

**ELCO LIMITED**

**Interim Consolidated Financial Information**

**As of June 30, 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 August 28, 2024 (reference No. 2024-01-089463) at the ISA reporting website ([magna.isa.gov.il](http://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 June 30, 2024 and for the periods of six months and 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 1.08% of the total consolidated assets as of June 30, 2024 and whose revenues constitute approximately 0% and approximately 0.53% of the total consolidated revenue for periods of six months and of the three months ended on June 30, 2023. Furthermore, we did not review the interim financial information of certain companies accounted for at equity, the investment in which amounted to approximately 109,680 thousand dollars as of June 30, 2024, and the Company's share of their profits (loss) amounted to approximately 9,603 thousand dollars and approximately 5,842 thousand dollars for the periods of six months and of three months ended on June 30, 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 June 30, 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 August 27, 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  
August 27, 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)**

	<b>June 30 2024</b>	<b>June 30 2023</b>	<b>December 31 2023</b>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
<b>Current assets</b>			
Cash and cash equivalents	225,342	237,424	306,010
Short-term investments	157,171	128,806	88,927
Trade receivables	759,856	672,827	668,975
Other accounts receivables	755,639	732,956	661,361
Inventory, inventory of land, buildings and apartments for sale	823,675	612,603	759,687
Assets held for sale	6,019	112,643	125,119
	<u>2,727,702</u>	<u>2,497,259</u>	<u>2,610,079</u>
<b>Non-current assets</b>			
Long-term receivables	128,753	78,717	120,152
Receivables for concession arrangement for the provision of services	64,237	45,862	57,069
Investment in entities accounted for at equity	844,696	964,604	868,443
Long-term inventory of land	254,075	356,986	208,064
Investment property and investment property under construction	122,281	114,837	121,838
Fixed assets	577,264	496,662	536,971
Right-of-use assets	792,746	625,297	620,693
Goodwill and other intangible assets	1,206,089	1,244,250	1,202,657
Deferred taxes	33,529	29,755	33,189
	<u>4,023,670</u>	<u>3,956,970</u>	<u>3,769,076</u>
	<u>6,751,372</u>	<u>6,454,229</u>	<u>6,379,155</u>

## ELCO LIMITED

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

	<b>June 30 2024</b>	<b>June 30 2023</b>	<b>December 31 2023</b>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
<b>Current Liabilities</b>			
Credit from banking institutions and others	717,283	669,426	611,079 *)
Bonds - current maturities	137,870	113,390	123,582
Current maturities of leasing liabilities	101,662	97,696	108,037
Suppliers and providers of services	1,121,330	1,047,135	1,044,681
Other payables	775,446	737,294	782,294
Liabilities attributed to assets held for sale	-	116,579	119,353
	<u>2,853,591</u>	<u>2,781,520</u>	<u>2,789,026</u>
<b>Long-Term Liabilities</b>			
Credit from banking institutions and others	684,042	674,713	723,110 *)
Bonds	778,565	621,982	629,591
Leasing liabilities	767,662	590,678	585,163
Other liabilities	169,088	168,849	154,659
Employee benefit liabilities, net	22,064	22,969	22,051
Deferred taxes	123,480	166,543	149,237
	<u>2,544,901</u>	<u>2,245,734</u>	<u>2,263,811</u>
<b>Equity</b>			
Equity attributable to equity holders of the Company	593,225	666,501	598,097
Non-controlling interests	759,655	760,474	728,221
Total equity	<u>1,352,880</u>	<u>1,426,975</u>	<u>1,326,318</u>
	<u>6,751,372</u>	<u>6,454,229</u>	<u>6,379,155</u>

\*) Reclassified.

August 27, 2024

Date of approval of  
financial statements

E. Vessely  
Chief Financial Officer

D. 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)

	Six months ended June 30 2024	Six months ended June 30 2023 *)	Three months ended June 30 2024	Three months ended June 30 2023 *)	Year ended December 31 2023 *)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenues, net	2,611,331	2,434,059	1,308,752	1,195,498	4,970,952
Adjustment of the fair value and the results of the disposal of income-generating assets, net	(403)	(188)	(174)	(92)	(1,891)
Group's share of the profits (losses) of companies accounted for at equity, net	(27,773)	19,809	(20,602)	12,872	8,967
Other income	11,015	12,534	4,368	10,077	17,516
<b>Total</b>	<b>2,594,170</b>	<b>2,466,214</b>	<b>1,292,344</b>	<b>1,218,355</b>	<b>4,995,544</b>
Cost of producing revenues	(2,220,625)	(2,069,348)	(1,115,406)	(1,029,666)	(4,247,007)
Selling and marketing expenses	(245,764)	(231,458)	(124,550)	(118,939)	(467,788)
Administrative and general expenses	(84,140)	(83,198)	(42,253)	(41,112)	(163,554)
Other expenses	(19,275)	(40,777)	(7,144)	(29,461)	(67,212)
Financing income	18,755	16,180	9,241	7,570	23,515
Financing expenses	(75,153)	(82,903)	(37,304)	(47,880)	(152,786)
<b>Total</b>	<b>(2,626,202)</b>	<b>(2,491,504)</b>	<b>(1,317,416)</b>	<b>(1,259,488)</b>	<b>(5,074,832)</b>
<b>Loss before taxes on income</b>	<b>(32,032)</b>	<b>(25,290)</b>	<b>(25,072)</b>	<b>(41,133)</b>	<b>(79,288)</b>
Tax benefit (taxes on income)	2,241	(12,480)	5,115	(2,202)	(13,559)
Loss from continuing operations	(29,791)	(37,770)	(19,957)	(43,335)	(92,847)
Loss from discontinued operations, net	(2,891)	(7,866)	(1,455)	(4,245)	(43,098)
<b>Loss</b>	<b>(32,682)</b>	<b>(45,636)</b>	<b>(21,412)</b>	<b>(47,580)</b>	<b>(135,945)</b>
Attributable to:					
Equity holders in the Company	(25,308)	(32,578)	(14,265)	(36,051)	(76,813)
Non-controlling interest	(7,374)	(13,058)	(7,147)	(11,529)	(59,132)
	<b>(32,682)</b>	<b>(45,636)</b>	<b>(21,412)</b>	<b>(47,580)</b>	<b>(135,945)</b>
<b>Loss per share - attributable to the equity holders of the Company:</b>					
Basic - loss					
From continuing operations	(0.89)	(1.06)	(0.51)	(1.25)	(2.04)
From discontinued operations	(0.05)	(0.14)	(0.02)	(0.08)	(0.79)
	<b>(0.94)</b>	<b>(1.20)</b>	<b>(0.53)</b>	<b>(1.33)</b>	<b>(2.83)</b>
Fully diluted - loss					
From continuing operations	(0.89)	(1.06)	(0.51)	(1.25)	(2.07)
From discontinued operations	(0.05)	(0.14)	(0.02)	(0.08)	(0.79)
	<b>(0.94)</b>	<b>(1.20)</b>	<b>(0.53)</b>	<b>(1.33)</b>	<b>(2.86)</b>

\*) Reclassified for discontinued operations.

## ELCO LIMITED

### CONSOLIDATED INFORMATION OF COMPREHENSIVE INCOME CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

	Six months ended June 30 2024	Six months ended June 30 2023	Three months ended June 30 2024	Three months ended June 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Loss</b>	<b>(32,682)</b>	<b>(45,636)</b>	<b>(21,412)</b>	<b>(47,580)</b>	<b>(135,945)</b>
Other comprehensive income (loss) (after tax effects):					
<b><u>Amounts that will never be reclassified to profit or loss:</u></b>					
Gain from the re-measurement of defined benefit plans, net	-	-	-	-	326
Revaluation of a fixed asset that has been reclassified to investment property	-	3,409	-	-	3,409
	-	3,409	-	-	3,735
<b><u>Amounts that will be classified or reclassified to the profit or loss, when specific conditions are met:</u></b>					
Adjustments deriving from the translation of the financial statements of foreign operations, net	32,430	26,376	18,170	13,650	11,019
Realization of reserve on translation differences on foreign operations	978	-	-	-	-
Gain (loss) on hedging transactions, net	2,385	3,185	990	(1,720)	1,019
	35,793	29,561	19,160	11,930	12,038
<b>Total other comprehensive income</b>	<b>35,793</b>	<b>32,970</b>	<b>19,160</b>	<b>11,930</b>	<b>15,773</b>
<b>Total comprehensive income (loss)</b>	<b>3,111</b>	<b>(12,666)</b>	<b>(2,252)</b>	<b>(35,650)</b>	<b>(120,172)</b>
Comprehensive income (loss) attributable to:					
Equity holders in the company	(6,179)	(10,408)	(3,883)	(28,261)	(64,533)
Non-controlling interests	9,290	(2,258)	1,631	(7,389)	(55,639)
	3,111	(12,666)	(2,252)	(35,650)	(120,172)

# 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
<b>Balance as of January 1, 2024 (Audited)</b>	<b>30,330</b>	<b>16,999</b>	<b>(78,331)</b>	<b>724,695</b>	<b>269</b>	<b>(47,788)</b>	<b>3,667</b>	<b>703</b>	<b>(61,342)</b>	<b>8,895</b>	<b>598,097</b>	<b>728,221</b>	<b>1,326,318</b>
Loss	-	-	-	(25,308)	-	-	-	-	-	-	(25,308)	(7,374)	(32,682)
Total other comprehensive income	-	-	-	-	-	-	1,128	-	18,001	-	19,129	16,664	35,793
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,308)</b>	<b>-</b>	<b>-</b>	<b>1,128</b>	<b>-</b>	<b>18,001</b>	<b>-</b>	<b>(6,179)</b>	<b>9,290</b>	<b>3,111</b>
Cost of share-based payment	-	-	-	-	-	-	-	-	-	121	121	3,669	3,790
Dividend to shareholders in the company	-	-	-	(7,981)	-	-	-	-	-	-	(7,981)	-	(7,981)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,803)	(11,803)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(3,255)	(2,073)	-	-	-	-	-	-	(5,328)	(2,461)	(7,789)
Exercise of option warrants	1	133	-	-	-	-	-	-	-	(133)	1	-	1
Entry of a consolidated company into consolidation	-	-	-	-	-	-	-	-	-	-	-	(50)	(50)
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	13,035	-	1,559	-	(1)	(99)	-	14,494	32,789	47,283
<b>As of June 30, 2024</b>	<b>30,331</b>	<b>17,132</b>	<b>(81,586)</b>	<b>702,368</b>	<b>269</b>	<b>(46,229)</b>	<b>4,795</b>	<b>702</b>	<b>(43,440)</b>	<b>8,883</b>	<b>593,225</b>	<b>759,655</b>	<b>1,352,880</b>



# 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
<b>Balance as of January 1, 2023 (Audited)</b>	<b>30,329</b>	<b>16,833</b>	<b>(74,467)</b>	<b>819,534</b>	<b>269</b>	<b>(48,867)</b>	<b>3,367</b>	<b>513</b>	<b>(69,623)</b>	<b>8,738</b>	<b>-</b>	<b>686,626</b>	<b>762,714</b>	<b>1,449,340</b>
Loss	-	-	-	(32,578)	-	-	-	-	-	-	-	(32,578)	(13,058)	(45,636)
Total other comprehensive income	-	-	-	-	-	-	1,317	-	17,444	-	3,409	22,170	10,800	32,970
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,578)</b>	<b>-</b>	<b>-</b>	<b>1,317</b>	<b>-</b>	<b>17,444</b>	<b>-</b>	<b>3,409</b>	<b>(10,408)</b>	<b>(2,258)</b>	<b>(12,666)</b>
Cost of share-based payment	-	-	-	-	-	-	-	-	-	176	-	176	4,124	4,300
Dividend to shareholders in the company	-	-	-	(13,301)	-	-	-	-	-	-	-	(13,301)	-	(13,301)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(14,982)	(14,982)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(414)	(1,865)	-	-	-	-	-	-	-	(2,279)	(2,016)	(4,295)
Exercise of option warrants	1	166	-	-	-	-	-	-	-	(166)	-	1	-	1
Exit of a consolidated partnership from consolidation	-	-	-	-	-	-	-	-	-	-	-	-	732	732
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	4,876	-	873	4	-	(67)	-	-	5,686	12,160	17,846
<b>As of June 30, 2023</b>	<b>30,330</b>	<b>16,999</b>	<b>(74,881)</b>	<b>776,666</b>	<b>269</b>	<b>(47,994)</b>	<b>4,688</b>	<b>513</b>	<b>(52,246)</b>	<b>8,748</b>	<b>3,409</b>	<b>666,501</b>	<b>760,474</b>	<b>1,426,975</b>

# 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
<b>Balance as of April 1, 2024</b>	<b>30,330</b>	<b>16,999</b>	<b>(81,586)</b>	<b>709,491</b>	<b>269</b>	<b>(46,229)</b>	<b>4,325</b>	<b>704</b>	<b>(53,348)</b>	<b>8,968</b>	<b>589,923</b>	<b>762,586</b>	<b>1,352,509</b>
Loss	-	-	-	(14,265)	-	-	-	-	-	-	(14,265)	(7,147)	(21,412)
Total other comprehensive income	-	-	-	-	-	-	470	-	9,912	-	10,382	8,778	19,160
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,265)</b>	<b>-</b>	<b>-</b>	<b>470</b>	<b>-</b>	<b>9,912</b>	<b>-</b>	<b>(3,883)</b>	<b>1,631</b>	<b>(2,252)</b>
Cost of share-based payment	-	-	-	-	-	-	-	-	-	48	48	1,867	1,915
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(3,607)	(3,607)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	-	(1,404)	-	-	-	-	-	-	(1,404)	(1,667)	(3,071)
Exercise of option warrants	1	133	-	-	-	-	-	-	-	(133)	1	-	1
Entry of a consolidated company into consolidation	-	-	-	-	-	-	-	-	-	-	-	(50)	(50)
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	8,546	-	-	-	(2)	(4)	-	8,540	(1,105)	7,435
<b>As of June 30, 2024</b>	<b>30,331</b>	<b>17,132</b>	<b>(81,586)</b>	<b>702,368</b>	<b>269</b>	<b>(46,229)</b>	<b>4,795</b>	<b>702</b>	<b>(43,440)</b>	<b>8,883</b>	<b>593,225</b>	<b>759,655</b>	<b>1,352,880</b>

# 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
<b>Balance as of April 1, 2023</b>	<b>30,329</b>	<b>16,833</b>	<b>(74,881)</b>	<b>811,252</b>	<b>269</b>	<b>(48,867)</b>	<b>5,479</b>	<b>512</b>	<b>(60,763)</b>	<b>8,829</b>	<b>3,409</b>	<b>692,401</b>	<b>759,344</b>	<b>1,451,745</b>
Loss	-	-	-	(36,051)	-	-	-	-	-	-	-	(36,051)	(11,529)	(47,580)
Total other comprehensive income (loss)	-	-	-	-	-	-	(794)	-	8,584	-	-	7,790	4,140	11,930
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,051)</b>	<b>-</b>	<b>-</b>	<b>(794)</b>	<b>-</b>	<b>8,584</b>	<b>-</b>	<b>-</b>	<b>(28,261)</b>	<b>(7,389)</b>	<b>(35,650)</b>
Cost of share-based payment	-	-	-	-	-	-	-	-	-	85	-	85	2,208	2,293
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(188)	(188)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	-	(1,368)	-	-	-	-	-	-	-	(1,368)	(1,495)	(2,863)
Exercise of option warrants	1	166	-	-	-	-	-	-	-	(166)	-	1	-	1
Exit of a consolidated partnership from consolidation	-	-	-	-	-	-	-	-	-	-	-	-	732	732
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	2,833	-	873	3	1	(67)	-	-	3,643	7,262	10,905
<b>As of June 30, 2023</b>	<b>30,330</b>	<b>16,999</b>	<b>(74,881)</b>	<b>776,666</b>	<b>269</b>	<b>(47,994)</b>	<b>4,688</b>	<b>513</b>	<b>(52,246)</b>	<b>8,748</b>	<b>3,409</b>	<b>666,501</b>	<b>760,474</b>	<b>1,426,975</b>

# ELCO LIMITED

	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
<b>Balance as of January 1, 2023</b>	<b>30,329</b>	<b>16,833</b>	<b>(74,467)</b>	<b>819,534</b>	<b>269</b>	<b>(48,867)</b>	<b>3,367</b>	<b>513</b>	<b>(69,623)</b>	<b>8,738</b>	<b>-</b>	<b>686,626</b>	<b>762,714</b>	<b>1,449,340</b>
Loss	-	-	-	(76,813)	-	-	-	-	-	-	-	(76,813)	(59,132)	(135,945)
Total other comprehensive income	-	-	-	-	-	-	299	171	8,401	-	3,409	12,280	3,493	15,773
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(76,813)</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>171</b>	<b>8,401</b>	<b>-</b>	<b>3,409</b>	<b>(64,533)</b>	<b>(55,639)</b>	<b>(120,172)</b>
Cost of share-based payment	-	-	-	-	-	-	-	-	-	323	-	323	8,364	8,687
Dividend to shareholders in the company	-	-	-	(18,622)	-	-	-	-	-	-	-	(18,622)	-	(18,622)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(26,853)	(26,853)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(3,864)	(4,791)	-	-	-	-	-	-	-	(8,655)	(5,281)	(13,936)
Exercise of option warrants	1	166	-	-	-	-	-	-	-	(166)	-	1	-	1
Non-controlling interests arising from initially consolidated companies	-	-	-	-	-	-	-	-	-	-	-	-	825	825
Exit of a consolidated partnership from consolidation	-	-	-	-	-	-	-	-	-	-	-	-	732	732
Issuance of capital /purchase and sale of shares in consolidated companies	-	-	-	5,387	-	1,079	1	19	(120)	-	(3,409)	2,957	43,359	46,316
<b>As of December 31, 2023</b>	<b>30,330</b>	<b>16,999</b>	<b>(78,331)</b>	<b>724,695</b>	<b>269</b>	<b>(47,788)</b>	<b>3,667</b>	<b>703</b>	<b>(61,342)</b>	<b>8,895</b>	<b>-</b>	<b>598,097</b>	<b>728,221</b>	<b>1,326,318</b>

**CONSOLIDATED INFORMATION OF CASH FLOWS  
CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)**

	Six months ended June 30 2024	Six months ended June 30 2023	Three months ended June 30 2024	Three months ended June 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Cash flows from operating activities:</b>					
Loss	(32,682)	(45,636)	(21,412)	(47,580)	(135,945)
Adjustments required in order to present the cash flows from operating activities (Appendix A')	12,487	(10,903)	(884)	83,925	310,727
<b>Net cash generated by (absorbed) by operating activities (before acquisition of land)</b>	(20,195)	(56,539)	(22,296)	36,345	174,782
Acquisition of land *)	(45,376)	(51,986)	(40,267)	-	(58,400)
<b>Net cash (generated) absorbed by operating activities</b>	(65,571)	(108,525)	(62,563)	36,345	116,382
<b>Cash flows from investment activities:</b>					
Acquisition of fixed assets and intangible assets	(113,568)	(123,860)	(71,914)	(73,948)	(265,865)
Investment in investment property	(846)	(909)	(375)	(473)	(2,138)
Newly consolidated subsidiaries and activities (Appendix B')	(2,814)	-	(2,814)	-	-
Consideration from the disposal of an investment in a previously consolidated partnership (Appendix C')	-	(190)	-	(190)	(190)
Change in investment in and loans to investee companies, net	(23,873)	(52,707)	(3,963)	(14,400)	(76,554)
Consideration from (purchase of) short-term investments, net	(67,343)	(20,239)	(7,627)	(6,957)	14,083
Consideration from the disposal of fixed assets, investment property and other investments	12,193	12,930	1,562	10,350	19,965
Decrease (increase) in long-term loans and deposits	5,355	(15,763)	6,134	(11,260)	(19,172)
<b>Net cash absorbed by investment activities</b>	(190,896)	(200,738)	(78,997)	(96,878)	(329,871)
<b>Cash flows from financing activities:</b>					
Dividend paid to shareholders in the company	(7,981)	(13,301)	(7,981)	(13,301)	(18,622)
Dividend to non-controlling interests	(12,502)	(16,608)	(11,543)	(10,520)	(28,146)
Issuance of bonds	226,880	122,860	72,545	1,511	195,599
Repayment of long-term liabilities	(156,997)	(112,349)	(75,253)	(58,824)	(233,354)
Repayment of leasing liabilities	(54,441)	(47,982)	(25,004)	(23,154)	(98,628)
Receipt of long-term liabilities	134,239	147,246	96,950	41,024	277,026
Short-term bank credit, net	22,301	95,279	76,817	64,250	20,891
Exercise of option warrants issuance of capital/sale of shares to non-controlling interests	33,150	22,296	(16,195)	10,922	65,384
Purchase of treasury shares in the company and in consolidated companies	(7,789)	(4,295)	(3,071)	(2,863)	(13,936)
<b>Net cash generated by financing activities</b>	176,860	193,146	107,265	9,045	166,214
<b>Translation differences in respect of cash and cash equivalents balances</b>	(1,061)	989	524	(811)	733
<b>Decrease in cash and cash equivalents</b>	(80,668)	(115,128)	(33,771)	(52,299)	(46,542)
<b>Balance of cash and cash equivalents at the beginning of the period</b>	306,010	352,552	259,113	289,723	352,552
<b>Balance of cash and cash equivalents at the end of the period</b>	225,342	237,424	225,342	237,424	306,010

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

**ELCO LIMITED****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:**

	Six months ended June 30 2024	Six months ended June 30 2023	Three months ended June 30 2024	Three months ended June 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income and expenses not involving cash flows:</b>					
The Group's share of the (profits) losses of companies accounted for at equity, net	27,773	(19,809)	20,602	(12,872)	(8,967)
Dividends, success fee and interest received from companies accounted for at equity	4,067	4,466	1,930	2,334	10,920
Success fee (Promote)	27,709	15,338	14,902	19,032	67,921
Realization of reserve on translation differences on foreign operations	978	-	-	-	-
Adjustments of the fair value of investment property, net	403	188	174	92	1,891
Depreciation and amortization	116,806	110,673	58,711	56,835	236,044
Impairment in the intangible assets and goodwill	-	-	-	-	37,706
Impairment in the investment in a company accounted for at equity	17,200	35,230	6,934	26,728	35,230
Deferred taxes, net	(26,913)	(2,043)	(14,161)	(1,867)	(21,349)
Change in employee benefit liabilities	54	(138)	18	(253)	(1,100)
Capital gain on the sale of fixed assets and other investments	(4,775)	(10,611)	(697)	(10,280)	(9,616)
Gain on the disposal of previously consolidated companies	-	-	-	-	(1,154)
Gain on decrease in the holding rate in a company accounted for at equity	(2,686)	-	(1,979)	-	(3,410)
Revaluation of long-term receivables and liabilities, net	(9,477)	(4,242)	(5,932)	(2,882)	(13,221)
Increase in value of short-term investments	53	-	514	271	(806)
Cost of share-based payments	3,790	4,300	1,915	2,293	8,687
<b>Changes in asset and liability items:</b>					
Increase in inventory and inventory of land (before acquisition of land)	(62,497)	(59,369)	(29,553)	(28,401)	(51,667)
Increase in trade receivables	(86,122)	(56,279)	(23,228)	(1,794)	(53,600)
Increase in other accounts receivable	(73,202)	(87,247)	(18,573)	(14,521)	(31,190)
Increase in suppliers and providers of services	72,716	51,010	19,880	14,245	67,649
Increase (decrease) in other accounts payable	6,610	7,630	(32,341)	34,965	40,759
	<u>12,487</u>	<u>(10,903)</u>	<u>(884)</u>	<u>83,925</u>	<u>310,727</u>

## ELCO LIMITED

### CONSOLIDATED INFORMATION OF CASH FLOWS CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)

#### Appendix B' - Acquisition of initially consolidated subsidiaries

	Six months ended June 30 2024	Six months ended June 30 2023	Three months ended June 30 2024	Three months ended June 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Working capital, net (except cash and cash equivalents)	4,027	-	4,027	-	11,864
Fixed assets	(717)	-	(717)	-	(1,604)
Right-of-use assets	(1,217)	-	(1,217)	-	4,107
Intangible assets	(1,181)	-	(1,181)	-	-
Goodwill	(3,732)	-	(3,732)	-	(16,650)
Other non-current assets	(89)	-	(89)	-	-
Deferred taxes	(668)	-	(668)	-	-
Other non-current liabilities	813	-	813	-	1,458
Non-controlling interests	(50)	-	(50)	-	825
	(2,814)	-	(2,814)	-	-

#### Appendix C' - Consideration from the disposal of an investment in a previously consolidated partnership

	Six months ended June 30 2024	Six months ended June 30 2023	Three months ended June 30 2024	Three months ended June 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Working capital, net (except cash)	-	549	-	549	549
Fixed assets	-	117	-	117	117
Goodwill	-	2,627	-	2,627	2,627
Other long - term liabilities	-	(1,809)	-	(1,809)	(1,809)
Investment in company accounted for at equity	-	(3,560)	-	(3,560)	(3,560)
Non-controlling interests	-	732	-	732	732
Capital gain on decrease in control in a previously consolidated partnership	-	1,154	-	1,154	1,154
	-	(190)	-	(190)	(190)

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

	<b>Six months ended June 30 2024</b>	<b>Six months ended June 30 2023</b>	<b>Three months ended June 30 2024</b>	<b>Three months ended June 30 2023</b>	<b>Year ended December 31 2023</b>
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash paid in the period for:					
Interest	75,823	64,595	39,222	35,419	138,907
Taxes on income	29,434	26,266	14,222	9,953	43,404
Cash received for:					
Interest	6,618	15,742	2,805	5,670	20,523
Taxes on income	11,800	7,951	489	5,211	10,317

**Appendix E' – Significant activities not involving cash flows**

	<b>Six months ended June 30 2024</b>	<b>Six months ended June 30 2023</b>	<b>Three months ended June 30 2024</b>	<b>Three months ended June 30 2023</b>	<b>Year ended December 31 2023</b>
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Acquisition of fixed assets and other assets	9,700	33,913	3,127	33,913	10,984
Increase of right - of - use asset against leasing liability	217,807	39,264	40,836	18,445	73,508
Liability for the acquisition of holdings of non-controlling interests in a consolidated company	-	-	-	-	31,580
Deferred consideration for a business combination	-	-	-	-	14,413



**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 June 30, 2024 and for the periods of six months and 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)

- |                            |  |
|----------------------------|--|
| <b>Electra Real Estate</b> | - 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. |
| <b>Electra Power</b>       | - Operates in the marketing, sale and distribution of LPG and LPG consuming products, in marketing and sale of Natural gas, electricity and thermal energy.  |
| <b>Others</b>              | - 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 June 30, 2024 (NIS 3.759 = 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.