



ElectReon Wireless Ltd.

(the “Company”)

Q2 Report

For the period ended June 30, 2022

In light of the Company having the characteristics of a company engaged in research and development, and on the backdrop of the uncertainty whether the development of its various products will succeed and/or will penetrate the relevant markets, the Company may lose its investment in developing its products should the technological development of the Company’s products fail and/or should the Company fail to obtain the required approvals to market and sell its products from the competent regulatory authorities and/or should the Company’s products fail to penetrate the relevant markets; similarly, it should be clarified that as a company engaged in research and development, the Company is required to raise capital to finance its ongoing expenses until it is able to generate a positive cashflow from selling its products.

It is the Company’s policy that in addition to the translation of immediate reports which the Company is accustomed to publishing with its reports on the Israel Securities Authority’s electronic reporting system (MAGNA) and the Tel Aviv Stock Exchange reporting website (MAYA), the Company also intends on publishing convenience translations into the English language of the Company’s annual and quarterly reports on the Company’s website: <https://www.electreon.com/annual-reports>. It should be clarified that, notwithstanding the significant efforts exerted and talents applied in producing the convenience translations, the convenience translations published by the Company are not official translations and, therefore, they do not bind the Company. In the event of inconsistency between the Hebrew language version and the English convenience translation, the Hebrew language version shall be the binding version.

Table of Contents

- Chapter A** - Material changes and innovations with the Corporation's business affairs
- Chapter B** - The board of directors' report on the state of the Company's affairs
- Chapter C** - Financial statements as of June 30, 2022
- Chapter D** - Report on the effectiveness of internal control on the financial reporting and disclosure

Chapter A - Material changes and innovations with the Corporation's business affairs

Update to the description of the Corporation's business affairs in the reporting period from the conclusion of the previous annual reporting period until the publication date of this quarterly report

In accordance with Regulation 39A of the Israel Securities Regulations (Periodic and Immediate Reports), 1970 (the "**Report Regulations**"), presented below is an overview of material changes or innovations to the business affairs of the Company and its subsidiaries (jointly: the "**Group**") with respect to any matter which is required to be described in the Company's periodic report, commencing as of the publication date of the Company's 2021 annual report as published on March 31, 2022 (Ref. No: 2022-01-040885) which is included in this report by way of reference (the "**2021 Periodic Report**") until the publication date of this report, according to the section numbering in the chapter describing the corporation's business affairs in the 2021 Periodic Report.

The review presented below is abbreviated, and refers to events and changes in the state of the Company's business affairs during the reporting period, whose effect is material, and it should be reviewed jointly with the financial statements and board of directors' report on the business affairs of the Company attached to the 2021 Periodic Report.

It should be noted that, unless explicitly stated otherwise, the terms used in this chapter shall have the meaning given to them in the chapter describing the corporation's business affairs in the 2021 Periodic Report.

1.1. Section 4 - Investments in the Company's share capital and transactions with its shares

Section 1.4.2 - Agreements involving Capital Nature Ltd. (one of the Company's former controlling shareholders) to sell Company shares

For more information about Capital Nature Ltd.'s execution of amendments and addendums to the agreement with Mr. Yaron Jacobi, see the immediate reports published by the Company on May 9, 2022 and June 1, 2022 (Ref. No: 2022-01-055819 and 2022-01-068707), included in this report by way of reference.

Section 1.5 - Private placements

On April 27, 2022, the Company's board of directors approved an issuance of 25,500 non-marketable Company options which are exercisable into 25,500 ordinary shares with no par value, to 14 of the Company's employees pursuant to an employee (non-marketable) option issuance memorandum approved by the Company's board of directors on August 26, 2021 (the "**Memorandum**"). For more information about the Memorandum, refer to Regulation 20 in Chapter D of the 2021 Periodic Report, included in this report by way of reference.

On August 30, 2022, the Company's board of directors approved an issuance of 31,650 non-marketable Company options which are exercisable into 31,650 ordinary shares with no par value, to 14 of the Company's employees pursuant to the Memorandum.

1.2. Section 10 - Customers

Agreement with Electra Afikim Ltd.

On May 12, 2022, the Company entered into an agreement with Electra Afikim Ltd. to install a wireless charging infrastructure and for the provision of support, operating and software services for the charging infrastructure. For more information, see the immediate report published by the Company on May 15, 2022 (Ref. No: 2022-01-057976), included in this report by way of reference. The delivery of the charging infrastructure is planned for the beginning of 2023, and the Company is preparing for the execution of the installation and integration of the systems shortly thereafter.

The Company participating in the E-MPower Project

In Q2 2022, the Company announced the participation of its subsidiary, Electreon Germany GMBH, in a consortium selected by the German Federal Ministry for Economic Affairs and Climate Change to participate in the “E-MPower” project in Germany. To the best of the Company’s knowledge, the project will receive funding of EUR 5.7 million from the German government. The Company estimates that it will receive approximately EUR 2.1 million out of this amount. For more information, see the immediate report published by the Company on August 4, 2022 (Ref. No: 2022-01-099010), included in this report by way of reference.

1.3. Section 11 - Marketing, procurement and distribution

Agreement with CTG Logistics

Further to the Company’s marketing efforts and as stated in the Company’s immediate report dated August 4, 2022¹, included in this report by way of reference, the Company executed a non-binding memorandum of understanding with the US transportation company, CTG Logistics, Inc. (“CTG”), which, to the Company’s best knowledge, operates a fleet of approximately 2,800 limousines and taxis in the cities of New York and Las Vegas. Pursuant to the aforementioned memorandum of understanding, the parties expressed their intentions to enter into a binding commercial agreement according to which the Company shall provide CTG with wireless charging and other services.

¹ Ref. No: 2022-01-099010.

Procurement for the execution of the agreements with “Dan” and “Electra Afikim”

During the reporting period, the Company made a significant procurement order for the purpose of satisfying its commitments under agreements executed with “Dan” and “Electra Afikim”.

1.4. Section 15.3 - Description of the development processes of the Company’s products

Section 15.3(1) - Gotland, Sweden

Further to the Company’s report regarding the extension of the Company’s project being executed in Gotland, Sweden², and as stated in the Company’s immediate report dated August 4, 2022³, included in this report by way of reference, the Company successfully completed the deployment of an additional segment of the new generation of its ERS. As part of the pilot, the ERS has demonstrated improved capabilities, including the ability to transfer energy to a receiver at an output of 30KW and utilization of approximately 85%. The Company assesses that in September 2022 it will complete the deployment of an additional ERS segment, spanning approximately 400 meters on which the Company will test and present advanced software and control capabilities, including demonstrating a high charging level for heavy vehicles.

Section 15.3(5) - “Arena of the Future”, Italy

Further to the Company’s report regarding the performance of the Company’s system as part of the “Arena of the Future” project⁴, and as stated in the Company’s immediate report dated August 4, 2022⁵, included in this report by way of reference, the Company completed the deployment of an additional segment of its ERS in Bergamo, Italy, for the Bergamo Airport and has completed a series of performance tests and checks with the other involved partners - the leading carmakers - Stellantis and IVECO and the Polytechnic University of Milan.

Section 15.3(7) - Project in Michigan, USA

As stated in the Company’s immediate report dated August 4, 2022⁶, included in this report by way of reference, the Company commenced its preparations to deploy a

² Published on April 3, 2022 (Ref. No: 2022-01-035049).

³ Ref. No: 2022-01-099010.

⁴ Published on June 14, 2022 (Ref. No: 2022-01-073528).

⁵ Ref. No: 2022-01-099010.

⁶ Ref. No: 2022-01-099010.

wireless road infrastructure spanning approximately 1.6 km in Michigan, USA, in two phases - the first phase is expected to be performed in July 2023, and the second is expected to be performed in August 2024. The Company also commenced its joint activities with the vehicle manufacturer - Ford - which will provide the vehicles for the project.

Section 15.3(8) - A joint study with the University of Utah, USA

As stated in the Company's immediate report dated August 4, 2022⁷, included in this report by way of reference, the Company estimates that next quarter it will deploy its ERS technology in a wireless charging pilot facility in Utah, USA, to test and pilot the Company's capabilities with the wireless charging of electric trucks manufactured by Kenworth (the vehicle manufacturer).

⁷ Ref. No: 2022-01-099010.

Chapter B - The board of directors' report on the state of the Company's affairs

The board of directors of ElectReon Wireless Ltd. (the “**Company**”) hereby submits the board of directors' report on the state of the business affairs of the Company and its subsidiaries (jointly: the “**Group**”) as of June 30, 2022 (the “**report date**”), and the Company's financial results for the three and six month periods ended on June 30, 2022 (the “**reporting period**”), in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970 (the “**Report Regulations**”).

A. Board's explanations about the state of the Company's business affairs

1. Company's operations and a description of the development of its business affairs

1.1. General

As of the report date, the Company is engaged in developing and deploying a wireless charging technology for electric vehicles. The technology which is being developed by the Company is based on a copper coil infrastructure deployed underground which enables energy to be transferred wirelessly to vehicles, a management system located alongside the roadway or parking area, aboveground or belowground, and receivers installed on the chassis of the vehicles. The management unit transfers energy from the electricity grid to the relevant coils depending on the location of the vehicle travelling on the infrastructure or being statically charged; and enables ongoing and wireless communication with the underground infrastructure.

The technology allows three forms of charging: Static charging for vehicles which are parked or waiting at a terminal, dynamic charging for vehicles in motion and semi-dynamic charging for vehicles travelling very slowly (e.g., while at the parking bay).

העתיד של טעינת רכבים חשמליים

היצע מלא של פתרונות טעינה אלהוטית לכל צורך של ציים מסחריים



טעינה דינמית

טעינת רכבים בתנועה לאורך המסלולים היומיים שלהם, מאפשר נהיגה רצופה ללא הפסקות

טעינה חצי דינמית

טעינת רכבים בנסיעה איטית בתנועה, למשל מוניות בתור שמחכות לנוסעים או בכניסה לנמל תעופה

טעינה סטטית

טעינה נייחת במסופי אוטובוס בסוף מסלול האוטובוסים, חניוני לילה וחניה ברחוב

Transitioning to electric transportation entails many challenges, especially for companies which manage commercial vehicle fleets. The three types of charging positions being developed by the Company are intended to provide these companies with an optimal and flexible solution, which would enable them to continuously and efficiently operate, to obviate the need for physical contact with plug-in charging stations resulting in savings for overnight parking spaces and increasing the financial feasibility of transitioning to an electric vehicle fleet. The dynamic charging technology (the electric road system or “ERS”) will enable a decrease in the battery size required to power electric vehicles (for vehicles driving on the electric road), increase the mileage for electric vehicles travelling on electric roads and reduce the cost and weight of the vehicles. To the Company’s best knowledge, as of the report date, changing weather and other environmental conditions are not meant to have an impact on the wireless ERS being developed by the Company.

It should be clarified that in light of the Company’s characteristic as a research and development company and on the backdrop of the uncertainty of the success of the Company’s products and/or them penetrating the relevant market and/or the costs to develop the Company’s products and/or them succeeding and/or achieving the intended targets, the Company’s investment in the development of its products may be lost. Similarly, it should be clarified that as a company engaged in research and development, the Company is likely to be required to raise capital to finance its ongoing expenses until it is able to generate a positive cashflow from selling its products.

Furthermore, all the assessments and estimates stated above (including with respect to completing the development of the Company's products and the results thereof, as well as with respect to the potential impact increased inflation and interest rates may have on the Company's present and future performance), fall within the definition of forward-looking forecasts, assessments and estimates under the Israel Securities Law, 1968 (the "Securities Law"), which are based on the Company's assessments about future developments and events for which the date of their eventuation, if at all, is uncertain and not within the Company's control. These assessments may not eventuate, in whole or in part, or may eventuate differently to what has been assessed, as a result of various factors, including the failure to achieve development and/or marketing targets and/or failing to obtain the required financing and/or the manifestation of any of the risk factors described in Section 28 of the 2021 Periodic Report (the "2021 Periodic Report"), included herein by way of reference.

1.2. Status of the Company's development processes - For details about the Company's pilots, see Section 15.3 of Chapter A of the 2021 Period Report and Section 1.4 of Chapter A of this report above.

1.3. Transition to commercialization - During the reporting period and as of the publication date hereof, the Company is continuing to act to execute and perform agreements for the purchase, deployment and manufacture of the Company's products, as part of the process of transitioning from the development stage to commercialization, including (a) the Company executing a memorandum of understanding with CTG Logistics, under which the parties expressed their intention to enter into a binding commercial agreements whereby CTG will provide wireless charging and additional services; (b) the Company executing an agreement with Electra Afikim Ltd. under which the Company is anticipated to deploy a wireless charging infrastructure and to provide support, operating and software services for the charging infrastructure; and (c) the Company's subsidiary - Electreon Germany GMBH - participating in a consortium chosen by the German Federal Ministry for Economic Affairs and Climate Change to execute the "E-MPower" project in Germany, for the deployment of an electric road on the Autobahn in Germany.

For more information about the above-stated projects being performed by the Group, see Sections 1.2 and 1.3 of Chapter A of this report above.

1.4. Spread of COVID-19 - In accordance with the Israel Securities Authority's positions published on March 8, 2020 and May 11, 2020, the Company discloses that as of the publication date of the report, the Group's activities and financial fortitude were not materially harmed by COVID-19 and the Company's research and development activities are continuing uninterrupted. For more information, see Section 7.9 of Chapter A of the 2021 Periodic Report, included in this report by way of reference.

1.5. Impact of inflation and increased interest rates on the Company's activities

The Group's primary activities at this stage are in research and development, and therefore, as of the date of the report, increased inflation both in Israel and around the world have not had a material impact on the Group's activities. Similarly, as of the publication date of the report, the increased inflation rate has not had a material impact on the Group's expenses, as most of the expenses comprise payments to personnel, which, the Group assesses, are primarily impacted by trends in the supply and demand of high-tech personnel, and inflation is anticipated to only have a limited impact in such regard.

With respect to the impact of interest rate volatility on the Company's activities, on March 16, 2022, the US Federal Reserve announced the first interest rate hike in the US since December 2018. As of March 16, 2022, and as of the publication date of the report, the US Federal Reserve announced additional interest rate increases. The aforementioned interest rate increase has had global implications on the interest rates in various countries around the world; thus, in the State of Israel, commencing from the onset of 2022, the Bank of Israel has increased the prime interest rate for the economy. According to the Bank of Israel's outlook, the interest rate is anticipated to continue increasing over the year.

Notwithstanding that set forth above with respect to increased interest rates, the Company's activities in Q2 2022 were characterized by an increase in the scale of operations, and the Company assesses that this trend is anticipated to also continue over the upcoming quarter. As of the publication date of the report, the Company does not finance its activities through credit and/or debt, and therefore, the increased interest rate is having a limited, if any, impact on the Company's financial results.

However, insofar as the trend with increased inflation rates along with increased interest rates continues and persists and results in a slowdown or economic

depression in Israel and around the world, such may have an adverse impact on the Company's operating results, including with respect to its ability to raise funds and price the services provided by the Company. The Company will continue to continually track the increased inflation and interest rates, and it will revert with an update in the event that such will impact the Group's activities and its results.

The Company's assessments with respect to the future impact the accelerated inflation and interest rates in the economy will have on the Company's activities constitute forward-looking information as defined under the Securities Law, the manifestation of which is uncertain and not within the Company's control. These assessments are based on the assessments made by the Company's management and may not at all occur, or may occur in a different manner, as a result of factors not within the Company's control, including continued accelerated inflation and increased interest in the economy and other macro-economic changes, as well as the manifestation of any of the risk factors described in the 2021 Period Report.

1.6. The geo-political crisis between Russia and Ukraine - Further to that set forth in Section 7.10 of the Periodic Report, as of the approval date of the report, the aforementioned geo-political events are not having a material impact on the Company's activities. However, due to the Company's inability to assess how the conflict in the Ukraine will unfold, and how said geo-political crisis will expand, how the expansion of sanctions may also affect the Company or the implications these factors may generally have on the Israeli economy, at this stage the Company is unable to assess the possible impact, if at all, these may have on its future operating results.

The Company's assessments with respect to the impact of the hostilities in Ukraine and said geo-political crisis on the Company's activities constitute forward-looking information as defined under the Securities Law, the manifestation of which is uncertain and not within the Company's control. These assessments are based on the assessments of the Company's management, based on public information published around the world. These assessments may not at all occur, or may occur in a different manner, as a result of factors not within the Company's control, including the development of said geo-political crisis, the expansion of the hostilities to additional countries and other macro-economic changes, as well as the manifestation of any of the risk factors described in the 2021 Period Report.

1.7. For more information about the Company, its activities and a description of the development of its business affairs during the reporting period, see Chapter A of the 2021 Periodic Report, included in this report by way of reference, and Chapter A to this report - Description of the Company's business affairs.

2. Company's financial position

Line-item	30 June		31 December	Explanations given by the board of directors
	2022	2021	2021	
	ILS 000's			
Assets				
Cash and cash equivalents	107,220	10,124	124,412	The increase as of June 30, 2022, relative to June 30, 2021, is primarily attributable to an ILS-denominated deposit with a banking corporation being redeemed to a checking account and exercise of options. For more information regarding the exercise of options, also see Note 4A to the Company's consolidated condensed financial statements as of June 30, 2022.
Short-term deposits	-	136,922	-	The decrease as of June 30, 2022, relative to June 30, 2021, is attributable to the redemption of an ILS-denominated deposit with a banking corporation, as described above.
Short-term pledged deposit	1,300	300	300	The increase as of June 30, 2022, relative to June 30, 2021, is primarily attributable to making a pledged deposit in favor of the Afikim project. Also see Note 4G to the Company's consolidated condensed financial statements as of June 30, 2022.
Accounts receivable and credit balances	14,027	6,370	7,882	The increase as of June 30, 2022, relative to June 30, 2021, is primarily attributable to advances paid to suppliers for procurements made in wake of projects in Germany, USA, Israel and Italy and from advance expenses for the Dan project. For more information also see Note 12F to the 2021 consolidated financial statements.
Assets for customer contracts	15,288	7,357	7,548	The increase as of June 30, 2022, relative to June 30, 2021, is attributable to preliminary stocking up on equipment in wake of the projects in Germany, Israel and Italy.
Long-term pledged deposit	4,080	45	76	The increase as of June 30, 2022, relative to June 30, 2021, is primarily attributable to making a pledged deposit in favor of the Afikim project. For more information, also see Note 4G to the Company's

				consolidated condensed financial statements as of June 30, 2022.
Fixed assets (property, plant and equipment)	8,586	8,027	8,488	The increase as of June 30, 2022, relative to June 30, 2021, is primarily attributable to leasehold improvements to the Company's facility in Israel, less ongoing depreciation expenses.
Long-term advance expenditures	6,658	349	6,279	The increase as of June 30, 2022, relative to June 30, 2021, is primarily attributable to the preliminary stocking up on equipment in wake of projects in the USA, Israel and Europe.
Long-term advance expenditures for Dan	22,859	-	22,859	The increase as of June 30, 2022, relative to June 30, 2021, is attributable to advance long-term expenses for the Dan project. For more information also see Note 12F to the 2021 consolidated financial statements.
Right-of-use assets	1,825	815	1,487	The increase as of June 30, 2022, relative to June 30, 2021, is attributable to new lease contracts for the Company's Israeli facility and for the Swedish and German subsidiaries, in accordance with IFRS 16.
Total Assets	181,843	170,309	179,331	
Liabilities and Equity				
Accounts payable, debit balances and suppliers	14,213	11,929	11,989	The increase as of June 30, 2022, relative to June 30, 2021, is attributable to an increase in the Company's activities.
Lease liabilities	801	628	816	The increase as of June 30, 2022, relative to June 30, 2021, is attributable to new lease contracts for the Company's Israeli facility and for the Swedish and German subsidiaries, in accordance with IFRS 16.
Total Liabilities	15,014	12,557	12,805	
Total Equity	166,829	157,752	166,526	

3. Operating results

Line-item	Six-month period ended as of June 30		Three-month period ended as of June 30		Year ended December 31	Explanations given by the board of directors
	2022	2021	2022	2021	2021	
	ILS 000's					
Revenues	2,942	-	1,673	-	-	The increase in the reporting period, relative to the same period last year, is attributable to the recognition of revenues for part of Phase A of the project with EnBW.
Cost of revenues	2,301	-	1,317	-	-	The increase is for the aforementioned revenues.
Gross profit	641	-	356	-	-	
Research and development expenses	23,022	18,656	11,668	9,651	43,616	The increase in the reporting period, relative to the same period last year, is primarily attributable to higher salary expenses due to the increase in the number of Company's employees.
Less - R&D participation expenses	(3,687)	(4,688)	(1,033)	(2,356)	(9,306)	An immaterial change.
Marketing and business development expenses	11,614	2,514	6,196	1,586	14,547	The increase in the reporting period, relative to the same period last year, is primarily due to an increase in manpower, marketing and business development expenses in the US as well as increasing marketing and business development activities in Europe and

						Israel.
General and administrative expenses	6,515	4,116	3,521	2,179	10,263	The increase in the reporting period, relative to the same period last year, is primarily due to an increase in manpower and increase in professional advisement services.
Other expenses	276	-	-	-	-	
Operating Loss	37,099	20,598	19,996	11,060	59,120	
Financing expenses (revenues), net	(165)	(1,406)	(426)	(1,587)	(1,574)	
Loss for the period	36,934	19,192	19,570	9,473	57,546	
Foreign exchange differentials from translating financial reports for external operations	(72)	(280)	87	(171)	(1,107)	
Comprehensive Loss	36,862	18,912	19,657	9,302	56,439	

In addition to the above data and that presented in the Company's consolidated condensed financial statements as of June 30, 2022, the Company chose to make an adjustment to comprehensive loss as presented in the table below by neutralizing the accounting impact of IFRS 2 for share-based payment expenses:

Line-item	Six-month period ended as of June 30		Three-month period ended as of June 30		For the year ended December	Company's explanations
	2022	2021	2022	2021	2021	
	ILS 000's					
Loss for the period	36,934	19,192	19,570	9,473	57,546	
Adjustments for implementing IFRS 2	9,406	3,811	5,620	2,312	17,597	For share-based payments
Adjusted loss for the period	27,528	15,381	13,950	7,161	39,949	

4. Cashflow

	Six-month period ended as of June 30		Three-month period ended as of June 30		Year ended December 31	Explanations given by the board of directors
	2022	2021	2022	2021	2021	
	ILS 000's					
Cashflows for operating activities	(38,640)	(26,119)	(22,821)	(16,348)	(55,806)	The increase in cashflows utilized for operating activities in the reporting period, relative to the same period last year, is primarily attributable to the continued development and preliminary building-up of equipment in wake of projects in Israel, the USA and in Europe.
Cashflows from (for) investment	(6,286)	(1,666)	(5,581)	(774)	134,920	The increase in cashflows utilized for investment activities in the reporting period, relative to the same period last year, is

activities						primarily attributable to a banking deposit made for the provision of a guarantee to Afikim. For more information, also see Note 4G to the Company's consolidated condensed financial statements as of June 30, 2022.
Cashflows from financing activities	27,617	2,558	(263)	1,875	9,081	The increase in cashflows from financing activities in the six-month period ended June 30, 2022, relative to the same period last year, is primarily attributable to the exercise of options. For additional details, see Section 5.2 below.
Increase (decrease) in cash and cash equivalents	(17,309)	(25,227)	(28,665)	(15,247)	88,195	

5. Sources of financing

As of the report date, the Group's primary sources of financing are government grants and capital raisings.

5.1. Capital issuances

As of the report date, the Group's sources of financing are government grants and capital raisings. For more information about capital raisings performed by the Company, see Section 1.5 of Chapter A of the 2021 Periodic Report, included in this report by way of reference.

5.2. Exercise of options

During the reporting period 130,275 non-marketable options (including employee exercises) and 96,018 options (Series 2) were exercised into Company shares, in a total scope of ILS 27,759 thousands.

5.3. Governmental and other grants

For details about government grants, see Sections 16.7-16.9 of Chapter A of the 2021 Periodic Report, included in this report by way of reference.

B. Aspects of corporate governance

6. **Directors with accounting and financial expertise**

The minimum number of directors with accounting and financial expertise appropriate for the Company, as determined by the Company's board of directors pursuant to Section 92(a)(12) of the Companies Law, 1999 (the "**Companies Law**"), is one director. This determination was made based on the nature of the accounting and auditing issues which arise in preparing the Company's financial statements, the Company's operating segments, the size of the Company and the scope and complexity of its operations, and while considering the composition of the Company's board of directors, whose members have considerable commercial, managerial and professional experience. However, notwithstanding the above, there are currently **four** directors with accounting and financial expertise serving on the Company's board of directors: Ms. Ronit Noam, external director; Ms. Rachel Ben-Nun, independent director; Mr. Joseph Tenne, external director and Mr. Moshe Kaplinsky, ordinary director. For more information about these directors refer to Regulation 26 in Chapter D to the 2021 Periodic Report and the Company's immediate report dated April 27, 2022 (Ref. No: 2022-01-051874), respectively, included in this report by way of reference.

7. **Extraordinary general meeting resolutions**

On May 19, 2022, the Company's extraordinary general meeting approved the following resolutions:

- 1) Approving the award of a bonus for the 2021 year to Mr. Oren Ezer, CEO of the Company and one of its controlling shareholders;

- 2) Approving the award of a bonus for the 2021 year to Mr. Hanan Rumbak, the Company's Chief Scientist and one of its controlling shareholders.

For more information, see the immediate report published by the Company on May 21, 2022 (Ref. No: 2022-01-061351), included in this report by way of reference.

8. **Updates to Chapter D of the Periodic Report - Additional Information about the Corporation**

8.1. Regulation 21A: The Company's Controlling Shareholder

The shareholders' agreement between Messrs. Oren Ezer and Mr. Hanan Rumbak and between Capital Nature Ltd. (the "**Shareholders Agreement**") expired on August 10, 2022. Accordingly, as of August 10, 2022, the Company has no controlling shareholder. For more information, see the immediate report published by the Company on July 10, 2022 (Ref. No: 2022-01-087214), included in this report by way of reference.

Further to the termination of the Shareholders Agreement, Capital Nature ceased being one of the Company's interested parties. For more information, see the immediate report published by the Company on August 28, 2022 (Ref. No: 2022-01-109228), included in this report by way of reference.

8.2. Regulation 26: The Company's Directors

On April 27, 2022, the Company's board of directors appointed Mr. Moshe Kaplinsky as one of the Company's directors, see the immediate report published by the Company on April 27, 2022 (Ref. No: 2022-01-051874), included in this report by way of reference.

On the backdrop of the termination of the Shareholders Agreement, Mr. Ofir Gomeh ceased serving as one of the Company's directors on July 26, 2022. For more information, see the immediate report published by the Company on July 27, 2022 (Ref. No: 2022-01-095845), included in this report by way of reference.

C. Disclosure on financial reporting**9. Material events following the date of the report on the financial position**

For details about events following the report date, see Note 4 to the Company's consolidated condensed financial statements as of June 30, 2022.

Date: August 30, 2022

Barak Duani**CFO**

Oren Ezer**Chairman of the Board of
Directors and CEO**