

ELCO LIMITED

Interim Consolidated Financial Information

As of September 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 November 28, 2024 (reference No. 2024-01-619969) 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 September 30, 2024 and for the periods of nine 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 1.01% of the total consolidated assets as of September 30, 2024 and whose revenues constitute approximately 0.03% and approximately 0.11% of the total consolidated revenue for periods of nine months and of the three months ended on September 30, 2024, respectively. Furthermore, we did not review the interim financial information of certain companies accounted for at equity, the investment in which amounted to approximately 129,936 thousand dollars as of September 30, 2024, and the Company's share of their profits (loss) amounted to approximately 3,377 thousand dollars and approximately (6,353) thousand dollars for the periods of nine months and of three months ended on September 30, 2024, respectively. 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 September 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
November 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)**

	September 30 2024	September 30 2023	December 31 2023
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
Current assets			
Cash and cash equivalents	383,807	237,302	310,052
Short-term investments	130,712	98,671	90,101
Trade receivables	764,951	726,265	677,811
Other accounts receivables	804,314	739,992	670,095
Inventory, inventory of land, buildings and apartments for sale	804,274	606,869	769,721
Assets held for sale	12,496	114,165	126,772
	<u>2,900,554</u>	<u>2,523,264</u>	<u>2,644,552</u>
Non-current assets			
Long-term receivables	131,944	105,686	121,739
Receivables for concession arrangement for the provision of services	67,723	57,600	57,823
Investment in entities accounted for at equity	844,843	937,076	879,913
Long-term inventory of land	261,798	366,904	210,812
Investment property and investment property under construction	124,117	116,567	123,447
Fixed assets	614,645	548,030	544,063
Right-of-use assets	821,492	625,274	628,890
Goodwill and other intangible assets	1,212,879	1,244,476	1,218,542
Deferred taxes	33,215	29,634	33,627
	<u>4,112,656</u>	<u>4,031,247</u>	<u>3,818,856</u>
	<u>7,013,210</u>	<u>6,554,511</u>	<u>6,463,408</u>

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

	September 30 2024	September 30 2023	December 31 2023
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
Current Liabilities			
Credit from banking institutions and others	664,051	661,226	619,150 *)
Bonds - current maturities	129,925	129,954	125,214
Current maturities of leasing liabilities	108,528	102,014	109,464
Suppliers and providers of services	1,118,566	1,063,987	1,058,479
Other payables	795,786	753,318	792,625
Liabilities attributed to assets held for sale	-	118,146	120,930
	<u>2,816,856</u>	<u>2,828,645</u>	<u>2,825,862</u>
Long-Term Liabilities			
Credit from banking institutions and others	882,913	696,793	732,660 *)
Bonds	804,990	674,896	637,907
Leasing liabilities	794,524	588,415	592,891
Other liabilities	166,958	162,819	156,702
Employee benefit liabilities, net	23,192	23,607	22,342
Deferred taxes	117,752	161,247	151,208
	<u>2,790,329</u>	<u>2,307,777</u>	<u>2,293,710</u>
Equity			
Equity attributable to equity holders of the Company	585,904	657,536	605,996
Non-controlling interests	820,121	760,553	737,840
Total equity	<u>1,406,025</u>	<u>1,418,089</u>	<u>1,343,836</u>
	<u>7,013,210</u>	<u>6,554,511</u>	<u>6,463,408</u>

*) Reclassified.

November 27, 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)

	Nine months ended September 30 2024	Nine months ended September 30 2023 *)	Three months ended September 30 2024	Three months ended September 30 2023 *)	Year ended December 31 2023 *)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenues, net	4,084,781	3,789,185	1,438,960	1,322,978	5,036,606
Adjustment of the fair value and the results of the disposal of income-generating assets, net	(583)	(316)	(175)	(125)	(1,916)
Group's share of the profits (losses) of companies accounted for at equity, net	(46,859)	3,929	(18,718)	(16,142)	9,085
Other income	17,383	14,750	6,223	2,050	17,748
Total	4,054,722	3,807,548	1,426,290	1,308,761	5,061,523
Cost of producing revenues	(3,471,916)	(3,223,648)	(1,221,963)	(1,126,968)	(4,303,100)
Selling and marketing expenses	(382,074)	(357,671)	(133,064)	(123,157)	(473,966)
Administrative and general expenses	(127,392)	(125,762)	(42,141)	(41,465)	(165,715)
Other income (expenses)	(10,476)	(41,933)	9,054	(618)	(68,100)
Financing income	27,446	25,822	8,444	9,429	23,826
Financing expenses	(120,745)	(120,095)	(44,600)	(36,097)	(154,804)
Total	(4,085,157)	(3,843,287)	(1,424,270)	(1,318,876)	(5,141,859)
Income (loss) before taxes on income	(30,435)	(35,739)	2,020	(10,115)	(80,336)
Taxes on income	(1,066)	(15,685)	(3,336)	(3,040)	(13,738)
Loss from continuing operations	(31,501)	(51,424)	(1,316)	(13,155)	(94,074)
Loss from discontinued operations, net	(5,010)	(24,941)	(2,081)	(16,971)	(43,667)
Loss	(36,511)	(76,365)	(3,397)	(30,126)	(137,741)
Attributable to:					
Equity holders in the Company	(27,453)	(52,020)	(1,810)	(19,011)	(77,828)
Non-controlling interest	(9,058)	(24,345)	(1,587)	(11,115)	(59,913)
	(36,511)	(76,365)	(3,397)	(30,126)	(137,741)
Loss per share - attributable to the equity holders of the Company:					
Basic - loss					
From continuing operations	(0.93)	(1.41)	(0.03)	(0.34)	(2.07)
From discontinued operations	(0.09)	(0.51)	(0.04)	(0.36)	(0.80)
	(1.02)	(1.92)	(0.07)	(0.70)	(2.87)
Fully diluted - loss					
From continuing operations	(0.93)	(1.41)	(0.03)	(0.34)	(2.10)
From discontinued operations	(0.09)	(0.51)	(0.04)	(0.36)	(0.80)
	(1.02)	(1.92)	(0.07)	(0.70)	(2.90)

*) Reclassified for discontinued operations.

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

	Nine months ended September 30 2024	Nine months ended September 30 2023	Three months ended September 30 2024	Three months ended September 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Loss	(36,511)	(76,365)	(3,397)	(30,126)	(137,741)
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	-	-	-	-	330
Revaluation of a fixed asset that has been reclassified to investment property	-	3,454	-	-	3,454
	-	3,454	-	-	3,784
<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	20,660	42,100	(12,198)	15,377	11,164
Realization of reserve on translation differences on foreign operations	991	-	-	-	-
Gain (loss) on hedging transactions, net	2,105	2,384	(312)	(844)	1,033
	23,756	44,484	(12,510)	14,533	12,197
Total other comprehensive income (loss)	23,756	47,938	(12,510)	14,533	15,981
Total comprehensive loss	(12,755)	(28,427)	(15,907)	(15,593)	(121,760)
Comprehensive income (loss) attributable to:					
Equity holders in the company	(16,027)	(20,289)	(9,766)	(9,743)	(65,386)
Non-controlling interests	3,272	(8,138)	(6,141)	(5,850)	(56,374)
	(12,755)	(28,427)	(15,907)	(15,593)	(121,760)

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)	30,731	17,224	(79,366)	734,266	272	(48,419)	3,716	713	(62,153)	9,012	605,996	737,840	1,343,836
Loss	-	-	-	(27,453)	-	-	-	-	-	-	(27,453)	(9,058)	(36,511)
Total other comprehensive income	-	-	-	-	-	-	967	-	10,459	-	11,426	12,330	23,756
Total comprehensive income (loss)	-	-	-	(27,453)	-	-	967	-	10,459	-	(16,027)	3,272	(12,755)
Cost of share-based payment	-	-	-	-	-	-	-	-	-	226	226	4,420	4,646
Dividend to shareholders in the company	-	-	-	(13,477)	-	-	-	-	-	-	(13,477)	-	(13,477)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(20,435)	(20,435)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(3,298)	(5,038)	-	-	-	-	-	-	(8,336)	(5,730)	(14,066)
Exercise of option warrants	2	270	-	-	-	-	-	-	-	(270)	2	-	2
Entry of a consolidated company into consolidation	-	-	-	-	-	-	-	-	-	-	-	(51)	(51)
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	16,193	-	1,586	7	2	(268)	-	17,520	100,805	118,325
As of September 30, 2024	30,733	17,494	(82,664)	704,491	272	(46,833)	4,690	715	(51,962)	8,968	585,904	820,121	1,406,025

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)	30,730	17,056	(75,451)	830,358	272	(49,512)	3,412	520	(70,543)	8,853	-	695,695	772,788	1,468,483
Loss	-	-	-	(52,020)	-	-	-	-	-	-	-	(52,020)	(24,345)	(76,365)
Total other comprehensive income	-	-	-	-	-	-	913	-	27,364	-	3,454	31,731	16,207	47,938
Total comprehensive income (loss)	-	-	-	(52,020)	-	-	913	-	27,364	-	3,454	(20,289)	(8,138)	(28,427)
Cost of share-based payment	-	-	-	-	-	-	-	-	-	253	-	253	6,462	6,715
Dividend to shareholders in the company	-	-	-	(18,868)	-	-	-	-	-	-	-	(18,868)	-	(18,868)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(24,428)	(24,428)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(419)	(3,287)	-	-	-	-	-	-	-	(3,706)	(3,515)	(7,221)
Exercise of option warrants	1	168	-	-	-	-	-	-	-	(168)	-	1	-	1
Exit of a consolidated partnership from consolidation	-	-	-	-	-	-	-	-	-	-	-	-	741	741
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	6,772	-	1,093	(1)	(3)	43	-	(3,454)	4,450	16,643	21,093
As of September 30, 2023	30,731	17,224	(75,870)	762,955	272	(48,419)	4,324	517	(43,136)	8,938	-	657,536	760,553	1,418,089

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 July 1, 2024	30,732	17,359	(82,664)	711,643	272	(46,839)	4,859	712	(44,014)	9,000	601,060	769,688	1,370,748
Loss	-	-	-	(1,810)	-	-	-	-	-	-	(1,810)	(1,587)	(3,397)
Total other comprehensive loss	-	-	-	-	-	-	(176)	-	(7,780)	-	(7,956)	(4,554)	(12,510)
Total comprehensive loss	-	-	-	(1,810)	-	-	(176)	-	(7,780)	-	(9,766)	(6,141)	(15,907)
Cost of share-based payment	-	-	-	-	-	-	-	-	-	103	103	703	806
Dividend to shareholders in the company	-	-	-	(5,391)	-	-	-	-	-	-	(5,391)	-	(5,391)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(8,477)	(8,477)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	-	(2,937)	-	-	-	-	-	-	(2,937)	(3,236)	(6,173)
Exercise of option warrants	1	135	-	-	-	-	-	-	-	(135)	1	-	1
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	2,986	-	6	7	3	(168)	-	2,834	67,584	70,418
As of September 30, 2024	30,733	17,494	(82,664)	704,491	272	(46,833)	4,690	715	(51,962)	8,968	585,904	820,121	1,406,025

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 July 1, 2023	30,731	17,224	(75,870)	786,923	272	(48,628)	4,750	520	(52,936)	8,864	3,454	675,304	770,518	1,445,822
Loss	-	-	-	(19,011)	-	-	-	-	-	-	-	(19,011)	(11,115)	(30,126)
Total other comprehensive income (loss)	-	-	-	-	-	-	(421)	-	9,689	-	-	9,268	5,265	14,533
Total comprehensive income (loss)	-	-	-	(19,011)	-	-	(421)	-	9,689	-	-	(9,743)	(5,850)	(15,593)
Cost of share-based payment	-	-	-	-	-	-	-	-	-	74	-	74	2,284	2,358
Dividend to shareholders in the company	-	-	-	(5,391)	-	-	-	-	-	-	-	(5,391)	-	(5,391)
Dividend to non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(9,248)	(9,248)
Acquisition of treasury shares in subsidiary companies	-	-	-	(1,398)	-	-	-	-	-	-	-	(1,398)	(1,472)	(2,870)
Issuance of capital/purchase and sale of shares in consolidated companies	-	-	-	1,832	-	209	(5)	(3)	111	-	(3,454)	(1,310)	4,321	3,011
As of September 30, 2023	30,731	17,224	(75,870)	762,955	272	(48,419)	4,324	517	(43,136)	8,938	-	657,536	760,553	1,418,089

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
Balance as of January 1, 2023	30,730	17,056	(75,451)	830,358	272	(49,512)	3,412	520	(70,543)	8,853	-	695,695	772,788	1,468,483
Loss	-	-	-	(77,828)	-	-	-	-	-	-	-	(77,828)	(59,913)	(137,741)
Total other comprehensive income	-	-	-	-	-	-	303	173	8,512	-	3,454	12,442	3,539	15,981
Total comprehensive income (loss)	-	-	-	(77,828)	-	-	303	173	8,512	-	3,454	(65,386)	(56,374)	(121,760)
Cost of share-based payment	-	-	-	-	-	-	-	-	-	327	-	327	8,474	8,801
Dividend to shareholders in the company	-	-	-	(18,868)	-	-	-	-	-	-	-	(18,868)	-	(18,868)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(27,208)	(27,208)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(3,915)	(4,854)	-	-	-	-	-	-	-	(8,769)	(5,350)	(14,119)
Exercise of option warrants	1	168	-	-	-	-	-	-	-	(168)	-	1	-	1
Non-controlling interests arising from initially consolidated companies	-	-	-	-	-	-	-	-	-	-	-	-	836	836
Exit of a consolidated partnership from consolidation	-	-	-	-	-	-	-	-	-	-	-	-	741	741
Issuance of capital /purchase and sale of shares in consolidated companies	-	-	-	5,458	-	1,093	1	20	(122)	-	(3,454)	2,996	43,933	46,929
As of December 31, 2023	30,731	17,224	(79,366)	734,266	272	(48,419)	3,716	713	(62,153)	9,012	-	605,996	737,840	1,343,836

ELCO LIMITED

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

	Nine months ended September 30 2024	Nine months ended September 30 2023	Three months ended September 30 2024	Three months ended September 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities:					
Loss	(36,511)	(76,365)	(3,397)	(30,126)	(137,741)
Adjustments required in order to present the cash flows from operating activities (Appendix A')	62,519	75,399	49,867	86,445	308,624
Net cash generated by (absorbed) by operating activities (before acquisition of land)	26,008	(966)	46,470	56,319	170,883
Acquisition of land **)	(46,405)	(54,345)	(430)	(1,672)	(59,171)
Net cash (generated) absorbed by operating activities	(20,397)	(55,311)	46,040	54,647	111,712
Cash flows from investment activities:					
Acquisition of fixed assets and intangible assets	(171,852)	(213,314)	(56,785)	(87,818)	(263,169) *)
Investment in investment property	(1,252)	(1,259)	(395)	(338)	(2,167)
Newly consolidated subsidiaries and activities (Appendix B')	(2,851)	-	-	-	-
Consideration from the disposal of an investment in a previously consolidated partnership (Appendix C')	-	(192)	-	-	(192)
Change in investment in and loans to investee companies, net	(60,325)	(52,825)	(36,137)	578	(77,565)
Consideration from (purchase of) short-term investments, net	(35,744)	7,040	32,489	27,546	14,269
Consideration from the disposal of fixed assets, investment property and other investments	15,437	15,730	3,082	2,628	20,228
Decrease (increase) in long-term loans and deposits	9,482	(17,971)	4,057	(1,999)	(19,425)
Net cash absorbed by investment activities	(247,105)	(262,791)	(53,689)	(59,403)	(328,021)
Cash flows from financing activities:					
Dividend paid to shareholders in the company	(13,477)	(18,868)	(5,391)	(5,391)	(18,868)
Dividend to non-controlling interests	(15,081)	(19,102)	(2,413)	(2,274)	(28,517)
Issuance of bonds	263,497	198,182	33,621	73,699	198,182
Repayment of long-term liabilities	(247,466)	(173,218)	(88,396)	(59,384)	(236,436)
Repayment of leasing liabilities	(81,880)	(74,501)	(26,720)	(25,885)	(99,931)
Receipt of long-term liabilities	224,163	210,660	88,150	61,469	280,684
Short-term bank credit, net	117,261	63,413	94,666	(33,125)	21,167
Exercise of option warrants issuance of capital/sale of shares to non-controlling interests	109,780	17,276	76,192	(5,314)	66,248
Purchase of treasury shares in the company and in consolidated companies	(14,066)	(7,221)	(6,173)	(2,870)	(14,119)
Net cash generated by financing activities	342,731	196,621	163,536	925	168,410
Translation differences in respect of cash and cash equivalents balances	(1,474)	1,575	(399)	573	743
Increase (decrease) in cash and cash equivalents	73,755	(119,906)	155,488	(3,258)	(47,156)
Balance of cash and cash equivalents at the beginning of the period	310,052	357,208	228,319	240,560	357,208
Balance of cash and cash equivalents at the end of the period	383,807	237,302	383,807	237,302	310,052

*) Reclassified.

***) 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:

	Nine months ended September 30 2024	Nine months ended September 30 2023	Three months ended September 30 2024	Three months ended September 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	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	46,859	(3,929)	18,718	16,142	(9,085)
Dividends, success fee and interest received from companies accounted for at equity	6,122	7,315	2,001	2,790	11,064
Success fee (Promote)	37,795	38,456	9,719	22,915	68,819
Realization of reserve on translation differences on foreign operations	991	-	-	-	-
Adjustments of the fair value of investment property, net	583	316	175	125	1,916
Depreciation and amortization	179,450	172,289	61,101	60,154	239,161
Impairment in the intangible assets and goodwill	-	-	-	-	38,204
Impairment (reversal of impairment) in the investment in a company accounted for at equity	7,845	45,597	(9,581)	9,902	35,695
Deferred taxes, net	(32,788)	(10,841)	(5,519)	(8,771)	(21,630)
Change in employee benefit liabilities	891	195	836	335	(1,115)
Capital gain on the sale of fixed assets and other investments	(3,654)	(9,306)	1,184	276	(9,743)
Gain on the disposal of previously consolidated companies	-	(1,169)	-	-	(1,169)
Gain on decrease in the holding rate in a company accounted for at equity	(4,493)	-	(1,771)	-	(3,456)
Revaluation of long-term receivables and liabilities, net	(8,732)	(15,230)	870	(10,933)	(13,395)
Increase in value of short-term investments	(292)	-	(346)	-	(817)
Cost of share-based payments	4,646	6,715	806	2,358	8,801
Changes in asset and liability items:					
Decrease (increase) in inventory and inventory of land (before acquisition of land)	(34,340)	(53,131)	28,983	7,022	(52,349)
Decrease (increase) in trade receivables	(81,850)	(101,752)	5,409	(44,729)	(54,308)
Decrease (increase) in other accounts receivable	(119,054)	(71,396)	(44,885)	17,004	(31,602)
Increase (decrease) in suppliers and providers of services	49,807	62,476	(23,869)	10,792	62,335 *)
Increase (decrease) in other accounts payable	12,733	8,794	6,036	1,063	41,298
	<u>62,519</u>	<u>75,399</u>	<u>49,867</u>	<u>86,445</u>	<u>308,624</u>

*) Reclassified.

ELCO LIMITED**CONSOLIDATED INFORMATION OF CASH FLOWS
CONVENIENCE TRANSLATION INTO US DOLLARS (in thousands)****Appendix B' - Acquisition of initially consolidated subsidiaries**

	Nine months ended September 30 2024	Nine months ended September 30 2023	Three months ended September 30 2024	Three months ended September 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Working capital, net (except cash and cash equivalents)	4,080	-	-	-	12,020
Fixed assets	(727)	-	-	-	(1,625)
Right-of-use assets	(1,233)	-	-	-	4,162
Intangible assets	(1,196)	-	-	-	-
Goodwill	(3,781)	-	-	-	(16,870)
Other non-current assets	(90)	-	-	-	-
Deferred taxes	(677)	-	-	-	-
Other non-current liabilities	824	-	-	-	1,477
Non-controlling interests	(51)	-	-	-	836
	(2,851)	-	-	-	-

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

	Nine months ended September 30 2024	Nine months ended September 30 2023	Three months ended September 30 2024	Three months ended September 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Working capital, net (except cash)	-	556	-	-	556
Fixed assets	-	119	-	-	119
Goodwill	-	2,662	-	-	2,662
Other long - term liabilities	-	(1,832)	-	-	(1,832)
Investment in company accounted for at equity	-	(3,607)	-	-	(3,607)
Non-controlling interests	-	741	-	-	741
Capital gain on decrease in control in a previously consolidated partnership	-	1,169	-	-	1,169
	-	(192)	-	-	(192)

ELCO LIMITED

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

Appendix D' - Further information on cash flows

	Nine months ended September 30 2024	Nine months ended September 30 2023	Three months ended September 30 2024	Three months ended September 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash paid in the period for:					
Interest	116,444	101,452	39,620	36,004	140,742
Taxes on income	44,656	35,443	14,833	8,830	43,977
Cash received for:					
Interest	9,609	19,060	2,904	3,110	20,794
Taxes on income	12,724	8,918	767	863	10,453

Appendix E' – Significant activities not involving cash flows

	Nine months ended September 30 2024	Nine months ended September 30 2023	Three months ended September 30 2024	Three months ended September 30 2023	Year ended December 31 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Acquisition of fixed assets and other assets	17,317	23,864	5,377	23,864	17,337
Increase of right - of - use asset against leasing liability	257,915	45,118	37,312	5,335	86,810
Liability for the acquisition of holdings of non-controlling interests in a consolidated company	-	-	-	-	31,997
Deferred consideration for a business combination	-	-	-	-	14,603
Short-term and long-term payables for the acquisition of non-controlling interests' shares by a consolidated company	-	8,086	-	8,086	-

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 September 30, 2024 and for the periods of nine 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)

- | | |
|----------------------------|--|
| 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 September 30, 2024 (NIS 3.71 = 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.