



VERIDIS ENVIRONMENT LTD

("the Company")

August 11, 2025

To:

Israel Securities Authority
22 Kanfei Nesharim St.,
Jerusalem

Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.,
Tel Aviv

Subject: Approval of National Infrastructure Plan 20B - Plan for the Construction of a Power Station in Hadera

Further to the immediate report of the Company dated April 18, 2024 (Reference: 2024-01-044055) regarding the government decision to postpone National Infrastructure Plan 20B, promoted by OPC Holdings Israel Ltd., which is indirectly held at a rate of 20% by the Company (hereinafter: "OPC"), for the construction of a power station on land owned by the Company's subsidiary, INFINYA LTD (hereinafter: "the Land"), adjacent to OPC's power station in Hadera (hereinafter: "the Plan"), and further to Section 2.d of the Company's Board of Directors' report for the first quarter of 2025 dated May 22, 2025 (Reference: 2025-01-036495) (hereinafter: "the Interim Report") regarding the petition filed by OPC against the aforementioned postponement decision, the Company is pleased to update, according to publications and information that has come to its attention, that in a further discussion held by the government on August 10, 2025, it was decided to approve the Plan. [¹⁰¹]

Accordingly, OPC is preparing to act for the construction of a natural gas-powered power station with an estimated capacity of approximately 850 MW (hereinafter: "the Project" [¹⁰²]) as part of an update to the Electricity Authority's decision regarding regulation for conventional generation units, which sets availability tariffs for a quota of up to four power stations with a capacity of at least 630 MW, which will receive a tariff approval by June 30, 2027 (hereinafter: "the Regulation" [¹⁰³]). According to the Regulation, availability tariffs were set at a rate between 3.05 agorot and 3.31 agorot depending on the date of tariff approval close to financial closing, as well as certain incentives for the station that reaches financial closing first north of the Dan region and for early commercial operation before the end of 2029.

In a preliminary estimate as of the report date, the estimated cost of establishing the Project (if established) is initially estimated at approximately NIS 4.5-5 billion.

For more details about the Project, see Section 1.10.8.14.d of Part A of the Periodic Report for 2024 published on March 26, 2025 (Reference: 2025-01-020905) (hereinafter: "the Periodic Report").

It should be noted that OPC will examine the implications of the Plan's approval on the possibility (including timing) of canceling the impairment provision it made in its financial statements in the amount of up to approximately NIS 35 million due to the previous government decision to postpone the Plan (the Company's share is approximately NIS 7 million). It should also be noted that the Company will examine the impact of the above on the fair value of the Land (for which, as of the report date, there is an option agreement to lease the Land for the Project), which may be material. For details, see Notes 12(c)(2) and 23b 13 to the Periodic Report.

The statements in this report, including regarding the establishment of the Project as stated, the applicability of the Regulation to the Project, the Project's capacity and the aforementioned characteristics and/or the estimated cost of its establishment and/or changes in the fair value of the Land, include forward-looking information as defined in the Securities Law, 1968, based on the intentions and estimates of OPC and the Company as of the report date, and there is no certainty regarding their realization. The implementation of the Project as stated (or at all) is subject to the fulfillment of various conditions (including factors not under the control of OPC and the Company), including the Project meeting the quota set in the Regulation at the relevant times, ensuring the execution of key agreements for the Project (such as construction, equipment, gas, and financing agreements) under appropriate terms and timing, obtaining regulatory approvals, completing surveys and permitting processes, connection and licensing, completing the other aforementioned steps, the existence of suitable market conditions, ensuring equipment and construction costs, and the non-occurrence of one or more risk factors.

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Image alt: VERIDIS ENVIRONMENT LTD Logo

To which OPC and the Company are exposed as stated in the Company's 2024 Periodic Report. Such conditions have not yet been fulfilled and there is no certainty as to their fulfillment or the timing of their fulfillment, and therefore, as of the report date, there is no certainty regarding the implementation of the Project.

It is clarified that the above regarding the possibility of canceling the impairment provision and revaluation of the Land as stated above is subject to examination by OPC and the Company, which has not yet been performed, as well as to review and audit (as applicable) by the auditors, and as of the report date, there is no certainty regarding the possibility of implementing the cancellation of the provision and the timing, as well as the revaluation of the Land as stated.

Sincerely,

VERIDIS ENVIRONMENT LTD

By:

- Hagit Benesh, Legal Counsel
- Benny Bar-On, CFO

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FOOTNOTE:

¹⁰¹ To the best of the Company's knowledge, the decision and its full wording have not yet been published.

¹⁰² It should be noted that the Project will be established using the best available technology and, in addition, the existing "Energy Center" near the Company's power station in Hadera (including the chimney) will be dismantled. The Company will also carry out an environmental project in cooperation with the relevant parties and in accordance with all laws until the station is operational (if established).

¹⁰³ Electricity Authority Decision No. 70804 dated March 26, 2025.