

ELCO LIMITED

Interim Consolidated Financial Information

As of March 31, 2024

Convenience Translation into U.S. Dollars

(Unaudited)

This is an English translation of parts of the information included in the full Hebrew report of the company, that was published on May 29, 2024 (reference No. 2024-01-055830) at the ISA reporting website (magna.isa.gov.il) (hereafter: "the Hebrew Version"). The English version is Voluntary and only for convenience purposes. This is not an official translation and has no binding force. The translation in any case cannot perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

ELCO LIMITED

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To: Elco LTD.

Re: Convenience Translation of Interim Financial Information

Per your request, we have reviewed the accompanying interim consolidated financial information of Elco Ltd. ("the Company") as of March 31, 2024 and for the period of three months then ended ("the Interim Financial Information"). The Interim Financial Information is the responsibility of the Company's Board of Directors and management. Our responsibility is to express a conclusion regarding the Interim Financial Information based on our review.

We did not review the interim financial information of certain subsidiaries, whose assets constitute approximately 0.95% of the total consolidated assets as of March 31, 2024 and whose revenues constitute approximately 0.52% of the total consolidated revenue for period of the three months ended on March 31, 2024. Furthermore, we did not review the interim financial information of certain companies accounted for at equity, the investment in which amounted to approximately 106,082 thousand dollars as of March 31, 2024, and the Company's share of their profits amounted to approximately 3,841 thousand dollars for the period of three months ended on March 31, 2024. The interim financial information for those companies were reviewed by other auditors, whose reports have been furnished to us, and our conclusion, insofar as it relates to amounts included for those companies, is based on the reports of the other auditors.

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The accompanying Interim Financial Information in US Dollars are a convenience translation of the interim consolidated financial statements as prepared in New Israeli Shekels at the rate of exchange of the Shekel into US Dollars prevailing on March 31, 2024, as described in note 3 of the Interim Financial Information.

Based on our review and the reports of the other auditors, we concluded an unqualified conclusion on the Company's consolidated interim financial statements in our report dated May 28, 2024.

The accompanying interim financial information, which are derived from the company's interim consolidated financial statements, are condensed interim financial information and do not include the disclosures required by International Financial Reporting Standards (IFRS). If the omitted disclosures were included in the accompanying interim financial information, it might influence the user's conclusions about the consolidated financial position, results of operations, changes in equity and cash flows of the company. Accordingly, the accompanying interim financial information are not designated for those who are not informed about such matters.

Based on our review and the reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not present fairly, in all material respects, the information contained in it.

Tel-Aviv, Israel
May 28, 2024

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

ELCO LIMITED**CONSOLIDATED INFORMATION OF FINANCIAL POSITION****CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	March 31 2024	March 31 2023	December 31 2023
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
Current assets			
Cash and cash equivalents	264,604	295,863	312,495
Short-term investments	151,650	123,922	90,811
Trade receivables	745,241	684,683	683,151
Other accounts receivables	741,086	739,273	675,374
Inventory, inventory of land, buildings and apartments for sale	810,204	631,417	775,785
Assets held for sale	-	114,920	127,771
	<u>2,712,785</u>	<u>2,590,078</u>	<u>2,665,387</u>
Non-current assets			
Long-term receivables	135,219	64,260	122,698
Receivables for concession arrangement for the provision of services	63,966	41,704	58,279
Investment in entities accounted for at equity	875,085	980,811	886,845
Long-term inventory of land	217,412	329,281	212,473
Investment property and investment property under construction	124,667	116,882	124,420
Fixed assets	563,371	460,894	548,349
Right-of-use assets	788,930	634,506	633,845
Goodwill and other intangible assets	1,231,304	1,281,227	1,228,141
Deferred taxes	33,587	30,362	33,892
	<u>4,033,541</u>	<u>3,939,927</u>	<u>3,848,942</u>
	<u>6,746,326</u>	<u>6,530,005</u>	<u>6,514,329</u>

ELCO LIMITED

CONSOLIDATED INFORMATION OF FINANCIAL POSITION CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	March 31 2024	March 31 2023	December 31 2023
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
Current Liabilities			
Credit from banking institutions and others	643,946	610,125	624,027 *)
Bonds - current maturities	138,291	109,781	126,201
Current maturities of leasing liabilities	102,937	94,495	110,327
Suppliers and providers of services	1,117,450	1,056,504	1,066,818
Other payables	828,714	734,659	798,870
Dividend payable to shareholders in the company	8,150	13,583	-
Liabilities attributed to assets held for sale	-	118,257	121,882
	<u>2,839,488</u>	<u>2,737,404</u>	<u>2,848,125</u>
Long-Term Liabilities			
Credit from banking institutions and others	659,586	678,030	738,432 *)
Bonds	762,804	670,305	642,932
Leasing liabilities	760,153	601,750	597,562
Other liabilities	180,665	165,553	157,937
Employee benefit liabilities, net	22,524	23,796	22,518
Deferred taxes	139,938	170,660	152,400
	<u>2,525,670</u>	<u>2,310,094</u>	<u>2,311,781</u>
Equity			
Equity attributable to equity holders of the Company	602,423	707,073	610,771
Non-controlling interests	778,745	775,434	743,652
Total equity	<u>1,381,168</u>	<u>1,482,507</u>	<u>1,354,423</u>
	<u>6,746,326</u>	<u>6,530,005</u>	<u>6,514,329</u>

*) Reclassified.

May 28, 2024

Date of approval of
financial statements

E. Vessely
Chief Financial Officer

M. Salkind
Joint General Manager

M. Fridman
Chairman of the Board
of Directors

ELCO LIMITED

CONSOLIDATED INFORMATION OF PROFIT OR LOSS

CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	Three months ended March 31 2024	Three months ended March 31 2023 *)	Year ended December 31 2023
	Unaudited	Unaudited	Audited
Revenues, net	1,331,595	1,265,305	5,080,862
Adjustment of the fair value and the results of the disposal of income-generating assets, net	(234)	(98)	(1,931)
Group's share of the profits (losses) of companies accounted for at equity, net	(7,323)	7,085	9,157
Other income	7,006	2,509	17,887
Total	1,331,044	1,274,801	5,105,975
Cost of producing revenues	(1,129,632)	(1,062,005)	(4,340,260)
Selling and marketing expenses	(125,458)	(116,321)	(485,325)
Administrative and general expenses	(42,775)	(42,978)	(167,020)
Other expenses	(12,388)	(11,556)	(80,864)
Financing income	9,715	8,792	24,013
Financing expenses	(38,779)	(35,785)	(156,743)
Total	(1,339,317)	(1,259,853)	(5,206,199)
Income (loss) before taxes on income	(8,273)	14,948	(100,224)
Taxes on income	(2,935)	(10,497)	(13,846)
Income (loss) from continuing operations	(11,208)	4,451	(114,070)
Loss from discontinued operations, net	(302)	(2,466)	(24,756)
Net income (loss)	(11,510)	1,985	(138,826)
Attributable to:			
Equity holders in the Company	(11,278)	3,546	(78,441)
Non-controlling interest	(232)	(1,561)	(60,385)
	(11,510)	1,985	(138,826)
Earnings (loss) per share (in U.S. Dollars) - attributable to the Equity holders of the Company:			
Basic - Earnings (loss)			
From continuing operations	(0.41)	0.15	(2.41)
From discontinued operations	(0.01)	(0.02)	(0.48)
	(0.42)	0.13	(2.89)
Fully diluted - Earnings (loss)			
From continuing operations	(0.41)	0.15	(2.44)
From discontinued operations	(0.01)	(0.02)	(0.48)
	(0.42)	0.13	(2.92)

*) Reclassified for discontinued operations.

CONSOLIDATED INFORMATION OF COMPREHENSIVE INCOME

CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	Three months ended March 31 2024	Three months ended March 31 2023	Year ended December 31 2023
	Unaudited	Unaudited	Audited
Net income (loss)	(11,510)	1,985	(138,826)
Other comprehensive income (loss) (after tax effects):			
<u>Amounts that will never be reclassified to profit or loss:</u>			
Gain from the re-measurement of defined benefit plans, net	-	-	333
Revaluation of a fixed asset that has been reclassified to investment property	-	3,481	3,481
	-	3,481	3,814
<u>Amounts that will be classified or reclassified to the profit or loss, when specific conditions are met:</u>			
Adjustments deriving from the translation of the financial statements of foreign operations, net	14,562	12,995	11,252
Realization of reserve on translation differences on foreign operations	999	-	-
Gain on hedging transactions, net	1,424	5,009	1,041
	16,985	18,004	12,293
Total other comprehensive income	16,985	21,485	16,107
Total comprehensive income (loss)	5,475	23,470	(122,719)
Comprehensive income (loss) attributable to:			
Equity holders in the company	(2,345)	18,230	(65,901)
Non-controlling interests	7,820	5,240	(56,818)
	5,475	23,470	(122,719)

ELCO LIMITED

CONSOLIDATED INFORMATION OF CHANGES IN EQUITY

CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital reserve on transactions with controlling interests	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on hedging transactions	Capital reserve on the re- measurement of defined benefit plans	Adjustment s deriving from the translation of financial Statements	Capital reserve on share- based payment	Total Attributable to equity holders in the company	Non- controlling interests	Total equity
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance as of January 1, 2024 (Audited)	30,973	17,360	(79,991)	740,051	274	(48,800)	3,745	719	(62,643)	9,083	610,771	743,652	1,354,423
Loss	-	-	-	(11,278)	-	-	-	-	-	-	(11,278)	(232)	(11,510)
Total other comprehensive income	-	-	-	-	-	-	672	-	8,261	-	8,933	8,052	16,985
Total comprehensive income (loss)	-	-	-	(11,278)	-	-	672	-	8,261	-	(2,345)	7,820	5,475
Cost of share-based payment	-	-	-	-	-	-	-	-	-	74	74	1,841	1,915
Dividend to shareholders in the company	-	-	-	(8,150)	-	-	-	-	-	-	(8,150)	-	(8,150)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(8,370)	(8,370)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(3,324)	(684)	-	-	-	-	-	-	(4,008)	(810)	(4,818)
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	4,585	-	1,592	-	-	(96)	-	6,081	34,612	40,693
As of March 31, 2024	30,973	17,360	(83,315)	724,524	274	(47,208)	4,417	719	(54,478)	9,157	602,423	778,745	1,381,168

ELCO LIMITED

CONSOLIDATED INFORMATION OF CHANGES IN EQUITY

CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital reserve on transactions with controlling interests	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on hedging transactions	Capital reserve on the re- measurement of defined benefit plans	Adjustment s deriving from the translation of financial Statements	Capital reserve on share- based payment	Revaluation reserve	Total Attributable to equity holders in the company	Non- controlling interests	Total equity
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance as of January 1, 2023 (Audited)	30,972	17,190	(76,045)	836,900	274	(49,902)	3,439	524	(71,099)	8,923	-	701,176	778,876	1,480,052
Net income (loss)	-	-	-	3,546	-	-	-	-	-	-	-	3,546	(1,561)	1,985
Total other comprehensive income	-	-	-	-	-	-	2,155	-	9,048	-	3,481	14,684	6,801	21,485
Total comprehensive income	-	-	-	3,546	-	-	2,155	-	9,048	-	3,481	18,230	5,240	23,470
Cost of share-based payment	-	-	-	-	-	-	-	-	-	94	-	94	1,956	2,050
Dividend to shareholders in the company	-	-	-	(13,583)	-	-	-	-	-	-	-	(13,583)	-	(13,583)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(15,108)	(15,108)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(422)	(508)	-	-	-	-	-	-	-	(930)	(532)	(1,462)
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	2,086	-	-	1	(1)	-	-	-	2,086	5,002	7,088
As of March 31, 2023	30,972	17,190	(76,467)	828,441	274	(49,902)	5,595	523	(62,051)	9,017	3,481	707,073	775,434	1,482,507

ELCO LIMITED

CONSOLIDATED INFORMATION OF CHANGES IN EQUITY

CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve on transactions with controlling interests	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on hedging transactions	Capital reserve on the re-measurement of defined benefit plans	Adjustments deriving from the translation of financial Statements	Capital reserve on share-based payment	Revaluation reserve	Total attributable to equity holders in the company	Non-controlling interests	Total equity
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Balance as of January 1, 2023	30,972	17,190	(76,045)	836,900	274	(49,902)	3,439	524	(71,099)	8,923		701,176	778,876	1,480,052
Loss	-	-	-	(78,441)	-	-	-	-	-	-	-	(78,441)	(60,385)	(138,826)
Total other comprehensive income	-	-	-	-	-	-	305	175	8,579	-	3,481	12,540	3,567	16,107
Total comprehensive income (loss)	-	-	-	(78,441)	-	-	305	175	8,579	-	3,481	(65,901)	(56,818)	(122,719)
Cost of share-based payment	-	-	-	-	-	-	-	-	-	330	-	330	8,541	8,871
Dividend to shareholders in the company	-	-	-	(19,017)	-	-	-	-	-	-	-	(19,017)	-	(19,017)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(27,422)	(27,422)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(3,946)	(4,892)	-	-	-	-	-	-	-	(8,838)	(5,393)	(14,231)
Exercise of option warrants	1	170	-	-	-	-	-	-	-	(170)	-	1	-	1
Non-controlling interests arising from initially consolidated companies	-	-	-	-	-	-	-	-	-	-	-	-	842	842
Exit of a consolidated partnership from consolidation	-	-	-	-	-	-	-	-	-	-	-	-	747	747
Issuance of capital /purchase and sale of shares in consolidated companies	-	-	-	5,501	-	1,102	1	20	(123)	-	(3,481)	3,020	44,279	47,299
As of December 31, 2023	30,973	17,360	(79,991)	740,051	274	(48,800)	3,745	719	(62,643)	9,083	-	610,771	743,652	1,354,423

ELCO LIMITED

CONSOLIDATED INFORMATION OF CASH FLOWS

CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	Three months ended March 31 2024	Three months ended March 31 2023	Year ended December 31 2023
	Unaudited	Unaudited	Audited
Cash flows from operating activities:			
Net income (loss)	(11,510)	1,985	(138,826)
Adjustments required in order to present the cash flows from operating activities (Appendix A')	13,654	(93,653)	317,311
Net cash generated by (absorbed) by operating activities (before acquisition of land)	2,144	(91,668)	178,485
Acquisition of land *)	(5,216)	(53,306)	(59,637)
Net cash (generated) absorbed by operating activities	(3,072)	(144,974)	118,848
Cash flows from investment activities:			
Acquisition of fixed assets and intangible assets	(42,537)	(50,970)	(271,499)
Investment in investment property and investment property under construction	(481)	(446)	(2,183)
Newly consolidated subsidiaries and activities (Appendix B')	-	-	-
Proceeds from sale of investment in previously consolidated company (Appendix C')	-	-	(194)
Change in investment in and loans to investee companies, net	(20,332)	(39,119)	(78,176)
Consideration from (purchase of) short-term investments, net	(60,982)	(13,562)	14,382
Consideration from the disposal of fixed assets, investments and assets held for sale	10,857	2,635	20,387
Decrease (increase) in long-term loans and deposits	(795)	(4,598)	(19,578)
Net cash absorbed by investment activities	(114,270)	(106,060)	(336,861)
Cash flows from financing activities:			
Dividend paid to shareholders in the company	-	-	(19,017)
Dividend to non-controlling interests	(979)	(6,217)	(28,742)
Issuance of bonds	157,605	123,921	199,743
Repayment of long-term liabilities	(83,476)	(54,660)	(238,299)
Repayment of leasing liabilities	(30,061)	(25,355)	(100,718)
Receipt of long-term liabilities	38,080	108,473	282,896
Short-term bank credit, net	(55,671)	28,721	21,334
Exercise of option warrants, issuance of capital/sale of shares to non-controlling interests	50,390	11,615	66,770
Purchase of treasury shares in the company and in consolidated companies	(4,818)	(1,462)	(14,231)
Net cash generated by financing activities	71,070	185,036	169,736
Translation differences in respect of cash and cash equivalents balances	(1,619)	1,838	749
Decrease in cash and cash equivalents	(47,891)	(64,160)	(47,528)
Balance of cash and cash equivalents at the beginning of the period	312,495	360,023	360,023
Balance of cash and cash equivalents at the end of the period	264,604	295,863	312,495

*) The acquisition of and investment in land are presented under inventories of real estate.

CONSOLIDATED INFORMATION OF CASH FLOWS
CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)
Appendix A' - Adjustments required in order to present the cash flows from operating activities:

	Three months ended March 31 2024	Three months ended March 31 2023	Year ended December 31 2023
	Unaudited	Unaudited	Audited
Income and expenses not involving cash flows:			
The Group's share of the (profits) losses of companies accounted for at equity, net	7,323	(7,085)	(9,157)
Dividends, success fee and interest received from companies accounted for at equity	2,182	2,177	11,151
Success fee (Promote)	13,079	(3,773)	69,361
Realization of reserve on translation differences on foreign operations	999	-	-
Adjustments of the fair value of investment property, net	234	98	1,931
Depreciation and amortization	59,326	54,979	241,046
Impairment in the intangible assets and goodwill	-	-	38,505
Impairment in the investment in a company accounted for at equity	10,483	8,682	35,976
Deferred taxes, net	(13,023)	(180)	(21,801)
Change in employee benefit liabilities	36	117	(1,124)
Capital gain on the sale of fixed assets and other investments	(4,164)	(337)	(9,820)
Gain on the disposal of previously consolidated companies	-	-	(1,178)
Gain on decrease in the holding rate in a company accounted for at equity	(722)	-	(3,483)
Erosion (revaluation) of long-term receivables and liabilities, net	(3,620)	1,578	(13,501)
Increase in value of short-term investments	(471)	(277)	(824)
Cost of share-based payments	1,915	2,050	8,871
Changes in asset and liability items:			
Increase in inventory and inventory of land (before acquisition of land)	(33,643)	(31,405)	(52,761)
Increase in trade receivables	(64,226)	(55,640)	(54,736)
Increase in other accounts receivable	(55,786)	(74,268)	(31,851)
Increase in suppliers and providers of services	53,955	37,545	69,083
Increase (decrease) in other accounts payable	39,777	(27,914)	41,623
	<u>13,654</u>	<u>(93,653)</u>	<u>317,311</u>

CONSOLIDATED INFORMATION OF CASH FLOWS**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)****Appendix B' - Acquisition of initially consolidated subsidiaries****The subsidiaries' assets and liabilities at date of acquisition:**

	Three months ended March 31 2024	Three months ended March 31 2023	Year ended December 31 2023
	Unaudited	Unaudited	Audited
Working capital, net (except cash and cash equivalents)	-	-	12,115
Fixed assets	-	-	(1,638)
Right-of-use assets	-	-	4,195
Goodwill	-	-	(17,002)
Other non-current liabilities	-	-	1,488
Non-controlling interests	-	-	842
	-	-	-

Appendix C' - Proceeds from sale of investment in previously consolidated company

	Three months ended March 31 2024	Three months ended March 31 2023	Year ended December 31 2023
	Unaudited	Unaudited	Audited
Working capital, net (except cash and cash equivalents)	-	-	561
Fixed assets	-	-	120
Investment in company accounted for at equity	-	-	(3,636)
Goodwill	-	-	2,683
Other non-current liabilities	-	-	(1,847)
Non-controlling interests	-	-	747
Gain on the disposal of previously consolidated companies	-	-	1,178
	-	-	(194)

CONSOLIDATED INFORMATION OF CASH FLOWS**CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)****Appendix D' - Further information on cash flows**

	Three months ended March 31 2024	Three months ended March 31 2023	Year ended December 31 2023
	Unaudited	Unaudited	Audited
Cash paid in the period for:			
Interest	37,377	29,794	141,851
Taxes on income	15,535	16,659	44,324
Cash received for:			
Interest	3,894	10,285	20,958
Taxes on income	11,551	2,797	10,535

Appendix E' – Significant activities not involving cash flows

	Three months ended March 31 2024	Three months ended March 31 2023	Year ended December 31 2023
	Unaudited	Unaudited	Audited
Acquisition of fixed assets and other assets	7,539	40,460	11,217
Increase of right - of - use asset against leasing liability	180,721	21,260	75,066
Dividend payable to shareholders in the company	8,150	13,583	-
Liability for the acquisition of holdings of non-controlling interests in a consolidated company	-	-	32,249
Deferred consideration for a business combination	-	-	14,718

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

Note 1 - General

The accompanying Financial Information, is derived from the Hebrew version of the Company's interim consolidated financial statement as of March 31, 2024 and for the period of three months ended on that date and do not include the disclosures required by International Financial Reporting Standards (IFRS) (hereinafter - The Interim Consolidate Financial Information).

The interim consolidated financial information should be read together with the Company's Hebrew version of the annual consolidated financial statement as at December 31, 2023 and for the year ended on that date and the accompanying notes thereto (hereinafter – The Annual Consolidated Financial Statement).

The interim consolidated financial information is a translation which is based on The Interim Consolidated Financial Statements, which have been prepared in accordance with International Financial Reporting Standard IAS 34 "Financial Reporting for Interim Periods", and also in accordance with the disclosure requirements in accordance with section D of the Securities Regulations (Periodic and Immediate Reports) - 1970.

Note 2 - General description of the Company and its activities

Elco Ltd. (hereinafter - The Company), was incorporated in Israel in the year 1949 and its shares are traded on the Stock Exchange in Israel.

As of the date of the financial information the Group operates, in Israel and abroad, in segments in accordance with its investee companies, as follow:

Electra - Operates in the field of services for buildings and infrastructures in Israel and abroad, which includes: the instillation and provision of service for central air-conditioning systems, elevators, sanitation, infrastructures, the execution and construction of national infrastructure facilities, integrated security and protection solutions, electricity and piping, construction, the supervision and management of real estate, entrepreneurial real estate activity, the management and the maintenance of assets, the public transportation field and the shuttle services field.

Electra Consumer Products- Operates in Israel in the importing, manufacturing, exporting, marketing, sale and distribution of electrical consumer products and in the provision of services for products, in the operation of retail marketing chains for the sale of electrical products, in the operation in the food retail field and in the field of investment property.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 2 - General description of the Company and its activities (Continue)

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|----------------------------|--|
| Electra Real Estate | - Operates in the field of the purchase, management and enhancement of housing complexes for rental in the South Eastern United States, which are held directly by a subsidiary company and by funds that invest in housing complexes in the United States, and through funds which raise debt and provide loans and instruments for the supplementation of shareholders' equity for investments in housing complexes and in special purpose partnerships for investment in single family residences on plots of land for rental (SFR) and in a REIT partnership for investment in hotels in the U.S.A and in a fund that invests in office space in Great Britain and two reserves of land that are designated primarily for the development of residential complexes for rental in Southern Miami. |
| Electra Power | - Operates in the marketing, sale and distribution of LPG and LPG consuming products, in marketing and sale of Natural gas, electricity and thermal energy. |
| Others | - Relates primarily to the operations of DIC and Dream Group. |

Note 3 - Convenience translation

The Interim Consolidate Financial Information in US Dollars is a translation of the statements as prepared in New Israeli Shekels ("NIS" or "Shekel") at the rate of exchange of the Shekel for the US Dollar prevailing on March 31, 2024 (NIS 3.681 = US\$ 1).

It should be noted that the New Israeli Shekel amounts, on the basis of which the convenience translation figures were prepared, do not necessarily represent the current cost amounts of the various elements within The Interim Consolidate Financial Statements and, also, that it should not be construed from the translation into US Dollar figures that the Israeli currency amounts actually represent, or could be converted into Dollars. This financial information has been prepared for the convenience of the reader. In the event of any discrepancy between the contents of this translation and the Hebrew original, the Hebrew original prevails.