's Board approved a cash dividend of approximately \$120 million (\$2.23 per share), subject to shareholder approval.
- Kenon's net profit was \$278 million in Q2 2020, as compared to a net loss of \$7 million in Q2 2019.

OPC

- OPC's revenue was \$76 million in Q2 2020, as compared to revenue of \$85 million in Q2 2019.
- OPC's net loss was \$5 million in Q2 2020, as compared to zero in Q2 2019.
- OPC's EBITDA¹ was \$11 million in Q2 2020, as compared to \$18 million in Q2 2019.

ZIM

- ZIM's net profit was \$25 million in Q2 2020, as compared to \$5 million in Q2 2019.

Discussion of Results for the Three Months ended June 30, 2020

Kenon's consolidated results of operations from its operating companies are essentially comprised of the consolidated results of OPC Energy Ltd. ("OPC"). The results of Qoros Automotive Co., Ltd. ("Qoros") (until we reduced our stake in Qoros to 12% on April 29, 2020) and ZIM Integrated Shipping Ltd. ("ZIM") are reflected under results from associates.

See Exhibit 99.2 of Kenon's Form 6-K dated September 2, 2020 for summary Kenon consolidated financial information; summary OPC consolidated financial information; a reconciliation of OPC's EBITDA (which is a non-IFRS measure) to net profit; and summary operational and financial information of OPC and its subsidiaries.

OPC

The following discussion of OPC's results of operations is based on OPC's consolidated financial statements, as translated into US dollars.

Summary Financial Information of OPC

	Q2 2020	Q2 2019
	\$ millions	
Revenue	76	85
Cost of sales (excluding depreciation and amortization)	59	64
Finance expenses, net	9	10
Net loss	5	-
EBITDA	11	18

¹ EBITDA is a non-IFRS measure. See Exhibit 99.2 of Kenon's Form 6-K dated September 2, 2020 for the definition of OPC's EBITDA and a reconciliation to its net profit for the applicable period.

Revenue

	For the three months ended June 30,	
	2020	2019
	\$ millions	
Revenue from energy generated by OPC and sold to private customers	52	56
Revenue from energy purchased by OPC and sold to private customers	3	5
Revenue from private customers in respect of infrastructures services	17	19
Revenue from energy sold to the System Administrator	-	1
Revenue from sale of steam	4	4
Total	76	85

OPC's revenue from the sale of electricity to private customers derives from electricity sold at the generation component tariffs, as published by the EA, with some discount. The weighted-average generation component tariff for 2020, as published by the EA in January 2020, is NIS 0.2678 per KW hour. In 2019, the weighted-average generation component tariff was NIS 0.2909 per KW hour. OPC's revenues from sale of steam are linked partly to the price of gas and partly to the Israeli Consumer Price Index (CPI).

In Q2 2020, the System Administrator instructed OPC-Rotem to lower its dispatch. In order to supply the full amount of electricity to customers, OPC-Rotem purchased electricity from IEC at the price of OPC-Rotem's generation cost.

- *Revenue from energy generated by OPC and sold to private customers* – decreased by \$4 million in Q2 2020, as compared to Q2 2019. As OPC's revenue is denominated in NIS, translation of its revenue into US Dollars had a positive impact of \$3 million. Excluding the impact of exchange rate fluctuations, such revenues decreased by \$7 million primarily as a result of (i) a \$5 million decrease in revenues due to the decrease in electricity tariffs in January 2020, and (ii) a \$3 million decrease due to a declined in availability as a result of technical inspection of the Rotem power plant, partially offset by a \$2 million increase in revenues due to an increase in the average electricity selling price.
- *Revenue from energy purchased by OPC and sold to private customers* – decreased by \$2 million in Q2 2020, as compared to Q2 2019, primarily due to lower energy consumption.
- *Revenue from private customers in respect of infrastructures services* – decreased by \$2 million in Q2 2020, as compared to Q2 2019, primarily as a result of (i) a \$1 million decrease due to a decrease in infrastructure services tariffs in January 2020, and (ii) a \$1 million decrease due to lower energy consumption.

Cost of Sales (Excluding Depreciation and Amortization)

	For the three months ended June 30,	
	2020	2019
	\$ millions	
Natural gas and diesel oil consumption	29	34
Payment to IEC for infrastructure services and purchase of electricity	24	24
Natural gas transmission	2	2
Operating expenses	4	4
Total	59	64

- *Natural gas and diesel oil consumption* – decreased by \$5 million in Q2 2020, as compared to Q2 2019, primarily as a result of (i) a \$5 million decrease due to lower generation as a result of the lower dispatch by the System Administrator as discussed above, and technical inspection of the Rotem plant, and (ii) a \$1 million decrease due to lower gas price as a result of the decrease in the generation component tariffs and exchange rate.

Liquidity and Capital Resources

As of June 30, 2020, OPC had cash and cash equivalents and short-term deposits of \$145 million (including debt service reserves of \$59 million), and total outstanding consolidated indebtedness of \$736 million, consisting of \$48 million of short-term indebtedness, including the current portion of long-term indebtedness, and \$688 million of long-term indebtedness. All of OPC's debt is denominated in NIS.

Business Developments

Update on the OPC-Hadera Plant

In July 2020, the Electricity Authority granted OPC-Hadera a generation license and a supply license with a capacity of 144MW, and the Hadera power plant began commercial operations. The licenses are for a period of 20 years, and can be extended by an additional 10 years. OPC-Hadera invested a total approximately NIS 0.9 billion (approximately \$260 million) in the construction of the Hadera power plant (including the energy center).

During the upcoming year, the Hadera power plant's EPC contractor is expected to replace or refurbish certain components of the Hadera power plant's gas turbines, over a cumulative period of approximately one month. During this period, the power plant is expected to operate on a partial basis.

Update on Tzomet Project

Tzomet Energy Ltd. ("Tzomet") is developing an open-cycle natural gas-fired power station with capacity of approximately 396 MW in Israel.

As of June 30, 2020, OPC had invested an aggregate of NIS 470 million (approximately \$136 million) in the Tzomet project.

Due to the continued restrictions in Israel and worldwide as a result of the spread of COVID-19, and the need for teams and equipment from overseas, OPC estimates that the construction of the Tzomet power plant will be completed in the first quarter of 2023.

Bond Issuance

In April 2020, OPC issued NIS 400 million (approximately \$115 million) of debentures (Series B).

Qoros

Qoros Sales

Qoros sold approximately 2,400 cars in Q2 2020, compared to approximately 6,500 cars in Q2 2019.

ZIM

Discussion of ZIM's Results for Q2 2020

ZIM's revenue decreased by 5% in Q2 2020 to \$795 million, as compared to \$834 million in Q2 2019. ZIM carried approximately 641 thousand TEUs in Q2 2020, representing a 12% decrease as compared to Q2 2019, in which ZIM carried approximately 731 thousand TEUs. The average freight rate per TEU in Q2 2020 was \$1,071 per TEU, as compared to \$993 per TEU in Q2 2019, representing an 8% increase. ZIM's operating expenses decreased by 13% to \$624 million in Q2 2020, as compared to \$719 million in Q2 2019, primarily as a result of (i) a \$38 million decrease in cargo handling expenses, (ii) a \$30 million decrease in bunker expenses and (iii) a \$25 million decrease in vessel lease expenses and slot purchases. ZIM's net profit was \$25 million in Q2 2020, as compared to \$5 million in Q2 2019.

Additional Kenon Updates

Kenon's Net Profit

Kenon's net profit was \$278 million in Q2 2020, largely as a result of gains following completion of the sale of half of its remaining interest in Qoros in April 2020.

Sale of Primus Green Energy Assets

On August 8, 2020 Primus Green Energy Inc. ("PGE") sold substantially all of its assets to Bluescape Clean Fuels LLC for \$1.6 million.

Kenon's (Unconsolidated) Liquidity and Capital Resources

As of June 30, 2020, Kenon's unconsolidated cash balance was \$251 million. There is no material debt at the Kenon level.

In September 2020, Kenon's Board approved a cash dividend of approximately \$120 million, or \$2.23 per share, subject to shareholder approval. Accordingly, Kenon will be convoking an extraordinary general meeting ("EGM") at which Kenon's shareholders will be asked to approve the distribution of the dividend to its shareholders. A notice of EGM will be published, and a proxy solicitation will be commenced, on or about September 22, 2020. The EGM will be held on or about October 21, 2020. Further information on the proposed dividend will be included in a Proxy and Information Statement. Following payment of the dividend, Kenon will retain cash of approximately \$131 million.

Kenon is the beneficiary of a four-year deferred payment agreement, effective December 28, 2017, reflecting deferred consideration from the sale of its Inkia power businesses, accruing 8% interest, payable in kind (total receivable as at June 30, 2020 including principal and accrued interest is \$212 million). The deferred payment is subject to tax.

About Kenon

Kenon is a holding company that operates dynamic, primarily growth-oriented businesses. The companies it owns, in whole or in part, are at various stages of development:

- *OPC Energy* (70% interest) – a leading owner, developer and operator of power generation facilities in the Israeli power market;
- *Qoros* (12% interest) – a China-based automotive company; and
- *ZIM* (32% interest) – an international shipping company.

For further information on Kenon's businesses, see Kenon's publicly available filings, which can be found on the SEC's website at www.sec.gov. Please also see <http://www.kenon-holdings.com> for additional information.

Caution Concerning Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements relating to the declaration of a dividend and about the convocation of an EGM, as well as statements relating to the Tzomet project, including expected installed capacity, cost, and expected timing for completion of the project and the expected impact on the project of the COVID-19 pandemic and measures taken to address the pandemic and other non-historical matters. These statements are based on current expectations or beliefs and are subject to uncertainty and changes in circumstances. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Kenon's control, which could cause the actual results to differ materially from those indicated in such forward-looking statements. Such risks include risks relating to a potential failure to complete the development and reach commercial operation of the Tzomet project on a timely basis, within the expected budget, or at all, including risks related to costs associated with delays in reaching commercial operation and other risks and factors including the impact of the COVID-19 outbreak and those risks set forth under the heading "Risk Factors" in Kenon's Annual Report on Form 20-F filed with the SEC and other filings. Except as required by law, Kenon undertakes no obligation to update these forward-looking statements, whether as a result of new information, future events, or otherwise.

Contact Info

Kenon Holdings Ltd.

Jonathan Fisch

Director, Investor Relations

jonathanf@kenon-holdings.com

Tel: +44 20 7659 4186

**Financial Information for the Three Months and Six Months Ended June 30, 2020 of Kenon and OPC and
Reconciliation of Certain non-IFRS Financial Information**

Table of Contents

[Appendix A:](#) Summary Kenon consolidated financial information

[Appendix B:](#) Summary OPC consolidated financial information

[Appendix C:](#) Definition of OPC's EBITDA and non-IFRS reconciliation

[Appendix D:](#) Summary financial information of OPC's subsidiaries

[Appendix E:](#) Summary operational information of OPC

Appendix A

Summary Kenon consolidated financial information

Kenon Holdings Ltd and subsidiaries Consolidated Statement of Financial Position as of June 30, 2020 and December 31, 2019

	As of June 30, 2020 (Unaudited)	As of December 31, 2019
	\$ millions	
Current assets		
Cash and cash equivalents	398	147
Short-term deposits and restricted cash	16	33
Trade receivables	31	39
Other current assets	19	40
Asset held for sale	-	70
Total current assets	464	329
Non-current assets		
Investments in associated companies	91	120
Long-term investment	220	-
Long-term deposits and restricted cash	99	77
Long-term derivative instruments	1	2
Other non-current assets	39	88
Deferred payment receivable	212	204
Deferred taxes, net	2	2
Property, plant and equipment, net	699	668
Intangible assets, net	1	1
Right-of-use assets, net	85	17
Total non-current assets	1,449	1,179
Total assets	1,913	1,508
Current liabilities		
Current maturities of loans from banks and others	47	46
Short-term derivative instruments	7	6
Current tax liabilities	4	-
Trade and other payables	54	52
Current maturities of lease liabilities	16	1
Total current liabilities	128	105
Non-current liabilities		
Long-term loans from banks and others	507	504
Debentures	181	73
Deferred taxes, net	80	79
Non-current tax liabilities	31	29
Other non-current liabilities	-	1
Long-term derivative instruments	8	-
Long-term lease liabilities	5	5
Total non-current liabilities	812	691
Total liabilities	940	796
Equity		
Share capital	602	602
Translation reserve	(4)	18
Capital reserve	6	14
Accumulated profit/(loss)	287	(11)
Equity attributable to owners of the Company	891	623
Non-controlling interests	82	89
Total equity	973	712
Total liabilities and equity	1,913	1,508

Kenon Holdings Ltd and subsidiaries
Consolidated Statement of Profit & Loss

	For the six months ended		For the three months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	\$ millions		\$ millions	
Revenue	165	182	76	85
Cost of sales and services (excluding depreciation and amortization)	(118)	(126)	(59)	(64)
Depreciation and amortization	(13)	(15)	(7)	(8)
Gross profit	34	41	10	13
Selling, general and administrative expenses	(18)	(18)	(10)	(8)
Other income	-	1	-	1
Operating profit	16	24	-	6
Financing expenses	(14)	(16)	(9)	(10)
Financing income	9	9	3	5
Financing expenses, net	(5)	(7)	(6)	(5)
Net gains/(losses) related to changes of interest in Qoros	294	(8)	278	(3)
Share in (losses)/profits of associated companies, net of tax	(1)	(16)	6	(3)
Profit/(loss) before income taxes	304	(7)	278	(5)
Income taxes	(5)	(7)	-	(2)
Profit/(loss) for the period from continuing operations	299	(14)	278	(7)
Loss for the period from discontinued operations	-	(1)	-	(1)
Profit/(loss) for the period	299	(15)	278	(8)
Attributable to:				
Kenon's shareholders	295	(20)	279	(8)
Non-controlling interests	4	5	(1)	-
Profit/(loss) for the period	299	(15)	278	(8)
Basic/Diluted profit/(loss) per share attributable to Kenon's shareholders (in dollars):				
Basic/Diluted profit/(loss) per share	5.47	(0.37)	5.19	(0.13)
Basic/Diluted profit/(loss) per share from continuing operations	5.47	(0.35)	5.19	(0.12)
Basic/diluted loss per share from discontinued operations	-	(0.02)	-	(0.01)

Kenon Holdings Ltd and subsidiaries
Consolidated Statement of Cash Flows
For the six months ended June 30, 2020 and 2019

	For the six months ended June 30,	
	2020	2019
	\$ millions	
Cash flows from operating activities		
Profit/(loss) for the period	299	(15)
Adjustments:		
Depreciation and amortization	14	15
Financing expenses, net	5	7
Share in losses of associated companies, net	1	16
Net (gains)/losses related to changes of interest in Qoros	(294)	8
Share-based payments	1	1
Income taxes	5	8
	31	40
Change in trade and other receivables	17	12
Change in trade and other payables	-	10
	48	62
Income taxes paid, net	-	(7)
Net cash provided by operating activities	48	55

Kenon Holdings Ltd and subsidiaries
Consolidated Statement of Cash Flows, continued
For the six months ended June 30, 2020 and 2019

	For the six months ended June 30,	
	2020	2019
	\$ millions	
Cash flows from investing activities		
Short-term deposits and restricted cash, net	17	(26)
Investment in long-term deposits, net	(21)	(14)
Sale of subsidiary, net of cash disposed off	-	1
Acquisition of property, plant and equipment	(39)	(19)
Long-term advance deposits and prepaid expenses	(54)	-
Proceeds from sale of interest in Qoros	220	-
Payment of transactions in derivatives, net	(1)	-
Net cash provided by/(used in) investing activities	122	(58)
Cash flows from financing activities		
Proceeds from/(repayment of) long-term loans, debentures, derivative financial instruments and lease liabilities, net	2	(8)
Proceeds from issuance of share capital by a subsidiary to non-controlling interests	-	33
Proceeds from issuance of debentures, less issuance expenses	111	-
Short-term credit from banks and others, net	(6)	(2)
Acquisition of non-controlling interests	(8)	-
Payment in respect of derivative financial instruments, net	(3)	-
Dividends paid to holders of non-controlling interests	(6)	(7)
Interest paid	(10)	(11)
Net cash provided by financing activities	80	5
Increase in cash and cash equivalents	250	2
Cash and cash equivalents at beginning of the period	147	131
Effect of exchange rate fluctuations on balances of cash and cash equivalents	1	5
Cash and cash equivalents at end of the period	398	138

Information regarding reportable segments

The following table sets forth selected financial data for Kenon's reportable segments for the periods presented:

	For the six months ended June 30, 2020			
	OPC	Quantum ¹	Other ²	Consolidated Results
	\$ millions			
Revenue	165	-	-	165
Depreciation and amortization	(13)	-	-	(13)
Financing income	1	-	8	9
Financing expenses	(14)	-	-	(14)
Net gains related to changes of interest in Qoros	-	294	-	294
Share in (losses) / profit of associated companies	-	(6)	5	(1)
Profit before taxes	11	288	5	304
Income taxes	(5)	-	-	(5)
Profit from continuing operations	6	288	5	299

(1) Quantum is a wholly-owned subsidiary of Kenon which holds Kenon's interest in Qoros.

(2) Includes the results of Primus; the results of ZIM, as an associated company; as well as Kenon's and IC Green's holding company and general and administrative expenses.

	For the six months ended June 30, 2019			
	OPC	Quantum ¹	Other ²	Consolidated Results
Revenue	182	-	-	182
Depreciation and amortization	(15)	-	-	(15)
Financing income	-	-	9	9
Financing expenses	(15)	-	(1)	(16)
Net losses related to changes of interest in Qoros	-	(8)	-	(8)
Share in losses of associated companies	-	(9)	(7)	(16)
Profit / (Loss) before taxes	19	(17)	(9)	(7)
Income taxes	(5)	-	(2)	(7)
Profit / (Loss) from continuing operations	14	(17)	(11)	(14)

(1) Quantum is a wholly-owned subsidiary of Kenon which holds Kenon's interest in Qoros.

(2) Includes the results of Primus; the results of ZIM, as an associated company; as well as Kenon's and IC Green's holding company and general and administrative expenses.

For the three months ended June 30, 2020				
	OPC	Quantum ¹	Other ²	Consolidated Results
	\$ millions			
Revenue	76	-	-	76
Depreciation and amortization	(7)	-	-	(7)
Financing income	-	-	3	3
Financing expenses	(9)	-	-	(9)
Net gains related to changes of interest in Qoros	-	278	-	278
Share in (losses) / profits of associated companies	-	(2)	8	6
(Loss) / Profit before taxes	(5)	276	7	278
Income taxes	-	-	-	-
(Loss) / profit from continuing operations	(5)	276	7	278

(1) Quantum is a wholly-owned subsidiary of Kenon which holds Kenon's interest in Qoros.

(2) Includes the results of Primus; the results of ZIM, as an associated company; as well as Kenon's and IC Green's holding company and general and administrative expenses.

For the three months ended June 30, 2019				
	OPC	Quantum ¹	Other ²	Consolidated Results
	\$ millions			
Revenue	85	-	-	85
Depreciation and amortization	(8)	-	-	(8)
Financing income	-	-	5	5
Financing expenses	(10)	-	-	(10)
Net losses related to changes of interest in Qoros	-	(3)	-	(3)
Share in (losses) / profits of associated companies	-	(4)	1	(3)
(Loss) / Profit before taxes	-	(6)	1	(5)
Income taxes	-	-	(2)	(2)
Loss from continuing operations	-	(6)	(1)	(7)

(1) Quantum is a wholly-owned subsidiary of Kenon which holds Kenon's interest in Qoros.

(2) Includes the results of Primus; the results of ZIM, as an associated company; as well as Kenon's and IC Green's holding company and general and administrative expenses.

Information regarding associated companies

	Asset held for sale as at	Carrying amounts of investment in associated companies		Equity in the net (losses) / earnings of associated companies			
		as at		For the six months ended		for the three months ended	
		June 30, 2020	December 31, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	\$ millions	\$ millions		\$ millions		\$ millions	
ZIM	-	91	84	5	(7)	8	1
Qoros	70	-	36	(6)	(9)	(2)	(4)
	70	91	120	(1)	(16)	6	(3)

Appendix B**Summary OPC consolidated financial information⁽¹⁾****OPC's Consolidated Statement of Profit**

	For the six months ended		For the three months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	\$ millions		\$ millions	
Revenue	165	182	76	85
Cost of sales (excluding depreciation and amortization)	(118)	(126)	(59)	(64)
Depreciation and amortization	(13)	(15)	(7)	(8)
Gross profit	34	41	10	13
Selling, general and administrative expenses	(8)	(7)	(5)	(4)
Business development expenses	(2)	(1)	(1)	-
Other income, net	-	1	-	1
Financing expenses, net	(13)	(15)	(9)	(10)
Profit/(loss) before taxes	11	19	(5)	-
Taxes on income	(5)	(5)	-	-
Net profit/(loss) for the period	6	14	(5)	-
Attributable to:				
Equity holders of the company	3	11	(6)	-
Non-controlling interest	3	3	1	-
Net profit for the period	6	14	(5)	-

(1) Translations of NIS amounts into US Dollars use a rate of 3.50: 1 for 2020 and 3.62: 1 for 2019.

Summary Data from OPC's Consolidated Statement of Cash Flows

	For the six months ended		For the three months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	\$ millions		\$ millions	
Cash flows provided by operating activities	51	73	27	21
Cash flows used in investing activities	(99)	(58)	(10)	(46)
Cash flows provided by / (used in) financing activities	81	(1)	46	7
Increase / (decrease) in cash and cash equivalents	33	14	63	(18)
Cash and cash equivalents at end of the period	145	106	145	106
Investments in property, plant and equipment	25	18	11	10
Total depreciation and amortization	13	15	7	8

Summary Data from OPC's Consolidated Statement of Financial Position

	As of	
	June	December
	30, 2020	31, 2019
	\$ millions	
Total financial liabilities ¹	736	622
Total monetary assets ²	204	152
Total equity attributable to the owners	217	228
Total assets	1,142	1,011

1. Including loans from banks and others and debentures.
2. Including cash and cash equivalents, short-term deposits and restricted cash.

Appendix C

Definition of OPC's EBITDA and non-IFRS reconciliation

This press release, including the financial tables, presents EBITDA, which is considered to be a “non-IFRS financial measure.”

OPC defines “EBITDA” for each period as net profit before depreciation and amortization, financing expenses, net, and income tax expense. EBITDA is not recognized under IFRS or any other generally accepted accounting principles as a measure of financial performance and should not be considered as a substitute for net profit or loss, cash flow from operations or other measures of operating performance determined in accordance with IFRS. EBITDA is not intended to represent funds available for dividends or other discretionary uses because those funds may be required for debt service, capital expenditures, working capital and other commitments and contingencies. There are limitations that impair the use of EBITDA as a measure of OPC's profitability since it does not take into consideration certain costs and expenses that result from OPC's business that could have a significant effect on net profit, such as financial expenses, taxes, depreciation, capital expenses and other related items.

OPC believes that the disclosure of EBITDA provides transparent and useful information to investors and financial analysts in their review of the company's, or its subsidiaries' operating performance and in the comparison of such operating performance to the operating performance of other companies in the same industry or in other industries that have different capital structures, debt levels and/or income tax rates.

Set forth below is a reconciliation of OPC's net profit to EBITDA for the periods presented. Other companies may calculate EBITDA differently, and therefore this presentation of EBITDA may not be comparable to other similarly titled measures used by other companies.

	For the six months ended June 30,	
	2020	2019
	\$ millions	
Net profit for the period	6	14
Depreciation and amortization	13	15
Financing expenses, net	13	15
Income tax expense	5	5
EBITDA	37	49

	For the three months ended June 30,	
	2020	2019
	\$ millions	
Net loss for the period	(5)	-
Depreciation and amortization	7	8
Financing expenses, net	9	10
EBITDA	11	18

Appendix D

Summary Financial Information of OPC's Subsidiaries

The table below sets forth debt, cash and cash equivalents, deposits and debt service reserves for OPC's subsidiaries as of June 30, 2020 (in \$ millions):

As at June 30, 2020	<u>OPC-Rotem</u>	<u>OPC-Hadera</u>	<u>OPC Energy</u>	<u>Other</u>	<u>Total</u>
Debt (including accrued interest)	330	206	192	8	736
Cash and cash equivalents and short-term deposits	39	16	89	1	145
Debt service reserves (out of restricted cash)	40	-	19	-	59

The table below sets forth debt, cash and cash equivalents, deposits and debt service reserves for OPC's subsidiaries as of December 31, 2019 (in \$ millions):

As at December 31, 2019	<u>OPC-Rotem</u>	<u>OPC-Hadera</u>	<u>OPC Energy</u>	<u>Other</u>	<u>Total</u>
Debt (including accrued interest)	346	194	82	-	622
Cash and cash equivalents and short-term deposits	33	3	74	1	111
Debt service reserves (out of restricted cash)	22	-	19	-	41

Appendix E

Summary Operational Information of OPC

The tables below set forth details of sales, generation and purchases of electricity by OPC and net generation of OPC split by the Rotem plant and the Hadera energy center (kWh in millions):

	For the six months ended		For the three months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Sales to private customers	1,857	1,991	957	1,022
Sales to the system administrator	108	48	11	5
Total sales	1,965	2,039	968	1,027

	For the six months ended		For the three months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Net generation of electricity and purchases during dispatch reduction	1,910	1,932	923	948
Purchase of electricity from the system administrator	55	107	45	79
Total volume of electricity generated and purchases from the system administrator	1,965	2,039	968	1,027

	For the six months ended		For the three months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Net generation of electricity and purchases during dispatch reduction – OPC Rotem	1,866	1,890	901	929
Net generation – OPC Hadera (energy center)	44	42	22	19
Total volume of electricity generated and purchases from the system administrator	1,910	1,932	923	948

	For the six months ended		For the three months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Steam Generation (in thousands of tonnes)	384	388	175	188