



**Ashtrom Renewable Energy Announces ~\$270 Million Green Financing
for ~400 MW Tierra Bonita Solar Project in Texas**

In parallel, Ashtrom Renewable Energy concluded a Tax Credit Transfer Agreement covering the sale of production tax credits (PTC) to a highly rated institutional entity for an estimated value of ~\$300M over a ten-year period

Total investment in the Tierra Bonita project is estimated at ~\$435M and it is expected to be operational by Q4 2024

AUSTIN, Tex., [October 2, Monday], 2023 - Ashtrom Renewable Energy, a global independent power producer and renewable energy developer and subsidiary of Ashtrom Group, today announced the signing of a green financing totaling ~\$270M with a group of five banks: BHI, the U.S. operation of Bank Hapoalim Group, Bayerische Landesbank, ING Capital, Rabobank and Société Générale.

In addition, Ashtrom Renewable Energy signed a Tax Credit Transfer Agreement (TCTA) to sell the production tax credit (PTC) to be produced by the project over a ten-year period to a highly rated (Aa3 Moody's) U.S. institutional entity. The total value of the PTC is estimated at ~\$300 million. The Tierra Bonita project is one of the very first solar projects in the U.S. to complete a Tax Credit Transfer Agreement for solar PTCs under the new Inflation Reduction Act (IRA), and complete financing under a project finance structure.

"The financial closing of the Tierra Bonita project marks a significant milestone for Ashtrom Renewable Energy, demonstrating confidence in our strong capabilities to execute the development, planning, financing and construction of our first large-scale solar project in the U.S., with a total investment of approximately \$435 million," said Yitsik Mermelstein, CEO at Ashtrom Renewable Energy. "In addition, we have also entered into a pioneering agreement to sell the project tax credits to a leading U.S.-based institutional entity for an estimated value of \$300 million. This follows our PPA agreement from last year to sell ~60% of the project's electricity to the CPS Energy (Aa2 Moody's) the municipal utility of San Antonio for a 20-year term."

The Tierra Bonita project is located on a ~2,400 acres site in Pecos County, Texas, with a planned capacity of ~400MWdc (306 MWac). It is currently under construction and commercial operation is expected by Q4 2024. The project is expected to have positive environmental impact reducing CO2 emissions by over 500,000 tons per year. As a result, financing for the project was structured as a Green Loan in alignment with Green Loan Principles and with ING as the Green Loan Structuring Agent.

The Tierra Bonita project was developed by Ashtrom Renewable Energy and its local development partner, OnPeak Power, LLC, an industry leading privately held renewable energy company based in Austin, Texas. OnPeak specializes in renewable energy project development and asset optimization. Mortenson is the EPC contractor of the project.



Morgan Lewis and Marathon Capital advised Ashtrom Renewable Energy. Allen & Overy advised Stonehenge Capital.

About Ashtrom Renewable Energy

Ashtrom Renewable Energy is delivering clean energy at scale. We build best-in-class renewable energy projects in the United States and around the globe. With a hands-on, risk-informed approach that emphasizes strategic and cost-effective execution, the company is an independent power producer (IPP) led by a team of energy experts with decades of experience in solar and wind siting, development, construction, financing, and operation. Ashtrom Renewable Energy leverages the financial stability and culture of excellence cultivated by Ashtrom Group (TASE: ASHG), a leading infrastructure, construction, and real estate development company with a 60-year legacy of success. With a development pipeline of ~1.8 GWdc in the U.S. and ~2.5 GWdc worldwide, Ashtrom Renewable Energy is poised to rapidly scale its development and investment activities in the U.S. market for the long term. Learn more about Ashtrom Renewable Energy at <https://www.ashtrom.co.il/renewable-energy>

About Ashtrom Group

Ashtrom is Israel's leading construction and real estate companies whose shares are traded on Tel Aviv 35. The group operates in several operating sectors: Construction and infrastructure contracting in Israel - including, inter alia, residential and infrastructural contract constructions; Franchise - participation in tenders and executing planning, operations and financing activities for large-scale infrastructure and residential projects; Housing entrepreneurship in Israel, through Ashdar, a subsidiary that is a leader and among the oldest companies in the field; Investment and entrepreneurial real estate, through Ashtrom Properties, a subsidiary operating in Israel, Germany and England, holding and managing shopping malls and commercial centers, office buildings and employment centers, industrial structures and more; Industries - mainly manufacturing, marketing and selling raw materials to the construction industry and importing and marketing finishing products for the construction industry; Construction and infrastructures contracting abroad, as well as residential real estate development in the U.S. and Europe - performed by Ashtrom International; Renewable energy - investment in wind, solar, storage and other energy related projects in Israel and worldwide. Ashtrom Group chairperson is Mr. Rami Nussbaum, and the group's CEO is Mr. Gil Gueron.

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