

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 6-K**

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

For the month of September 2019  
Commission File Number: 001-35284

**Ellomay Capital Ltd.**

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 6688112, Israel

(Address of principal executive office)

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 if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

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): 82- \_\_\_\_\_

---

THE TEXT OF THIS FORM 6-K, THE IFRS FINANCIAL RESULTS INCLUDED IN EXHIBIT 99.1 AND THE TEXT OF EXHIBITS 99.2 THROUGH 99.4 OF THIS FORM 6-K, ARE HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-199696 AND 333-144171) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

#### **Change in Annual Interest Rate on the Company's Series B Debentures**

On September 25, 2019, Ellomay Capital Ltd. (the "**Company**") issued a press release titled "Ellomay Capital Reports Results for the Three and Six Months Ended June 30, 2019 (the "**Press Release**"). As noted in the Press Release, pursuant to the terms of the Company's Series B Debentures, the Company annual interest rate on the Series B Debentures will increase by 0.5% commencing on the date of publication of the Press Release, due to a failure to meet one of the financial standards included in the Series B Debentures relating to the ratio of the Company's equity to balance sheet. For more information, see Item 5.B. and Exhibit 4.24 of the Company's annual report on Form 20-F, published by the Company on March 29, 2019.

The change in the annual interest rate on the Company's Series B Debentures will be implemented until such time as the Series B Debentures are repaid in full, declared for immediate repayment or until such time as the Company publishes financial results reflecting the Company's return to compliance with the ratio of the balance sheet to equity standard. The effect of the change will be as follows:

1. During the period commencing upon the current interest period (i.e., June 30, 2019) and until the date in which the Company published the Press Release (i.e., September 25, 2019), the principal of the Series B Debentures will bear an interest rate of 0.87953% (based on 365 days per year).
2. During the period commencing upon the publication of the Press Release (i.e., September 25, 2019) and until the next interest payment date (i.e., December 31, 2019) the principal of the Series B Debentures will bear an interest rate of 1.11351% (based on 365 days per year).
3. Based on the interest rates set forth above, the weighted-average interest rate payable on the outstanding principal of the Series B Debentures on the next interest payment date will be 1.99304%. The annual interest rate represented by such weighted-average interest rate is 3.83804%.
4. The annual and semi-annual interest rates for the next payment periods of the Series B Debentures will be 4.19% and 2.095%, respectively.

## Exhibits

This Report on Form 6-K of Ellomay Capital Ltd. consists of the following documents, which are attached hereto and incorporated by reference herein:

- [Exhibit 99.1](#) [Press Release: “Ellomay Capital Reports Results for the Three and Six Months Ended June 30, 2019,” dated September 25, 2019.](#)
- [Exhibit 99.2](#) [Condensed Consolidated Interim Financial Statements as at June 30, 2019 \(Unaudited\).](#)
- [Exhibit 99.3](#) [Operating and Financial Review and Prospects for the six months ended June 30, 2019.](#)
- [Exhibit 99.4](#) [Deed of Trust between the Registrant and Hermetic Trust \(1975\) Ltd., governing the Company’s Series C Debentures, dated July 15, 2019 \(translation of Hebrew version, the original language version is on file with the Company and is available upon request\).](#)

Also attached hereto as Exhibit 101 are the Condensed Consolidated Interim Financial Statements As at June 30, 2019 (Unaudited), formatted in XBRL (eXtensible Business Reporting Language), consisting of the following sub-exhibits:

<u>Exhibit Number</u>	<u>Document Description</u>
EX-101.INS	XBRL Taxonomy Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema
EX-101.CAL	XBRL Taxonomy Extension Calculation Linkbase
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase
EX-101.LAB	XBRL Taxonomy Extension Label Linkbase
EX-101.PRE	XBRL Taxonomy Extension Presentation Linkbase

## Information Relating to Forward-Looking Statements

This report contains forward-looking statements that involve substantial risks and uncertainties, including statements that are based on the current expectations and assumptions of the Company’s management. All statements, other than statements of historical facts, included in this report regarding the Company’s plans and objectives, expectations and assumptions of management are forward-looking statements. The use of certain words, including the words “will,” “estimate,” “project,” “intend,” “expect,” “believe” and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the forward-looking statements and you should not place undue reliance on the Company’s forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by our forward-looking statements including additional the Company’s ability to regain compliance with the financial covenants, changes in the market and potential defaults of the Company under the Series B Debentures. These and other risks and uncertainties associated with the Company’s business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including its Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

**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.

Ellomay Capital Ltd.

By: /s/ Kalia Weintraub  
Kalia Weintraub  
Chief Financial Officer

Dated: September 25, 2019



## Ellomay Capital Reports Results for the Three and Six Months Ended June 30, 2019

*Talasal Project reaches financial closing  
Revenues up 26% and Gross profit up 37% compared to H1 2018*

Tel-Aviv, Israel, September 25, 2019 – **Ellomay Capital Ltd. (NYSE American; TASE: ELLO)** (“**Ellomay**” or the “**Company**”) a renewable energy and power generator and developer of renewable energy and power projects in Europe and Israel, today reported its unaudited financial results for the three and six months ended June 30, 2019.

Ran Fridrich, CEO and a board member of Ellomay commented: “The results for first half of 2019 reflect an increase of approximately 26% in revenues and approximately 37% in gross profit compared to the first half of 2018. These results are in line with the company’s projections. Project development expenses increased by approximately €1 million compared to the corresponding period last year. An approximate change of €2 million in financing expenses resulted from currency fluctuations (devaluation of the euro against the NIS during this period resulting in expenses in the amount of approximately €1.3 million, compared to a revaluation during the corresponding period last year resulting in income of approximately €0.7 million). Total equity increased from approximately €77 million to approximately €82.6 million, mainly as a result of the premium in connection with the sale of 49% of Talasal’s shares. The company generated positive operating cash flow from of approximately €1.1 million. The company continues to intensively develop projects of significant size in the solar energy sector in Italy and Spain, and is vigorously working to promote the Menara cliff project.

Construction of the Talasal project (300 MWh in Spain) is advancing as planned. Most of the infrastructure work has been completed and the installation of the facilities is expected to begin shortly. Works to construct the high voltage line (22 kilometers long) have also begun. The Talasal project is expected to be operational in Q4 2020.

The works to construct a drying silo facility in the Netherlands’ biogas plant are expected to end shortly and commencing the fourth quarter of 2019 the plants are expected to produce in full capacity. In parallel, we are advancing the issuance of permits that are expected to enable doubling the amount of waste that can be processed at the existing facilities.”

### Financial Highlights

- Revenues were approximately €10.3 million for the six months ended June 30, 2019, compared to approximately €8.2 million for the six months ended June 30, 2018. The increase in revenues is mainly a result of the commencement of operations of the Company’s waste-to-energy project in Oude Tonge, the Netherlands in June 2018 and relatively higher levels of radiation in Italy during 2019 compared to 2018.
- Operating expenses were approximately €3.5 million for the six months ended June 30, 2019, compared to approximately €2.6 million for the six months ended June 30, 2018. The increase in operating expenses is mainly attributable to additional operating expenses resulting from the commencement of operations at the Company’s waste-to-energy project in Oude Tonge, the Netherlands. Depreciation expenses were approximately €3 million for the six months ended June 30, 2019, compared to approximately €2.8 million for the six months ended June 30, 2018.
- Project development costs were approximately €2.7 million for the six months ended June 30, 2019, compared to approximately €1.8 million for the six months ended June 30, 2018. The increase in project development costs is mainly attributable to consultancy expenses in connection with the project to construct a 156 MW pumped storage hydro power plant in the Manara Cliff, Israel, or the Manara Project.
- General and administrative expenses were approximately €1.9 million for the six months ended June 30, 2019, compared to approximately €2 million for the six months ended June 30, 2018.
- Company’s share of profits of equity accounted investee, after elimination of intercompany transactions, was approximately €0.03 million for the six months ended June 30, 2019, compared to approximately €0.5 million in the six months ended June 30, 2018. The decrease in the Company’s share of profit of equity accounted investee is mainly attributable to higher financial expenses incurred by Dorad Energy Ltd., in which the Company indirectly holds 9.375%, as a result of the CPI indexation of loans from banks and related parties.

- Financing expenses, net was approximately €3.1 million for the six months ended June 30, 2019, compared to approximately €0.9 million for the six months ended June 30, 2018. The increase in financing expenses was mainly due to expenses in connection with exchange rate differences amounting to approximately €1.3 million in the six months ended June 30, 2019, mainly in connection with our NIS denominated Debentures and the loan to an equity accounted investee, caused by the 5.4% devaluation of the euro against the NIS during this period, compared to income in connection with exchange rate differences amounting to approximately €0.7 million in the six months ended June 30, 2018, mainly in connection with our NIS denominated Debentures and the loan to an equity accounted investee, caused by the 2.5% revaluation of the euro against the NIS during this period.
- Taxes on income was approximately €0.5 million for the six months ended June 30, 2019, compared to a tax benefit of approximately €0.2 million for the six months ended June 30, 2018. The tax benefit for the six months ended June 30, 2018 resulted mainly from deferred tax income included in connection with the application of a tax incentive in the Netherlands claimable upon filing the relevant tax return by reducing the amount of taxable profit.
- Net loss was approximately €4.4 million for the six months ended June 30, 2019, compared to approximately €1.1 million for the six months ended June 30, 2018.
- Total other comprehensive loss was approximately €0.5 million for the six months ended June 30, 2019, compared to a profit of approximately €1 million for the six months ended June 30, 2018. The change was mainly due to changes in fair value of cash flow hedges and from foreign currency translation differences on New Israeli Shekel denominated operations, as a result of fluctuations in the euro/NIS exchange rates.
- Total comprehensive loss was approximately €4.9 million for the six months ended June 30, 2019, compared to approximately €2.2 million for the six months ended June 30, 2018.
- EBITDA was approximately €2.3 million for the six months ended June 30, 2019, compared to approximately €2.4 million for the six months ended June 30, 2018.
- Net cash from operating activities was approximately €1.1 million for the six months ended June 30, 2019, compared to approximately €2.3 million for the six months ended June 30, 2018. The decrease in net cash from operating activities is mainly due to a higher interest payment received during 2018 on a loan to an equity accounted investee.
- On April 30, 2019, the Talasol Project reached financial closing and the Company consummated the sale of 49% of the outstanding shares of Talasol for an aggregate purchase price of approximately €16.1 million. The purchase price represents 49% of our interests in Talasol (approximately €9.8 million) plus a premium of approximately €6.3 million. Such premium, net of approximately €0.7 million associated expenses, was recognized in Equity, as the sale transaction did not result in loss of control.
- As of September 1, 2019, the Company held approximately €75.1 million in cash and cash equivalents, approximately €2.2 million in marketable securities and approximately €11.1 million in restricted short-term and long-term cash and marketable securities.

#### **Use of NON-IFRS Financial Measures**

EBITDA is a non-IFRS measure and is defined as earnings before financial expenses, net, taxes, depreciation and amortization. The Company presents this measure in order to enhance the understanding of the Company's historical financial performance and to enable comparability between periods. While the Company considers EBITDA to be an important measure of comparative operating performance, EBITDA should not be considered in isolation or as a substitute for net income or other statement of operations or cash flow data prepared in accordance with IFRS as a measure of profitability or liquidity. EBITDA does not take into account the Company's commitments, including capital expenditures, and restricted cash and, accordingly, is not necessarily indicative of amounts that may be available for discretionary uses. Not all companies calculate EBITDA in the same manner, and the measure as presented may not be comparable to similarly-titled measures presented by other companies. The Company's EBITDA may not be indicative of the historic operating results of the Company; nor is it meant to be predictive of potential future results. A reconciliation between results on an IFRS and non-IFRS basis is provided in the last table of this press release.

---

## **About Ellomay Capital Ltd.**

Ellomay is an Israeli based company whose shares are registered with the NYSE American and with the Tel Aviv Stock Exchange under the trading symbol "ELLO". Since 2009, Ellomay Capital focuses its business in the renewable energy and power sectors in Europe and Israel.

To date, Ellomay has evaluated numerous opportunities and invested significant funds in the renewable, clean energy and natural resources industries in Israel, Italy and Spain, including:

- Approximately 22.6MW of photovoltaic power plants in Italy, approximately 7.9MW of photovoltaic power plants in Spain and a photovoltaic power plant of approximately 9 MW in Israel;
- 9.375% indirect interest in Dorad Energy Ltd., which owns and operates one of Israel's largest private power plants with production capacity of approximately 850MW, representing about 6%-8% of Israel's total current electricity consumption;
- 75% of Chashgal Elyon Ltd., Agira Sheuva Electra, L.P. and Ellomay Pumped Storage (2014) Ltd., all of which are involved in a project to construct a 156 MW pumped storage hydro power plant in the Manara Cliff, Israel;
- 100% of Groen Gas Goor B.V. and of Groen Gas Oude-Tonge B.V., project companies developing anaerobic digestion plants with a green gas production capacity of approximately 375 Nm<sup>3</sup>/h, in Goor, the Netherlands and 475 Nm<sup>3</sup>/h, in Oude Tonge, the Netherlands, respectively;
- 51% of Talasol, which is involved in a project to construct a photovoltaic plant with a peak capacity of 300MW in the municipality of Talaván, Cáceres, Spain.

Ellomay Capital is controlled by Mr. Shlomo Nehama, Mr. Hemi Raphael and Mr. Ran Fridrich. Mr. Nehama is one of Israel's prominent businessmen and the former Chairman of Israel's leading bank, Bank Hapohalim, and Messrs. Raphael and Fridrich both have vast experience in financial and industrial businesses. These controlling shareholders, along with Ellomay's dedicated professional management, accumulated extensive experience in recognizing suitable business opportunities worldwide. Ellomay believes the expertise of Ellomay's controlling shareholders and management enables the Company to access the capital markets, as well as assemble global institutional investors and other potential partners. As a result, we believe Ellomay is capable of considering significant and complex transactions, beyond its immediate financial resources.

For more information about Ellomay, visit <http://www.ellomay.com>.

## **Information Relating to Forward-Looking Statements**

This press release contains forward-looking statements that involve substantial risks and uncertainties, including statements that are based on the current expectations and assumptions of the Company's management. All statements, other than statements of historical facts, included in this press release regarding the Company's plans and objectives, expectations and assumptions of management are forward-looking statements. The use of certain words, including the words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the forward-looking statements and you should not place undue reliance on the Company's forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by the Company's forward-looking statements, including weather conditions, regulatory changes, changes in the supply and prices of resources required for the operation of the Company's facilities (such as waste and natural gas), changes in demand and technical and other disruptions in the operations or construction of the power plants owned by the Company. These and other risks and uncertainties associated with the Company's business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including its Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

### Contact:

Kalia Weintraub  
CFO

Tel: +972 (3) 797-1111

Email: [hilai@ellomay.com](mailto:hilai@ellomay.com)

---

## Condensed Consolidated Statements of Financial Position

	December 31, 2018	June 30, 2019	June 30, 2019
	<u>Audited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	€ in thousands		Convenience Translation into US\$ in thousands
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	36,882	55,535	63,253
Marketable securities	2,132	2,204	2,510
Restricted cash and marketable securities	4,653	1,315	1,498
Receivable from concession project	1,292	1,390	1,583
Financial assets	1,282	1,354	1,542
Trade and other receivables	12,623	11,407	12,992
	<u>58,864</u>	<u>73,205</u>	<u>83,378</u>
<b>Non-current assets</b>			
Investment in equity accounted investee	27,746	29,158	33,210
Advances on account of investments	798	843	960
Receivable from concession project	25,710	26,510	30,194
Fixed assets	87,220	128,766	146,662
Right-of-use asset	-	4,134	4,709
Intangible asset	4,882	4,987	5,680
Restricted cash and deposits	2,062	10,917	12,434
Deferred tax	2,423	2,903	3,306
Long term receivables	1,455	6,658	7,583
	<u>152,296</u>	<u>214,876</u>	<u>244,738</u>
<b>Total assets</b>	<u>211,160</u>	<u>288,081</u>	<u>328,116</u>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Current maturities of long term loans	5,864	6,932	7,895
Debentures	8,758	9,266	10,554
Trade payables	2,126	3,191	3,632
Other payables	3,103	2,985	3,400
	<u>19,851</u>	<u>22,374</u>	<u>25,481</u>
<b>Non-current liabilities</b>			
Lease liability	-	3,940	4,488
Long-term loans	60,228	120,818	137,609
Debentures	42,585	40,542	46,176
Deferred tax	6,219	6,485	7,386
Other long-term liabilities	5,320	11,318	12,891
	<u>114,352</u>	<u>183,103</u>	<u>208,550</u>
<b>Total liabilities</b>	<u>134,203</u>	<u>205,477</u>	<u>234,031</u>
<b>Equity</b>			
Share capital	19,980	19,988	22,766
Share premium	58,344	58,358	66,469
Treasury shares	(1,736)	(1,736)	(1,977)
Transaction reserve with non-controlling Interests	-	5,614	6,394
Reserves	1,169	1,156	1,317
Accumulated deficit	758	(1,993)	(2,270)
Total equity attributed to shareholders of the Company	<u>78,515</u>	<u>81,387</u>	<u>92,699</u>
Non-Controlling Interest	(1,558)	1,217	1,386
<b>Total equity</b>	<u>76,957</u>	<u>82,604</u>	<u>94,085</u>
<b>Total liabilities and equity</b>	<u>211,160</u>	<u>288,081</u>	<u>328,116</u>

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: euro 1 = US\$ 1.139)



## Condensed Consolidated Statements of Comprehensive Income (in thousands, except per share data)

	For the year ended December 31, 2018	For the three months ended June 30,		For the six months ended June 30,		For the six months ended June 30, 2019
	Audited	2018	2019	2018	2019	2019
	€ in thousands	Unaudited		Unaudited		Unaudited
	€ in thousands	€ in thousands		€ in thousands		Convenience Translation into US\$*
Revenues	18,117	5,119	5,570	8,151	10,303	11,735
Operating expenses	(6,342)	(1,710)	(1,791)	(2,610)	(3,455)	(3,935)
Depreciation expenses	(5,816)	(1,409)	(1,465)	(2,767)	(3,043)	(3,466)
<b>Gross profit</b>	<b>5,959</b>	<b>2,000</b>	<b>2,314</b>	<b>2,774</b>	<b>3,805</b>	<b>4,334</b>
Project development costs	(2,878)	(975)	(1,840)	(1,771)	(2,714)	(3,091)
General and administrative expenses	(3,600)	(792)	(982)	(1,977)	(1,879)	(2,140)
Share of profits of equity accounted investee	2,545	(662)	(1,133)	501	31	35
Other income, net	884	69	-	73	-	-
<b>Operating profit (loss)</b>	<b>2,910</b>	<b>(360)</b>	<b>(1,641)</b>	<b>(400)</b>	<b>(757)</b>	<b>(862)</b>
Financing income	2,936	475	480	1,588	870	991
Financing expenses in connection with derivatives and other assets, net	494	737	29	285	460	524
Financing expenses	(5,521)	(1,769)	(1,972)	(2,789)	(4,457)	(5,076)
Financing expenses, net	(2,091)	(557)	(1,463)	(916)	(3,127)	(3,561)
<b>Profit (loss) before taxes on income</b>	<b>819</b>	<b>(917)</b>	<b>(3,104)</b>	<b>(1,316)</b>	<b>(3,884)</b>	<b>(4,423)</b>
Tax benefit (taxes on income)	(215)	193	(325)	182	(514)	(585)
<b>Profit (loss) for the period</b>	<b>604</b>	<b>(724)</b>	<b>(3,429)</b>	<b>(1,134)</b>	<b>(4,398)</b>	<b>(5,008)</b>
<b>Profit (loss) attributable to:</b>						
Owners of the Company	1,057	(642)	(2,040)	(898)	(2,751)	(3,132)
Non-controlling interests	(453)	(82)	(1,389)	(236)	(1,647)	(1,876)
<b>Profit (loss) for the period</b>	<b>604</b>	<b>(724)</b>	<b>(3,429)</b>	<b>(1,134)</b>	<b>(4,398)</b>	<b>(5,008)</b>
<b>Other comprehensive income (loss) items that after initial recognition in comprehensive income (loss) were or will be transferred to profit or loss:</b>						
Foreign currency translation differences for foreign operations	(787)	499	(250)	(799)	982	1,119
Effective portion of change in fair value of cash flow hedges	(1,008)	202	(718)	(724)	(368)	(419)
Net change in fair value of cash flow hedges transferred to profit or loss	643	(277)	(94)	478	(1,104)	(1,257)
<b>Total other comprehensive income (loss)</b>	<b>(1,152)</b>	<b>424</b>	<b>(1,062)</b>	<b>(1,045)</b>	<b>(490)</b>	<b>(557)</b>
<b>Total comprehensive loss for the period</b>	<b>(548)</b>	<b>(300)</b>	<b>(4,491)</b>	<b>(2,179)</b>	<b>(4,888)</b>	<b>(5,565)</b>
<b>Basic net earnings (loss) per share</b>	<b>0.10</b>	<b>(0.06)</b>	<b>(0.19)</b>	<b>(0.08)</b>	<b>(0.26)</b>	<b>(0.29)</b>
<b>Diluted net earnings (loss) per share</b>	<b>0.10</b>	<b>(0.06)</b>	<b>(0.19)</b>	<b>(0.08)</b>	<b>(0.26)</b>	<b>(0.29)</b>

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: euro 1 = US\$ 1.139)

## Condensed Consolidated Statements of Changes in Equity (in thousands)

	Attributable to shareholders of the Company							Non-controlling Interests	Total Equity	
	Share capital	Share Premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve	Transaction reserve with non-controlling Interests			Total
<b>For the six month ended June 30, 2019:</b>										
Balance as at January 1, 2019	19,980	58,344	758	(1,736)	1,396	(227)	-	78,515	(1,558)	76,957
Loss for the period	-	-	(2,751)	-	-	-	-	(2,751)	(1,647)	(4,398)
Other comprehensive loss for the period	-	-	-	-	1,459	(1,472)	-	(13)	(477)	(490)
Total comprehensive loss for the period	-	-	(2,751)	-	1,459	(1,472)	-	(2,764)	(2,124)	(4,888)
<b>Transactions with owners of the Company, recognized directly in equity:</b>										
Sale of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	5,614	5,614	4,899	10,513
Options exercise	8	11	-	-	-	-	-	19	-	19
Share-based payments	-	3	-	-	-	-	-	3	-	3
Balance as at June 30, 2019	<u>19,988</u>	<u>58,358</u>	<u>(1,993)</u>	<u>(1,736)</u>	<u>2,855</u>	<u>(1,699)</u>	<u>5,614</u>	<u>81,387</u>	<u>1,217</u>	<u>82,604</u>

## Condensed Consolidated Interim Statements of Changes in Equity (in thousands) (cont'd)

	Attributable to shareholders of the Company							Non-controlling Interests	Total Equity	
	Share capital	Share Premium	Retained earnings (accumulated deficit)	Treasury Shares	Translation reserve from foreign operations	Hedging Reserve	Transaction reserve with non-controlling Interests			Total
US\$ in thousands*										
<b>For the six month ended June 30, 2019:</b>										
Balance as at January 1, 2019	22,757	66,453	862	(1,977)	1,590	(259)	-	89,426	(1,775)	87,651
Loss for the period	-	-	(3,132)	-	-	-	-	(3,132)	(1,876)	(5,008)
Other comprehensive loss for the period	-	-	-	-	1,662	(1,676)	-	(14)	(543)	(557)
Total comprehensive loss for the period	-	-	(3,132)	-	1,662	(1,676)	-	(3,146)	(2,419)	(5,565)
<b>Transactions with owners of the Company, recognized directly in equity:</b>										
Sale of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	6,394	6,394	5,580	11,974
Options exercise	9	13	-	-	-	-	-	22	-	22
Share-based payments	-	3	-	-	-	-	-	3	-	3
<b>Balance as at June 30, 2019</b>	<b>22,766</b>	<b>66,469</b>	<b>(2,270)</b>	<b>(1,977)</b>	<b>3,252</b>	<b>(1,935)</b>	<b>6,394</b>	<b>92,699</b>	<b>1,386</b>	<b>94,085</b>

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: euro 1 = US\$ 1.139)

## Condensed Consolidated Interim Statements of Changes in Equity (in thousands) (cont'd)

	Attributable to shareholders of the Company							Non-controlling Interests	Total Equity	
	Share capital	Share Premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve	Transaction reserve with non-controlling Interests			Total
							€ in thousands			
<b>For the three month ended June 30, 2019:</b>										
Balance as of March 31, 2019	19,988	58,356	47	(1,736)	2,710	(887)	-	78,478	(1,898)	76,580
Loss for the period	-	-	(2,040)	-	-	-	-	(2,040)	(1,389)	(3,429)
Other comprehensive loss for the period	-	-	-	-	145	(812)	-	(667)	(395)	(1,062)
Total comprehensive loss for the period	-	-	(2,040)	-	145	(812)	-	(2,707)	(1,784)	(4,491)
<b>Transactions with owners of the Company, recognized directly in equity:</b>										
Sale of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	5,614	5,614	4,899	10,513
Options exercise	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	2	-	-	-	-	-	2	-	2
Balance as at June 30, 2019	<u>19,988</u>	<u>58,358</u>	<u>(1,993)</u>	<u>(1,736)</u>	<u>2,855</u>	<u>(1,699)</u>	<u>5,614</u>	<u>81,387</u>	<u>1,217</u>	<u>82,604</u>

## Condensed Consolidated Interim Statements of Changes in Equity (in thousands) (cont'd)

	Attributable to shareholders of the Company						Non-controlling Interests	Total Equity	
	Share capital	Share premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve			Total
	€ in thousands								
For the year ended December 31, 2018:									
Balance as at January 1, 2018	19,980	58,339	(299)	(1,736)	2,219	138	78,641	(1,141)	77,500
Profit for the year	-	-	1,057	-	-	-	1,057	(453)	604
Other comprehensive income (loss) for the year	-	-	-	-	(823)	(365)	(1,188)	36	(1,152)
Total comprehensive income (loss) for the year	-	-	1,057	-	(823)	(365)	(131)	(417)	(548)
Transactions with owners of the Company, recognized directly in equity:									
Share-based payments	-	5	-	-	-	-	5	-	5
Balance as at December 31, 2018	<u>19,980</u>	<u>58,344</u>	<u>758</u>	<u>(1,736)</u>	<u>1,396</u>	<u>(227)</u>	<u>78,515</u>	<u>(1,558)</u>	<u>76,957</u>

## Condensed Consolidated Interim Statements of Changes in Equity (in thousands) (cont'd)

	Attributable to shareholders of the Company						Non-controlling Interests	Total Equity	
	Share capital	Share Premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve			Total
	€ in thousands								
For the six month ended June 30, 2018:									
Balance as at January 1, 2018	19,980	58,339	(299)	(1,736)	2,219	138	78,641	(1,141)	77,500
Loss for the period	-	-	(898)	-	-	-	(898)	(236)	(1,134)
Other comprehensive loss for the period	-	-	-	-	(822)	(246)	(1,068)	23	(1,045)
Total comprehensive loss for the period	-	-	(898)	-	(822)	(246)	(1,966)	(213)	(2,179)
Transactions with owners of the Company, recognized directly in equity:									
Share-based payments	-	2	-	-	-	-	2	-	2
Balance as at June 30, 2018	<u>19,980</u>	<u>58,341</u>	<u>(1,197)</u>	<u>(1,736)</u>	<u>1,397</u>	<u>(108)</u>	<u>76,677</u>	<u>(1,354)</u>	<u>75,323</u>

## Condensed Consolidated Interim Statements of Changes in Equity (in thousands) (cont'd)

	Attributable to shareholders of the Company						Non-controlling Interests	Total Equity	
	Share capital	Share Premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve			Total
					€ in thousands				
For the three month ended June 30, 2018:									
Balance as of March 31, 2018	19,980	58,340	(555)	(1,736)	877	(33)	76,873	(1,250)	75,623
Loss for the period	-	-	(642)	-	-	-	(642)	(83)	(725)
Other comprehensive loss for the period	-	-	-	-	520	(75)	445	(21)	424
Total comprehensive loss for the period	-	-	(642)	-	520	(75)	(197)	(104)	(301)
Transactions with owners of the Company, recognized directly in equity:									
Share-based payments	-	1	-	-	-	-	1	-	1
Balance as at June 30, 2018	<u>19,980</u>	<u>58,341</u>	<u>(1,197)</u>	<u>(1,736)</u>	<u>1,397</u>	<u>(108)</u>	<u>76,677</u>	<u>(1,354)</u>	<u>75,323</u>

## Condensed Consolidated Interim Statements of Cash Flow (in thousands)

	For the year ended December 31, 2018	For the three months ended June 30, 2018	For the three months ended June 30, 2019	For the six months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2019
	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited Convenience Translation into US\$*
<b>€ in thousands</b>						
<b>Cash flows from operating activities</b>						
Loss for the period	604	(725)	(3,429)	(1,134)	(4,398)	(5,008)
<b>Adjustments for:</b>						
Financing expenses, net	2,091	557	1,463	916	3,127	3,561
Depreciation	5,816	1,409	1,465	2,767	3,043	3,466
Share-based payment transactions	5	1	2	2	3	3
Share of profits of equity accounted investees	(2,545)	662	1,133	(501)	(31)	(35)
Payment of interest on loan from an equity accounted investee	3,036	-	370	1,176	370	421
Change in trade receivables and other receivables	(17)	(525)	(48)	156	(1,744)	(1,986)
Change in other assets	37	(536)	-	135	(708)	(806)
Change in receivables from concessions project	1,431	372	475	622	646	736
Change in accrued severance pay, net	15	17	4	17	8	9
Change in trade payables	633	(21)	556	328	1,065	1,212
Change in other payables	(1,565)	113	638	(310)	1,054	1,202
Taxes on income	215	(193)	325	(182)	514	585
Income taxes paid	(77)	(15)	-	(16)	-	-
Interest received	1,835	493	420	888	835	951
Interest paid	(4,924)	(2,215)	(2,450)	(2,597)	(2,655)	(3,024)
Net cash provided by operating activities	<u>6,590</u>	<u>606</u>	<u>924</u>	<u>2,267</u>	<u>1,129</u>	<u>1,287</u>
<b>Cash flows from investing activities</b>						
Acquisition of fixed assets	(3,708)	(1,494)	(37,230)	(2,606)	(44,519)	(50,706)
Acquisition of subsidiary, net of cash acquired	(1,000)	-	-	-	(1,000)	(1,139)
Repayment of loan from an equity accounted investee	1,540	-	-	490	-	-
Proceeds from marketable securities	3,316	-	-	-	-	-
Proceed from settlement of derivatives, net	664	208	-	223	532	606
Proceed (investment) in restricted cash, net	(3,107)	1,525	(5,306)	1,604	(5,219)	(5,944)
Repayment (grand) Loan to others	(3,500)	-	3,500	-	3,500	3,986
Net cash used in investing activities	<u>(5,795)</u>	<u>239</u>	<u>(39,036)</u>	<u>(289)</u>	<u>(46,706)</u>	<u>(53,197)</u>
<b>Cash flows from financing activities</b>						
Repayment of long-term loans and finance lease obligations	(17,819)	(14,550)	(3,652)	(14,727)	(4,158)	(4,736)
Repayment of Debentures	(4,668)	-	(4,532)	-	(4,532)	(5,162)
Proceeds from options	-	-	-	-	19	22
Sale of shares in subsidiaries to non-controlling interests	-	34,461	14,062	-	14,062	16,016
Proceeds from long term loans, net	34,745	-	41,470	34,501	58,894	67,079
Net cash provided by financing activities	<u>12,258</u>	<u>19,911</u>	<u>47,348</u>	<u>19,774</u>	<u>64,285</u>	<u>73,219</u>
Effect of exchange rate fluctuations on cash and cash equivalents	(133)	97	(54)	(104)	(55)	(64)
Increase in cash and cash equivalents	12,920	19,641	9,182	21,648	18,653	21,245
Cash and cash equivalents at the beginning of the period	<u>23,962</u>	<u>25,969</u>	<u>-</u>	<u>23,962</u>	<u>36,882</u>	<u>42,008</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>36,882</u></u>	<u><u>45,610</u></u>	<u><u>9,182</u></u>	<u><u>45,610</u></u>	<u><u>55,535</u></u>	<u><u>63,253</u></u>

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: euro 1 = US\$ 1.139)



## Reconciliation of Loss to EBITDA (in thousands)

	For the year ended December 31, 2018	For the three months ended June 30,		For the six months ended June 30,		For the six months ended June 30, 2019	
	2018	2018	2019	2018	2019	2019	
	Unaudited						Convenience Translation into US\$*
	€ in thousands						
Net loss for the period	604	(725)	(3,429)	(1,134)	(4,398)	(5,008)	
Financing expenses, net	2,091	557	1,463	916	3,127	3,561	
Taxes on income	215	(193)	325	(182)	514	585	
Depreciation	5,816	1,409	1,465	2,767	3,043	3,466	
EBITDA	8,726	1,048	(176)	2,367	2,286	2,604	

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: euro 1 = US\$ 1.139)

## Information for the Company's Debenture Holders

Pursuant to the Deeds of Trust governing the Company's Series A, B and C Debentures (together, the "**Debentures**"), the Company is required to maintain certain financial covenants. For more information, see Item 5.B of the Company's Annual Report on Form 20-F.

### *Net Financial Debt*

As of June 30, 2019, the Company's Net Financial Debt (as such term is defined in the Deeds of Trust of the Company's Debentures) was approximately €44.8 million (consisting of approximately €137.8 million of short-term and long-term debt from banks and other interest bearing financial obligations and approximately €49.8 million in connection with the Series A Debentures issuances (in January and September 2014) and the Series B Debentures issuance (in March 2017), net of approximately €57.7 million of cash and cash equivalents and marketable securities and net of approximately €85.1 million of project finance and related hedging transactions of the Company's subsidiaries).

### *Information for the Company's Series B Debenture Holders*

The following is an internal pro forma consolidated statement of financial position of the Company as at June 30, 2019. This information is required under the Series B Deed of Trust in connection with the adoption of IFRS 16 "Leases" by the Company and provides the consolidated statement of financial position of the Company as of the date set forth below after elimination of the effects of adoption of IFRS 16. Based on the pro forma statement of financial position, the ratio of the Company's equity to balance sheet as of June 30, 2019 was 29.2%, triggering a right of the holders of our Series B Debentures to an increase in the annual interest rate applicable to the Series B Debentures of 0.5% until such time as we publish financial results reflecting an increase in such ratio to a minimum of 30%. As a result, the annual interest rate on the Company's Series B Debentures will be 4.19%. The Company will provide further information concerning the updated interest rate in a Form 6-K to be furnished to the Securities and Exchange Commission.

---

	<b>June 30, 2019</b>
	<b>Unaudited Pro Forma € in thousands</b>
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	55,535
Marketable securities	2,204
Restricted cash and marketable securities	1,315
Receivable from concession project	1,390
Financial assets	1,354
Trade and other receivables	11,407
	<u>73,205</u>
<b>Non-current assets</b>	
Investment in equity accounted investee	29,158
Advances on account of investments	843
Receivable from concession project	26,510
Fixed assets	128,766
Intangible asset	4,987
Restricted cash and deposits	10,917
Deferred tax	1,872
Long term receivables	6,658
	<u>209,711</u>
<b>Total assets</b>	<u>282,916</u>
<b>Liabilities and Equity</b>	
<b>Current liabilities</b>	
Current maturities of long term loans	6,932
Debentures	9,266
Trade payables	3,191
Other payables	2,759
	<u>22,147</u>
<b>Non-current liabilities</b>	
Long-term loans	120,818
Debentures	40,542
Deferred tax	5,461
Other long-term liabilities	11,318
	<u>178,139</u>
<b>Total liabilities</b>	<u>200,286</u>
<b>Equity</b>	
Share capital	19,988
Share premium	58,358
Treasury shares	(1,736)
Transaction reserve with non-controlling Interests	5,614
Reserves	1,156
Accumulated deficit	(1,967)
Total equity attributed to shareholders of the Company	<u>81,413</u>
Non-Controlling Interest	1,217
<b>Total equity</b>	<u>82,630</u>
<b>Total liabilities and equity</b>	<u>282,916</u>

*Information for the Company's Series C Debenture Holders*

In July 2019, the Company issued NIS 89,065,000 Series C Debentures in a public offering in Israel. The Deed of Trust governing the Series C Debentures includes an undertaking by the Company to maintain certain financial covenants, whereby a breach of such financial covenants for two consecutive quarters is a cause for immediate repayment. As of June 30, 2019, the Company was in compliance with the financial covenants set forth in the Series C Deed of Trust as follows: (i) the Company's shareholders' equity was € 82.6 million, (ii) the ratio of the Company's Net Financial Debt (as set forth above) to the Company's CAP, Net (defined as the Company's consolidated shareholders' equity plus the Net Financial Debt) was 35.2% and (iii) the ratio of the Company's Net Financial Debt to the Company's Adjusted EBITDA<sup>(1)</sup> was 3.8.

<sup>(1)</sup> The term "Adjusted EBITDA" is defined in the Series C Deed of Trust as earnings before financial expenses, net, taxes, depreciation and amortization, where the revenues from the Company's operations, such as the Talmei Yosef project, are calculated based on the fixed asset model and not based on the financial asset model (IFRIC 12), and before share-based payments. The Series C Deed of Trust provides that for purposes of the financial covenant, the Adjusted EBITDA will be calculated based on the four preceding quarters, in the aggregate. The Adjusted EBITDA is presented in this press release as part of the Company's undertakings towards the holders of its Series C Debentures. For a general discussion of the use of non-IFRS measures, such as EBITDA and Adjusted EBITDA see above under "Use of NON-IFRS Financial Measures."

The following is a reconciliation between our net profit (loss) and the Adjusted EBITDA for the four-quarter period ended June 30, 2019:

	<b>For the four quarter period ended June 30, 2019</b>
	<b>Unaudited</b>
	<b>€ in thousands</b>
Net loss for the period	(2,660)
Financing expenses, net	4,302
Taxes on income	911
Depreciation	6,092
Adjustment to revenues of the Talmei Yosef project due to calculation based on the fixed asset model	3,043
Share-based payments	6
Adjusted EBITDA as defined the Series C Deed of Trust	11,694

**Ellomay Capital Ltd. and its  
Subsidiaries**

**Condensed Consolidated Interim  
Financial Statements  
As at June 30, 2019  
(Unaudited)**

---

**Condensed Consolidated Unaudited Interim Financial Statements**

---

	<b>Page</b>
<a href="#"><u>Condensed Consolidated Unaudited Interim Statements of Financial Position</u></a>	F-2
<a href="#"><u>Condensed Consolidated Unaudited Interim Statements of Comprehensive Income (Loss)</u></a>	F-3
<a href="#"><u>Condensed Consolidated Unaudited Interim Statements of Changes in Equity</u></a>	F-4 - F-7
<a href="#"><u>Condensed Consolidated Unaudited Interim Statements of Cash Flows</u></a>	F-8
<a href="#"><u>Notes to the Condensed Consolidated Unaudited Interim Financial Statements</u></a>	F-9 - F-28

---

## Condensed Consolidated Unaudited Interim Statements of Financial Position

		June 30, 2019	December 31, 2018	June 30, 2019
		<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
	Note	€ in thousands		Convenience Translation into US\$ in thousands*
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		55,535	36,882	63,253
Marketable securities	5	2,204	2,132	2,510
Restricted cash and marketable securities	5	1,315	4,653	1,498
Receivable from concession project		1,390	1,292	1,583
Financial assets		1,354	1,282	1,542
Trade and other receivables	6	11,407	12,623	12,992
		<u>73,205</u>	<u>58,864</u>	<u>83,378</u>
<b>Non-current assets</b>				
Investment in equity accounted investee	7	29,158	27,746	33,210
Advances on account of investments		843	798	960
Receivable from concession project		26,510	25,710	30,194
Fixed assets		128,766	87,220	146,662
Right-of-use asset		4,134	-	4,709
Intangible asset		4,987	4,882	5,680
Restricted cash and deposits	5	10,917	2,062	12,434
Deferred tax		2,903	2,423	3,306
Long term receivables	6	6,658	1,455	7,583
		<u>214,876</u>	<u>152,296</u>	<u>244,738</u>
<b>Total assets</b>		<u>288,081</u>	<u>211,160</u>	<u>328,116</u>
<b>Liabilities and Equity</b>				
<b>Current liabilities</b>				
Current maturities of long term loans		6,932	5,864	7,895
Debentures		9,266	8,758	10,554
Trade payables		3,191	2,126	3,632
Other payables		2,985	3,103	3,400
		<u>22,374</u>	<u>19,851</u>	<u>25,481</u>
<b>Non-current liabilities</b>				
Lease liability		3,940	-	4,488
Long-term loans		120,818	60,228	137,609
Debentures		40,542	42,585	46,176
Deferred tax		6,485	6,219	7,386
Other long-term liabilities		11,318	5,320	12,891
		<u>183,103</u>	<u>114,352</u>	<u>208,550</u>
<b>Total liabilities</b>		<u>205,477</u>	<u>134,203</u>	<u>234,031</u>
<b>Equity</b>				
Share capital		19,988	19,980	22,766
Share premium		58,358	58,344	66,469
Treasury shares		(1,736)	(1,736)	(1,977)
Transaction reserve with non-controlling Interests		5,614	-	6,394
Reserves		1,156	1,169	1,317
Retained earnings (accumulated deficit)		(1,993)	758	(2,270)
Total equity attributed to shareholders of the Company		<u>81,387</u>	<u>78,515</u>	<u>92,699</u>
Non-Controlling Interest		1,217	(1,558)	1,386
<b>Total equity</b>		<u>82,604</u>	<u>76,957</u>	<u>94,085</u>
<b>Total liabilities and equity</b>		<u>288,081</u>	<u>211,160</u>	<u>328,116</u>

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: EUR 1 = US\$ 1.139)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

## Condensed Consolidated Unaudited Interim Statements of Comprehensive Income (Loss)

	For the six months ended	For the six months ended	For the year ended December	For the six months ended
	June 30, 2019	June 30, 2018	31, 2018	June 30, 2019
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
	€ in thousands (except per share amounts)			Convenience Translation into US\$*
Revenues	10,303	8,151	18,117	11,735
Operating expenses	(3,455)	(2,610)	(6,342)	(3,935)
Depreciation and amortization expenses	(3,043)	(2,767)	(5,816)	(3,466)
<b>Gross profit</b>	<b>3,805</b>	<b>2,774</b>	<b>5,959</b>	<b>4,334</b>
Project development costs	(2,714)	(1,771)	(2,878)	(3,091)
General and administrative expenses	(1,879)	(1,977)	(3,600)	(2,140)
Share of profits of equity accounted investee	31	501	2,545	35
Other income, net	-	73	884	-
<b>Operating profit (Loss)</b>	<b>(757)</b>	<b>(400)</b>	<b>2,910</b>	<b>(862)</b>
Financing income	870	1,588	2,936	991
Financing income in connection with derivatives, net	460	285	494	524
Financing expenses	(4,457)	(2,789)	(5,521)	(5,076)
Financing expenses, net	(3,127)	(916)	(2,091)	(3,561)
<b>Profit (loss) before taxes on income</b>	<b>(3,884)</b>	<b>(1,316)</b>	<b>819</b>	<b>(4,423)</b>
Tax benefit (Taxes on income)	(514)	182	(215)	(585)
<b>Profit (loss) for the period</b>	<b>(4,398)</b>	<b>(1,134)</b>	<b>604</b>	<b>(5,008)</b>
<b>Profit (loss) attributable to:</b>				
Owners of the Company	(2,751)	(898)	1,057	(3,132)
Non-controlling interests	(1,647)	(236)	(453)	(1,876)
<b>Profit (loss) for the period</b>	<b>(4,398)</b>	<b>(1,134)</b>	<b>604</b>	<b>(5,008)</b>
<b>Other comprehensive income (loss) items that after initial recognition in comprehensive income (loss) were or will be transferred to profit or loss:</b>				
Foreign currency translation differences for foreign Operations	982	(799)	(787)	1,119
Effective portion of change in fair value of cash flow Hedges	(368)	(724)	(1,008)	(419)
Net change in fair value of cash flow hedges transferred to profit or loss	(1,104)	478	643	(1,257)
<b>Total other comprehensive loss</b>	<b>(490)</b>	<b>(1,045)</b>	<b>(1,152)</b>	<b>(557)</b>
<b>Total comprehensive loss for the period</b>	<b>(4,888)</b>	<b>(2,179)</b>	<b>(548)</b>	<b>(5,565)</b>
<b>Basic earnings (loss) per share</b>	<b>(0.26)</b>	<b>(0.08)</b>	<b>0.10</b>	<b>(0.29)</b>
<b>Diluted earnings (loss) per share</b>	<b>(0.26)</b>	<b>(0.08)</b>	<b>0.10</b>	<b>(0.29)</b>

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: EUR 1 = US\$ 1.139)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.



## Condensed Consolidated Unaudited Interim Statements of Changes in Equity

	Attributable to shareholders of the Company							Non-controlling Interests	Total Equity	
	Share capital	Share Premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve	Transaction reserve with non-controlling Interests			Total
For the six month ended June 30, 2019 (unaudited)										
Balance as at January 1, 2019	19,980	58,344	758	(1,736)	1,396	(227)	-	78,515	(1,558)	76,957
Loss for the period	-	-	(2,751)	-	-	-	-	(2,751)	(1,647)	(4,398)
Other comprehensive loss for the period	-	-	-	-	1,459	(1,472)	-	(13)	(477)	(490)
Total comprehensive loss for the period	-	-	(2,751)	-	1,459	(1,472)	-	(2,764)	(2,124)	(4,888)
Transactions with owners of the Company, recognized directly in equity:										
Sale of shares in subsidiaries to non-controlling interests (see Note 7)	-	-	-	-	-	-	5,614	5,614	4,899	10,513
Options exercise	8	11	-	-	-	-	-	19	-	19
Share-based payments	-	3	-	-	-	-	-	3	-	3
Balance as at June 30, 2019	<u>19,988</u>	<u>58,358</u>	<u>(1,993)</u>	<u>(1,736)</u>	<u>2,855</u>	<u>(1,699)</u>	<u>5,614</u>	<u>81,387</u>	<u>1,217</u>	<u>82,604</u>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

## Condensed Consolidated Unaudited Interim Statements of Changes in Equity

	Attributable to shareholders of the Company						Non-controlling Interests	Total Equity	
	Share capital	Share Premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve			Total
€ in thousands									
For the six month ended June 30, 2018 (unaudited)									
Balance as at January 1, 2018	19,980	58,339	(299)	(1,736)	2,219	138	78,641	(1,141)	77,500
Loss for the period	-	-	(898)	-	-	-	(898)	(236)	(1,134)
Other comprehensive loss for the period	-	-	-	-	(822)	(246)	(1,068)	23	(1,045)
Total comprehensive loss for the period	-	-	(898)	-	(822)	(246)	(1,966)	(213)	(2,179)
Transactions with owners of the Company, recognized directly in equity:									
Share-based payments	-	2	-	-	-	-	2	-	2
Balance as at June 30, 2018	<u>19,980</u>	<u>58,341</u>	<u>(1,197)</u>	<u>(1,736)</u>	<u>1,397</u>	<u>(108)</u>	<u>76,677</u>	<u>(1,354)</u>	<u>75,323</u>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

## Condensed Consolidated Unaudited Interim Statements of Changes in Equity

	Attributable to shareholders of the Company						Non-controlling Interests	Total Equity	
	Share capital	Share premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve			Total
€ in thousands									
For the year ended December 31, 2018 (audited)									
Balance as at January 1, 2018	19,980	58,339	(299)	(1,736)	2,219	138	78,641	(1,141)	77,500
Profit for the year	-	-	1,057	-	-	-	1,057	(453)	604
Other comprehensive income (loss) for the year	-	-	-	-	(823)	(365)	(1,188)	36	(1,152)
Total comprehensive income (loss) for the year	-	-	1,057	-	(823)	(365)	(131)	(417)	(548)
Transactions with owners of the Company, recognized directly in equity:									
Share-based payments	-	5	-	-	-	-	5	-	5
Balance as at December 31, 2018	<u>19,980</u>	<u>58,344</u>	<u>758</u>	<u>(1,736)</u>	<u>1,396</u>	<u>(227)</u>	<u>78,515</u>	<u>(1,558)</u>	<u>76,957</u>

The accompanying notes are an integral part of the condensed consolidated interim financial statements

## Condensed Consolidated Unaudited Interim Statements of Changes in Equity

	Attributable to shareholders of the Company							Non-controlling Interests	Total Equity	
	Share capital	Share Premium	Retained earnings (accumulated deficit)	Treasury shares	Translation reserve from foreign operations	Hedging Reserve	Transaction reserve with non-controlling Interests			Total
	US\$ in thousands*									
For the six month ended June 30, 2019 (unaudited)										
Balance as at January 1, 2019	22,757	66,453	862	(1,977)	1,590	(259)	-	89,426	(1,775)	87,651
Loss for the period	-	-	(3,132)	-	-	-	-	(3,132)	(1,876)	(5,008)
Other comprehensive loss for the period	-	-	-	-	1,662	(1,676)	-	(14)	(543)	(557)
Total comprehensive loss for the period	-	-	(3,132)	-	1,662	(1,676)	-	(3,146)	(2,419)	(5,565)
Transactions with owners of the Company, recognized directly in equity:										
Sale of shares in subsidiaries to non-controlling interests (see Note 7)	-	-	-	-	-	-	6,394	6,394	5,580	11,974
Options exercise	9	13	-	-	-	-	-	22	-	22
Share-based payments	-	3	-	-	-	-	-	3	-	3
Balance as at June 30, 2019	<u>22,766</u>	<u>66,469</u>	<u>(2,270)</u>	<u>(1,977)</u>	<u>3,252</u>	<u>(1,935)</u>	<u>6,394</u>	<u>92,699</u>	<u>1,386</u>	<u>94,085</u>

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: EUR 1 = US\$ 1.139)

The accompanying notes are an integral part of the condensed consolidated interim financial statements

## Condensed Consolidated Unaudited Interim Statements of Cash Flows

	For the six months ended June 30, 2019 (Unaudited)	For the six months ended June 30, 2018 (Unaudited)	For the year ended December 31, 2018 (Audited)	For the six months ended June 30, 2019 (Unaudited) Convenience Translation into US\$*
	€ in thousands			
<b>Cash flows from operating activities</b>				
Income (loss) for the period	(4,398)	(1,134)	604	(5,008)
<b>Adjustments for:</b>				
Financing expenses, net	3,127	916	2,091	3,561
Depreciation	3,043	2,767	5,816	3,466
Share-based payment transactions	3	2	5	3
Share of losses (profits) of equity accounted investees	(31)	(501)	(2,545)	(35)
Payment of interest on loan from an equity accounted investee	370	1,176	3,036	421
Change in trade receivables and other receivables	(1,744)	156	(17)	(1,986)
Change in other assets	(708)	135	37	(806)
Change in receivables from concessions project	646	622	1,431	736
Change in accrued severance pay, net	8	17	15	9
Change in trade payables	1,065	328	633	1,212
Change in other payables	1,054	(310)	(1,565)	1,202
Income tax expense (tax benefit)	514	(182)	215	585
Income taxes paid	-	(16)	(77)	-
Interest received	835	888	1,835	951
Interest paid	(2,655)	(2,597)	(4,924)	(3,024)
Net cash provided by operating activities	<u>1,129</u>	<u>2,267</u>	<u>6,590</u>	<u>1,287</u>
<b>Cash flows from investing activities</b>				
Acquisition of fixed assets	(44,519)	(2,606)	(3,708)	(50,706)
Acquisition of subsidiary, net of cash acquired	(1,000)	-	(1,000)	(1,139)
Repayment of loan from an equity accounted investee	-	490	1,540	-
Proceeds from marketable securities	-	-	3,316	-
Proceeds from settlement of derivatives, net	532	223	664	606
Proceeds (investment) in restricted cash, net	(5,219)	1,604	(3,107)	(5,944)
Repayment (grant) of loan to others	3,500	-	(3,500)	3,986
Net cash used in investing activities	<u>(46,706)</u>	<u>(289)</u>	<u>(5,795)</u>	<u>(53,197)</u>
<b>Cash flows from financing activities</b>				
Repayment of long-term loans and finance lease Obligations	(4,158)	(14,727)	(17,819)	(4,736)
Repayment of Debentures	(4,532)	-	(4,668)	(5,162)
Proceeds from options	19	-	-	22
Sale of shares and shareholders loan in subsidiaries to non-controlling interests	14,062	-	-	16,016
Proceeds from long term loans, net	58,894	34,501	34,745	67,079
Net cash from financing activities	<u>64,285</u>	<u>19,774</u>	<u>12,258</u>	<u>73,219</u>
Effect of exchange rate fluctuations on cash and cash equivalents	(55)	(104)	(133)	(64)
Increase in cash and cash equivalents	18,653	21,648	12,920	21,245
Cash and cash equivalents at the beginning of the period	<u>36,882</u>	<u>23,962</u>	<u>23,962</u>	<u>42,008</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>55,535</u>	<u>45,610</u>	<u>36,882</u>	<u>63,253</u>

\* Convenience translation into US\$ (exchange rate as at June 30, 2019: EUR 1 = US\$ 1.139)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 1 - General****A.**

Ellomay Capital Ltd. (hereinafter - the “Company”), is an Israeli Company involved in the production of renewable and clean energy. The Company owns seventeen PV Plants that are operating and connected to their respective national grids as follows: (i) twelve photovoltaic plants in Italy with an aggregate installed capacity of approximately 22.6 MWp, (ii) four photovoltaic plants in Spain with an aggregate installed capacity of approximately 7.9 MWp and (iii) one photovoltaic plant in Israel with an installed capacity of approximately 9 MWp. In addition, the Company owns: (i) 9.375% of Dorad Energy Ltd. (hereinafter - “Dorad”), which owns an approximate 850 MWp bi-fuel operated power plant in the vicinity of Ashkelon, Israel, (ii) 51% of Groen Gas Goor B.V and of Groen Gas Oude-Tonge B.V., project companies developing anaerobic digestion plants with a green gas production capacity of approximately 375 Nm<sup>3</sup>/h, in Goor, the Netherlands and 475 Nm<sup>3</sup>/h, in Oude Tonge, the Netherlands, respectively, (iii) 51% Talasol Solar S.L.U (hereinafter – “Talasol”), which is involved in a project to construct a photovoltaic plant with a peak capacity of 300 MW in the municipality of Talaván, Cáceres, Spain (hereinafter – the “Talasol Project”), and (iv) 75% of Chashgal Elyon Ltd., Agira Sheuva Electra, L.P. and Ellomay Pumped Storage (2014) Ltd., all of which are involved in a project to construct a 156 MW pumped storage hydro power plant in the Manara Cliff, Israel.

The ordinary shares of the Company are listed on the NYSE American and on the Tel Aviv Stock Exchange (under the symbol “ELLO”). The address of the Company’s registered office is 9 Rothschild Blvd., Tel Aviv, Israel.

**B. Material events in the reporting period**

In April 2019, the Company, through its wholly-owned subsidiary, Ellomay Luxembourg Holdings, S.à.r.l. sold 49% of the outstanding shares of Talasol to GSE 3 UK Limited and Fond-ICO Infraestructuras II, FICC (24.5%, respectively) (together, the “Partners”) pursuant to a Credit Facilities Assignment and Sale and Purchase of Shares Agreement (the “SPA”). Following consummation of the transactions contemplated by the SPA, the Company indirectly owns 51% of Talasol’s shares. For further information see Note 7.

On April 30, 2019, the Talasol Project reached financial closing. Total CAPEX of the Talasol Project is expected to be approximately €228 million, of which an aggregate amount of approximately €131 million will be provided by a term loan under the project finance obtained by Talasol from Rabobank, ABN AMRO and Deutsche Bank (commercial tranche) and the European Investment Bank. For more information see Note 10.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**


---

**Note 2 - Basis of Preparation**
**A. Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements. They should be read in conjunction with the financial statements as at and for the year ended December 31, 2018 (hereinafter – “the annual financial statements”).

These condensed consolidated interim financial statements were authorized for issue on September 25, 2019.

**B. Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to exercise judgment when making assessments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except as described below and that mentioned in Note 3.A, the significant judgments made by management in applying the Company’s accounting policies and the principal assumptions used in the estimation of uncertainty were the same as those that applied to the annual financial statements.

<b>Estimate/judgment</b>	<b>Principal assumptions</b>	<b>Possible effects</b>
Determining whether an arrangement contains a lease	In order to determine whether an arrangement contains a lease, the Company assesses whether the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration, while examining whether throughout the lease term it has the right to obtain substantially all the economic benefits from use of the identified asset and the right to direct the identified asset’s use.	Recognition of right-of-use asset and lease liabilities or recognition of current expenses.
Determining the lease term	In order to determine the lease term, the Company takes into consideration the period over which the lease is non-cancellable, including renewal options that it is reasonably certain it will exercise and/or termination options that it is reasonably certain it will not exercise.	An increase or decrease in the initial measurement of a right-of-use asset and lease liability and in depreciation and financing expenses in subsequent periods.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 3 - Significant Accounting Policies**

Except as described below, the accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its annual financial statements. Presented hereunder is a description of the changes in accounting policies applied in these condensed consolidated interim financial statements and their effect:

**A. Initial application of new standards, amendments to standards and interpretations**

As from January 1, 2019 the Company applies the new standards and amendments to standards described below:

**(1) IFRS 16, Leases (hereinafter in this section: "IFRS 16" or "the standard")**

As from January 1, 2019 (hereinafter: "the date of initial application") the Company applies International Financial Reporting Standard 16, Leases (hereinafter: "IFRS 16" or "the standard"), which replaced International Accounting Standard 17, Leases (hereinafter: "IAS 17" or "the previous standard").

The main effect of the standard's application is reflected in annulment of the existing requirement from lessees to classify leases as operating (off-balance sheet) or finance leases and the presentation of a unified model for lessees to account for all leases similarly to the accounting treatment of finance leases in the previous standard. Until the date of application, the Company classified most of the leases in which it is the lessee as operating leases, as it did not substantially bear all the risks and rewards from the assets.

In accordance with IFRS 16, for agreements in which the Company is the lessee, the Company recognizes a right-of-use asset and a lease liability at the inception of the lease contract for all the leases in which the Company has a right to control identified assets for a specified period of time, other than exceptions specified in the standard. Accordingly, the Company recognizes depreciation and amortization expenses in respect of a right-of-use asset, tests a right-of-use asset for impairment in accordance with IAS 36 and recognizes financing expenses on a lease liability. Therefore, as from the date of initial application, lease payments relating to assets leased under an operating lease, which were presented as part of general and administrative expenses in the income statement, are capitalized to assets and written down as depreciation and amortization expenses.

The Company elected to apply the standard using the modified retrospective approach, with an adjustment to the balance of retained earnings as at January 1, 2019 and without a restatement of comparative data. In respect of all the leases, the Company elected to apply the transitional provisions such that on the date of initial application it recognized a liability at the present value of the balance of future lease payments discounted at its incremental borrowing rate at that date calculated according to the average duration of the remaining lease period as from the date of initial application, and concurrently recognized a right-of-use asset at the same amount of the liability, adjusted for any prepaid or accrued lease payments that were recognized as an asset or liability before the date of initial application. Therefore, application of the standard did not have an effect on the Company's equity at the date of initial application.



## Notes to the Condensed Consolidated Unaudited Interim Financial Statements

## Note 3 - Significant Accounting Policies (cont'd)

## A. Initial application of new standards, amendments to standards and interpretations (cont'd)

## (1) IFRS 16, Leases (cont'd)

Furthermore, as part of the initial application of the standard, the Company has chosen to apply the following expedients:

- (1) Relying on a previous definition and/or assessment of whether an arrangement is a lease in accordance with current guidance with respect to agreements that exist at the date of initial application;
- (2) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (3) Applying the practical expedient regarding the recognition and measurement of short-term leases, for both leases that end within 12 months from the date of initial application and leases for a period of up to 12 months from the date of their inception for all groups of underlying assets to which the right-of-use relates;

The table below presents the cumulative effects of the items affected by the initial application on the statement of financial position as at January 1, 2019:

	According to IAS 17	The change (Unaudited)	According to IFRS 16
	€ in thousands		
Right-of-use asset	-	4,192	4,192
Deferred tax assets	-	1,040	1,040
Lease liabilities	-	4,192	4,192
Deferred tax liabilities	-	1,040	1,040

In measurement of the lease liabilities, the Company discounted lease payments using the nominal incremental borrowing rate at January 1, 2019. The discount rates used to measure the lease liability range between 2.56% and 4.57% (weighted average of 3.4%). This range is affected by differences in the lease term, differences between asset groups, and so forth.

As a result of applying IFRS 16, in relation to the leases that were classified as operating leases according to IAS 17, the Company recognized right-of-use assets and lease liabilities as at June 30, 2019 in the amount of EUR 4,134 thousand and EUR 4,167 thousand, respectively. Furthermore, instead of recognizing lease expenses in relation to those leases, during the six month period ended June 30, 2019 the Company recognized additional depreciation expenses in the amount of EUR 144 thousand, and additional financing expenses in the amount of EUR 110 thousand.

Presented hereunder are the main changes in accounting policies following the application of IFRS 16 as from January 1, 2019.

## (1) Determining whether an arrangement contains a lease

On the inception date of the lease, the Company determines whether the arrangement is a lease or contains a lease, while examining if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In its assessment of whether an arrangement conveys the right to control the use of an identified asset, the Company assesses whether it has the following two rights throughout the lease term:

---

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**


---

**Note 3 - Significant Accounting Policies (cont'd)****A. Initial application of new standards, amendments to standards and interpretations (cont'd)****(1) IFRS 16, Leases (cont'd)****(1) Determining whether an arrangement contains a lease (cont'd)**

- (a) The right to obtain substantially all the economic benefits from use of the identified asset; and
- (b) The right to direct the identified asset's use.

**(2) Leased assets and lease liabilities**

Contracts that award the Company control over the use of a leased asset for a period of time in exchange for consideration, are accounted for as leases. Upon initial recognition, the Company recognizes a liability at the present value of the balance of future lease payments (these payments do not include certain variable lease payments), and concurrently recognizes a right-of-use asset at the same amount of the lease liability, adjusted for any prepaid or accrued lease payments.

Since the interest rate implicit in the Company's leases is not readily determinable, the incremental borrowing rate of the lessee is used. Subsequent to initial recognition, the right-of-use asset is accounted for using the cost model, and depreciated over the shorter of the lease term or useful life of the asset.

The Company elected to apply the practical expedient by which short-term leases of up to one year and/or leases in which the underlying asset has a low value, are accounted for such that lease payments are recognized in profit or loss on a straight-line basis, over the lease term, without recognizing an asset and/or liability in the statement of financial position.

**(3) The lease term**

The lease term is the non-cancellable period of the lease plus periods covered by an extension or termination option if it is reasonably certain that the lessee will or will not exercise the option, respectively.

**(4) Variable lease payments**

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate existing at the commencement of the lease and are included in the measurement of the lease liability. When the cash flows of future lease payments change as the result of a change in an index or a rate, the balance of the liability is adjusted against the right-of-use asset.

Other variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss in the period in which the event or condition that triggers payment occurs.

**(5) Depreciation of right-of-use asset**

After lease commencement, a right-of-use asset is measured on a cost basis less accumulated depreciation and accumulated impairment losses and is adjusted for re-measurements of the lease liability. Depreciation is calculated on a straight-line basis over the useful life or contractual lease period, whichever earlier, for Lands of PV sites- 20-25 years.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 3 - Significant Accounting Policies (cont'd)****(2) IFRIC 23, *Uncertainty Over Income Tax Treatments***

IFRIC 23 clarifies how to apply the recognition and measurement requirements of IAS 12 for uncertainties in income taxes. According to IFRIC 23, when determining the taxable profit (loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments, the entity should assess whether it is probable that the tax authority will accept its tax position. Insofar as it is probable that the tax authority will accept the entity's tax position, the entity will recognize the tax effects on the financial statements according to that tax position. On the other hand, if it is not probable that the tax authority will accept the entity's tax position, the entity is required to reflect the uncertainty in its accounts by using one of the following methods: the most likely outcome or the expected value. IFRIC 23 clarifies that when the entity examines whether or not it is probable that the tax authority will accept the entity's position, it is assumed that the tax authority with the right to examine any amounts reported to it will examine those amounts and that it has full knowledge of all relevant information when doing so. Furthermore, according to IFRIC 23 an entity has to consider changes in circumstances and new information that may change its assessment. IFRIC 23 also emphasizes the need to provide disclosures of the judgments and assumptions made by the entity regarding uncertain tax positions. IFRIC 23 is applied using the cumulative effect approach. The application of IFRIC 23 did not have a material effect on the financial statements.

**(3) Amendment to IAS 28, *Investments in Associates and Joint Venture: Long-Term Interests in Associates or Joint Ventures (hereinafter – the "Amendment")***

The Amendment clarifies that for long-term interests that form part of the entity's net investment in the associate or joint venture, the entity shall first apply the requirements of IFRS 9 and then apply the instructions of IAS 28 with respect to the remainder of those interests, so that the long-term interests are in the scope of both IFRS 9 and IAS 28. The Amendment clarifies that for long-term interests that form part of the entity's net investment in the associate or joint venture, the entity shall first apply the requirements of IFRS 9 and then apply the instructions of IAS 28 with respect to the remainder of those interests, so that the long-term interests are in the scope of both IFRS 9 and IAS 28. The application of the Amendment did not have a material effect on the financial statements.

**Note 4 - Seasonality**

Solar power production has a seasonal cycle due to its dependency on the direct and indirect sunlight and the effect the amount of sunlight has on the output of energy produced. Thus, low radiation levels during the winter months decrease power production.

## Notes to the Condensed Consolidated Unaudited Interim Financial Statements

## Note 5 - Restricted Cash, Deposits and Marketable Securities

	June 30, 2019	December 31, 2018
	€ in thousands	
	Unaudited	Audited
Marketable securities <sup>(1)</sup>	2,204	2,132
Short-term restricted cash <sup>(2)</sup>	1,315	4,653
Long-term restricted non-interest bearing bank deposits <sup>(3)</sup>	3,222	408
Restricted cash, long-term bank deposits <sup>(4)</sup>	7,695	1,654
Long-term restricted cash and deposits	10,917	2,062

1. The Company invested in a traded Corporate Bond (rated Baa3 by Moody's) with a coupon rate of 4.435% and a maturity date of December 30, 2020 and in 5.8% WACHOVIA Fixed Interest Float.
2. Current accounts securing short term obligations.
3. Deposits used to secure obligations towards the Israeli Electricity Authority for the license for the pumped-storage project in the Manara Cliff in Israel and to secure obligations under loan agreements.
4. Bank deposits used to secure obligations under loan agreements and to secure the Company's forward contracts.

## Note 6 - Trade and Other Receivables

	June 30, 2019	December 31, 2018
	€ in thousands	
	Unaudited	Audited
<b>Current Assets:</b>		
<b>Other receivables</b>		
Government authorities	2,728	2,706
Income receivable	5,490	3,830
Interest receivable	19	6
Current tax	218	195
Current maturities of loan to an equity accounted investee	-	415
Trade receivable	451	156
Forward contracts	-	529
Inventory	351	-
Loan to others	-	3,500
Prepaid expenses and other	2,150	1,286
	11,407	12,623
<b>Non-current Assets:</b>		
<b>Long term receivables</b>		
Advance tax payment	861	996
Financial asset (1)	5,326	-
Annual rent deposits	59	27
Other	412	432
	6,658	1,455

- (1) Power financial hedge in respect of approximately 80% of the output of the Talasol Project for a period of 10 years. The power produced by the Talasol Project is expected to be sold in the open market for the then current market power price. The hedge transaction is expected to hedge the risks associated with fluctuating electricity market prices.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 7 - Investee Companies and Other Investments****Information about investee companies and other investments****A. U. Dori Energy Infrastructures Ltd. (“Dori Energy”)-**

The Company, through its wholly owned subsidiary, Ellomay Clean Energy Ltd. (“Ellomay Energy”), entered into an Investment Agreement (the “Dori Investment Agreement”) with Amos Luzon Entrepreneurship and Energy Group Ltd. (formerly - Dori Group Ltd.) (the “Luzon Group”), and Dori Energy, with respect to an investment in Dori Energy. Dori Energy holds 18.75% of the share capital of Dorad, which owns an approximate 850 MWp bi-fuel operated power plant in the vicinity of Ashkelon, Israel (the “Dorad Power Plant”). Dorad holds production and supply licenses, both expiring in May 2034 and commenced commercial operation in May 2014.

Dorad provided guarantees in favor of the Israeli Electricity Authority, the Israeli Electric Company and the Israel Natural Gas Lines Ltd. These guarantees were provided through Dorad’s shareholders at their proportionate holdings, as required by the financing agreements executed by Dorad. Total performance guarantees provided by Dorad amounted to approximately NIS 172,000 thousand (approximately €40,400 thousand). The Company’s indirect share of guarantees that Dorad provided through its shareholders is approximately NIS 16,000 thousand (approximately €3,800 thousand).

On February 14, 2018, Standard & Poor’s Maalot announced that it had upgraded its rating of Dorad’s senior debt. As a result of the increase in the rating and in accordance with Dorad’s financing agreements with its financing corporations, the annual interest rate of Dorad’s loans was reduced by 0.4% to 8.1% as from July 13, 2018.

**Petition to Approve a Derivative Claim filed by Dori Energy and Hemi Raphael**

In connection with the description of the petition to approve a derivative claim filed by Dory Energy and Hemi Raphael included in Note 6 to the annual financial statements, in January 2019, Dori Energy, Eilat Ashkelon Infrastructure Services Ltd. (“EAIS”), which holds 37.5% of Dorad’s shares, and Dori Energy’s representative on the Dorad board of directors filed their response to the request for permission to file an appeal submitted by Edelcom and Zorlu to the Israeli Supreme Court. On January 30, 2019, the arbitrator ruled to cancel the evidentiary hearings scheduled for March and April 2019 and determined that the parties are to immediately schedule new hearing dates. Following requests submitted by Zorlu and the Edelsburg Group in connection with discovery on behalf of Dori Energy and EAIS, on January 23, 2019 the parties filed a notice of an agreed-upon process in the matter pursuant to which Dori Energy and EAIS will submit updated discovery on January 24, 2019. In February 2019, the Edelsburg Group submitted a request to delete sections of EAIS response and EAIS and Dori Energy submitted a request to remove redactions from discovery. On February 12, 2019, the Israeli Supreme Court ruled by a majority ruling that the appeal submitted should be accepted by removing the arbitrator from her position and determined that the respondents in the proceedings will pay expenses to Zorlu in the amount of NIS 10,000. In May 2019, a new arbitrator was appointed and dates were set for the discovery process. The evidentiary hearings are scheduled during March-June 2020.

The Company estimates (after consulting with legal counsel), that at this early stage it is not yet possible to assess the outcome of the proceeding.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 7 - Investee Companies and Other Investments (cont'd)****Information about investee companies and other investments (cont'd)****A. U. Dori Energy Infrastructures Ltd. ("Dori Energy") - (cont'd)**Petition to Approve a Derivative Claim filed by Edelcom

Please see above under "Petition to Approve a Derivative Claim filed by Dori Energy and Hemi Raphael" for updates in connection with the description of the petition to approve a derivative claim filed by Edelcom included in Note 6 to the annual financial statements. The Company estimates (after consulting with legal counsel), that at this early stage it is not yet possible to assess the outcome of the proceeding.

Statement of Claim filed by Edelcom

In connection with the description of the statement of claim filed by Edelcom included in Note 6 to the annual financial statements, on July 31, 2019, Edelcom (together with Edeltech and Mr. Edelsburg) submitted a notice of withdrawal of the statement of claim. On August 11, 2019, Dori Energy submitted its response to the notice requesting that the claim be rejected and expenses and legal fees will be determined for the benefit of Dori Energy. In light of the notice of withdrawal, the Company estimates (after consultation with its legal counsel) that the claim will be deleted or rejected.

Opening Motion filed by Zorlu

On April 8, 2019, Zorlu filed an opening motion with the District Court in Tel Aviv against Dorad and the directors serving on Dorad's board on behalf of Dori Energy and EAIS. In the opening motion, Zorlu asked the court to instruct Dorad to convene a shareholders meeting and to include a discussion and a vote on the planning and construction of an additional power plant adjacent to the existing power plant (the "Dorad 2 Project") on the agenda of this meeting. Zorlu claimed that while the articles of association of Dorad provides that the planning and construction of an additional power plant requires a unanimous consent of the Dorad shareholders, and while Zorlu and Edelcom Ltd. ("Edelcom"), which holds 18.75% of Dorad, are opposed to this project, including due to the current disagreements among Dorad's shareholders, Dorad continued taking actions to advance the project, which include spending substantial amounts out of Dorad's funds. Zorlu further claims that the representatives of Dori Energy and EAIS on the Dorad board have acted to prevent the convening of a shareholders meeting as requested by Zorlu. On April 16, 2019, Edelcom submitted a request to join the opening motion as an additional respondent as Edelcom claims that it is another shareholder in Dorad that opposes the advancement of the project at this stage. In addition, Edelcom joined Dori Energy and EAIS as additional respondents to its request, claiming that these entities are required to be part of the proceeding in order to reach a complete and efficient resolution. All parties agreed to the joining of Edelcom, Dori Energy and EAIS to the proceeding. On June 15, 2019, Edelcom filed its response to the petition, requesting that the court accept the petition. On August 13, 2019, Dorad, EAIC and the Dorad board members submitted their responses and requested that the petition be dismissed. The petition is scheduled for hearings during December 2019. The Company estimates (after consulting with legal counsel), that at this early stage it is not yet possible to assess the outcome of the proceeding. To the Company's knowledge, the Dorad 2 Project is currently under internal examination by Dorad and there can be no assurance as to if, when and under what terms it will be advanced or promoted by Dorad.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 7 - Investee Companies and Other Investments (cont'd)****B. Talasol Solar S.L.U (“Talasol”) -**

In April 2019, the Company, through its wholly-owned subsidiary, Ellomay Luxembourg Holdings, S.à.r.l. sold 49% of the outstanding shares of Talasol to GSE 3 UK Limited and Fond-ICO Infraestructuras II, FICC (24.5%, respectively) (together, the “Partners”) pursuant to a Credit Facilities Assignment and Sale and Purchase of Shares Agreement (the “SPA”). The SPA provides that Ellomay Luxembourg will assign to the Partners, in equal parts, 49% of its rights and obligations under the agreements executed in connection with the project finance obtained for the Talasol Project. The SPA provides that the legal risks will be transferred to the Partners on the closing date and the economic yields and results of operations of Talasol’s business will be transferred to the Partners as from December 31, 2018. The aggregate purchase price of approximately EUR 16.1 million represents 49% of the amounts withdrawn and interests accrued from and by Talasol under its shareholder development costs credit facility in connection with the Talasol Project’s financing as of the closing date of the SPA (approximately EUR 4.9 million), plus a payment for 49% of Talasol’s shares (approximately EUR 4.9 million) plus a premium of approximately EUR 6.3 million. Of such aggregate purchase price, the payment of €1.4 million was deferred until the achievement of a preliminary acceptance certificate under the engineering, procurement and construction (“EPC”) agreement of the Talasol Project. Ellomay Luxembourg and the Partners also entered into a Partners’ Agreement (the “PA”) setting forth the relationship between the prospective shareholders of Talasol, the governance and management of Talasol, the funding and financing of Talasol and the mechanism for future transfers of Talasol’s shares. As these changes in the Company’s ownership interest in Talasol did not result in loss of control, they were accounted for as equity transactions and the Company therefore recognized in Equity an amount of approximately EUR 6.3 million, less associated expenses in the amount of approximately EUR 0.7 million.

In addition, following consummation of the transactions contemplated by the SPA in April 2019, the Partners also provided shareholder loans to finance the construction costs of the Talasol Project in the aggregate amount of approximately EUR 37.7 million and an additional aggregate amount of EUR 2.8 million as contingent equity intended to cover unexpected CAPEX should they occur.

**Note 8 - Financial Instruments****Fair value****(1) Financial instruments measured at fair value for disclosure purposes only**

The carrying amounts of certain financial assets and liabilities, including cash and cash equivalents, trade receivables, other receivables, other short-term investments, deposits, derivatives, bank overdraft, short-term loans and borrowings, trade payables and other payables are the same or proximate to their fair value.

## Notes to the Condensed Consolidated Unaudited Interim Financial Statements

## Note 8 - Financial Instruments (cont'd)

## Fair value (cont'd)

## (1) Financial instruments measured at fair value for disclosure purposes only (cont'd)

The fair values of the other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	June 30, 2019				Valuation techniques for determining fair value	Inputs used to determine fair value
	Carrying amount	Fair value				
		Level 1	Level 2	Level 3		
€ in thousands						
<b>Non-current liabilities:</b>						
Debentures	49,808	51,619	-	-		
Loans from banks and others (including current maturities)					Future cash flows by the market interest rate on the date of measurement.	Discount rate of Euribor+ 2.53%, fixed rate for 5 years 2.9%-3.1%, Discount rate of Euribor+ 2%, and 4.65% Linkage to Consumer price index in Israel
	127,750	-	130,512	-		
	177,558	51,619	130,512	-		
	December 31, 2018				Valuation techniques for determining fair value	Inputs used to determine fair value
	Carrying amount	Fair value				
		Level 1	Level 2	Level 3		
€ in thousands						
<b>Non-current liabilities:</b>						
Debentures	51,343	49,190	-	-		
Loans from banks and others (including current maturities)					Discounting future cash flows by the market interest rate on the date of measurement.	Discount rate of Euribor+ 2.53%, Discount rate of Euribor + 1.85%, fixed rate for 5 years 2.9%-3.1% and 4.65% Linkage to Consumer price index in Israel
	66,092	-	66,233	-		
	117,435	49,190	66,233	-		



## Notes to the Condensed Consolidated Unaudited Interim Financial Statements

## Note 8 - Financial Instruments (cont'd)

## Fair value (cont'd)

## (2) Fair value hierarchy of financial instruments measured at fair value

The table below presents an analysis of financial instruments measured at fair value on the temporal basis using valuation methodology in accordance with hierarchy fair value levels. The various levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3: inputs that are not based on observable market data (unobservable inputs).

	June 30, 2019			
	Level 1	Level 2	Level 3	Total
	€ in thousands			
Income receivable in connection with the Erez electricity pumped storage project	-	-	1,354	1,354
Marketable securities	-	2,204	-	2,204
Forward contracts	-	(597)	-	(597)
Swap contracts	-	(8,486)	-	(8,486)
Currency swap	-	(993)	-	(993)
Power financial hedge	-	5,326	-	5,326
Loans granted to associates	-	-	9,877	9,877
	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	€ in thousands			
Income receivable in connection with the Erez electricity pumped storage project	-	-	1,282	1,282
Marketable securities	-	2,132	-	2,132
Forward contracts	-	977	-	977
Swap contracts	-	632	-	632
Currency swap	-	2,117	-	2,117
Loans granted to associates	-	-	9,189	9,189

There have been no transfers from any Level to another Level during the six months ended June 30, 2019.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 8 - Financial Instruments (cont'd)****Fair value (cont'd)****(3) Details regarding fair value measurement at Levels 2 and 3**

Income receivable in connection with the Erez electricity pumped storage project - The fair value of the income receivable in connection with the Erez electricity pumped storage project was calculated according to the cash flows expected to be received in 4.5 years following the financial closing of the project, discounted at a weighted interest rate of 2.36% reflecting the credit risk of the debtor.

Marketable securities – Market price.

Forward contracts – Fair value measured on the basis of discounting the difference between the forward price in the contract and the current forward price for the residual period until redemption using market interest rates appropriate for similar instruments, including the adjustment required for the parties' credit risks.

Swap contracts – Fair value is measured by discounting the future cash flows, over the period of the contract and using market interest rates appropriate for similar instruments, including the adjustment required for the parties' credit risks.

Currency swap – Fair value is measured by discounting the future cash flows, over the period of the contract and using market interest rates appropriate for similar instruments, including the adjustment required for the parties' credit risks.

Power financial hedge – Fair value is measured by discounting the future cash flows, over the period of the contract and using market interest rates appropriate for similar instruments and the expected electricity prices, including the adjustment required for the parties' credit risks.

Loans granted to associates - Fair value is measured by discounting the expected future cash flows derived from Dorad's financial model, over the period of the loan and using interest rates based on CAPM model.

**Note 9 - Operating Segments**

The basis of segmentation and the measurement basis for the segment profit or loss are the same as that presented in Note 22 regarding operating segments in the annual financial statements.

## Notes to the Condensed Consolidated Unaudited Interim Financial Statements

## Note 9 - Operating Segments (cont'd)

Segment assets consist of current assets, fixed assets and intangible assets, as included in reports provided regularly to the chief operating decision maker.

	PV				Bio Gas	Dorad	Manara	Total reportable segments	Reconciliations	Total consolidated
	Italy	Spain	Israel	Talazol						
For the period ended June 30, 2019										
€ in thousands										
Revenues	5,274	1,553	2,151	-	2,941	29,890	-	41,809	(31,506)	10,303
Operating expenses	(582)	(274)	(169)	-	(2,430)	(23,755)	-	(27,210)	23,755	(3,455)
Depreciation expenses	(1,710)	(450)	(1,107)	-	(659)	(2,414)	-	(6,340)	3,297	(3,043)
<b>Gross profit (loss)</b>	<b>2,982</b>	<b>829</b>	<b>875</b>	<b>-</b>	<b>(148)</b>	<b>3,721</b>	<b>-</b>	<b>8,259</b>	<b>(4,454)</b>	<b>3,805</b>
Project development costs									(2,714)	(2,714)
General and administrative expenses									(1,879)	(1,879)
Share of profits of equity accounted investee									31	31
Other income, net									-	-
<b>Operating loss</b>										<b>(757)</b>
Financing income									870	870
Financing income in connection with derivatives, net									460	460
Financing expenses, net									(4,457)	(4,457)
<b>Loss before taxes on Income</b>										<b>(3,884)</b>
Segment assets as at June 30, 2019	54,194	18,591	37,104	105,228	18,808	109,492	2,631	346,048	(57,967)	288,081

## Notes to the Condensed Consolidated Unaudited Interim Financial Statements

## Note 9 - Operating Segments (cont'd)

	PV						Total reportable segments	Reconciliations	Total consolidated	
	Italy	Spain	Israel	Talazol	Bio Gas	Dorad				Manara
	For the period ended June 30, 2018									
	€ in thousands									
<b>Revenues</b>	4,830	1,472	2,001	-	1,391	27,718	-	37,412	(29,261)	8,151
Operating expenses	(804)	(290)	(254)	-	(1,262)	(21,742)	-	(24,352)	24,742	(2,610)
Depreciation expenses	(1,779)	(416)	(1,031)	-	(391)	(2,364)	-	(5,981)	3,214	(2,767)
<b>Gross profit (loss)</b>	2,247	766	716	-	(262)	3,612	-	7,079	(4,305)	2,774
Project development costs									(1,771)	(1,771)
General and administrative expenses									(1,977)	(1,977)
Share of profits of equity accounted investee									501	501
Other income, net									73	73
<b>Operating loss</b>										(400)
Financing income									1,588	1,588
Financing expenses in connection with derivatives, net									285	285
Financing expenses, net									(2,789)	(2,789)
<b>Loss before taxes on Income</b>										(1,316)
<b>Segment assets as at June 30, 2018</b>	56,376	15,956	35,651	-	19,546	106,293	2,244	236,066	(19,317)	216,749

## Notes to the Condensed Consolidated Unaudited Interim Financial Statements

## Note 9 - Operating Segments (cont'd)

	PV						Total reportable segments	Reconciliations	Total consolidated	
	Italy	Spain	Israel	Talaso	Bio Gas	Dorad				Manara
	For the year ended December 31, 2018									
	€ in thousands									
<b>Revenues</b>	9,560	3,033	4,011	-	4,483	58,063	-	79,150	(61,033)	18,117
Operating expenses	(1,579)	(574)	(507)	-	(3,682)	(44,600)	-	(50,942)	44,600	(6,342)
Depreciation expenses	(3,569)	(828)	(2,042)	-	(1,081)	(4,811)	-	(12,331)	6,515	(5,816)
<b>Gross profit (loss)</b>	4,412	1,631	1,462	-	(280)	8,652	-	15,877	(9,918)	5,959
Project development costs									(2,878)	(2,878)
General and administrative expenses									(3,600)	(3,600)
Share of profits of equity accounted investee									2,545	2,545
Other income, net									884	884
<b>Operating profit</b>										2,910
Financing income									2,936	2,936
Financing income in connection with derivatives, net									494	494
Financing expenses, net									(5,521)	(5,521)
<b>Profit before taxes on Income</b>										819
<b>Segment assets as at December 31, 2018</b>	54,539	16,799	34,258	15,169	18,879	105,246	2,318	247,208	(36,048)	211,160

## Notes to the Condensed Consolidated Unaudited Interim Financial Statements

## Note 10 - Loans and Borrowings

- A. Presented hereunder are details of new loans received during the six month period ended June 30, 2019, relating to the Company's principal loans and borrowings:

Identity of borrower	Loan date	Original amount of loan	Interest Mechanism and rate	Payment date of principal	June 30, 2019	
					Face value	Carrying amount
					€ in thousands	
Four of the Company's Spanish subsidiaries	March 2019	17.6 million EUR	Annual interest rate equal to the Euribor 6 month rate plus a margin of 2%	June 30 and December 31 of each of the years 2019-2037	16,961	19,949
<b>Less current maturities</b>					<b>1,041</b>	<b>1,375</b>
<b>Total material Company loans issued in the period</b>					<b>15,920</b>	<b>18,574</b>

On March 12, 2019, four of the Company's Spanish indirect wholly-owned subsidiaries entered into a facility agreement governing the procurement of project financing in the aggregate amount of approximately €18.4 million with Bankinter, S.A., or the Facility Agreement. The Facility Agreement amount consists of four tranches in the aggregate amount of €17.6 million and a revolving credit facility to attend the debt service if needed, for a maximum amount of €0.8 million granted to any of the four Spanish Subsidiaries.

The termination date of the Facility Agreement is December 31, 2037 and an annual interest at the rate of Euribor 6 months plus a margin of 2% (with a zero interest floor) is repaid semi-annually on June 30 and December 31. The principal is repaid on a semi-annual basis based on a pre-determined sculptured repayment schedule.

The Facility Agreement provides for mandatory prepayment upon the occurrence of certain events and includes various customary representations, warranties and covenants, including covenants to maintain a DSCR on an aggregate basis not lower than 1.05:1, and not to make distributions unless, among other things: (i) the DSCR, on an aggregate basis, is equal to or higher than 1.15:1.0, (ii) the first instalment of the Project Finance has been repaid, (iii) no amount under the revolving credit tranche has been withdrawn and not fully repaid and no drawdowns of the revolving credit tranche are expected within the next six months, and (iv) the Spanish Subsidiaries' net debt to regulatory value (as such terms are defined in the Facility Agreement) ratio is equal to or higher than 0.7:1.

The Facility Agreements includes a cash-sweep payment mechanism and obligation that applies in the event the Spanish Subsidiaries' net debt to regulatory value ratio is equal to or higher than 0.7:1.

The four Spanish Subsidiaries entered into the swap agreements on March 12, 2019 with respect to approximately €17.6 million (with a decreasing notional principal amount based on the amortization table) until December 2037, replacing the Euribor 6 month rate with a fixed 6 month rate of approximately 1%, resulting in a fixed annual interest rate of approximately 3%.

The Project Finance documents require that security interests be provided in connection with the following: (i) the Spanish Subsidiaries' shares (held by the Company's wholly-owned subsidiary, Ellomay Luxemburg Holdings S.à.r.l. ("Ellomay Lux")), (ii) pledges over accounts, (iii) pledges over relevant agreements including hedging agreements; and (iv) promissory equipment mortgage.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 10 - Loans and Borrowings (cont'd)****B.** The Talasol Project Finance –

On April 30, 2019, the Talasol Project reached financial closing. The Talasol Project Finance includes the following facilities:

- a) A term facility in the amount of approximately €65.9 million, with a term ending on September 30, 2033, repaid in unequal sculptured semi-annual installments. Loan amounts drawn from this facility will bear an annual interest of 6 month Euribor (with a zero floor and synchronous with the applicable interest period described below) plus a margin determined based on the stage of the Talasol Project. The applicable margins are: (i) 2.25% until technical completion, (ii) 2% from technical completion until the 5th anniversary of technical completion, (iii) 2.25% from the 5th anniversary of technical completion until the termination date of the power hedge agreement that Talasol entered into last June (the “PPA”, i.e., September 30, 2030), and (iv) 2.5% from the termination date of the PPA until the end of the term of the commercial term facility;
- b) A revolving debt service reserve facility in the amount of €4.45 million, with a term ending on the earlier of: (i) September 30, 2033 or (ii) the date on which the commercial term loan set forth under (a) above has been repaid in full. Loan amounts drawn from this facility will bear an annual interest of 6 month Euribor (with a zero floor) plus a margin determined based on the stage of the Talasol Project. The applicable margins are: (i) 2.5% until technical completion, (ii) 2.25% from technical completion until the 5th anniversary of technical completion, (iii) 2.50% from the 5th anniversary of technical completion until the termination date of the PPA, and (iv) 2.75% from the termination date of the PPA until the termination date;
- c) A VAT facility in the amount of €6.67 million, with a term ending on June 30, 2021, repaid by using balances available in the VAT reimbursement account but in no event later than June 30, 2021. Loan amounts drawn from this facility will bear an annual interest of 1 month Euribor (with a zero floor) plus a margin of 2%;
- d) A letter of credit facility in the initial amount of €12 million, with a term ending on September 30, 2030, to be repaid in full on its termination date and bearing an annual interest of (i) 1.25% for amounts cash covered, and (ii) 2% for any other amounts;
- e) A term facility in the amount of €65 million from EIB, granted under the Investment Plan for Europe known as the Juncker Plan, with a term ending on September 30, 2033, repaid in unequal sculptured semi-annual installments. Loan amounts drawn from this facility will bear an annual interest of Euribor synchronous with the applicable interest period described below plus a margin (expected to be 1.76%); and
- f) A revolving debt service reserve facility from the EIB in the amount of €4.45 million granted by EIB under the Investment Plan for Europe, with a term ending on the earlier of: (i) September 30, 2033 or (ii) the date on which the commercial term loan set forth under (e) above has been repaid in full. Loans drawn from this facility will bear an annual interest of 6 month Euribor (with a zero floor) plus a margin, which is expected to be similar to the CFL Debt Service Reserve Facility under (b) above.

**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 10 - Loans and Borrowings (cont'd)****B.** The Talasol Project Finance (cont'd) –

During the construction period, interest payments on the term, revolving debt and VAT facilities will be made on a monthly basis, and semi-annually thereafter (commencing March 31, 2021). The VAT facilities' interest period, however, remains on a monthly basis. The agreements executed in connection with the Talasol Project Finance provide for mandatory prepayment upon the occurrence of certain events and various customary representations, warranties and covenants, including covenants to maintain a Historic and Projected DSCR not lower than 1.05:1, and not to make distributions in the event that: (i) the Historic and Projected DSCR will be lower than 1.15:1.0 and (ii) the Loan Life Cover Ratio will be lower than 1.20:1.0. The facilities provided by the EIB include certain other representations and undertakings mandated by applicable EU regulation.

The Talasol Project Finance documents require that security interests be provided in connection with the following: (i) Talasol's shares (held by the Company's wholly-owned subsidiary, Ellomay Luxemburg), (ii) pledges over accounts, (iii) pledges over Talasol Project's documents, (iv) pledges over receivables under the shareholders loans, (v) security assignment of hedging claims and (vi) promissory equipment mortgage.

In connection with the Talasol Project Finance, Ellomay Luxemburg, our wholly-owned subsidiary and the parent company of Talasol and the Company undertook separately to (indirectly) retain at least 50.1% of the shares in Talasol and not to buy any debt of, or hedging claims against, Talasol from the entities providing the financing to the Talasol Project.

On April 30, 2019, Talasol entered into a swap agreement, replacing the Euribor 6 month rate with a fixed 6 month rate of approximately 0.9412%.

As the financing was structured for the term of the PPA signed in connection with the Talasol Project (ten years) plus additional three years beyond the term of the PPA, the Talasol Project Finance documentation requires Talasol to prepay the term loans via cash-sweeps to ensure that the term loans are repaid in full until the termination date of the PPA. Talasol has the option to place the relevant cash sweep amounts on a reserve account instead, and, in the event it enters into a satisfactory new power purchase agreement or power hedge agreement, the amounts on the reserve account may be transferred to the operating account of Talasol, to the extent they are not required in prepayment of the term loans to ensure that during the remainder of the term loans the base case ratios are complied with.



**Notes to the Condensed Consolidated Unaudited Interim Financial Statements**

---

**Note 11 - Subsequent Events**

- a) On July 17, 2019 the Company issued 800,000 ordinary shares to several Israeli classified investors in a private placement undertaken in accordance with Regulation S of the Securities Act of 1933, as amended. The price per share was set at NIS 39.20 and the gross proceeds to the Company were approximately NIS 31.3 million.
- b) On July 25, 2019 the Company issued NIS 89,065,000 principal amount of unsecured non-convertible Series C Debentures (“Series C Debentures”) through a public offering that was limited to residents of Israel at a fixed annual interest rate of 3.3%. The gross proceeds of the offering were approximately NIS 89.1 million (including offering expenses and commissions of approximately NIS 1.6 million). The Series C Debentures are traded on the TASE (Tel Aviv Stock Exchange).
- c) In March 2019, the Company executed a binding term sheet with Ludan and several entities affiliated with Ludan for the acquisition by Ellomay Luxemburg Holdings S.à.r.l., the Company’s wholly-owned subsidiary, of 49% of the companies that own the anaerobic digestion plans in Goor and Oude-Tonge, both in the Netherlands for an acquisition price of approximately EUR 3 million. The acquisition was consummated in July 2019.
- d) In August 2019, the Israeli Electricity Authority (the “Authority”) published a proposed resolution that is subject to a public hearing concerning an amendment to the standards governing deviations from consumption plans. These standards regulate the accounting mechanism in the event the actual consumer consumption is different than the consumption plan submitted by the electricity manufacturers (such as Dorad), and include a mechanism protecting the manufacturers from random deviations in actual consumption volumes. Based on the Authority’s publication, which includes a call for public comments (the hearing process), the Authority is proposing to revoke the current protections included in the aforementioned standards, claiming that the manufacturers are misusing the protections and regularly submit plans and forecasts that deviate from the actual expected consumption, and also seeks to impose financial sanctions on the manufacturers, which may be in material amounts upon the occurrence of certain deviation events. Dorad is examining the Authority’s publication and the potential implications on Dorad and its financial results, while preparing to mitigate the implications of the proposed revisions and to change the proposed revisions by presenting its position and claims at the public hearing and by acting together with the Israeli Private Electricity Manufacturers Forum.

## **Operating and Financial Review and Prospects**

*The following discussion and analysis is based on and should be read in conjunction with our condensed consolidated interim financial statements for the six month period ended June 30, 2019 (unaudited) furnished herewith as Exhibit 99.2 and in conjunction with our consolidated financial statements, including the related notes, and the other financial information included in our annual report on Form 20-F for the year ended December 31, 2018, or the Annual Report, filed with the Securities and Exchange Commission, or SEC, on March 29, 2019. The following discussion contains forward-looking statements that reflect our current plans, estimates and beliefs and involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and in the Annual Report.*

### **IFRS**

Our financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the IASB, which differ in certain respects from U.S. Generally Accepted Accounting Principles, or U.S. GAAP.

### **Overview**

We are involved in the production of renewable and clean energy. We own seventeen photovoltaic plants, or PV Plants, that are operating and connected to their respective national grids as follows: (i) twelve PV Plants in Italy with an aggregate installed capacity of approximately 22.6 MWp, (ii) four PV Plants in Spain with an aggregate installed capacity of approximately 7.9 MWp and (iii) one PV Plant in Israel with an installed capacity of approximately 9 MWp. In addition, we own: (i) 9.375% of Dorad Energy Ltd., or Dorad, which owns an approximate 850 MWp bi-fuel operated power plant in the vicinity of Ashkelon, Israel, (ii) 51% of Groen Gas Goor B.V. and of Groen Gas OudeTonge B.V., project companies operating anaerobic digestion plants with a green gas production capacity of approximately 375 Nm<sup>3</sup>/h, in Goor, the Netherlands and 475 Nm<sup>3</sup>/h, in Oude Tonge, the Netherlands, respectively, as of June 30, 2019 (subsequent to such date, our ownership percentage increased to 100%), (iii) 51% of Talasol Solar S.L., or Talasol, which is involved in a project to construct a photovoltaic plant with a peak capacity of 300 MW in the municipality of Talaván, Cáceres, Spain, or the Talasol Project, and (iv) 75% of Chashgal Elyon Ltd., Agira Sheuva Electra, L.P. and Ellomay Pumped Storage (2014) Ltd., all of which are involved in a project to construct a 156 MW pumped storage hydro power plant in the Manara Cliff, Israel, or the Manara Project.

---

The following table includes information concerning our revenues per facility:

<b>Plant Title</b>	<b>Installed/ production Capacity<sup>1</sup></b>	<b>Location</b>	<b>Type of Facility</b>	<b>Connection to Grid</b>	<b>FIT (€/kWh)<sup>2</sup></b>	<b>Revenue in the six months ended June 30, 2018 (in thousands)<sup>3</sup></b>	<b>Revenue in the six months ended June 30, 2019 (in thousands)<sup>3</sup></b>
“Troia 8”	995.67 kWp	Province of Foggia, Municipality of Troia, Puglia region, Italy	PV – Fixed panels	January 14, 2011	0.318	€255	€273
“Troia 9”	995.67 kWp	Province of Foggia, Municipality of Troia, Puglia region, Italy	PV – Fixed panels	January 14, 2011	0.318	€262	€281
“Del Bianco”	734.40 kWp	Province of Macerata, Municipality of Cingoli, Marche region, Italy	PV – Fixed panels	April 1, 2011	0.322	€175	€196
“Giaché”	730.01 kWp	Province of Ancona, Municipality of Filotrano, Marche region, Italy	PV – Dual Axes Tracker panels	April 14, 2011	0.322	€223	€246
“Costantini”	734.40 kWp	Province of Ancona, Municipality of Senigallia, Marche region, Italy	PV – Fixed panels	April 27, 2011	0.322	€189	€210
“Massaccesi”	749.7 kWp	Province of Ancona, Municipality of Arcevia, Marche region, Italy	PV – Dual Axes Tracker panels	April 29, 2011	0.322	€214	€242
“Galatina”	994.43 kWp	Province of Lecce, Municipality of Galatina, Puglia region, Italy	PV – Fixed panels	May 25, 2011	0.318	€198	€280

Plant Title	Installed/ production Capacity <sup>1</sup>	Location	Type of Facility	Connection to Grid	FiT (€/kWh) <sup>2</sup>	Revenue in the six months ended June 30, 2018 (in thousands) <sup>3</sup>	Revenue in the six months ended June 30, 2019 (in thousands) <sup>3</sup>
“Pedale (Corato)”	2,993 kWp	Province of Bari, Municipality of Corato, Puglia region, Italy	PV – Single Axes Tracker panels	May 31, 2011	0.266	€801	€842
“Acquafresca”	947.6 kWp	Province of Barletta-Andria-Trani, Municipality of Minervino Murge, Puglia region, Italy	PV – Fixed panels	June 2011	0.268	€204	€214
“D’Angella”	930.5 kWp	Province of Barletta-Andria-Trani, Municipality of Minervino Murge, Puglia region, Italy	PV – Fixed panels	June 2011	0.268	€204	€221
“Soleco”	5,923.5 kWp	Province of Rovigo, Municipality of Canaro, Veneto region, Italy	PV – Fixed panels	August 2011	0.219	€1,067	€1,157
“Tecnoenergy”	5,899.5 kWp	Province of Rovigo, Municipality of Canaro, Veneto region, Italy	PV – Fixed panels	August 2011	0.219	€1,038	€1,112
“Rinconada II”	2,275 kWp	Municipality of Córdoba, Andalusia, Spain	PV – Fixed panels	July 2010	N/A	€414	€459
“Rodríguez I”	1,675 kWp	Province of Murcia, Spain	PV – Fixed panels	November 2011	N/A	€306	€317
“Rodríguez II”	2,691 kWp	Province of Murcia, Spain	PV – Fixed panels	November 2011	N/A	€508	€522
“Fuente Librilla”	1,248 kWp	Province of Murcia, Spain	PV – Fixed panels	June 2011	N/A	€244	€255

Plant Title	Installed/ production Capacity <sup>1</sup>	Location	Type of Facility	Connection to Grid	FiT (€/kWh) <sup>2</sup>	Revenue in the six months ended June 30, 2018 (in thousands) <sup>3</sup>	Revenue in the six months ended June 30, 2019 (in thousands) <sup>3</sup>
“Talmei Yosef”	9,400 kWp	Talmei Yosef, Israel	PV – Fixed panels	November 2013	0.9857 <sup>4</sup> (NIS/kWh)	€458 <sup>5</sup>	€535 <sup>5</sup>
“Groen Gas Goor”	475 Nm <sup>3</sup> /h	Goor, the Netherlands	Biogas	November 2017	N/A	€1,203	€1,409
“Goren Gas Oude-Tonghe”	375 Nm <sup>3</sup> /h	Oude-Tonghe, the Netherlands	Biogas	June 2018	N/A	€188 <sup>6</sup>	€1,532

1. The actual capacity of a photovoltaic plant is generally subject to a degradation of 0.5%-0.7% per year, depending on climate conditions and quality of the solar panels.
2. In addition to the FiT payment, our Italian PV Plants have entered into agreements with energy brokers who purchase the electricity generated by our Italian PV Plants in consideration for the contractually agreed prices.
3. These results are not indicative of future results due to various factors, including changes in the climate and the degradation of the solar panels.
4. The tariff of NIS 0.9631/kWh is fixed for a period of 20 years and is updated once a year based on changes to the Israeli CPI of October 2011. The tariff increased from NIS 0.976/kWh in November 2013 to NIS 0.9975/kWh in 2019.
5. As a result of the accounting treatment of the Talmei Yosef project as a financial asset, out of total proceeds from the sale of electricity of approximately €2 million and approximately €2.2 million for the six months ended June 30, 2018 and 2019, respectively, only revenues related to the ongoing operation of the plant in the amount of approximately €0.5 million for each of the six month periods ended June 30, 2018 and 2019, are recognized as revenues.
6. This facility has been operational since June 2018 and therefore revenues for the prior periods are not reflected herein.

Our ordinary shares are listed on the NYSE American and on the Tel Aviv Stock Exchange under the symbol ELLO. The address of our registered office is 9 Rothschild Blvd., Tel Aviv, Israel.

#### Certain Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our condensed consolidated interim financial statements (unaudited), which have been prepared in accordance with IFRS. While all the accounting policies impact the financial statements, certain policies may be viewed to be critical. These policies are most important for the fair portrayal of our financial condition and results of operations and are those that require our management to make difficult, subjective and complex judgments, estimates and assumptions, based upon information available at the time that they are made, historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the condensed consolidated interim financial statements, as well as the reported amounts of expenses during the periods presented. Actual results could differ from those estimates.

The critical accounting policies described in Item 5 of our Annual Report and in notes 2 and 3 of our condensed consolidated interim financial statements as at June 30, 2019, are those that require management's more significant judgments and estimates used in the preparation of our condensed consolidated interim financial statements.

Our reportable segments, which form our strategic business units, are as follows: (i) photovoltaic power plants presented per geographical areas (Italy, Spain and Israel), (ii) 9.375% indirect interest in Dorad, (iii) anaerobic digestion plants (Bio Gas) in the Netherlands and (iv) pumped storage hydro power plant in Manara, Israel. For more information see note 7 of our condensed consolidated interim financial statements as at June 30, 2019.

In April 2019, we, through our wholly-owned subsidiary, Ellomay Luxembourg Holdings, S.à.r.l., sold an aggregate of 49% of the outstanding shares of Talasol. The aggregate purchase price of approximately €16.1 million represented 49% of the amounts withdrawn and interests accrued from and by Talasol under its shareholder development costs credit facility in connection with the Talasol Project's financing as of the closing date of the SPA (approximately €4.9 million), plus a payment for 49% of Talasol's shares (approximately €4.9 million) plus a premium of approximately €6.3 million. Of such aggregate purchase price, the payment of €1.4 million was deferred until the achievement of a preliminary acceptance certificate under the engineering, procurement and construction agreement of the Talasol Project. As these changes in our ownership interest in Talasol did not result in loss of control, they were accounted for as equity transactions and we therefore recognized in Equity during the six month ended June 30, 2019 an amount of approximately €6.3 million, less associated expenses in the amount of approximately €0.7 million.

## **Results of Operations**

### ***Six Months Ended June 30, 2019 Compared with Six Months Ended June 30, 2018***

Revenues were approximately €10.3 million for the six months ended June 30, 2019, compared to approximately €8.2 million for the six months ended June 30, 2018. The increase in revenues is mainly a result of the commencement of operations of our waste-to-energy project in Oude Tonge, the Netherlands in June 2018 and relatively higher levels of radiation in Italy during 2019 compared to 2018.

*Italian PV Segment.* Revenues from our Italian PV segment were approximately €5.3 million for the six months ended June 30, 2019, compared to approximately €4.8 million for the six months ended June 30, 2018. The increase is mainly due to relatively higher levels of radiation compared to the first half of 2018.

*Spanish PV Segment.* Revenues from our Spanish PV segment were approximately €1.6 million for the six months ended June 30, 2019, compared to approximately €1.5 million for the six months ended June 30, 2018.

*Israeli PV Segment.* The segment results for our PV Plant located in Israel are presented under the fixed asset model and not under the IFRIC 12 financial asset model as applied in our financial statements. Proceeds for electricity produced by our Israeli PV segment were approximately €2.2 million for the six months ended June 30, 2019, compared to approximately €2 million for the six months ended June 30, 2018. The increase is mainly due to an increase in the tariff as a result of changes in the Israeli CPI.

*Dorad Segment.* Our share in the revenues of Dorad was approximately €29.9 million (approximately NIS 122.3 million) for the six months ended June 30, 2019, compared to approximately €27.7 million (approximately NIS 118.1 million) for the six months ended June 30, 2018. The increase in Dorad's revenues is mainly due to a slight tariff increase and an increase in the electricity sold to Dorad's customers for the six months ended June 30, 2019.

*Netherlands Biogas Segment.* Revenues from our Netherlands biogas segment were approximately €2.9 million for the six months ended June 30, 2019, compared to approximately €1.4 million for the six months ended June 30, 2018. The increase is due to the commencement of operations of our waste-to-energy project in Oude Tonge, the Netherlands, in June 2018.

Operating expenses were approximately €3.5 million for the six months ended June 30, 2019, compared to approximately €2.6 million for the six months ended June 30, 2018. The increase in operating expenses is mainly attributable to additional operating expenses resulting from the commencement of operations at our waste-to-energy project in Oude Tonge, the Netherlands. Depreciation expenses were approximately €3 million for the six months ended June 30, 2019, compared to approximately €2.8 million for the six months ended June 30, 2018.

*Italian PV Segment.* Operating expenses in connection with our Italian PV segment were approximately €0.6 million for the six months ended June 30, 2019, compared to approximately €0.8 million for the six months ended June 30, 2018. The decrease is mainly due to improvements implemented in 2018.

*Spanish PV Segment.* Operating expenses in connection with our Spanish PV segment were approximately €0.3 million for each of the six month periods ended June 30, 2019 and 2018.

*Israeli PV Segment.* Operating expenses in connection with our Israeli PV segment were approximately €0.2 million for the six months ended June 30, 2019, compared to approximately €0.3 million for the six months ended June 30, 2018.

*Dorad Segment.* Operating expenses in connection with our Dorad segment were approximately €23.8 million (approximately NIS 97.2 million) for the six months ended June 30, 2019, compared to approximately €21.7 million (approximately NIS 92.6 million) for the six months ended June 30, 2018. The increase in Dorad's operating expenses is mainly due to increased production, higher electricity quantities purchased from Israel's electricity company and slightly increased maintenance expenses.

*Netherlands Biogas Segment.* Operating expenses in connection with our Netherlands biogas segment were approximately €2.4 million for the six months ended June 30, 2019, compared to approximately €1.3 million for the six months ended June 30, 2018. The increase is due to the commencement of operations of our waste-to-energy project in Oude Tonge, the Netherlands, in June 2018.

Project development costs were approximately €2.7 million for the six months ended June 30, 2019, compared to approximately €1.8 million for the six months ended June 30, 2018. The increase in project development costs is mainly attributable to consultancy expenses in connection with the Manara Project.

General and administrative expenses were approximately €1.9 million for the six months ended June 30, 2019, compared to approximately €2 million for the six months ended June 30, 2018.

Our share of profits of equity accounted investee, after elimination of intercompany transactions, was approximately €0.03 million for the six months ended June 30, 2019, compared to approximately €0.5 million in the six months ended June 30, 2018. The decrease in our share of profit of equity accounted investee is mainly attributable to higher financial expenses incurred by Dorad as a result of the CPI indexation of loans from banks and related parties.

Financing expenses, net was approximately €3.1 million for the six months ended June 30, 2019, compared to approximately €0.9 million for the six months ended June 30, 2018. The increase in financing expenses was mainly due to expenses in connection with exchange rate differences amounting to approximately €1.3 million in the six months ended June 30, 2019, mainly in connection with our NIS denominated Debentures and the loan to an equity accounted investee, caused by the 5.4% devaluation of the euro against the NIS during this period, compared to income in connection with exchange rate differences amounting to approximately €0.7 million in the six months ended June 30, 2018, mainly in connection with our NIS denominated Debentures and the loan to an equity accounted investee, caused by the 2.5% revaluation of the euro against the NIS during this period.

Taxes on income was approximately €0.5 million for the six months ended June 30, 2019, compared to a tax benefit of approximately €0.2 million for the six months ended June 30, 2018. The tax benefit for the six months ended June 30, 2018 resulted mainly from deferred tax income included in connection with the application of a tax incentive in the Netherlands claimable upon filing the relevant tax return by reducing the amount of taxable profit.

Net loss was approximately €4.4 million for the six months ended June 30, 2019, compared to approximately €1.1 million for the six months ended June 30, 2018.

Total other comprehensive loss was approximately €0.5 million for the six months ended June 30, 2019, compared to a profit of approximately €1 million for the six months ended June 30, 2018. The change was mainly due to changes in fair value of cash flow hedges and from foreign currency translation differences on New Israeli Shekel denominated operations, as a result of fluctuations in the euro/NIS exchange rates.

Total comprehensive loss was approximately €4.9 million for the six months ended June 30, 2019, compared to approximately €2.2 million for the six months ended June 30, 2018.



### ***Impact of Inflation and Fluctuation of Currencies***

We hold cash and cash equivalents, marketable securities and restricted cash in various currencies, mainly in euro and NIS. Our investments in our Italian and Spanish PV Plants, in the Waste-to-Energy projects in the Netherlands and in the Talasol Project are denominated in euro and our investments in Dori Energy, in the Talmei Yosef PV Plant and in the Manara Project are denominated in NIS. Our Debentures are denominated in NIS and the interest and principal payments are made in NIS, the financing of the Talmei Yosef PV Plant is denominated in NIS and the financing we have obtained in connection with five of our PV Plants is denominated in euro and bears interest that is based on EURIBOR rate. We therefore are affected by changes in the prevailing euro/NIS exchange rates. We entered into various swap transactions to minimize our currency risks. We cannot predict the rate of appreciation/depreciation of the NIS against the euro in the future, and whether these changes will have a material adverse effect on our finances and operations.

The table below sets forth the annual and semi-annual rates of appreciation (or depreciation) of the NIS against the Euro.

	<b>Year ended December 31,</b>		<b>Six months ended June 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2019</b>	<b>2018</b>
Appreciation (Depreciation) of the Euro against the NIS	3.3%	2.7%	(5.4)%	2.5%

The semi-annual rate of inflation in Israel was 1.17% in the six months ended June 30, 2019, compared to an inflation rate of approximately 0.9% in the six months ended June 30, 2018.

The representative NIS/euro exchange rate was NIS 4.062 for one euro on June 30, 2019 and NIS 4.255 for one euro on June 30, 2018. The average exchange rates for converting NIS to euro during the six-month periods ended June 30, 2019 and 2018 were NIS 4.092 and NIS 4.259 for one euro, respectively. The exchange rate as of September 1, 2019 was NIS 3.9029 for one euro.

### ***Governmental Economic, Fiscal, Monetary or Political Policies or Factors that have or could Materially Affect our Operations or Investments by U.S. Shareholders***

#### *Governmental Regulations Affecting the Operations of our PV Plants and other Facilities*

Our PV Plants and other energy manufacturing facilities are subject to comprehensive regulation and we sell the electricity and energy produced for rates determined by governmental legislation and to local governmental entities. Any change in the legislation that affects facilities such as our facilities could materially adversely affect our results of operations. A continued economic crisis in Europe and specifically in Italy and Spain or continued financial distress of the IEC could cause the applicable legislator to reduce benefits provided to operators of PV plants or other privately-owned energy manufacturing facilities or to revise the incentive regimes that currently govern the sale of electricity in Italy, Spain and Israel.

For more information see “Item 3.D: Risk Factors - Risks Related to our Renewable Energy Operations,” “Item 3.D: Risk Factors - Risks Related to our Investment in Dori Energy,” “Item 3.D: Risk Factors - Risks Related to our Other Operations”, “Item 4.B: Material Effects of Government Regulations on the PV Plants,” “Item 4.B: Material Effects of Government Regulations on Dorad’s Operations,” “Item 4.B: The Netherlands Waste-to-Energy Market and Regulation” and “Item 4.B: Material Effects of Government Regulations on The Manara PSP” of our Annual Report.

Israeli companies are generally subject to company tax on their taxable income. The Israeli corporate tax rate was reduced from 26.5% to 25% as of January 1, 2016. On December 22, 2016, the Knesset plenum passed the Economic Efficiency Law (Legislative Amendments for Achieving Budget Objectives in the Years 2017 and 2018) – 2016, by which, inter alia, the corporate tax rate would be reduced from 25% to 23% in two steps. The first step was a rate of 24% as from January 2017 and the second step was a rate of 23% as from January 2018.

### **Liquidity and Capital Resources**

As of September 1, 2019, we held approximately €75.1 million in cash and cash equivalents, approximately €2.2 million in marketable securities and approximately €11.1 million in restricted short-term and long-term cash and marketable securities.

Although we now hold the aforementioned funds, we may need additional funds if we seek to acquire certain new businesses and operations and if we seek to advance large development projects that require substantial funds. If we are unable to raise funds through public or private financing of debt or equity, we will be unable to fund certain projects, investments or business combinations that could ultimately improve our financial results. We cannot ensure that additional financing will be available on commercially reasonable terms or at all.

We entered into various financing agreements in connection with the financing of several of our PV Plants. In January and June 2014, we issued our Series A Debentures and in March 2017 we issued our Series B Debentures. The Talmei Yosef PV Plant and our waste-to-energy facilities also obtained project financing. For more information concerning the various financing arrangements our facilities are subject to and our Series A and Series B Debentures, please refer to “Item 5.B. Liquidity and Capital Resources” of our Annual Report. In March 2019, four of our Spanish indirect wholly-owned subsidiaries entered into a facility agreement in the amount of approximately €18.4 million and in April 2019 we achieved financial closing of the project finance in the amount of approximately €131 million in connection with the Talasol Project. For more information see note 1.B. and note 10 of our condensed consolidated interim financial statements as at June 30, 2019. In addition, in July 2019 we issued our Series C Debentures.

On July 17, 2019, we issued 800,000 ordinary shares to several Israeli classified investors in a private placement undertaken in accordance with Regulation S of the Securities Act of 1933, as amended. The price per share was set at NIS 39.20 and our gross proceeds were approximately NIS 31.3 million.

#### *Series C Debentures*

On July 25, 2019, we issued approximately NIS 89.1 million (approximately €22.7 million, as of the issuance date) of unsecured non-convertible Series C Debentures due June 30, 2025 through a public offering in Israel. The gross proceeds of the offering were approximately NIS 89.1 million and the net proceeds of the offering, net of related expenses such as consultancy fee and commissions, were approximately NIS 1.5 million (approximately €0.4 million). The Series C Debentures are traded on the TASE.

The principal amount of Series C Debentures is repayable in five (5) unequal annual installments as follows: on June 30, 2021 10% of the principal shall be paid, on June 30 of each of the years 2022 and 2023, 15% of the principal shall be paid and on June 30 of each of the years 2024 and 2025, 30% of the principal shall be paid. The Series C Debentures bear a fixed interest at the rate of 3.3% per year (that is not linked to the Israeli CPI or otherwise), payable semi-annually on June 30 and December 31 commencing December 31, 2019 through June 30, 2025 (inclusive).

The Series C Deed of Trust includes customary provisions, including a negative pledge such that we may not place a floating charge on all of our assets, subject to certain exceptions. The Series C Deed of Trust does not restrict our ability to issue any new series of debt instruments, other than in certain specific circumstances, and enables us to expand the Series C Debentures provided that: (i) we are not in default of any of the immediate repayment provisions included in the Series C Deed of Trust or in breach of any of our material obligations to the holders of the Series C Debentures pursuant to the terms of the Series C Deed of Trust, (ii) the expansion will not harm our compliance with the financial covenants included in the distribution undertaking Series C Deed of Trust and (iii) to the extent the Series C Debentures are rated at the time of the expansion, the expansion will not harm the rating of the existing Series C Debentures.

The Series C Deed of Trust includes a number of customary causes for immediate repayment, including a default with certain financial covenants for two consecutive financial quarters. The financial covenants for purposes of immediate repayment are as follows:

1. Our equity, on a consolidated basis, shall not be less than €50 million;
2. The ratio of (a) the short-term and long-term debt from banks, in addition to the debt to holders of debentures issued by us and any other interest-bearing financial obligations, net of cash and cash equivalents and short-term investments and net of financing of projects, including hedging transactions in connection with such financing, of our subsidiaries, or, together, the Net Financial Debt, to (b) our equity, on a consolidated basis, plus the Net Financial Debt, or our CAP, Net, to which we refer herein as the Ratio of Net Financial Debt to CAP, Net, shall not exceed the rate of 67.5%; and
3. The ratio of (a) our Net Financial Debt, to (b) our earnings before financial expenses, net, taxes, depreciation and amortization, where the revenues from our operations, such as the Talmei Yosef project, are calculated based on the fixed asset model and not based on the financial asset model (IFRIC 12), and before share-based payments, based on the aggregate four preceding quarters, or our Adjusted EBITDA, to which we refer to herein as the Ratio of Net Financial Debt to Adjusted EBITDA, shall not be higher than 12.

The Series C Deed of Trust includes a mechanism for the update of the annual interest rate of the Series C Debentures in the event we do not meet certain financial standards, with an increase of 0.25% for the period in which we do not meet each standard and up to a maximum increase of 0.5% as follows: (i) our equity, on a consolidated basis, shall not decrease below €60 million, (ii) Ratio of Net Financial Debt to CAP, Net, shall not exceed the rate of 60%, and (iii) Ratio of Net Financial Debt to Adjusted EBITDA, shall not be higher than 10.

The Series C Deed of Trust includes similar conditions to our ability to make distributions (as such term is defined in the Companies Law, e.g. dividends), to our shareholders as are included in the Series A and Series B Deeds of Trust and set forth above. We are also required to maintain the following financial ratios after the distribution: (i) equity not lower than €70 million, (ii) Ratio of Net Financial Debt to CAP, Net not to exceed 60%, and (iii) Ratio of Net Financial Debt to Adjusted EBITDA, shall not be higher than 8, and not to make distributions if we do not meet all of our material obligations to the holders of the Series C Debentures and if on the date of distribution and after the distribution a cause for immediate repayment exists.

For further information see the Series C Deed of Trust attached hereto as exhibit 99.4.

We currently have no agreements, commitments or understandings for additional financing, however we will require additional funds in order to advance the Manara Project.

As of June 30, 2019, we had working capital of approximately €50.8 million. In our opinion, our working capital is sufficient for our present requirements.

We currently invest our excess cash in cash and cash equivalents that are highly liquid and in marketable securities.

As of June 30, 2019, we held approximately €55.5 million in cash and cash equivalents, approximately €2.2 million in marketable securities and approximately €12.2 million in short-term and long-term restricted cash and deposits, compared with approximately €36.9 million in cash and cash equivalents, approximately €2.1 million in marketable securities and approximately €6.7 million in restricted marketable securities, short-term and long-term restricted cash and deposits we held at December 31, 2018. The increase in cash and cash equivalents mainly resulted from the financing of our Spanish PV Plants in March 2019 and the financing and investment in the Talasol Project in April 2019.

From 2015 through September 1, 2019, we made capital expenditures of an aggregate amount of approximately NIS 48.6 million (approximately €12.5 million, based on the NIS/euro exchange rate as of June 30, 2019) in connection with the acquisition of the Talmei Yosef PV Plant. Our aggregate capital expenditure in connection with the acquisition of shares in U. Dori Energy Infrastructure Ltd., including the exercise of options to acquire additional shares of U. Dori Energy during 2015 and 2016, which increased our percentage holding to 50%, after principal loan repayments from Dori Energy, is approximately NIS 107.3 million (approximately €27.5 million, based on the NIS/euro exchange rate as of June 30, 2019). The aggregate capital expenditures in connection with the Manara Project, including amounts recorded in the general and administrative expenses, through September 1, 2019 were approximately NIS 39.6 million (approximately €10.1 million). From 2016 through September 1, 2019, capital expenditures incurred by the project companies in connection with the Waste-to-Energy projects in the Netherlands was approximately €18.8 million. From September 30, 2018 through September 1, 2019, capital expenditures incurred by Talasol was approximately €55.6 million.

## Cash flows

The following table summarizes our cash flows for the periods presented:

	Six months ended June 30,	
	2018	2019
	(euro in thousands)	
Net cash from operating activities	2,267	1,129
Net cash used in investing activities	(289)	(46,706)
Net cash from financing activities	19,774	64,285
Exchange differences on balances of cash and cash equivalents	(104)	(55)
Increase in cash and cash equivalents	21,648	18,653
Cash and cash equivalents at beginning of period	23,962	36,882
Cash and cash equivalents at end of period	45,610	55,535

### Operating activities

In the six months ended June 30, 2019, we had a net loss of approximately €4.4 million. Net cash from operating activities was approximately €1.1 million.

In the six months ended June 30, 2018, we had a net loss of approximately €1.1 million. Net cash from operating activities was approximately €2.3 million.

### Investing activities

Net cash used in investing activities was approximately €46.7 million in the six months ended June 30, 2019, primarily due to the acquisition of fixed assets in connection with the Talasol Project and investment in restricted cash due to the financing and investment in the Talasol Project in April 2019.

Net cash used in investing activities was approximately €0.3 million in the six months ended June 30, 2018, primarily due to the acquisition of fixed assets in connection with the Waste-to-Energy projects in the Netherlands partially offset by proceeds from restricted cash, settlement of derivatives and the repayment of loan from an equity accounted investee.

### Financing activities

Net cash from financing activities in the six months ended June 30, 2019 was approximately €64.3 million, resulting mainly from amounts withdrawn on account of the facility agreement executed by four of our Spanish subsidiaries and from the closing of the project finance agreement of the Talasol Project, in the aggregate amount €58.9 million, and from consideration in the amount of €14.1 million received in connection with the sale of 49% of the Talasol Project (the payment of the remaining €1.4 million was deferred until the achievement of a preliminary acceptance certificate under the engineering, procurement and construction agreement of the Talasol Project).

Net cash from financing activities in the six months ended June 30, 2018 was approximately €19.8 million, resulting mainly from an amount of €33.7 million withdrawn on account of the facility agreement executed by five of our Italian subsidiaries, partially offset by the termination and early repayment of leasing agreements in the amount of approximately euro €4.2 million by two of our Italian subsidiaries and the termination and early repayment of a bank loan in the amount of approximately euro €9.2 million by an additional Italian subsidiary.

As of June 30, 2019, we were not in default of any financial covenants for immediate repayment under the various financing agreements we executed or under the Deeds of Trust for our Debentures.

As of June 30, 2019, our total current assets amounted to approximately €73.2 million, of which approximately €55.5 million was in cash and cash equivalents and approximately €2.2 million was in marketable securities, compared with total current liabilities of approximately €22.4 million. Our assets held in cash equivalents are held in money market accounts and short-term deposits, substantially all of which are highly liquid investments readily convertible to cash with original maturities of three months or less at the date acquired.

As of June 30, 2018, our total current assets amounted to approximately €64.4 million, of which approximately €45.6 million was in cash and cash equivalents and approximately €2.2 million was in marketable securities, compared with total current liabilities of approximately €14.4 million.

The increase in our cash balance is mainly attributable to the proceeds received in connection with the facility agreement executed by four of our Spanish subsidiaries, from the closing of the project finance agreement of the Talasol Project and from the sale of 49% of the Talasol Project.

#### *Contractual Obligations*

As of June 30, 2019, except as detailed above there have been no material changes to the contractual obligations we disclosed in our Annual Report.

#### **Disclosure about Market Risk**

We are exposed to a variety of risks, including foreign currency fluctuations and changes in interest rates. We regularly assess currency and interest rate risks to minimize any adverse effects on our business as a result of those factors and periodically use hedging transactions in order to attempt to limit the impact of such changes.

We hold cash and cash equivalents, marketable securities and restricted cash in various currencies, including euro and NIS. Our holdings in the Italian and Spanish PV Plants and in the Netherlands waste-to-energy projects are denominated in euro and our holdings in the Talmei Yosef PV Plant and in Dori Energy are denominated in NIS. The financing we have in connection with our PV Plants and the waste-to-energy projects is denominated in euro and the financing we have in connection with our PV Plants bears interest that is based on EURIBOR rate. Our Debentures and the project finance debt of the Talmei Yosef PV Plant are denominated in NIS and are to be repaid (principal and interest) in NIS.

As detailed in our Annual Report, we previously utilized forward transactions to manage the foreign exchange risk resulting from our euro based operations and we entered into two Cross Currency Swap transactions in connection with the issuance of our Series B Debentures.

*Interest Rate*

As detailed in our Annual Report, we utilize interest rate swap derivatives to convert certain floating-rate debt to fixed-rate debt. Our interest rate swap derivatives involve an agreement to pay a fixed-rate interest and receive a floating-rate interest, at specified intervals, calculated on an agreed notional amount that matches the amount of the original loan and paid on the same installments and maturity dates. In the future, we may enter into additional interest rate swaps or other derivatives contracts to further hedge our exposure to fluctuations in interest rates.

For more information concerning hedging transaction, including transactions entered into in connection with the financing agreement entered into by four of our Spanish subsidiaries and the project finance agreement of the Talasol Project, see note 1.B and note 10 of our condensed consolidated interim financial statements as at June 30, 2019.

**Forward-Looking Statements**

With the exception of historical facts, the matters discussed in this report and the financial statements attached hereto are forward-looking statements. Forward-looking statements may relate to, among other things, future actions, future performance generally, business development activities, future capital expenditures, strategies, the outcome of contingencies such as legal proceedings, future financial results, financing sources and availability and the effects of regulation and competition. When we use the words “believe,” “intend,” “expect,” “may,” “will,” “should,” “anticipate,” “could,” “estimate,” “plan,” “predict,” “project,” or their negatives, or other similar expressions, the statements which include those words are usually forward-looking statements. When we describe strategy that involves risks or uncertainties or include statements that do not relate strictly to historical or current facts, we are making forward-looking statements.

Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Please see Item 3.D. “Risk Factors” in our Annual Report, in which we have identified important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by us; any such statement is qualified by reference to the following cautionary statements. You should understand that it is not possible to predict or identify all risk factors. Consequently, you should not consider the said section to be a complete discussion of all potential risks or uncertainties. Readers are cautioned not to place undue reliance on these forward-looking statements.

We warn you that forward-looking statements are only predictions. Actual events or results may differ as a result of risks that we face. Forward-looking statements speak only as of the date they were made and we undertake no obligation to update them.

UNOFFICIAL TRANSLATION FROM HEBREW  
THE BINDING VERSION IS THE HEBREW VERSION

**Deed of Trust**

Dated July 15, 2019

By and between: **Ellomay Capital Ltd.**  
52-003986-8  
of 9 Rothschild Boulevard, Tel Aviv  
(hereinafter: the “**Company**”)

**Of the first part:**

And: **Hermetic Trust (1975) Ltd.**  
51-070519-7  
of 113 HaYarkon Street, Tel-Aviv  
(hereinafter: the “**Trustee**”)

**Of the second part:**

- Whereas:** the Company’s Board of Directors resolved on July 10, 2019 to approve the issuance of the Debentures (as hereinafter defined), the terms of which are as set forth in this Deed of Trust and which shall be offered to the public by the Prospectus (as hereinafter defined);
- And whereas:** the Trustee is a company limited by shares that was incorporated in Israel in 1975 in accordance with the Companies Ordinance, whose main object is to engage in trusts, and it meets the eligibility requirements established by law, and in particular the requirements of the Securities Law (as hereinafter defined) to serve as a trustee of the debentures which are the subject of this deed;
- And whereas:** the Trustee declared that there is no hindrance in accordance with the Securities Law or any other law barring it from entering into this Deed of Trust with the Company, including pertaining to conflicts of interests preventing him from engaging with the Company as stated, and that it meets all of the demands and eligibility requirements set forth in the Securities Law to serve as Trustee for the issuance of the Debentures;
- And whereas:** the Trustee has no material interest in the Company, and the Company has no personal interest in the Trustee, which exceeds from the Trustee being the trustee of additional Company debentures;
- And whereas:** the Company has made a request to the Trustee that subject to the issuance of the debentures (Series C), he shall serve as Trustee for the holders of the Debentures (Series C) and the Trustee has agreed, all subject to and in accordance with the terms of this Deed of Trust;
- And whereas:** the Trustee has agreed to sign this Deed of Trust and to act as Trustee for the holders of Debentures;
- And whereas:** the Company declares that as of the date of signing this Deed of Trust, all approvals required for the purpose of performing the issuance have been obtained, and there is no hindrance by law and/or agreement to perform the issuance of the Debentures (Series C) and/or to engage with the Trustee in accordance with the Deed of Trust;
- And whereas:** the parties wish to arrange the terms of the Debentures (Series C) in this Deed of Trust, in light of the Company’s intention to make a first public offering of the Debentures (Series C) in accordance with the Prospectus, as shall be set forth in the Prospectus and the complementary notice, which the Company shall publish, in a way that the Deed of Trust will apply to the Debentures (Series C) alone;



Therefore it was agreed, declared and stipulated by and between the parties as follows:

Table of Contents

<b>Topic</b>	<b>Clause in the Deed</b>
Preamble; Interpretation; Definitions and Entry into Force	1
Issuing the Debentures; the Terms of Issuance; Equal Ranking	2
Appointment of the Trustee; Commencement of Term; Term of Office of the Trustee; Expiration of the Office of the Trustee; Resignation; Dismissal; the Duties of the Trustee; the Powers of the Trustee	3
Purchasing Debentures by the Company or by an Affiliated Holder	4
Issuance of Debentures from New Series; Expanding a Series	5
The Company's Undertakings	6
Not Securing the Debentures; Negative Pledge	7
Early Redemption	8
Right for Immediate Repayment and/or Realization of Collaterals	9
Claims and Proceedings by the Trustee 1	10
Order of Priority of Creditors; Dividing the Intakes	11
Authority to Demand Financing	12
Authority to Delay the Division of Funds	13
Notice of Distribution and Deposit with the Trustee	14
Avoidance from Payment for a Reason that is not Dependent on the Company; Deposit with the Trustee	15
Receipt from the Debenture Holders and the Trustee	15A
Presenting Debentures to the Trustee and Registration pertaining to Partial Payment	15B
Reserved	16
Investment of Funds	17

<b>Topic</b>	<b>Clause in the Deed</b>
Urgent Representing Body for the Debenture Holders	18
Confidentiality	19
Other Agreements	20
Reporting by the Trustee	21
Fees and Covering the Trustee's Expenses	22
Reserved	23
Liability	24
The Authority of the Trustee to Employ Agents	25
Indemnification	26
Notices	27
Waiver; Settlement; Changes in the Terms of the Deed of Trust, Debentures	28
Proxies	29
Registry of Debenture Holders	30
Meetings of Debenture Holders	31
Applicability of the Law	32
Exclusive Authority	33
General	34

<b>Topic</b>	<b>Clause in the Deed</b>
Addresses	35
Authorization to Magna	36
The Date of Payment of the Debentures Principal	Clause 3 of the First Addendum
The Interest	Clause 4 of the First Addendum
The Linkage Terms of the Principal and the Interest	Clause 5 of the First Addendum
Deferral of Appointed Times	Clause 6 of the First Addendum
Payments of the Principal and Interest of the Debentures	Clause 7 of the First Addendum
Interest in Arrears	Clause 8 of the First Addendum
Avoidance from Payment for a Reason that does not Depend on the Company	Clause 9 of the First Addendum
Registry of Debenture Holders	Clause 10 of the First Addendum
Splitting Debenture Certificates and Transferring Them	Clause 11 of the First Addendum
Replacing the Debenture Certificate	Clause 12 of the First Addendum
Early Redemption	Clause 13 of the First Addendum
Purchasing Debentures by the Company or an Affiliated Holder	Clause 14 of the First Addendum
Waiver; Settlement and Changes in the Debenture Terms	Clause 15 of the First Addendum
Debenture Holders Meetings	Clause 16 of the First Addendum
Receipts as Proof	Clause 17 of the First Addendum
Immediate Repayment	Clause 18 of the First Addendum
Notices	Clause 19 of the First Addendum
The Trustee's Duties	Appendix 3
Conditions for Expanding the Series of Debentures	Appendix 5.2
Financial Covenants and Undertakings	Appendix 6.2
Confidentiality Undertaking	Appendix 19.2
The Trustee's Fee and Covering his Expenses	Appendix 22
Meetings of Debenture Holders	Second Addendum

## 1. Preamble; Interpretation; Definitions and Entry into Force

- 1.1. The preamble of this Deed of Trust and the appendixes attached to it constitute a material and inseparable part hereof.
- 1.2. The division of this Deed of Trust into clauses and providing titles to the clauses was made for convenience and as reference only and they should not be used for the purpose of interpretation.
- 1.3. Anything mentioned in this Deed of Trust in plural shall also refer to singular and vice versa, anything mentioned in the masculine shall also refer to the feminine and vice versa, and anything mentioned regarding a person shall also refer to a body corporate, provided that this Deed does not contain any express provision otherwise.
- 1.4. In any case of contradiction between this Deed of Trust and the accompanying documents and the stated in the Prospectus, the parties shall act in accordance with the provisions of this Deed of Trust, subject to the regulations and instructions of the Stock Exchange.
- 1.5. In this Deed of Trust the following expressions shall have the meaning set beside them:
  - 1.5.1 **“Debentures (Series C)”** or the **“Debentures”** or **“Debentures in Circulation”** or **“Certificates of Undertaking”** or **“the Debentures Series”** or **“Series C”**: Debentures (Series C) of the Company, registered, which will be issued according to the Prospectus and/or by any other means by the Company, including via private issuance, from time to time, and that have not been fully paid or expired or cancelled. For the avoidance of doubt, it is clarified that the Debentures also include debentures which shall be issued by way of expanding the Debenture Series (Series C).
  - 1.5.2 Deleted.
  - 1.5.3 **“Meeting”** or **“Debenture Holders Meeting”**: a meeting of Debenture Holders, including a class meeting.
  - 1.5.4 **“Deferred Debenture Holders Meeting”**: a Debenture Holders Meeting that was deferred to another time than the one scheduled for opening the Meeting, as a legal quorum was not present at the end of half an hour after the time that was scheduled for the beginning of the Meeting.
  - 1.5.5 **“Stock Exchange”**: the Tel-Aviv Stock Exchange Ltd.
  - 1.5.6 **“Collaterals”**: Any pledge on assets, guarantee or any other undertakings that secure the undertakings of the Company towards the Trustee and/or the Debenture Holders whether given by the Company and/or any third party.
  - 1.5.7 **“Immediate Report”**: A report of the Company that is submitted in accordance with the provisions of the Securities Regulations (Periodical Reports and Immediate Reports of a Foreign Corporation), 5761-2001.
  - 1.5.8 The **“Law”** or the **“Securities Law”**: The Securities Law, 5728-1968 and the regulations according to it, as they shall be from time to time. It is clarified that as of the date of this Deed of Trust the Company reports according and is subject to the provisions of Chapter E.3 of the Law.
  - 1.5.9 **“Ordinary Resolution”**: a resolution adopted at a meeting of holders of debentures of the relevant series, convened in accordance with Sections 35L13 and 35L14(a) of the Law (whether in the original meeting or the adjourned meeting) by a majority of at least fifty percent (50%) of all votes of participants in the vote, without taking into account abstaining votes.
  - 1.5.10 **“Special Resolution”**: a resolution adopted at a meeting of holders of the Debentures, in which were present, by themselves or by proxies, the holders of Debentures who own at least fifty percent (50%) of the remaining nominal value of the Debentures (Series C) in Circulation, or at an adjourned meeting of such a meeting, who were present in it by themselves or by proxies, and who hold twenty percent (20%) at least of the stated remainder, and which was adopted (whether in the original meeting or the adjourned meeting) by a majority of those who hold at least two thirds of the remaining nominal value of the Debentures represented in the vote, apart from abstainers who shall not be counted in the count of votes.
  - 1.5.11 **“Nominee Company”**: Mizrahi Tefahot Nominee Company Ltd. or any other nominee company in its place, at the Company’s sole discretion, provided that all of the Company’s debentures are registered in the name of the same Nominee Company.
  - 1.5.12 **“The Companies Law”**: the Companies Law, 5759-1999 and the regulations promulgated under it.
  - 1.5.13 **“Trading Day”**: any day on which transactions are performed at the Stock Exchange.
  - 1.5.14 **“Business Day”**: any day in which the stock exchange clearing house and the majority of the banks in Israel are open for performing transactions with the public, except for official holidays and days of rest in Israel.

- 1.5.15 “**Magna**”- the Electronic Proper Disclosure System of the Israel Securities Authority.
- 1.5.16 Deleted.
- 1.5.17 Deleted.
- 1.5.18 Deleted.
- 1.5.19 “**Holder**” or “**Debenture Holder**”: as this term is defined in the Securities Law.
- 1.5.20 “**Registry**”: Registry of Debenture Holders as mentioned in clause 30 of this Deed.
- 1.5.21 “**Trustee**”: The First Trustee (as hereinafter defined) and/or anyone that shall serve from time to time as Trustee of the Debenture Holders according to this Deed.
- 1.5.22 “**First Trustee**” Hermetic Trust (1975) Ltd. that shall serve as Trustee up to the date set forth in clause 2.3 hereafter.
- 1.5.23 “**Office Holder**”: as defined in the Companies Law.
- 1.5.24 “**Principal**”: the total nominal value of the Debentures in Circulation.
- 1.5.25 “**Control**” as this term is defined in the Law.
- 1.5.26 “**This Deed**” or “**Deed of Trust**”: This Deed of Trust and the amendments thereof, inasmuch as there shall be any, including the addendums and appendixes attached to it and that constitute a material and integral part hereof.
- 1.5.27 “**Debenture Certificate**”: The Debenture certificate the version of which is attached as the first addendum of this Deed of Trust.
- 1.5.28 “**Prospectus**”: the prospectus for supplement of the Company that shall be published in July 2019 for issuing the Debentures and any later Prospectus according to which additional Debentures (from Series C) shall be issued.

**2. Issuing the Debentures; the Terms of Issuance; Equal Ranking**

- 2.1. The Company shall issue a series of Debentures (Series C) under the terms written on the other side of the page of the first addendum. If after the date of the first issuance of the Debentures (Series C) this same series of Debentures shall be expanded by the Company, the Holders of the Debenture (Series C) that shall be issued in the framework of the expansion of that series shall not be entitled to receive payment on account of the Principal and/or interest for these Debentures that the record date for payment thereof shall be before the date of their issuance as mentioned.
- 2.2. The Company shall be entitled or required, as the case may be, to perform an early redemption of the Debentures in the event the terms set forth in clause 8 of the Deed of Trust have been fulfilled.
- 2.3. The Debentures shall all be set at an equal security ranking pari passu between them with respect with the Company's undertakings according to this Deed of Trust, and without a preferred right or right of priority over one another.
- 2.4. The provisions of this Deed shall apply to the Debentures issued in accordance therewith, and which shall be held, from time to time, to each purchaser of Debentures, including the public, unless expressly stated otherwise.
- 2.5. This Deed of Trust shall enter into effect upon the Company's issuance of the Debentures. It is agreed that in case the issuance of Debentures is revoked for any reason whatsoever, this Deed of Trust shall be null and void.

**3. Appointment of the Trustee; Commencement of Term; Term of Office of the Trustee; Expiration of the Office of the Trustee; Resignation; Dismissal; the Duties of the Trustee; the Powers of the Trustee**

**Appointment of Trustee**

- 3.1. The Company hereby appoints the Trustee as the First Trustee for the Debenture Holders (Series C) pursuant to the provisions of Chapter E.1 of the Securities Law including for those entitled to payments pursuant to the Debentures that were not paid after the date for their payment arrived.
- 3.2. If the Trustee shall be replaced by another Trustee, the other Trustee shall be Trustee for the Debenture Holders pursuant to Chapter E.1 of the Securities Law including for those entitled to payments pursuant to the Debentures which were not paid after the date for their payment arrived.

### **Commencement of Term**

- 3.3. The Trust for the Debenture Holders and the duties of the Trustee according to this Deed of Trust shall come into force upon the issuance of the Debentures pursuant to the Deed by the Company.

### **Term of Office of the Trustee; Expiration of Term of Office of the Trustee, Resignation; Dismissal**

- 3.4. The First Trustee shall serve commencing on the date mentioned in clause 3.3 above and his office shall end at the time on which the Debenture Holders Meeting is convened (the “**First Appointment Meeting**”), that the Trustee shall convene no later than 14 days after submitting the annual report regarding Trusteeship matters in accordance with Section 35H1(a) of the Law. Insofar as the First Appointment Meeting (by ordinary majority) approved the continuation of the term of office of the First Trustee, it shall continue to serve as Trustee until the end of the additional appointment period that was determined in a resolution of the First Appointment Meeting (which could be until the final repayment date of the Debentures). Insofar as the First Appointment Meeting and/or any later Meeting determined the term of office of the Trustee, its term of office shall end with the adoption of a resolution of the Debenture Holders regarding the termination of his term of office and the appointment of another Trustee in his place.
- 3.5. Notwithstanding everything stipulated in clause 3, the provisions of the Law shall apply to the appointment of the Trustee, his replacement, term of office, expiration, resignation and dismissal.

### **The Trustee’s Duties**

- 3.6. In addition to the provisions of the Law and without derogating from them, the duties of the Trustee shall be those mentioned in **Appendix 3** of this Deed of Trust, and according to the law.
- 3.7. The Trustee entering into this Deed of Trust is as an agent on behalf of the Debenture Holders.

### **The Trustee’s Powers**

- 3.8. The Trustee shall represent the Holders of the certificates of undertaking in any matter that arises from the undertakings of the issuer towards them, and it shall be entitled for this purpose to act in order to realize the rights given to the Debenture Holders according to the Law or according to this Deed. The Trustee is entitled to take any proceeding for the purpose of protecting the Holders’ rights in accordance with any law and in accordance with the provisions set forth in this Deed of Trust.
- 3.9. The actions of the Trustee are valid notwithstanding a flaw discovered in its appointment or qualifications.
- 3.10. The Trustee shall use the trust, powers, permissions and authorities that were conferred upon him according to this Deed of Trust, at its discretion or in accordance with the resolutions of a Meeting.
- 3.11. The Trustee shall be entitled to deposit all of the deeds and the documents that indicate, represent and/or stipulate its rights with respect to the trust pertaining to this Deed of Trust, including with respect to any asset that is in its possession at that time, in a safe and/or in another place that shall be chosen and/or at any bank and/or any banking auxiliary corporation and/or lawyer and/or accountant.

3.12. The Trustee is permitted in the framework of performing the Trusteeship matters according to this Deed of Trust, to order an opinion and/or the advice of any lawyer, accountant, appraiser, assessor, surveyor, broker or any other expert (the “**Consultants**”), whether such opinion and/or advice was prepared at the Trustee’s request and/or at the Company’s request, and to act in accordance with its conclusion, and the Trustee shall not be responsible for any loss or damage that shall occur as a result of any action and/or omission that were made by it based on such advice or opinion as aforesaid, unless it was determined in a final judgment that the Trustee acted negligently (apart from negligence which is exempt by law a shall be from time to time) and/or in bad faith and/or maliciously. The Trustee shall provide a copy of the opinion or advice as mentioned for the viewing of Debenture Holders and the Company, at their request. The Company shall bear the full fee and reasonable expenses of hiring the Consultants appointed as stated. The Trustee and the Company shall reach an agreement over a list of no more than three consulting firms with relevant reputation and expertise, which the Trustee shall approach for receiving fee quotes as stated. The Company shall select one of the offers submitted, and shall be entitled to negotiate with the firms regarding their quote for a period of up to 5 business days, provided that the delay due to the negotiation shall not risk, at the Trustee’s opinion, the rights of the Holders of Debentures.

Any advice and/or opinion such as this can be given, sent or received by letter, telex, facsimile and/or any other electronic means for transferring information and the Trustee may act based on them, even if it turns out afterwards that errors occurred in them or that they were not authentic, unless it was possible to detect the errors or the lack of authenticity in a reasonable examination, provided that it has not acted negligently (apart from negligent exempt by law, as it shall be from time to time) and/or in bad faith and/or maliciously. It is clarified that the documents could be transferred, on the one hand, and that the Trustee is entitled to rely upon them, on the other hand, only where they are received clearly, and when they are legible. In any other case, the Trustee shall be responsible to request their receipt in a manner enabling their proper reading and understanding as stated.

3.13. The Trustee shall be entitled to give its consent or approval to any motion to the court as per the demand of a Debenture Holder, and the Company shall compensate the Trustee for all reasonable costs that were incurred by such motion and from actions performed as a result of it or with respect to it provided that before making such expense as abovementioned the Trustee will update the Company regarding its intention to make such expenses and will receive the Company’s approval for this, unless in the opinion of the Trustee such prior update as aforementioned could harm the rights of the Debenture Holders.

3.14. The Trustee is entitled to institute any proceeding for protecting the rights of the Debenture Holders as set forth in clause 10 of the Deed.

3.15. The Trustee is entitled to appoint agents as set forth in clause 25 of this Deed.

#### **4. Purchasing Debentures by the Company or by an Affiliated Holder**

4.1. Subject to any law, and without derogating from the Company’s right to redeem the Debentures by early redemption as set forth in this Deed, the Company reserves the right to purchase at any time, whether on the Stock Exchange or outside of the Stock Exchange, Debentures which shall be in circulation from time to time from other sellers apart from the Company (which shall be selected at its discretion and without the duty of approaching and/or notifying all Holders), at any price and quantity that it shall see fit, all without harming the duty of repayment imposed on it pertaining to the remaining Debentures (Series C) in circulation. In the event of such purchase by the Company, the Company shall notify this in an Immediate Report, inasmuch as it is required by law.

Debentures purchased by the Company shall be revoked and delisted from trade on the Stock Exchange, and the Company shall not be entitled to re-issue them. In case the Debentures are purchased in the framework of Stock Exchange trade, the Company shall approach the Stock Exchange clearing house in a request to withdraw the Debenture Certificates purchased by it as stated.

4.2. Subject to any law, the holders of controlling interests in the Company (directly or indirectly) and/or their relative (spouse, sibling, parent, grandparent, offspring or spouse’s offspring, or the spouse of any of them) and/or a subsidiary of the Company and/or an affiliated company of the Company and/or an included company of the Company and/or a corporation in the control of any of them (directly or indirectly) (apart from the Company itself, regarding which the stated in clause 4.1 of the Deed shall apply) (“**Affiliated Holder**”), shall be entitled to purchase and/or sell at any time and from time to time, at the Stock Exchange or outside of it (including by way of an issuance by the Company), Debentures (Series C) at their discretion (subject to any law). The Debentures that are held by an Affiliated Holder shall be considered as the asset of the Affiliated Holder, shall not be delisted from trade on the Stock Exchange and they shall be transferable as the other Debentures of the Company (subject to the provisions of the Deed of Trust and the Debenture).

4.3. The Debentures (Series C) held by an Affiliated Holder shall not grant him voting rights in the Meetings of Holders of Debentures (Series C) and shall not be counted for the purpose of determining a legal quorum for opening these Meetings. Inasmuch as an Affiliated Holder shall report to the Company regarding the purchase of Debentures (Series C), the Company shall deliver to the Trustee, at its request, the list of Affiliated Holders and the amounts held by them.

4.4. The stated in clauses 4.1 to 4.3 above does not derogate from the provisions of any law (including the instructions of the Israeli Securities Authority) applying to the Company, including pertaining to approvals required for performing transactions with a holder of controlling interest (or in which the holder of controlling interest has a personal interest) and/or pertaining to the sale of securities to a Company subsidiary and distributing them to the public.

4.5. The stated in this clause 4, in and of itself, does not bind the Company or the Debenture Holders to purchase Debentures or to sell the Debentures they hold.



## 5. Issuance of Debentures from New Series; Expanding a Series

- 5.1. The Company reserves the right to issue, subject to the provisions of the law, at any time (whether by a private offering or an offering to the public), at its sole discretion, to any factor whatsoever, including to an Affiliated Holder, and without needing the consent of the Trustee and/or the Debenture Holders, debentures of another series or additional series of Debentures (hereinafter: the “**Other Series**”) or other securities, under those terms of redemption, interest, linkage, priority of payment in the event of liquidation and other terms, including securing them in collaterals, as the Company shall see fit, and whether they are preferable over the terms of the Debentures, equal to them or inferior to them, and this without derogating from the duty of repayment imposed on it in accordance with this Deed. Despite the foregoing, inasmuch as the Company shall issue an additional series of debentures, and this additional series shall not be secured by collaterals (and so long as it is not secured by collaterals), the rights of the additional series upon liquidation shall not be preferable to those of the Debentures (Series C). The Company shall provide the Trustee with a written confirmation, no later than 7 days prior to the issuance of an additional series as stated, regarding its meeting the conditions set forth in this clause, signed by the Company CEO or the senior financial officer in the Company. Without derogation from the foregoing, the Company’s stated rights do not detract from the Trustee’s rights to inspect the implications of an issuance as stated, and does not detract from the rights of the Trustee and/or Debenture Holders in accordance with this Deed, including their right to make the Debentures (Series C) immediately repayable in accordance with the provisions of the Deed of Trust.
- 5.2. The Company shall be entitled, from time to time, without the need for obtaining the approval of the Trustee and/or the current Holders at that time, to issue additional Debentures (Series C) (whether by private offering, whether in the framework of a prospectus, whether by shelf offering report or any other way), including to an Affiliated Holder (as the term is defined in clause 4.2 of the Deed), for any price and at any manner as it shall see fit, provided that it notifies the Trustee in this regard. The Company shall approach the Stock Exchange in a request to register the additional Debentures (Series C) for trade as stated.

Despite the stated in this clause 5.2 above, the Company shall not be entitled to issue, whether by issuance to the public according to a prospectus, and whether in any other manner, additional Debentures of Series C, unless all of the terms set forth in Appendix 5.2 of this Deed have been fulfilled or after receiving the approval of the Debenture Holders Meeting at the majority required for the purpose of adopting a Special Resolution, provided that for the purpose of adopting the resolution, the legal quorum shall be determined in accordance with the provisions applying to an Ordinary Resolution.

For the avoidance of doubt it shall be clarified, that all of the provisions of the Deed of Trust that apply to the Debentures in Circulation shall apply to additional Debentures of Series C that shall be issued, as mentioned, and the existing Debentures of Series C and the additional Debentures of that series (as of the time of their issuance) shall constitute a single series for all matters and purposes, and the Deed of Trust shall also apply to all additional Debentures (Series C) as stated. For the avoidance of doubt, holders of additional Debentures of Series C, which shall be issued in a series expansion as mentioned, shall not be entitled to payment of any Principal and/or interest and/or any other payment that the record date for payment is prior to their date of their issuance. (It is clarified, in this respect, that in the event that additional Debentures of Series C shall be issued, after any time that entitlement has been stipulated in this Deed to the payment of interest, the interest for them shall be paid at the next payment date of interest, after the date of their issue, for the period from the date of their issue, at a relative rate from the payment of interest paid for the Debentures at that time, that is equal to the ratio between the period that passed from the time of their issue and between the original period for which the interest is paid at that time). Subject to the provisions of any law and the Deed of Trust, the Trustee shall hold office as trustee for the Debentures (Series C), as they shall be from time to time in circulation, even in case of a series expansion, and the Trustee’s consent for his office as stated pertaining to the expanded series shall not be required.

The Company’s right to expand a series, as stated above, does not detract from the Trustee’s right to inspect the implications of an issuance as stated, and does not detract from the rights of the Trustee and/or the Debenture Holders in accordance with this Deed, including their right to make the Debentures (Series C) immediately repayable in accordance with the provisions of the Deed of Trust.

- 5.3. Without derogating from the foregoing, the Company reserves the right to issue additional Debentures of Series C, by way of series expansion at a different discount rate from that of the Debentures (Series C) which shall be in circulation at that time (inasmuch as there shall be any). If the discount rate which shall be determined for the Debentures (Series C) due to the series expansion shall be different from the discount rate of the Debentures (Series C) in Circulation at that time (inasmuch as there shall be any), the Company shall approach the tax authority, prior to expanding the series, in order to obtain its approval that with regards to withholding tax from the discount fees for the Debentures, the Debentures shall be set a uniform discount rate in accordance with a formula weighting the various discount rates in the Debentures (Series C), inasmuch as there shall be any. In the event of receiving an approval as stated, the Company shall calculate the weighted discount rate for all the Debentures from the series after expanding the series, it shall publish in an Immediate Report the uniform weighted discount rate for the entire series of Debentures and the members of the Stock Exchange shall deduct tax at the payment dates of the Debentures according to the weighted discount rate as mentioned in accordance with the provisions of the law. If an approval of the tax authorities regarding such discount rates shall not be received, the Company shall notify in an Immediate Report, prior to issuing the Debentures as a result of expanding the series, of not receiving the approval as stated and that the uniform discount rate will be the highest discount rate that was created for the series. The members of the Stock Exchange shall deduct withholding tax at the time of repayment of the Debentures in Circulation, in accordance with the discount rate that shall be reported as aforementioned. Therefore, there may be cases where the Company shall deduct withholding tax for discount fees, at a higher rate than the discount fees determined to whoever held Debentures before the series was expanded. In this case, it is the responsibility of the Debenture Holder (and the Debenture Holder only) who held the Debentures before the series was expanded and until their repayment and who is entitled, in light of their payment, to a refund of withholding tax, for the over-discount, to submit a report to the tax authority on this matter insofar as he shall wish to receive a tax refund as stated and inasmuch as he is entitled to a tax refund by law.
- 5.4. The Company shall notify in an Immediate Report regarding the issuance of debentures as mentioned in this clause above.

## 6. The Company's Undertakings

The Company hereby undertakes towards the Trustee and the Debenture Holders, for as long as the Debentures were not fully paid (including interest), and for as long as all the undertakings towards the Debenture Holders and the Trustee were not fulfilled according to this Deed, as follows:

- 6.1. To pay, at the times scheduled for this purpose, the sums of the Principal, and the interest (including interest in arrears, if and inasmuch as it shall apply, and additional interest for breaching financial standards, inasmuch as they shall apply) which shall be paid according to the terms of the Debentures and the provisions of this Deed, and to fulfill all the other terms and undertakings that are imposed on it according to the terms of the Debentures and according to this Deed of Trust. In any case where the date of payment on account of a Principal and/or interest shall be on a day which is not a Business Day, the payment date shall be deferred to the next Business Day, without any additional payment, interest or linkage.
- 6.2. To fulfill all of the financial standards and undertakings set forth in Appendix 6.2 to this Deed including with respect to the limitation regarding the distribution of dividends.
- 6.3. To persist and manage the business of the Company and companies in its control in a regular and proper manner.
- 6.4. To notify the Trustee as soon as possible, and no later than 2 Business Days regarding the occurrence of any of the events set forth in clause 9.1 of the Deed, including its sub-clauses, or regarding a real knowledge of the Company that an event as stated is about to take place, without taking into account the cure periods set forth in clause 9.1 of the Deed, inasmuch as any exist in the stated clauses and to take, at its expense, all reasonable means required for the purpose of removing the foreclosures or revoking the receivership, the liquidation or the administration, insofar as it is relevant and as the case may be.
- 6.5. To deliver to the Trustee as soon as possible and no later than the end of 30 days from the day of the first issuance of the Debentures (Series C) or from the time of performing a series expansion in any way, an amortization schedule for paying the Debentures (Principal and interest) in an Excel file.
- 6.6. To notify the Trustee in a written notice signed by the senior financial officer in the Company, within 4 Business Days from the date of payment, of any payment to the Debenture Holders and of the balance of the sums that the Company owes at that time to the Debenture Holders after making the aforementioned payment.
- 6.7. To deliver to the Trustee annual financial statements or quarterly financial results, as the case may be, and in accordance with the requirements of the Israeli law that apply to the Company from it being a dual listed Company, at the time of their publication and in any event no later than from the time scheduled for this in the Israeli law applying to a dual listed company to publish them (even in the event that the Company shall stop being a public or reporting Company, then it shall report in accordance with the provisions of the Law that apply to the Company at the time of signing this Deed of Trust). Notwithstanding the foregoing, it is clarified that the quarterly financial results shall be published by the end of the following quarter in a framework which shall be no less than the framework of the Press Release in which the Company has published its financial results for the third quarter of 2018.
- 6.8. Deleted.
- 6.9. To deliver to the Trustee in writing, notices regarding the purchase of Debentures by the Company or an Affiliated Holder, immediately upon the Company becoming informed of this.

- 6.10. On December 31<sup>st</sup> of each year, and for as long as this Deed is in effect, the Company shall furnish to the Trustee a confirmation of the Company signed by the Company CEO or the senior financial officer in the Company, that in the period starting from the date of the Deed and/or from the date of the prior confirmation that was given to the Trustee, whichever is later, and until the date of the confirmation, the Company has not breached this Deed, including a breach of the terms of the Debenture, unless expressly mentioned otherwise.
- 6.11. To deliver to the Trustee copies of the notices and invitations which the Company shall give to the Debenture Holders, as mentioned in clause 27 hereinafter.
- 6.12. To cause that a senior financial officer in the Company shall give, no later than fourteen (14) Business Days from the time of the Trustee's request, to the Trustee and/or to the people who the Trustee shall order, any explanation, document, calculation or information regarding the Company, its business and/or assets that shall be required in a reasonable manner, at the Trustee's discretion, for fulfilling the Trustee's duties and for protecting the rights of the Debenture Holders.
- 6.13. To manage regular accounting books in accordance with generally acceptable accounting principles. To keep the books and documents that serve as reference to them (including deeds of pledge and mortgage, bills and receipts) as required by law, and to enable the Trustee and/or any authorized representative of the Trustee to view, at a time pre-coordinated with the Company, within ten (10) Business Days, any book as stated and/or document as stated, which the Trustee shall request to view. For this matter, an authorized representative of the Trustee is any person appointed by the Trustee for the purpose of viewing as stated, in a written notice by the Trustee which shall be given to the Company prior to viewing as stated, subject to an undertaking of confidentiality in accordance with the provisions of clause 19 of the Deed.
- 6.14. Deleted.
- 6.15. To summon the Trustee to all of its general meetings (whether to annual general meetings or extraordinary general meetings) of the Company shareholders, without granting the Trustee the right to vote in these meetings.
- 6.16. To deliver to the Trustee on the 15<sup>th</sup> of each January starting from 2020, a written approval signed by the senior financial officer, that all of the payments to the Debenture Holders were fully paid on time, and the balance of the par value of the Debentures in Circulation. In addition, at that time, inasmuch as the Debentures shall be secured by collaterals, the Company shall provide the Trustee with an approval and/or opinion which the Trustee shall reasonably require in connection with the provisions of Section 35H(b)(2) of the Law.
- 6.17. In addition to the statements or notices which the Company is required to give according to Section 35J(a) of the Law, to give the Trustee or to its authorized representative (a notice regarding his appointment shall be given by the Trustee to the Company upon his appointment), no later than fourteen (14) Business Days from the time of the Trustee's request, additional information regarding the Company (including explanations, documents and calculations pertaining to the Company, its business or assets, and information which the Trustee, at its reasonable discretion, is required for the purpose of protecting the rights of the Debenture Holders, and to instruct its accountant and legal advisors to do so, as per the Trustee's reasonable request, inasmuch as at the Trustee's reasonable opinion the information is required for the purpose of applying and exercising the authorities, powers and authorizations of the Trustee and his proxies in accordance with this Deed, and subject to an undertaking of confidentiality as stated in this Deed. Based on the Trustee's request, the Company shall notify it in writing whether the given information is considered as inside information, as this term is defined in the Securities Law.

- 6.18. To perform all of the actions required and/or reasonably needed and in accordance with the provisions of this Deed and any law for validating the exercise of powers, authorities and authorizations of the Trustee and/or of its proxies in accordance with the provisions of this Deed of Trust.
- 6.19. To list the Debentures for trade in the Stock Exchange and to act so that the Debentures shall continue to be listed for trade on the Stock Exchange until the date of their final repayment.
- 6.20. To notify the Trustee in writing regarding any change to its name or address no later than five business days from the day of the change.
- 6.21. To assist the Trustee in any reasonable manner to fulfill its duties according to law and/or according to this Deed including examining the performance of the Company's undertakings in full and on time, examining actions and/or transactions that the Company performed, insofar as this is reasonably required in order to protect the rights of the Debenture Holders.
- 6.22. Inasmuch as the Company shall cease being a reporting corporation, as this term is defined in the Securities Law, or a corporation traded at a stock exchange outside of Israel, as set forth in the Second or Third Addition to the Securities Law, the Company shall provide the Trustee with the reports required by the Regulation Codex<sup>1</sup> or any other circular and/or another document which shall replace it.
- 6.23. The Debentures (Series C) are not rated, and the Company does not undertake to rate the Debentures (Series C) in the future, including in case the Company shall issue a new series of rated debentures or shall expand an existing series of rated debentures of the Company. Insofar as the Debentures (Series C) shall be rated by a rating company or by a number of rating companies, then the Company shall be entitled to cease their rating by any of the rating companies or all of them, at its sole discretion, and without the Trustee and/or the holders of the Debentures having any claim in this regard. In case of replacing the rating company or terminating its activity, even in case when the Debentures shall be rated by a number of rating companies, the Company shall publish, within one Business Day from the day of the change, an Immediate Report regarding the changing of the rating company or stopping its work as stated, as well as the reasons for changing the rating company or stopping its work. If the rating shall be ceased altogether, the Company shall also transfer to the Trustee, a written approval, legally executed, specifying the reasons for the stop as stated.
- 6.24. To deliver to the Trustee a copy of any document or any information which the Company has delivered to the Debenture Holders.

Any report or information that shall be published by the Company in the Magna system shall be considered as a report or information or summons, as the case may be, which was given to the Trustee in accordance with the provisions of this clause. Notwithstanding the aforesaid, at the request of the Trustee, the Company shall transfer a printed copy of the report or information as mentioned.

It shall be clarified, that the confidentiality provisions in clause 19 hereinafter shall also apply to information given to the Trustee and/or his authorized representative and/or his agents, in accordance with the provisions of this clause 6.

---

<sup>1</sup> The Regulation Codex – Business Management Principles, Volume 5, Part 2 – Capital, Measurement and Risk Management, Chapter 4 – Investment Assets Management, published by the Department of Capital Markets, Insurance and Savings at the Ministry of Finance, which entered into effect on May 1, 2014 (which appears, as of 07/09/2019 at: [https://mof.gov.il/hon/Documents/%d7%94%d7%a1%d7%93%d7%a8%d7%94-%d7%95%d7%97%d7%a7%d7%99%d7%a7%d7%94/Codex/Gate5\\_Part2\\_Chapter4.pdf](https://mof.gov.il/hon/Documents/%d7%94%d7%a1%d7%93%d7%a8%d7%94-%d7%95%d7%97%d7%a7%d7%99%d7%a7%d7%94/Codex/Gate5_Part2_Chapter4.pdf) as it shall be updated from time to time.

**7. Not Securing the Debentures; Negative Pledge**

- 7.1. The Debentures are not secured by any pledge or any other collateral. The status of the Debenture Holders is the status of unsecured creditors of the Company, with all that this entails.
- 7.2. Except as set forth in clause 7.4 hereafter, the Company shall be entitled from time to time, to sell, pledge, lease, assign, deliver or transfer in any other manner its assets in whole or in part, in any manner, in favor of any third party, without the need for the Trustee's and/or the Debenture Holders' consent, but subject to the duties of the Company to report with respect to the aforesaid, as these are determined in the Deed of Trust or according to law.
- 7.3. The Debentures issued under a certain series shall be equal in priority (pari passu) between them, without any right of preference or priority of one over the other.
- 7.4. Notwithstanding the aforesaid in clause 7.2 above, for as long as the Debentures (Series C) have not yet been fully repaid in any manner, including by way of a self-purchase and/or early redemption, the Company undertakes not to create a floating charge on all of its assets and rights, existing and future, in favor of any third party to secure any debt or undertaking and this is as opposed to a fixed charge or floating charge on a certain asset or a floating charge on a certain number of assets that the Company may create. Notwithstanding the aforesaid, the Company shall be entitled to create a floating charge on all of its assets in favor of a third party, in each one of the following cases:
  - (1) A receipt in advance of the consent of the Debenture Holders (Series C), which shall be adopted in a Special Resolution in the Meeting of the Debenture Holders;
  - (2) The Company shall create, in favor of Holders of Debentures (Series C) together with creating the floating charge on all of its assets in favor of the third party, a floating charge on all of its assets also in favor of the Holders of Debentures (Series C) of the same priority, pari passu, which shall remain in force up to the date of removing the charge which shall be registered in favor of the third party, and this is as long as outstanding Debentures (Series C) shall exist (namely, as long as they were not fully paid or removed in any manner, including by way of a self-purchase and/or early redemption); or

- (3) The Company shall make available in favor of the Holders of Debentures (Series C), by the Trustee, an irrevocable autonomous bank guarantee which shall be issued by bank/s or financial institution/s in Israel, rated at no less than ilAA (in the rating of Standard & Poor's or an equivalent rating), at a total equaling the amount guaranteed by the floating charge created in favor of the third party, or a total constituting the non-paid balance of the debt to Holders of Debentures (Series C), taking into account the amount of the interest until the date of the final repayment of the Debentures, according to the lower of them at the time of creating the pledge.

Despite the foregoing, it is clarified that the Company's undertaking to not create a floating charge shall not apply to any of the following actions and pledges and that the Company has the right, at any time (subject to the restrictions according to any law and/or any other agreement that the Company is party to), to: (a) pledge its assets, including its rights, in whole or in part, by any other pledge except for a floating charge on all of its assets, including, but not limited to, fixed pledges, including the creation of floating charges on specific assets, one or more, of the Company with respect to creating these charges (and bank accounts that can be pledged by a floating charge even without a fixed charge); (b) create a floating charge on all Company assets to guarantee the recycling (or re-recycling) of a loan guaranteed by a floating charge on all Company assets (and which met upon its creation, one or more of the conditions set forth in clauses 7.4(1) to 7.4(3) above), provided that the debt guaranteed by the new pledge as stated shall not exceed the unpaid balance of the debt guaranteed by the original debt; and (c) pledge on assets or rights purchased (or which shall be purchased) in a way that they were pledged prior to their purchase.

It is clarified that all fixed charges and/or floating charges set forth in this clause shall be deducted from the applicability of a floating charge insofar as this shall be imposed according to the provisions of this sub-clause above.

Except for the aforesaid no restrictions shall apply to the Company in imposing all kinds of charges on its assets.

It is clarified that the stated in this sub-clause 7.4 does not limit the Company in selling its assets and/or its businesses (without detracting from the stated in clause 9.1 of this Deed and from the provisions of this Deed). It is further clarified, for the avoidance of doubt, that this clause cannot restrict the companies held by the Company (including subsidiaries and affiliates) from creating any charges, floating or fixed, on their assets, including on all of their assets.

The Company declares that as of the date of signing this Deed, there is no floating charge in favor of a third party on all of the Company's assets. As of the date of signing this Deed there are charges on the assets of the subsidiaries of the Company in the framework of project financing, pledges on deposits in the framework of hedging transactions and additional pledges to Discount Bank as set forth in Note 14 of the Company's financial statements as of December 31, 2018, included in the annual report which the Company filed with the Israeli Securities Authority on March 31, 2019.

The Company undertakes that if it shall create a floating charge on all of its assets in accordance with the exceptions set forth above, it shall notify the Trustee on the matter prior to creating the pledge, and shall specify in its notice, the clause due to which the Company is entitled to create a pledge as stated.

7.5. If and insofar as a floating charge shall be given as a security, as mentioned in clause 7.4 above, the following provisions shall apply:

- (a) The existence of a cause to declare the Debentures immediately payable and/or the realization of Collaterals is a preliminary condition to realizing a floating charge as mentioned.
- (b) The Trustee shall be entitled to enforce a floating charge before immediate repayment has been declared for the Debentures, in accordance with Section 35J1 of the Law or subject to adopting a decision of performing realizations in a resolution that shall be adopted by the Meeting of the Debenture Holders in accordance with the provisions of clause 9.7 of this Deed.
- (c) Enforcing the floating charge shall be performed in a manner that is expected according to the Trustee's reasonable assessment to maximize the realization consideration from the floating charge and for this purpose the Trustee shall be entitled, subject to law, to determine the manner of enforcing this floating charge and the time when the floating charge should be enforced (hereinafter: the "**Manner of Enforcing the Collaterals**").

Without derogating from any right that the Trustee has according to any law, the Trustee shall be entitled to receive instructions with respect to the Manner of Enforcing the Collaterals also by a Special Resolution that shall be adopted in a Meeting of the Debenture Holders, on the agenda of which is the giving of instructions to the Trustee regarding the Manner of Enforcing the Collaterals. The Meeting of the Debenture Holders as mentioned, shall be entitled to authorize a representing body of the Debenture Holders for advising the Trustee regarding the Manner of Enforcing the Collaterals.

Whenever the Company shall create a charge as mentioned in this sub-clause in favor of the Debenture Holders, and this is a charge that requires registration in the Registry of Charges managed at the Registrar of Companies for its perfection or any other registry as shall be required by any law, the charge shall be considered as legally registered only after the Company has furnished to the Trustee all the following documents:

- (1) A charge document according to which the charge was registered in favor of the Trustee, bearing an original signature by the Company and stamped with an original "received" stamp by the office of the Registrar of Companies, and bearing a date which is not later than twenty one (21) days after the signature date on the charge document;

- (2) A notice of details of mortgages and pledges (Form 10) signed with an original "received" stamp from the office of the Registrar of Companies, which bears a date that is not later than twenty one (21) days after creating the notice;
- (3) An original pledge registration certificate from the Registrar of Companies;
- (4) An extract of the pledges from the Registrar of Companies or any other office or registrar as shall be required by any law, according to which this charge was registered;
- (5) An affidavit by the Company CEO or a senior financial officer in the Company that the charge does not contradict or it is not in contradiction to the Company's undertakings to third parties, and that all approvals have been received by the Company pertaining to the creation of the pledge as stated, all according to the wording that shall be acceptable to the Trustee at its reasonable discretion;
- (6) An opinion of a lawyer on behalf of the Company, originally signed, inter alia, with respect to the nature of the rights of the pledging party in the pledged asset, the manner of the pledge registration, its validity, its creditor priority, its legality and it being exercisable and enforceable against the pledging party according to the applicable law in Israel, in the wording that shall be acceptable by the Trustee at its reasonable discretion, which shall be given to the Trustee each year according to its demand.
- (7) Any additional document required for the purpose of creating and/or registering the pledge by any law, in any relevant Registry.

## **8. Early Redemption**

### **8.1. Early Redemption Initiated by the Stock Exchange**

If it is decided by the Stock Exchange to delist the Debentures (Series C) from trade as the value of the series has decreased from the sum that was determined in the Stock Exchange instructions regarding delisting from trade, the Company shall allow early redemption as mentioned of the series due to the delisting from trade of the Debentures as mentioned above, and it shall act as follows:

- 8.1.1 Within 45 days after the decision of the board of directors of the Stock Exchange regarding delisting as aforementioned, the Company shall notify of an early redemption date in which the Holders of Debentures may redeem them. The notice of early redemption shall be published in an Immediate Report that shall be sent to the securities authority and to the Stock Exchange and in two daily and prevalent newspapers in Israel in the Hebrew language and it shall be given in writing to all the registered Debenture Holders.
- 8.1.2 The early redemption date shall occur not before 17 days of the date of publishing the notice and no later than 45 days after this date, however not in a period between the record date for the payment of interest and its actual payment.

At the early redemption day the Company shall redeem the Debentures that the Debenture Holders requested to redeem. The redemption consideration shall not be less than the sum of the nominal value of the certificates of undertaking with additional interest that has accumulated until the date of actual payment, as set forth in the terms of the Debentures.

- 8.1.3 The determination of an early redemption date as mentioned above cannot harm the redemption rights stipulated in the Debentures, of any of the Debenture Holders that shall not redeem them at the early redemption date as mentioned above, however the Debentures shall be delisted from trade on the Stock Exchange and will be subject, inter alia, to the tax implications arising from this.
- 8.1.4 The early redemption of Debentures as mentioned above shall not confer upon any of the Holders of Debentures that shall be redeemed as mentioned the right to the payment of interest for the period after their redemption.



## 8.2. Early Redemption Initiated by the Company

The Company shall be entitled, at its sole discretion, to perform early redemption, full or partial, of the Debentures (Series C) and this is at its sole discretion commencing on the end of 60 days from the date on which the Debentures (Series C) were listed for trade, and in this case the following provisions shall apply, all subject to the instructions of the Israeli Securities Authority and the provisions of the Stock Exchange regulations and the instructions pursuant thereto, as they shall be at the relevant time:

- 8.2.1 The frequency of the early redemptions shall not exceed one redemption per quarter. For this matter, "quarter" means each of the following periods: January – March, April – June, July – September, and October- December. The minimal scope of each early redemption shall not be less than 1 million NIS. Notwithstanding the aforesaid, the Company shall be entitled to perform an early redemption at a scope which is less than 1 million NIS provided that the frequency of redemptions shall not exceed one redemption per year.
- 8.2.2 Any amount paid by early redemption by the Company, shall be paid with regards to all Holders of Debentures, pro-rata according to the nominal value of the held Debentures.
- 8.2.3 The Company shall deliver to the Trustee, within five (5) Business Days from the day on which a decision was made by the Company's board of directors regarding the performance of early redemption as stated above, an approval signed by the senior financial officer in the Company, attaching a calculation, worded to the Trustee's satisfaction, regarding the amount to be paid by early redemption, as well as the interest accumulated for the stated Principal amount until the performance of the early redemption. In addition, upon adoption of the resolution of the board of directors of the Company regarding the performance of an early redemption as mentioned above, the Company shall publish an Immediate Report which shall include, among others, a calculation of the amount to be paid by early redemption, no less than seventeen (17) days and no more than forty five (45) days before the early redemption date, and shall give the Trustee a copy thereof.

If an early redemption is scheduled in a quarter in which payment of interest is also scheduled, or payment of partial redemption or payment of final redemption, the early redemption shall be performed at the time that was scheduled for payment as mentioned.

The early redemption date shall not apply in a period between the record date for the payment of interest for the Debentures and the date of actual payment of interest.

The Company shall publish, in the aforementioned Immediate Report, the sum of the Principal that shall be repaid in the early redemption and the interest that has accumulated for it until the date of the early redemption in accordance with the provisions in clause 8.2.5 hereinafter. Upon making a partial early redemption, the Company shall pay the Holders of Debentures (Series C) the interest accumulated for the part paid by partial redemption, and not for the entire non-paid balance of the Debentures' Principal.

- 8.2.4 Early redemption shall not be made to part of the series of Debentures if the last redemption sum shall be less than 3.2 million NIS.
- 8.2.5 At the date of a partial early redemption, insofar as shall exist, the Company shall notify in an Immediate Report of: (1) The rate of the partial redemption in terms the unpaid balance; (2) The rate of the partial redemption in terms of the original series; (3) The interest rate in partial redemption of the redeemed part; (4) The interest rate that shall be paid in partial redemption calculated regarding the unpaid balance; (5) Update of the rate of the partial redemptions remaining, in terms of the original series; (6) The record date for entitlement to receive early redemption of the Principal of a Debentures that shall be six (6) days before the date scheduled for early redemption (it is clarified that if the record date for entitlement to receive partial redemption shall occur in a quarter during which there is the payment of current interest, the record date for entitlement to receive partial redemptions shall occur on the record date for receiving the payment of current interest that shall be paid during that quarter).
- 8.2.6 Prior to making an early redemption as stated in this clause, the Company shall give the Trustee an approval signed by a senior officer in the Company, confirming its meeting (or its failure to meet) the financial standards set forth in Appendix 6.2 of the Deed.
- 8.2.7 The sum that shall be paid to the Debenture Holders in the event of early redemption shall be the highest sum out of the following: (1) the market value of the balance of the Debentures in Circulation, which shall be determined according to the average close price of the Debentures in the thirty (30) Trading Days prior to the date the resolution of the board of directors was adopted regarding the performance of early redemption; (2) the undertaking value of the Debentures in Circulation that are subject to early redemption, in other words Principal plus interest (including interest in arrears inasmuch as there shall be any), up to the date of the actual early redemption; (3) the balance of cash flow of the Debentures (Series C) that are subject to early redemption (Principal plus interest and interest in arrears inasmuch as there shall be any) capitalized according to the Government Debentures Yield (as defined below) plus an annual interest rate of 1.75%. Capitalization of the Debentures (Series C) that are subject to early redemption shall be calculated commencing from the early redemption date up to the last redemption date that was determined with respect to the Debentures (Series C) that are subject to early redemption.

For this matter: "Government Debenture Yield" means the weighted average return (gross) for redemption, in a period of seven Business Days, that ends two Business Days prior to the date of notice of early redemption, of two series of governmental debentures with an average duration closest to the average duration of the Debentures (Series C) at the relevant time.

For example: if the average duration of government debenture A is four (4) years, the average duration of government debenture B is two (2) years and the average duration of the balance of cash flow for the Debentures (series C) up for early repayment (Principal with the addition of interest) is three and a half (3.5) years, the weighted average yield of the government debentures will be calculated as follows:

$$4x + 2(1-x) = 3.5$$

Where:

x – weight of the yield of government debenture A

(1-x) – weight of the yield of government debenture B

According to the calculation in the example specified above, the annual yield of government debenture A will be weighted at the rate of seventy five percent (75%) from the "yield" and the annual yield of government debenture B will be weighted at a rate of twenty five percent (25%) of the "yield".

- 8.2.8 The early redemption of the Debentures as mentioned above shall not confer upon a Holder of Debentures that shall be redeemed as mentioned, the right to receive interest for the period after the redemption date.

## **9. Right for Immediate Repayment and/or Realization of Collaterals**

- 9.1. **Upon the occurrence of one or more of the causes set forth hereinafter and so long as either of them is occurring, the Trustee and the Holders of Debentures shall be entitled to put the balance of the amount due to the Holders in accordance with the Debentures for immediate repayment, or to realize collaterals (inasmuch as they shall be given) for guaranteeing the Company's undertakings to the Holders of Debentures, and the provisions of clause 9.2 hereafter shall apply, as the case may be:**

- 9.1.1 If a material worsening has occurred in the Company's business as compared to its state at the issuance date, and there is a real concern that the Company will not be able to repay the Debentures on time.

- 9.1.2 If the Company has not repaid by of the payments it owes in accordance with The Debentures or in accordance with this Deed, or another material undertaking provided in favor of the Debenture Holders was not fulfilled, however it shall be possible to declare the Debentures (Series C) immediately repayable due to this, only if the breach was not amended by the end of a period of seven (7) days after the date of breach.
- 9.1.3 If the Company did not publish a financial statement which it is required to publish according to any law or according to the provisions of this Deed, within 30 days after the last date on which it is obligated publish it or at such time when the extension for publishing financial statements provided to the Company by a competent authority or in accordance with the provisions of the Deed shall end, according to the later of these times.
- 9.1.4 If the Debentures (Series C) have been delisted from trade on the Stock Exchange.
- 9.1.5 If a motion was filed for receivership or to appoint a receiver (temporary or permanent) on the Company's assets, all or most, or if an order shall be given to appoint a temporary receiver for the Company's assets, all or most of them – which was not dismissed or cancelled within forty five (45) days after they were filed or granted, respectively; or – if an order was given to appoint a permanent receiver on the Company's assets, all or most.

Notwithstanding the aforesaid, the Company shall not be given any cure period with respect to the motions or orders that were filed or granted, respectively, by the Company or with its consent.

For this matter, "most of the Company assets" – the assets of the Company as well as of companies consolidated in its financial statements, with an aggregated value which exceeds 50% of the total consolidated assets of the Company, in accordance with its recent consolidated financial statements or its recently published consolidated financial results.

- 9.1.6 (a) If the Company shall file a motion to issue a stay of proceedings or if an order as stated is given as per the Company's request or if the Company shall file a motion for settlement or arrangement with its creditors in accordance with Section 350 of the Companies Law (except for the purpose of a merger with another Company as stated in clause 9.1.18 of the Deed and/or a change in the Company's structure or split that is not prohibited according to the terms of this Deed, and except for arrangements between the Company and its shareholders that are not prohibited according to the terms of this Deed, and which do not affect the Company's ability to repay the Debentures) or if the Company shall propose in another manner a settlement or arrangement to its creditors, in light of the Company's lack of ability to meet its undertakings on time; or (b) – if a motion shall be submitted according to Section 350 of the Companies Law against the Company (not with its consent) which was not dismissed or cancelled within forty five (45) days after it was submitted.
- 9.1.7 If a foreclosure shall be imposed on a Material Asset, or if any action shall be performed of execution against any such Material Asset; and the foreclosure was not removed, or the action was not cancelled, respectively, within 45 days after they were imposed or performed, respectively.

Notwithstanding the aforesaid, the Company shall not be given any cure period with respect to motions filed or given, respectively, by the Company or with its consent.

- 9.1.8 If the Company's main activity, by itself or via corporations in its control or via held corporations, shall cease to be in the field of energy and energy infrastructure (the "**Area of Activity**"). It is clarified, that the Company's activity in other areas of activity in addition to the Area of Activity shall not be considered as stopping the activity as stated in this clause, insofar as the Company's assets, which are not current assets, which belong or are related to the Area of Activity (as it is defined above), shall constitute at least 60% of the Company's assets which are not current assets, all based on the last consolidated financial statements or its recently published consolidated financial results.
- 9.1.9 If the Company shall adopt a decision to liquidate (except for liquidation as a result of a merger with another company as mentioned in clause 9.1.18 of this Deed) or if a final permanent liquidation order shall be given with respect to the Company by court or a permanent liquidator shall be appointed to it.
- 9.1.10 If a temporary liquidation order shall be given by the court, or a temporary liquidator shall be appointed for the Company, or if any judicial decision of a similar nature shall be granted, and the appointment, the order or the decision as mentioned were not dismissed or cancelled within forty five (45) days after the day on which they were given or from the date the decision was granted, respectively.
- Notwithstanding the aforesaid, the Company shall not be given any cure period with respect to motions or orders that were filed or given, respectively, by the Company or with its consent.
- 9.1.11 If the Company ceased or notified of its intention to cease conducting its business as this shall be from time to time, and if the Company stopped or notified of its intention to stop its payments.
- 9.1.12 If the Company is requested to pay by immediate repayment (not in its initiative) a Material Debt of the Company, provided that a request as stated is not revoked within 14 Business Days from the day on which the Material Debt was declared immediately payable, or another series of debentures issued by the Company.
- 9.1.13 Not fulfilling one or more of the financial standards in Appendix 6.2 of this Deed of Trust at the end of the Examination Period (as defined in Appendix 6.2 of the Deed of Trust), provided that the Company was not given an extension to cure as mentioned in clause 28 of the Deed of Trust or in clause 18.2 of the Deed of Trust (in this clause: the "Cure Period") or, a waiver was not given to the Company for the breach as mentioned in clause 28 of the Deed of Trust.
- 9.1.14 If the Company shall perform a distribution (as it is defined in the Companies Law), which does not meet any of the provisions pertaining to a distribution as stated in Appendix 6.2 of the Deed.

- 9.1.15 There is a real concern that the Company shall not meet its material undertakings towards the Debenture Holders.
- 9.1.16 If the Company shall breach the terms of the Debentures or the Deed of Trust by a fundamental breach or if it will not perform any of its material undertakings within their framework, and the breach was not cured within 14 days after receiving a notice regarding the breach, during which the Company shall act to cure it or if a material representation of the representations of the Company in the Debentures or in the Deed of Trust is discovered to be incorrect or not complete, and in the event that this is a breach that can be cured – the breach was not cured within 14 days after receiving a notice regarding the breach, during which the Company shall act to cure it.
- 9.1.17 If the Company is liquidated or deregistered, for any reason whatsoever, including a deregistration or liquidation for the purpose of merger or in the framework of a share replacement transaction, apart from a merger where the surviving company has taken upon itself all of the Company's undertakings towards the Holders of Debentures (Series C) as stated in clause 9.1.18 of the Deed.
- 9.1.18 If a Merger was performed without receiving a prior approval of the Holders of the Debentures (Series C) by Ordinary Resolution, unless the surviving entity declared, towards the Holders of the Debenture (Series C), including via the Trustee, at least ten (10) Business Days before the merger date that the surviving entity has taken upon itself all of the undertakings towards Holders of Debentures and that there is no reasonable concern that as a result of such merger the surviving company would not be able to fulfill its undertakings towards the Holders of the Debentures (Series C).
- 9.1.19 If the Company breached its undertaking not to create floating charges as set forth in clause 7.4 of this Deed.
- 9.1.20 If a sale was made of most of the Company's assets. If a sale was made of most of the Company's assets as set forth in this clause, the Company shall submit an Immediate Report of this.
- For this matter, "most of the Company assets" – as this term is defined hereinafter.
- 9.1.21 If the Stock Exchange suspended the trade of the Debentures (Series C), except for a suspension due to a cause of the creation of vagueness, as this cause is defined in the fourth part of the Stock Exchange bylaws, and the suspension was not cancelled within 60 days.
- 9.1.22 In the event the Company shall perform an expansion of the Debenture series (Series C) in a manner which does not meet the Company's undertakings with regards to a series expansion in accordance with clause 5.2 of this Deed.
- 9.1.23 In case of transferring the control of the Company, unless the transfer of control of the Company was approved at the General Meeting of Holders of Debentures (Series C), in advance, by an Ordinary Resolution.

“**Transfer of Control**” for the purpose of this clause – any transactions, as a result of which, none of the Messrs. Shlomo Nehama, Ran Fridrich and Hemi Raphael, directly or indirectly, shall be a holder of controlling interest in the Company.

For the matter of this clause, “**Control**” – as the term is defined in the Securities Law.

For the purpose of this clause, “**Transaction**” – a transaction in which framework the holdings of Messrs. Shlomo Nehama, Ran Fridrich and Hemi Raphael (hereinafter: the “**Current Holders of Controlling Interests**”) in the Company, directly or indirectly (via companies in their ownership and their control), shall be transferred, including a transaction as stated, after which one (or both) of the following shall not occur:

- a. The Current Holders of Controlling Interests, jointly or separately, directly or via corporations in their ownership and their control, shall hold not jointly with others, more than 30% of the rights in the share capital and voting rights in the Company and there shall not be another shareholder, by himself or jointly with others, who shall simultaneously hold at least 30% of the rights in the share capital and the voting rights in the Company;
- b. Inasmuch as the Current Holders of Controlling Interests (jointly or separately) shall be the holders of controlling interests in the Company along with others (hereinafter: “**the New Control Group**”), the Current Holders of Controlling Interests (jointly or separately), directly or via corporations in their ownership and their control, shall hold by themselves more than half of the rights in the share capital and voting rights in the Company which are held by the New Control Group.

But, for the avoidance of doubt, apart from a transaction as stated which is the result of a change in legislation and/or regulatory requirement and/or inheritance, when for the matter of changes in legislation and regulation – provided that the Company acts to the best of its efforts to avoid a result as stated. If the conditions set forth above in this clause are fulfilled in the aggregate, the Company shall submit an Immediate Report of this.

- 9.1.24 If the Company shall stop being a reporting corporation, as this term is defined in the Securities Law, or a corporation traded in a stock exchange outside of Israel, as set forth in the Second or Third Addition to the Securities Law.
- 9.1.25 If a “going concern notice” is registered in the Company’s consolidated financial statements, and the basis for including the notice was not amended in the Company’s consolidated financial results for the following quarter.

For the avoidance of doubt, it is clarified that the right to declare the Debentures immediately repayable as mentioned above and/or declaring the Debentures immediately repayable and/or for realizing pledges cannot derogate from or injure any other or additional remedy that the Debenture Holders (Series C) have or that the Trustee has according to the terms of the Debentures and the provisions of this Deed or according to the law, and failure to declare the debt immediately repayable upon the occurrence of any of the cases set forth in clause 9.1 of the Deed, shall not constitute any waiver whatsoever of the rights of the Holders of Debentures or the Trustee as stated.

In this clause:

“**Material Asset**” means: an asset or several assets cumulatively, whose aggregate book value exceeds 55% of the total consolidated assets of the Company according to its last consolidated financial statements or its last consolidated financial results that were published.

“**Financial Statement**” means: the consolidated financial statements or consolidated financial results of the Company that were published before the time of the event.

“**Material Debt**” means: a debt or a number of cumulative debts at an amount which constitutes 10% of the Company’s aggregate balance sheet, in accordance with the Company’s financial statements (as they are defined above) which were published prior to the occurrence of the event. It is clarified that a debt for which fixed charges were placed for securing it or a non- recourse debt, namely a debt with no right of recourse to the Company or a project debt shall not be considered as a Debt.

“**Merger**” means a merger as the term is defined in the Companies Law, including in accordance with the provision of the Ninth Part of the Companies Law, apart from a merger between companies consolidated in the Company’s financial statements, when in this case there shall be no requirement for a declaration by the Company or the surviving company as stated above, or a prior approval of the Holders of Debentures as stated above.

Selling “**Most of the Company Assets**” means selling assets of the Company or of the consolidated companies in its financial statements, over a period of 12 consecutive months, with a value, after deduction of assets purchased by the Company or by the consolidated companies in its financial statements during the same period of 12 consecutive months, which exceed the rate of 50% of the consolidated Company assets, according to its last consolidated financial statements or its last consolidated financial results published.

9.2. Upon the occurrence of the events set forth in clause 9.1 of the Deed and in accordance with the provisions included therein and its sub-clauses:

9.2.1 The Trustee and any of the Debenture Holders (Series C) may declare the sum that is due to the Debenture Holders according to the terms of the Debentures immediately payable, or to realize collaterals (insofar as any have been given); it shall be clarified that a decision as stated by a Holder of the Debenture is subject to adopting a resolution in the Meeting of Holders of Debentures, as set forth in clause 9.2.4 hereinafter.

9.2.2 Upon the occurrence of any of the events in clause 9.1 above the Trustee, before he uses his authority to declare immediate repayment or to realize the Collaterals, insofar as they were given), shall be obligated to convene a Meeting of the Debenture Holders, on the agenda of which shall be a resolution regarding the declaration of immediate repayment of all unpaid balance of the Debentures (Series C) and/or realizing collaterals inasmuch as they have been given, due to the occurrence of any of the events set forth in clause 9.1 of the Deed, and receive its instructions.

The time of convening a Meeting as stated shall be at the end of 21 days from the day on which it was summoned (or a shorter period of time in accordance with the provisions of clause 9.2.6 hereinafter).



- 9.2.3 If a reasonable period was determined in clause 9.1 above or in a resolution of a Holders' meeting, as the case may be, with respect to a certain clause, in which the Company is entitled to perform an action or to adopt a decision which as a result the cause for declaring immediate repayment or realization of the Collaterals, insofar as created, is dropped, the Trustees or the Debenture Holders are entitled to declare the Debentures immediately payable and/or to realize collaterals according to these clauses only if the period that was determined as mentioned has passed and the cause was not dropped; however, the Trustee is entitled to shorten the period that was determined as mentioned if it thought that it will materially harm the rights of the Debenture Holders.
- 9.2.4 The resolution of the Debenture Holders to declare the Debenture immediately payable and/or to realize the Collaterals, insofar as created, shall be adopted in a Meeting of the Debenture Holders in which Holders of at least fifty percent (50%) of the balance of the nominal value of the Debentures (Series C) were present, by a majority of the Debenture Holders of the balance of the nominal value of the Debentures that is represented or by such a majority in a deferred Debenture Holders Meeting in which the Holders of at least twenty percent (20%) of the aforementioned balance were present.
- 9.2.5 In case, until the time of convening the Meeting, any of the events set forth in clause 9.1 of the Deed has not been revoked or removed, and a resolution in the Debenture Holders' Meeting was adopted as stated in clause 9.2.4 of the Deed, the Trustee shall be obligated, as soon as possible, to declare immediately repayable all unpaid balance of the Debentures (Series C) and/or to realize collaterals, inasmuch as any have been given.
- 9.2.6 Despite the stated in this clause 9.2, the Trustee or the Holders shall not declare the Debentures immediately repayable and shall not realize collaterals (inasmuch as any have been given), unless it is after they have given the Company a written notice, 15 days in advance before declaring the Debentures (Series C) for immediate repayment or realizing collaterals (hereinafter: "**the Notice Period**"), regarding their intention to do so; the Trustee is entitled, at its discretion, to shorten the 21 day period stated in clause 9.2.2 of the Deed and/or to not give any notice as stated in this clause, in case the Trustee is of the opinion that deferring the convening of the Meeting jeopardizes the rights of the Debenture Holders or if there is reasonable concern that giving the notice shall damage the possibility of declaring the Debentures for immediate repayment and/or realizing collaterals (inasmuch as any have been given).
- 9.2.7 The sending of a notice to the Company of the declaration of immediate repayment of the Debentures and/or realizing collaterals, inasmuch as any have been given, can be done also by way of publishing a notice of the decision of the Meeting or the decision of the Trustee in accordance with the provisions of clause 27 hereafter and it shall constitute a declaration of the Debentures immediately payable.

- 9.2.8 In the event that the Debentures were declared immediately payable according to the provisions of clause 9, the Company undertakes:
- 9.2.8.1 To pay the Debenture Holders and the Trustee any sums due to them and/or that shall be due to them according to the terms of the Deed of Trust, whether the date of the obligation has arrived or not ('acceleration'), and this is within 7 days after the notice date as mentioned in clause 9.2.6 above; and
  - 9.2.8.2 To deliver to the Trustee, as per its reasonable request, any affidavit or declarations and/or to sign any document and/or to perform and/or to cause the performance of the actions necessary and/or required in accordance with any law for giving effect to the exercise of authorities, the powers and the permissions of the Trustee and/or his attorneys that are required in order to enforce upon the Company its undertaking as mentioned in the Deed of Trust and for realizing the collaterals, inasmuch as any have been given.
- 9.2.9 For the purposes of this clause 9 – a written notice to the Company signed by the Trustee that confirms that the action required by it in the framework of its powers, is a reasonable action, shall constitute prima facie evidence of this.
- 9.2.10 The Trustee shall notify the Debenture Holders regarding the occurrence of an event which constitutes a cause for immediate repayment, immediately after actually becoming informed of it. A notice as stated shall be published in accordance with the provisions of clause 27 hereinafter.
- 9.2.11 The stated in this clause does not harm or condition the rights of the Trustee or the Holders of Debentures (Series C) in accordance with the provisions of Article 3511 of the Securities Law or in accordance with the provisions of the law.
- 9.2.12 Despite the stated in this clause 9.2, in case the Company requests the Trustee in writing to appoint an urgent representing body, it is mandatory to act in accordance with the provisions set forth in clause 18 of the Deed of Trust, when there is concern for an expected breach.
- 9.3. After declaring the Debentures immediately payable in accordance with the provisions of clause 9.1 of the Deed, the Trustee and/or the Debenture Holders shall be entitled to immediately take all steps that they shall see fit. Inter alia, the Trustee and/or the Debenture Holders shall be entitled to enforce and to realize the Collaterals, insofar as created, (in whole or in part) that were given to secure the Company's undertakings to the Debenture Holders and to the Trustee according to this Deed. The Trustee shall be entitled to act in any manner that it shall see fit and effective, including in accordance with the relevant law in the relevant territory for each Collateral and within such actions it shall be entitled to appoint by itself and/or by the court, a trustee, receiver or manager on assets that were provided as Collateral, in whole or part of them and insofar as such assets were provided.

## 10. Claims and Proceedings by the Trustee

- 10.1. In addition to any provision in this Deed and as a right and independent authority, the Trustee is entitled, at its discretion, and will be obligated to do so by a resolution adopted in a Meeting of Debenture Holders by a regular majority, and without giving notice to the Company, to take all of those proceedings, including legal proceedings and motions to receive instructions as it shall see fit and subject to the provisions of any law, for enforcing the Company's undertakings according to this Deed of Trust, realizing Collaterals, insofar as created, and/or rights of Debenture Holders and protecting their rights according to this Deed of Trust. The Trustee shall be entitled to initiate legal proceedings and/or others even if the Debentures were not declared immediately payable and all for realizing Collaterals, insofar as created, and/or for protecting rights of Debenture Holders and the Trustee and subject to any law. The Trustee is entitled, at its sole discretion and without the need for giving notice, to approach the competent court and submit a motion to receive instructions in any matter pursuant to and/or connected to this Deed of Trust also before the Debentures shall be declared immediately payable, including for giving any order regarding the trust matters. It shall be clarified, that the right to declare immediate repayment and/or realizing the collaterals, inasmuch as any have been given, shall only arise in accordance with the provisions of clause 9 of the Deed and not this clause 10.
- 10.2. The Trustee shall be obligated to act as stated in clause 10.1 above if required to do so by an Ordinary Resolution adopted by the Debenture Holders' Meeting, unless it has seen that under the circumstances it shall not be just and/or reasonable to do so, and it has approached the appropriate court in a request to receive instructions on the matter at the first possible opportunity.
- 10.3. The Trustee is entitled, prior to taking any legal proceedings whatsoever, to convene a Debenture Holders' Meeting so that it decides, in an Ordinary Resolution, which proceedings to take in order to realize their rights in accordance with this Deed. The Company waives any claim towards the Trustee and/or Debenture Holders, regarding damage which might be caused and/or which was caused to it due to summoning the Holders' Meeting. In addition, the Trustee shall be entitled to re-convene Debenture Holders' Meetings for the purpose of receiving instructions pertaining to conducting the proceedings as stated. The Trustee's action shall be performed in such cases without delay and at the first opportunity. For the avoidance of doubt it shall be clarified that the Trustee is not entitled to delay the performance of declaring for immediate repayment and/or realizing collaterals, inasmuch as any have been given, which the Debenture Holders' Meeting has decided in accordance with clause 9 of the Deed, unless the event for which the resolution was adopted to declare immediate repayment was revoked or removed. It is clarified, that despite the stated in the Deed clause above, the Trustee shall file a request for the liquidation of the Company only after an Ordinary Resolution was adopted on the matter in a Debenture Holders' Meeting.
- 10.4. Subject to the provisions of this Deed of Trust, the Trustee is entitled but not required to convene at any time a general Meeting of the Debenture Holders in order to discuss and/or to receive its instructions in any matter regarding this Deed. For the avoidance of doubt it shall be clarified, that the Trustee is not entitled to delay the performance of declaring for immediate repayment which the Debenture Holders' Meeting has decided in accordance with clause 9.1 of the Deed, other than if the event for which the resolution was made to declare immediate repayment was revoked or removed.
- 10.5. At any time the Trustee shall be required, in accordance with the terms of this Deed, to perform any action whatsoever, including initiating proceedings or filing claims at the request of the Debenture Holders as stated in this clause, the Trustee is entitled to avoid taking any action as stated until instructions are received from the Debenture Holders Meeting and/or instructions from the court which the Trustee has approached, at its discretion, in a request for instructions in case it believed that instructions as stated are required. For the avoidance of doubt it shall be clarified, that the Trustee is not entitled to delay declaring the Debentures immediately payable or realizing collaterals which have been given (if any have been given) which the Debenture Holders Meeting decided according to clause 9 of the Deed, unless the event for which the resolution for immediate repayment was made has been revoked or removed.

## 11. Order of Priority of Creditors; Dividing the Intakes

Any intake which shall be received by the Trustee, except for its fees and the payment of any debt towards it, in any manner, including but not only as a result of declaring the Debentures immediately payable and/or as a result of proceedings that it shall institute, if it shall institute proceedings, inter alia, against the Company, shall be held by it in trust and shall serve for the purposes according to the order of priority of creditors as follows:

**First** – for the payment of any debt for the fees of the Trustee and its reasonable expenses; **second** – for the payment of any other debt according to undertakings to indemnify (as this term is defined in clause 26 hereafter); **third** – for paying the Debenture Holders who paid payments according to clause 26 hereafter; **fourth** – for paying the Debenture Holders late payment interest for delays in paying the interest that are due to them according to the terms of the Debentures, *pari passu* and in a proportionate manner to the sum of the interest that is delayed that is due to each of them without preference or right of priority regarding any of them; **fifth** – for paying the Debenture Holders sums of the interest in arrears for delays in paying the Principal, due to them in accordance with the terms of the Debentures, *pari passu* and relative to the amount of the Principal in delay which is due to each of them, without preference or right of precedence regarding either of them; **sixth** – for paying the Debenture Holders the amounts of the interest that are due to them according to the Debentures held by them *pari passu*, the payment date of which has not yet arrived and in a proportionate manner to the sums due to them, without any preference with respect to priority in time of issuing the Debentures by the Company or in any other manner; **seventh** – for paying the Debenture Holders the debt of amounts of the Principal which are due to them in accordance with the Debentures which are held by them *pari passu*, which payment date has not yet arrived and relative to the amounts which are due to them, without any preference pertaining to the precedence in time of issuing the Debentures by the Company or otherwise; and **eighth** – the surplus, if such shall exist, the Trustee shall pay the Company or to its substitutes, as the case may be.

Withholding tax shall be deducted from the payments to the Debenture Holders, insofar as there is a duty to deduct it according to any law.

## 12. Authority to Demand Financing

The Debenture Holders Meeting is entitled to determine in a resolution in a special majority that the Company shall transfer to the Trustee a sum (or part of it) that is designed for a certain payment on account of the Principal and/or certain payment of interest for the Debentures for the finance required for matters that were determined in the Meeting as mentioned (the “**Finance Sum**”), and provided that such resolution was adopted before the record date determining the entitlement of the Debenture Holders to receive the Principal or interest as mentioned.

If a resolution of the Meeting was adopted as mentioned above, the following provisions shall apply, unless the Company shall transfer to the Trustee, before the record date as mentioned above, a sum equal to the Finance Sum and this not out of the specific payment as mentioned above:

- 12.1. The Company shall transfer to the Trustee the Finance Sum at the time determined in this Deed for paying the Principal or the interest as mentioned above.
- 12.2. The amount of the certain payment as mentioned above (Principal or interest) shall be reduced by deducting the Finance Sum, and in the event of an interest payment, the rate of the specific payment shall also be reduced respectively.
- 12.3. Insofar as the Company has a duty according to law or according to the Deed of Trust to pay the costs and fees for which the Finance Sum was deposited, the Finance Sum (in addition to interest that applies to the Debentures according to this Deed of Trust, from the record date for the specific payment as mentioned above and until its actual payment) shall be paid at the next date scheduled in this Deed of Trust for payment on account of the Principal and/or the interest (or at another time as shall be determined in a resolution of the Meeting as mentioned above) and it shall be added to the next payment as mentioned as an integral part of it.
- 12.4. The transfer of the Finance Sum to the Trustee cannot constitute an admission of the Company regarding its liability in financing the costs and fees for which the Finance Sum was deposited.
- 12.5. The Company shall publish an Immediate Report before the record date regarding the changes in the terms of this Deed of Trust regarding payments on account of the Principal and/or interest that arise from the aforesaid.

The aforesaid does not release the Company from its liability to pay costs and fees as mentioned where it is liable to pay them according to this Deed and/or according to the law.

**13. Authority to Delay the Division of Funds**

- 13.1. Notwithstanding the provisions in clause 11 above, and until the earliest of the dates set forth hereafter, if the sum which shall be received as a result of instituting such proceedings mentioned above and which shall be available at any time for distribution to the Debenture Holders as mentioned in that clause, shall be less than 1 million NIS at the record date for distribution the Trustee shall not be required to distribute it and it shall be entitled to invest this sum, in whole or in part, in accordance with the provisions of clause 16 hereafter.
- 13.2. When these investments mentioned above reach, if they shall reach, with their profits, together with other funds that shall reach the Trustee for the purpose of paying them to the Debenture Holders, a sum that will be sufficient in order to pay at least 1 million ILS, the Trustee shall be required to use the mentioned sums according to the order of priorities in clause 11 above and to distribute this sum at the earliest time of the payment of the Principal or the interest. In case, until the earlier of: the closest time for paying the interest and/or Principal, or a reasonable time after receiving the aforementioned funds, the Trustee shall not have a sufficient amount to pay at least 1 million ILS, the Trustee shall distribute the funds in his possession to the Debenture Holders, and in any case no later than once every three months. Despite the foregoing, Debenture Holders could, in an Ordinary Resolution, bind the Trustee to pay them the amounts accumulated by it, even if they have not reached a total of 1 million ILS. Notwithstanding the aforesaid, the fees to the Trustee and its expenses shall be paid out of these funds immediately upon their arrival to the Trustee and even if they are lower than the sum set forth in clause 13.1 of the Deed.

**14. Notice of Distribution and Deposit with the Trustee**

- 14.1. The Trustee shall notify the Debenture Holders of the date and place on which any payment shall be made out of the payments mentioned in clauses 11 and 12 of the Deed, and this is by advance notice of 14 days that shall be given in the manner set forth in clause 27 hereafter.
- 14.2. After the record date for entitlement for payment that was determined in the Trustee's notice as mentioned, the Debenture Holders shall be entitled to interest for them according to the interest rate set forth in the Debentures, only on the unpaid balance of the Principal sum (if such shall exist) after deducting the sum that was paid or that was offered to them for payment in accordance with the provisions of clause 15 as mentioned in this notice.
- 14.3. The funds distributed as stated in this clause 14 shall be considered as payment on account of the repayment.

**15. Avoidance from Payment for a Reason that is not Dependent on the Company; Deposit with the Trustee**

- 15.1. Any sum that is due to a Debenture Holder and that was not actually paid on the record date for its payment, for a reason that is not dependent on the Company, while the Company was willing and able to pay it fully and on time, shall cease to bear interest from the time that was determined, for its payment and the Debenture Holder shall be entitled, only to those amounts to which he was entitled at the time set for repayment or payment on account of the Principal and the interest.

- 15.2. The Company shall deposit with the Trustee, no later than 10 Business Days after the time that was scheduled for that payment, the payment sum which was not paid on time as stated in clause 15.1 of the Deed and shall notify the Debenture Holders in an Immediate Report regarding a deposit as mentioned, and the aforementioned deposit shall be considered as paying that payment, and in the event of payment of everything due for that Debenture, also as the redemption of the Debenture.
- 15.3. The Trustee shall deposit in bank accounts in its name and to its order in trust for the Debenture Holders, the funds that shall be transferred to it as mentioned in sub- clause 15.2 of the Deed, and shall invest them in investments in accordance with the provisions of clause 16 of the Deed. If the Trustee did so, it shall not owe to those entitled to those sums, other than the consideration received from realizing the investments, after deducting its fees and expenses, reasonable expenses related to that investment and to managing the trust accounts, reasonable commissions and mandatory payments applying to the trust account. Out of the funds as stated, the Trustee shall transfer amounts to the Debenture Holders entitled thereto, as soon as possible after the Trustee is provided with reasonable proof and approvals regarding their right to such amounts, and with the deduction of its reasonable expenses, commissions, mandatory payments and its fees.
- 15.4. Deleted.
- 15.5. The Trustee shall hold the funds that shall be deposited as mentioned in clause 15.3 above and shall invest them in the aforementioned manner, until the end of two years after the final payment of the Debentures or by the date of payment of the funds to the Debenture Holders, whichever is earlier. After this time, the Trustee shall transfer to the Company the sums out of these funds, which have remained with him (including profits that have accrued from their investment) after deducting its fees, expenses and other costs that were expended in accordance with the provisions of this Deed (such as fees of service providers etc.).

Upon the transfer of the funds from the Trustee to the Company, to the Trustee's satisfaction, the Trustee shall be exempt from payment of such sums to the entitled Debenture Holders.

- 15.6. The Company shall confirm to the Trustee in writing the fact that these funds have been received in trust for these Debenture Holders, and it shall indemnify the Trustee for any claim and/or cost and/or damage of any type and kind that shall be incurred by it as a result and for transferring the sums as mentioned, unless the Trustee has acted negligently (apart from negligence which is exempt by law as shall be from time to time), in bad faith or deceivingly.
- 15.7. The Company shall hold these funds in a trust account for the Debenture Holders that are entitled to these sums for an additional year after they are transferred to the Company from the Trustee. Funds that have not been demanded by the Debenture Holders from the Company at the end of two years after the final payment date of the Debentures shall serve the Company for any purpose. The aforesaid shall not derogate from the Company's duty towards the Debenture Holders to pay the funds to which they are entitled as mentioned.

**15A. Receipt from the Debenture Holders and the Trustee**

- 15A(1) A receipt from the Trustee regarding the depositing of the Principal funds and the interest with it in favor of the Debenture Holders shall release the Company completely with regards to the very making of the payment of the amounts stated in the receipt.
- 15A(2) A receipt from a Debenture Holder regarding the Principal funds and the interest paid to him by the Trustee or the Company for the Debenture shall release the Trustee and/or the Company (respectively) completely with regards to the very making of the payment of the amounts stated in the receipt.
- 15A(3) Funds distributed as stated in clause 15 above shall be considered as payment on account of the repayment of the Debentures.

**15B. Presenting Debentures to the Trustee and Registration pertaining to Partial Payment**

- 15B(1) The Trustee shall be entitled to request a Debenture Holder to present to the Trustee, upon paying any interest whatsoever or a partial payment of the amount of the Principal and the interest, should there be any, in accordance with the provisions of clauses 13-15A above, the Debenture certificates for which the payments are made, and the Debenture Holder shall be required to present the Debenture certificate as stated, provided that it does not bind the Debenture Holders to any payment and/or expense and/or impose on the Debenture Holders any responsibility and/or liability.
- 15B(2) The Trustee shall be entitled to register a comment on the Debenture certificates regarding the amounts paid as stated above, as well as their payment date.
- 15B(3) The Trustee shall be entitled, in any special case, at its discretion, to waive the presentation of the Debenture certificates after the Debenture Holder has given it a letter of indemnification and/or sufficient guarantee to its satisfaction for damages which might be caused due to failure to register the comment as stated, all as it shall see fit.
- 15B(4) Despite the foregoing, the Trustee shall be entitled, at its discretion, to hold records in another manner regarding partial payments as stated.

**16. Deleted**

**17. Investment of Funds**

All funds which the Trustee is entitled to invest in accordance with this Deed, shall be invested by it, in a banking corporation in Israel which was rated by a rating company at a rating that is no less than AA of Standard & Poor's Maalot Ltd. or an equivalent rating by another rating company, in its name or payable to it, at its discretion, in Israeli government debentures or daily banking deposits as it shall see fit, all subject to the terms of this Deed of Trust and the provisions of any law, and provided that any investment in securities shall be in securities rated by a rating company at a rating that is no less than AA by Standard & Poor's Maalot Ltd. or an equivalent rating. It shall be clarified, that apart from Israeli government debentures or banking deposits as set forth in this clause, the Trustee shall not perform an investment in other securities. If the Trustee has done so, it shall not owe to the persons eligible for those amounts anything other than the consideration received from realizing the investment, with the deduction of its fees and expenses, commissions and expenses related to the stated investment and the management of the trust accounts, commissions and with the deduction of the mandatory payments applying to the trust account, and with regards to the remaining funds the Trustee shall act in accordance with the provisions of this Deed, as the case may be.



## 18. Urgent Representing Body for the Debenture Holders

### 18.1. Appointment; term of office.

- 18.1.1 The Trustee shall be entitled, or as per the Company's written request it shall be obligated, to appoint and convene an urgent representing body amongst the Debenture Holders, as shall be set forth hereinafter (hereinafter: the "**Urgent Representing Body**").
- 18.1.2 The Trustee shall appoint to the Urgent Representing Body the three (3) Debenture Holders, who, to the best of the Trustee's knowledge, hold the highest nominal value out of all Debenture Holders, and who shall declare that with regards to them, all conditions set forth hereinafter are fulfilled (hereinafter: "**the Urgent Representing Body Members**"). In case any of those could not hold office as an Urgent Representing Body Member as stated, the Trustee shall appoint in his place, the Debenture Holder who holds the next highest nominal value, regarding whom all conditions set forth hereinafter are fulfilled. The conditions are as follows:
- 18.1.2.1 The Debenture Holder is not in any material conflict of interests due to the existence of any additional material matter that contradicts a matter that arises from serving on the Urgent Representing Body and from holding the Debentures. For the avoidance of doubt it is clarified, that a Holder who is an Affiliated Holder, as such term is defined in clause 4.2 above, shall be considered to have a material conflict of interests as stated and shall not serve on the Urgent Representing Body.
- 18.1.2.2 During that calendar year, the Debenture Holder does not hold office in similar representing bodies of other debentures, which aggregate book value exceeds the rate out of the asset portfolio managed by him, which was set as the maximal rate enabling to hold office in an Urgent Representing Body in accordance with the instructions of the Antitrust Commissioner pertaining to the establishment of an Urgent Representing Body.
- 18.1.3 If, during the office of the Urgent Representing Body, one of the circumstances listed in clauses 18.1.2.1 to 18.1.2.2 above has ceased occurring, his office shall expire, and the Trustee shall appoint another member in his place out of the Debenture Holders as stated in sub-clause 18.1.2 above.
- 18.1.4 Prior to appointment the Urgent Representing Body Members, the Trustee shall receive from the candidates to hold office as Members of the Urgent Representing Body, a declaration regarding the existence or absence of material conflicts of interest as stated in clause 18.1.2.1 above and with regards to holding office in additional representing bodies as stated in clause 18.1.2.2 above. In addition, the Trustee shall be entitled to request a declaration as stated by Members of the Urgent Representing Body at any time during the office of the Urgent Representing Body. A Holder who shall fail to provide a declaration as stated shall be considered as having a material conflict of interests or a hindrance from holding office, pursuant to the instructions of the Antitrust Commissioner as stated above, as the case may be. With regards to a declaration regarding a conflict of interests, the Trustee shall inspect the existence of the conflicting matters, and if necessary shall decide whether the conflict of interests disqualifies that Holder from holding office in the Urgent Representing Body. It is clarified, that the Trustee shall rely on the declarations as stated and shall not be required to hold an additional inspection or independent investigation. The Trustee's decision on these matters shall be final.
- 18.1.5 The Urgent Representing Body's term shall end when the Company publishes the decisions of the Urgent Representing Body pertaining to giving an extension to the Company for the purpose of its meeting the terms of the Deed of Trust as set forth in clause 18.5 hereinafter.

### 18.2. Authority

- 18.2.1. The Urgent Representing Body shall have the authority to grant a one-time extension to the Company regarding the dates for meeting either of the financial standards set forth in clause 9.1.13 of this Deed for the earlier of a period which shall not exceed 90 additional days for meeting the financial standards as stated or up to the time of publishing the closest consolidated financial statements or the closest consolidated financial results (as the case may be) which the Company shall be required to publish by that time. It shall be clarified, that the period of time until appointing the Urgent Representing Body shall be taken into account in the framework of the aforementioned extensions, and it shall not constitute a cause for granting the Company any additional extension beyond the stated above. It shall be further clarified, that the actions of the Urgent Representing Body and the cooperation between its Members, shall be limited to discussing the option of granting an extension as stated, and no other information shall be passed between the Members of the Representing Body, which does not pertain to granting an extension as stated.
- 18.2.2. If an Urgent Representing Body has not been appointed in accordance with the provisions of this addendum, or if the Representing Body has decided not to grant the Company an extension as stated in clause 18.2.1 above, the Trustee shall act in accordance with the provisions of clause 9 of the Deed of Trust.

18.3. The Company's undertakings with regards to the Representing Body

- 18.3.1. The Company undertakes to provide the Trustee with all of the information in its possession or which it is able to obtain pertaining to the identity of the Debenture Holders and the scope of their holdings. In addition, the Trustee shall act to receive the stated information in accordance with the authorities granted to it by law.
- 18.3.2. In addition, the Company undertakes to act in full cooperation with the Urgent Representing Body and the Trustee inasmuch as it is required for the purpose of performing the examinations required by them and forming the decision of the Urgent Representing Body, and to provide the Urgent Representing Body with all data and documents which it shall require with regards to the Company, subject to the limitations of the law and signing a confidentiality undertaking as set forth in clause 19.2. Without derogation from the generality of the foregoing, and subject to signing a letter of confidentiality as stated, the Company shall provide the Urgent Representing Body with the relevant information for the purpose of forming its decision, which shall not include any misleading detail and shall not be lacking. The transfer of information to the Debenture Holders and the Urgent Representing Body in accordance with the provisions of this clause, at the reasonable discretion of the Trustee under the circumstances, shall not be considered as breaching the duty of confidentiality.
- 18.3.3. The Company shall bear the costs of the Urgent Representing Body, including costs of hiring consultants and experts by the Urgent Representing Body or on its behalf, and the provisions of clause 26 of the Deed of Trust shall apply to this matter.

18.4. Liability

- 18.4.1. The Urgent Representing Body shall act and decide on matters given to it, at its absolute discretion and shall not be responsible, whether itself or any of its Members, their officers, employees or consultants, and the Company and the Debenture Holders hereby exempt them with regards to any arguments, demands and claims against them for using or avoiding to use powers, authorities or discretion granted to them in accordance with the Deed of Trust and with regards thereto, or any other action which they have performed in accordance therewith, unless they have acted that way maliciously and/or in bad faith.
- 18.4.2. The indemnification provisions set forth in clause 26 of this Deed shall apply to the actions of the Members of the Urgent Representing Body, as if they were the Trustee.
- 18.5. The Company shall publish an Immediate Report regarding the appointment of the Urgent Representing Body, the identity of its members and its authorities and shall publish an additional Immediate Report regarding the decisions of the Urgent Representing Body as stated.

## **19. Confidentiality**

- 19.1. Subject to the provisions of any law and the stated in this Deed of Trust, the Trustee undertakes, by signing this Deed, to keep confidential any information that was given to it from the Company and/or a company affiliated with the Trustee and/or anyone on their behalf (“the Information”), not to disclose it to another and not to make any use of it, unless its disclosure or the use of it is required for fulfilling its duties according to the Law, according to the Deed of Trust, or according to a court order or according to the instructions of a legally authorized authority, provided that disclosing information as stated shall be limited to the minimal extent and scope required in order to meet the requirements of the law and that the Trustee pre-coordinates with the Company, inasmuch as it is possible and permitted, the content and timing of the disclosure, in order to give the Company reasonable leave to approach the courts in order to prevent the transfer of information as stated.
- 19.2. Transferring information to the Debenture Holders, including by publishing it publicly, for the purpose of adopting a resolution regarding their rights according to the Debenture or for providing a report of the Company’s state does not constitute a breach of the confidentiality undertaking as mentioned above, and in any case only the necessary information for adopting such resolution will be provided, to the extent provided. The transfer of information as stated to the Trustee’s authorized representatives and/or professional consultants and/or agents shall be done subject to their signing of a confidentiality undertaking and lack of conflict of interests in the form attached as Appendix 19.2 to this Deed.
- 19.3. This confidentiality undertaking shall not apply to any part of the information, that is in the public domain (except for information that became public domain due to a breach of this confidentiality undertaking) or that was received by the Trustee not from the Company – starting from the date its receipt.
- 19.4. All the conversations and discussions in the parts of the Meetings that are conducted without the Company or in the Meetings conducted without the Company, insofar as the absence of the Company is required by the Trustee, are confidential, and the Company and/or anyone on its behalf including any Office Holder in it shall not require the disclosure of this information.

## **20. Other Agreements**

Subject to the provisions of the Law and the restrictions imposed on the Trustee in the Law the fulfillment of the Trustee’s duties according to this Deed of Trust, or its status as Trustee, shall not prevent it from entering into different contracts with the Company or from performing transactions with it in the ordinary course of its business.

## **21. Reporting by the Trustee**

- 21.1. The Trustee shall make each year, at the time determined for this in the Law and in absence of a scheduled time until the end of the second quarter in each calendar year, an annual report of the trust matters (the “**Annual Report**”) and it shall submit it to the Securities Authority and to the Stock Exchange.
- 21.2. The Annual Report shall include details that shall be determined from time to time in the Law. Submitting the Annual Report to the Securities Authority and to the Stock Exchange, is as furnishing the Annual Report to the Company and to the Debenture Holders.
- 21.3. The Trustee must submit a report regarding the actions that it performed according to the provisions of chapter E.1 of the Law, according to a reasonable demand of the Debenture Holders that hold at least ten percent (10%) of the balance of the nominal value of the Debentures of that series, within a reasonable time of the demand, all subject to the confidentiality obligation of the Trustee towards the Company as set forth in Section 35J(d) of the Law.

- 21.4. The Trustee shall update the Company before a report according to Section 35H1 of the Law.
- 21.5. As of the day of signing this Deed, the Trustee declares that it is insured with professional liability insurance at a total of ten million Dollars per term (the “**Coverage Amount**”). Insofar as prior to the full repayment of the Debentures, the Coverage Amount shall be reduced to less than a total of eight million Dollars for any reason whatsoever, then the Trustee shall update the Company no later than 7 business days from the day on which it has found out about the stated reduction from the insurer, in order to publish an Immediate Report on the subject. The provisions of this clause shall apply until such time as securities regulations shall enter into effect, which shall regulate the duty of the Trustee’s insurance coverage. After such regulations enter into effect as stated, the Trustee shall be required to update the Company only in case the Trustee shall fail to uphold the requirements of the regulations.
- 21.6. Until the full repayment of the Debentures, if the Trustee shall receive an inquiry by the Holders who have 5% or more of the undertaking value of the Debentures (Series C) for receiving information about the examinations performed by the Trustee regarding the Debenture series, including with regards to the test of the Company’s upholding of its undertakings towards the Debenture Holders in accordance with the Deed of Trust, the Trustee shall cooperate with the Holder with regards to receiving the aforementioned information, all subject to signing a letter of confidentiality and subject to the provisions of any law (for the removal of doubt, it shall be clarified that receiving the stated information shall be beyond the annual report published by the Trustee in accordance with the provisions of the Securities Law).

## **22. Fees and Covering the Trustee’s Expenses**

- 22.1. The Trustee shall be entitled to payments of its fees and expenses in connection with fulfilling its duties, in accordance with the provisions in **Appendix 22** which is attached to this Deed of Trust. If a Trustee has been appointed in place of the Trustee whose term of service has ended according to Section 35B(a1) or Section 35N(d) of the Securities Law, the Holders of certificates of undertaking (Series C) shall pay the difference by which the Trustee’s fees who was appointed as mentioned exceed the fee that was paid to the Trustee in place of whom it was appointed if such difference is unreasonable and the provisions of the relevant law at the date of replacement shall apply.
- 22.2. The Debenture Holders (Series C) shall participate in financing the Trustee’s fees and the refund of its expenses in accordance with the provisions of the indemnification clause in clause 26 of the Deed of Trust.
- 22.3. At the request of those who hold more than 5% (five percent) of the remaining nominal value of the Debentures, the Trustee shall provide the Holders with data and details regarding his expenses pertaining to the trust which is the subject of this Deed of Trust.

**23. Deleted**

**24. Liability**

- 24.1. The liability of the Trustee shall be according to law.
- 24.2. For the avoidance of doubt it is hereby clarified that:
  - 24.2.1. The Trustee has no duty to examine, and in actuality the Trustee has not examined, the financial state of the Company and this is not included among its duties.
  - 24.2.2. The Trustee did not make any financial, accounting or legal due diligence examination of the Company's business state or of the companies held by the Company or by a person that holds the Company's shares and this is not among its duties.
  - 24.2.3. The Trustee has not given its opinion expressly or impliedly regarding the Company's ability to meet its undertakings towards the Debenture Holders, nor by the fact that it entered into this Deed of Trust, nor by its consent to serve as Trustee of the Debenture Holders.
  - 24.2.4. The Trustee's signature on this Deed of Trust is not an opinion of it regarding the nature of the offered Debentures or that it is worthwhile investing in them.
- 24.3. The Trustee shall not be required to notify any party of the signature of this Deed. The Trustee shall not get involved in any manner in the management of the Company's business or its affairs and this is not included in its duties.
- 24.4. Subject to the provisions of any law, the Trustee is not required to act in a manner that is not expressly set forth in this Deed of Trust, so that any information, including with respect to the Company and/or with respect to the Company's ability to meet its undertakings to the Debenture Holders will be brought to its knowledge and this is not one of its duties.
- 24.5. The Trustee is entitled to rely on the presumption as mentioned in clause 29 hereafter, and to rely on the correctness of the identity of a non registered Debenture Holder of the Debentures as this shall be given to the Trustee by a person whose name is registered as authorized by power of attorney, that a Nominee Company issued, insofar as the identity of the Debenture Holder was not registered in the power of attorney.
- 24.6. The Trustee is entitled to rely within the framework of its trusteeship on any written document including, written instruction, notice, request, consent or approval, which appears to be signed or issued by any person or body, which the Trustee believes in good faith that it was signed or issued by him.
- 24.7. It is clarified that the termination of the Trustee's office does not detract from rights, claims or arguments which the Company and/or the Holders of Debentures (Series C) shall have towards the Trustee, inasmuch as there shall be any, which cause precedes the termination date of the Trustee's office, and it does not release the Trustee of any liability by law.

## 25. The Authority of the Trustee to Employ Agents

Subject to giving the Company advance notice, and provided that the Trustee does not believe it shall injure the rights of the Debenture Holders, the Trustee shall be entitled to appoint agent(s) that will act in its place, whether attorneys or others, in order to do or participate in the performance of special actions that must be performed with respect to the trust and to pay reasonable fees to any agent as stated, and without derogating from the generality of the aforesaid instituting legal proceedings or representing in the Company's merger or split proceedings.

The Company shall be entitled to oppose an appointment as stated in case the agent is a competitor, whether directly or indirectly, with the Company's business (including companies consolidated in its financial statements) and/or in case there is concern that the agent might be, directly or indirectly, in a state of conflict of interests between his appointment and his position as agent and his personal interests, his other positions or his affinity to the Company and to corporations in its control, provided that a notice regarding the Company's objection as stated, which includes detailed reasons, has been given to the Trustee no later than seven (7) Business Days from the day on which the Trustee has given the Company a notice regarding its intention to appoint an agent as stated. It is clarified, that the appointment of an agent as stated shall not detract from the Trustee's responsibility for its actions and its agents' actions. In addition, the Trustee shall be entitled to pay, at the Company's expense, the reasonable fee of any such agent, and the Company shall repay the Trustee upon its request any such expense, provided that prior to appointing an agent as stated, the Trustee shall notify the Company in writing regarding the appointment, in addition to details about the agent's fees and the purpose of his appointment, and under the circumstances the cost of the agents' fees does not exceed reasonable and acceptable limits. It is clarified, that publishing the results of a resolution by the Debenture Holders regarding the appointment of agents shall constitute giving notice as stated, provided that prior to an appointment as stated, the Trustee has given the Company all information and details as set forth above. For the avoidance of doubt, the Company shall not repay to the Trustee the agent's fees or expenses if he has been present in Debenture Holders' Meetings on behalf of the Trustee, or of an agent who has fulfilled the regular actions which the Trustee is required to perform pursuant to this Deed of Trust, whereas the performance of these actions is included in the fee which the Trustee receives from the Company in accordance with the provisions of clause 21 above. For the avoidance of doubt, in case of declaring the Debentures immediately repayable, the actions which the Trustee shall be required to take in this regard shall not be considered as regular actions which the Trustee must perform pursuant to this Deed of Trust for the purpose of this clause. It shall be clarified, that the objection of the Company to appoint a certain agent who was appointed at a Holders meeting, shall not delay the beginning of employment of the agent, insofar as the delay might damage the rights of the Holders.

## 26. Indemnification

- 26.1. The Company and the Debenture Holders (at the relevant record date as mentioned in clause 26.5 of the Deed, each for its undertaking as mentioned in clause 26.3 of the Deed) hereby undertake to indemnify the Trustee, each Office Holder in it, its employees, agents and experts that the Trustee shall appoint in accordance with the provisions of the Deed of Trust or according to a resolution adopted by an Ordinary Resolution of the Debenture Holders ("**Persons Entitled to Indemnification**"), provided there is no double indemnification or compensation, as follows:
- 26.1.1. For any reasonable expense, damage, payment or financial obligation, including according to a judgment or arbitration judgment (in respect to which a stay of execution was not granted) or according to a settlement which has ended (and the Company's consent to the settlement has been given) the causes of which are connected to an act or omission that the Persons Entitled to Indemnification performed or which they must perform pursuant to the provisions of this Deed, and/or according to the law and/or an instruction by an authorized authority and/or according to the demand of Debenture Holders and/or according to the Company's demand; and
- 26.1.2. For wages due to the Persons Entitled to Indemnification and reasonable costs that they expended and/or that they are about to expend in respect to performing an act and/or with respect to using the authorities and powers according to this Deed or by law, including with respect to all kinds of legal proceedings, opinions of lawyers and other experts, negotiations, discussions, expenses, travel costs and other costs, and provided that they shall be reasonable, claims and demands regarding any matter and/or thing that were made and/or not made in any manner with respect to the aforesaid.

And all provided that one of the cases set forth in the sub-clauses (a) to (f) hereinafter does not occur:

- (a) The Persons Entitled to Indemnification shall not demand indemnification in advance in a matter that cannot be delayed without damaging their right to request indemnification retroactively, if and inasmuch as they shall have a right as stated;
- (b) A peremptory judicial decision has not determined that the Persons Entitled to Indemnification have acted in bad faith;
- (c) A peremptory judicial decision has not determined that the Persons Entitled to Indemnification acted not in the framework of the position, not in accordance with the provisions of the Deed and/or the provisions of the law;
- (d) A peremptory judicial decision has not determined that the Persons Entitled to Indemnification have been negligent (apart from negligence which is exempt by law as shall be from time to time);
- (e) A peremptory judicial decision has not determined that the Persons Entitled to Indemnification have acted maliciously;
- (f) The Persons Entitled to Indemnification have not notified the Company in writing, immediately upon finding out about the charge, and have not enabled the Company to manage the proceedings (apart from cases where these proceedings are managed by the insurance company of the Trustee or if the Company is in conflict of interests)

Even in case it shall be claimed against the Persons Entitled to Indemnification that they are not entitled to indemnification for any reason whatsoever, the Persons Entitled for Indemnification shall be entitled, upon their first demand for the payment of the sum that is due to them in connection with the "Indemnification Undertaking". In the event that it shall be determined in a peremptory judicial decision that the Persons Entitled for Indemnification do not have the right to be indemnified, the Persons Entitled for Indemnification shall return the sums of the Indemnification Undertaking that were paid to them.

The undertaking to indemnify in accordance with this clause 26.1 shall be referred to as the **Indemnification Undertaking**".

- 26.2. Without derogating from the validity of the “Indemnification Undertaking” in clause 26.1 of the Deed and subject to the provisions of the Securities Law, as long as the Trustee shall be required according to the terms of the Deed of Trust and/or according to Law and/or instruction of an authorized authority and/or any law and/or according to the demand of Debenture Holders and/or the Company’s demand, to perform any action, including but not limited to, instituting proceedings or submitting claims according to the demand of Debenture Holders, as mentioned in this Deed, the Trustee shall be entitled to refrain from taking any such action, until it receives a money deposit to its satisfaction from the Company, and in case the Company fails to provide any financial deposit for any reason whatsoever, from the Debenture Holders for covering the Indemnification Undertaking (the “**Financing Deposit**”). The Trustee shall approach the Debenture Holders that held at the record date (as mentioned in clause 26.5 of the Deed) to request that they deposit with it the sum of the Financing Deposit, each according to their Relative Share (as this term is defined hereafter). In the event that the Debenture Holders will not deposit the entire Financing Deposit the Trustee will not have the obligation to take any action or relevant proceedings. The aforesaid cannot exempt the Trustee from taking any urgent action required to prevent adverse material harm to the rights of the Debenture Holders.
- 26.3. The Indemnification Undertaking:
- 26.3.1 **Shall apply to the Company due to the following cases (1)** Actions that were performed and/or required to be performed according to the terms of the Deed of Trust including for protection the rights of the Debenture Holders (including pursuant to a request by one Debenture Holder which is required for the purpose of defense as stated); **and (2)** Actions that were performed and/or required to be performed according to the Company’s demand.
- 26.3.2 **Shall apply to the Debenture Holders that held at the record date (as mentioned in clause 26.5 hereafter) in the following cases (1)**, an event that is not within the scope of clause 26.3.1; **and (2)**, the non-payment by the Company of the indemnification sum that applies to it according to clause 26.3.1 of the Deed (without derogating from the provisions of clause 26.6 of the Deed).
- 26.4. In any event that: **(a)**, the Company does not pay the sums required for covering the Indemnification Undertaking and/or shall not deposit the sum of the Finance Deposit as the case may be; **and/or (b)**, the indemnification duty applies to the Debenture Holders by virtue of the provisions of clause 26.3.2 above and/or the Debenture Holders were called to deposit the sum of the Finance Deposit according to clause 25.2 above, the provisions hereinafter shall apply and the monies shall be collected in the following manner:
- 26.4.1 First – out of the money (interest and/or Principal) which the Company must pay to the Debenture Holders after the date of the required action, and the provisions of clause 11 of the Deed shall apply;
- 26.4.2 Second – insofar as according to the Trustee’s opinion the sums deposited in the Finance Deposit shall not be enough to cover the Indemnification Undertaking, the Debenture Holders that shall hold Debentures at the record date (as mentioned in clause 26.5 of the Deed) shall deposit the missing sum, each one in accordance with their Relative Share (as such term is defined) with the Trustee. The sum that each Debenture Holder shall deposit shall bear annual interest at a rate equal to the interest determined for the Debentures and it shall be paid with preference as mentioned in clause 26.7 of the Deed.



The “**Relative Share**” means: the relative share of the Debentures which the Debenture Holder held at the relevant record date as mentioned in clause 26.5 hereafter of the total nominal value of the Debentures in Circulation at that time. It is clarified that the calculation of the relative share shall remain fixed even if after that time a change shall occur in the nominal value of the Debentures held by the Debenture Holder.

- 26.5. The record date for determining the Debenture Holder’s obligation in the Indemnification Undertaking and/or in the payment of the Finance Deposit is as follows:
- 26.5.1 In any event that the Indemnification Undertaking and/or payment of the Finance Deposit are required due to a resolution or urgent action required for preventing adverse material harm to the rights of the Debenture Holders and this is without an advance resolution of the Debenture Holders Meeting – the record date of the obligation shall be the end of the Trading Day of the date the action was taken or the resolution was made, and if this day is not a Trading Day, the Trading Day prior to it.
  - 26.5.2 In any event that the Indemnification Undertaking and/or payment of the Finance Deposit is required according to a resolution of the Meeting of the Debenture Holders – the record date for the obligation shall be the record date for participating in the Meeting (as this date was determined in the summons notice) and it shall also apply to a Debenture Holder that was not present or that did not participate in the Meeting.
  - 26.5.3 In any other case or in the case of disputes regarding the record date – the record date shall be as determined by the Trustee at its absolute discretion.
- 26.6. The payment by the Debenture Holders instead of the Company of any sum that is imposed on the Company according to this clause 26 cannot release the Company from its obligation to pay such payment and the Trustee shall act to the best of its ability to collect the amount which the Company should have paid.
- 26.7. The refund to the Debenture Holders who made payments according to this clause shall be made according to the order of preference set forth in clause 11 above.

## 27. Notices

- 27.1. Any notice on behalf of the Company and/or the Trustee to the Debenture Holders (including Debenture Holders registered in the Registry managed by the Company) shall be given as follows:
- 27.1.1 In cases in which the provisions of the law require this or according to a decision of the Trustee by reporting to the Magna system of the Securities Authority;
  - 27.1.2 In the cases set forth hereafter alone, also by way of publishing a notice that shall be published in two daily newspapers that are widely distributed, that are published in Israel in the Hebrew language: **(a)** An arrangement or settlement according to Section 350 of the Companies Law, 5759- 1999; **(b)** Merger.
  - 27.1.3 Any notice that shall be published or sent as mentioned above, shall be considered as if it was delivered to the Debenture Holder on the date of its publication as mentioned (in the Magna system or in the press, respectively).
  - 27.1.4 The Trustee is entitled to instruct the Company, and the Company shall be obligated to immediately report on the Magna on behalf of the Trustee, any report to the Debenture Holders in its wording as it shall be given in writing by the Trustee to the Company. The Company shall be entitled to add its reference and/or response to the stated report, in a separate report. Any notice published as stated shall be considered to have been delivered to the Debenture Holder on the day of its publication on the Magna as stated.
  - 27.1.5 In the event that the Company shall cease to report in accordance with the law, in cases in which there are provisions of the law that require this, or according to the decision of the Trustee, by sending a notice by registered mail to each registered Debenture Holder according to his last address registered in the Debenture Holders registry (in the event of joint Holders – to the joint Debenture Holder whose name appears first in the registry). Any notice that shall be sent as mentioned shall be considered as if it was delivered to the Debenture Holders 3 business days after it was delivered in the mail.
  - 27.1.6 Copies of the notices and invitations given by the Company to Debenture Holders shall also be sent by it to the Trustee. It shall be clarified, that notices and invitations as stated do not include the Company's ongoing reports to the public. Copies of the notices and invitations given by the Trustee to the Debenture Holders shall also be sent by him to the Company. The publication of notices as stated on the Magna shall be instead of delivering them to the Trustee or the Company, as stated above in this clause, as the case may be.
- 27.2. Any notice or demand on behalf of the Trustee or Debenture Holder to the Company may be given by a letter that shall be sent by registered mail to their address, or by transmitting it by fax or in writing by a messenger or by email and any notice or demand such as this shall be considered as if it was received by the Company or other addressee:
- 27.2.1 In the event of sending by registered mail – 3 Business Days after it was delivered in the mail.
  - 27.2.2 In the event of transmitting it by facsimile (with additional telephone confirmation that it was received) – at the time of the telephone confirmation.
  - 27.2.3 In the event of transmitting it by email – at the time of receiving confirmation by email that it was read or at the time that it was confirmed by telephone that it was received (if confirmation was performed), whichever is earlier of the two.
  - 27.2.4 In the event that it was sent by a messenger – on the first Business Day after its delivery by messenger to the addressee or in the event that the addressee refrained from accepting it, on the first Business Day after the messenger's offer to the addressee to accept it.
- 27.3. Any notice or demand to the Trustee shall be given in one of the ways set forth in clause 27.2 above.

**28. Waiver; Settlement; Changes in the Terms of the Deed of Trust, Debentures**

- 28.1. Subject to the provisions of the Law and the regulations that were promulgated and/or that shall be promulgated pursuant thereto, the Trustee shall be entitled from time to time and at any time, to waive any technical breach or the default of the terms of the Debentures or this Deed by the Company if it was convinced that this is for the benefit of the Debenture Holders or where the change does not harm the Debenture Holders. The provisions of this clause shall not apply with regards to the following subjects: the terms of Debenture repayment, including dates and payments according to the Debentures, reducing the interest rate listed in the Debenture terms; limitations on expanding a series as stated in clause 5.2 of the Deed; causes for declaring Debentures immediately payable in accordance with clause 9.1 of the Deed; provisions regarding negative pledge in accordance with clause 7 of the Deed; limitations on distribution; the Company's undertaking to meet financial standards in accordance with clause 6.2 of the Deed; with respect to increasing the interest in the event of failure to meet financial standards as set forth in the Debenture; waive regarding the making of payments; or with regards to reports which the Company must give the Trustee.
- 28.2. Subject to the provisions of the law, and with the pre-approval in a Special Resolution of the Meeting of Holders of Debentures (Series C), the Trustee shall be entitled, whether before or after the Debenture Principal is available for repayment, to settle with the Company with regards to any right or claim of the Debenture Holders or any of them, and to agree with the Company on any arrangement of their rights, including waiving any right or claim by it and/or the Debenture Holders or any of them, towards the Company.
- 28.3. Subject to the provisions of the law and the regulations promulgated or which shall be promulgated pursuant thereto, the Company and the Trustee are entitled, whether before or after the Debenture Principal is available for repayment, to change the Deed of Trust and/or the terms of the Debentures in one of the following cases:
  - 28.3.1 Apart from the subject set forth in clause 28.1 above, and apart from a change in the identity of the Trustee or its, or for appointing a Trustee in place of the Trustee whose term has ended, if the Trustee was convinced that the change does not harm the Debenture holders; and
  - 28.3.2 The suggested change was approved by a Special Resolution of the Meeting of Holders of Debentures (Series C).
- 28.4. The Company shall deliver to the Debenture Holders a written notice regarding any change or waiver as stated in this clause above, as soon as possible after performing it.
- 28.5. In any case of exercising the Trustee's right in accordance with this clause, the Trustee shall be entitled to request the Debenture Holders to deliver to it or to the Company, the Debenture certificates for the purpose of registering a comment therein regarding any settlement, waiver, change or amendment as stated, and as per the Trustee's request, the Company shall register a comment as stated in the certificates delivered to it. In any case of exercising the Trustee's right in accordance with this clause, it shall notify the Debenture Holders in this regard without delay and as soon as possible.
- 28.6. Without derogation to the foregoing, the Debenture terms could also be changed in the framework of an arrangement or settlement, which was approved by the court, in accordance with Section 350 of the Companies Law.

**29. Proxies**

- 29.1. The Company hereby appoints the Trustee for the Debentures (Series C) as its proxy, to execute and perform in its name and in its place those actions which it shall be required to perform in accordance with the terms set forth in this Deed, and to act in its name with regards to those actions which the Company is required to perform in accordance with this Deed and which it has not performed, or to perform part of the authorities granted to it, and to appoint any other person as the Trustee shall see fit, to perform its roles in accordance with this Deed, subject to the Company failing to perform the actions it is required to perform in accordance with the terms of this Deed within a reasonable period of time as determined by the Trustee, from the day of the Trustee's written request, and provided that the Trustee has acted reasonably.
- 29.2. An appointment in accordance with this clause 29 does not obligate the Trustee to perform any action, and the Company hereby exempts the Trustee and its agents in advance, in case they shall fail to perform any action whatsoever, and the Company waives in advance any claim towards the Trustee and its agents for any damage which was caused or which might be caused to the Company, directly or indirectly, due to this, based on an action which was not performed by the Trustee and its agents as stated above.

**30. Registry of Debenture Holders**

- 30.1. The Company shall hold and manage a registry of Debenture Holders with regards to any relevant series separately, that shall be open for viewing by any person in accordance with the provisions of the Law.
- 30.2. The Company shall not be obligated to register in the Debenture Holders' registry, any notice regarding trust, expressed, implied or assumed, or any lien or pledge of any **sort** and type whatsoever or any right in equity, claim or offset or any other right pertaining to the Debentures. The Company shall only acknowledge the ownership of the person in whose name the Debentures were registered. The legal successors, estate managers or executors of the will of the registered Holder, and any person who shall be entitled to Debentures due to the bankruptcy of any registered Holder (and if the Holder is a corporation – due to its liquidation), shall be entitled to be registered as Holders thereof after giving proof which the Company finds sufficient to show their right to be registered as their Holders.

**31. Meetings of the Debenture Holders**

Convening a Meeting of the Debenture Holders, the manner of conducting it and different terms regarding it, shall be in accordance with the second addendum.

**32. Applicability of the Law**

32.1. On any matter not mentioned in this Deed, as well as in any case of contradiction between the provisions of the law and its regulations (which cannot be conditioned) and this Deed, the parties shall act in accordance with the provisions of the law and its regulations (which cannot be conditioned).

32.2. The Deed of Trust and its appendixes, including the Debentures certificate, are subject to the provisions of the Israeli law alone. The parties shall act in accordance with the provisions of the Israeli law which cannot be conditioned in any matter that was not mentioned in this Deed, and in any event of a conflict between the provisions of the law which cannot be conditioned and this Deed.

**33. Exclusive Authority**

The only court that shall be competent to hear matters connected to the Deed of Trust and its appendixes shall be the competent court in Tel Aviv – Jaffa.

**34. General**

Without derogating from the other provisions of this Deed of Trust, and of the Debentures, any waiver, extension, discount, silence, avoidance from action (“**waiver**”) by the Trustee concerning the default or partial performance or incorrect performance of any undertaking towards the Trustee or towards the Debenture Holders according to this Deed and the Debenture, shall not be considered as a waiver by the Trustee of any right, but rather as a consent limited to this certain waiver and it shall apply only with respect to the specific time in which it was given and it shall not apply to other times or to other waivers.

Without derogating from the other provisions of this Deed of Trust and the Debenture, any reduction of undertakings towards the Trustee, that were set forth in this Deed or that were made according to it, requires receiving the Trustee’s consent in advance and in writing and no other consent shall be valid, whether verbal or by conduct regarding such reduction.

The Trustee’s rights according to this agreement are independent from each other and they are in addition to any right that currently exists and/or that the Trustee shall have according to law and/or other agreement.

**35. Addresses**

The parties' addresses shall be as set forth in the preamble of this Deed, or any other address in respect to which a notice shall be given according to clause 27 above, to the other party. The addresses of the Debenture Holders shall be as mentioned in the registry or as shall be delivered by them by notice according to clause 27 above.

**36. Authorization to Magna**

In accordance with the provisions of the Securities Regulations (Signature and Electronic Reporting), 5763- 2003, the Trustee hereby authorizes the party authorized for this on behalf of the Company, to electronically report to the Securities Authority of this Deed of Trust, the engagement and the signature thereon inasmuch as it is required by law.

*[signature on a separate page]*

*And in witness whereof the parties have signed:*

*/s/ Shlomo Nehama, /s/ Ran Fridrich*

Ellomay Capital Ltd.

*/s/*

Hermetic Trusts (1975) Ltd.

I the undersigned Odeya Brick-Zarsky, Adv. confirm that this Deed of Trust was signed by Ellomay Capital Ltd. via Messrs. Shlomo Nehama and Ran Fridrich and their signature binds Ellomay Capital Ltd. with respect to this Deed of Trust.

*/s/ Odeya Brick-Zarsky*

Odeya Brick-Zarsky, Adv.

**Ellomay Capital Ltd.**

**First Addendum**

**Debentures (Series C)**

The issue of a series of registered Debentures (Series C), bearing annual interest of \_\_\_ not linked (Principal and interest) that shall be repaid in 5 annual non-equal installments on June 30<sup>th</sup> in each of the years 2021 to 2025 (inclusive) as follows: on payment of the principal in 2021, a rate of 10% of the principal shall be paid, on each one of the two principal payments in 2022 to 2023 a rate of 15% of the principal shall be paid, and on each one of the principal payments in 2024 to 2025 a rate of 30% of the principal shall be paid. The interest on the Debentures (Series C) shall be paid twice a year, on June 30 of each of the years 2020 until 2025 (inclusive) and on December 31 of each of the years 2019 to 2024 (inclusive) commencing from the 31<sup>st</sup> of December 2019 and until the final repayment date of the Debentures (Series C) on June 30, 2025.

**Debentures (Series C) Registered in the Name**

**Number** \_\_\_\_\_

**Nominal value in NIS** \_\_\_\_\_

1. This Debenture indicates that Ellomay Capital Ltd. (the "**Company**") shall pay at the payment date as defined in the terms on the other side of the page, to whomever shall be a Debenture Holder on the record date, payments of Principal and interest, all subject to the terms on the other side of the page and the Deed of Trust.
2. This Debenture is issued as part of the series of the debentures under terms that are identical to this debenture (the "**Debenture Series**"), that are issued in accordance with the Deed of Trust ("**Deed of Trust**") dated \_\_, 2019, which was signed between the Company and Hermetic Trusts (1975) Ltd. ("**Hermetic**"). It is clarified that the provisions of the Deed of Trust shall constitute an integral part of the provisions of this Debenture, and they shall bind the Company and the Debenture Holders included in this series. All the Debenture Holders of this series shall have equal priority among themselves (pari-passu) without anyone having right of priority over the other.
3. This Debenture is issued subject to the terms set forth on the other side of the page and in the Deed of Trust, which constitute an inseparable part of the Debentures.
4. The terms set forth in this certificate shall change without the need for issuing a new certificate at any time when the Deed of Trust and/or its versions shall be lawfully modified.

**Signed by the Company on** \_\_\_\_\_

\_\_\_\_\_  
Ellomay Capital Ltd.

By its authorized signatories:

Director: \_\_\_\_\_ Director: \_\_\_\_\_



**Terms on the Other Side of the Page**

**1. General**

In this Debenture the terms in clause 1.5 of the Deed of Trust shall have the meaning given to them there, unless expressly provided otherwise.

**2. Securing the Debentures**

The Debentures do not include any collateral or pledges and include an undertaking for negative pledge as set forth in clause 7 of the Deed of Trust, and an undertaking to meet the financial standards and restrictions regarding the distribution of dividends as set forth in appendix 6.2 of this Deed.

**3. The Date of Payment of the Debentures Principal**

The Principal of the Debentures (Series C) shall be payable in five (5) annual non-equal installments which shall be paid on June 30<sup>th</sup> of each of the years 2021-2025 (inclusive) as follows: the first installment, at a rate of 10% of the principal, shall be paid in 2021; the second and third installment, at rate of 15% of the principal, shall be paid in 2022 and 2023; and the fourth and the fifth installments, at a rate of 30% of the principal, shall be paid in 2024 and 2025.

**4. The Interest**

4.1. The unpaid balance of the Principal of the Debentures (Series C) shall bear interest at a fixed annual rate which shall be determined in the tender (the **Base Interest**), without linkage to any index or currency. The interest for the unpaid balance of the Principal of the Debentures (Series C) shall be paid in semi annual payments: on the 30<sup>th</sup> of June of each of the years 2020 until 2025 (inclusive), and on the 31<sup>st</sup> of December of the years 2019 to 2024 (inclusive). The first payment of interest for the Debentures (Series C) shall be paid on the 31<sup>st</sup> of December 2019 and the last payment of interest shall be paid on 30<sup>th</sup> of June 2025 (along with the last payment on account of the Principal of the Debentures (Series C)) in exchange for delivering the certificates of the Debentures (Series C) to the Company. The payments of interest shall be paid for the period of time beginning on the first day after the end of the previous interest term, and shall end on the date of paying the relevant interest payment, apart from the payment of the first interest payment, which shall be made on the 31<sup>st</sup> of December 2019, which shall be paid for the period that begins on the first Trading Day after the day of the tender regarding the Debentures (Series C) and ending at the stated date of payment (the **“First Interest Term”**), and shall be calculated based on the number of days in the aforementioned period on the basis of 365 days per year. The interest rate which shall be paid for a certain interest term, apart from the First Interest Term, shall be calculated as the annual interest rate divided by 2 (hereinafter: the **“Semi-Annual Interest Rate”**).

4.2. Withholding tax that must be deducted shall be deducted from any payment.

**4.3. Adjustment mechanism of the interest rate:**

4.3.1. Changing the interest rate due to failure to meet certain financial standards

Without derogating from the provisions of clause 9.1.13 of the Deed of Trust, the interest rate which the Debentures shall bear shall be adjusted due to failure to meet the financial standards set forth in clauses 2(b), 3(b) and 4(b) of Appendix 6.2 of the Deed of Trust, at the times set forth in this clause, as specified hereinafter:

- a. In case the Company fails to meet any of the financial standards set forth in clauses 2(b), 3(b) and 4(b) of Appendix 6.2 of the Deed of Trust (hereinafter in this clause: “**the Standards**”), the annual interest rate which the unpaid balance of the Debenture Principal shall bear, shall increase by an annual rate of 0.25% beyond the annual interest rate as it shall be at that time, for breaching each of the Standards (hereinafter in this clause: “**the Additional Interest**”) until a maximal Additional Interest at a rate of 0.5%, for the period of time beginning upon publishing the financial statements or the financial results, as the case may be, according to which the Company has failed to meet any of the Standards, and until the full repayment of the unpaid balance of the Debentures Principal or until the Company meets the financial standard, the deviation from which has led to the Additional Interest (as stated in sub-clause (d) hereinafter), the earlier of these dates. It is clarified, that increasing the interest rate as stated above shall be done only once for breaching each of the Standards, inasmuch as it shall occur, and that the interest rate shall not increase once more in case the deviation from that Standard continues, inasmuch as it shall continue.
- b. No later than one business day from the day of publishing the financial statements or the financial results, as the case may be, according to which the Company has failed to meet any of the Standards, the Company shall publish an Immediate Report, in which it shall state: (a) the fact that it has failed to meet the Standard, while specifying the calculation of the Standard which the Company has failed to meet, and the date on which the failure to meet the Standard has begun; (b) the exact interest rate which the balance of the Principal of the Debentures (Series C) shall bear for the period of time beginning on the current Interest Term and until publishing the financial statements or the financial results, as the case may be (the interest rate shall be calculated according to 365 days a year) (hereinafter in this clause: the “**Original Interest**” and the “**Original Interest Term**” respectively); (c) the interest rate which the balance of the Principal of the Debentures (Series C) shall bear as of the day of publishing the financial statements or the financial results, as the case may be, and until the actual nearest interest payment day, namely: the Original Interest in addition to the Additional Interest annual rate (the interest rate shall be calculated according to 365 days a year) (hereinafter in this clause: “**the Updated Interest**”); (d) the weighted interest rate which the Company shall pay the Holders of Debentures (Series C) upon the nearest interest payment day, pursuant to the stated in sub-clauses (b) and (c) above; (e) the annual interest rate reflected from the weighted interest rate; (f) the annual interest rate and the semi-annual interest rate for the coming periods.
- c. If the day of publishing the financial statements or the financial results, as the case may be, according to which the Company is required to pay Additional Interest in accordance with this clause 4.3.1, shall occur during the days beginning four days prior to the record date for paying any interest whatsoever and ending upon the interest payment day closest to the aforementioned record date (hereinafter in this clause: “**the Deferral Period**”), the Company shall pay the Holders of Debentures (Series C), upon the nearest interest payment day, the Original Interest, prior to the change, alone (subject to previous changes which have occurred, if any have occurred, to the interest rate in light of the stated in this clause), when the interest rate pursuant to the Additional Interest at a rate equaling the Additional Interest rate per year during the Deferral Period, shall be paid upon the next interest payment day. The Company shall notify, in an Immediate Report, the accurate Semi-Annual and Annual interest rate for payment upon the next interest payment day.
- d. It shall be clarified, that in case of deviation in one or more Standards, in a way which has affected the interest rate which the Debentures (Series C) shall bear, following which a Standard shall be corrected in a way that the deviation ceases to exist (thus, the Debenture Holders shall cease to be entitled to Additional Interest for the deviation from that Standard), there shall be a decrease in the interest rate which shall be paid by the Company to the Debenture Holder, applying as of the day of publishing the financial statements or the financial results, which show that the deviation was corrected, so that in case the stated Standard was corrected, the interest rate which the unpaid balance of the Principal of the Debentures (Series C) shall bear, shall be, inasmuch as the interest rate was not previously increased due to a deviation from another Standard, equal to the Base Interest rate. In this case, the Company shall act in accordance with the stated in sub-clauses (a) to (c) above, *mutatis mutandis*. It shall be clarified, that inasmuch as the Additional Interest to Debenture Holders (in accordance with this clause) has been, prior to the time of correcting the deviation from the Standard, 0.5% above the Base Interest and the Company is in deviation from another financial Standard, then the Additional Interest as a result of correcting the deviation from the Standard to a rate of 0.25% above the Base Interest and shall return to be equal to the Base Interest only after the deviation from the additional financial Standard is also remedied.
- e. In any case, the Additional Interest shall not increase, as a result of failure to meet the Standards, over 0.5%.

5. **The Linkage Terms of the Principal and the Interest**

The interest and the Principal of the Debentures (Series C) are not linked to the index or to any currency.

6. **Deferral of Appointed Times**

If the date of payment of any payment of Principal and/or interest falls on a day which is not a Trading Day, the date stipulated shall be postponed to the next Trading Day after it without any additional payment and the "Record Date" for the purpose of determining entitlement to redemption and to interest shall not change as a result.

7. **Payments of the Principal and Interest of the Debentures**

- 7.1. The payments of the Principal of the Debentures (Series C) shall be paid to the person whose name shall be registered as holder in the registry of Debenture Holders (Series C) (the "**Registry**") on June 24 of each of the years 2012 until 2024 (inclusive) (the "**Record Date for the Payment of the Principal**") and with regards to the last payment, in accordance with the provisions of clause 7.3.
- 7.2. The payments on account of the interest for the Debentures (Series C) shall be paid to the person whose name shall be registered in the Registry on June 24 of each of the years 2020 until 2024 and December 25 of each of the years 2019 to 2024 (the "**Effective Date for the Payment of the Interest**") and with regards to the last payment, in accordance with the provisions of clause 7.3.
- 7.3. The last payment of the Principal and the interest (i.e., on June 30, 2025) shall be paid to people whose names shall be registered in the Registry on the date of payment and shall be made against the delivery of the Debenture (Series C) certificates to the Company, on the date of payment, at the Company's registered office or anywhere else where the Company shall notify. The Company's notification as mentioned shall be published, inasmuch as it shall be published, no later than five (5) Business Days before the last date of payment.
- 7.4. Payment to those entitled shall be made in checks or by bank transfer to the bank account of the people whose names shall be registered in the Registry (as mentioned in clause 7.1 above) and who shall be mentioned in the details given in writing to the Company on time, in accordance with the provisions of clause 7.5 hereafter. If the Company shall not be able, for any reason which is not dependent on it, to pay any sum to those entitled, while the Company could have paid it fully and timely, it shall deposit this sum with the Trustee as mentioned in clause 15 of the Deed of Trust. In the event the clearing shall be made through the Stock Exchange clearing house – through the clearing house.
- 7.5. A Debenture Holder who shall wish to notify the Company the details of the bank account to credit with payments according to the Debentures as mentioned above, or change the payment instructions, as the case may be, can do so in a registered letter to the Company. The Company shall fulfill the instruction if it shall reach its registered office at least 30 days before the record date for paying any payment according to the Debentures.
- 7.6. In the event that the notice shall be received by the Company late, the Company shall act according to it only with respect to payments scheduled after the payment date that is in proximity to the date the notice was received.
- 7.7. If the Debenture Holder entitled to such payment did not deliver details to the Company regarding his bank account, any payment on account of the Principal and interest shall be made by check which shall be sent by registered mail to his last address written in the registry of Debenture Holders or by bank transfer crediting the bank account of the Debenture Holder, according to the Company's choice. Sending a check to a person entitled by registered mail as aforementioned shall be considered for all intents and purposes as payment of the sum stipulated in it at the date of sending it by mail provided that it was paid upon lawfully presenting it for payment.
- 7.8. Any mandatory payment insofar as required according to law shall be deducted from any payment for the Debentures (Series C).

**8. Interest in Arrears**

For any payment on account of the Principal and/or interest, which shall be paid in arrears exceeding seven (7) Business Days from the effective day for its payment according to the terms of the Debentures (Series C) for a reason dependent on the Company, the Company shall pay the Debenture Holders interest in arrears (calculated pro rata for the period after the date scheduled for payment until the actual date of payment). **“Interest in Arrears”** shall mean additional annual interest at a rate of 3.25% which shall be added to the interest rate which the Debentures (Series C) shall bear at that time. The Company shall notify of the rate of the interest in arrears and of the date of payment as mentioned in an Immediate Report and this two (2) Trading Days before the actual payment date.

**9. Avoidance from Payment for a Reason that does not Depend on the Company**

With respect to avoiding payment for any reason that is not dependent on the Company, while the Company could have paid it fully and timely, the provisions of clause 15 of the Deed of Trust shall apply and which are included in this addendum by reference.

**10. Registry of Debenture Holders**

With respect to the registry of Debenture Holders, the provisions of clause 30 of the Deed of Trust shall apply and that are included in this addendum by reference.

**11. Splitting Debenture Certificates and Transferring Them**

- 11.1. The Debentures can be transferred regarding any nominal value sum provided that it will be in whole New Shekels. Any transfer of Debentures (by a registered Holder) shall be done according to a transfer document which is made out in the version acceptable for transferring shares, properly signed by the registered owner or his legal representatives, and by the recipient of the transfer or his legal representatives, that shall be delivered to the Company at its registered office with the Debenture certificates transferred according to it, and any other reasonable proof that shall be required by the Company for proving the right of the transferor to transfer them.
- 11.2. Subject to the aforesaid, the procedural provisions included in the Company's articles of association with respect to the manner of transferring shares shall apply, mutatis mutandis respectively, with respect to the manner of transferring Debentures and their assignment.
- 11.3. If any obligatory payment shall apply to the transfer document of the Debentures, reasonable proof shall be given to the Company of their payment by the person requesting transfer.
- 11.4. In the event of a transfer of only part of the sum of the Principal of the Debentures set forth in this certificate, the certificate shall be split first to a number of Debenture certificates as required from this, in a manner that the total sums of the Principal set forth in them shall be equal to the Principal sum set forth in this Debenture certificate.
- 11.5. After fulfilling all of these terms the transfer shall be registered in the registry and all of the terms set forth in the Deed of Trust and in this Debenture shall apply to the transferee.
- 11.6. All costs and fees involved in the transfer shall apply to the transfer applicant.
- 11.7. Each Debenture certificate may be split to a number of Debenture certificates that their total Principal sum is equal to the Principal sum of the certificate the split of which is requested, and provided that such certificates shall not be issued unless this is by a reasonable quantity at the discretion of the Company's board of directors. The split shall be made against the delivery of that Debenture certificate to the Company at its registered office for the purpose of performing the split together with a split request lawfully signed by the applicant. Any costs involved in the split, including taxes and levies, if such shall exist, shall apply to the split applicant.

**12. Replacing the Debenture Certificate**

In the event a Debenture certificate shall become worn out, shall be lost or shall be destroyed, the Company shall be entitled to issue a new Debenture certificate in its place, and this is under the same conditions with respect to proof, indemnification and covering the reasonable costs incurred by the Company for clarifying regarding the ownership right of the Debentures, as the Company shall see fit, provided that in the event of the certificate becoming worn out, the worn out Debenture certificates shall be returned to the Company before a new certificate is issued. Levies and other expenses involved in issuing the new certificate, insofar as existing, shall apply to the person requesting such certificate.

**13. Early Redemption**

With respect to early redemption of the Debentures, the provisions of clause 8 of the Deed of Trust shall apply and which are included in this addendum by reference.

**14. Purchasing Debentures by the Company or an Affiliated Holder**

With respect to the purchase of Debentures by the Company or by an Affiliated Holder, see the provisions of clause 4 of the Deed of Trust which are included in this addendum by reference.

**15. Waiver; Settlement and Changes in the Debenture Terms**

With respect to a waiver, settlement and changes in the terms of the Debentures, the provisions of clause 28 of the Deed of Trust shall apply which are included in this addendum by reference.

**16. Debenture Holders Meetings**

With respect to the general meetings of the Debenture Holders, they shall be convened and conducted in accordance with the provisions of clause 31 of the Deed of Trust which are included in this addendum by reference.

**17. Receipts as Proof**

For this matter see clause 15A of the Deed.

**18. Immediate Repayment**

With respect to immediate repayment of the Debentures, the provisions of clause 9 of the Deed of Trust shall apply and which are included in this addendum by reference.

**19. Notices**

With respect to notices, the provisions of clause 27 of the Deed of Trust shall apply and which are included in this addendum by reference.

### Appendix 3

#### The Trustee's Duties

##### Routine Duties

1. Checking according to the Company's reports that were published in Magna (the "Public Reports of the Company") and according to the confirmations and documents that shall be given to the Trustee by the Company according to the provisions of this Deed:
  - 1.1. That the payments of Principal and interest by the Company have been paid in a timely fashion.
  - 1.2. That the uses which the Company has made of the proceeds received for issuing the Debentures meet the targets that have been determined for this in the Deed of Trust and/or in the chapter that deals with the designation of the proceeds in the prospectus of the offering, insofar as determined.
  - 1.3. That the Company has met the milestones that have been determined in the Deed of Trust for its activities, insofar as determined.
  - 1.4. If any of the causes for declaring the debentures immediately repayable have occurred based on the Public Reports of the Company.
2. Summoning Meetings of Debenture Holders according to the provisions of the second addendum of the Deed of Trust.
3. Participating (including by electronic means) in meetings of the shareholders of the Company.
4. Preparing an annual report of the trust matters as mentioned in clause 21.1 of this Deed, and making it available for the Debenture Holders to review and preparing the reports required in the Law.
5. Notice to the Debenture Holders of a material breach of this Deed by the Company in proximity to the date in which it is made aware of the breach and notice of the steps it has taken to prevent it or for the performance of the Company's undertakings, as the case may be.
6. Examining from time to time and at least once per year, the validity of the Collaterals, (insofar as there shall be any) as stated in clause 12 hereinafter. It is clarified that the Trustee is entitled, if it thought that this is necessary for the examination as mentioned, to check the Company's assets that are pledged in favor of the Debenture Holders.
7. Checking according to the Public Reports of the Company and according to the confirmation and documents that shall be given to the Trustee by the Company according to the provisions of the Deed of Trust:
  - 7.1. That the Company fulfills its undertakings towards the Debenture Holders.
  - 7.2. That the Company fulfills all of its undertakings set forth in the Deed of Trust.
  - 7.3. That the Company meets the financial standards determined, if determined in the Deed of Trust.
  - 7.4. If a change has occurred in the registration of charges registered according to the provisions of the Deed of Trust, insofar as were registered.
  - 7.5. If there has been a change in the Company rating or the rating of the Debentures, inasmuch as they have been rated.

8. To pay the Debenture Holders monies of the Finance Deposit as it is defined in clause 25 of the Deed, which were deposited by the Trustee for this purpose in accordance with the stated in the Deed of Trust, inasmuch as such as cushion was deposited.
9. To enable replacing collaterals, inasmuch as the Deed of Trust expressly permits to do so, in accordance with the mechanism set forth in the Deed of Trust, inasmuch as such as mechanism was set forth, or by law.
10. To release collaterals, inasmuch as the Deed of Trust expressly permits to do so, in accordance with the mechanism set forth in the Deed of Trust, inasmuch as such as mechanism was set forth.
11. Performing any action required by law, including in accordance with Amendments 50 and 51 of the Securities Law.

**Special Duties**

12. Taking all actions required for the purpose of ensuring the Company's undertakings towards the Debenture Holders, which are not set forth in clauses 1-11 above, including taking all actions required for the purpose of ensuring, prior to payment monies to the Company on account of the Debentures, the validity of collaterals given by the Company, inasmuch as it has given any, or given by a third party, inasmuch as it has given any, in favor of the Debenture Holders; the Trustee is responsible towards the Debenture Holders that the collaterals as stated shall be described in the prospectus according to which the Debentures were offered, a complete and accurate description.
13. Unusual inspections due to unusual events in accordance with the Company's public reports (as they are defined in clause 1 above):
  - 13.1. That the Company is upholding its undertakings towards the Debenture Holders, including the existence of causes for declaring immediate repayment.
  - 13.2. That the Company is upholding all of its undertakings set forth in the Deed of Trust.
  - 13.3. That the Company is upholding the financial standards which have been set forth, if any have been set forth, in the Deed of Trust.
  - 13.4. If there has been a change in the registration of pledges registered in accordance with the provisions of the Deed of Trust.
14. To implement the resolutions of the Meeting of Debenture Holders that impose a duty on the Trustee and to take all the proceedings and actions required for protecting the rights of the Debenture Holders subject to providing the Trustee the financing required for implementing them, insofar as required.

15. To take urgent actions for preventing adverse material harm to the rights of the Debenture Holders where it is not possible to wait for a Meeting to be convened.
16. To initiate negotiations with the Company, whether as per the request of the Company or the Debenture Holders, with respect to requests or offers pertaining to the provisions of the Deed of Trust.
17. In the event the Trustee thought that there is a reasonable fear that the Company shall not be able to repay the Debentures on time, to perform unusual checks pertaining to the inspection of the stated circumstances and to act to protect the Debenture Holders as the Trustee shall see fit; and it is entitled, inter alia-
  - 17.1. To examine if the circumstances mentioned are due to actions or transactions performed by the Company, including distribution as defined in the Companies Law, that were made in breach of the law; however the Trustee shall not make such examination as mentioned if an expert was appointed for the holders of certificates of undertaking, as such term is used in Section 350[18] of the aforementioned law, whose duty is to conduct such examination.
  - 17.2. To manage, in the name of the Holders of certificates of undertaking, negotiations with the issuer for changing the terms of the certificates of undertaking.
  - 17.3. With respect to this issue, the convening of a meeting of Holders of certificates of undertaking by the Trustee for receiving instructions how to act, shall not be regarded as a breach of its duty, provided that the convening of such meeting does not adversely harm the rights of the Holders.
  - 17.4. If a Meeting of Holders of certificates of undertaking was convened as mentioned in sub-clause (d1), and a resolution was lawfully adopted at the Meeting, the Trustee shall act in accordance with the resolution; if it did so, its action according to this same resolution shall be regarded as having met the provisions of this clause concerning the resolution.
18. To distribute money to the Debenture Holders in accordance with the provisions of the Deed of Trust, which the Debenture Holders are entitled to receive and which have reached the Trustee.
19. To supervise the process of realizing the rights of the Debenture Holders in the event a functionary has been appointed to the Company or for its assets.



**Appendix 5.2**

**Conditions for Expanding the Series of Debentures**

The conditions for expanding the series of Debentures (Series C), which are required to be met in full for the purpose of the expansion, are as follows:

1. Inasmuch as the Debentures shall be rated upon the performance of the expansion - the very expansion shall not harm the rating of the Debentures of Series C that are in circulation (that is, Debentures (Series C) that are in circulation before the expansion of the series), in a way that for purposes of expanding the series of the Debentures (Series C) an advance approval of the rating company for rating the additional Debentures (Series C) will be received, in which the additional Debentures (Series C) were taken into account, by a rating that does not fall from the rating of the Debentures (Series C) prior to the issuance of the additional Debentures and also the approval of the rating company that issuing the additional Debentures (Series C) does not harm the rating of the existing Debentures (Series C). Such approval shall be transferred to the Trustee before holding the tender for classified investors, and it shall be published by the Company in an Immediate Report (an Immediate Report which includes the approval/rating report attesting to meeting the stated condition shall be considered for the purpose of this clause as delivery to the Trustee). The Trustee shall rely on the rating company's notice and it shall not be required to an additional examination.
2. Upon expanding the series of Debentures (Series C), the Company is not in breach of any of the causes for immediate repayment set forth in clause 9 of the Deed of Trust, and it is not in breach of any of its material undertakings to the Holders of Debentures (Series C) in accordance with this deed and in addition, the expansion of the series shall not damage the Company's compliance with the financial standards as set forth in clause 9.1.13 of the Deed of Trust, without taking into account the periods for remedying and of waiting with regards to those financial standards, all in accordance with the Company's last financial statements (as they are defined in clause 9 of the Deed of Trust) which were published prior to the time of the additional issuance.

The Company shall deliver to the Trustee, prior to holding the tender for classified investors, a written approval signed by a senior financial officer in the Company regarding the existence of these terms including calculations, all in a format to the Trustee's satisfaction. The Trustee shall rely upon an approval as stated and shall not be required to perform an additional inspection on its behalf.

It is clarified that the Company's undertaking as mentioned in this appendix shall apply only with respect to additional issues of the Debentures (Series C) by way of expanding the series, and not with respect to issuing other series of debentures in circulation existing at that time by way of expanding the series or with respect to issuing other new securities, whether these are rated or not.

## Appendix 6.2

### Financial Standards and Undertakings

#### Financial Standards

As long as Debentures (Series C) exist in circulation (in other words as long as they were not paid in full in any manner, including by way of self-purchase and/or early redemption), the Company undertakes (for the duration of the Examination Period, as defined hereafter) as follows:

#### [1] Definitions

In this appendix the following terms shall have the meaning set beside them:

“**Net Cap**” means – the Balance Sheet Equity of the Company according to its last consolidated annual financial statements or last consolidated quarterly financial results published before the day of calculation, with the addition of the Net Financial Debt.

“**Balance Sheet Equity**” means – the consolidated equity according to the international finance reporting standards (IFRS), and including minority rights, capital note and shareholders’ loans which are inferior to the rights of Holders of Debentures (Series C). For the purpose of this clause, a shareholders’ loan shall be considered as inferior to the Debentures only if according to its terms – (a) the repayment of a loan shall be conditioned on the fact that immediately upon the actual repayment of the loan, the Company shall meet the financial standards pertaining to the performance of a distribution; and (b) in case of declaring immediate repayment of the Debentures (Series C) or in case of liquidation, it shall be repaid only after the complete repayment of the Debentures (Series C).

“**Net Financial Debt**” - short term and long term debt from banks with the addition of debt towards holders of debentures that the Company issued and other interest-bearing financial obligations after deducting cash and cash equivalents and short terms investments and after deducting financing of projects, including hedging transactions for such finance, at the level of the Company’s subsidiaries.

“**Adjusted EBITDA**” means – earnings before financing expenses, net, taxes, depreciation and amortization, where the revenues incomes from the Company’s operations, for example for the Talmei Yosef project, are calculated in accordance with the fixed asset model and not in accordance with the financial asset model (IFRIC 12), and neutralizing expenses for share-based payment. The Adjusted EBITDA shall be calculated in accordance with the data of the four quarters prior to the time of the test, cumulatively, in accordance with the Company’s consolidated annual financial statements or its consolidated quarterly financial results.

#### [2] Minimal Balance Sheet Equity

- a. For the purpose of the cause for immediate repayment in clause 9.1.13 of the Deed: the Balance Sheet Equity of the Company, as defined above, according to the consolidated financial statements or the consolidated quarterly financial results last published, shall not be less than 50 million Euros.
- b. For the purpose of adjusting the interest as set forth in clause 4.3.1 in the Terms on the Other Side of the Page: the Balance Sheet Equity of the Company, as defined above, according to the consolidated financial statements or the consolidated quarterly financial results last published, shall be not less than 60 million Euros.

[3] The Ratio of Net Financial Debt to Net Cap:

- a. For the purpose of the cause for immediate repayment in clause 9.1.13 of the Deed: the ratio of Net Financial Debt to Net CAP shall not exceed 67.5%.
- b. For the purpose of adjusting the interest, as set forth in clause 4.3.1 of the Terms on the Other Side of the Page: the ratio of Net Financial Debt to Net Cap shall not exceed 60%.

[4] The Ratio of Net Financial Debt to Adjusted EBITDA:

- a. For the purpose of the cause for immediate repayment in clause 9.1.13 of the Deed: the ratio of Net Financial Debt to Adjusted EBITDA shall not exceed 12.
- b. For the purpose of adjusting the interest, as set forth in clause 4.3.1 of the Terms on the Other Side of the Page: the ratio of Net Financial Debt to Adjusted EBITDA shall not exceed 10.

[5] General

The test of the Company's meeting each of the financial standards shall be performed upon publishing each financial statements or each financial results, as the case may be, when in each of the stated reports, the Company shall state its meeting or its failure to meet each of the financial standards, including the numerical data.

As long as the Debentures (Series C) have not yet been fully paid, the Company undertakes to inform the Trustee by a written notice signed by a senior financial officer in the Company with a calculation, all in a format to the Trustee's satisfaction, within 10 Business Days after publishing any financial statement or financial results of the Company, regarding its meeting the terms of clauses [2] to [4] above. The Trustee shall rely on the Company's confirmation and it shall not be required to perform another examination.

If it turns out that according to the financial statements or the financial results, the Company did not meet any of its undertakings mentioned in sub-clauses [2] – [4] above, and its failure to fulfill its undertakings as mentioned continued during the Examination Period (as defined hereafter), then the provisions of clause 9.1.13 of the Deed of Trust shall apply. It is clarified that for the purposes of clause 9 of the Deed of Trust, the date of the relevant breach shall be considered the date of publishing the relevant financial statements for the end of the Examination Period.

In this deed, the "**Examination Period**" means two consecutive quarters, based on the relevant financial results for the end of each of these quarters.

The Company's meeting any of the financial standards set forth in clauses 2-4 above, shall be calculated according to the accounting standard that applies to the Company in accordance with the financial results for 31/03/2019 (hereinafter: the "**Previous Accounting Principles**"). The Company shall publish in the framework of publishing its annual financial statements or financial results, as the case may be, the figures on which it based the calculation of the ratio of Net Financial Debt to Net Cap and the data on which it has based the calculation of the Adjusted EBITDA.

If there shall be a Material Change to the Generally Accepted Accounting Principles and/or regulatory changes pertaining to the Previous Accounting Principles, the relevant tests in this Appendix 6.2 above shall be implemented in accordance with the financial statements (as they are defined in clause 9 of the Deed of Trust) prepared in accordance with the Previous Accounting Principles, ignoring the changes as stated, and the Company shall furnish to the Trustee, upon transferring the approval of its meeting the financial standards as stated in this clause above, a report of adjustment to the accounting principles applying to the Company in accordance with the Previous Accounting Principles, all in a format to the Trustee's satisfaction.

For the purpose of this clause, "**Material Change**" – means a change of at least 10% cumulatively, pertaining to all changes in accounting standards and regulation which have applied, between the relevant standard as stated, as of the date of the financial statements, as it shall be calculated in accordance with the Generally Accepted Accounting Principles which shall apply to the Company at the time of the financial statements, and between the relevant standard, as of such date, as it shall be calculated in accordance with the Previous Accounting Principles.

### **Undertakings Pertaining to the Distribution of a Dividend**

As long as Debentures (Series C) shall exist in circulation (in other words as long as they were not fully paid, including by way of a self-purchase and/or early redemption), the Company shall be entitled to perform a distribution (as this term is defined in the Companies Law) including the distribution of dividends, to its shareholders at any time, provided that in any event of such distribution all following conditions are met: (a) the Balance Sheet Equity of the Company according to its consolidated financial statements or its consolidated financial results, after such distribution, shall not be less than 70 million Euros, (b) the ratio of Net Financial Debt to Net Cap shall not exceed 60% after performing the distribution; (c) the ratio of Net Financial Debt to Adjusted EBITDA after performing the distribution shall not exceed 8; (d) the Company shall not distribute more than 75% of the profit appropriate for distribution; (e) the Company shall not distribute a dividend on the basis of revaluation profits which were not yet realized (for the avoidance of doubt, negative goodwill shall not be considered as revaluation profit); (f) the Company meets all its material undertakings to the Debenture Holders in accordance with the provisions of this Deed; and (g) at the time of the distribution as well as after the distribution there is no cause for immediate repayment.

It shall be clarified that in case of adopting a plan for repurchase of shares by the Company, the Company shall be required to meet the conditions set forth above upon adopting the repurchase plan and with regards to the scope of the plan in its entirety and no additional check shall be performed of meeting any of the aforementioned conditions in any case of performing a purchase under the plan adopted as stated.

It is hereby clarified, that any amount not actually distributed in a certain calendar year, out of the maximal amount for distribution which the Company was entitled to distribution in accordance with the stated in this sub-clause above, shall accumulate to the Company's credit, which shall be entitled to distribute it at later times and until the full repayment of the Debentures, all subject to the provisions of Section 302 of the Companies Law and subject to its meeting the limitations of distribution set forth in this appendix above.

No later than seven business days after a decision is made regarding the distribution as mentioned, the Company shall transfer to the Trustee confirmation signed by a senior financial officer in the Company, regarding the Company meeting the limitations in this paragraph including detailed calculations, all in the format to the Trustee's satisfaction. The Trustee shall rely on the Company's confirmation and shall not be required to perform an additional examination on its behalf. Beyond the aforesaid in this clause, the Company has no restrictions with respect with performing distributions and distributions shall be made (insofar as made) at the Company's sole discretion and for any reason that it shall see fit.

Except as set forth in this clause, the Company declares that as of the date of signing this Deed of Trust, it is not aware of any restrictions that could affect its ability to perform a distribution in the future or to perform a repurchase of its shares, except for legal general restrictions that apply to performing distributions in the Companies Law and except for restrictions that apply to the Company by the Deeds of Trust regarding the Debentures (Series A) and the Debentures (Series B) of the Company.

It shall be clarified, that for the purpose of inspecting the Company's meeting the terms set forth in this clause, the provisions stated in this appendix above regarding the change in accounting standards shall apply.

### **Undertakings Pertaining to Transactions by Controlling Parties**

Inasmuch as the Company shall fail to meet any of the financial standards set forth in clauses [2](a), [3](a) or [4](a) above, and so long as that failure has not been remedied, the Company shall not be entitled to enter into new transactions with controlling parties without receiving the approval of the Debenture Holders in an Ordinary Resolution. It shall be clarified that this limitation shall not apply in any of the following cases: (a) renewal of transactions under identical terms or terms which do not benefit the controlling parties compared to the transactions existing on the date of the failure to meet the financial standards, (b) transactions pertaining to the terms of office or employment or providing management services on behalf of the controlling party, his relative or anyone on his behalf which do not deviate from the transactions existing on the date of the failure to meet the financial standards or which do not deviate from the compensation policy of the Company as shall be in effect at the relevant time, (c) investments in the Company's capital or loans or providing financing in any other way, (d) transactions which are under market terms as shall be determined by the Company's audit committee, (e) transactions which are not extraordinary transactions as such term is defined in the Companies Law, and (f) transactions which fall under the categories of reliefs which are set forth in the Companies Regulations (Reliefs for Transactions with Interested Parties), 5760-2000, or any other reliefs as they shall be from time to time in accordance with any law regarding transactions with controlling parties.

Appendix 19.2

Confidentiality Undertaking

To

Ellomay Capital Ltd.

Dear Sir/Madam,

Subject: Undertaking of Confidentiality

1. In the framework or with regards to my position as \_\_\_\_\_ to the Holders of Debentures (Series C) of Ellomay Capital Ltd. (hereinafter: **“the Company”**) (hereinafter: **“the Work”**), I might receive or be exposed to information which is not public knowledge, including, without limitation, information or professional, technical, financial, technological, commercial or other knowledge pertaining directly and/or indirectly to the Company, the Company’s subsidiaries or affiliates (as these terms are defined in the Securities Law, 5728-1968 (hereinafter: **“the Securities Law”**)), to corporations in the Company’s group and/or to holders of controlling interests in the Company (hereinafter jointly: **“the Group”**), procedures and/or methods of work and/or activity of the Group as well as commercial and business information of any other type which is not public knowledge (hereinafter jointly: **“Confidential Information”**). Despite the foregoing, the term Confidential Information shall not include information as stated above, which I could prove, that: (1) it is public knowledge (including information publicly published by you or by holders of controlling interests within you) or which shall become public knowledge not due to breaching the provisions of this confidentiality undertaking; or (2) which was known to us prior to its disclosure by the Company and we can provide reasonable proof thereof; or (3) that it was given to us by a third party, provided that upon receiving the information as stated we were not aware, having asked its provider, that the disclosure of that information by that third party constitutes a breach of the fiduciary duty by that third party towards the Company.
  
2. I am aware that I am prohibited from disclosing the Confidential Information to any person, and that I shall not be entitled to use the Confidential Information for any purpose, unless it is for the Work. Despite the foregoing, I shall be entitled (a) to deliver conclusions and evaluations based on the Confidential Information to Holders of Debentures (Series C) of the Company (including presenting it in the Meetings of Debenture Holders for the purpose of adopting a resolution pertaining to their rights), provided that the reliance upon information as stated shall be limited to the minimal extent and scope required in order to meet the requirements of the law, and that I have given a notice to the Company in this regard a reasonable time in advance, in order to give the Company sufficient leave to approach the court in order to prevent the delivery of conclusions and evaluations as stated; (b) to deliver conclusions and evaluations based on the Confidential Information to the representing body of the Debenture Holders, which shall be duly appointed by the Debenture Holders, provided that all members of the representing body (inasmuch as there shall be any) have signed an undertaking of confidentiality towards the Company, in the form of this confidentiality undertaking, as well as a declaration regarding the absence of a conflict of interests or non-competition with the Company, and to enable the representing body of Debenture Holders as stated, to view the Confidential Information in our office, subject to signing a letter of confidentiality in the stated wording by all members of the representing body, subject to the provisions of clause 6.13 of the Deed of Trust. It shall be clarified, that if all members of the representing body of Debenture Holders shall sign the undertaking of confidentiality as stated, the delivery of Confidential Information to their proxies, their employees, including members of the board of directors and including members of investment committees and credit committees, is permitted without them signing additional letters of confidentiality, subject to the undertaking of the representing body of the Debenture Holders that all such factors and anyone acting on their behalf, including subcontractors acting on their behalf, shall also uphold the undertakings set forth in this document; (c) to disclose Confidential Information, inasmuch as I shall be required to do so by law or at the request of a competent authority by law and/or in accordance with a judicial order, provided that the disclosure is limited to the minimal extent and scope required in order to meet the requirements of the law and I shall pre-coordinate with you, inasmuch as it is possible and permitted, the content and timing of the disclosure in order to give you sufficient leave to defend against such as request.

3. In addition to permitted delivery of Confidential Information as stated in clause 2, and without derogation to the stated therein, disclosing Confidential Information shall be done only to my employees and/or authorized representatives on my behalf, including my professional consultants alone. I am aware, that disclosure or use on a need-to-know basis by an authorized receiver (hereinafter: “**Authorized Receiver**”) not in accordance with the provisions of this letter is treated as disclosure or use as stated by myself, and I shall take all means required to keep the Confidential Information confidential. My undertaking herein shall not apply to an Authorized Receiver who shall sign an undertaking of confidentiality similar by all material aspects to the undertaking set forth in this letter.
4. I am aware that disclosing the Confidential Information to any person or body might be contrary to the Israeli securities laws. I am aware, that due to my exposure to the Confidential Information, various limitations might apply to me if I shall receive inside information, as this term is defined in the Israeli Securities Law, and I am taking and I shall take all reasonable means to ensure that there shall be no prohibited use of inside information pertaining to the Confidential Information.
5. All documents which shall be given to me by you or which shall arrive in my possession as a result and/or pertaining to my engagement with you, and which are related, directly or indirectly, to the Group and/or its activity (including any copy or processing thereof) (hereinafter jointly: “**the Documents**”) shall belong to you at all times and shall be considered as your property for all matters and purposes, and shall be returned to you by me at your request immediately upon the termination of the Work, apart from the information which I shall keep in accordance with the provisions of any law, including the instructions of a competent authority, or in accordance with internal procedures, inasmuch as it is required for the purpose of documenting work processes. For the purpose of the stated in my undertaking herein, the term Documents shall be interpreted to include any means of holding information whatsoever, including, but without derogation from the generality of the foregoing, physical, mechanical, magnetic, electronic, optic and/or electro-optic means.
6. My undertaking in accordance with this letter shall remain effective even after the termination of the Work for any reason whatsoever, and until the Confidential Information becomes public (not due to breaching the undertaking in accordance with this letter, inasmuch as there shall be any). My undertakings in accordance with this letter of confidentiality are irrevocable and cannot be cancelled and they are in addition and not instead of any duty imposed on me by law and/or pursuant to any other agreement. My signature on this undertaking does not grant me any right to perform the Work, and the terms of employment shall be arranged in separate documents between us.
7. I shall keep the information in complete secrecy, at least at the same level of care by which I keep my own confidential information, and for this purpose I shall take a reasonable level of care at least.
8. It is clarified, that subject to the provisions of the Securities Law, the stated in this undertaking does not bind the Company to disclose any information whatsoever, and any disclosure and delivery to us shall be at the Company’s absolute discretion.
9. My undertakings in this document are towards each and every of the corporations in the Group, the Confidential Information of which shall be given to me.
10. If any instance or authority whatsoever shall determine that any of the undertakings in this document are not valid – the undertaking shall be minimized up to the rate permittee by law at that time, and a determination as stated shall not harm the other undertakings and rights in accordance with this document.

**Respectfully,**

---

Full name	ID number	signature
-----------	-----------	-----------

**Appendix 22**

**The Trustee's Fee and Covering its Expenses**

1. The Company shall pay fee to the Trustee for its services in accordance with the Deed of Trust, as set forth hereafter:
  - 1.1. Annual payment for each trust year in the sum of 18,000 NIS.
  - 1.2. Annual payment for each trust year in the sum of 20,000 NIS if the Trustee shall serve as Trustee only regarding a single series of Debentures of the Company.

The sums according to clauses 1.1 and/or 1.2 shall be referred to as the "Annual Fee".

The Annual Fee shall be paid to the Trustee at the beginning of each trust year. The Annual Fee shall be paid to the Trustee for the period until the end of the trust period according to the terms of the Deed of Trust, even if a receiver and/or receiver manager was appointed for the Company and/or if the trust according to the Deed of Trust shall be managed under the supervision of the court.
2. In the event that we shall participate in the discussions with the Securities Authority we shall be paid fee (at the tariff stipulated in clause 5 hereafter), in accordance with the hours of the discussions in which we shall take part, including a refund of travel costs. This payment is not conditioned upon the issue of the Debentures or signing the Deed of Trust.
3. In the event the term of the Trustee has expired as mentioned in the Deed of Trust, the Trustee shall not be entitled to the payment of its fee starting on the date that its office has expired. If the Trustee's office has expired during the trust year the fee paid to it for the months that it did not serve as Trustee of the Company shall be returned. The provisions in this clause shall not apply regarding the first trust year.
4. The Trustee is entitled to a refund for the reasonable expenses that it shall expend in the framework of fulfilling its duties, and/or pursuant to the powers granted to it according to the Deed of Trust, including for publications in the press, provided that for the costs of expert opinion as set forth in the Deed of Trust, the Trustee shall give an advance notice of his intention to receive an expert opinion.
5. The Trustee is entitled to additional payment, for actions, including those which it must perform in order to fulfill its lawful obligations pursuant to the Securities Law, (including amendments 50 and 51 of the Securities Law), and the regulations that shall be promulgated following these amendments and also those arising from a breach of this Deed of Trust by the Company and/or for an action of declaring Debentures immediately repayable and/or for special actions which shall be required to be performed, if required, for fulfilling its duties according to the Deed of Trust, all in addition and without harming the payments due to it as mentioned in this appendix.
6. The Trustee shall be entitled to additional payment as mentioned, in the sum of 600 NIS for each working hour that it shall require to perform as mentioned above, linked to the known index, at the date of publishing the prospectus, but in any event no less than the sum set forth above. For each annual meeting of shareholders or Debenture Holders (and this is in addition to the payment according to clause 5 above) in which the Trustee shall take part, an additional fee in the sum of 600 NIS per meeting, linked to the index known at the date of publishing the prospectus shall be paid, but in any case no less than the sum set forth above. The sum mentioned shall be paid immediately upon the issuing of the Trustee's demand.
7. This agreement is based on the consent that the debentures are without collaterals. However in the event that the Debenture Holders (series C) shall be granted any collaterals or any other undertaking that the Trustee must examine, then the Trustee's fee shall be agreed in accordance with the scope of work that shall be required to dedicate to the trust.
8. VAT if applicable, shall be added to the payments due to the Trustee, according to the provisions of this appendix and it shall be paid by the Company. The sums above do not include a refund of expenses and lawful VAT and they shall be linked to the base index of each series however in each case a lower sum than the sum set forth in this proposal shall not be paid. The payment terms are 15 days net after the end of the calendar month of the invoice.
9. The Debenture Holders shall participate in financing the Trustee's fee and refund of expense in accordance with the provisions of the indemnification clause in clause 25 of the Deed of Trust.

## Second Addendum – Meeting of Debenture Holders

Subject to the provisions of the Securities Law, convening a Meeting of Debenture Holders, the manner of conducting it and various terms regarding it, shall be as follows:

### Summoning a Meeting

1. The Trustee shall summon a Debenture Holders Meeting for each series separately (“**Annual Meeting**”) each year and no later fourteen (14) days after the second annual report regarding trust matters (as mentioned in clause 21 of the Deed of Trust) was submitted, which shall be convened no later than sixty (60) days after the report was submitted. The agenda of the Annual Meeting shall include the appointment of the Trustee for the period that shall be determined (unless the prior Meeting determined a longer appointment time), a discussion of the annual report regarding trust matters as well as any other subject included in the agenda as stated in Section 25L2 of the Securities Law.
2. The Trustee shall convene a Meeting of the Debenture Holders if it saw a need for this, or according to a written request of Debenture Holders that hold, alone or together, at least five percent (5%) of the balance of the nominal value of the Debentures in circulation of that series.
3. In the event those requesting to summon a Meeting are Debenture Holders, the Trustee shall be entitled to demand indemnification from them, including in advance, for the reasonable costs involved in this.
4. The Trustee who was required to summon a Debenture Holders Meeting in accordance with the provisions of clause 2, shall summon it within 21 days after a demand to summon it was submitted to the Trustee, to a date that shall be determined in the summons, provided that the convening date shall not be earlier than seven days and not later than 21 days from the summons date; however, the Trustee is entitled to bring the meeting forward, to at least one day after the summons date, if it thought that this was required in order to protect the Debenture Holders rights and subject to the provisions of clause 21 hereafter; if it did so, the Trustee shall explain the reasons for bringing the convening date forward in the report regarding the summoning of the Meeting.
5. The Trustee may, at its reasonable discretion, change the scheduled meeting time of a Meeting convened by him as well as per the Company’s request, in case the Meeting was summoned by the Company.
6. In the event the Trustee convened a Meeting of the Debenture Holders not according to the request of the Debenture Holders the Trustee is entitled to determine that the Meeting shall take place by electronic means.
7. If the Trustee did not summon the Debenture Holders Meeting, according to the demand of the Debenture Holder, within such time as mentioned in clause 1.4 above, the Debenture Holder may convene the Meeting, provided that the scheduled Meeting shall be within 14 days, after the end of the period for summoning the Meeting by the Trustee and the Trustee shall bear the expenses that the Debenture Holder expended with respect to convening the meeting.
8. If the Debenture Holders Meeting was not convened as mentioned in clauses 1 or 2 above, the court may at the request of the Debenture Holder, order that it be convened.
9. If the court ordered as mentioned in clause 8, the Trustee shall bear reasonable costs that the applicant expended in a court proceeding, as shall be determined by the court.
10. The Company is entitled to convene, at any time, a Meeting of Debenture Holders in coordination with the Trustee. If the Company summons a Meeting as stated, it must immediately send the Trustee a written notice regarding the place, day and time on which the Meeting shall take place, as well as the subjects to be brought up for discussion therein, and the Trustee or a representative on its behalf shall be entitled to participate in a Meeting as stated without having the right to vote. A Meeting as stated shall be summoned for a time set in the invitation, provided that the time for convening shall be no earlier than seven days and no later than 21 days from the day of summoning.
11. Where there is no practical possibility to convene a Debenture Holders Meeting or to conduct it in the manner determined for this in the Deed of Trust or in the Law, the court may, at the request of the Company, of a Debenture Holder that is entitled to vote in the Meeting or the Trustee, to order that a Meeting be convened and conducted in the manner as the court shall determine, and it may give supplementary instructions for this insofar as it shall see fit.



**Flaws in Convening the Meeting**

12. The court may, at the request of a Debenture Holder, order the cancellation of a resolution that was adopted in a Debenture Holders Meeting that was convened or conducted without fulfilling the requirements in the Law or according to this Deed.
13. If the flaw in convening the Meeting concerns a notice regarding the place of convening the Meeting or its scheduled time, a Debenture Holder that attended the Meeting despite the flaw, shall not be entitled to demand the cancellation of the resolution.

**Notice of Convening a Meeting**

14. A notice of a Meeting of the Debenture Holders shall be published according to the provisions of chapter G1 of the Law ("**Electronic Reporting**") and it shall be delivered to the Company by the Trustee before the reporting and in accordance with the provisions in the regulations.
15. The summons notice shall include the agenda, the proposed resolutions and arrangements regarding a written vote according to the provisions of clauses 28 and 30 hereafter.

**The Meeting's Agenda**

16. The Trustee shall determine the agenda in the Debenture Holders Meeting and it shall include issues for which the Debenture Holders Meeting is required according to clauses 1 and/or 2 above, and a subject for which it was requested as mentioned in clause 18 of the Debenture Holder's request.
17. Inasmuch as a Meeting shall be summoned in accordance with clause 10 above, the Company shall determine the Meeting's agenda.
18. A Debenture Holder, one or more, that has five percent (5%) at least of the balance of the nominal value of the series of Debentures may request the Trustee to include an issue on the agenda of the Debenture Holders Meeting that shall be convened in the future, provided that the issue is suitable to be discussed in the Meeting as mentioned.
19. In the Debenture Holders Meeting resolutions shall be adopted in issues as set forth in the agenda only.

### **Place of Convening the Meeting**

20. The Debenture Holders Meeting shall take place in Israel at the Company's offices or another place which the Trustee shall notify of. The Trustee may change the address of the Meeting. The Company shall bear the costs of convening the Meeting at an address which is not its office.

### **The Record Date for Ownership of the Debentures**

21. Debenture Holders that are entitled to participate and to vote in the Debenture Holders' Meetings are Holders of Debentures at the time that shall be determined in the decision to summon a Debenture Holders Meeting, provided that this date shall not exceed three days before the date of convening the Debenture Holders Meeting and it shall not be less than one day before the convening date.

### **The Chairman of the Meeting**

22. In each Debenture Holders Meeting the Trustee or whomever it appointed shall serve as chairman of that Meeting.
23. The Trustee shall prepare a protocol of the Meeting of the Debenture Holders and shall keep it at its registered office for a period of seven (7) years after the Meeting date. The protocol of the Meeting may be by way of recording. A protocol, insofar as made in writing, shall be signed by the chairman of the Meeting or by a chairman of the Meeting that was held after it. Each protocol that was signed by the chairman of the Meeting constitutes prima facie evidence to whatever is stated in it. The protocol registry shall be kept with the Trustee as mentioned, and it shall be open for viewing by the Debenture Holders during work hours and with advance coordination and a copy of it shall be sent to any Debenture Holder that shall request this.
24. The declaration of the chairman of the Meeting that a resolution in the Debenture Holders Meeting was adopted or rejected, whether unanimously or by a certain majority, shall be prima facie evidence to whatever is stated in it.

### **Legal Quorum; Deferred or Adjourned Meeting**

25. A Meeting of the Debenture Holders shall be opened by the chairman of the Meeting after he has determined that the legal quorum required for any of the issues on the agenda of the Meeting exists, as follows:
- 25.1. The legal quorum required for opening a Meeting of the Debenture Holders shall be the presence of at least two Debenture Holders, who are present themselves or by their proxies, that hold at least twenty five percent (25%) of the voting rights in circulation, within half an hour of the time that was scheduled for opening the Meeting, unless stipulated otherwise in the Law.
- 25.2. If a legal quorum was not present in the Debenture Holders Meeting at the end of half an hour after the time scheduled for the beginning of the Meeting, the meeting shall be deferred to another time which shall not be earlier than two Business Days after the record date that was determined for convening the original meeting or one Business Day, if the Trustee was of the opinion that this is required for protecting the rights of the Debenture Holders; if the Meeting was deferred, the Trustee shall explain the reasons for this in the Meeting summons report.

- 25.3. If a legal quorum was not present in the deferred Debenture Holders Meeting as mentioned in clause 25.2 above, half an hour after the time that was scheduled for it, the Meeting shall be convened with any number of participants, unless stipulated otherwise in the Law.
- 25.4. Notwithstanding the provisions in clause 25.3 above, in the event a Debenture Holders Meeting was summoned according to the demand of Debenture Holders that hold five percent (5%) at least of the balance of the nominal value of the Debentures in circulation, the deferred Meeting shall be convened only if holders of certificates of undertaking were present in it at least in the number required for summoning a Meeting as mentioned (in other words: five percent (5%) at least of the balance of the nominal value of the Debentures in circulation).
26. According to the decision of the Trustee or resolution by ordinary majority of those voting in a Meeting in which a legal quorum was present, the continuation of the Meeting adjourned (the "**Original Meeting**") from time to time, the discussion or adopting a resolution in an issue that was set forth in the agenda, to another time and to a place that shall be determined as the Trustee or the aforementioned Meeting shall decide (the "**Continued Meeting**"). In the Continued Meeting and in the deferred meeting only matters that were on the agenda and in respect to which no resolution was adopted shall be discussed.
- If a Debenture Holders Meeting was deferred without changing its agenda, summons shall be given regarding the new time for the Continued Meeting, as early as possible, and no later than 12 hours before the Continued Meeting; the summons as mentioned shall be given according to clauses 14 and 15 above.

#### **Participations and Voting**

27. The Trustee, at its reasonable discretion and subject to the provisions of any law, shall be entitled to split the Meeting into class meetings and to determine who shall be entitled to participate in each type of meeting.
28. A Debenture Holder is entitled to vote in Debenture Holders Meetings by himself or by proxy as well as by a voting deed in which he shall state the manner of his voting, and in accordance with the provisions of clause 30 hereinafter.
29. A resolution in the Debenture Holders Meeting shall be made by a count of votes.
30. A voting deed shall be sent by the Trustee to all of the Debenture Holders; a Debenture Holder may note the manner of his vote in the voting deed and send it to the Trustee.
- A voting deed in which the Debenture Holder noted the manner of his vote, and which reached the Trustee by the last date determined for this, shall be considered as presence in the Meeting with respect to the existence of a legal quorum as mentioned in clause 25 above.
- The voting deed that was received by the Trustee regarding a certain matter in respect to which a vote was not held in the Debenture Holders Meeting, shall be considered as having abstained in the vote in that Meeting regarding a resolution to convene a deferred Debenture Holders Meeting according to the provision of clause 26 above, and it shall be counted in the deferred Meeting that shall be convened according to the provisions of clauses 26 or 25.3 and 25.4 above.
31. Each 1 NIS nominal value of the Debentures that are represented by vote shall confer one vote in the voting. In case of joint Debenture Holders, only the vote of the person registered first in the registry shall be counted.
32. A Debenture Holder may vote for part of the Debentures held by him including voting for some of them in favor for the proposed resolution and for another part of them against the resolution, all as he shall see fit.
33. The holdings of an Affiliated Holder shall not be taken into account for determining the legal quorum in the Debenture Holders Meetings, and his votes shall not be taken into account in the vote of the Meeting as mentioned.

## Resolutions

34. Resolutions in the Debenture Holders Meetings shall be adopted by a vote of an ordinary majority by a count of votes, unless another majority was determined in the Law or in the Deed of Trust.
35. The votes of those who have abstained in the vote shall not be counted in the number of votes participating in the vote.
36. A proposed resolution regarding an issue that was not determined in respect to it that it shall be decided by a certain majority as following hereafter, shall be decided in an ordinary resolution.
37. The issues hereafter shall be decided in a Debenture Holders Meeting by a majority which is not ordinary and/or by a legal quorum that is different than the one set forth in clause 1.22, **and these are the issues:**
  - 37.1. Change, including an addition and/or amendment in the provisions of the Deed of Trust as mentioned in clause 27 of the Deed of Trust.
  - 37.2. Any other issue in respect to which it was determined in the Deed of Trust that it is subject to a resolution by a majority that is not an ordinary majority.
  - 37.3. A resolution regarding the replacement of a, shall be adopted by a majority of fifty percent (50%) at least of the unpaid balance of the Debentures in circulation.

## Voting and Actions by Agent/Proxy

38. An appointment instrument appointing an agent shall be in writing and it shall be signed by the appointer or by his proxy that has authorization to do so lawfully in writing. If the appointer is a corporation, the appointment instrument shall be made in writing and will be signed by a stamp of the corporation, with a signature of the authorized signatories of the corporation.
39. An appointment instrument of the agent shall be made in any form which shall be acceptable by the Trustee.
40. An agent does not need to be a Debenture Holder himself.
41. An appointment instrument and power of attorney and any other certificate according to which an appointment instrument was signed or a certified copy of such power of attorney, shall be given to the Trustee by the time of convening the Meeting unless it was otherwise stipulated in the notice summoning the Meeting.
42. The Trustee shall participate in the Meeting via its employees, officers, functionaries or another person that shall be appointed by it, however it shall not have a voting right.
43. The Company and any other person except for the Trustee shall be prevented from participating in the Debenture Holders Meeting or in any part of it, according to the decision of the Trustee or according to an ordinary resolution of the Debenture Holders. Despite the stated in this clause, the Company could participate in the opening of a Meeting for the purpose of expressing its opinion regarding any subject on the Meeting's agenda and/or presenting a certain subject (as the case may be).

#### **Approaching Debenture Holders**

44. The Trustee, and the Debenture Holder, one or more, that has five percent (5%) at least of the balance of the nominal value of the Debentures in circulation, are entitled to address the Debenture Holders in writing, via the Trustee, in order to convince them regarding the manner of their vote in any of the issues being raised for discussion in that Meeting (the "**Position Paper**").
45. If a Debenture Holders Meeting was summoned in accordance with clause 2 above, a Holder is entitled to approach the Trustee in a request to publish, in accordance with the provisions of Chapter G.1 of the Law, Position Papers on his behalf to the other Debenture Holders.
46. The Trustee or the Company are entitled to send Position Papers to Debenture Holders, as a response for a Position Paper sent as stated in clauses 44 and 45 above, or in response to any other inquiry towards the Debenture Holders.

#### **Examining Conflicts of Interests**

47. If a Meeting of the Debenture Holders was convened, the Trustee shall examine the existence of a conflict of interests of the Debenture Holders, whether an interest arising from their holding the Debentures and another interest of theirs, as the Trustee shall determine (in this clause – "**Another Interest**"), in accordance with the provisions of any law as they shall be at that time; the Trustee shall be entitled to request a Debenture Holder participating in the Meeting to notify it before the vote, regarding Another Interest of his and if he has a conflict of interests as mentioned.
48. In the count of the votes in the vote that took place in the Debenture Holders Meeting, the Trustee shall not take into account the votes of the Debenture Holders that did not meet its requirements as mentioned in clause 47 above or of the Debenture Holders in respect to which it found that a conflict of interests exists as mentioned in clause 47 above (in this clause – "**Debenture Holders with a Conflict of Interests**").
49. Notwithstanding the provisions in clause 48 above, if the total sum of holdings participating in the vote are not Debenture Holders with a Conflict of Interests, became less than five percent (5%) of the balance of the nominal value of the Debentures of that same series, the Trustee shall take into account in counting the votes in the voting also the votes of the Debenture Holders with a Conflict of Interest.

#### **Convening a Meeting of Debenture Holders for Consulting**

50. The provisions of clauses 2, 7, 16, 18 and 19 above cannot derogate from the Trustee's authority to convene a Debenture Holders Meeting, if it saw it necessary to consult with them; in the summons to the Meeting as mentioned the issues on its agenda shall not be detailed, and the date of the Meeting shall be one day at least after the summons date.

In such meeting a vote shall not take place, no resolutions shall be adopted in it and the provisions of clauses 2, 4, 7, 8, 9, 15, 16, 18, 19, 21, 25, 26, 28, 30 and 45 shall not apply to it and as set forth in the law.