26 November 2025

**Nofar Energy Ltd. (the Company)**

To:
Israel Securities Authoritywww.isa.gov.il

To:
Tel Aviv Stock Exchange Ltd.www.tase.co.il

Dear Sirs,

**Re: Entry into Project Finance Agreement for Three Projects in Romania**

Further to the provisions of Section 1.5.1 of the Board of Directors' report for the second quarter of [1]2025, the company is pleased to update that on November 26, 2025, three subsidiaries (indirectly held) of the company[2] (the project companies) entered into project finance agreements with leading European banks - European Bank for Reconstruction and Development (EBRD), Raiffeisen Bank International AG (RBI), and OTP Bank (as lenders - EBRD, RBI, and OTP; as framework lender – RBI; and as hedging lenders – RBI and OTP) for the financing of three solar projects in Romania – Slobozia with capacity of approximately 74.04 MW, Volter with capacity of approximately 175.73 MW, and Corbii Mari with capacity of approximately 281.69 MW.

According to the agreements, the project companies will be provided with long-term financing facilities and revolving credit lines in an aggregated amount for the three projects of approximately €217 million (of which €192 million are long-term financing facilities and €25 million are revolving credit facilities), all under the terms detailed in Appendix A to this immediate report[3] (the financing agreement).

As of the reporting date, the Slobozia project is in the stage of being ready to connect to the electricity grid; the Corbii Mari project is in the construction stage; and the Volter project is in the preparation stages prior to the start of construction. It is noted that this financing constitutes the second tier in the company's financing system in Romania, and among the leading banks with whom the financing agreement was signed are also EBRD and RBI, being the second financing agreement signed with them in connection with the group's projects in Romania[4].

The company views the entry into the financing agreement as a significant milestone in the company's development activities in Romania and the completion of project funding for the company's solar project portfolio in the country.

Respectfully,

Nofar Energy Ltd.

By: Ofer Yannai, CEO and Director

Nir Peleg, CFO

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[1] Published on August 27, 2025 (Reference No.: 2025-01-063998).

[2] AVIV RENEWABLE INVESTMENT S.R.L, SLOBOZIA SOLAR PLANT S.R.L and CORBII MARI SOLAR PLANT S.R.L are companies that hold the Volter, Slobozia, and Corbii Mari projects, respectively, each of which is held at a rate of 95% by Nofar Europe B.V or Nofar Ratesti BV, companies fully owned by the company.

[3] It should be emphasized that in view of the precedent conditions specified in the financing agreement as conditions for the withdrawal of the loan funds, as of the date of the report there is no certainty regarding the receipt of the financing or the timing of its receipt.

[4] For details regarding the first financing agreement, see the immediate report dated August 21, 2024 (Reference No.: 2024-01-085962).

Appendix A

<table>
<tr><td>Long-term financing frameworks: The earlier of: (a) 10 years after the commercial operation of each of the projects as defined in the agreement, (b) 13 years from the date of signing the agreement, or (c) for Slobozia – September 2036, for Corbii Mari – July 2037, and for Volter – September 2037. VAT Framework: until November 26, 2027. If the borrowers have not received the full VAT refunds to which they are entitled, they may request an extension of the VAT framework by up to 12 additional months, subject to the lender’s approval and the terms of the financing agreement. The financing will be provided in several tranches subject to the fulfillment of precedent conditions, including, among others, the provision of the required equity, provision and completion of the registration of all securities, undertaking to perform interest hedging with respect to most of the long-term financing framework (except for loans from the VAT framework), and the submission of various documents detailed in the agreement.</td><td colspan="2">Validity of the Framework and Withdrawal Conditions</td></tr>
<tr><td colspan="2">Long-term financing frameworks: During the construction period: EURIBOR interest (6 months) plus a margin of 3.5%. After Commercial Operation: EURIBOR interest (6 months) plus a margin of 3.3%. VAT Framework: EURIBOR interest (6 months) plus a margin of 2.75%.</td><td>Interest Terms [5]</td></tr>
<tr><td></td><td>Long-term financing frameworks: The interest is paid in semi-annual payments starting from the first withdrawal of the financing. The loan principal is repaid in unequal semi-annual payments, from the date of the scheduled interest payment in accordance with the amortization schedule until the final maturity of the framework, including a bullet payment between 23% to 50% [6] of the principal at the set final maturity date. The agreement includes a Cash Sweep mechanism to accelerate principal payments. VAT Framework: to be repaid by November 26, 2027, unless extended as detailed above.</td><td>Loan Repayment Dates (Principal and Interest)</td></tr>
<tr><td colspan="2"></td><td>Historical and future annual DSCR lower than 1.1.</td><td>Financial Covenants</td></tr>
</table>

[5] Interest terms do not include various fees that will be paid in amounts set in the agreement, including Commitment Fee and Arrangement Fee.

[6] The rate is the range established for the three projects.

The loan is secured by collateral as customary in a project finance agreement, including first ranking liens on the borrower's shares, on owner's loans provided to the borrowers, and on all assets and rights of the borrowers.

**Collaterals,**

**Liens**

In addition, the financing agreement includes a commitment by Nofar Europe B.V and Nofar Ratesti B.V.

**and Guarantees**

Secured by the company's guarantee that in the event of a cost overrun during construction, they will provide the additional capital required to complete the construction, up to a total of EUR 4.66 million for Slobozia, EUR 14.28 million for Corbii Mari, and EUR 9.26 million for Volter.

The agreement includes standard events giving rise to immediate repayment in project finance agreements, regarding the borrower, the shareholder and material parties to the project agreements, including, among others, non-payment, failure to meet financial covenants, breach of undertakings and representations under the agreement, failure to reach commercial operation for each of the projects by the specified date[7] and failure to complete the project by the specified date[8], cross default regarding other debts of the borrowers, shareholding in the borrowers and in relation to the company prior to completion of the projects—all subject to certain threshold conditions as specified in the agreement, insolvency proceedings and enforcement proceedings (against the borrowers, the shareholder in the borrowers, the company or a material party to the project agreements), material adverse change to the projects or in the financial situation or project agreements, breach of the project agreements, various events regarding key contractors, etc.

**Event of Default**

The agreement includes representations and commitments as customary for transactions of this kind, including a commitment to meet the timetables set in the agreement, including completion of the projects[9]. The agreement also includes the right

**Additional Information**

to make early repayment by the borrowers, as well as an obligation for early repayment in cases customary in project finance agreements, including in the event of a change of control in the borrowers as set forth in the agreement, etc.

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[7] For Slobozia – December 2026, for Corbii Mari – March 2028, and for Volter – July 2028.

[8] For Slobozia – December 2027, for Corbii Mari – September 2028, and for Volter – January 2029.

[9] See footnote 8 above.