

O.Y. NOFAR ENERGY LTD

O.Y. NOFAR ENERGY LTD (the Company)

To:
Israel Securities Authority
www.magna.isa.gov.il

To:
Tel Aviv Stock Exchange Ltd.
<https://maya.tase.co.il>

2 November 2025

Re: Engagement in a Memorandum of Understanding with Clal Insurance Company Ltd. regarding Investment in the Company's Activities in Israel

The Company is pleased to report that on 30 October 2025, the Company entered into a non-binding memorandum of understanding with Clal Insurance Company Ltd. (the Memorandum of Understanding and the Investor, respectively), as detailed below:

According to the Memorandum of Understanding, the Company will transfer all of its business operations in the field of electricity production, initiation, and supply in Israel to a dedicated corporation (Nofar Israel). Subject to the completion of such transfer of business, the Investor will invest a total of NIS 300 million in Nofar Israel, reflecting a pre-money valuation of approximately NIS 1.3 billion, in consideration for the allocation of 18.75% of the rights in Nofar Israel.

The parties have agreed on an exclusivity period of 90 days, during which the Investor will conduct due diligence. If the parties do not enter into a binding agreement within this period (the Binding Agreement), the Memorandum of Understanding will expire.

Within the Binding Agreement, the Company will be obligated to conduct its development, construction, and operation activities of electricity production, initiation, and supply projects in Israel exclusively through Nofar Israel.

Completion of the Binding Agreement will be subject to preconditions, including the completion of the business transfer to Nofar Israel and the receipt of third-party approvals. Upon completion of the Binding Agreement, the Company and the Investor will enter into an agreement to regulate the rights in Nofar Israel, under which the Investor will be granted minority rights.

As of the report date, there is no certainty that the parties will enter into a Binding Agreement or that the transaction will be completed, nor the timelines and terms for such completion.

Accordingly, the negotiations previously conducted by the Company with Noy Fund regarding the possibility of Noy Fund investing in the Company's renewable energy activities in Israel, as reported by the Company in June 2025¹, have ended.

Respectfully,
O.Y. NOFAR ENERGY LTD
By: Ofer Yanai, CEO and Director,
and Nir Peleg, CFO

¹ See the Company's immediate report from 22 June 2025 (reference number: 2025-01-044008), which is hereby incorporated by reference.