

# Leader of the Renewable Energies Market in Israel

Analyst Presentation  
H1, 2022

DORAL



Company's facility  
In Kibbutz Karmia



# Legal Disclaimer

This presentation of Doral Group Renewable Energy Resources Ltd. (hereinafter - the “**Company**”) was prepared as a general presentation about the Company’s activities; therefore, the information included therein is presented in condensed form and does not include all data about the Company and its activity. Therefore, this presentation does not include all information that may be relevant for making any investment decision in connection with the Company’s securities, does not describe the Company’s activity in full and in detail, nor does it replace perusal of the Company’s reports to the public, including the periodic report published by the Company on August 30, 2022 (Ref. No. 2022-01-110233) (hereinafter - the “**Periodic Report**”), and the reports submitted by the Company on an ongoing basis via the MAGNA reporting system.

This presentation does not constitute an offer to purchase and/or invest in the Company’s securities, and in particular does not constitute an “offer to the public” or a “sale to the public” or an invitation to receive such offers. This presentation should not be viewed as a representation or undertaking on behalf of the Company, nor of any of its employees or officers, and the data presented therein does not constitute a recommendation or opinion regarding investment in the Company.

Any reference to the “Company” refers to the Company and its investees (held directly or indirectly) The information included in this presentation and any other information provided during the course of presenting it (hereinafter - the “**Information**”) does not constitute a basis for making investment decisions nor does it constitute a recommendation or opinion of an investment advisor or tax advisor.

The following slides - Entrepreneurship, Technology and Innovation (slide 3), Key Events (slide 4), Projects Backlog (Slide 5), Expected Capacity of Income-Generating Facilities in the Next Few Years (Slide 6). Expected Results of Income-Generating Projects (Slide 7), Israel - a Snapshot (Slide 9), Tender No. 1 for Solar + Storage Facilities (Slide 10), the Electricity Market in the United States (Slide 12), Business Card (Slide 13), USA - Projects’ Capacity (Slide 14), Indiana North Project (Slide 15), Europe - Projects’ Capacity (Slide 17), Projects’ Development in Europe - Progress and Growth (Slide 18), Doral at the Forefront of the Green Energy Revolution (Slide 19), Doral Environmental Infrastructures (Slide 20)

# Legal Disclaimer

These slides constitute “forward-looking information” as described in the Securities Law, 1968, which is based, to a substantial extent, on the Company's expectations and assessments regarding economic, industry-specific and other developments, as well as on the execution of Company's plans on the dates projected by the Company, and on the interaction between the two, as well as on publicly available data and information published by various entities and agencies, whose content was not verified by the Company independently, and therefore the Company does not warrant any liability as to their accuracy.

These assessments may not materialize due to factors beyond the Company's control, such as: delays in obtaining the approvals and/or permits required to set up the systems in Israel and around the world, receiving responses from limited negative or positive distributors, delays in the development of the power grid, delays or difficulties in entering into development agreements with the Israel Lands Administration, changes in construction costs, including unforeseen expenses or changes in exchange rates, changes in regulatory tariffs, delays in construction, changes in legal provisions and/or regulations, changes in policy and/or financing costs, system deficiencies, changes in weather, operational problems, changes in power prices for system

consumers or system costs, changes in the volume of power consumption by system consumers, changes in tax rates, changes in the power sector, economic factors - business, regulatory and environmental as well as in the general risk factors characterizing the Company's activity, which are outlined in Section 1.26 of the Periodic Report published by the Company on March 31, 2022 (Ref. No. 2022-01-033693) (hereinafter - the “**Periodic Report**”). Accordingly, the information presented in these slides may not materialize and/or may materialize in a substantially different way than expected by the Company.

Readers of this presentation are hereby warned that the Company's actual results and achievements in the future are likely to be materially different from those presented in the forward looking information provided in this presentation. The Company has no obligation to revise and/or change any forecast or estimate included in this presentation to reflect events or circumstances occurring after the publication of this presentation.

For details regarding the assumptions that were used by the Company in connection with information and data included in the presentation, see Slide 24.

# Doral Energy Group - Entrepreneurship, Technology and Innovation



## Israel

The largest backlog of facilities under development and under execution in Israel  
Capacity of approx. **2 GWp<sup>4</sup>**



## USA

Projects under development among the largest in the USA with a capacity of about **12 GWp<sup>4</sup>**



## Europe

Projects in Italy, Romania, Poland and Denmark with a capacity of about **2 GWp<sup>4</sup>**



## Environmental infrastructures

**Waste To Energy**  
Biogas and organic waste treatment



## Doral-Tech

**Technology investment arm**  
Global investments



# | Main Events

1.

Financial  
closing  
totaling

Approx.  
**USD 390M**

Tax Equity  
agreement

2.

Inflation  
Reduction  
Act.

3.

MOU for  
projects  
financing  
totaling

Approx.  
**NIS 2.2 billion**

4.

Massive  
construction  
work in –

USA  
Israel  
Europe

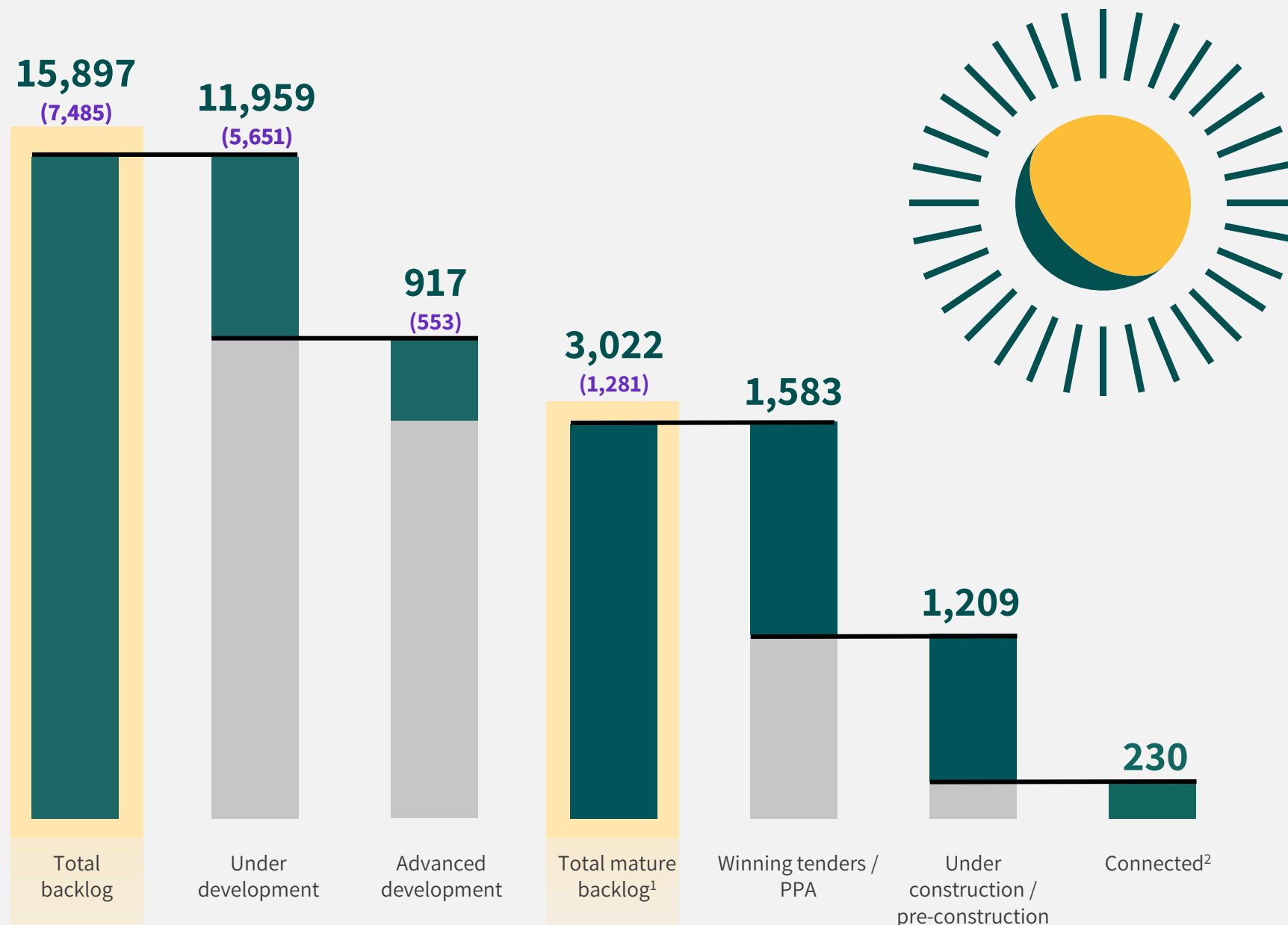
# Projects Backlog

Total capacity of approx.

 4.5 **16 GWp**  
(7.5 GWp)

Total storage capacity of approx.

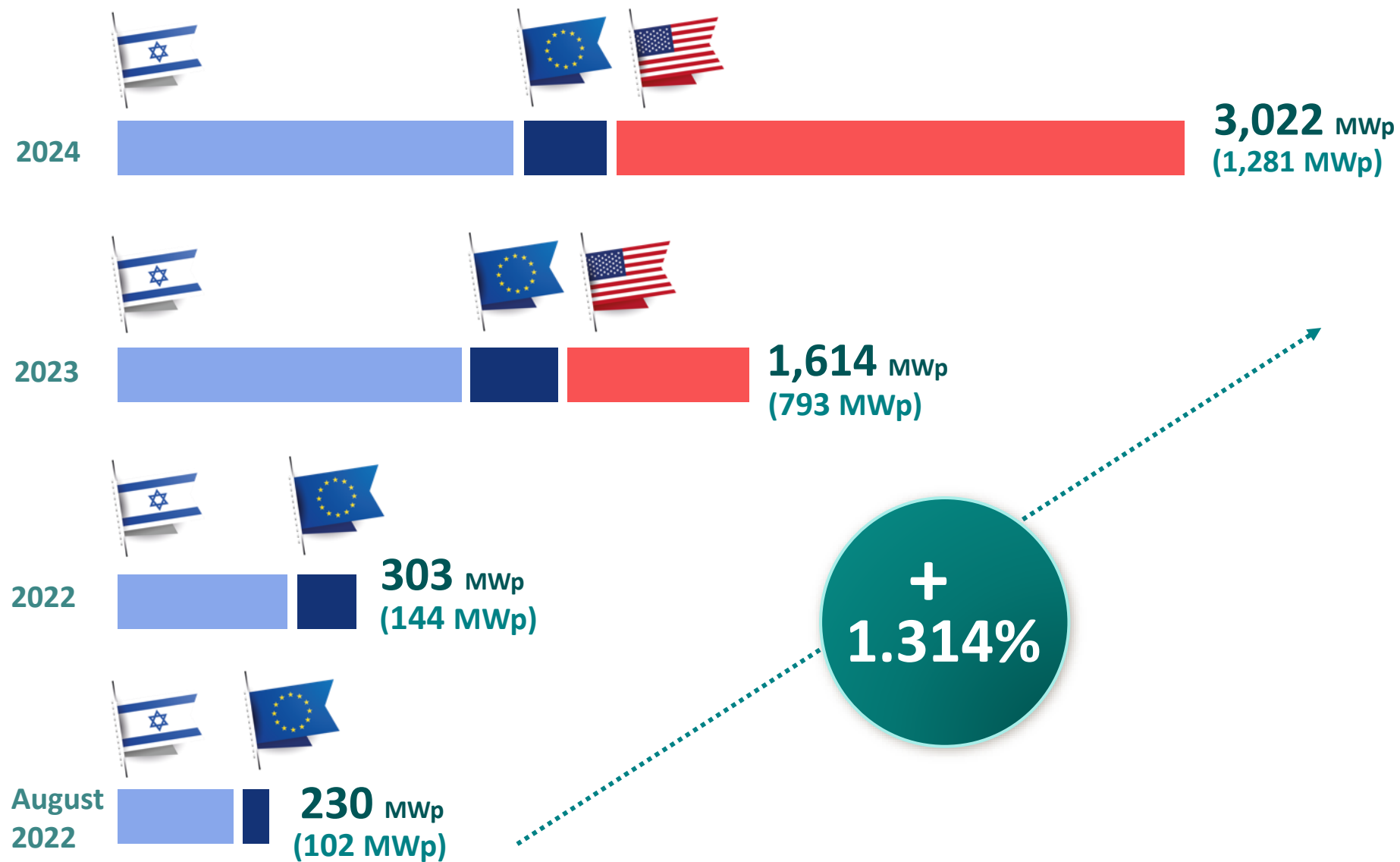
 4.5 **9 GWh**  
(4.3 GWh)



The data reflect the capacity of all systems held jointly by group companies and partners; the expected share of the company appears in parentheses.



Mature projects  
with total capacity  
of approx. 3 GWp  
expected to  
generate income  
in the forthcoming  
years<sup>4.5</sup>



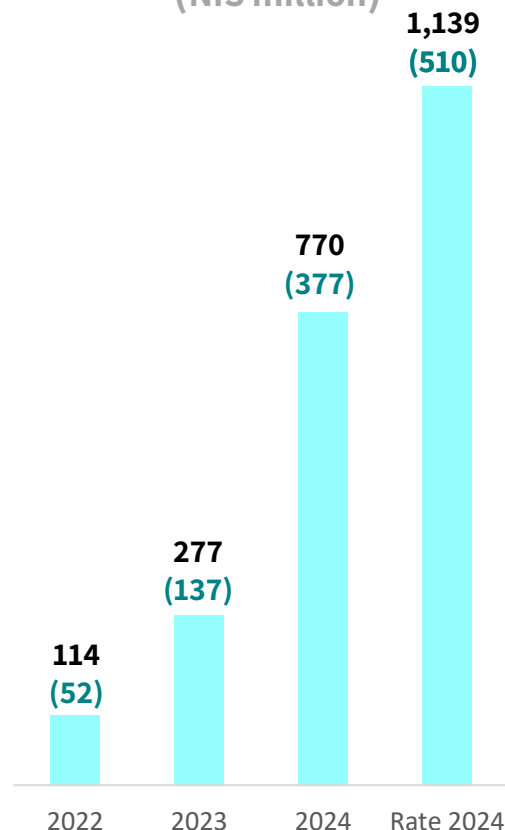
# Forecast results from mature projects<sup>1, 11</sup>



**Over NIS 1 billion** Revenue run rate from projects from 2024

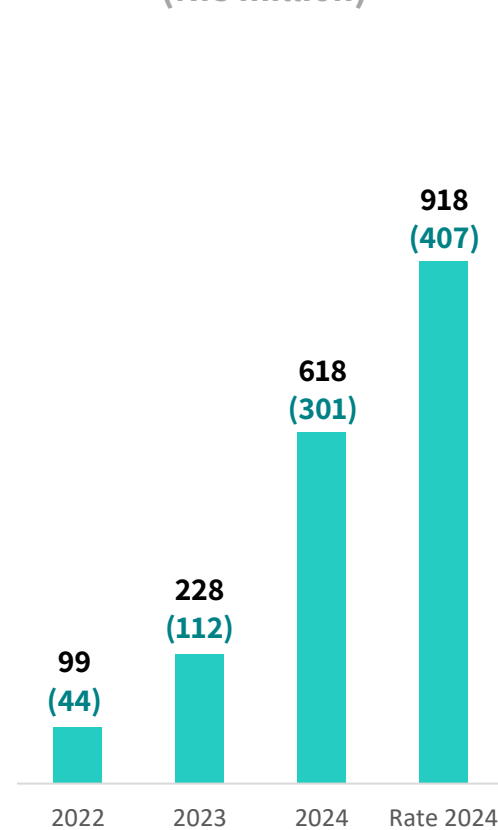
## Project Revenues

(NIS million)



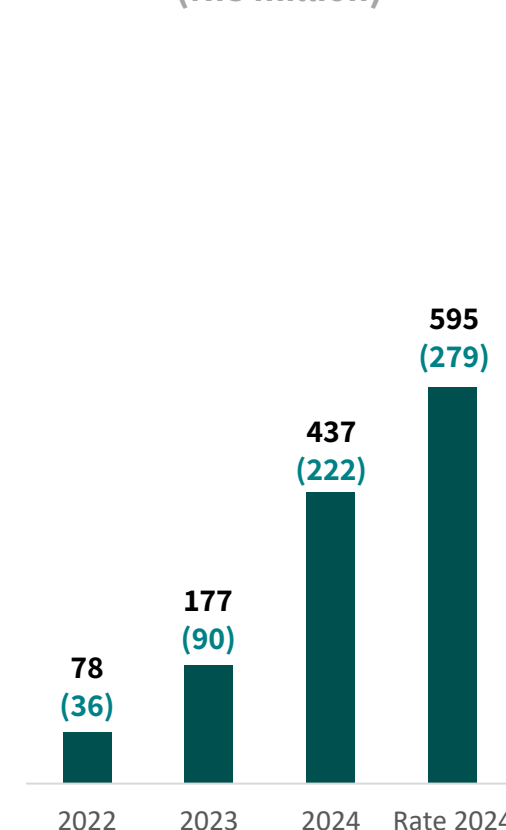
## Project EBITDA

(NIS million)



## Project FFO

(NIS million)



**Projects which are currently under commercial operation, ready for connection, under construction or pre-construction and/or after winning tenders or signing a PPA agreement**

The revenue run rate data reflect the Company's assessments as to the results over a one-year representative period of projects which are currently under commercial operation, ready for connection, under construction or pre-construction, after winning tenders, and/or signing a PPA agreement, as from the year in which they started or will start to generate income in accordance with Company's assessments as included in the Periodic Report. These assessments constitute forward-looking information, as defined in the Securities Law, that depend on factors beyond the Company's control. As to the calculation of revenue data, FFO and EBITDA data, see Section 1.5 to the Quarterly Report.







# Israel - A Snapshot

**58% of mature<sup>1</sup> projects** out of an existing backlog of approx. 2GWp

Approx. **230** partnerships with Kibbutzim, Moshavim and cooperatives

More than **500** income-generating facilities across the country, which the Company itself initiated, developed and built



## Storage Leaders

Approx. 1.4 GWh in Storage facilities as part of tender 1+2

Approx. 250 MWh in storage facilities on consumers' premises

EMPOWER Partnership between Doral - The Phoenix - Ampa

## Providing green electricity

The sale of electricity has started, including the process of issuing green certificates



# Tender 1 for Solar and Storage Facilities<sup>5, 6, 7</sup>



Winning the tender

Distributor response and procurement of key equipment

Commencement of construction work - first projects

Signing a MOU for the projects financing

Completion of financial closing

**Expected commercial operation in accordance with the time tables set in the tender**

## Project Spotlight

	PV 239 MWp	Storage 470 MWh
Capacity		
Expected commercial operation	2022-2023	
Total projected construction costs (NIS million)	1,003	
Revenues*	102	
EBITDA*	76	
FFO*	54	

\* For the first representative operation year (NIS million)



Simulation of the Company's facility  
At Kibbutz Lehavot  
HaBashan





# The electricity market in the United States<sup>5, 12</sup>

## Inflation Reduction Act

At the total amount of approx.

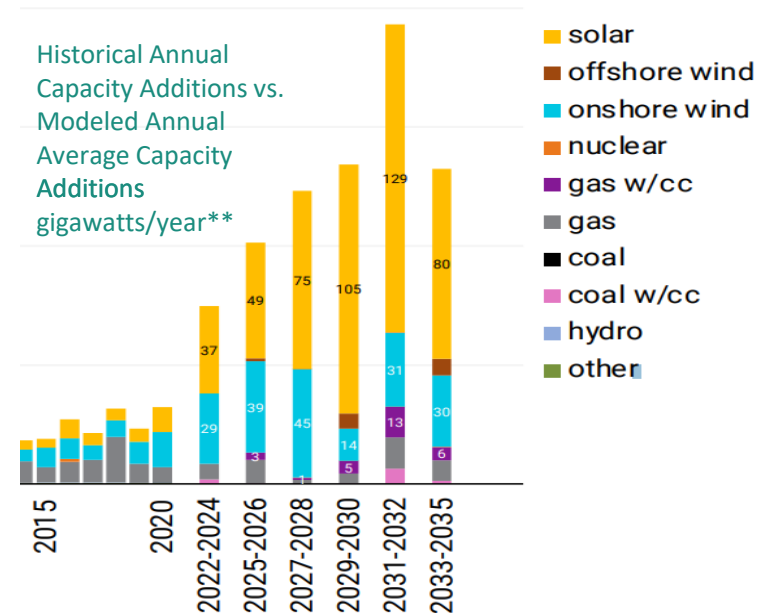
**USD 370 billion**

To fight global warming

As part of the package of incentives -

- Expected increase in the profitability of projects with signed PPAs
- Tax shield of 30%-50% until 2032 (PTC/ITC)
- Long-term stability and increasing the probability that the projects will be built
- Regulation and tax benefit for storage and green hydrogen facilities

## The expected effect of the new legislation



## Expanding the MISO grid, which allows the connection of additional renewable energy facilities with total capacity of 53 GW

Doral has a projects backlog with a capacity of approx. 3,973 MWp in the MISO grid; the Company believes that the move increases the probability that the projects will be built, and this is expected to reduce the cost of connecting the projects to the grid<sup>5</sup>

## PJM power grid connection survey reform

The goal of the reform is to streamline the procedures for approving applications; inception is expected at the beginning of 2023.

The Company does not expect any delays in projects under advanced development in the PJM grid\*

\*For further information, see Section 1.3 of the quarterly report.

\*\*[https://repeatproject.org/docs/REPEAT\\_IRA\\_Preliminary\\_Report\\_2022-08-04.pdf](https://repeatproject.org/docs/REPEAT_IRA_Preliminary_Report_2022-08-04.pdf). The Company did not apply for permission to include this information in this presentation.



# Business Card

## DORAL LLC

Independent entrepreneurship and development of projects - a competitive advantage



**Signed PPAs in respect of approx. 1.8 GWp<sup>8</sup>**

At high electricity tariffs

Total expected revenues from the agreements

**Approx. NIS 1.5 billion**

Over the term of the agreements - 15 years<sup>4</sup>



**Control across the entire value chain**

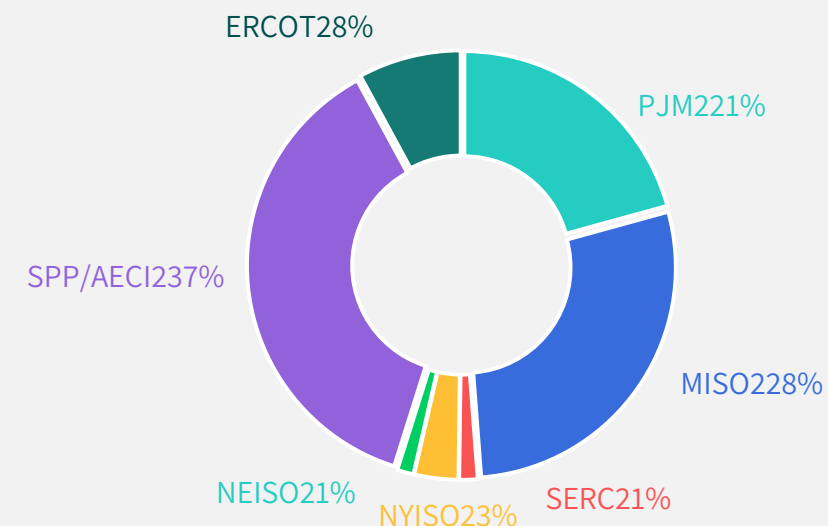
Experienced and professional team, direct transactions with land owners.

Independent entrepreneurship and development of the projects; financing, construction and long-term operation of the projects

### Growth in project portfolio (GWp)



### Activity in a range of leading electricity markets in the USA





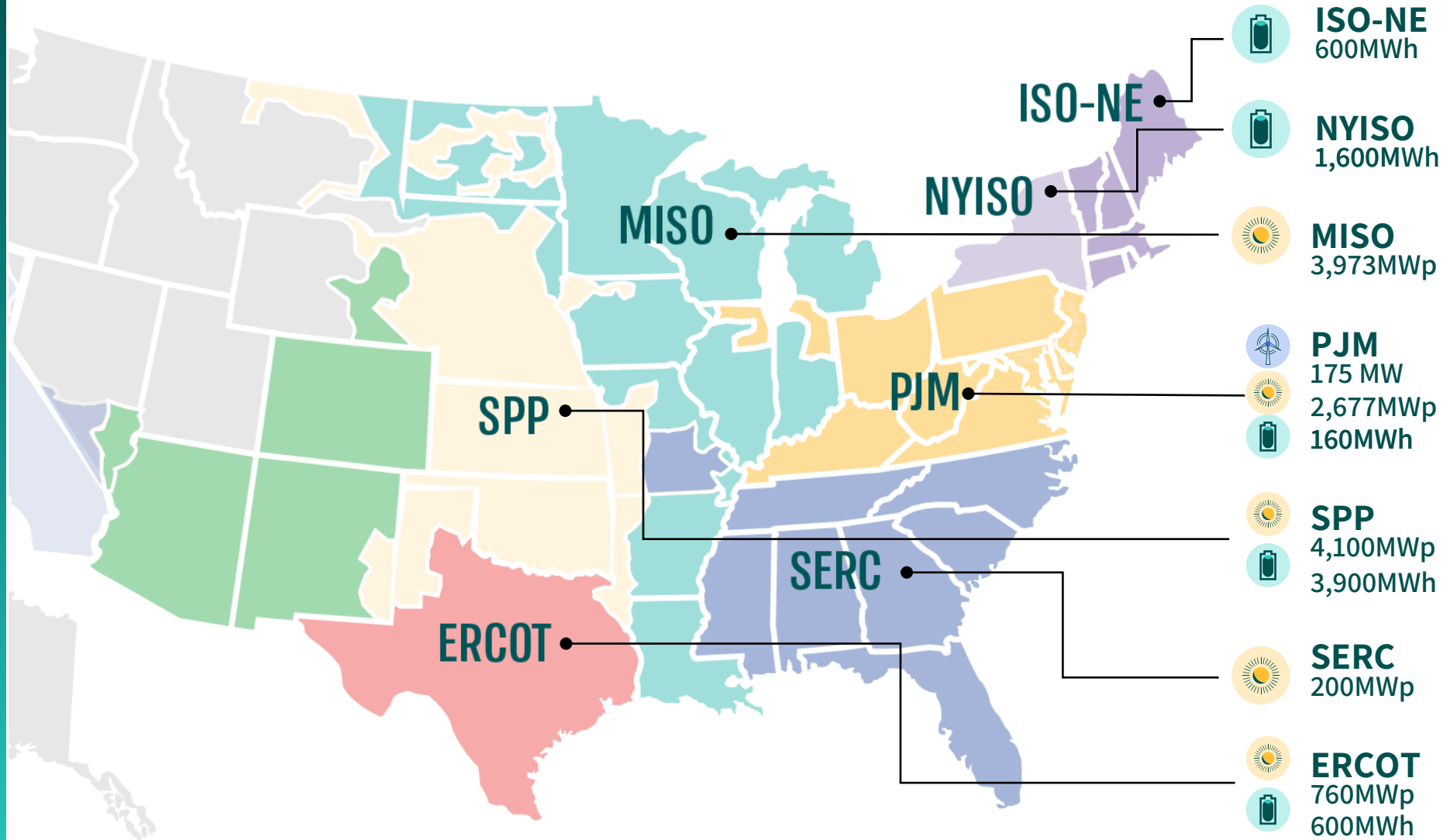
Total  
projects' capacity  
Approx.

12GWp<sup>4</sup>

Total  
storage capacity  
Approx.

6.86GWh<sup>4</sup>

## Activity in the Leading and Most Liquid and Tradable Power Grids



# Indiana North Project<sup>4,5,6</sup>

A further improvement is expected in the project's results in view of the legislation of the Inflation Reduction Act



PPA with AEP

Receipt of building permit

Signed EPC agreement March 2022

**Financial closing - June 2022**

**Tax equity - June 2022**

Expected commercial operation - H2 2023

## Project Spotlight



<b>Capacity</b>	480 MWp	
Grid	PJM	
Date of receipt of building permit	Q1 2022	
Expected commercial operation	Q3 2023	
PPA	AEP	
Tax Equity	Bank of America	
	<b>First representative year</b> (NIS million)	<b>Average year</b> (NIS million)
Revenues	Approx. 156	Approx. 238
EBITDA	<b>Approx. 129</b>	Approx. 196
FFO <sup>00</sup>	Approx. 81	Approx. 173



Indiana, USA





**DORAL**  
Europe



# Europe Projects' Capacity<sup>10</sup>

Approx.

GWp2<sup>4,5</sup>



**Denmark**  
**340MWp**



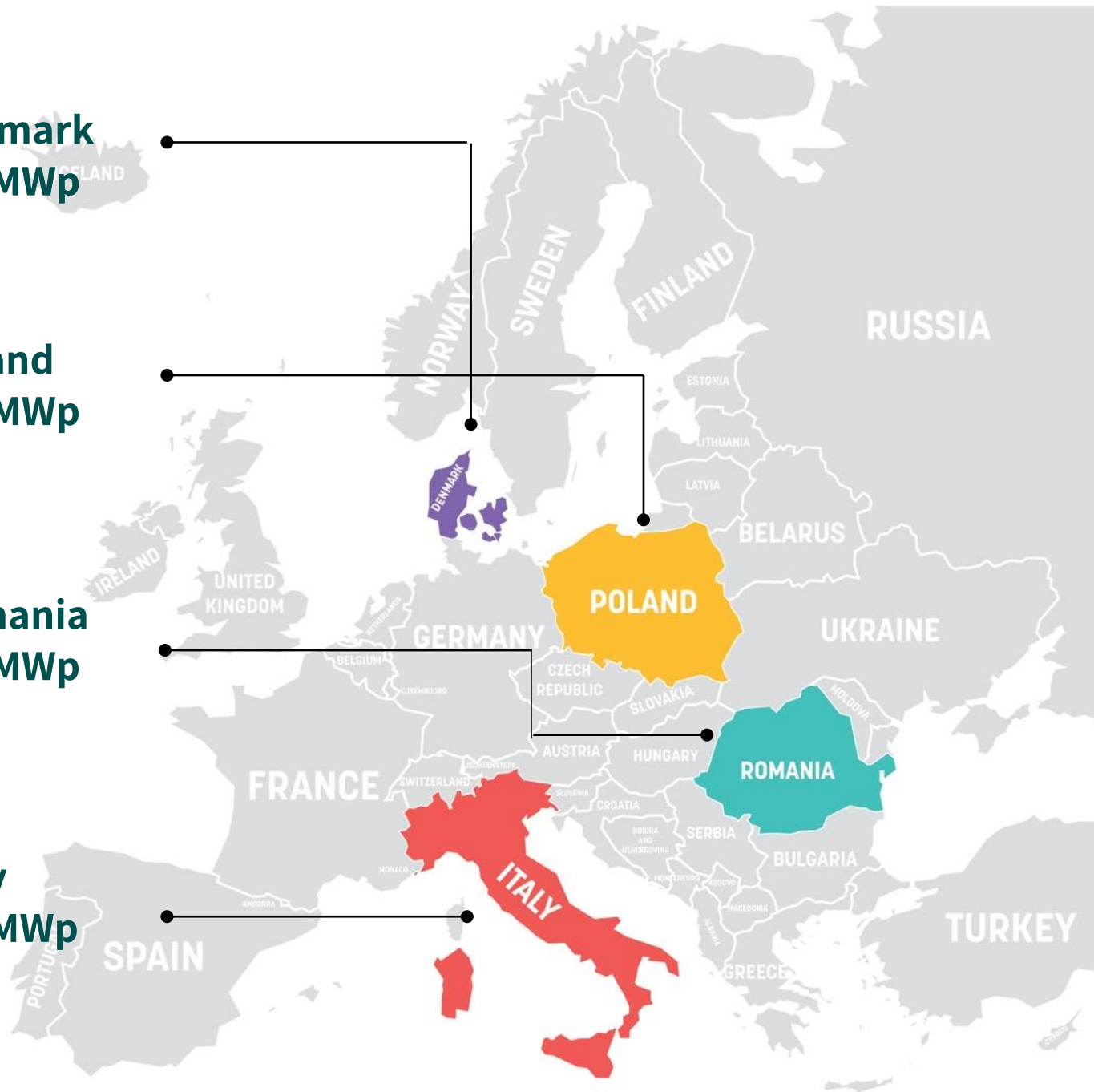
**Poland**  
**498MWp**



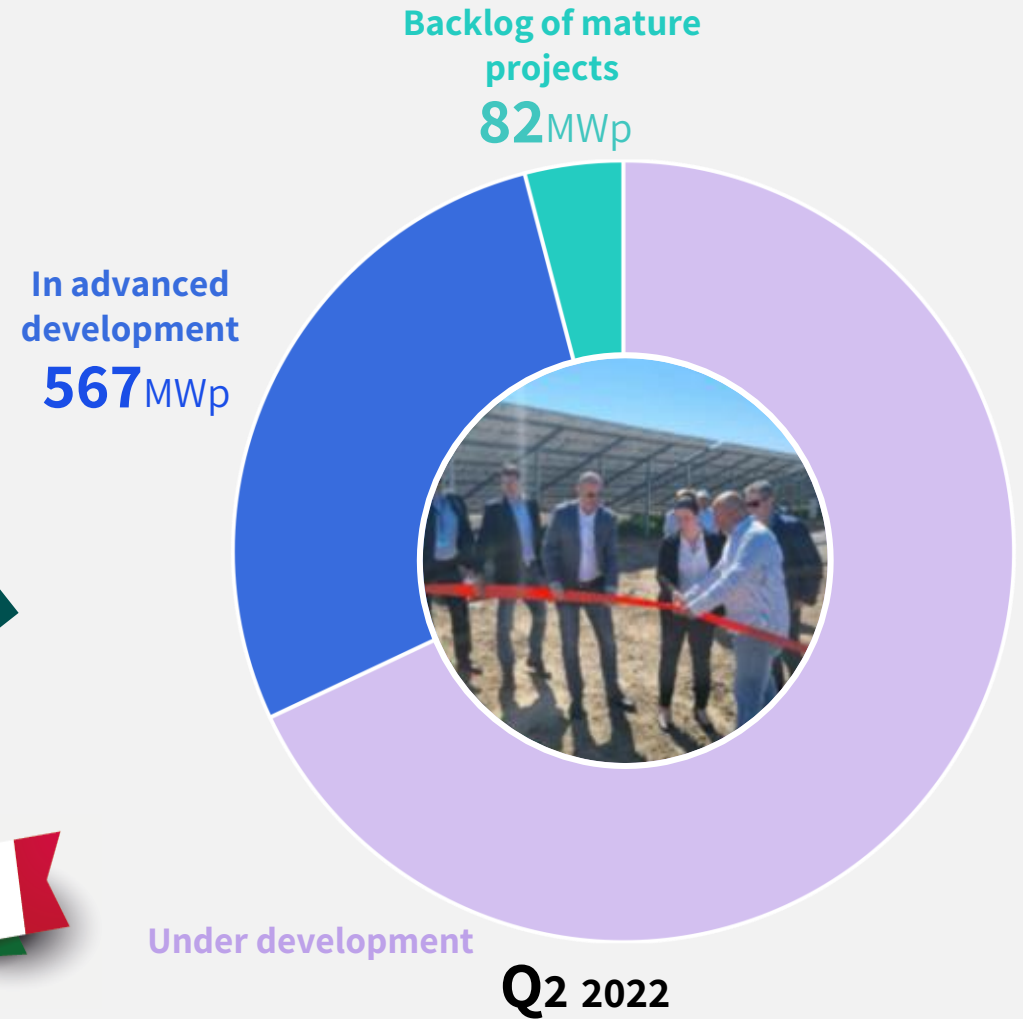
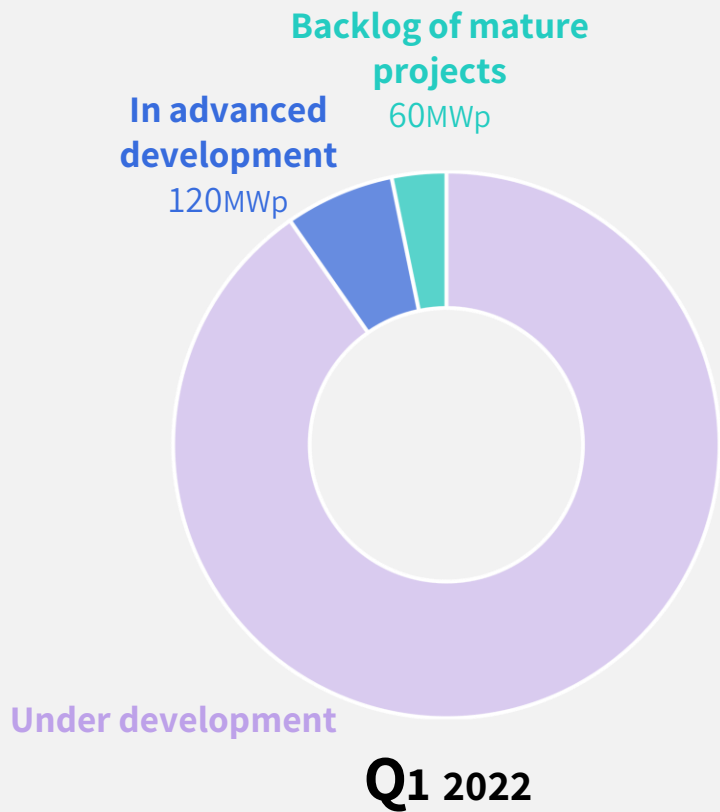
**Romania**  
**677MWp**



**Italy**  
**518MWp**



# Projects' Development in Europe - Progress and Growth <sup>4</sup>



# Doral at the Forefront of the Green Energy Revolution - Develops Green Hydrogen Projects



“Doral-Tech” **invests** in groundbreaking hydrogen technologies, and **promotes strategic collaborations** with technology suppliers. **Alongside the initiation and development of green hydrogen projects in Israel and across the world**



**It is expected that demand for electrolysis equipment for generation of green hydrogen will be much higher than supply\***



**Doral is developing a first-of-its-kind green hydrogen pilot project in Israel, with the support of the Ministry of Energy**

## Investments, innovation and securing the supply chain



### Strategic investment in technologies

In collaboration with leading funds and international corporations



### Securing supply chains and creating a competitive advantage

Signing a conditional agreement for the acquisition of electrolysis equipment with a capacity of approx. **200MW**



### Winning a grant from the Ministry of Energy for the promotion of a green hydrogen pilot in Israel

Pilot based on the H2Pro technology, with the support of the Ministry of Energy and strategic partners



# Doral Environmental Infrastructures



## WASTE 2 ENERGY



### Treating agricultural and industrial waste

3 facilities are commercially operated and under construction, and 5 further facilities are under advanced development and initiation

### Total of approx. NIS 14 million per year<sup>5</sup> in revenues

are expected from connected assets and from assets under construction

### Around-the-clock-activity 24/7

The facilities continue working regardless of the season of the year and the time of day

### Expanding the activity to Europe

In August 2022, the Company signed an agreement for the acquisition of a Polish company holding a backlog of 15 projects for the generation of electricity from biogas and/or bio-methane projects.

## Environmental technologies

Doral promotes technologies in the field of environmental infrastructures



### Keilot

Applications of end-user solutions in areas that are not connected to infrastructures and the grid

### Paulee CleanTec

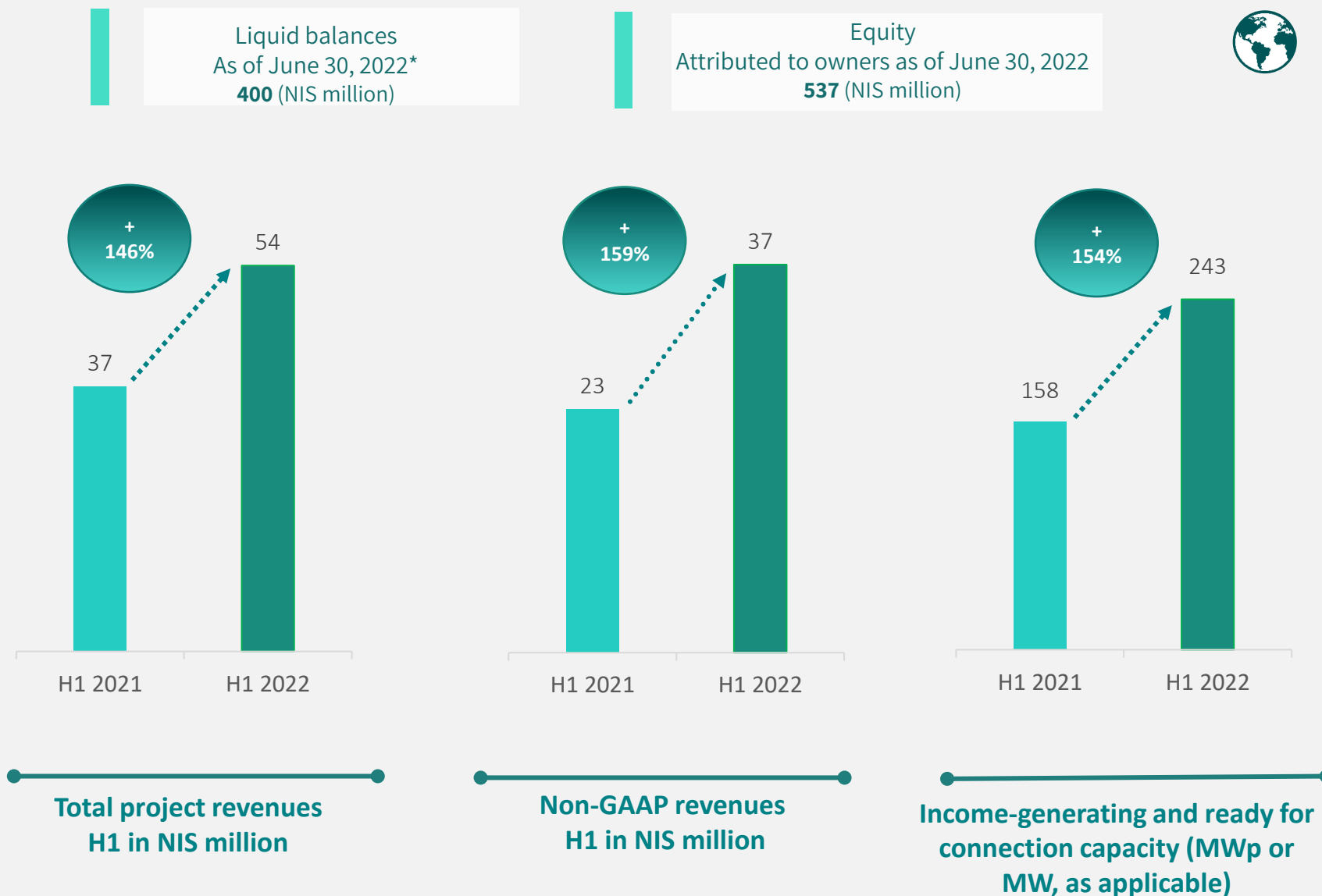
Treating organic waste and its conversion into organo-mineral fertilizers.

### Zohar Clean Tech

Technology for treating household waste “on-site”, that eliminates the need to transport the waste to landfills.

# Key Financials<sup>3,5,6</sup>

Concurrently with the promotion and construction of its major flagship projects, the company has continued its growth trend and reinforced the financial foundations of its operations



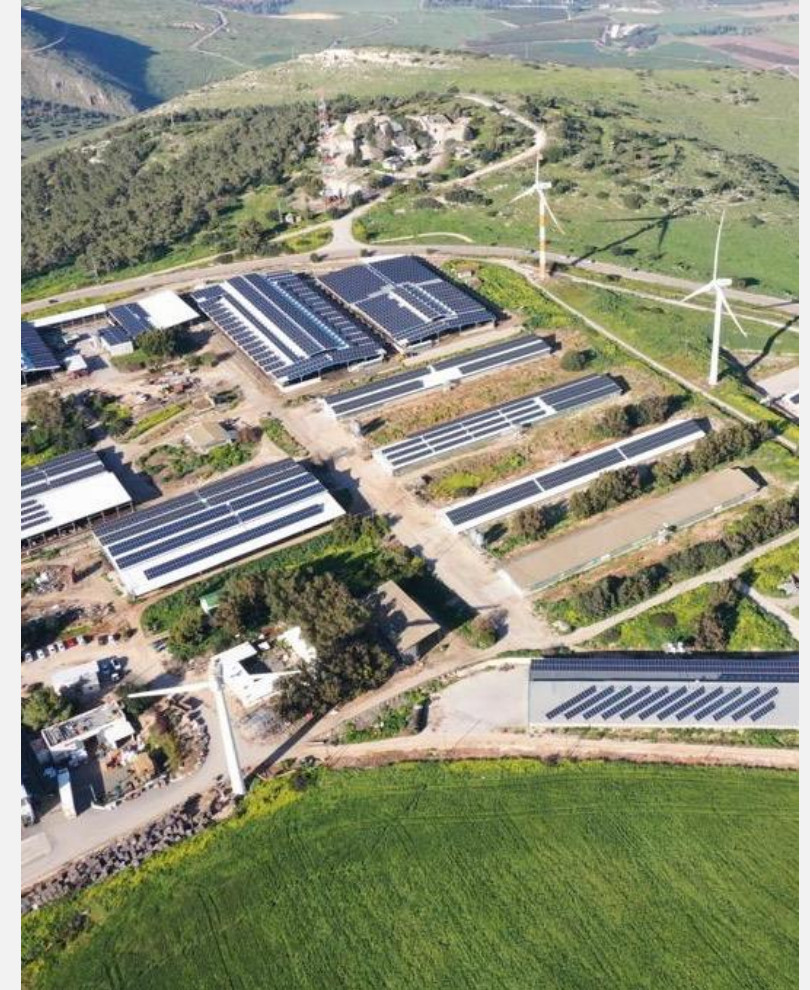
\* Excluding marketable securities (approx. NIS 157 million) and restricted cash (approx. NIS 25 million), that serve as collaterals; excluding the Company's weighted share in the cash and cash equivalents balances of SPCs accounted for by the equity method (approx. NIS 50 million); excluding the credit facility extended to Doral LLC by Migdal (USD 130 million); and excluding the credit facilities that will be extended as part of the financing transaction with Bank Mizrahi-Tefahot<sup>5</sup> (including for the purpose releasing surplus equity of more than NIS 100 million, prior to the financial closing).



# Key Financials

Key data of consolidated statements of financial position (in NIS thousands)<sup>3</sup>

	June 30, 2022	June 30, 2021	Dec. 31, 2021
Cash and cash equivalents	397,761	219,318	601,466
Other current assets	230,708	254,770	285,501
Non-current assets	1,236,082	517,067	769,720
<b>Total assets</b>	<b>1,864,551</b>	<b>991,155</b>	<b>1,656,687</b>
Current maturities	94,697	2,855	6,940
Other current liabilities	104,542	75,268	111,497
Debentures and long-term borrowings	758,444	196,574	795,547
Other liabilities	71,588	27,753	30,090
<b>Total liabilities</b>	<b>1,029,271</b>	<b>302,450</b>	<b>944,074</b>
<b>Total equity</b>	<b>835,280</b>	<b>688,705</b>	<b>712,613</b>
<b>Total assets</b>	<b>1,864,551</b>	<b>991,155</b>	<b>1,656,687</b>



# Key Financials

Key data of consolidated statements of income and other comprehensive income (NIS thousand)<sup>3</sup>

IFRS Non-GAAP	H1'2022	H1'2021	Q2'2022	Q2'2021	2021	<b>IFRS Non-GAAP</b> <ul style="list-style-type: none"> <li>Property, plant &amp; equipment model</li> <li>Projects in proportionate consolidation</li> </ul>
Revenues	36.609	22.547	17.346	13.154	56,578	
Expenses, net of financing	52,774	26,318	19,321	12,247	77,447	
Finance expenses (income), net	(11,563)	12.924	(5,036)	14.776	(15,503)	
Profit (loss) for the period	(4,602)	(16,695)	3.061	(13,869)	(36,372)	
Comprehensive income (loss) for the period	39.076	(10,713)	37.494	(8,313)	(49,010)	

IFRS GAAP	H1'2022	H1'2021	Q2'2022	Q2'2021	2021	<b>IFRS GAAP</b> <ul style="list-style-type: none"> <li>Financial asset model</li> <li>Projects accounted for by the equity method</li> </ul>
Revenues	16,710	64,047	7,203	15,365	121,583	
Expenses, net of financing	53,729	65,198	29,825	16,178	135,864	
Finance income (expenses), net	19,568	(10,965)	10,440	(13,174)	(12,225)	
Capital gain on sale of investment	16,692	-	16,692	-	-	
Profit (loss) for the period	(759)	(12,116)	4,510	(13,987)	(26,506)	
Comprehensive income (loss) for the period	42,919	(6,134)	38,943	(11,758)	(39,144)	

Project data  
As of June 30, 2022 (in NIS million)<sup>5,6</sup>

	Connected facilities <sup>2</sup> (assuming a full year of activity)	Plus construction, pre-construction, and tariff guarantees	Total	Company's share
Revenues	141	998	1,139	510
EBITDA	120	797	918	407
FFO	95	499	595	279





# Comments

**1** "Mature Projects" - projects under commercial operation, ready for connection, under construction or pre-construction and/or after winning tenders, or signing PPAs, which the Company believes will be connected by the end of 2024.

**2** The total capacity of the income-generating generation systems owned by the Group's companies, together with partners, that feed the power they generate into the power grid and/or directly to consumers, is 176 MWh (DC). In addition, the Company has additional systems that began commercial operation after June 30, 2022, or for which the construction phase has been completed and in order to officially operate commercially, mainly technical and procedural operations are required with capacity of 54 MWh (DC), see Section 1.5(c).

**3** The financial data are based on the Company's financial statements as of the Quarterly Report's date and on previous financial statements data presented alongside those data.

**4** The projects' capacity data were calculated based on the tables included in Section 1.5 to the Quarterly Report, and they should be read in conjunction with the data of those tables bearing in mind all working assumptions, forecasts and reservations set forth in this section.

**5** The Company's estimates regarding the characteristics of the power markets in the various territories, tariffs, guaranteed tariff periods, capacities, commercial operation dates, construction costs, leverage rates, revenues, FFO, EBITDA, holding rates and first representative year of commercial operation constitute forward-looking information, as the term is defined in the Securities Law, based on the Company's estimates at the date of this report. These assessments are based on the Company's plans for any current system and courses of action in the different markets, which may not materialize or which may materialize in a materially different manner due to factors beyond the Company's control, such as: delays in obtaining the permits required to set up the systems, receiving responses from limited negative or positive distributors, delays in the development of the power grid, delays or difficulties in entering into development agreements with the Israel Lands Administration, changes in construction costs, including unforeseen expenses or changes in exchange rates, changes in regulation tariffs and/or market prices, delays in construction, changes in legal provisions and/or regulations, changes in policy and/or financing costs, changes in tender publication dates, system deficiencies, changes in weather, operational problems, changes in power prices for system consumers or system costs, changes in the volume of power consumption by system consumers, changes in tax rates, changes in the different power sectors, the continuation of Covid-19 and the resulting restrictions imposed (or to be imposed), or the presence of any of the risk factors listed in Section 1.26 of the Periodic Report, where the information contained therein is presented in this report by way of reference.

To the extent that the Company fails to execute the any or all of the projects it promotes, its main exposure will arise from the derecognition of the amounts that were (and will be) invested through that date.

**6** Projected revenue, FFO or EBITDA in a representative year As to the method employed to calculate FFO and EBITDA data - see Section 1.5(b) to the Periodic Report.

**7** The output of installations to be built + storage facilities under the Solar Regulations will be determined, inter alia, by taking into account the distributor responses to be received from the Israel Electric Corporation with regard to each and every site, which may contain power supply to the grid restricted to certain hours. This and other information is expected to affect the engineering design of the facilities and as a result their expected output.

**8** See Section 1.5(d)(e) of the quarterly report, "Details regarding projects under construction, pre-construction, and in advanced development after signature of PPA."

**9** For more information about "the impact of global trends on the Company's activity in the short-term", see Section 1.8.8 to the Annual Report.

**10** Project capacities presented on this slide are in various stages of entrepreneurship and development, ready for connection, under construction, pre-construction, in advanced development, or in entrepreneurship. For further information, see Section 1.5 of the quarterly report.

**11** Data presented on this slide are based on forecasts included in the detailed tables as released in the board of directors' report, under management's assumptions and estimates for forecast connection dates of the projects. For further information, see Section 1.4 of the Quarterly Report.

**12.** See Section 1.3 to the Quarterly Report, Business environment and the effect of the Covid-19 pandemic

# DORAL

Renewable Energy Driven by People

● ISRAEL ● USA ● EUROPE ● DORAL TECH ● EI ENVIRONMENTAL INFRASTRUCTURES

[michal@doral-energy.com](mailto:michal@doral-energy.com) | [www.doral-energy.com](http://www.doral-energy.com)