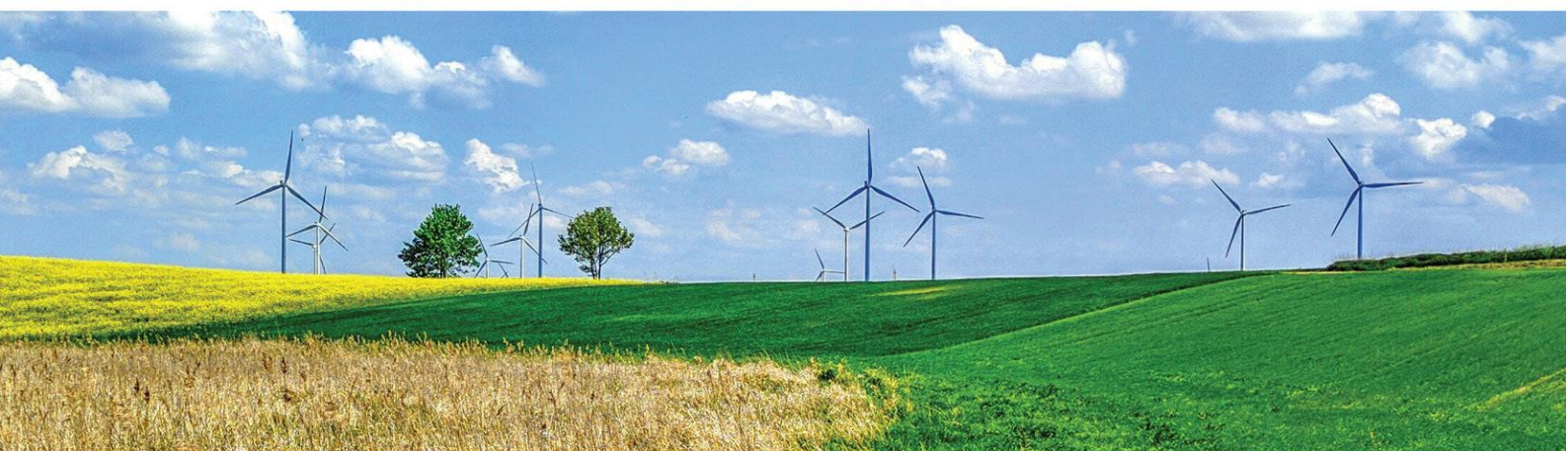


Energix Renewable Energies Ltd.

Quarterly Report for the period ended on March 31, 2018



This Translations of the reports is for convenience purposes only.

**For the avoidance of doubt, the company shall only be bound by the
Original reports in Hebrew.**

Energix - Renewable Energies Ltd.
Condensed Consolidated Interim Financial Statements
March 31, 2018
(Unaudited)

Table of Contents

	<u>Page</u>
<u>Board of Directors' Report</u>	1
<u>Auditors' Review Report</u>	23
<u>Condensed Consolidated Interim Financial Statements</u> <u>(Unaudited)</u>	
Condensed Consolidated Interim Statements of Financial Position	24
Condensed Consolidated Interim Statements of Income	25
Condensed Consolidated Statements of Comprehensive Income (Loss)	26
Condensed Consolidated Interim Statements of Changes in Equity	27
Condensed Consolidated Interim Statements of Cash Flows	29
Notes to the Condensed Consolidated Interim Financial Statements	31
<u>Condensed Interim Separate Financial Information as of March 31, 2018 (Unaudited)</u>	43

Energix - Renewable Energies Ltd. (the "Company")

Board of Directors' Report Concerning the State of the Company's Affairs

The Company's Board of Directors is pleased to present its report on the state of the Company's affairs for the three months ended March 31, 2018 (the "**Reporting Period**" and the "**Reporting Date**", respectively), including updates in accordance with article 39A of the Securities Regulations (Periodic and Immediate Reports) – 1970 (hereinafter "**The Regulations**") and additional information as of May 13, 2018 ("The **Approval Date of the Report**").

Any reference to the "Company" or the "Group" in this report means the Company and/or the Company through its wholly owned subsidiaries and/or partnerships.

The directors' report and the updates included therein have been prepared based on the assumption that the reader has the Company's periodic report for 2017 which was approved on March 12, 2018, reference number 2018-01-023407 (the "**Annual Report**") and in particular, Part C of the Annual Report – Financial Statements (the "**Annual Financial Statements**").

Part A: The Board of Directors' explanation of the Company's business situation

1. Summary description of the Company's activity

Energix - Renewable Energies Ltd.¹ ("**Energix**" or the "**Company**") was incorporated in Israel on December 7, 2006 as a private company. In May 2011 the Company issued its shares for trade on the Tel Aviv Stock Exchange Ltd. (the "**Stock Exchange**") and became a public company. Alony Hetz Properties and Investments Ltd. ("**Alony Hetz**") has been the Company's controlling shareholder since it was founded.

As of the Reporting Date and as of the Approval Date of the Report, the Company is engaged in two operating segments:

1.1. Activity involving the production of electricity using Photovoltaic Technology (the "Photovoltaic Segment") - The Company is engaged in the initiation, development, construction, financing, management and operation of Photovoltaic systems, with the aim of holding such systems as the owner for the long term. As of the Approval Date of the Report, the Company has activities in the Photovoltaic Segment which both wholly owned and jointly owned through Joint Ventures in Israel and in the United States.

1.1.1. Israel: As of the Approval Date of the Report, the Company owns photovoltaic systems in commercial operation with a total capacity of approximately 49MWp (the Company's share: approximately 45MWp). As of the Approval Date of the Report, all electricity produced by the systems which are owned by the Company is sold to Israel Electric Corporation (the "**IEC**"). The Company also owns photovoltaic systems under construction with a capacity of approximately 90MWp (the Company's share: 100%) and is preparing for the construction of additional projects with a capacity of approximately 52MWp (the Company's share: 70%). The Company has additional projects in various stages of initiation in Israel with a capacity of 300MWp, and the Company is working continuously to expand its portfolio of initiated projects in Israel.

1.1.2. United States: The Company, through a Joint Venture which it founded together with a local American partner in December 2017, has exclusive rights over a series of projects in various stages of initiation and development of photovoltaic systems, with a total capacity of hundreds of MWp.

For information regarding the Company's photovoltaic activity, see Section 4.1 hereunder and Note 7a to the Consolidated Financial Statements.

¹ The Company was incorporated in 2006 under the name Amot Mikbatzim Ltd., which was subsequently changed to Amot Energy Ltd. in 2009, and later changed to Energix - Renewable Energies Ltd. in 2011.

- 1.2. Activity involving the production electricity using Wind Turbines (the “Wind Energy Segment”)** - The Company is engaged in initiation, development, construction, financing, management and operation of wind farms for the production of electricity, with the aim of holding them as owner for the long term. As of the Approval Date of the Report, the Company has activities in the Wind Energy Segment which are wholly owned and owned jointly with partners in Israel and in Poland.
- 1.2.1. Poland:** As of the Approval Date of the Report, the Company owns wind farms in commercial operation in Poland, with a total capacity of approximately 119MW (the Company's share: approximately 116MW) and owns additional projects in various stages of initiation.
- 1.2.2. Israel:** As of the Approval Date of the Report, the Company owns projects in various stages of initiation in Israel with a total capacity of approximately 200MW, including the Company's leading wind project - a Clean Wind Energy Project with a capacity of approximately 152MW.

For information pertaining to the Company's wind energy activity, see Section 4.2 hereunder and Note 7b to the Consolidated Financial Statements.

1.3. Material events during the Reporting Period and as of the Approval Date of the Report:

- 1.3.1. Electricity prices in Poland and update to the Company's operating results** - Due to the sharp increase in the prices of CO₂ in Europe, which directly affect electricity tariffs, the prices of electricity in Poland rose sharply during the Reporting Period. Due to the above, in April 2018, the Company performed a hedge transaction regarding the Banie project, with respect to approximately 80% of the scope of electricity production which is expected in the months May-September 2018, and approximately 30% of the electricity production which is expected in the months October-December 2018, in order to peg the electricity prices with respect to those scopes. Therefore, the Company estimates that the actual selling price of black electricity for the hedged capacity will be in the range of PLN 180-200 per produced 1MWh. In parallel, the trend of increase in the prices of green certificates in Poland continued, and accordingly, the prices of green certificates as of the Approval Date of the Report amounted to approximately PLN 75.14, vs. the price of approximately PLN 45 as of December 31, 2017. As a result, the Company updated its forecasted operating results.
- 1.3.2. Construction and financing of Photovoltaic projects** - During the Reporting Period, the construction of Photovoltaic projects with a capacity of 90MWp continued as planned (the Company's share - 100%). During the Reporting Period, the Company completed (through its wholly owned limited partnership) an initial withdrawal in the amount of NIS 96 million from the external financing facility in the amount of up to NIS 240 million, to finance the construction of the projects. For additional details regarding the projects and the construction of financing, see Section 4.1 below and Note 7a(1) to the Consolidated Financial Statements.
- 1.3.3. Clean Wind Energy Project** - During the Reporting Period, the Company continued its intensive activity towards the promotion and development of the Clean Wind Energy Project, with an estimated capacity of approximately 152MW, which is the Company's leading project in the Wind Energy Segment in Israel, in accordance with the timetables which were determined for the project. For additional details, see Section 4.2.1 below and Note 7b(1)(a) to the Consolidated Financial Statements.

Forward-Looking Information

The Board of Directors' Report contains Forward-Looking Information. Any use in this report of the term forward-looking information (hereinafter: “**Forward-Looking Information**”), means a forecast, estimate, approximation, or other information which refers to future events or matters, the materialization of which is uncertain and is not under the sole control of the Company and/or the Group and therefore, such information meets the definition of Forward-Looking Information pursuant to Article 32A of the Securities Law - 1968. Such information is based on the knowledge existing in the Company or the Group as of the Approval Date

Board of Directors' Report

of the Report, and it includes assessments of the Company or its intentions pertaining to the Company and/or the Group, as of the Reporting Date. It is hereby clarified that actual results with respect to such information may be materially different than the results which have been estimated on the basis of the information, or are implied by such information, and which are included in this report.

1.4. Principal data regarding the Company's activities:

The Company has connected to the power grid' systems which produce and sell electricity, as well as projects in various stages of initiation.

Principal data regarding the Company's connected systems as of the Reporting Date (in the Photovoltaic and Wind Energy Segments):

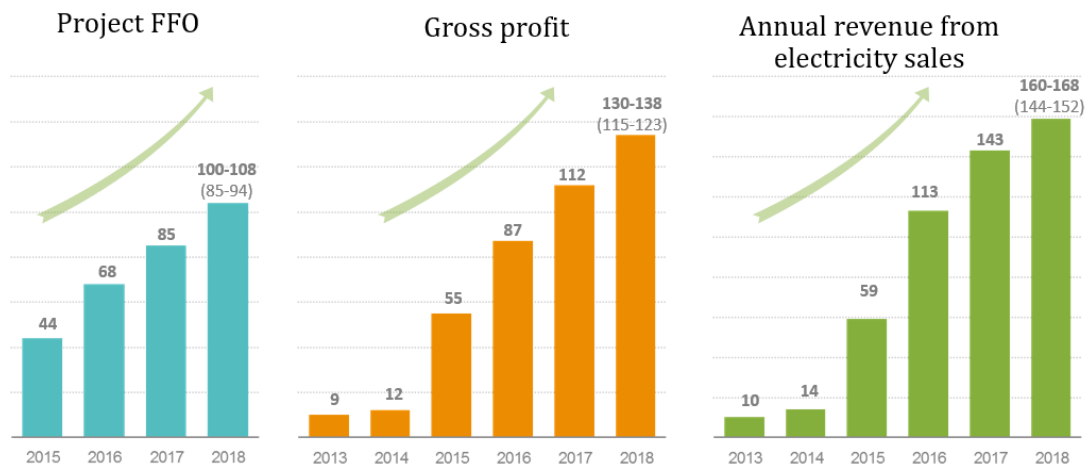
Connected systems as of the Reporting Date	Installed capacity (megawatts)	Company's share in the systems (megawatts)	Actual results in the three month period Ended March 31, 2018 (Company's share, NIS millions)			
			Actual income (*)	Gross profit (*)	FFO (*)	Net cash flows after debt service
Total connected systems	168.3	160.8	38.5	32.1	24.8	17.2

(*) Actual income, gross profit and FFO include the sale of inventory of green certificates at a higher price than its carrying amount, in the total sum of approximately NIS 3.5 million.

The Company's current and anticipated results in respect of the connected systems owned by it (in the Photovoltaic and Wind Energy Segments) as of the Approval Date of the Report, in millions of NIS:

The Company updated its range of forecasted results for 2018, in light of the expected increase in revenues from wind farms in Poland (for details, see Section 1.3.1 of this report above). The data in parentheses represent the range of the Company's expected results, as included in the annual report, before they were updated in accordance with this report.

Board of Directors' Report



Comments regarding the graph:

1. The revenue forecast for projects in Poland is based on the Company's estimate of output at P50, and a total price per produced 1MWh (electricity + green certificate) of PLN 255. Actual revenues will be determined in accordance with the hedge transaction which was made by the Company prices, along with the actual prices of black electricity and the actual prices of green certificates on the Polish electricity exchange on the relevant date. The exchange rate which was used as the basis for the calculation is PLN 1 to NIS 1.
2. **The Company's actual revenues from wind farms in Poland are directly affected by changes: (i) in the prices of electricity and of green certificates, which are determined according to their price on the relevant stock exchanges in Poland, and which are directly affected by the activities of the legislator and market forces in Poland (with respect to unhedged transactions); (ii) in the PLN/NIS exchange rate; (iii) in weather conditions and wind quality conditions in the areas where the wind farms are located; and (iv) in the availability and functionality of the turbines in the electricity production wind farms. Changes in revenue from the wind farms in Poland may have a significant impact on the Company's forecasts and expectations, as presented in this report.**
3. The Company's results are presented according to proportionate consolidation, including its share in the results of the presented companies according to carrying amount. Not including initiation costs and the Company's general and administrative expenses, which are not attributable to projects. The projected data for 2018 are in accordance with the work plan for 2018, which includes the connection of the Winning Projects with a capacity of 90MWp in the second half of the year.

The forecasted income, gross profit and FFO data for 2018 constitute Forward-Looking Information. Actual results may be materially different from those expressed or implied in such Forward-Looking Information (in whole or in part).

1.5. Dividend

In accordance with the Company's expectation, according to which it will require significant investments in the initiation and construction of new projects in 2018, the Company's Board of Directors resolved, on March 12, 2018, not to distribute dividends in 2018.

1.6. Stock exchange indexes

The Company's shares are listed for trading on the Tel Aviv Stock Exchange Ltd. As of the Approval Date of the Report, it is one of the companies on the Tel Aviv 125 Index. Additional stock exchange indexes on which the Company's shares are listed for trading include TA Blue Tech, TA Tech-Elite and TA Technology.

Board of Directors' Report

2. The Board of Directors' explanations to the Company's business situation, results of operations, shareholders' equity, cash flows and other matters

2.1. Results of operations

The following table presents a summary of the operating results in NIS thousands:

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
<u>Revenues</u>			
Revenues from the sale of electricity	28,074	27,004	121,189
Revenues from the production of green certificates	6,572	3,214	15,580
Other revenues, net (*)	3,591	47	4,598
	<u>38,237</u>	<u>30,265</u>	<u>141,367</u>
<u>Expenses</u>			
Rent	1,769	1,548	6,529
Maintenance of systems	5,274	5,464	25,244
Other expenses, net (*)	-	3,262	-
Initiation expenses	299	721	1,953
Payroll and related expenses	1,889	1,982	8,303
Administrative, headquarters and other	2,611	2,488	10,467
	<u>11,842</u>	<u>15,465</u>	<u>52,496</u>
Profit before financing, taxes, depreciation and amortization	26,395	14,800	88,871
Depreciation and amortization	<u>(10,862)</u>	<u>(10,370)</u>	<u>(41,688)</u>
Profit before financing and taxes	<u>15,533</u>	<u>4,430</u>	<u>47,183</u>
Financing income	656	328	1,748
Financing expenses	<u>(8,245)</u>	<u>(6,600)</u>	<u>(29,390)</u>
Financing expenses, net	<u>(7,589)</u>	<u>(6,272)</u>	<u>(27,642)</u>
Profit (loss) after financing, net	<u>7,944</u>	<u>(1,842)</u>	<u>19,541</u>
Company's share in the results of equity-accounted investees	188	193	1,537
Profit (loss) before taxes on income	8,132	(1,649)	21,078
Taxes on income	<u>(2,539)</u>	<u>(225)</u>	<u>(5,058)</u>
Profit (loss) for the period	<u>5,593</u>	<u>(1,874)</u>	<u>16,020</u>
Profit (loss) for the period attributable to the owners of the Company	5,833	(1,550)	17,055
Loss for the period attributable to non-controlling interests	<u>(240)</u>	<u>(324)</u>	<u>(1,035)</u>
Total profit (loss) for the period	<u>5,593</u>	<u>(1,874)</u>	<u>16,020</u>

* Other income, net, during the Reporting Period, was primarily comprised of profit from the sale of inventory of green certificates, and reversal of impairment of inventory of green certificates. Other expenses, net, primarily including impairment of green certificates.

Board of Directors' Report

	Three month period ended March 31		Year ended March 31
	2018	2017	2017
	(Unaudited)		(Audited)
<u>Data regarding earnings per share</u>			
Income per share (*)	0.10	0.08	0.40
Gross earnings per share (*) (**)	0.09	0.06	0.31
FFO per share (*) (**)	0.07	0.04	0.24
Earnings (loss) per share - basic (***)	0.02	(0.01)	0.04

(*) According to the data presented in Section 1.4.

(**) Not including initiation costs and the Company's general and administrative expenses which are unattributed to projects.

(***) According to the data presented in Section 2.1.

Results of operations (NIS in thousands):

During the Reporting Period, the Company recorded profit attributable to the owners of the Company in the amount of approximately NIS 5.8 million, as compared with loss of approximately NIS 1.6 million in the corresponding period of last year, and profit of approximately NIS 17 million in 2017. Presented below are the main items which affected the results of operations:

Revenues from sale of electricity – amounted to approximately NIS 28 million in the Reporting Period, compared with revenues of approximately NIS 27 million in the corresponding period of last year. The increase in revenues in the amount of approximately NIS 1 million was primarily due to the increase in the PLN exchange rate relative to the corresponding period last year.

Revenues from the production of green certificates - the Company recorded, during the Reporting Period, revenues from the production of green certificates in the amount of approximately NIS 6.6 million, as compared with revenues from the production of green certificates in the amount of approximately NIS 3.2 million in the corresponding period last year. The change was due to the increase in the prices of the certificates second half of 2017 and in the first quarter of 2018, which increased the revenues from produced certificates.

Other income and expenses – during the Reporting Period primarily include profit from the sale of inventory of green certificates above its carrying amount, in the sum of NIS 3.5 million. Other expenses primarily include impairment of inventory of green certificates in the amount of NIS 3.2 million in the corresponding period last year.

Depreciation and amortization – amounted to approximately NIS 10.9 million in the Reporting Period, compared with approximately NIS 10.4 million in the corresponding period of last year. The increase in depreciation expenses was primarily due to the increase of the PLN exchange rate relative to the corresponding period last year.

Financing expenses – amounted to approximately NIS 8.2 million during the Reporting Period, compared with approximately NIS 6.6 million in the corresponding period of last year. During the Reporting Period, an increase occurred in financing expenses with respect to loans from financial institutions in the amount of approximately NIS 1.6 million, primarily due to amounts which were withdrawn in a financing facility with respect to the Banie project and the Neot Hovav project, after the corresponding period last year.

Board of Directors' Report

Financing income – amounted to approximately NIS 0.7 million during the Reporting Period, compared with approximately NIS 0.3 million in the corresponding period of last year. The increase, in the amount of approximately NIS 0.4 million, was primarily due to income from foreign currency differences with respect to cash in foreign currency which was held by the Company.

Equity – as of the Reporting Date, the Company has shareholders' equity in the amount of approximately NIS 698 million, as compared with shareholders' equity of approximately NIS 602.8 million as of March 31, 2017. The increase in shareholders' equity was primarily due to profit attributable to the Company's owners in the amount of approximately NIS 24.4 million, other comprehensive income in the amount of approximately NIS 15.3 million, exercise of options in the amount of approximately NIS 8.6 million, share-based payment in the amount of NIS 3.1 million, a share issue in the amount of approximately NIS 44.7 million, and against a decrease of NIS 1 million with respect to an acquisition of non-controlling interests.

2.2. Cash flows, liquidity and sources of financing

2.2.1. Cash flow

During the Reporting Period, the Group's balance of cash and cash equivalents increased by approximately NIS 20.2 million.

The following table summarizes the sources and uses:

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS millions		
	(Unaudited)		(Audited)
Operating activities	19.3	11.1	81.8
Sources			
Long-term loan received from financial institutions	96.0	-	155.5
Short-term loans received from banking institutions	3.3	-	-
Consideration from issuance of shares	-	83.2	127.9
Consideration from exercise of share options	5.5	-	3.3
Consideration from sale of fixed assets	-	-	0.1
Repayment of loans to equity-accounted investees	0.4	0.5	2.3
	105.2	83.7	289.1
Uses			
Investment in electricity production systems	(123.8)	0.5	(94.4)
Decrease (increase) in pledged deposit and restricted cash, net	28.8	-	(103.0)
Repayment of long-term loans from financial institutions	(7.6)	(5.8)	(37.4)
Costs of credit raising	(0.4)	(1.1)	(3.9)
Investment in other fixed assets	(0.2)	(0.1)	(1.4)
Settlement of financial instruments	(1.1)	-	(6.6)
Transaction with non-controlling interests	-	-	(1.0)
Return of capital to minority interests in consolidated company	-	-	(0.2)
Repayment of short-term loans from banking institutions	-	(65.5)	(65.5)
	(104.3)	(72.0)	(313.4)
Total excess of sources over uses (uses over sources)	20.2	22.9	57.5
Balance of cash and cash equivalents	116.6	62.3	96.4

Board of Directors' Report

2.2.2. Cash, cash equivalents and credit facilities

As of the Reporting Date, the Company has a balance of liquid sources of NIS 116.6 million. In addition, the Company holds an amount of NIS 44 million, primarily including amounts on deposit in debt service reserve funds to secure the repayments of the Group's loans.

As of the Reporting Date, the Company has used credit out of the total credit facilities with respect to withdrawal of funds in the amount of NIS 3.3 million, and with respect to the use of a credit facility for bank guarantees in the total amount of approximately NIS 54.9 million. For additional details, see Notes 7c(2) and 7e to the Consolidated Financial Statements.

2.2.3. Financing sources

- A. As of the Approval Date of the Report, the Group's activities are financed by the cash balance which is available to it following the capital raising which it performed in previous years, and in the months January and September 2017, funds which were received from the exercise of share warrants, and funds which were provided to the Group within the framework of financing transactions to which the Group is party. For additional details, see Section 4.4.3 in Part B of the Annual Report, and Note 7a(1) to the Consolidated Financial Statements.
- B. On April 8, 2018, subsequent to the Reporting Date, approval was received from the Israel Securities Authority for an extension of the Company's shelf prospectus until May 29, 2019, under which the Company may raise additional funds, insofar as it needs to in order to finance its operations.

2.2.4. Pledged assets

See Note 7c to the Consolidated Financial Statements for details regarding liens and guarantees furnished by the Company as of the Reporting Date and the Approval Date of the Report.

Part B: Exposure to market risks and their management

Mr. Asa Levinger, the Company's CEO, also serves as its Chief Risk Officer.

During the Reporting Period, there was no material change in the type of market risks which were reported in Part B of the Annual Report – the Board of Directors' Report, and in the Company's policy for managing such risks.

3. The Company's policy for managing market risks

For information regarding the Company's policy for managing market risks and implementation of the hedging policy that was adopted by the Board of Directors, see Note 31b(3)(a) to the Annual Financial Statements and Note 6a to the Consolidated Financial Statements.

3.1. Linkage bases report

See **Appendix A** hereunder for a linkage bases report as of March 31, 2018 and December 31, 2017.

3.2. Sensitivity tables for sensitive instruments

See **Appendix B** hereunder for sensitivity tables for sensitive instruments according to changes in market factors as of March 31, 2018.

3.3. The Corporation's liabilities according to payment date

See **Appendix C** hereunder for information regarding the Corporation's liabilities according to payment dates.

Board of Directors' Report

Part C – Corporate Governance Aspects and Updates Concerning the Company's Activities

4. Material events during the Reporting Period in the Company's operating segments:

4.1. Details regarding material events in the Photovoltaic Segment during the Reporting Period and until the Approval Date of the Report:

4.1.1. Projects under construction and before construction - further to that stated in Note 9c to the Consolidated Annual Financial Statements, during the Reporting Period, the Company continued construction works on projects in the Photovoltaic Segment with a capacity of approximately 90MWp in Southern Israel (the Company's share - 100%), as planned. The construction of the projects is within the framework of the Company's winning of the first tender published by the Electricity Authority, and the construction thereof is expected to conclude in the second half of 2018. For details regarding the first withdrawal and the financing transaction for the construction of the aforementioned projects, see Note 7a(1)(b) to the Consolidated Financial Statements. The Company is also preparing for the construction of additional projects with a capacity of approximately 52MWp (the Company's share - 70%), as part of winning the second tender published by the Electricity Authority, on December 2017, by the joint venture in the Photovoltaic Segment.

4.1.2. Presented below is supplementary information regarding projects under construction and approaching construction:

	First tender 90MWp	Second tender 52MWp
Company's share	100%	70%
Guaranteed tariff	NIS 0.199	NIS 0.1978
Total expected scope of investment (NIS millions)	270	140-170
Expected revenue (NIS millions)	30-33	16-19
Expected EBITDA (NIS millions)	23-26	13-15
Construction	In 2018	Until 2019/Q3

The Company expects its revenue from the connection of solar energy systems, within the framework of the first tender, to amount to NIS 5-7 million already in 2018.

For additional information, see Note 7a to the Consolidated Financial Statements.

The information presented above on all matters pertaining to the cost of an expected investment, revenues, receipt of approval from third parties, actual construction of the facilities and connection thereof to the power grid constitutes Forward-Looking Information which depends, inter alia, on the approval of third parties, which are not under the Company's exclusive control, and on the facilities' actual electricity production capabilities.

4.2. Details regarding material events in the Wind Energy Segment during the Reporting Period and until the Approval Date of the Report:

4.2.1. Updates regarding the Wind Energy Segment in Israel

Clean Wind Energy Project with a capacity of approximately 152MW: As part of the Company's intensive development activities to promote the Clean Wind Energy Project, the Company is preparing to complete all the requirements for the purpose of submission of the project's plan to the National Infrastructure Committee in the near future. Accordingly, to the best of the Company's understanding, the project company has fulfilled all of the legal requirements in order to receive a conditional license for the project, inter alia, in light of the approval, proximate to the Approval Date of the Report, of National Infrastructure Plan 62A, which is the Electric Corporation's plan for the creation of an ultra-high voltage line from Hula Valley to Golan Heights, which will create the infrastructure required to connect the project to the power grid, within the relevant timetable.

For additional information regarding the Company's wind energy activity in Israel and the initiation of additional projects, see Section 1.3.2 above and Note 14b(1) to the Annual Financial Statements.

4.2.2. Updates Regarding the Wind Energy Segment in Poland

- A. For details regarding changes in the prices of black electricity and in the prices of green certificates, and regarding the update to the Company's revenue forecast with respect to the wind farms in Poland, see Sections 1.3.1 and 1.4 of this report above.
- B. During the Reporting Period, the Polish government continued its legislation process commenced as part of preparations for the application of a new tariff tender-based regulations. As reported by the Company, in the fourth quarter of 2017, the government of Poland reached understandings with the European Union regarding an assistance package for Poland, in the amount of PLN 40 billion, to finance activities in the renewable energy industry, depending on, inter alia, the government of Poland meeting objectives for the production of electricity from renewable energy. In light of the above, the Polish government announced that it intends to publish tariff tenders for the construction of new facilities for the production of electricity from wind energy, and from Photovoltaic energy, with a capacity of approximately 1,000 MW. The Company intends to evaluate its participation in these tenders for the construction of additional wind farms in Poland, if and insofar as they will be published, depending on and subject to the tender terms and market conditions.

For details regarding the renewable energy market in Poland, and the new tariff tender-based regulations, see Sections 6.2 and 7.2.3 in Part A - Description of the Corporation's Business, and Note 14b(2) to the Consolidated Annual Financial Statements.

4.2.3. Updates regarding project initiation activities in the United States

Further to the Company's reports regarding the establishment of joint venture with an American entrepreneur for the purpose of promotion series of Photovoltaic projects in various initiation stages in the United States with a total capacity of hundreds of Mega Watts, during the Reporting Period and as of the Approval Date of the Report, the company continued promoting the joint venture's activities and developing the series of projects in the United States, with the aim of reaching financial closing towards the end of 2018, with respect to 2-4 projects.

Under the provisions of the venture agreement, on January 2018, the Company paid to its local partner an advance payment in the amount of USD 5 million, on account of the initiation fees which it will be entitled to with respect of the venture's first projects. The advance payment to the US Venture was financed through a shareholder's loan which was provided by the Company against the provision of collateral in favor of the US Venture and the company, including recording a pledge on all of the partner's projects in the United States. For details regarding the joint venture and the main understandings between the parties, see Note 14a(4) to the Consolidated Annual Financial Statements.

Board of Directors' Report

For additional information regarding the activity of the company and the projects which it owns and is developing, see Sections 6.1 and 6.2 in Part A of the Annual Report - "Description of the Company's Business", Notes 9 to the Annual Financial Statements, and Notes 7a and 7b to the Consolidated Financial Statements.

5. Update regarding transactions with controlling shareholders, bonuses and engagements with officers during the Reporting Period and until the Approval Date of the Report:

5.1. For details regarding the aforementioned transactions, see Notes 7d and 7g to the Consolidated Financial Statements.

5.2. Decisions of the special general meeting: For details regarding the decision of the Company's special general meeting from May 2, 2018, in which, inter alia, approval was given for transactions with the controlling shareholder, or in which the controlling shareholder has a personal interest, see the revised meeting convention report dated March 27, 2018 (reference number 2018-01-030193) (the "**Convention Report**"), and the report regarding the results of the meeting which was held on May 2, 2018 (reference number 2018-01-044005) (the "**Meeting Results Report**"), which are presented herein, in their entirety, by way of reference.

6. The Company's Board of Directors; Directors with accounting and financial expertise

As of the Approval Date of the Report, the Company's Board of Directors comprises 6 directors, of which 5 have accounting and financial expertise.

On May 1, 2018, Ms. Dorit Ben Simon concluded her tenure as an independent director in the Company. On May 2, 2018, Ms. Miriam Gez commenced her tenure as a director in the company (for additional details regarding Ms. Miriam Gez in accordance with Regulation 26, see the convention report and the immediate report dated May 2, 2018 (reference number 2018-01-044011), which is presented herein in its entirety by way of reference).

7. Effectiveness of Internal Control over Financial Reporting and Disclosure in Accordance with Regulation 38c(a)

For details regarding the quarterly report regarding the Effectiveness of internal control over financial reporting and disclosure pursuant to Regulation 38c(a), see Appendix D below.

Board of Directors' Report

8. Disclosure requirements concerning financial reporting of the Corporation

Changes in accounting policies, changes in estimates or correction of errors during the Reporting Period:

The preparation of Financial Statements requires management of the Company to use estimates or assessments regarding transactions or matters that their final effect on the Financial Statements cannot be accurately determined at the time of their preparation.

For the critical estimates which apply to the Company, and for additional details, see Note 2(f) to the Annual Financial Statements and Notes 2b and 3 to the Consolidated Financial Statements.

9. Additional information and events subsequent to the Reporting Date

For information regarding events subsequent to the Reporting Date, see Sections 1.3.1, 2.2.3, 5 and 6 above, as well as Notes 7b(2)(a), 7d and 7f to the Consolidated Financial Statements.

The Company's Board of Directors would like to thank the holders of the Company's securities for their confidence in the Company.

May 13, 2018

**Signing Date of the
Interim Financial
Statements**

**Nathan Hetz
Chairman of the Board
of Directors**

**Asa Levinger
CEO**

Board of Directors' Report

Appendices to the Board of Directors' Report concerning the state of the Company's affairs:

- Appendix A** – Linkage Bases Report for Monetary Balances.
- Appendix B** – Sensitivity Tables for Sensitive Instruments as of March 31, 2018, According to Changes in Market Factors.
- Appendix C** – The Corporation's Liabilities by Payment Dates.
- Appendix D** – Quarterly Report Regarding the Effectiveness of Internal Control over Financial Reporting and Disclosure Pursuant to Regulation 38c(a).

Board of Directors' Report**Appendix A – Linkage Bases Report for Monetary Balances****March 31, 2018**

	EUR	PLN	USD (*)	Unlinked NIS	CPI-linked NIS	Non-financial assets (liabilities)	Total
	NIS in thousands						
Current assets							
Cash and cash equivalents	15,832	48,988	1,336	50,477	-	-	116,633
Pledged deposit	-	-	8,122	56,891	-	-	65,013
Trade receivables	-	9,752	-	5,704	-	-	15,456
Green certificates	-	-	-	-	-	4,346	4,346
Receivables and debit balances	-	-	-	2,723	-	23,278	26,001
Hedging financial instruments	383	-	-	-	-	-	383
	<u>16,215</u>	<u>58,740</u>	<u>9,458</u>	<u>115,795</u>	<u>-</u>	<u>27,624</u>	<u>227,832</u>
Non-current assets							
Long-term pledged deposit and restricted cash	-	17,947	-	25,650	-	-	43,597
Prepaid land lease expenses	-	-	-	-	-	25,087	25,087
Connected electricity production systems	-	-	-	-	-	1,085,862	1,085,862
Systems under construction and inventory	-	-	-	-	-	210,291	210,291
Fixed assets	-	-	-	-	-	2,981	2,981
Investment in equity-accounted investees	-	-	-	-	-	13,955	13,955
Other receivables	-	-	-	-	4,189	2,151	6,340
Deferred taxes, net	-	-	-	-	-	14,208	14,208
	<u>-</u>	<u>17,947</u>	<u>-</u>	<u>25,650</u>	<u>4,189</u>	<u>1,354,535</u>	<u>1,402,321</u>
Total assets	16,215	76,687	9,458	141,445	4,189	1,382,159	1,630,153
Current liabilities							
Short-term credit from financial institutions	-	-	-	3,300	-	-	3,300
Current maturities of long-term loans	-	19,220	-	-	27,180	(1,196)	45,204
Trade payables, other payables and credit balances	2,343	9,444	135	19,130	991	7,792	39,835
Hedging financial instruments	-	9,329	142	-	-	-	9,471
	<u>2,343</u>	<u>37,993</u>	<u>277</u>	<u>22,430</u>	<u>28,171</u>	<u>6,596</u>	<u>97,810</u>
Non-current liabilities							
Liabilities for employee severance benefits	-	-	-	-	-	417	417
Loans from financial institutions	-	311,881	-	-	470,829	(10,273)	772,437
Other long-term liabilities	-	10,510	3,467	7,186	-	7,754	28,917
Hedging financial instruments	-	17,748	-	-	-	-	17,748
Deferred taxes	-	-	-	-	-	11,336	11,336
	<u>-</u>	<u>340,139</u>	<u>3,467</u>	<u>7,186</u>	<u>470,829</u>	<u>9,234</u>	<u>830,855</u>
Total liabilities	2,343	378,132	3,744	29,616	499,000	15,830	928,665
Total surplus of assets over liabilities	13,872	(301,445)	5,714	111,829	(494,811)	1,366,329	701,488
Financial derivatives	33,185	(358,864)	22,410 (**)	303,269	-	-	-
Surplus of financial assets over financial liabilities (financial liabilities over financial assets)	47,057	(660,309)	28,124	415,098	(494,811)	1,366,329	701,488
Distribution of non-monetary assets (liabilities), net - by linkage bases	367	785,075	22,725	558,162	-	(1,366,329)	-
Surplus of assets over liabilities (liabilities over assets)	47,424	124,766	50,849	973,260	(494,811)	-	701,488

(*) Including cash balances in additional currencies, in negligible amounts.

(**) For details regarding the Company's engagement in forward transactions to hedge its exposure to the USD exchange rate, see Note 25b to the Annual Financial Statements.

Board of Directors' Report**December 31, 2017**

	EUR	PLN	USD (*)	Unlinked NIS	CPI- linked NIS	Non- financial assets (liabilities)	Total
	NIS in thousands						
<u>Current assets</u>							
Cash and cash equivalents	39,471	34,478	75	22,420	-	-	96,444
Trade receivables	-	8,565	-	3,416	-	-	11,981
Green certificates	-	-	-	-	-	8,218	8,218
Receivables and debit balances	-	-	-	3,030	-	9,129	12,159
	<u>39,471</u>	<u>46,242</u>	<u>75</u>	<u>118,875</u>	<u>-</u>	<u>17,347</u>	<u>222,010</u>
<u>Non-current assets</u>							
Long-term restricted cash	-	17,366	-	25,657	-	-	43,023
Prepaid land lease expenses	-	-	-	-	-	25,469	25,469
Connected electricity production systems	-	-	-	-	-	1,073,645	1,073,645
Systems under construction	-	-	-	-	-	126,952	126,952
Fixed assets	-	-	-	-	-	2,998	2,998
Investment in equity-accounted investees	-	-	-	-	-	14,200	14,200
Other receivables	-	-	-	-	4,087	2,078	6,165
Long-term financial instruments	-	261	-	-	-	-	261
Deferred taxes, net	-	-	-	-	-	12,765	12,765
	<u>-</u>	<u>17,627</u>	<u>-</u>	<u>25,657</u>	<u>4,087</u>	<u>1,258,107</u>	<u>1,305,478</u>
Total assets	<u>39,471</u>	<u>63,869</u>	<u>75</u>	<u>144,532</u>	<u>4,087</u>	<u>1,275,454</u>	<u>1,527,488</u>
<u>Current liabilities</u>							
Current maturities of long-term loans	-	18,437	-	-	26,241	(1,181)	43,497
Trade payables, other payables and credit balances	3,019	10,419	37,444	7,275	1,435	8,007	67,599
	<u>3,019</u>	<u>28,856</u>	<u>37,444</u>	<u>7,275</u>	<u>27,676</u>	<u>6,826</u>	<u>111,096</u>
<u>Non-current liabilities</u>							
Liabilities for employee severance benefits	-	-	-	-	-	417	417
Loans from financial institutions	-	307,503	-	-	379,023	(10,341)	676,185
Other long-term liabilities	-	10,013	3,467	7,185	-	7,473	28,138
Deferred taxes	-	-	-	-	-	10,651	10,651
	<u>-</u>	<u>317,516</u>	<u>3,467</u>	<u>7,185</u>	<u>379,023</u>	<u>8,200</u>	<u>715,391</u>
Total liabilities	<u>3,019</u>	<u>346,372</u>	<u>40,911</u>	<u>14,460</u>	<u>406,699</u>	<u>15,026</u>	<u>826,487</u>
Total surplus of assets over liabilities	<u>36,452</u>	<u>(282,503)</u>	<u>(40,836)</u>	<u>130,072</u>	<u>(402,612)</u>	<u>1,260,428</u>	<u>701,001</u>
Financial derivatives	-	<u>(348,363)</u>	<u>98,026</u>	<u>250,337</u>	-	-	-
Surplus of financial assets over financial liabilities (financial liabilities over financial assets)	<u>36,452</u>	<u>(645,747)</u>	<u>55,664</u>	<u>380,409</u>	<u>(402,612)</u>	<u>1,260,428</u>	<u>684,594</u>
Distribution of non-monetary assets (liabilities), net - by linkage bases	<u>548</u>	<u>773,287</u>	<u>19,804</u>	<u>466,789</u>	-	<u>(1,260,428)</u>	-
Surplus of assets over liabilities (liabilities over assets)	<u>37,000</u>	<u>127,540</u>	<u>75,468</u>	<u>847,198</u>	<u>(402,612)</u>	-	<u>684,594</u>

(*) Primarily comprised of balances in USD.

Board of Directors' Report
Appendix B –Sensitivity Tables for Sensitive Instruments as of March 31, 2018, According to Changes in Market Factors
Presented below is an analysis of the Group's sensitivity to foreign currency:

The following table details the effect of a 5% change in the exchange rate on profit or loss in respect of financial assets and liabilities that are exposed to risk as aforesaid (before the tax effect):

	March 31, 2018		
	Increase of 5%		Decrease of 5%
	Profit (loss)	Carrying amount	Profit (loss)
NIS in thousands			
In EUR:			
Cash and cash equivalents	792	15,832	(792)
Hedging financial instruments	19	383	(19)
Trade payables, other payables and credit balances	(117)	(2,343)	117
In PLN:			
Cash and cash equivalents	2,449	48,988	(2,449)
Trade receivables, receivables and debit balances	488	9,752	(488)
Long-term pledged deposit and restricted cash	897	17,947	(897)
Hedging financial instruments	(1,354)	(27,077)	1,354
Short and long-term loans from financial institutions	(16,555)	(331,101)	16,555
Trade payables, other payables and credit balances	(472)	(9,444)	472
Other long-term liabilities	(526)	(10,510)	526
In USD:			
Cash and cash equivalents	67	1,336	(67)
Pledged deposit	406	8,122	(406)
Trade payables, other payables and credit balances	(7)	(135)	7
Hedging financial instruments	(7)	(142)	7
Other long-term liabilities	(173)	(3,468)	173

Presented below is an analysis of the Group's sensitivity to the Consumer Price Index (CPI):

	March 31, 2018		
	Increase of 2%		Decrease of 2%
	Profit and loss	Carrying amount	Profit and loss
NIS in thousands			
Loans from financial institutions (*)	(9,960)	(498,010)	694

(*) The impact of the decrease of the CPI on some of the aforementioned loans is restricted to the amount of the base index.

Board of Directors' Report

Presented below is an analysis of the Group's sensitivity to changes in the interest rate:

The Company is exposed to changes in short and long-term interest rates on the international markets on which it operates. The Company's loans at variable interest are in Zloty, and as of March 31, 2018, amount to approximately NIS 82,800 thousand (*).

The following table presents sensitivity tests to the value of the fixed rate loans according to changes in the interest rate (in NIS thousands):

Sensitive instruments	March 31, 2018				
	Increase of 10%	Increase of 5%	Fair value	Decrease of 5%	Decrease of 10%
	Profit (loss) from the changes			Profit (loss) from the changes	
	(Before tax effect)			(Before tax effect)	
	NIS in thousands				
Fixed rate instruments					
CPI-linked loans in NIS	10,584	5,335	499,245	(5,422)	(10,932)
Loans in PLN (*)	6,696	3,381	248,399	(3,448)	(6,965)
Total	17,280	8,716	747,644	(8,870)	(17,897)

(*) The Company's loan in PLN is variable rate. According to the financing agreement the Company is obligated to fix 75% of the loan to a fixed rate by means of hedging instruments, and accordingly the hedged part of the loan is presented as a fixed rate instrument.

Board of Directors' Report**Appendix C – The Corporation's Liabilities by Payment Dates**

Presented below are the Group's liabilities which are due after March 31, 2018:

	Loans from financial institutions	Percentage
Current maturities	50,820	6%
Second year	52,270	6%
Third year	53,980	6%
Fourth year	55,816	7%
Fifth year and thereafter	619,525	74%
Total payments	832,411	100%
Balance of loan discount	(11,470)	
Total financial debt	820,941	

Total off-balance sheet liabilities as of March 31, 2018, amount to approximately NIS 55.6 million (of which, NIS 9.3 million are guarantees which were given to subsidiaries and sub-partnerships).

Board of Directors' Report

Appendix D - Quarterly Report Regarding the Effectiveness of Internal Control over Financial Reporting and Disclosure Pursuant to Regulation 38C(a) for the First Quarter of 2018

Management, under the supervision of the Board of Directors of Energix Renewable Energies Ltd. (hereinafter "**The Corporation**"), is responsible for designing and maintaining adequate internal control over financial reporting and disclosure in the Corporation.

In this respect, the members of management are:

1. Asa Levinger, CEO;
2. Elad Cohen, CFO;

Internal control over financial reporting and disclosure includes controls and procedures in place in the Corporation, which were planned by the CEO and the most senior finance officer or under their supervision, or by whoever actually performs such duties, under the supervision of the Corporation's Board of Directors, with the aim of providing reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements in accordance with law, and to assure that information the Corporation is required to disclose in the Financial Statements it issues according to law has been collected, processed, summarized and reported at the time and in the manner required by law.

Internal control includes, inter alia, controls and procedures that were designed in order to assure that information the Corporation is required to disclose is accumulated and transferred to management of the Corporation, including the CEO and the most senior finance officer or to whoever performs such duties, so that timely decisions may be made concerning the disclosure requirement.

Because of its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute certainty that a misstatement or omission of information will be prevented or detected.

In the annual report regarding the effectiveness of internal control over financial reporting and disclosure which was attached to the periodic report for the period ended December 31, 2017 (hereinafter: the "Last Annual Report Regarding Internal Control"), the Board of Directors and management evaluated the internal control in the corporation; Based on this evaluation, the Board of Directors and management of the Corporation reached the conclusion that the aforementioned internal control, as of March 31, 2018, is effective.

Until the date of this report, the Board of Directors and management have not become aware of any event or matter that could change the assessment of the effectiveness of internal control, as stated in the Last Annual Report Regarding Internal Control.

As of the Reporting Date, based on evaluation of the effectiveness of in the last Annual Report Regarding Internal Control, and based on information which was brought to the attention of management and the Board of Directors, as aforesaid, internal control is effective.

Board of Directors' Report

Officers' Declarations:

(A) Declaration of the CEO pursuant to Regulation 38C(d)(1)

I, Asa Levinger, declare that:

1. I have reviewed the quarterly report of Energix Renewable Energies Ltd. (hereinafter - **"The Corporation"**) for the first quarter of 2018 (hereinafter - **"The Reports"**);
2. Based on my knowledge, the reports do not contain any untrue statement of a material fact or omit to state a material fact which is necessary in order to make the statements which were made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the reports;
3. Based on my knowledge, the Financial Statements and other financial information included in the reports, fairly present in all material respects, the financial position, results of operations and cash flows of the Corporation as of the dates and for the periods presented in the reports.
4. I have disclosed, based on my most recent evaluation regarding internal control over financial reporting and disclosure, to the Corporation's Auditors, Board of Directors, and Audit and Financial Statements Review Committees:
 - A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure, which could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial data so as to cast doubt on the reliability of financial the reporting and the preparation of the Financial Statements in accordance with law; and -
 - B. Any fraud, whether or not material, that involves the CEO or anyone directly subordinated to the CEO or that involves other employees who have a significant role in internal control over financial reporting and disclosure;
5. I, alone or together with others in the Corporation, state that:
 - A. I have designed such controls and procedures, or caused such controls and procedures to be designed under my supervision, to ensure that material information relating to the Corporation, including its consolidated corporations within their meaning in the Securities Regulations (Annual Financial Statements) - 2010, is made known to me by others in the Corporation and within those consolidated corporations, particularly during the period in which the reports are being prepared; and -
 - B. I have designed such controls and procedures, or caused such controls and procedures to be designed and applied under my supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the Financial Statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;
 - C. I have not become aware of the occurrence of any event or matter during the period between the date of the last report (quarterly or periodic, as applicable) and the date of this report, that could change the conclusion of the Board of Directors and management regarding the effectiveness of internal control over financial reporting and disclosure of the entity.

Nothing in the aforesaid derogates from my responsibility or from the responsibility of any other person under the law.

May 13, 2018

Asa Levinger, CEO

Board of Directors' Report

Officers' Declarations:

(B) Declaration of the most senior finance officer pursuant to Regulation 38c(d)(2)

I, Elad Cohen, declare that:

1. I have reviewed the Interim Financial Statements and the other financial information which is included in the interim reports of Energix Renewable Energies Ltd. (hereinafter -**"The Corporation"**) for the first quarter of 2018 (hereinafter - **"The Reports"** or **"The Interim Reports"**);
2. Based on my knowledge, the Interim Financial Statements and the other financial information which is included in the interim reports do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the reports;
3. Based on my knowledge, the Interim Financial Statements and other financial information included in the interim reports fairly represent, in all material respects, the financial position, results of operations and cash flows of the Corporation as of the dates and for the periods presented in the reports;
4. I have disclosed, based on my most recent evaluation regarding internal control over financial reporting and disclosure, to the Corporation's Auditors, Board of Directors, and Audit and Financial Statements Review Committees:
 - A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure to the extent it relates to the Interim Financial Statements and other financial information included in the interim reports, which could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial data so as to cast doubt on the reliability of the financial reporting and the preparation of the Financial Statements in accordance with law; and –
 - B. Any fraud, whether or not material, that involves the CEO or anyone directly subordinated to the CEO or that involves other employees who have a significant role in internal control over financial reporting and disclosure;
5. I, alone or together with others in the Corporation, state that:
 - A. I have designed such controls and procedures, or caused such controls and procedures to be designed under my supervision, to ensure that material information relating to the Corporation, including its consolidated corporations within their meaning in the Securities Regulations (Annual Financial Statements) - 2010, is made known to me by others in the Corporation and within those consolidated corporations, particularly during the period in which the reports are being prepared; and -
 - B. I have designed such controls and procedures, or caused such controls and procedures to be designed and applied under my supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the Financial Statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;
 - C. I have not become aware of the occurrence of any event or matter during the period between the date of the last periodic report (quarterly or periodic, as applicable) and the date of this report, which pertains to the Interim Financial Statements or to any other financial information which is included in the interim reports, that could change, in my assessment, the conclusion of the Board of Directors and management regarding the effectiveness of internal control over financial reporting and disclosure of the entity.

Nothing in the aforesaid derogates from my responsibility or from the responsibility of any other person under the law.

May 13, 2018

Elad Cohen, CFO

Energix - Renewable Energies Ltd.

Condensed Consolidated Interim Financial Statements

March 31, 2018

(Unaudited)

Auditor's Review Report to the Shareholders of Energix - Renewable Energies Ltd.

Introduction

We have reviewed the attached financial information of **Energix - Renewable Energies Ltd.** and its subsidiaries (hereinafter: **"The Group"**), which includes the condensed consolidated statement of financial position as of March 31, 2018, and the condensed consolidated statements of income and other comprehensive income, changes in equity and cash flows, for the three month period then ended. The Board of Directors and management are responsible for the preparation and presentation of the financial information for this interim period in accordance with IAS 34, "Interim Financial Reporting", and are also responsible for compiling the financial information for this interim period in accordance with Chapter IV of the Securities Regulations (Periodic and Immediate Reports) - 1970. Our responsibility is to express a conclusion with regard to the financial information for this interim period, based on our review.

Scope of the Review

We have conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Prepared by the Entity's Auditor." A review of interim financial information consists of inquiries, mainly with the people responsible for financial and accounting matters, and of the application of analytical and other review procedures. A review is significantly limited in scope compared to an audit which has been prepared according to generally accepted auditing standards in Israel, and therefore does not allow us to become certain that we have become aware of all material issues which may have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we have not become aware of any matter which would have caused us to believe that the aforementioned financial information has not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34.

In addition to that stated in the previous paragraph, based on our review, we have not become aware of any matter which would have caused us to believe that the aforementioned financial information does not comply, in all material respects, with the disclosure provisions under Chapter D of the Securities Regulations (Periodic and Immediate Reports) - 1970.

Brightman Almagor Zohar & Co.
Certified Public Accountants
Member of Deloitte Touche Tohmatsu Limited

Tel Aviv, May 13, 2018

תל אביב - משרד ראשי

מרכז עוראלי 1 תל אביב, 6701101, ת.ד. 16593 תל אביב 6116402 | טלפון: 03-6085555 | פקס: 03-6094022 | info@deloitte.co.il

משרד נצרת	משרד נתניה	משרד פתח תקווה	משרד אילת	משרד באר שבע	משרד חיפה	משרד ירושלים
מרכז אבן עזר 9 נצרת, 16100	Seker - Deloitte ניבוי ישראל 7 ת.ד. 8458 נתניה, 4250407	Deloitte Analytics הסיבים 7 ת.ד. 6712 פתח תקווה, 4959368	המרכז העירוני 583, ת.ד. אילת, 8810402	אלומות 12 פארק התעשייה עומר 1369, ת.ד. עומר, 8496500	מעלה השחרור 5 5648, ת.ד. חיפה, 3105502	קרית המדע 3 מנזר הר חוצבים 914510, ירושלים 45396, ת.ח.
טלפון: 073-3994455 פקס: 073-3994455 info-nazareth@deloitte.co.il	טלפון: 09-8922444 פקס: 09-8922440 info@deloitte.co.il	טלפון: 073-3994163 פקס: 03-9190372 info@deloitte.co.il	טלפון: 08-6375676 פקס: 08-6371628 info-ellat@deloitte.co.il	טלפון: 08-6909500 פקס: 08-6909600 info-beersheva@deloitte.co.il	טלפון: 04-8607333 פקס: 04-8672528 info-haifa@deloitte.co.il	טלפון: 02-5018888 פקס: 02-5374173 info-jer@deloitte.co.il

Financial Statements**Energix - Renewable Energies Ltd.****Condensed Consolidated Interim Statements of Financial Position**

		March 31		December 31
		2018	2017	2017
Note	NIS in thousands			
		(Unaudited)		(Audited)
Assets				
<u>Current assets</u>				
Cash and cash equivalents		116,633	62,350	96,444
Pledged deposit		65,013	-	93,208
Trade receivables and income receivable from trade receivables		15,456	13,749	11,981
Green certificates		4,346	9,639	8,218
Receivables and debit balances		26,384	12,448	12,159
Total current assets		227,832	98,186	222,010
Long-term pledged deposit and restricted cash	7c(1)	43,597	31,692	43,023
Prepaid land lease expenses		25,087	26,609	25,469
Connected electricity production systems		1,085,862	1,045,948	1,073,645
Systems under construction and initiation	7A, 7B	210,291	35,785	126,952
Fixed assets		2,981	2,297	2,998
Investment in equity-accounted investees		13,955	14,570	14,200
Other receivables		6,340	20,751	6,426
Deferred tax assets, net		14,208	4,377	12,765
Total non-current assets		1,402,321	1,182,029	1,305,478
Total assets		1,630,153	1,280,215	1,527,488
Liabilities and equity				
<u>Current liabilities</u>				
Short-term credit from financial institutions		3,300	-	-
Current maturities of long-term loans		45,204	31,849	43,497
Trade payables		27,188	56,368	38,261
Payables and credit balances		22,118	6,110	36,313
Total current liabilities		97,810	94,327	118,071
<u>Non-current liabilities</u>				
Liability for employee severance benefits, net		417	347	417
Loans from financial institutions		772,437	546,840	676,185
Other long-term liabilities		46,665	25,222	37,570
Deferred tax liability, net		11,336	7,594	10,651
Total non-current liabilities		830,855	580,003	724,823
<u>Equity</u>				
Share capital		3,768	3,573	3,743
Premium and capital reserves		679,559	610,487	669,422
Retained earnings (accumulated loss)		14,677	(11,220)	9,364
Total equity attributable to the owners of the Company		698,004	602,840	682,529
Non-controlling interests		3,484	3,045	2,065
Total equity		701,488	605,885	684,594
Total liabilities and equity		1,630,153	1,280,215	1,527,488

May 13, 2018
**Signing Date of the
Interim Financial
Statements**
**Nathan Hetz
Chairman of Board of
Directors**
**Asa Levinger
CEO**
**Elad Cohen
CFO**

The accompanying notes to the Condensed Consolidated Interim Financial Statements are an integral part thereof.

Financial Statements

Energix - Renewable Energies Ltd.
Condensed Consolidated Interim Statements of Income

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
Revenues from the sale of electricity	28,074	27,004 (*)	121,189
Revenues from the production of green certificates	6,572	3,214 (*)	15,580
Other revenues, net (**)	3,591	47	4,598
	<u>38,237</u>	<u>30,265</u>	<u>141,367</u>
<u>Expenses</u>			
Rent	1,769	1,548	6,529
Maintenance of systems	5,274	5,464	25,244
Other expenses, net (**)	-	3,262	-
Initiation expenses	299	721	1,953
Payroll and related expenses	1,889	1,982	8,303
Administrative, headquarters and other	2,611	2,488	10,467
	<u>11,842</u>	<u>15,465</u>	<u>52,496</u>
Profit before financing, taxes, depreciation and amortization	26,395	14,800	88,871
Depreciation and amortization	(10,862)	(10,370)	(41,688)
Profit before financing and taxes	<u>15,533</u>	<u>4,430</u>	<u>47,183</u>
Financing income	656	328	1,748
Financing expenses	(8,245)	(6,600)	(29,390)
Financing expenses, net	<u>(7,589)</u>	<u>(6,272)</u>	<u>(27,642)</u>
Profit (loss) after financing, net	7,944	(1,842)	19,541
Company's share in the results of equity-accounted investees	188	193	1,537
Profit (loss) before taxes on income	8,132	(1,649)	21,078
Taxes on income	(2,539)	(225)	(5,058)
Profit (loss) for the period	<u>5,593</u>	<u>(1,874)</u>	<u>16,020</u>
Total profit (loss) for the period attributable to:			
Profit (loss) for the period attributable to the owners of the Company	5,833	(1,550)	17,055
Loss for the period attributable to non-controlling interests	(240)	(324)	(1,035)
Total profit (loss) for the period	<u>5,593</u>	<u>(1,874)</u>	<u>16,020</u>
Net earnings (loss) per share attributable to the shareholders of the Company (NIS):			
Basic	<u>0.016</u>	<u>(0.004)</u>	<u>0.047</u>
Diluted	<u>0.015</u>	<u>(0.004)</u>	<u>0.047</u>
Weighted average share capital used to compute earnings (loss) per share (thousands of shares):			
Basic	<u>374,706</u>	<u>353,380</u>	<u>360,908</u>
Diluted	<u>376,557</u>	<u>353,380</u>	<u>362,873</u>

(*) Reclassified. For further details, see Note 3(1)(3) to the Annual Financial Statements.

(**) Other income, net, during the Reporting Period, was primarily comprised of profit from the sale of inventory of green certificates, and reversal of impairment of inventory of green certificates. Other expenses, net, primarily including impairment of green certificates.

The accompanying notes to the Condensed Consolidated Interim Financial Statements are an integral part thereof.

Financial Statements

Energix - Renewable Energies Ltd.**Condensed Consolidated Statements of Comprehensive Income (Loss)**

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
Profit (loss) for the period	5,593	(1,874)	16,020
Other comprehensive income items that after initial recognition in comprehensive income were or will be transferred to profit or loss			
Foreign currency translation differences for foreign operation	14,598	(135)	40,227
Loss from foreign currency differences with respect to derivatives which were designated for the hedging of investments in subsidiaries which constitute foreign operations, net of tax	(9,453)	(744)	(29,632)
Change in the fair value of cash flow hedging instruments, net of tax	(1,064)	163	(208)
Total comprehensive income (loss) for the period	9,674	(2,590)	26,407
Total comprehensive income (loss) attributable to:			
Owners of the Company	9,969	(2,266)	27,538
Non-controlling interests	(295)	(324)	(1,131)
Total comprehensive income (loss) for the period	9,674	(2,590)	26,407

The accompanying notes to the Condensed Consolidated Interim Financial Statements are an integral part thereof.

Financial Statements

Energix - Renewable Energies Ltd.
Condensed Consolidated Interim Statements of Changes in Equity

For the three months ended March 31, 2018 (unaudited)

	Share capital	Premium	Hedge reserve	Reserve from translation of the financial statements of a foreign operation	Capital reserve from transactions with non-controlling interests	Capital reserve from transactions with controlling shareholders	Retained earnings (accumulated loss)	Total equity attributable to the shareholders of the Company	Non-controlling interests	Total equity
NIS in thousands										
Balance as of January 1, 2018	3,743	701,636	251	(31,977)	(1,000)	512	9,364	682,529	2,065	684,594
Income (loss) for the period	-	-	-	-	-	-	5,833	5,833	(240)	5,593
Other comprehensive income (loss) for the period	-	-	(1,064)	5,200	-	-	-	4,136	(55)	4,081
Exercise of share options	25	6,001	-	-	-	-	(1,007)	5,019	-	5,019
Share-based payment	-	-	-	-	-	-	487	487	-	487
Increase in non-controlling interests	-	-	-	-	-	-	-	-	1,714	1,714
Balance as of March 31, 2018	<u>3,768</u>	<u>707,637</u>	<u>(813)</u>	<u>(26,777)</u>	<u>(1,000)</u>	<u>512</u>	<u>14,677</u>	<u>698,004</u>	<u>3,484</u>	<u>701,488</u>

For the three months ended March 31, 2017 (unaudited)

	Share capital	Premium	Receipts on account of options	Hedge reserve	Reserve from translation of the financial statements of a foreign operation	Capital reserve from transactions with controlling shareholders	Retained earnings (accumulated loss)	Total equity attributable to the shareholders of the Company	Non-controlling interests	Total equity
NIS in thousands										
Balance as of January 1, 2017	3,227	553,718	16,206	459	(42,677)	512	(10,867)	520,578	3,369	523,947
Loss for the period	-	-	-	-	-	-	(1,550)	(1,550)	(324)	(1,874)
Other comprehensive income (loss) for the period	-	-	-	163	(879)	-	-	(716)	-	(716)
Issuance of shares	345	82,883	-	-	-	-	-	83,228	-	83,228
Exercise of share options	1	102	-	-	-	-	(12)	91	-	91
Share-based payment	-	-	-	-	-	-	1,209	1,209	-	1,209
Balance as of March 31, 2017	<u>3,573</u>	<u>636,703</u>	<u>16,206</u>	<u>622</u>	<u>(43,556)</u>	<u>512</u>	<u>(11,220)</u>	<u>602,840</u>	<u>3,045</u>	<u>605,885</u>

The accompanying notes to the Condensed Consolidated Interim Financial Statements are an integral part thereof.

Financial Statements**Energix - Renewable Energies Ltd.****Condensed Consolidated Interim Statements of Changes in Equity**

For the year ended December 31, 2017 (audited)

	Share capital	Premium	Receipts on account of options	Hedge reserve	Reserve from translation of the financial statements of a foreign operation	Capital reserve from transactions with non-controlling interests	Capital reserve from transactions with controlling shareholders	Retained earnings (accumulated loss)	Total equity attributable to the shareholders of the Company	Non-controlling interests	Total equity
NIS in thousands											
Balance as of January 1, 2017	3,227	553,718	16,206	459	(42,677)	-	512	(10,867)	520,578	3,369	523,947
Income (loss) for the year	-	-	-	-	-	-	-	17,055	17,055	(1,035)	16,020
Other comprehensive income (loss) for the year	-	-	-	(208)	10,700	-	-	-	10,492	(96)	10,396
Issuance of shares	495	127,426	-	-	-	-	-	-	127,921	-	127,921
Exercise of share options	21	4,286	-	-	-	-	-	(605)	3,702	-	3,702
Share-based payment	-	-	-	-	-	-	-	3,781	3,781	-	3,781
Expired share options	-	16,206	(16,206)	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	(1,000)	-	-	(1,000)	-	(1,000)
Return of capital to non-controlling interests	-	-	-	-	-	-	-	-	-	(173)	(173)
Balance as of December 31, 2017	<u>3,743</u>	<u>701,636</u>	<u>-</u>	<u>251</u>	<u>(31,977)</u>	<u>(1,000)</u>	<u>512</u>	<u>9,364</u>	<u>682,529</u>	<u>2,065</u>	<u>684,594</u>

The accompanying notes to the Condensed Consolidated Interim Financial Statements are an integral part thereof.

Financial Statements

Energix - Renewable Energies Ltd.
Condensed Consolidated Interim Statements of Cash Flows

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
Cash flows - operating activities			
Income (loss) for the period	5,593	(1,874)	16,020
Expenses not involving cash flows (Appendix A)	14,498	12,296	51,651
	20,091	10,422	67,671
Changes in working capital (Appendix B)	(2,177)	618	11,222
Net cash from operating activities	17,914	11,040	78,893
Cash flows - investing activities			
Investment in electricity production systems	(123,792)	505	(94,435)
Increase in pledged deposit and restricted cash	(20)	(20)	(102,937)
Decrease in pledged deposit and restricted cash	28,806	-	-
Settlement of financial instruments	(1,125)	-	(6,582)
Repayment of loans to equity-accounted investees	400	450	2,250
Investment in other fixed assets	(187)	(114)	(1,424)
Consideration from sale of fixed assets	-	-	107
Net cash from (used in) investing activities	(95,918)	821	(203,021)
Cash flows - financing activities			
Consideration from issuance of shares	-	83,228	127,921
Consideration from exercise of share options	5,460	39	3,262
Costs of credit raising	(386)	(596)	(3,908)
Transaction with non-controlling interests	-	-	(1,000)
Return of capital to non-controlling interests in a consolidated company	-	-	(173)
Short-term loans received from banking institutions	3,300	-	-
Repayment of short-term loans from banking institutions	-	(65,501)	(65,501)
Long-term loan received from financial institutions	96,000	-	155,496
Repayment of long-term loans from financial institutions	(7,575)	(5,758)	(37,425)
Net cash from financing activities	96,799	11,412	178,672
Change in cash and cash equivalents	18,795	23,273	54,544
Balance of cash and cash equivalents at beginning of year	96,444	39,114	39,114
Effect of exchange rate fluctuations on cash and cash equivalents	1,394	(37)	2,786
Balance of cash and cash equivalents at end of year	116,633	62,350	96,444

The accompanying notes to the Condensed Consolidated Interim Financial Statements are an integral part thereof.

Energix - Renewable Energies Ltd.
Condensed Consolidated Interim Statements of Cash Flows

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
<u>Appendix - Adjustments Required to Present Cash Flows from Operating Activities</u>			
a. Expenses (income) not involving cash flows:			
Financing expenses, net	524	578	1,064
Prepaid rent	390	390	1,560
Capital loss	-	-	29
Revaluation of loans, deposits and marketable securities, net	(288)	(232)	(62)
Depreciation and amortization	10,862	10,370	41,688
Change in provision for employee severance pay	-	-	70
Company's share in the results of equity-accounted investees	(188)	(193)	(1,537)
Tax expenses recognized in profit for the period	2,711	174	5,058
Share-based payment	487	1,209	3,781
	<u>14,498</u>	<u>12,296</u>	<u>51,651</u>
b. Changes in asset and liability items (changes in working capital):			
Decrease (increase) in trade receivables and other receivables and debit balances	(5,328)	(3,401)	295
Decrease (increase) in inventory of green certificates	4,089	(83)	2,037
Increase (decrease) in trade payables and other payables and credit balances	(938)	4,102	8,890
	<u>(2,177)</u>	<u>618</u>	<u>11,222</u>
<u>Non-cash activity</u>			
Receivables from non-cash exercise of share options	-	55	441
Investment in electricity production facilities against supplier credit and payables	4,702	1,617	38,506
<u>Additional information</u>			
Interest paid in respect of operating activities	7,507	5,770	28,603
Interest received in respect of operating activities	-	67	543

The accompanying notes to the Condensed Consolidated Interim Financial Statements are an integral part thereof.

Energix - Renewable Energies Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)

Note 1 - General

A. General description of the Company and its operations

Energix - Renewable Energies Ltd. (hereinafter - **“The Company”**) is a public company whose securities are listed for trading on the Tel Aviv Stock Exchange Ltd. (hereinafter - **“The Stock Exchange”**) since May 2011. Since its establishment, the Company has been engaged in the field of renewable energy. The Company’s controlling shareholder is Alony Hetz Properties and Investments Ltd. (hereinafter - **“Alony Hetz”**).

The Consolidated Financial Statements of the Company as of March 31, 2018 comprise those of the Company, the companies and partnerships which it controls, and the Company’s interests in the Granot Partnership, a partnership held under joint control, which is accounted as a joint transaction according to the equity method (the Company and the companies and partnerships which it controls, as well as the Granot Partnership, shall be hereinafter referred to as: the **“Group”**).

The Company is engaged in two operating segments: the first - the initiation, development, construction, financing, management and operation of Photovoltaic systems with the aim of holding them as owner for the long term, and the sale of the electricity which is produced therein. As of the Reporting Date, the Company owns active photovoltaic systems in the commercial operation stage in Israel with a total capacity of approximately 49 MWp (the Company’s share: approximately 45 MWp). The Company also has photovoltaic systems under construction in Israel with a capacity of approximately 90MWp (the Company’s share: 100%) and is preparing for the construction of additional projects with a capacity of approximately 52MWp (the Company’s share: 70%) in Israel. The Company also has projects in various stages of development in Israel and in the United States (the **“Photovoltaic Segment”**); The second operating segment involves the initiation, development, construction, financing, management and operation of wind farms for the production of electricity from wind energy, with the aim of holding them for the long term, and sale of the electricity which is produced therein to the relevant entities. As of the Reporting Date, the Company owns 2 wind farms in the commercial operation stage in Poland, with a total capacity of 119 MW (the Company’s share: 116 MW) and owns additional projects in various stages of initiation in Poland and in Israel, with a total capacity of hundreds of Megawatts (hereinafter - the **“Wind Energy Segment”**). The Company is also engaged in the initiation and development of other projects in the Photovoltaic Segment and the Wind Energy Segment in Israel and other countries.

- B. Definitions:** Except where otherwise stated, the definitions in these Financial Statements are the same as those in the Consolidated Annual Financial Statements.

Energix - Renewable Energies Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

Note 2 - Basis of Preparation

- A.** 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 of and for the year ended December 31, 2017 (hereinafter - **“the Annual Financial Statements”**). These reports were also prepared in accordance with the disclosure provisions in chapter D of the Securities Regulations (Periodic and Immediate Reports) - 1970.

These Condensed Consolidated Interim Financial Statements were authorized for issue by the Company's Board of Directors on May 13, 2018.

- B.** The preparation of the Condensed Consolidated Interim Financial Statements in conformity with IFRSs requires management of the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. It is hereby clarified that actual results may differ from these estimates.

C. Exchange rates and linkage base

Balances in foreign currency, or linked thereto, are included in the Financial Statements according to the representative exchange rates which were published by the Bank of Israel and by the Central Bank of Poland as of the Reporting Date.

Balances linked to the consumer price index are presented according to the last known index at the end of the Reporting Period (the index for the month preceding the month of the Reporting Date), or in accordance with the index in lieu for the last month of the Reporting Period (the index for the month of the Reporting Date), in accordance with the terms of the transaction.

Energix - Renewable Energies Ltd.**Notes to the Condensed Consolidated Interim Financial Statements****(Unaudited)****Note 2 - Basis of Preparation (Cont'd)****C. Exchange rates and linkage base (Cont'd)**

Presented below are details regarding the consumer price index and the exchange rates of the following currencies vs. the NIS, and regarding the increase (decrease) of the consumer price index and changes in the exchange rates of the following currencies vs. the NIS:

	As of March 31 / for the month of March		As of December 31 / for the month of December	Change in the three month period ended March 31		Change during the year ended December 31
	2018	2017	2017	2018	2017	2017
				%	%	%
Consumer Price Index (According to base 2000)						
In Israel (index in lieu)	131.58	131.32	131.71	(0.10)	0.10	0.40
In Israel (known index)	131.19	130.93	131.58	(0.30)	(0.20)	0.30
Exchange rate vs. the NIS						
PLN	1.03	0.92	1.00	2.49	(8.04)	8.74
EUR	4.33	3.88	4.15	4.31	(6.51)	2.72
USD	3.51	3.63	3.47	1.27	4.67	(9.87)

Note 3 - Significant Accounting Policies Applied in the Condensed Interim Financial Statements

The judgments made by management in applying the Group's accounting policies and the principal assumptions used in the estimation of uncertainty, as well as the presentation principles and the calculation methods, were the same as those that applied to the Annual Financial Statements.

Note 4 - Seasonality

The sunlight and the speed of the wind in the different seasons naturally have an effect on the output of the photovoltaic systems and wind farms. As regards the photovoltaic activity, in the spring and summer, in which the sunlight is stronger, the output of the photovoltaic systems is higher. In the fall and winter, in which the sunlight is relatively weak, the output of the systems decreases. In regards to the wind energy activity, the production of electricity is subject to changes in wind patterns over the seasons of the year, according to the specific area in which the turbines are located, and also to variations in wind patterns between the years. Based on the wind measurements which were made in the area of the Company's wind farms in Poland, the expectation is that the autumn and winter periods (first and fourth quarters), which are characterized by strong winds, will be the months of increased output in the wind farms. It is hereby clarified that actual weather conditions during a certain period may have a significant impact on the ability of the Company's facilities to produce electricity, whether in the Photovoltaic Segment or in the Wind Energy Segment.

Financial Statements**Energix - Renewable Energies Ltd.****Notes to the Condensed Consolidated Interim Financial Statements****(Unaudited)****Note 5 - Information Regarding Operating Segments**

The basis of segmentation and the measurement basis for the segmental profit or loss are the same as those presented in Note 29 regarding operating segments in the Consolidated Annual Financial Statements.

Three month period ended March 31, 2018								
Photovoltaic		Wind		Total reportable segments	Unallocated expenses	Adjustments	Total consolidated	
Israel	USA	Poland	Israel (*)					
NIS in thousands								
(Unaudited)								
Revenues from the sale of electricity	11,800	-	16,454	-	28,254	-	(180)	28,074
Other revenues, net	34	-	3,557	-	3,591	-	-	3,591
Revenues from production of green certificates			6,711	-	6,711	-	(139)	6,572
Other shared expenses	(3,947)	-	(5,566)	(270)	(9,783)	(2,250)	191	(11,842)
Profit (loss) before financing, taxes, depreciation and amortization	7,887	-	21,156	(270)	28,773	(2,250)	(128)	26,395
Depreciation and amortization	(3,601)	-	(7,285)	(112)	(10,998)	(91)	227	(10,862)
Financing expenses, net	(3,298)	-	(4,224)	-	(7,522)	56	(123)	(7,589)
Profit (loss) before taxes on income	988	-	9,647	(382)	10,253	(2,285)	(24)	7,944
Taxes on income	-	-	-	-	-	(2,539)	-	(2,539)
Company's share in the results of equity-accounted investees	-	-	-	-	-	-	188	188
Net profit (loss)	988	-	9,647	(382)	10,253	(4,824)	164	5,593
Assets of reportable segments and other operations	480,884	18,622	778,267	26,723	1,304,496	-	8,512	1,313,008
Other amounts	96,682	-	83,118	5,246	185,046	132,099	-	317,145
Total consolidated assets	577,566	18,622	861,385	31,969	1,489,542	132,099	8,512	1,630,153
Liabilities of reportable segments and other operations	492,840	-	383,846	13,480	890,166	22,419	16,080	928,665
Total consolidated liabilities	492,840	-	383,846	13,480	890,166	22,419	16,080	928,665

(*) Projects under development.

Financial Statements**Energix - Renewable Energies Ltd.****Notes to the Condensed Consolidated Interim Financial Statements****(Unaudited)****Note 5 - Information Regarding Operating Segments (Cont'd)**

	Three month period ended March 31, 2017						
	Photovoltaic	Wind		Total reportable segments	Unallocated expenses	Adjustments	Total consolidated
	Israel	Poland	Israel (*)				
	NIS in thousands						
	(Unaudited)						
Revenues from the sale of electricity	11,863	15,467 (**)	-	27,330	-	(326)	27,004 (**)
Other revenues, net	34	13	-	47	-	-	47
Revenues from the production of green certificates	-	3,346 (**)	-	3,346	-	(132) (**)	3,214 (**)
Impairment of green certificates	-	(3,262)	-	(3,262)	-	-	(3,262)
Other shared expenses	(2,165)	(5,573)	(135)	(7,873)	(4,554)	224	(12,203)
Profit (loss) before financing, taxes, depreciation and amortization	9,732	9,991	(135)	19,588	(4,554)	(234)	14,800
Depreciation and amortization	(3,600)	(6,860)	(28)	(10,488)	(138)	256	(10,370)
Financing expenses, net	(2,940)	(3,057)	-	(5,997)	(163)	(112)	(6,272)
Profit (loss) before taxes on income	3,192	74	(163)	3,103	(4,855)	(90)	(1,842)
Taxes on income	-	-	-	-	(225)	-	(225)
Company's share in the results of equity-accounted investees	-	-	-	-	-	193	193
Net profit (loss)	3,192	74	(163)	3,103	(5,080)	103	(1,874)
Assets of reportable segments and other operations	350,799	722,237	17,465	1,090,501	-	9,121	1,099,622
Other amounts	65,565	86,130	5,025	156,720	23,873	-	180,593
Total consolidated assets	416,364	808,367	22,490	1,247,221	23,873	9,121	1,280,215
Liabilities of reportable segments and other operations	328,054	305,106	12,764	645,924	11,669	16,737	674,330
Total consolidated liabilities	328,054	305,106	12,764	645,924	11,669	16,737	674,330

(*) Projects under development.

(**) Reclassified.

Financial Statements

Energix - Renewable Energies Ltd.**Notes to the Condensed Consolidated Interim Financial Statements****(Unaudited)****Note 5 - Information Regarding Operating Segments (Cont'd)**

	Year ended December 31, 2017							
	Photovoltaic		Wind		Total reportable segments	Unallocated expenses	Adjustments	Total consolidated
	Israel	USA	Poland	Israel (*)				
	NIS in thousands							
	(Audited)							
Revenues from the sale of electricity	58,682	-	63,758	-	122,440	-	(1,251)	121,189
Other revenues, net	137	-	4,461	-	4,598	-	-	4,598
Revenues from the production of green certificates	-	-	16,132	-	16,132	-	(552)	15,580
Other shared expenses	(10,016)	-	(25,713)	(610)	(36,339)	(17,061)	904	(52,496)
Profit (loss) before financing, taxes, depreciation and amortization	48,803	-	58,638	(610)	106,831	(17,061)	(899)	88,871
Depreciation and amortization	(16,977)	-	(24,968)	(112)	(42,057)	(499)	868	(41,688)
Financing expenses, net	(12,186)	-	(14,358)	-	(26,544)	(636)	(462)	(27,642)
Consolidated profit (loss) before taxes on income	19,640	-	19,312	(722)	38,230	(18,196)	(493)	19,541
Taxes on income	-	-	-	-	-	(5,058)	-	(5,058)
Company's share in the results of equity-accounted investees	-	-	-	-	-	-	1,537	1,537
Net profit (loss)	19,640	-	19,312	(722)	38,230	(23,254)	1,044	16,020
Assets of reportable segments and other operations								
	404,013	17,974	762,666	24,407	1,209,060	-	8,582	1,217,642
Other amounts	80,032	-	73,296	6,284	159,612	150,234	-	309,846
Total consolidated assets	484,045	17,974	835,962	30,691	1,368,672	150,234	8,582	1,527,488
Liabilities of reportable segments and other operations								
	413,541	17,747	366,792	11,845	809,925	16,742	16,227	842,894
Total consolidated liabilities	413,541	17,747	366,792	11,845	809,925	16,742	16,227	842,894

(*) Projects under development.

Financial Statements**Energix - Renewable Energies Ltd.****Notes to the Condensed Consolidated Interim Financial Statements****(Unaudited)****Note 6 - Financial Instruments****A. Hedge transactions:**

Further to that stated in Note 31b(3)(a) to the Consolidated Annual Financial Statements, as of the Reporting Date, the Company has hedge transactions in the amount of PLN 350 million, out of the Company's total exposure to the PLN as of the Reporting Date, which amounted to a total of approximately PLN 505 million. As of the Reporting Date, the hedge is implemented in the form of forward transactions. Additionally, as of the Reporting Date, the Company has hedge transactions pegging the price of equipment denominated in foreign currency with respect to the construction of solar energy projects in Israel, in the amount of approximately NIS 55.6 million, some vis-à-vis Alony Hetz.

B. Presentation according to fair value:

The financial instruments of the Group consist primarily of cash and cash equivalents, restricted deposits and restricted cash, trade receivables, derivatives, other receivables and payables and credit balances, trade payables, short-term credit, loans and other long-term liabilities. The Group believes that the carrying amount of the aforesaid financial assets and liabilities, as presented in the financial statements, is close or identical to their fair value, with the exception of long-term loans bearing fixed interest in the amount of approximately NIS 34,114 thousand, while their fair value as of the Reporting Date is approximately NIS 35,730 thousand. The determination of fair value is performed according to level 2 (observable non-quoted inputs).

	March 31		December 31
	2018	2017	2017
	Level 2		
	NIS in thousands		
Financial assets at fair value			
Derivatives:			
Financial derivatives (interest rate swap transactions) designated for hedging	-	690	261
Financial derivatives (foreign currency swap transactions) designated for hedging	383	16,197	-
	<u>383</u>	<u>16,887</u>	<u>261</u>
Financial liabilities at fair value			
Derivatives:			
Financial derivatives (interest rate swap transactions) designated for hedging	1,044	-	-
Financial derivatives (foreign currency swap transactions) designated for hedging	26,175	-	16,407
	<u>27,219</u>	<u>-</u>	<u>16,407</u>

Energix - Renewable Energies Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)

Note 7 - Additional Information Regarding Events During the Reporting Period and Events Subsequent to the Reporting Date

A. Information regarding the Photovoltaic Segment and relevant engagements

(1) Construction of projects in Israel

- (A) Ongoing project construction works (90MWp):** Further to that stated in Notes 9c and 14a to the Consolidated Annual Financial Statements, during the Reporting Period and until the Reporting Date, the Company continued construction works on Photovoltaic electricity production facilities with a capacity of 90MWp in Southern Israel (the Company's share - 100%), in accordance with the planned timetable. The projects are under construction subject to the terms of the first tender published by the Electricity Authority in 2017, and entitled to a guaranteed, CPI-linked tariff of NIS 0.199 per 1KWh, for a period of 23 years. As of the Reporting Date, these projects are presented as part of systems under construction, in the amount of approximately NIS 163 million.
- (B) Financing of the projects (90MWp):** In February 2018, the Company withdrew a total of NIS 96 million, within the framework of the financing transaction to finance the construction of the projects specified in Section A above, and in accordance with its terms. For details regarding the financing transaction and its terms, see Note 13 to the Annual Financial Statements.
- (C) Additional projects:** The Company is preparing for the construction of additional Photovoltaic facilities with a capacity of approximately 52MWp (the Company's share - 70%). The projects to be built are subject to the terms of the second tender published by the Electricity Authority in 2017, and are entitled to a guaranteed, CPI-linked tariff of NIS 0.1978 per 1KWh, for a period of 23 years. For details regarding the Company's winning of the projects, see Note 14b(1) to the Annual Financial Statements.

(2) Project initiation activities in the United States

In December 2017, the Company entered into an agreement with an American entrepreneur (hereinafter – the “**Local Partner**”) for the creation of a Joint Venture intended for the construction, financing and operation of projects in the Photovoltaic Segment in the United States (hereinafter - the “**US Venture**” and the “**Venture Agreement**”). Under the venture agreement, the US Venture has exclusivity with respect to a series of Photovoltaic projects which are owned by the local partner, in various stages of initiation and development in the United States, with a total capacity of hundreds of installed Megawatts. For details regarding the main understandings between the parties, see Note 14a(4) to the Consolidated Annual Financial Statements.

Under the provisions of the venture agreement, in January 2018, the Company paid to the local partner (through the US Venture) an advance payment in the amount of USD 5 million, on account of the initiation fees which it will be entitled to receive with respect to the first four projects which will be added to the venture. The advance payment to the US Venture was financed through a shareholder's loan, bearing interest of around 9.3%, which the Company provided against the provision of collateral in favor of the US Venture and the Company, including recording a pledge on all of the partner's projects in the United States.

Energix - Renewable Energies Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)

Note 7 - Additional Information Regarding Events During the Reporting Period and Events Subsequent to the Reporting Date (Cont'd)

B. Information regarding activities in the Wind Energy Segment and relevant engagements

(1) Wind Energy in Israel

(A) Clean Wind Energy Project

During the Reporting Period, the Company continued its intensive activity towards the promotion and development of the Clean Wind Energy Project with an estimated capacity of approximately 152MW, which is the Company's leading project in the Wind Energy Segment in Israel.

According to the creditors' arrangement which was approved for the Project Company in September 2014, as of the Reporting Date, the project's balance of liabilities amounts to approximately NIS 12.5 million, which are mostly conditional on the project maturing into a financial close. In light of the receipt of approval from the Ministry of Defense, which constituted the main barrier in the development of the project, and in light of the progress which has been made on the statutory process with the National Infrastructure Committee, the Electric Corporation and other entities, the Company discounts the related costs and the current liabilities to advance the project for the asset, also before tariff approval or a financing undertaking has been given for the project. Accordingly, the Company recognized an asset in the amount of approximately NIS 26.7 million, against current costs and its contingent debts.

For additional details regarding the project, see Note 9d to the Consolidated Annual Financial Statements.

(B) For details regarding the Company's activity in the Wind Energy Segment in Israel, see Note 14b(1) to the Consolidated Annual Financial Statements.

(2) The Company's operations in Poland

(A) Revenue from the wind farms in Poland (sale of electricity and green certificates)

Further to Note 9e(1)(a) to the Consolidated Annual Financial Statements, beginning in the Reporting Period, and as of the Approval Date of the Report, the Company sells the electricity which is produced in the wind farms which it owns in Poland to a local electricity trader. In accordance with the agreement, the Company is entitled to sell electricity according to the price of electricity on the local power exchange, or in accordance with a fixed price which will be determined as part of the hedge transaction which will be implemented between the parties, net of the adjustments which were determined in the agreement, which reflect, inter alia, the wind farms' electricity production profile (depending on, inter alia, capacity and actual production hours). The Project Company of the Banie project also has an agreement with the same local electricity trader for the sale of the green certificates, in consideration of their price on the green certificate exchange in Poland.

In April 2018, in light of the sharp increase in the future prices of black electricity in Poland (according to forward transaction quotes), the Company performed a hedge transaction in the Banie project, with respect to approximately 80% of the scope of electricity production which is expected in the months May-September 2018, and approximately 30% of the expected electricity production in the months October-December 2018, with the aim of determining the selling price of black electricity with respect to those scopes.

Energix - Renewable Energies Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)

Note 7 - Additional Information Regarding Events During the Reporting Period and Events Subsequent to the Reporting Date (Cont'd)

C. Contingencies, Guarantees and Liens

(1) Liens

As of the Reporting Date, the pledged assets of the Group are identical to those presented in the Consolidated Annual Financial Statements. For details, see Note 30 to the Consolidated Annual Financial Statements.

(2) Guarantees

The Company provided the following bank guarantees: (1) Approximately NIS 0.9 million with respect to its requests to receive conditional and permanent licenses for projects in the Photovoltaic Segment; (2) Approximately NIS 3 million in connection with the Neot Hovav project; (3) A construction guarantee in the amount of NIS 21 million to the Electricity Authority, with respect to its winning of the competitive process with a capacity of 70MW (approximately 90MWp), as specified in Note 7a(1); (4) A construction guarantee in the amount of approximately NIS 11.9 million to the Electricity Authority, with respect to its winning of a competitive process with a capacity of 40MW (approximately 52MWp); (5) NIS 9.3 million with respect to guarantees between the Group's member companies, out of the Company's credit facilities; (6) NIS 1.7 million in connection with the construction of projects in the Photovoltaic Segment; (7) Approximately PLN 7 million as part of the financing transaction with respect to the Banie project. The Company also has provided Company guarantees within the framework of the Group's financing transactions, in the total amount of NIS 353 million.

In October 2017, the Company provided a bank guarantee backed by cash to secure the payment to the panel supplier, within the framework of the construction of the Winning Projects, in the amount of approximately NIS 90 million, as specified in Section 7a(1) above. The total guarantee and the pledged cash with respect to it will amount to the total remaining payment to the panel supplier. For additional information, see Note 7f.

(3) Financial covenants

The Group, through companies and partnerships that it controls, has received long-term loans and credit facilities from financial institutions that prescribe customary financial covenants. As of the Reporting Date and as of the Approval Date of the Report, the Company is in compliance with the aforesaid covenants, by significant margins. For additional information regarding the financial covenant, see Note 13 to the Consolidated Annual Financial Statements.

Energix - Renewable Energies Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

Note 7 - Additional Information Regarding Events During the Reporting Period and Events Subsequent to the Reporting Date (Cont'd)

D. Options granted to employees and to the Company's CEO

In addition to that stated in Note 32e to the Consolidated Annual Financial Statements, on March 12, 2018, the Company's Board of Directors approved the allocation of an annual tranche by virtue of the 2014 plan, of which 5,820,000 options were actually granted on April 16, 2018, and 85,000 were actually granted on May 2, 2018 (the "Actual Grant Date", as applicable). Presented below are additional details regarding the granted options:

	Equity compensation to employees	Equity compensation to corporate officers (*)	Equity compensation to the Company's CEO
Number of options	1,383,000	2,585,000	1,937,000
Including fully accelerated options in lieu of cash bonus	-	1,057,000	1,232,000
Number of recipients	22	7	1
Share price (in NIS)	3.337	3.337	3.337
Exercise price (in NIS) (**)	3.604	3.604	3.604
Fair value of option	0.4214	0.4214	0.4465
Expected volatility	22.83%	22.83%	22.83%
Lifetime of the option (in years)	2.83	2.83	3.08
Last exercise date	36 months after the actual grant date	36 months after the actual grant date	36 months after the actual grant date
Risk-free interest rate	0.440%	0.440%	0.481%
Expected dividend rate	-	-	-

(*) 3 directors of the Company who are not among the controlling shareholders and are not employees of the Company and/or corporate officers of Alony Hetz, as well as the CFO, VP Legal, VP Business Development and Company Secretary, VP Business Development and VP Engineering.

(**) The exercise price was determined based on the share price plus 8%.

The options are not listed for trading and are exercisable into ordinary shares of NIS 0.01 par value each of the Company (subject to adjustments) under the capital gains tax with a trustee by virtue of Section 102(b)(2) of the Income Tax Ordinance. The fair value is estimated using the Black and Scholes model. The total economic value of the options amounts to approximately NIS 2,534 thousand. Out of said total, an amount of approximately NIS 995 thousand was deducted in 2017 (due to options granted in lieu of a cash bonus, and the immediate vesting thereof) and the remaining NIS 1,539 thousand is expected to be amortized over a period of 25 months, in a straight line.

E. Credit facilities

As of the Reporting Date, out of the total credit facilities which are available to the Company, a total of approximately NIS 54.9 million is used in favor of bank guarantees, as specified in Note 7c(2) above, and NIS 3.3 million is used due to the withdrawal of funds. For additional information, see Note 13 to the Consolidated Annual Financial Statements.

Energix - Renewable Energies Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)

Note 7 - Additional Information Regarding Events During the Reporting Period and Events Subsequent to the Reporting Date (Cont'd)

F. Pledged deposits

In May 2018, subsequent to the Reporting Date, cash was released from a pledged deposit in the amount of NIS 44.4 million. This amount was added to the Company's balance of cash and cash equivalents.

G. Details regarding material transaction with related and interested parties

- (1) Engagement with Alony Hetz, the controlling shareholder, in forward transactions to hedge its exposure to foreign currency:** For details, see Note 25a(6) to the Consolidated Annual Financial Statements. On May 13, 2018, the Company's Board of Directors approved, after approval was received from the audit committee, the extension of the engagement by an additional 12 months.
- (2) Management agreement with Alony Hetz:** For details, see Note 25a(1) to the Consolidated Annual Financial Statements.
- (3) Receipt of a guarantee from Alony Hetz for the purpose of meeting the conditions for the withdrawal of external financing:** In February 2018, the Company withdrew NIS 96 million from the financing facility, which was backed by the guarantee of Alony Hetz. For additional information, see Note 25a(5) to the Consolidated Annual Financial Statements.
- (4) Update and extension of the employment agreement with a relative of the controlling shareholder:** In May 2018, subsequent to the Reporting Date, the general meeting approved an update to the employment agreement of Mr. Omer Tosh, a relative of the controlling shareholder, for 3 years, effective beginning on March 1, 2018. The monthly employment cost of Mr. Tosh, as approved by the general meeting, amounts to approximately NIS 34 thousand per month. For additional details regarding his employment terms, as approved in the general meeting, as stated above, see Note 25a(2) to the Consolidated Annual Financial Statements.

Energix - Renewable Energies Ltd.

**Condensed Interim Separate Financial Information
March 31, 2018**

(Unaudited)

Attn.:

Shareholders of Energix - Renewable Energies Ltd.

2 Jabotinsky St.

Ramat Gan

Dear Sir / Madam,

**Re: Special Review Report Regarding the Separate Interim Financial Information
In accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) - 1970**

Introduction

We have reviewed the separate interim financial information which is presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) - 1970 of Energix - Renewable Energies Ltd. (hereinafter - the “**Company**”) as of March 31, 2018, and for the three month period then ended. The Company’s Board of Directors and management are responsible for the separate interim financial information. Our responsibility is to express a conclusion regarding the separate interim financial information for this interim period, based on our review.

Scope of the Review

We have conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, “Review of Interim Financial Information Prepared by the Entity’s Auditor.” A review of separate interim financial information consists of making inquiries, primarily with the individuals who are responsible for financial and accounting matters, and of applying analytical and other review procedures. A review is significantly limited in scope compared to an audit which has been prepared according to generally accepted Israeli auditing standards, and therefore does not allow us to reach certainty that we have become aware of all material issues which may have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we have not become aware of any information which would have caused us to believe that the aforementioned separate interim financial information has not been not prepared, in all material respects, in accordance with the provisions of Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) - 1970.

Brightman Almagor Zohar & Co.

Certified Public Accountants

Member of Deloitte Touche Tohmatsu Limited

Tel Aviv, May 13, 2018

תל אביב - משרד ראשי

מרכז עוראלי 1 תל אביב, 6701101, ת.ד. 16593 תל אביב 6116402 | טלפון: 03-6085555 | פקס: 03-6094022 | info@deloitte.co.il

משרד נצרת	משרד נתניה	משרד פתח תקווה	משרד אילת	משרד באר שבע	משרד חיפה	משרד ירושלים
מרכז אבן עזר 9 נצרת, 16100	Seker - Deloitte ניבוי ישראל 7 ת.ד. 8458 נתניה, 4250407	Deloitte Analytics הסיבים 7 ת.ד. 6712 פתח תקווה, 4959368	המרכז העירוני 583 אילת, 8810402	אלומות 12 פארק התעשייה עומר ת.ד. 1369 עומר, 8496500	מעלה השחרור 5 ת.ד. 5648 חיפה, 3105502	קרית המדע 3 מנחם הר חוצבים ירושלים, 914510 ת.ח. 45396
טלפון: 073-3994455 פקס: 073-3994455 info-nazareth@deloitte.co.il	טלפון: 09-8922444 פקס: 09-8922440 info@deloitte.co.il	טלפון: 073-3994163 פקס: 03-9190372 info@deloitte.co.il	טלפון: 08-6375676 פקס: 08-6371628 info-ailat@deloitte.co.il	טלפון: 08-6909500 פקס: 08-6909600 info-beersheva@deloitte.co.il	טלפון: 04-8607333 פקס: 04-8672528 info-haifa@deloitte.co.il	טלפון: 02-5018888 פקס: 02-5374173 info-jer@deloitte.co.il

Financial Statements

Energix - Renewable Energies Ltd.
Condensed Interim (Separate) Financial Position Data

	March 31		December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
Assets			
<u>Current assets</u>			
Cash and cash equivalents	20,346	16,950	43,970
Pledged deposit	65,013	-	90,009
Trade receivables and income receivable from trade receivables	209	41	148
Receivables - investees	2,643	4,535	2,578
Receivables and debit balances	867	4,879	652
Total current assets	89,078	26,405	137,357
<u>Non-current assets</u>			
Connected electricity production systems	3,643	279	3,728
Systems under construction and inventory	244	244	18,218
Fixed assets	2,981	2,296	2,998
Investment in investees	731,511	588,579	654,158
Loan to an investee company	5,968	7,532	5,964
Other receivables	4,626	15,772	4,528
Total non-current assets	748,973	614,702	689,594
Total assets	838,051	641,107	826,951
Liabilities and equity			
<u>Current liabilities</u>			
Short-term credit from financial institutions	3,300	-	-
Current maturities of long-term loans	1,374	1,068	1,098
Trade payables	1,972	1,752	2,044
Payables and credit balances	15,739	2,976	27,906
Total current liabilities	22,385	5,796	31,048
<u>Non-current liabilities</u>			
Liabilities with respect to financial instruments	16,704	-	9,432
Liability for employee severance benefits, net	417	347	417
Loans from financial institutions	12,062	13,153	12,378
Loans from investees	82,630	8,475	81,814
Payables - investees	532	60	809
Other long-term liabilities	3,500	3,500	3,500
Deferred tax liabilities, net	1,817	6,936	5,024
Total non-current liabilities	117,662	32,471	113,374
<u>Equity</u>			
Share capital	3,768	3,573	3,743
Capital reserves	679,559	610,487	669,422
Retained earnings (accumulated loss)	14,677	(11,220)	9,364
Total equity attributable to the owners of the Company	698,004	602,840	682,529
Total liabilities and equity	838,051	641,107	826,951

May 13, 2018

**Signing Date of the
Interim (Separate)
Financial Information**

**Nathan Hetz
Chairman of Board of
Directors**

**Asa Levinger
CEO**

**Elad Cohen
CFO**

The supplementary information accompanying the condensed interim separate financial information is an integral part thereof.

Financial Statements

Energix - Renewable Energies Ltd.
Condensed Interim (Separate) Comprehensive Income Data

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
<u>Revenues</u>			
Revenues from the sale of electricity	179	18	493
Operating and other income, net	361	304	6,990
	<u>540</u>	<u>322</u>	<u>7,483</u>
<u>Expenses</u>			
Rent	18	2	49
Maintenance of systems	472	307	1,653
Initiation expenses	299	567	1,792
Payroll and related expenses	1,889	1,925	8,146
Administrative, headquarters and other	2,244	2,103	8,255
	<u>4,922</u>	<u>4,904</u>	<u>19,895</u>
Loss before financing, taxes, depreciation and amortization	(4,382)	(4,582)	(12,412)
Depreciation and amortization	(287)	(144)	(790)
Loss before financing and taxes	<u>(4,669)</u>	<u>(4,726)</u>	<u>(13,202)</u>
Financing income	3,530	2,578	6,116
Financing expenses	(623)	(324)	(2,191)
Financing income, net	<u>2,907</u>	<u>2,254</u>	<u>3,925</u>
Loss after financing, net	<u>(1,762)</u>	<u>(2,472)</u>	<u>(9,277)</u>
Company's share in the results of equity-accounted investees	7,211	717	32,768
Profit (loss) before taxes on income	<u>5,449</u>	<u>(1,755)</u>	<u>23,491</u>
Tax benefit (taxes on income)	384	205	(6,436)
Profit (loss) for the period attributable to the owners of the Company	<u>5,833</u>	<u>(1,550)</u>	<u>17,055</u>
Net earnings (loss) per share attributable to the shareholders of the Company (NIS):			
Basic	<u>0.016</u>	<u>(0.004)</u>	<u>0.047</u>
Diluted	<u>0.015</u>	<u>(0.004)</u>	<u>0.047</u>
Weighted average share capital used to compute the earnings per share (thousands of shares):			
Basic	<u>374,706</u>	<u>353,380</u>	<u>360,908</u>
Diluted	<u>376,557</u>	<u>353,380</u>	<u>362,873</u>
Other comprehensive income items that after initial recognition in comprehensive income were or will be transferred to profit or loss			
Foreign currency translation differences for foreign operation	14,653	(135)	40,323
Loss from foreign currency differences with respect to derivatives which were designated for the hedging of investments in subsidiaries which constitute foreign operations, net of tax	(9,453)	(744)	(29,632)
Net change in the fair value of cash flow hedging instruments	<u>(1,064)</u>	<u>163</u>	<u>(208)</u>
Total comprehensive income (loss) for the year attributable to the equity holders of the Company	<u>9,969</u>	<u>(2,266)</u>	<u>27,538</u>

The supplementary information accompanying the condensed interim separate financial information is an integral part thereof.

Financial Statements

Energix - Renewable Energies Ltd.
Condensed Interim (Separate) Cash Flow Data

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
Cash flows - operating activities			
Income (loss) for the period	5,833	(1,550)	17,055
Expenses not involving cash flows (Appendix A)	(9,555)	(1,257)	(14,912)
	(3,722)	(2,807)	2,143
Changes in working capital (Appendix B)	712	(91)	1,711
Net cash from (used in) operating activities	(3,010)	(2,898)	3,854
Cash flows - investing activities			
Investment in electricity production systems	-	-	(445)
Decrease (increase) in pledged deposit	25,536	-	(90,009)
Repayment of loans given to investees	13,998	4,525	69,630
Repayment of investment in investees	400	450	9,474
Investment in other fixed assets	(186)	(113)	(1,424)
Long-term loans granted to investees	-	-	(616)
Settlement of financial instruments	(1,125)	-	(6,582)
Investment in partnerships and investees	(68,292)	(5,602)	(78,759)
Consideration from sale of fixed assets	-	-	107
Net cash used in investing activities	(29,668)	(740)	(98,624)
Cash flows - financing activities			
Consideration from exercise of share options	5,460	39	3,262
Consideration from issuance of shares	-	83,228	127,921
Loans received from investees	-	-	71,737
Transaction with non-controlling interests	-	-	(1,000)
Repayment of long-term loans from financial institutions	-	(522)	(1,323)
Short-term loans received from banking institutions	3,300	-	-
Repayment of short-term loans from banking institutions	-	(65,501)	(65,501)
Net cash from financing activities	8,760	17,244	135,096
Change in cash and cash equivalents	(23,918)	13,606	40,326
Balance of cash and cash equivalents at beginning of year	43,970	3,359	3,359
Effect of fluctuations in exchange rates on cash and cash equivalents	294	(15)	285
Balance of cash and cash equivalents at end of year	20,346	16,950	43,970

The supplementary information accompanying the condensed interim separate financial information is an integral part thereof.

Financial Statements

Energix - Renewable Energies Ltd.
Condensed Interim (Separate) Cash Flow Data

	Three month period ended March 31		Year ended December 31
	2018	2017	2017
	NIS in thousands		
	(Unaudited)		(Audited)
<u>Appendix - Adjustments Required to Present Cash Flows from Operating Activities</u>			
a. Income (expenses) not involving cash flows:			
Financing income, net	(2,691)	(1,623)	(6,402)
Capital loss	-	-	29
Revaluation of loans, deposits, marketable securities and hedging instruments, net	(42)	(14)	260
Tax income recognized in profit (loss) for the period	(384)	(256)	6,436
Company's share in the results of equity-accounted investees	(7,211)	(717)	(19,876)
Depreciation and amortization	287	144	790
Change in provision for employee severance pay	-	-	70
Share-based payment	487	1,209	3,781
	<u>(9,555)</u>	<u>(1,257)</u>	<u>(14,912)</u>
b. Changes in asset and liability items (changes in working capital):			
Decrease (increase) in trade receivables and other receivables and debit balances	(340)	275	349
Decrease (increase) in receivables and debit balances in respect of investees	(214)	(113)	871
Increase (decrease) in trade payables and other payables and credit balances	1,266	(253)	491
	<u>712</u>	<u>(91)</u>	<u>1,711</u>
<u>Non-cash activity</u>			
Investment in investees against supplier credit and payables	-	4,500	4,500
Non-cash exercise of share options	-	55	441
<u>Additional information</u>			
Interest received in respect of operating activities	-	1,067	5,988
Interest paid in respect of operating activities	-	398	737
Dividend received from investees	-	-	12,892

The supplementary information accompanying the condensed interim separate financial information is an integral part thereof.

Energix - Renewable Energies Ltd.

Supplementary Information to the Condensed Separate Interim Financial Information

Note 1 - General:

A. General

The interim separate financial information is presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) - 1970 and does not include all the information that is required under Regulation 9C and the Tenth Addendum to the Securities Regulations (Periodic and Immediate Reports) - 1970 concerning separate financial information of the entity. It should be read in conjunction with the separate financial information as of and for the year ended December 31, 2017 (hereinafter “**Separate Annual Financial Statements**”) and in conjunction with the Condensed Consolidated Interim Financial Statements as of March 31, 2018.

B. Definitions for this Condensed Separate Interim Financial Information

Company - Energix - Renewable Energies Ltd.

Investee - As defined in Note 1 to the Consolidated Financial Statements of the Company as of December 31, 2017.

Note 2 - Significant Accounting Policies Applied to the Condensed Interim Separate Financial Information

The separate financial information was drawn up in accordance with the accounting policies that are set out in Note 1c to the Company's separate Annual Financial Statements.

Note 3 - Additional Information Regarding Events During the Reporting Period

A. Construction works on photovoltaic projects in Israel (90MWp) and financing for their construction

For details regarding construction works on projects with a capacity of 70MW (approximately 90MWp), which is owned by a wholly owned partnership of the Company, and financing for the ongoing construction of those projects, see Note 7a(1) to the Consolidated Financial Statements for the period.

B. Clean Wind Energy Project

For details regarding the promotion of a Clean Wind Energy Project, see Note 7b(1)(a) to the Consolidated Financial Statements for the period.

C. Preparation for the construction of photovoltaic projects in Israel (52MWp)

For details regarding preparations for the construction of projects with a capacity of 40MW (approximately 52MWp), which are owned by a partnership which is held 70% by the Company, see Note 7a(1) to the Consolidated Financial Statements for the period.

D. Project initiation activities in the United States

For details regarding the initiation of projects in the United States, see Note 7a(2) to the Consolidated Financial Statements for the period.

Energix - Renewable Energies Ltd.

Supplementary Information to the Condensed Separate Interim Financial Information

Note 3 - Additional Information Regarding Events During the Reporting Period (Cont'd)

E. Revenues from the Wind Farm in Poland

For details regarding hedge transactions with respect to the price of black electricity, which were implemented by a wholly owned partnership of the Company in Poland, see Note 7b(2) to the Consolidated Financial Statements for the period.

F. Bank Guarantees and Company Guarantees

See Note 7c to the Consolidated Financial Statements for the period regarding guarantees of the Company.

G. Credit facilities

For details regarding the Company's credit facilities as of the Reporting Date and as of the Approval Date of the Report, see Note 7e to the Consolidated Financial Statements for the period.

H. Options granted to employees and to the Company's CEO

For details regarding options which were granted, see Note 7d.

I. Material transactions with related and interested parties

For details regarding an engagement with Alony Hetz, the controlling shareholder, in forward transactions to hedge the exposure to foreign currency, and the management agreement with Alony Hetz, see Note 7g.

J. For additional information regarding events during the Reporting Period and events subsequent to the Reporting Date, see Note 7 to the Consolidated Financial Statements for the period.