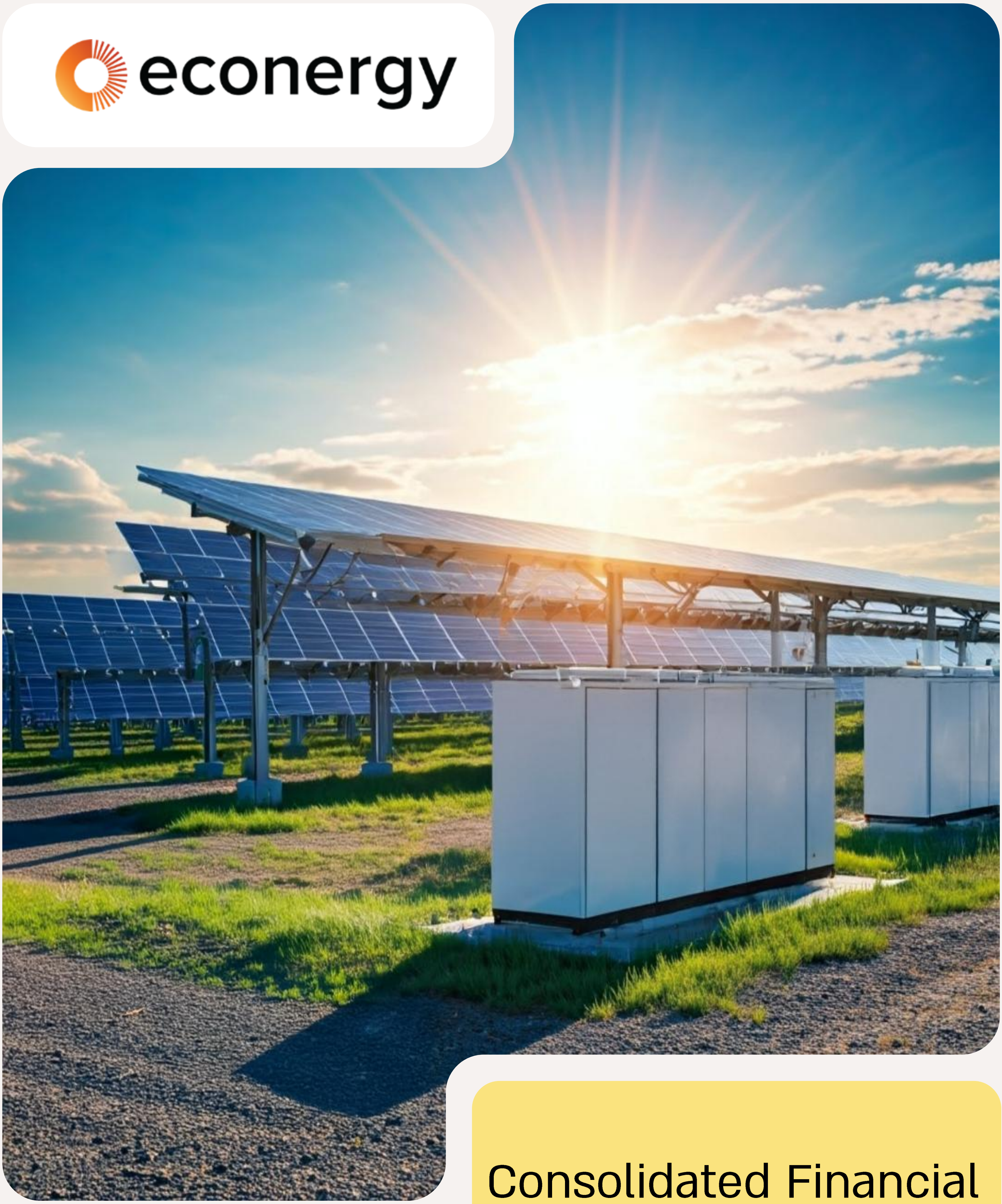

Consolidated Financial Statements

As of December 31, 2025

Econergy Renewable Energy Ltd.
Consolidated Financial Statements
As of December 31, 2025

Contents

Consolidated Statements of Financial Position

	Note	December 31 2025	December 31 2024
		EUR thousands	
Current assets			
Cash and cash equivalents	5	84,647	182,028
Short-term investments	17	4,656	11,353
Trade receivables		1,933	157
Other receivables	6	27,417	16,501
Assets Held for Sale	11	1,383	10,200
		120,036	220,239
Non-current assets			
Restricted cash	23	27,641	15,445
Assets under construction	7	446,200	309,758
Connected power generation systems	7	317,258	44,920
Intangible assets	24	101,796	37,693
Goodwill	24	19,952	9,548
Financial assets at fair value		1,271	-
Fixed assets	7	1,486	1,042
Right-of-use assets	10	42,527	25,381
Deferred tax asset	14D	512	498
Loans to associates companies	9	1,073	61,017
Investments in companies treated according to the equity method	9	26,169	58,131
		985,885	563,433
Total assets		1,105,921	783,672
Current liabilities			
Trade payables		19,597	7,609
Other payables	13	9,277	12,604
Deferred consideration	17	58,920	3,085
Debt component for convertible bonds	17	5,019	6,588
Current maturities of long-term loans	17	21,475	-
Financial liabilities at fair value	17	7,029	5,233
Convertible loans	17, 20	-	81,127
Convertible bonds	15, 17	15,159	82,216
		136,476	198,462
Non-current liabilities			
Bonds	15	152,665	85,640
Other long-term liabilities	9b	2,548	2,822
Long-term loans from related parties	20	-	79,189
Other long-term loans	20	308,488	170,371
Deferred tax liability	14D	23,127	10,882
Lease liabilities	10	43,179	24,061
		530,007	372,965
Equity attributed to Company shareholders			
Share capital and premium	16	170,995	63,335
Capital reserves		94,178	99,029
Accumulated Deficit		(5,340)	(1,109)
		259,833	161,255
Non-controlling interests	12	179,605	50,990
Total equity		439,438	212,245
Total liabilities and equity		1,105,921	783,672

The attached notes are an integral part of the Consolidated Financial Statements.

March 2, 2026			
Financial Statements Date of Approval	Shlomo Zohar Chairman of the Board of Directors	Eyal Podhorzer CEO	Limor Lev CFO

Consolidated Statements of Profit and Loss and Other Comprehensive Income

	Note	2025	2024	2023
		For the year ended December 31		
		EUR thousands (except loss per share data)		
Revenue				
Revenue from the sale of electricity		8,655	566	-
Revenue from the provision of services	20	692	2,019	1,099
Revenue from realization of projects	8	48,433	37,004	-
Compensation for loss of income	18C	4,550	-	-
Company's share of gains of companies accounted for at equity, net	9	-	9,167	-
Total revenue		62,330	48,756	1,099
Expenses				
Operating Expenses		2,258	590	613
Depreciation and amortizations		10,572	7,489	960
Wages and Social Benefits	18B	13,788	9,561	7,308
Administrative Expenses	18A	6,242	5,088	4,870
The company's share of losses of a company accounted for using the equity method, net	9	395	-	537
Total expenses		33,255	22,728	14,288
Operating profit (loss)		29,075	26,028	(13,189)
Financing income	18D	7,345	10,398	9,480
Financing expenses	18C	32,591	12,224	8,623
Financing income (expenses), net		(25,246)	(1,826)	857
Profit (loss) before income tax		3,829	24,202	(12,332)
Tax benefit (taxes on income)	14	881	201	(1,151)
Net profit (loss)		4,710	24,403	(13,483)
Attributed to:				
Company shareholders		(4,231)	19,923	(11,287)
Non-controlling interests		8,941	4,480	(2,196)
		4,710	24,403	(13,483)
Other comprehensive income (loss) (after tax effect):				
Amounts to be classified or reclassified to profit or loss when specific conditions are met:				
Adjustments from translation of financial statements of foreign activities		(6)	2	(85)
Profit (loss) in respect of cash flow hedging transactions		(959)	(318)	-
Total other comprehensive loss		(965)	(316)	(85)
Total comprehensive income (loss)		3,745	24,087	(13,568)
Attributed to:				
Company shareholders		(4,891)	19,670	(11,365)
Non-controlling interests		8,636	4,417	(2,203)
		3,745	24,087	(13,568)
Earnings (loss) per share, in EUR				
Basic and diluted earnings (loss) per share	19	(0.08)	0.44	(0.25)

The attached notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Equity

	Share capital and premium	Foreign currency translation reserve, including net investment hedge in foreign operations	Reserve for transactions with non-controlling interests	Capital reserve in respect of share-based payment	Loss	Total equity attributed to Company shareholders	Non-controlling interests	Total equity
	Audited							
	EUR thousands							
Balance as of January 1, 2025	63,335	(280)	95,135	4,174	(1,109)	161,255	50,990	212,245
Net profit	-	-	-	-	(4,231)	(4,231)	8,941	4,710
Other comprehensive loss	-	(660)	-	-	-	(305)	(965)	(965)
Total comprehensive income (loss)	-	(660)	-	-	(4,231)	(4,891)	8,636	3,745
Exercise and expiration of options	737	-	-	(590)	-	147	-	147
Cost of share-based payment	-	-	-	1,171	-	1,171	-	1,171
Issuance of share capital (see Note 16)	70,702	-	-	-	-	70,702	-	70,702
Issuance of share capital in an investee company, net (see Note 12A)	-	-	(11,122)	-	-	(11,122)	11,122	-
Conversion of convertible bonds	274	-	-	-	-	274	-	274
Exchange offer for convertible bonds (see Note 15)	35,947	-	-	-	-	35,947	-	35,947
Convertible loans taken	-	-	-	-	-	-	54,673	54,673
Repayment of convertible loans	-	-	-	-	-	-	(36,795)	(36,795)
Conversion of a loan converted into equity in an investee company (see Note 20B)	-	-	6,350	-	-	6,350	90,979	97,329
Balance as of December 31, 2025	170,995	(940)	90,363	4,755	(5,340)	259,833	179,605	439,438

The attached notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Equity

	Share capital and premium	Foreign currency translation reserve, including net investment hedge in foreign operations	Reserve for transactions with non-controlling interests	Capital reserve in respect of share-based payment	Loss	Total equity attributed to Company shareholders	Non-controlling interests	Total equity
	Audited							
	EUR thousands							
Balance as of January 1, 2024	62,783	(27)	68,643	3,747	(21,032)	114,114	22,744	136,858
Net profit	-	-	-	-	19,923	19,923	4,480	24,403
Other comprehensive loss	-	(253)	-	-	-	(253)	(63)	(316)
Total comprehensive income (loss)	-	(253)	-	-	19,923	19,670	4,417	24,087
Exercise and expiration of options	552	-	-	(464)	-	88	-	88
Cost of share-based payment	-	-	-	891	-	891	-	891
Acquisition of non-controlling interests	-	-	(2,268)	-	-	(2,268)	(1,670)	(3,938)
Conversion of convertible loan into equity	-	-	3,408	-	-	3,408	851	4,259
Issuance of share capital to non-controlling interests	-	-	25,352	-	-	25,352	24,648	50,000
Balance as of December 31, 2024	63,335	(280)	95,135	4,174	(1,109)	161,255	50,990	212,245

The attached notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Equity

	Share capital and premium	Foreign currency translation reserve, including net investment hedge in foreign operations	Reserve for transactions with non-controlling interests	Capital reserve in respect of share-based payment	Loss	Total equity attributed to Company shareholders	Non-controlling interests	Total
	Audited							
	EUR thousands							
Balance as of January 1, 2023	62,618	51	44,714	3,099	(9,745)	100,737	11,376	112,113
Loss	-	-	-	-	(11,287)	(11,287)	(2,196)	(13,483)
Other comprehensive loss	-	(78)	-	-	-	(78)	(7)	(85)
Total comprehensive loss	-	(78)	-	-	(11,287)	(11,365)	(2,203)	(13,568)
Exercise of options	165	-	-	(165)	-	-	-	-
Cost of share-based payment	-	-	-	813	-	813	-	813
Issuance of share capital to non-controlling interests	-	-	23,929	-	-	23,929	13,571	37,500
Balance as of December 31, 2023	62,783	(27)	68,643	3,747	(21,032)	114,114	22,744	136,858

The attached notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Cash flows from operating activities			
Net profit (loss)	4,710	24,403	(13,483)
Adjustments required to present cash flows from the Company's operating activities:			
Adjustments to profit and loss items:			
Financing expenses (income), net	25,246	1,826	(857)
Cost of share-based payment	1,043	716	581
Depreciation and amortizations	10,572	7,489	960
The Company's share of losses (profits) of a company accounted for using the equity method	395	(9,167)	537
Revenue from realization of projects	(48,433)	(37,004)	-
Taxes on income (tax benefit)	(881)	(201)	1,151
	(12,058)	(36,341)	2,372
Changes in asset and liability items:			
Decrease (increase) in other receivables	(13,758)	1,090	(3,377)
Decrease (increase) in trade receivables	(309)	(156)	23
Increase (decrease) in Trade payables	9,310	683	(4,498)
Increase (decrease) in other payables	(823)	2,152	2,299
	(5,580)	3,769	(5,553)
Cash paid and received during the year:			
Interest paid	(2,607)	(5,091)	(80)
Interest received	3,441	6,164	2,178
Taxes paid	(353)	(270)	(266)
Taxes received	-	-	24
	481	803	1,856
Net cash used in operating activities	(12,447)	(7,366)	(14,808)
Cash flows from investing activities			
Increase in restricted cash	(5,845)	(10,145)	(264)
Loans granted to related parties (affiliates)	(6,284)	(500)	(51,251)
Proceeds from sale of assets held for sale	30,012	3,294	-
Principal repayments received from affiliate	31,843	1,128	29,227
Investment in a company accounted for using the equity method	(1,310)	(7,891)	(2,824)
Realization (purchase) of short-term investments	7,335	(11,353)	-
Acquisition of newly consolidated subsidiaries (see Appendix B)	(8,314)	(7,887)	(7,792)
Investments in assets under construction	(250,423)	(166,068)	(92,306)
Investment in fixed assets	(880)	(665)	(397)
Net cash used in investing activities	(203,866)	(200,087)	(125,607)

The attached notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Cash flows from financing activities			
Share capital issued	-	50,000	37,500
Issuance of convertible bonds, net of issuance costs	-	-	18,885
Issuance of bonds, net of issuance costs	12,533	85,133	-
Issuance of share capital, net of issue costs	70,702	-	-
Exercise of options	147	88	-
Receipt of loan from a related party	1,304	14,811	117,891
Repayment of loan to a related party	(65,825)	(622)	-
Receipt of other long-term loans	87,652	169,934	-
Repayment of other long-term loans	(5,019)	-	-
Receipt of convertible loan	52,021	41,072	-
Repayment of convertible loan	(33,711)	(18,730)	-
Acquisition of shares from non-controlling interests	-	(3,938)	-
Repayment of lease principal	(820)	(561)	(371)
Net cash provided by financing activities	118,984	337,187	173,905
Exchange rate differences in respect of cash and cash equivalents	(52)	(118)	(1,095)
Total increase (decrease) in cash and cash equivalents	(97,381)	129,616	32,395
Cash and cash equivalents at beginning of year	182,028	52,412	20,017
Cash and cash equivalents at end of year	84,647	182,028	52,412

The attached notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Appendix B – Acquisition of Companies Consolidated for the First Time			
Working capital (excluding cash and cash equivalents)	(106)	206	(11)
Restricted cash	(6,466)	-	-
Assets under construction	(3,474)	(1,043)	(7,781)
Connected power generation systems	(152,514)	-	-
Intangible assets	(67,494)	(40,032)	-
Goodwill	(10,404)	(9,548)	-
Right-of-use asset, net	(1,728)	-	-
Investments in companies treated according to the equity method	29,788	(5,606)	-
Loans from banking corporations	81,080	-	-
Financial liabilities at fair value	676	-	-
Deferred tax liability	13,876	11,132	-
Lease liabilities	1,745	-	-
Revenue from realization of projects	21,125	37,004	-
Liability for deferred consideration	48,545	-	-
Settlement of previous relationships	37,037	-	-
	(8,314)	(7,887)	(7,792)
Appendix C - Material non-cash activities			
Additions and initial recognition of right-of-use asset and lease liability	17,775	16,210	1,992
Conversion of loan to share capital	90,745	4,259	-
Investment in Assets under construction	8,726	14,293	7,157
	117,246	34,762	9,149

The attached notes are an integral part of the consolidated financial statements.

NOTE 1 - GENERAL

A. Econergy Renewable Energy Ltd. (hereinafter - the “Company”) was incorporated and registered in Israel in February 2021. The Company operates through subsidiaries in the development, construction and management of renewable energy projects.

The Company is a public company whose shares are traded on the Tel Aviv Stock Exchange (TASE).

B. EFFECTS OF INFLATION AND RISING INTEREST RATES

Following macroeconomic developments around the world that took place during 2022, there was an increase in inflation rates in Israel and around the world. As part of measures taken to curb the rise in prices, the world's central banks, including the Bank of Israel, began to raise the interest rate. On November 24, 2025, the Bank of Israel lowered the interest rate by 0.25%, for the first time in two years .

In 2025 and 2024, there was a moderation in the high inflation rates that prevailed in 2022-2023, and as of the date of the report, inflation stands at 3.4% and 2.5% respectively in the United Kingdom, and at 2.1% and 2.4% respectively in the Eurozone.

The following are aspects related to the changes described in the macroeconomic environment, which to the best of the Company's assessment may have an impact on the Group's activities:

1. If there are sharp fluctuations in currency rates, these may affect the costs of projects in the construction and initiation stages and financing costs denominated in foreign currency.
2. Increases in the prices of raw materials for the production of solar panels and in transportation costs may impact the Group’s construction and initiation costs.

The Company does not have financing agreements or material liabilities linked to inflationary changes. On the other hand, the electricity prices in the countries of activity are affected by rising inflation and therefore, the Company estimates that in the short-to-medium term it might even benefit from that trend.

The Company also has fixed-rate financing agreements with strategic partners for the financing of projects whose construction has begun and/or are expected to begin in the next 12 months, as well as project financing agreements with banking corporations for projects that are in commercial operation status. The agreements allow the Company flexibility if it wants to refinance these projects, as market conditions improve its situation compared to the existing loan agreements.

The Company estimates that bearing in mind the uncertainty involved in the macroeconomic trends described above, the crisis is not expected to have a material adverse impact on the Company's activities.

NOTE 1- GENERAL (CONTINUED)

C. Consequences of the Iron Swords War and Operation Rising Lion

In October 2023, the Iron Swords war broke out in Israel (hereinafter - the” War”). The prolongation of the War led to a slowdown in business activity in the Israeli economy, among other things due to the closure of factories in the south and north of the country, damage to infrastructure, recruitment of reservists for an unknown period, and to disruption of economic activity in Israel. In June 2025, Operation Rising Lion took place, a large-scale military operation by the State of Israel against Iran, and in October 2025, a ceasefire agreement was signed between Israel and Hamas, and there was a lull in the War situation on some fronts. The continuation of the War may have wide-ranging implications for many sectors and various geographical areas in Israel.

During the reporting period and as of the date of publication of the report, the War and its consequences are not expected to have a material impact on the Company's activities, bearing in mind that all of the Company's projects are located in Europe and the UK, as is most of the Company's personnel. Nevertheless, changes in foreign exchange rates and the availability and cost of the Company's financing sources related to the Israeli economy may affect the its activities, but in view of the fact that all of the Company's activities are concentrated in Europe and a significant part of its financing sources are from Europe, the Company anticipates that the impact will, at most, be limited.

D. Financial Position

The Company has negative cash flow from operating activities for the one-year periods ended December 31, 2025, 2024 and 2023 in the amount of €12,447 thousand, €7,366 thousand and €14,808 thousand, respectively.

The Company's Board of Directors reviewed the existing and expected cash sources and needs, and also reviewed the sources of financing and potential amounts of financing available to the Company, including the Company's cash balance.

Based on the examination of these data, the Company's Board of Directors has determined that there is no reasonable concern that the Company will not meet the repayment of its liabilities on time, and has also determined that the Company expects to comply with the financial covenants to which the Company has undertaken as set forth in Note 15 and Note 20 below, based on the following reasons:

- The Company is expecting revenue from the sale of electricity in respect of several projects that are expected to be connected to the electricity grid in the coming year.
- The Company is expecting a cash flow through bank financing for projects that were financed by shareholder loans.
- The Company expects that it can create cash flow from development project disposals that are expected to generate initiation profits for the Company.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies detailed below have been consistently applied in the consolidated financial statements, in all periods presented, unless stated otherwise.

A. Presentation basis for the financial statements

The financial statements have been prepared in accordance with IFRS Accounting Standards (hereinafter - IFRS). In addition, the financial statements have been prepared in accordance with the provisions of the Securities Regulations (Annual Financial Statements), 2010.

The financial statements were prepared on a cost basis. With the exception of: financial assets measured at fair value through other comprehensive income; financial assets and liabilities (including derivative instruments) presented at fair value through profit or loss, provisions, investments in affiliated companies and in joint transactions.

The Company has chosen to present the profit or loss information according to the nature of activity method.

The Group believes that the classification of revenues, profits and expenses in this way provides more reliable and relevant information.

B. Operating cycle period

The Company’s normal operating cycle is one year.

C. Consolidated financial statements

The consolidated financial statements include the statements of companies over which the Company has control (subsidiaries).

The financial statements of the Company and the subsidiaries are prepared as of the same dates and for the same periods. The accounting policies in the financial statements of the subsidiaries have been applied uniformly and consistently with those applied in the Company’s financial statements. Substantial reciprocal balances and transactions and profits and losses stemming from transactions between the Company and the subsidiaries have been fully eliminated in the consolidated financial statements.

When acquiring or selling property companies, the Group examines whether it is an acquisition or sale of an activity that constitutes a business, as defined in IFRS 3 - Business Combinations, or an asset. When examining a business, the Company examines whether there is at least one actual input and process that together produce outputs or have the ability to contribute to the creation of outputs. Usually when the project company is in the early development stages and has not yet received the full permits for electricity generation and has not yet made significant engagements for the construction of the facility, the project company constitutes an asset and the transaction will be treated as a purchase or disposals of assets and liabilities. To the extent that the project company is in advanced stages of development, pre-construction or under construction, the project company constitutes a business.

D. Functional currency and presentation currency

The Company's functional and presentation currency is the EUR. The financial statements of each of the Group companies are prepared in the currency of the main economic environment in which it operates (hereinafter - the “Functional Currency") and the Group determines the functional currency for each Group company, including companies presented according to the equity method.

The economic environment that affects the prices of the goods and services provided by the Group companies is Europe. The Group's revenue is determined in EUR and therefore the EUR is the functional currency of the consolidated companies.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Until December 31, 2022, the functional and presentation currency of most of the consolidated companies where the electricity generation facilities are in the initiation or construction stages, and which have not yet generated income, was the local currency. As of January 1, 2023 with the projects' progress to advanced initiation and development stages, the Company determined that the EUR is the main functional currency of these companies. Following the examination carried out by the Company in accordance with the provisions of IAS 21 regarding the effects of changes in foreign currency exchange rates, the Company reached the conclusion that the functional currency of these companies is the EUR, which characterizes the economic environment in which they operate. This conclusion is based on the fact that the EUR is the currency in which the costs for the Company arise, as well as on other factors - the currency in which financial sources are produced from financing activities and in which the Company's deposits and cash are held.

E. Recognition of revenue

Revenue from customer contracts is recognized in profit or loss when control of the asset or service is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received according to the terms of the contract, net of the amounts collected for third parties (such as taxes).

Revenue from the provision of services

Revenue from the provision of management services (EPCm) is recognized over time, over the period in which the customer receives and consumes the benefits generated by the Company's performance. The revenue is recognized according to the reporting periods in which the services were provided.

F. Income tax

The tax results for current or deferred taxes are recognized in profit or loss, except if they relate to items that are recognized in other comprehensive income or in equity.

1. Current taxes

   Liability for current taxes is determined using the tax rates in the various countries where the Company operates, with the necessary adjustments in connection with the tax liability to be paid for previous years.

2. Deferred taxes

   Deferred taxes are calculated in respect of temporary differences between the amounts included in the financial statements and the amounts taken into account for tax purposes.

The Group recognizes deferred tax assets for losses carried forward according to the expectations of their utilization.

G. Leases

The Company treats the contract as a lease when, in accordance with the terms of the contract, a right is transferred for control of an identified property for a period of time for consideration.

The Group as lessee

At the start of the lease liability, all lease payments that have not yet been paid are capitalized at the Company's incremental interest rate. The incremental interest rate is determined by an independent appraiser. Subsequent to the start date, the Company measures the lease liability using the effective interest method.

A right-of-use asset is measured using the cost model and depreciated over the lease term.

NOTE 2 - Significant Accounting Policies (continued)

H. Fixed assets and connected electricity-generating systems

Fixed asset items and connected electricity-generating systems are presented at cost plus direct purchase costs, less accumulated depreciation, and do not include ongoing maintenance expenses.

Components of a fixed asset item that have a significant cost in relation to the total cost of the item are depreciated separately, according to the component method.

Regarding the conditions for attributing development costs to fixed assets (electricity generation projects in the initiation and construction stages), see Note 2J below.

Depreciation is calculated according to the straight-line method over the useful life of the asset, as follows:

	Depreciation rate %
Photovoltaic installations	2.8
Storage systems	4.5
Office furniture and equipment	6-15
Computers and peripherals	33
Licenses and software	33
Leasehold improvements	10

When there are signs of impairment, the Company tests for impairment of the right-of-use asset in accordance with the provisions of IAS 36 - see Note 2K.

I. Non-current asset or group of assets held for sale

Projects in initiation, development and construction stages that the Company has decided to realize are classified as held for sale, when the assets are available for immediate sale in their current condition, there is a commitment by the Company to a sales plan, there is a plan to locate a buyer and it is highly probable that the realization will be completed within a year from the date of classification.

J. Credit costs

The company capitalizes credit costs to the cost of a qualifying asset when all the following conditions are met: it incurs expenses in respect of the qualifying asset, it incurs credit costs, and the group performs the operations to prepare the asset for its intended use or sale.

K. Intangible assets

Intangible assets acquired in business combinations are measured at fair value on the date of acquisition. Costs in respect of intangible assets that have been developed internally, other than capitalized development costs, are recognized in profit or loss as incurred.

Intangible assets with defined useful lives are amortized over their useful lives on a straight-line basis and are tested for impairment whenever there is an indication of impairment. An intangible asset's amortization period and amortization method are examined at least at the end of each year.

Intangible assets with indefinite useful lives are not systematically amortized and are subject to an impairment test each year and whenever there is an indication that an impairment may have occurred. The useful lives of these assets are reviewed annually to determine whether the assessment of the useful life as indefinite is still valid. If the events and circumstances no longer support such an assessment, the change in useful life from indefinite to defined is treated as a change in accounting estimate and at that time impairment is also tested. From that date the property is systematically amortized over the period of its useful life.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following is the useful life of intangible assets:

	Systems under construction and in initiation (including land)	Storage systems
Useful life	Defined (35 years)	Defined (22 years)
Amortization method	Straight-line method	Straight-line method

L. Impairment of non-financial assets

The Company examines the need for impairment of non-financial assets when there are signs as a result of events or changes in circumstances that indicate that the balance in the financial statements is not recoverable.

When there are signs of impairment of a fixed asset, a recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

M. Financial instruments

Financial liabilities

1. Financial liabilities measured at amortized cost

On the date of initial recognition, the Company measures the financial liabilities at fair value, net of transaction costs that can be directly attributed to the issuance of the financial liability. Except in the case of a financial asset measured at fair value through profit or loss, for which the transaction costs are recorded to profit or loss.

2. Complex financial instruments

Convertible bonds issued in foreign currency include two components: a conversion component and a debt component. A conversion component liability is initially recognized as a financial derivative at fair value. The balance is attributed to the debt component. Direct transaction costs are allocated between the conversion component liability and the debt component liability based on the allocation ratio of the consideration to each component.

The Company measures the fair value of the conversion component by applying the Black & Scholes valuation technique by an independent appraiser. The fair value is classified as Level 3.

3. Hedge accounting

Derivative financial instruments for hedging purposes (protection)

Sometimes the Group engages in derivative financial instruments, such as forward contracts on foreign currency and interest rate swaps, to protect itself from the risks associated with fluctuations in foreign currency exchange rates and changes in interest rates.

The Company applies valuation techniques that are appropriate for the circumstances and for which there is sufficient data available to measure fair value, while maximizing the use of relevant observable data and minimizing the use of non-observable data. The fair value of hedging transactions is classified as Level 2.

Profits or losses stemming from changes in the fair value of derivatives that are not used for hedging purposes are immediately recognized as profit or loss.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Change in accounting policy - Including the initial application of new financial reporting standards and amendments to existing accounting standards

1. Amendment to IAS 1 - presentation of financial statements

In January 2020, the IASB issued an amendment to IAS 1 regarding the requirements for classifying liabilities as current or non-current (hereinafter - the “Original Amendment”). In October 2022, the IASB published a subsequent amendment to the aforementioned amendment (hereinafter - the “Subsequent Amendment”).
According to the Subsequent Amendment:
Only financial covenants with which the entity must comply at or before the end of the reporting period affect the classification of that liability as a current liability or non-current liability.
For liabilities for which the test of compliance with financial covenants is examined within 12 consecutive months of the reporting date, disclosure must be given in a way that will enable users of the financial statements to assess the risks regarding that liability. That is, the Subsequent Amendment states that disclosure must be given regarding the book value of the liability, information on the financial covenants, and facts and circumstances at the end of the reporting period that may lead to the conclusion that the entity will have difficulty complying with the financial covenants.

According to the Original Amendment, the right to convert a liability will affect the classification of the entire liability as a current or non-current liability, except in cases where the conversion component is equity.
The original and subsequent amendments were implemented retroactively from annual periods beginning on January 1, 2024.

As a result of the above amendment, and in view of the fact that the convertible loans and convertible bonds include a liability conversion component, the company reclassified the liabilities as of December 31, 2023 in the amount of approx. EUR 135 million from non-current liabilities to current liabilities in 2024.

2. Amendment to IFRS 16 - leases
In September 2022, the IASB published an amendment to IAS 16 - Leases (hereinafter - the “Amendment”), which aims to provide an accounting treatment in the financial statements of the seller-lessee in sale and leaseback transactions when the lease payments are variable lease payments that are not dependent on any index or rate. In the amendment, the seller-lessee is required to adopt one of two approaches to measuring the lease liability upon initial recognition of such transactions. The approach selected constitutes an accounting policy that must be consistently applied.

The amendment will be applied for annual periods beginning on January 1, 2024. The amendment will be applied retroactively.

The above amendment did not have a material impact on the Company's consolidated financial statements.

3. Amendments to IAS 7 - Statement of Cash Flows, and IFRS 7 - Financial Instruments: Disclosures

In May 2023, the IASB published amendments to IAS 7 - Statement of Cash Flows, and to IFRS 7 - Financial Instruments: Disclosures (hereinafter - the "Amendments"), to clarify the characteristics of supplier financing arrangements and to require additional disclosure for these arrangements.

The disclosure requirements in the amendments are intended to assist and enable users of the financial statements to assess the effects of supplier financing arrangements on the entity's liabilities and on the entity's cash flows and exposure to liquidity risk.

The amendments will be implemented for annual reporting periods beginning on January 1, 2024.

The above Amendment did not have a material impact on the Company's consolidated financial statements.

NOTE 3 - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the process of implementing the significant accounting policies in the financial statements, the company exercised discretion and weighed considerations regarding the following issues, which have a significant effect on the amounts recognized in the financial statements:

A. Considerations

- Discount rate for a lease liability

  The company cannot easily determine the interest rate inherent in leases and therefore, for the calculation of lease liabilities it uses the company's incremental interest rate. The incremental interest rate determined by the company is the interest rate that the company would have had to pay on a loan for a period similar to the lease period and with similar collateral in order to obtain an asset with a value similar to the right-of-use asset resulting from the lease and in a similar economic environment. In situations where there are no financing transactions which the company can reference, it determines the incremental interest rate according to the financing risk attributed to the company, the lease period and other economic variables.

- Recognition of project costs as an asset

  In order to determine whether project costs qualify for capitalization as an asset, the group's management assesses whether the project’s existing statutory permit system, the rights to the land, the ability to connect to electricity, etc. Leads to the conclusion that the project is expected to yield economic benefits to the company (i.e. That the project will reach the completion of construction and commercial operation). When there is no expectation of receiving regulatory approval, the company writes off the development costs to the statement of profit and loss.

B. Estimates and assumptions

When preparing the financial statements, the management is required to use estimates, assessments and assumptions that affect the implementation of accounting policies and the reported amounts of assets, liabilities, income and expenses. The underlying estimates and the assumptions are regularly reviewed and the changes in the accounting estimates are recognized in the period in which the change in estimate is made.

The following are the main assumptions made in the financial statements regarding the uncertainty as of the reporting date and critical estimates calculated by the group, and a material change in the estimates and assumptions may change the value of assets and liabilities in the financial statements in the following year:

- Examination of whether a sold or acquired activity meets the definition of a business

  For the purpose of determining if an activity meets the definition of a business or whether it is a group of assets, the Company assesses the significance of the sold or acquired processes.

  With regard to the acquisition of the full issued and paid-up share capital of companies, acquired activities that hold project corporations (SPYS) were treated as asset acquisitions rather than as a business within the scope of IFRS 3 as all acquired projects are in the initiation process and do not include the employment of workers, electricity generation equipment or any other business activity unrelated to the initiation process itself.

- Useful life of fixed assets

  The useful life is based on management estimates for the period in which assets will generate revenue. At the end of each period, the company examines the useful life and residual value of each asset. Changes in these estimates may lead to material changes in depreciation expenses recognized in the statement of profit and loss.

NOTE 4 - DISCLOSURE REGARDING NEW IFRS STANDARDS IN THE PERIOD PRIOR TO THEIR APPLICATION

A. International financial reporting standard 18 - presentation and disclosure in financial statements

In April 2024, the International Accounting Standards Board (IASB) published International Financial Reporting Standard 18 (IFRS 18) - Presentation and Disclosure in Financial Statements (the “New Standard”) which replaces International Accounting Standard 1 (IAS 1), Presentation of Financial Statements (hereinafter - “IAS 1”).

The purpose of the new standard is to improve comparability and transparency in the financial statements.

The new standard will include existing requirements of IAS 1 and new presentation requirements in a statement of profit and loss, including the presentation of amounts and subtotals required in accordance with the new standard, disclosure of management-defined performance measures, and new requirements for the aggregation and fragmentation of financial information.

The new standard does not change the instructions for recognition and measurement of items in the financial statements. However, since items in the statement of profit and loss will need to be categorized into one of five categories (operating activity, investing activity, financing activity, income taxes, and discontinued operations), it may change the entity's operating profit. In addition, the publication of the new standard led to a limited number of amendments to additional accounting standards, including IAS 7 - Statement of Cash Flows, and IAS 34 - Financial Reporting for Interim Periods.

The new standard will be applied retroactively from annual periods beginning on or after January 1, 2027. According to the decision of the Israel Securities Authority, early implementation is possible while providing disclosure, starting from January 1, 2025.

The Company is examining the impact of the new standard, including the impact of the amendments to additional accounting standards as a result of the new standard, on the consolidated financial statements.

B. Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures

On May 30, 2024, the International Accounting Standards Board (IASB) published amendments to International Financial Reporting Standard 9 - Financial Instruments (“IFRS 9”) and to International Financial Reporting Standard 7 - Financial Instruments: Disclosures (“IFRS 7”) that revised certain aspects of the classification and measurement of financial instruments.
The amendments relate to the following:

1. Disposal of a financial liability that is settled through an electronic payment system - An entity may write off a financial liability (or part thereof) that is settled in cash through an electronic payment system before the settlement date if specified conditions are met. The above option constitutes an accounting policy, and an entity that chooses to implement this policy is required to implement it on all liabilities that are settled in that electronic payment system.
2. Assessment of contractual cash flow characteristics for the classification of financial assets - The amendments clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG) aspects and other similar contingent characteristics. In addition, the amendments expand the definition of the term Non-Recourse and also clarify the characteristics of Contract Linked Instruments (CLIs).
3. Disclosures - New disclosure requirements have been added to IFRS 7 for financial assets and liabilities with contractual terms relating to contingent events (including those related to ESG), and equity instruments measured at fair value through other comprehensive income (FVTOCI).

NOTE 4 - DISCLOSURE REGARDING NEW IFRS STANDARDS IN THE PERIOD PRIOR TO THEIR APPLICATION (CONTINUED)

The amendments to the standards will be applied retroactively from annual reporting periods beginning on or after January 1, 2026. Earlier adoption is possible subject to disclosure. In addition, a primary entity can apply early implementation only to the amendments related to the classification of financial assets and the disclosures related thereto while providing disclosure. An entity will not present comparative information, but it may do so if, and only if, it is possible to do so without the use of hindsight.

The Company is examining the implications of the above amendments on its consolidated interim financial statements.

NOTE 5 - CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
	EUR thousands	
Cash immediately withdrawable - EUR	57,265	161,058
Cash immediately withdrawable - GBP	12,507	4,531
Cash immediately withdrawable - ILS	1,344	1,678
Cash immediately withdrawable - RON (Romanian leu)	12,837	8,805
Cash immediately withdrawable - PLN (Polish zloti)	671	3,665
Cash for immediate withdrawal – US dollars	23	2,291
	84,647	182,028

NOTE 6 - OTHER RECEIVABLES

	December 31	
	2025	2024
	EUR thousands	
Government institutions	21,760	11,839
Prepaid expenses	744	700
Related parties (see Note 21)	555	2,962
Accounts receivable and other debit balances	4,358	1,000
	27,417	16,501

NOTE 7 - ASSETS UNDER CONSTRUCTION AND CONNECTED POWER GENERATION SYSTEMS

A. Composition and movement

Year 2025	Office furniture and equipment	Assets under construction	Connected power generation systems	Total
	EUR thousands			
Cost				
Balance as of January 1, 2025	1,657	309,758	44,985	356,400
Additions	883	251,054	6,855	258,791
Reserve for translation differences	-	(1,429)	(1,913)	(3,342)
Classification from held-for-sale asset, net (see Note 11)	-	4,258	-	4,258
Acquisition of newly consolidated companies	-	4,174	157,444	161,618
Sorting into connected electricity generation systems (see Sections C and E below)	-	(117,742)	117,742	-
Disposals	-	(3,873)	-	(3,873)
Balance as of December 31, 2025	2,540	446,200	325,113	773,852
Depreciation				
Balance as of January 1, 2025	615	-	65	680
Additions	439	-	2,188	2,627
Reserve for translation differences	-	-	(28)	(28)
Acquisition of newly consolidated companies	-	-	5,630	5,630
Balance as of December 31, 2025	1,054	-	7,855	8,909
Amortized cost balance as of December 31, 2025	1,486	446,200	317,258	764,944

2024	Office furniture and equipment	Assets under construction	Connected power generation systems	Total
	EUR thousands			
Cost				
Balance as of January 1, 2024	1,026	181,325	-	182,351
Additions (see Section c below)	665	173,835	-	174,500
Reserve for translation differences	-	1,528	-	1,528
Classification from held-for-sale asset, net (see Note 11)	-	1,249	-	1,249
Acquisition of newly consolidated companies	-	1,043	-	1,043
Classified to connected electricity-generating systems	-	(44,985)	44,985	-
Disposals	(34)	(4,237)	-	(4,271)
Balance as of December 31, 2024	1,657	309,758	44,985	356,400
Depreciation				
Balance as of January 1, 2024	306	-	-	306
Additions	318	-	65	383
Disposals	(9)	-	-	(9)
Balance as of December 31, 2024	615	-	65	680
Depreciated cost as of December 31, 2024	1,042	309,758	44,920	355,720

NOTE 7 - CONSTRUCTION AND DEVELOPMENT SYSTEMS, FIXED ASSETS AND CONNECTED ELECTRICITY GENERATION SYSTEMS(CONTINUED)

B. As of the date of approval of the consolidated financial statements, the company is the controlling shareholder in various specs, which own several projects in various stages of development, and in a wide regional distribution.

The projects have rights to the land and the company is working to obtain permits for the connection to the electricity grid and building permits for the facilities.

C. On January 27, 2025, the Scurtu mare project (a project for the generation of solar photovoltaic electricity with a capacity of approx. 56 mw) began commercial operation, when the project was connected to the electricity grid and a gradual flow of electricity began into the grid.

D. On June 10, 2025, a company incorporated in Germany, held in full (indirectly) by Econergy UK, entered into a binding agreement for the acquisition of 100% of the issued share capital of a company incorporated in Germany. The acquired company has building permits and grid connection agreements for two storage facilities with a total capacity of approx. 100 mw in Brandenburg, Germany.

E. On august 15, 2025, the Oradea project (a photovoltaic solar power generation project with a capacity of about 87 megawatts) began to be commercially operated, when the project was connected to the electricity grid and a gradual flow of electricity began to the grid.

F. The additions for the period include capitalized credit costs of €28,458 thousand in 2025 and €22,759 thousand in 2024.

NOTE 8 - BUSINESS COMBINATIONS

A. Acquisition of a consolidated subsidiary for the first time - Helio lux

On July 23, 2025, the company, through Econergy UK, signed an agreement to acquire 50% of the holdings in the Parau project from RGREEN for a total consideration of approximately €26.32 million. As a result of this acquisition, and following the completion of the transaction, Econergy UK holds the entire share capital of the project corporation as well as the shareholder loan agreement. The first payment was made during July in the amount of approximately €6.9 million; the second payment was made in October in the amount of approximately €6.5 million.

In addition, 50% of the total consideration constitutes a liability for deferred consideration which will be paid by December 31, 2026. This amount will bear interest of 8% per year, from the date of signing the agreement until the actual payment date.

Until the date of the acquisition and the commencement of the consolidation, the company held approximately 50%, which was treated as an investment according to the equity method.
As a result of the completion of the transaction, the company recognized revenue from the development project disposal in the amount of approximately €6.9 million (contrary to the original forecast).
The valuation was carried out by an independent external appraiser. The cost of the acquisition was attributed to tangible assets, intangible assets and liabilities which were acquired based on their fair value on the acquisition date. The table presented below summarizes the consideration paid and the allocation of the purchase price.

NOTE 8 - BUSINESS COMBINATIONS (CONTINUED)

The fair value of the identifiable assets and liabilities of the Heliolux company at the time of acquisition:	Fair value EUR thousands
Cash and cash equivalents	7,779
Restricted cash	226
Trade and other receivables	736
Right-of-use asset	1,728
Connected power generation systems	68,390
Intangible assets	18,693
	97,552

	Fair value EUR thousands
Trade and other payables	(723)
Loan from others	(36,736)
Fair value liability	(575)
Lease commitment	(1,745)
Deferred tax liability	(1,255)
	(41,034)
Net identifiable assets	56,518
Goodwill from the acquisition	5,774
Total acquisition cost	62,292

Acquisition cost

	EUR thousands
Cash paid	7,218
Liability for deferred consideration	12,945
Book value of an investment in a company accounted for using the equity method at the date of acquisition.	13,239
Income from development due to re-measurement of investment in a company treated according to the equity method.	6,924
Settlement of pre-existing relationships	21,966
Total acquisition cost	62,292

Cash used for the acquisition

Cash and cash equivalents in the acquired company as of the acquisition date	(7,779)
Cash paid for the acquisition	7,218

Acquisition cost	EUR thousands
Net cash	(561)

Note 8 - Business Combinations (continued)

B. Acquisition of a subsidiary that was consolidated for the first time - RATESTI

On October 5, 2025, the company, through Econergy UK, signed an agreement to acquire 50% of the holdings in the Ratesti project from no far energy ltd. For a total consideration of €45.6 million, and the company intends to add a storage component to this project. As a result of this acquisition, and following the fulfillment of the conditions precedent dated December 18, 2025, the company holds 100% of the RATESTI project.

Approximately €28 million of the total consideration constitutes a liability for deferred consideration that will be paid not later than June 30, 2026.

The valuation was carried out by an independent external appraiser. The cost of the acquisition was attributed to tangible assets, Intangible assets and liabilities that were acquired based on fair value at the time of acquisition. The table shown Below summarizes the consideration paid and the allocation of the acquisition price

The fair value of the identifiable assets and liabilities of the RATESTI company identified at the time of acquisition:	Fair value EUR thousands
Cash and cash equivalents	1,126
Restricted cash	6,240
Trade and other receivables	869
Systems under construction and connected	87,600
Intangible assets	38,002
	133,837

	Fair value EUR thousands
Trade and other payables	(779)
Loan from others	(44,344)
Fair value liability	(101)
Deferred tax liability	(1,822)
	(47,046)
Net identifiable assets	86,791
Goodwill from the acquisition	4,630
Total acquisition cost	91,421

Note 8 - Business Combinations (continued)

Acquisition cost

	EUR thousands
Cash paid	10,000
Liability for deferred consideration	35,600
Book value of an investment in a company accounted for using the equity method at the date of acquisition.	16,549
Income from development due to re-measurement of investment in a company treated according to the equity method.	14,201
Settlement of pre-existing relationships	15,071
Total acquisition cost	91,421

Cash used for the acquisition	EUR thousands
Cash and cash equivalents in the acquired company as of the acquisition date	(1,126)
Cash paid for the acquisition	10,000
Net cash	8,874

NOTE 9 - INVESTMENT AND LOANS IN AFFILIATED COMPANIES

		Company's rights in equity and rights Voting	
	Main place of business	2025	2024
December 31			
Econergy arch more s.a.r.l (a)	Luxembourg	100%	20%
Ecogreedev sa (a)	Luxembourg	50%	10%
Iliaki pikrolimnis sa (b)	Greece	49%	49%
Heliolux (c)	Romania	100%	50%
RATESTI (d)	Romania	100%	50%

A. Investments in ecoenergy archmore and ecogreendev

On December 31, 2019, an investment agreement was signed between econergy devlux, a wholly owned subsidiary of the company, and infragreen (controlled by the rgreen fund) (hereinafter - "ecogreen shareholders") in ecogreendev (hereinafter - "ecogreen"), which was established by the parties to the agreement and is engaged in renewable energy projects in Italy, into which econergy devlux transferred its holdings in econergy project 1 (hereinafter - "project 1"), an Italian company that owns pv projects in Italy. As of the date of ecogreen's incorporation, each of econergy's shareholders held 50% of the voting rights in ecogreen.

On July 27, 2020, in accordance with the UBS agreement, econergy devlux transferred its investment in ecogreen and in the project 2 company to econergy archmore. At the same time, econergy devlux transferred 80% of the shares it held in econergy archmore to a company controlled by the UBS fund and 10% of the share capital of the subsidiary, econergy UK.

On February 7, 2024, a binding agreement was signed between companies owned by UBS and econergy UK, according to which econergy UK will acquire all of UBS's holdings in econergy archmore in consideration for a total of approx. EUR 8 million, so that after the transaction is completed, econergy UK will hold 90% of the shares of econergy archmore. According to accounting principles, upon acquisition of control the company is required to present the profit, if generated, from the difference between the market value reflected in the consideration for the acquisition of control and the holding value that existed on the transaction date. As a result of the above, the company recorded a profit in 2024 of approximately €37 million, which is presented in the financial statements under income from the development project disposals (including notional realization).

The profit is divided between the investment revaluation at the econergy UK level and the investment revaluation at the econergy devlux level in the amount of approx. EUR 29.3 million and EUR 7.7 million, respectively. Econergy devlux is entitled to a fixed consideration of EUR 120,000 per mw but is not entitled to profit distribution beyond this consideration. The fixed consideration is part of econergy archmore's profit waterfall, so that in fact econergy devlux's entitlement to receive the aforementioned amount is contingent on econergy archmore's distribution decision, in accordance with the terms of the payment waterfall determined in the UBS agreement. In this regard, it should be noted that, at the time of the UBS agreement, econergy devlux actually exchanged one equity right - holding the right to distribute profits at a rate of 10%, for another equity right - the right to receive equity distributions in the event of reaching RTB in a fixed amount of EUR 120,000 per mw. Usually, a characteristic of an equity instrument is that it is an instrument that is subordinate to the entity's debt instruments, and its repayment is subject to and conditional on a distribution or redemption decision. Accordingly, in the present case, econergy devlux's right to receive EUR 120,000 per mw actually constitutes an equity right (ownership) in econergy archmore, which is, as stated, conditional on the distribution of dividends, in accordance with the company's profit margin. Therefore, and in accordance with the provisions of section 42 of IFRS 3, the right of econergy devlux must be valued at fair value at the date of gaining control of archmore econergy.

NOTE 9 - INVESTMENT AND LOANS IN AFFILIATED COMPANIES (CONTINUED)

D. Investing in Iliaki pikrolimnis sa

In 2022, the Company entered into a binding agreement to acquire 49% of the issued share capital of ILIAKI PIKROLIMNIS. (hereinafter: "the Acquired"). The acquiree was incorporated and registered in Greece and holds the full share capital of two companies incorporated and registered companies in Greece, each of which is in the process of developing a solar photovoltaic facility for electricity generation in the KILKIS district in Greece - one with a capacity of approx. 240 MW and the other with a capacity of approx. 220 MW.
On September 30, 2025, econergy UK, together with the seller, signed an amendment to the original agreement regarding the purchase of shares of the project corporation dated April 1, 2022. The amendment to the agreement stipulates that econergy UK will pay €600,000 in lieu of a contingent liability payment of approximately €2.7 million under the original agreement. As a result, the company recorded revenues of approximately €2 million.

E. Movement in investment accounts in affiliated companies

	2025	2024
	EUR thousands	
Balance as of January 1	58,131	35,605
Investments	701	7,891
Investment as part of gaining control of a newly consolidated company	(29,788)	5,606
Capital reserves	(375)	(138)
Company's share of profit (loss) of affiliated companies*	(2,500)	9,167
As of December 31	26,169	58,131

* See details regarding the adjustment of the company's share of the profits (losses) of affiliated companies in section b above.

F. Summary of financial information on affiliated companies

	December 31	
	2025	2024
	EUR thousands	
Current assets	22,407	31,729
Non-current assets	41,701	207,738
Current liabilities	(3,620)	(20,438)
Non-current liabilities	(15,080)	(134,115)
Total equity	45,408	84,914

NOTE 10 - LEASES

A. General

The Company has lease agreements for land used to build projects and offices that are used to carry out the Company's ongoing activities.
Some of the lease agreements in which the Company has engaged include the provision of a guarantee for which the Company has a deposit pledged to the bank.

NOTE 10 - LEASES (CONTINUED)

B. Movement in a right-of-use asset

	For the year ended December 31	
	2025	2024
	EUR thousands	
Cost:		
Balance as of January 1	27,598	11,728
Additions	17,774	16,210
Acquisition of newly consolidated companies	1,728	-
Disposals	(310)	(559)
Capital reserve	(396)	219
Balance as of December 31	46,394	27,598
Accumulated depreciation:		
Balance as of January 1	2,217	1,013
Additions	1,650	1,204
Balance as of December 31	3,867	2,217
Depreciated cost as of December 31	42,527	25,381

C. Amounts recognized in profit or loss and in the statement of cash flows:

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Depreciation expenses in respect of right-of-use assets	751	517	396
Interest expenses in respect of lease liabilities	276	88	29
Total negative cash flow for lease	820	561	371

D. Movement in lease liabilities

	For the year ended December 31	
	2025	2024
	EUR thousands	
Balance as of January 1	26,121	11,115
Additions	17,773	16,210
Acquisition of newly consolidated companies	1,871	-
Disposals	(321)	(549)
Capital reserve	(367)	201
Financing expenses	1,308	1,423
Repayment of lease principal	(2,138)	(2,279)
balance as of December 31 *)	44,247	26,121

*) The current maturity in respect of the lease is presented under “Trade and other payables”.

NOTE 11 - ASSETS HELD FOR SALE

- On January 30, 2025, the sale of the Company's entire holdings in the Niculesti Project Corporation, which was classified as held for sale as of December 31, 2024, was completed for a total consideration of approximately €33.3 million, which was received in full.
  As a result of the transaction, the company recorded a profit of approx. EUR 27 million in 2025, which is presented in the financial statements under "revenue from development project disposals".
- **As of December 31, 2025, the balance of assets held for sale includes a project in Italy with a capacity of approximately 12 mw. The company estimates that the sale of the project will be completed during 2026.**
- **As of December 31, 2025 and 2024, no impairment was recorded for the assets in the disposal group.**

The main groups of assets and liabilities classified as held for sale are as follows:

	December 31	
	2025	2024
	EUR thousands	
Assets of disposal groups classified as held for sale		
Trade and other receivables	97	302
Assets under construction	1,286	9,898
Assets held for sale	1,383	10,200

NOTE 12 - INVESTMENTS IN INVESTEE COMPANIES

A. Investments in consolidated companies

1. Additional information regarding consolidated companies held by the Company

December 31, 2025 and 2024	Main place of business	Ownership rights held by non-controlling interests 2025	2024
Econergy UK (A)	UK	75.24%	72%
Econergy Development Partnership 1 (B)	Israel	100%	100%

A. On December 12, 2024, the Company signed an agreement with the French investment fund RG, which holds 20% non-controlling interests in Econergy UK, for an additional investment of EUR 50 million in Econergy UK's capital, in exchange for the allocation of 8% of Econergy UK's capital. See also Note 20A below.
On July 3, 2025, an agreement was signed between the shareholders of Econergy UK, a company controlled by the Company and held by the RGreen investment fund, under which approximately €72 million would be invested in the share capital of Econergy UK by the Company, in exchange for the allocation of 4,147,269 ordinary shares, constituting 3.24% of the issued share capital of Econergy UK. Following the allocation, the Company's holding in Ecoenergy UK is 75.24%. For details regarding events after the reporting period, see Note 25B.

NOTE 12 - INVESTMENTS IN INVESTEE COMPANIES (CONTINUED)

2. Information regarding non-controlling interests

Balances of non-controlling interests

	As of December 31	
	2025	2024
	EUR thousands	
Econergy UK	179,605	50,990
	179,605	50,990

Net profit (loss) attributed to non-controlling interests

	For the year ended December 31	
	2025	2024
	EUR thousands	
Econergy UK	8,941	4,480
Net profit (loss)	8,941	4,480

NOTE 13 - OTHER PAYABLES

	December 31	
	2025	2024
	EUR thousands	
Employees and institutions in respect of salaries	3,843	2,242
Advances for development project disposals (see Note 11)	-	3,294
Government institutions	1,795	991
Related parties (see Note 21)	52	2,581
Current maturities of lease liabilities	1,068	2,060
Expenses payable	2,293	1,380
Miscellaneous	226	56
	9,277	12,604

NOTE 14 - TAXES ON INCOME

A. The tax laws applicable to the company in Israel

The corporate tax rate in Israel in 2025, 2024, and 2023 is 23%.

A body of persons is liable for tax on real capital gains at the corporation tax rate beginning in the year of sale.

B. Tax assessments attributed to the company

The company has not yet received final tax assessments since its establishment.

C. Tax laws applicable to the group's companies outside of Israel

The subsidiaries incorporated outside of Israel are taxed according to the tax laws of their countries of residence.

NOTE 14 - TAXES ON INCOME (CONTINUED)

The main tax rates applicable to subsidiaries whose place of incorporation is outside Israel are as follows:

	Tax rate
UK	25%
Italy (*)	24%
Luxembourg	24.94%
Poland (**)	19% - 9%
Romania	16%
Spain	25%
Greece	22%
Germany	28.775%
Cyprus (***)	12.5%

(*) In addition, up to 3.9% IRAP activity tax.

(**) The local corporate tax rate is 19%, but there is a reduced tax rate of 9% under certain conditions.

(***) Starting January 1, 2026, the tax rate is expected to increase to 15%.

The tax rates on dividend distributions from companies incorporated in the countries will be subject to the provisions of the double taxation treaty between the countries described below and the United Kingdom or in accordance with the domestic law of that country (whichever is lower) in the year in which the funds were distributed, as described below:

	Tax rate
Italy	5%
Luxembourg (*)	0%
Poland	0%
Romania	8%
Spain	0%
Greece	5%
Cyprus	0%
Germany	5%
Israel	5%

(*) In accordance with local laws in Luxembourg.

(**) In 2025 the deduction is 10% and in 2026 the deduction will be 0% in accordance with a new treaty signed between Romania and the UK.

Since domestic law in England does not require withholding tax when distributing a dividend, no tax is expected to apply when distributing a dividend from England to Israel.

NOTE 14 - TAXES ON INCOME (CONTINUED)

D. Deferred taxes

Composition:

	December 31	
	2025	2024
	EUR thousands	
Deferred tax liabilities		
Intangible assets	20,357	10,484
Power generation systems under construction and connected	2,799	398
Financial assets at fair value through profit and loss	44	-
Right-of-use asset	1,197	426
	24,397	11,308
Deferred tax assets		
Convertible loans	-	467
Employee benefits	36	26
Power generation systems under construction and connected	23	-
Financial liabilities at fair value through profit and loss	391	-
Lease liability	1,332	431
	1,782	924

Deferred taxes are presented in the Statement of Financial Position as follows:

	December 31	
	2025	2024
	EUR thousands	
Non-current assets	512	498
Non-current liabilities	(23,127)	(10,882)
	(22,615)	(10,384)

E. Theoretical tax

Below is a reconciliation between the amount of tax that would have applied if all income and expenses, gains and losses in profit or loss were subject to tax at the statutory tax rate, and the amount of taxes on income that were charged to profit or loss:

NOTE 14 - TAXES ON INCOME (CONTINUED)

	December 31	
	2025	2024
	EUR thousands	
Profit (loss) before income taxes	3,829	24,202
Statutory tax rate	23%	23%
Tax (tax benefit) calculated at the statutory tax rate	881	5,566
Increase (decrease) in taxes on income resulting from the following factors:		
Expenses that are not allowed as a deduction for tax purposes	4,053	796
The Company's share of the profits (losses) of companies accounted for using the equity method	104	(4,556)
Increase in tax losses for which deferred taxes were not recognized in the period	13,976	11,910
Differences due to different tax rates	(1,376)	(483)
Non-taxable income	(17,366)	(12,688)
Taxes for previous years	(102)	9
Other	(1,051)	(755)
Tax benefit	(881)	(201)

NOTE 15 - BONDS

Issuance of convertible bonds - series a

On December 9, 2021, the company issued bonds convertible into the company's ordinary shares (series a) with a par value of nis 250,000 thousand, to be repaid on June 30, 2026.
The bonds bear annual interest at a rate of 2.5% which will be paid twice annually, on June 30 in each of the years 2022 to 2026 and on December 31 in each of the years 2022 to 2025.
The bonds may be converted on any business day from December 14, 2021 to June 30, 2026 into the company's ordinary shares at a conversion ratio of nis 35.5 pv of bonds per share.
The annual effective interest rate of the bonds (series a) is approximately 6.65%.

The principal and the interest of the bonds (series a) are not linked to any index or currency. The company's liability to repay the bonds is not guaranteed by any lien or other collateral. Since the bonds are denominated in a currency other than the company's functional currency, the convertible bonds are classified as an embedded derivative for which the debt component is measured at amortized cost, while the conversion component, which does not maintain a fixed conversion ratio, is measured at fair value through profit or loss in accordance with the provisions of IFTS 9.

On January 18, 2023, 84,738,500 pv of convertible bonds (series a) were listed for trading, through a material private allocation by way of a series expansion, so that the remaining par value on that date, and on December 31, 2023, is nis 334,738,500. The effective annual interest rate for the expansion of series a is approx. 10.9%.

On September 28, 2025, the company completed an exchange purchase offer in which it allotted 359,047 ordinary shares of the company and ILS 92,187,749 par value bonds (series b) of the company in exchange for the purchase of ILS 97,039,736 par value convertible bonds (series a) of the company, which were delisted from trading in accordance with the terms of the deed of trust for the bonds (series a). The annual effective interest rate of the series b expansion is approximately 6.84%.

NOTE 15 - BONDS (CONTINUED)

On November 25, 2025, the company completed an additional exchange purchase offer in which it allotted 3,038,829 common shares of the company and ILS 98,315,062 par value bonds (series b) of the company in exchange for the purchase of ILS 178,754,659 par value convertible bonds (series a) of the company, which were delisted from trading in accordance with the terms of the deed of trust for the bonds (series a). The annual effective interest rate of the series b expansion is approximately 5.92%.

As a result of the completion of the purchase transactions, a loss was recorded from the early redemption of bonds (series a) in the amount of approximately 4,722 thousand euros.

The following are the main financial covenants of the series a bond as a whole:

- Equity will not be less than EUR 35 million over a period of two consecutive quarters.
- The ratio between the company's financial debt and total assets, as defined in the trust deed, will not exceed a rate of 75% over a period of two consecutive quarters.
- Starting from the date of publication of the financial statements for the period ended June 30, 2024, the ratio between the financial debt and the adjusted consolidated EBITDA will not exceed 18 over a period of two consecutive quarters.

Issuance of series b bonds

On December 3, 2024, the company issued bonds (series b) in the amount of approx. Nis 329 million with a par value of nis 1 each. The bonds will be repaid (principal) in four installments to be paid as follows: the first three installments will be paid on December 31 of each of the years 2027, 2028 and 2029, and will each be at a rate of 10% of the par value of the bond principal (and in total 30% of the par value) and the fourth and final installment will be paid on December 31, 2030 and will be at a rate of 70% of the par value of the bond principal.

The bonds (series b) bear an annual interest rate of 6.95% which will be paid twice a year; on June 30 in each of the years 2025 to 2030 and on December 31 in each of the years 2024 to 2030 (inclusive).
The annual effective interest rate of series b is approximately 7.34%.

On July 17, 2025, the company raised approximately ILS 51 million (about EUR 13 million) through a private offering of ILS 50 million par value bonds (series b) of the company by way of expanding the series to entities from the phoenix group.

The annual effective interest rate of the series b expansion is approximately 6.69%.

The following are the main financial covenants of the bonds (series b) as a whole:

- Solo equity will not be less than EUR 60 million over a period of two consecutive quarters.
- The ratio between the company's solo financial debt and total solo assets, as defined in the trust deed, will not exceed a rate of 65% over a period of two consecutive quarters.
- The ratio of the financial debt to the adjusted consolidated EBITDA, as defined in the trust deed, is not to exceed 18 over a period of two consecutive quarters.
- The ratio of the consolidated equity to the consolidated net balance sheet will not be less than 15% for a period of two consecutive quarters.

As of December 31, 2025, the company meets all the financial covenants related to the series a and series b bonds in accordance with the deeds of trust as stated above.

NOTE 16 - CAPITAL

A. Composition of share capital

	December 31, 2025		December 31, 2024	
	Number of shares			
	Registered	Issued and paid-up	Registered	Issued and paid-up
No-par value ordinary shares	100,000,000	59,693,464	100,000,000	45,683,667

1. On February 13, 2025, the company raised a gross amount of approx. ILS 35 million through a private offering of 1,330,000 of the company's ordinary shares to institutional investors, including entities from the Migdal insurance and financial holdings ltd. Group, which became an interested party in the company due to the allotment. After deducting issuance expenses of approx. Nis 300 thousand, the net proceeds amounted to approx. Nis 34.7 million (approx. Eur 9.3 million).

2. On June 15, 2025, the company raised a gross amount of approximately ILS 250 million through a private offering of 9,057,970 ordinary shares of the company to institutional investors, including entities from the Migdal insurance and finance holdings ltd. Groups (an interested party in the company), as well as Y.D. Mor Investments LTD. And phoenix finance ltd., which also became interested parties in the company following the allotment. After deducting issuance expenses of approx. Nis 3 million, the net proceeds amounted to approx. Nis 247 million (approx. Eur 61.3 million).

3. On September 28, 2025 and November 25, 2025, the company completed exchange purchase offers in which it allotted 359,047 and 3,038,829 common shares of the company, respectively. See details in note 15 above.

4. During 2025, the company's employees exercised options for 194,444 shares.

5. During 2025, conversions of series a bond into 29,507 shares were made. See note 15 above.

B. Share-based payment

Expenses recognized in the financial statements

The expense recognized in the financial statements is presented in the following table:

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Total expenses recognized from share-based payment transactions	1,043	716	581

Transactions involving share-based payments granted by the Company to its employees are as follows:

On March 25, 2021, the Company's Board of Directors approved an options plan (hereinafter - the "Plan"), under which employees, directors, officers, consultants, service providers and suppliers of the Company or of a company related to the Company may be allocated, from time to time, as will be determined by the Company's Board of Directors, options exercisable for the Company's ordinary shares. The plan is in effect for 10 years from the date it was adopted by the Board of Directors, i.e. until March 25, 2031. The options plan includes the possibility of allocating options, restricted shares or any type of share-based remuneration, subject to the restrictions of the tax regimes applicable in each country.

NOTE 16 – CAPITAL (CONTINUED)

Manner of exercise - The consideration for the exercise of the option will be paid in the following ways: in cash or by selling the shares through a broker approved by the Company who will transfer the sale consideration to the Company or to the trustee. Each option is exercisable for one ordinary share of the Company .
As of December 31, 2025, the Company's Board of Directors approved grants of 4,404,030 warrants from the Company's option pool to the Company's employees .
During 2025, the Company's Board of Directors approved the granting of 618,000 stock options from the Company's stock options pool to Company employees. The exercise premium varies from 27.95 to 39.296.

Note 17 - Financial instruments

A. Classification of financial assets and financial liabilities

The following is the classification of financial assets and financial liabilities in the Statement of Financial Position for the financial instrument groups, in accordance with IFRS 9:

	December 31	
	2025	2024
	EUR thousands	
Financial assets at amortized cost		
Cash and cash equivalents	84,647	182,028
Customers, Trade and other receivables	29,350	16,658
	113,997	198,686
Financial liabilities measured at amortized cost		
Trade payables	19,597	7,609
Other payables	8,208	8,033
Deferred consideration	61,167	5,607
Debt component in respect of convertible bonds	15,159	82,216
Bonds	152,665	85,640
Other long-term loans	308,488	170,371
Loans from related parties	-	160,316
Lease liability	44,247	26,121
	609,531	545,913
Financial assets at fair value through profit and loss		
Short-term investments	4,656	11,353
Hedging derivatives	1,271	-
Financial liabilities measured at fair value through profit and loss		
Financial liabilities at fair value through profit or loss	7,029	5,233
Conversion component at fair value through profit or loss	5,019	6,588

NOTE 17 - FINANCIAL INSTRUMENTS (CONTINUED)

B. The following are the book value and fair value of financial instruments measured at amortized cost:

	December 31			
	2025		2024	
	Balance	Fair value	Balance	Fair value
Financial liabilities				
Series a bonds (level 1)	**15,159**	**20,079**	**82,216**	**85,263**
Series b bonds (level 1)	**152,665**	**158,832**	**85,640**	**87,861**

The company estimated that the cash balance, short-term investments, customers, suppliers and other current liabilities constitute approximately their fair value due to the short maturity dates of these instruments.

C. Fair value

The balance of all financial assets and financial liabilities in the financial statements is consistent with or close to their fair value.

In the issuance of bonds convertible for the Company's shares, the host contract is the bonds, as a separate security (a financial liability of the host contract type), while the embedded derivative is the option of conversion into the Company's shares, which is an option to purchase the Company's shares.

Since this is a derivative hosted in a non-derivative contract (the bonds, as stated above) and whose value varies according to the NIS exchange rate in which the mixed contract is denominated, which is different from the Company's functional currency and therefore creates exposure to yields that are inconsistent with the yields from cash flows from the bonds, this is an embedded derivative in accordance with the provisions of IFRS 9.

At the time of initial recognition of the mixed instrument, which consists of an embedded derivative measured at fair value through profit or loss and a financial liability measured at amortized cost, the conversion right was measured at fair value, for which a liability was recognized. The remainder of the consideration received in the issue was attributed to a liability in respect of bonds, which will be measured in subsequent periods at amortized cost in accordance with IFRS 9.

Classification of financial assets and liabilities measured at fair value according to fair value hierarchy

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
	EUR thousands			
Short-term investments	4,656	-	-	4,656
Hedging derivative assets		233	1,038	1,271
Forward contracts on foreign currency	-	(4,019)	-	(4,019)
Hedging derivative liabilities		(570)	(2,440)	(3,010)
Conversion component in respect of convertible financial liabilities	-	-	(5,019)	(5,019)

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	EUR thousands			
Short-term investments	11,353	-	-	11,353
Forward contracts on foreign currency	-	(5,233)	-	(5,233)
Conversion component in respect of convertible financial liabilities	-	-	(6,588)	(6,588)

NOTE 17 - FINANCIAL INSTRUMENTS (CONTINUED)

D. Cash flow hedging

Foreign currency risk

Forward contracts on exchange rates measured at fair value through profit and loss stem from the fair value of a hedging transaction for principal and interest payments in the bonds' NIS currency in Israel against the EUR.

	December 31			
	2025		2024	
	Assets	Liabilities	Assets	Liabilities
	EUR thousands			
Fair value of forward contracts in foreign currency designated as hedging instruments	1,271	7,029	-	5,233

E. Financial risk factors

The Company's activities expose it to various financial risks, such as market risks, credit risk and liquidity risk. The Company's comprehensive risk management program focuses on actions to minimize possible adverse effects on the Company's financial performance. The risk management is performed by the Company's CEO.

1. Credit risk

   Credit risk is a risk that the other party will not meet its obligations as a customer or its obligations stemming from a financial instrument and as a result the Company will incur a loss. The Company estimates that it has no significant exposure to this risk.

2. Foreign currency risk

   The Company's functional currency is the EUR. Other than the EUR, the Group has balances in foreign currencies. As a result, there is exposure to fluctuations in exchange rates.

   Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates.

   The Company's exposure to foreign currency risk is primarily related to the Company's ongoing operations (When revenue or expense is recognized in a currency other than the company's presentation currency) and the Company's net investments are in foreign subsidiaries and affiliates.

F. Sensitivity tests in respect of changes in market factors

Foreign currency sensitivity analysis:

The following tables demonstrate the sensitivity test to a reasonably possible change in the exchange rates of the NIS, the PLN, the RON and the GBP against the EUR rates, with all other variables unchanged. The impact on the Company's pre-tax profit stems from the changes in the fair value of financial assets and liabilities, including derivatives that were not designated in foreign currency and embedded derivatives. The impact on the Company's equity is due to changes in the fair value of forward contracts on foreign currency that were designated as cash flow hedges and net investment hedges. The Company's exposure to changes in foreign currency for all other currencies is immaterial.

NOTE 17 - FINANCIAL INSTRUMENTS (CONTINUED)

1. The following presents the impact of changes in the exchange rate of the ILS against the EUR on the pre-tax profit, with all other risk factors remaining unchanged:

	Sensitivity test for changes in the NIS exchange rate	
	Profit (loss) from the change	
	5% exchange rate increase	5% exchange rate decrease
	EUR thousands	
2025	3,747	(3,747)
2024	(2,590)	2,590

2. The following presents the impact of changes in the exchange rate of the PLN against the EUR on the pre-tax profit, with all other risk factors remaining unchanged:

	Sensitivity test for changes in the PLN exchange rate	
	Profit (loss) from the change	
	5% exchange rate increase	5% exchange rate decrease
	EUR thousands	
2025	2,710	(2,710)
2024	2,581	(2,581)

3. The following presents the impact of changes in the exchange rate of the RON against the EUR on the pre-tax profit, with all other risk factors remaining unchanged:

	Sensitivity test for changes in the RON exchange rate	
	Profit (loss) from the change	
	5% exchange rate increase	5% exchange rate decrease
	EUR thousands	
2025	24,231	(24,231)
2024	9,415	(9,415)

4. The following presents the impact of changes in the exchange rate of the GBP against the EUR on the pre-tax profit, with all other risk factors remaining unchanged:

	Sensitivity test for changes in the GBP exchange rate	
	Profit (loss) from the change	
	5% exchange rate increase	5% exchange rate decrease
	EUR thousands	
2025	4,975	(4,975)
2024	2,496	(2,496)

NOTE 17 - FINANCIAL INSTRUMENTS (CONTINUED)

5. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when their payment date arrives. The Group's approach to managing its liquidity risks is to ensure, to the extent possible, the degree of liquidity sufficient for meeting its obligations in a timely manner.

The following tables list the Group's remaining contractual maturities in respect of financial liabilities. The tables have been prepared based on the undiscounted cash flows of the financial liabilities based on the earliest date on which their repayment may be required of the Group, based on the Company's repayment forecasts.

	Average effective interest rate	Up to one year	1-2 years	2-3 years	From 3 years onwards	Total
	%	EUR thousands				
As of December 31, 2025						
Liabilities to suppliers and service providers, Trade and other payables		27,805	-	-	-	27,805
Convertible bonds	5.9-10	15,651	-	-	-	15,651
Bonds	7.3	10,567	25,770	24,714	137,479	198,530
Other long-term loans	8-10.8	21,475	19,709	37,094	251,685	329,963
Lease liabilities	2.5-7.5	2,939	3,861	3,809	33,636	44,245
		78,437	49,340	65,617	422,800	616,194
As of December 31, 2024						
Liabilities to suppliers and service providers, Trade and other payables		15,642	-	-	-	15,642
Loans from related parties		60,637	4,736	5,027	82,073	152,473
Convertible bonds		2,204	89,275	-	-	91,479
Bonds	7.25-8	6,022	6,022	14,687	92,436	119,167
Other long-term loans	6.2-10	2,602	4,432	5,121	165,687	177,842
Lease liabilities	2.5-7.5	2,060	1,921	1,922	18,050	23,953
		89,167	106,386	26,757	358,246	580,556

NOTE 18 - ADDITIONAL INFORMATION REGARDING PROFIT OR LOSS ITEMS

A. Administrative Expenses

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Professional services	4,050	3,244	3,098
Office maintenance	590	490	486
Recruitment of employees	333	433	345
Travel abroad	605	681	669
Miscellaneous	664	240	272
	6,242	5,088	4,870

B. Wages and Social Benefits

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Wages	12,769	8,916	6,801
Share-based payment	1,019	645	507
	13,788	9,561	7,308

C. Financing expenses

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Bank fees and commissions	188	163	80
Interest expenses in respect of loans	5,446	3,616	1,975
Interest expenses in respect of financial liabilities measured at amortized cost	1,691	646	390
Net change in fair value of financial liabilities designated for fair value through profit or loss	-	-	6,089
Fair value update of conversion component in respect of convertible bonds	12,501	3,465	57
Loss from early redemption of bonds	4,722	-	-
Exchange rate differences	5,446	4,246	-
Hedging losses	1,312	-	-
Interest expenses for deferred liability	963	-	-
Interest expenses in respect of leases	276	88	29
Miscellaneous	46	-	3
	32,591	12,224	8,623

NOTE 18 - ADDITIONAL INFORMATION REGARDING PROFIT OR LOSS ITEMS (CONTINUED)

D. Financing income

	For the year ended December 31		
	2025	2024	2023
	EUR thousands		
Interest income	2,773	492	290
Interest income from related parties	2,074	4,859	4,720
Exchange rate differences	-	-	4,414
Net change in fair value of financial liabilities designated for fair value through profit or loss	1,077	3,394	-
Fair value update of conversion component in respect of convertible loans	-	1,549	-
Miscellaneous	1,421	104	56
	7,345	10,398	9,480

NOTE 19 - EARNINGS (LOSS) PER SHARE

Number of shares and the profit or loss used in the calculation of earnings or loss per share:

	For the year ended December 31					
	2025		2024		2023	
	Weighted number of shares	Loss attributed to Company shareholders	Weighted number of shares	Profit attributable to the Company's shareholders	Weighted number of shares	Loss attributed to Company shareholders
	Thousands	EUR thousands	Thousands	EUR thousands	Thousands	EUR thousands
for calculating basic earnings (loss)	52,350	(4,231)	45,638	19,923	45,594	(11,287)

NOTE 20 - CONTINGENT LIABILITIES AND CONTRACTS

A. Contract with the French infragreen fund

On November 17, 2022, econergy signed binding agreements with several companies from the RGREEN INVEST group, a leading investment fund in renewable energy in France incorporated as a company in France (hereinafter collectively in this section - "RG"), regarding RG's investment of EUR 87.5 million in the capital of Econergy UK, and also regarding the entry into an equity partnership and the provision of financing for the company's projects in Europe in an additional total amount of approx. EUR 163.3 million (in this section - the "agreements").

- EUR 50 million was invested by RG in 2022, in consideration for the allocation of shares representing 12.5% of Econergy UK's issued share capital on the closing date.
- An additional EUR 37.5 million was invested by RG in 2023, in exchange for the allocation of shares constituting 7.5% of Econergy UK's issued share capital on the closing date.

On December 12, 2024, Econergy UK signed an investment agreement with RG, for an additional investment of EUR 50 million in Econergy UK's capital, in consideration for the allocation of 8% of Econergy UK's capital.

In 2025, the company invested EUR 72 million for 3.24% of the share capital of Econergy UK, and therefore RG holds 75.24% of Econergy UK's capital as of December 31, 2025 .

On January 21, 2026, the company signed an additional share allotment agreement, under which it will invest EUR 65 million in exchange for an additional 1.87% of the capital of Econergy UK. After the investment, the company will hold 77.11% of the capital of Econergy UK.

NOTE 20 - CONTINGENT LIABILITIES AND CONTRACTS (CONTINUED)

1. Main terms of agreement regarding the cooperation with RG

According to the framework agreement between Econergy UK and RG, RG will invest an amount of approx. EUR 163.3 million for the construction of renewable energy projects of Econergy UK and/or its subsidiaries in the countries in which it operates (the "project/s" and the “cooperation with RG"), according to the following principles:

- When a project meets the conditions set forth in the agreement, RG will be obligated to invest in that project as detailed below.
- Econergy UK and RG will hold the shares of each project company in equal parts (50/50), and in addition, RG will inject into each project a loan convertible into shares in the amount of 50% of the total investment required for the project’s construction (the “50% Loan"), and the parties will each provide loans of 25% of the total required investment (the "Parties' Loans").
- The 50% Loan will be for a period of 7 years. If there will be no additional investments in the same project, the principal payments of the 50% loan may be repaid in an amount not exceeding 14.29% of the principal each year. Standard encumbrances will be registered in favor of RG by each project company to secure the 50% Loan, as applicable.
- The 50% Loan and Parties’ Loans will bear annual interest of 8%. The Parties' Loans will be repaid as agreed between the parties. If a bank loan is received at the project company level, the funds (received from the bank loan after repayment of the interest accrued in respect of the 50% Loan) will be used for RG's investment in additional project/s, according to the conditions specified in the RG Cooperation Agreement. If the Company does not present additional project/s to RG, the loan will be repaid to RG over 7 years as stated above.
- RG was granted an exclusive right to invest in any of the Company’s electricity generation projects with photovoltaic or wind technology that will reach the Ready To Build (RTB) stage, subject to the Company's previous commitment to Phoenix Insurance Company Ltd. to invest in projects in Romania in the amount of approx. EUR 100 million (apart from the Parau project, for which an express commitment was given to RG, as detailed below) and in Poland in the amount of approx. EUR 50 million.
- Econergy UK Development Fees - For each project in which RG invests under the cooperation with RG, Econergy UK will be entitled to receive development fees at a rate of between EUR 100,000 and EUR 140,000 per installed MW, according to the expected return on each project.

  On December 15, 2022, Econergy UK signed a binding agreement with the RG Group’s IG4 Fund regarding the entry into an equity partnership and provision of financing for the Company's Parau project in Romania totaling approx. EUR 55 million, which was transferred during 2023.

2. Engineering, Procurement, Construction Management Agreements (EPCm) and Project Management Services

Econergy UK (or a company under its control) will provide each project company with management services for the construction work (EPCm) in consideration for 1.5% of the project's construction cost, as well as management services for the project after it is connected to the electricity grid for an initial period of 10 years from the date of the project’s commercial operation amounting to 4% of the project's annual revenues, after which the arrangement regarding project management services will be renewed automatically for another 10 years, in accordance with the conditions detailed in the above service agreements.

NOTE 20 - CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

B. Binding agreement with phoenix insurance company ltd.

1. Main terms of agreement regarding the cooperation with phoenix insurance company ltd.

On January 4, 2023, econergy UK signed a cooperation agreement, a convertible loan and fixed loan agreements, as well as a shareholders' agreement with the phoenix insurance company ltd. And its related entities (hereinafter collectively - "phoenix") regarding the entry into a cooperation and the provision of loans by the phoenix for the financing of part of the construction costs of the company's photovoltaic projects in Romania and Poland (in this section - the “project/s") in a total amount of approx. EUR 150 million. Of these, approximately €100 million to fund activities in Romania (with regard to projects that have not yet been funded), as well as approximately €50 million to fund activities in Poland (including projects that also include storage).
The loans will be provided by phoenix to the legal entities that hold the projects (the "project entities") in two ways:

A. Directly through a convertible loan in the in the amount of approx. 49% of the project's construction costs according to the terms of the convertible loan agreements (the “convertible loan"); and
B. Indirectly through a fixed loan amounting to approx. 17.67% of the project’s construction cost, according to the terms of the fixed loan agreements (the "fixed loan”).

The terms of the loans are as follows:

- A total of approx. EUR 110.2 million will be provided by Phoenix as convertible loans and a total of approx. EUR 39.75 million will be provided by Phoenix AS fixed loans.
- The convertible loan will be given directly to each Project entity.
- Once an approved project reaches the commercial operation stage and for 60 days from that date (the "Conversion Period”), Phoenix will have the right to convert the balance of the convertible loan given to the project entity for that project (principal + interest) into 49% of the ownership in the project entity and into 49% of the Econergy loan on the date of the conversion (the "Conversion").
- In the case of a conversion, with reference to projects in Romania, Phoenix will be granted customary non-controlling interest protections. In addition, the parties will be required not to make any disposition of the holdings of the project entities for a period of 24 months from the date of the project’s commercial operation (the "Lock-in Period”), Phoenix will have a tag along right in the event of the sale of the project entity holdings, and the sale of the project entity holdings by Phoenix will be subject to the Company's right of first offer.
- If Phoenix does not exercise the conversion right of any project loan, the relevant project entity will have the right to early repayment of the full project loan, without incurring a penalty.
- The following conditions, among others, will apply to the convertible loans and fixed loans:
- Withdrawals from loans will be possible for 24 months from the closing date (Phoenix will be entitled to extend this date by up to 24 additional months);
- The loans will bear an annual interest rate of 7.25% plus a transfer price, as required;
- The interest rate will be updated in the following cases: (a) If the project entity takes on senior debt in relation to the loan (before repayment), the interest rate will be updated to 8% or to the EUR interest plus 3%, whichever is higher; (b) In the event of a default, the interest rate will increase by an additional 3%;
- The first repayment date for the loans will be according to the earliest of: (a) 36 months from the first withdrawal; or (b) 180 days from commercial operation. Repayment of a loan (principal and interest) will be every 3 months from the project entity’s free cash flow. The final repayment date of each loan will be 48 months from the first withdrawal date, with an extension option of an additional 12 months.
- For the loan, a list of acceptable grounds for immediate repayment of the loan has been determined, and acceptable collateral for loans of this type will be provided IN FAVOR OF PHOENIX.

NOTE 20: - CONTINGENT LIABILITIES AND CONTRACTS (CONTINUED)

In addition, on march 27, 2025, an amendment to the investment agreement was signed with phoenix insurance company ltd., which increases the investment amount and the provision of financing by phoenix by an additional €75 million for the company's projects in Romania and Poland, so that its total investment will amount to €225 million.
Also, according to the amendment to the agreement, the parties will be entitled to decide that in certain projects, a permanent loan will not be provided.

To date, phoenix has invested a total of approximately €185.7 million in the company's projects as follows:

Project name	Country	Project amount	Convertible loan	Fixed loan	Total Phoenix financing	Balance including interest
		EUR MILLIONS				
Oradea	ROMANIA	70	34.3	12.3	46.6	14.2
Resko	POLAND	45	22	8	30	8.7
Scurtu Mare	ROMANIA	44.7	22	8	30	10.3
Bobicesti	ROMANIA	20	9.8	3.5	13.3	10.9
Melinesti	ROMANIA	26.5	13	4.6	17.6	14.2
Rosiori	ROMANIA	33	9	-	9	9.3
Baneasa	ROMANIA	25	9.9	-	9.9	10.3
Mircea Voda	ROMANIA	25	12.2	-	12.2	12.6
Ovidiu	ROMANIA	48	17.1	-	17.1	17.6
		337.2	149.3	36.4	185.7	108.1

1) On October 30, 2024, phoenix exercised its right to convert a convertible loan into shares, so that debt in the amount of approx. Eur 4.2 million will be converted into 49% equity rights in the project corporation that holds all rights in the company's RESKO project in Poland, and the balance of the loan will be converted into an unsecured shareholder loan, which will constitute 49% of the shareholder loans to the project corporation.

2) On February 6, 2025, phoenix undertook to exercise its right to convert the convertible loans granted for the SCURTU MARE and ORADEA projects, subject to obtaining required approvals. See also note 3O below.

   In addition, at the time of signing the amendment to the aforementioned agreement, it was agreed between the parties that with respect to the Bobicesti and Melinesti projects, ecoenergy UK would have the authority to determine whether the project companies have available cash flow that would enable the repayment of the convertible loans provided by phoenix, in accordance with the provisions of the convertible loan agreements signed for each project and in accordance with the ongoing operational needs of each project.

   Following these agreements, the company reduced its liabilities and increased its consolidated capital by approximately €97.3 million.

NOTE 20 - CONTINGENT LIABILITIES AND CONTRACTS (CONTINUED)

3) On June 30, 2025, the company repaid the balance of the fixed loans provided by the phoenix to the companies in the group under the agreements, in the amount of approximately €33 million (including accrued interest of approximately €3 million).

4) On October 9, 2025, phoenix exercised its right to convert a convertible loan into shares, so that debt of approximately EUR 9.7 million will be converted into 49% share capital in the project corporation that holds full rights to the company's ORADEA project in Romania, and the balance of the loan will be converted into an unsecured shareholder loan, which will constitute 49% of the shareholder loans to the project corporation.

5) During 2025, the company repaid phoenix's convertible loans in the amount of approximately EUR 13.8 million for the SCURTU MARE project and approximately EUR 16.7 million for the ORADEA project.

6) The company has the right to receive amounts from each project entity, for approved projects, as follows:

- For EPCM services for each approved project - 1.5% of the project’s construction cost.
- For project management services - EUR 3,600 per mw for each approved project for an initial period of 10 years from the date of the project’s commercial operation (the arrangement will be automatically renewed for another 10 years under terms set forth in the agreements).
- For development project disposals -
  A. The amount of EUR 100,000 per mw installed and connected (”total project disposal”) in respect of each approved project in which a convertible loan has been converted into capital; or
  B. If the company's costs to third parties related to the development of the project exceed the total project disposal value related to each project, the total disposal value of the development will be paid, plus 20%.

C. Entering into a project financing agreement-Ratesti

On November 21, 2023, the project company signed a financing agreement with Raiffeisen Bank International ag, one of the leading banks in Austria and central Europe, and its subsidiary, Raiffeisen Bank S.A. (together, the "Raiffeisen group"), for provision of project financing amounting to EUR 60 million by the Raiffeisen group for the Ratesti project, at an annual interest rate according to "eurobourse - three months" plus a margin of between 3%-4% and deducting interest from the hedging agreement of between 1% to 2%. The financing will be repaid based on revenues from the sale of electricity generated in the Ratesti project.

As part of the financing agreement, accepted financial covenants were established, which include a debt coverage ratio not to exceed 1.2, a commitment that the value of the project company's assets will be higher than the value of its liabilities, and that the value of the project company's net assets will be higher by at least 50% of the allocated capital.

In addition, as part of the financing agreement, accepted collateral was determined, including a lien on all project company assets, a lien on receipts due to the shareholders of the project company and/or someone on their behalf from the project company, prohibition of negative pledges in the project company, and the provision of deposits .

As of December 31, 2025, the loan balance is approximately EUR 44 million.

D. Engagement in a binding agreement with Rivage investment funds

On February 7, 2024, econergy UK signed a binding agreement with the European investment fund rivage investment (the "**lender**"), to provide financing by way of a loan to econergy UK, for the development, construction and acquisition of the company's projects in Europe and the UK, in a total amount of approx. EUR 150 million (the "loan agreement"), the main points of which are as follows:

NOTE 20 - CONTINGENT LIABILITIES AND CONTRACTS (CONTINUED)

1. The lender will provide econergy UK with debt in two installments: (a) EUR 100 million to be provided as of the financial closing date of the loan agreement, on a quarterly basis, according to a needs model to be provided by econergy UK (the "**first tranche**"); and (b) an additional EUR 50 million, after the provision of the first tranche is completed and after the conditions specified in the loan agreement are met (the "**second tranche**"); the first tranche and the second tranche, together - the "**loan**").
2. The loan will be provided for a period of 5 years from the financial closing, and bears a fixed interest rate of approx. 9.5% for the first tranche and a rate of approx. 9% for the second tranche. The loan principal will be repaid during the fourth and fifth year and the balance at the end of the loan. Interest will be paid once every 3 months.
3. The loan will be used to pay development and construction costs for the company's projects in Europe and the UK, which will meet the conditions set forth in the binding agreement and which will refer, among other things, to the expected return, milestones achieved in relation to the project, the location of the project and the applicable regulation thereto.
4. Econergy UK's commitment to meet accepted financial covenants and other liabilities, the breach of which will result in immediate repayment of the loan, including:
    - A commitment that no distribution will be made in econergy UK, except for principal and interest payments for bonds (series a) issued by the company;
    - Compliance with minimum capital and a consolidated LTV ratio between 55% and 75% at various times as specified in the loan agreement. As of December 31, 2024, the required ratio is 65%.
    - Provision of acceptable collateral, including liens on shares and bank accounts of econergy UK and on shares of material subsidiaries whose only loan will be provided by the lender (if any). The amount of the lien on the shareholders loans given to econergy UK were determined in the loan agreement.
    - Further commitments concerning econergy UK's renewable energy activities in Europe (including the scope of activity in its operating policy and the pace of project development, etc.).
5. The loan agreement also stipulated restrictions and/or conditions relating to changes directly and/or indirectly in the control and holdings in econergy UK.

By December 31, 2024, EUR 100 million had been received as part of the first tranche. The company incurred deferred financing costs for the transaction in the amount of approximately €5.2 million. The annual effective interest rate of the loan is approx. 10.3%. The company expects the second tranche to be received by the end of 2026.

E. Engagement in a financing agreement for the Swangate project in the UK

On August 23, 2024, Swangate Energy Storage Limited, a corporation held (100%) by Econergy UK, signed with Goldman Sachs International Bank, a bank from the Goldman Sachs INC international group, an agreement to provide project financing of approximately £27 million, which was received during August 2024, for a battery electricity storage project in the UK with a capacity of approximately 50 megawatts installed power/102 megawatt hours.

The final repayment date of the loan is December 31, 2031, when the principal will be repaid in quarterly installments starting March 31, 2025, with a fixed annual payment of approximately 10%-12% of the initial loan amount, plus a balloon payment in the seventh year from the date the loan was disbursed at a rate of approximately 30% of the initial loan amount. The loan accrues annual interest at the "SONIA - three months" rate plus an annual margin in the range of approximately 3%-3.5% and is repaid in quarterly payments starting September 30, 2024, in accordance with the terms of the agreement. The Company incurred deferred financing costs of €1.3 million. The annual effective interest rate of the loan is approx. 8.4%.
According to the agreement, the Company is required to meet financial covenants of a debt coverage ratio (Loan Life Cover Ratio) of at least 1.05, which will be reviewed starting on March 31, 2025 and every six months thereafter.

NOTE 20: - CONTINGENT LIABILITIES AND CONTRACTS (CONTINUED)

On march 21, 2025, the subsidiary econergy UK entered into a settlement agreement with the construction contractor in the Swangate project, according to which the project company will receive compensation for the loss of revenue incurred due to a delay in the delivery of the project, as follows:

- USD 3.8 million (approx. EUR 3.5 million) which was deducted directly against the balance owed to the supplier.
- USD 850 thousand (approx. EUR 780 thousand) which will be offset against the supplier's property management service fees.
- GBP 200 thousand (approx. EUR 270 thousand) for an additional delay agreed with the supplier in connection with the property's suitability tests.

As of December 31, 2025, the loan balance is €24.7 million.

F. Engagement in a financing agreement for the Resko project in Poland

On October 31, 2024, the project company Resko, a corporation held by Econergy International Ltd ("Econergy UK") and 49% by Phoenix Insurance Company, together with Kasa Powszechna Polski Bank S.A. ("PKO"), signed a financing agreement to provide project financing of approximately EUR 33 million for a solar photovoltaic electricity production project in Poland with an installed capacity of 52 MW.

The loan will mainly be used to pay the remaining construction expenses and for the repayment of loans to the owners of the project corporation in the amount of approx. EUR 25 million, which were provided for the project's construction. In addition, the final repayment date of the general facility and the DSRF facility is June 30, 2044. The principal will be repaid in semi-annual installments according to the provisions of the agreement, starting on June 30, 2025. The loan accrues annual interest according to "EURIBOR - six months" plus an annual margin in the range of approximately 1.75%-2.25%, and it will be repaid in semi-annual installments starting on December 31, 2024. In addition, as part of the interest terms in the agreement, a hedging agreement was signed to hedge the exposure to changes in the interest rate.

As of December 31, 2025, the loan balance is €26.3 million.

G. Engagement in a financing agreement for the IANCU JIANU project in Romania

On November 26, 2024, ECO SUN JIANU S.R.L. (the "project corporation"), a corporation wholly owned by Econergy UK, signed a financing agreement with Kommunalkredit Austria ("kommunalkredit") for the provision of project financing in a total amount of approx. Eur 28 million for a solar photovoltaic electricity generation project in Romania with a capacity of approx. 58 mw. The following are the main points of the agreement:

The final repayment date of the loan is the earliest of: (1) three years from the date of signing the financing agreement; (2) two years after the date of completion of the project, the financing in the agreement as defined.

The principal and interest will be repaid in semi-annual payments starting from December 31, 2025, and on the final repayment date of the loan, a balloon will be paid in the amount of the outstanding principal balance .

In addition, a semi-annual cash sweep mechanism was established on a portion of the available cash flow for current repayment of the principal payments under the terms set forth in the financing agreement. Under the agreement, the company is required to meet a debt coverage ratio of at least 1.50, which will be calculated every June 30 and December 31, starting from the date of commercial operation of the project.

As of December 31, 2025, the loan balance is €25 million.

NOTE 20: - CONTINGENT LIABILITIES AND CONTRACTS (CONTINUED)

H. Engagement in a financing agreement for the PARAU project

On December 20, 2024, Heliolux S.R.L signed a financing agreement with Raiffeisen bank international ag (rbi), one of the leading banks in Austria and central Europe, to provide project financing of approximately EUR 38 million. The annual interest rate is based on "Euribor - six months" plus an annual margin in the range of approximately 3%-4% .

The financing agreement set the following financial criteria: (1) a debt coverage ratio not to exceed 1.1; (2) the value of assets is 10% higher than the value of its liabilities; (3) the value of net assets is at least 50% of the capital

As of December 31, 2025, the loan balance is approximately EUR 34.9 million.

I. Entering into a financing agreement for a portfolio of 12 projects in Italy with a total value of approximately €58.1 million

On September 26, 2025, eco Holdco 1 SRL (project holding corporation), the corporation wholly owned by ecogreendev, which is held 50% in a chain by econergy UK, a company controlled by the company, and 50% by infragreen, signed with UniCredit an agreement to provide project financing of approximately €58.1 million, for a portfolio of 12 projects for the production of solar photovoltaic electricity in Italy, with a capacity of approximately 64.3 megawatts, in the commercial operation phase.

J. Signing a financing agreement for the SCURTU MARE project in Romania

On October 30, 2025, the project company, which is 100% owned by econergy England, signed with vista bank s.a. (Romania) an agreement to provide project financing of approximately 25 million euros, for a solar photovoltaic electricity production project in Romania, with a capacity of approximately 56.03 megawatts, in the commercial operation phase. The loan amount was received during November 2025.

K. Entering into a financing agreement for the Oradea project in Romania with a total value of approximately 40.5 million euros

On November 28, 2025, ECO SUN ORADEA S.R.L. (the project corporation), a corporation wholly owned by ECO SUN MIHALESTI TWO S.R.L., which is 51% owned by Ecoenergy England, a company controlled by

The company, 49% owned by the phoenix group, has entered into an agreement with UniCredit to provide project financing of approximately EUR 40.5 million for a solar photovoltaic electricity production project in Romania, with a capacity of approximately 87 megawatts, connected to the electricity grid.

L. Entering into a financing agreement totaling approximately £21 million and a floor agreement for the Dalmarnock project in the UK

On December 23, 2025, Bess Dalmarnock ltd (the project corporation), a corporation fully owned by econergy UK, a company controlled by the company, signed with Santander a financing agreement to provide project financing of approximately £21 million, for a Bess technology electricity storage project in Scotland, United Kingdom, with a capacity of approximately 40 megawatts, which is in the construction phase, as detailed in the financing agreement.

In addition, on December 19, 2025, the project corporation entered into an agreement to provide optimization services in connection with the project, which includes a floor price guarantee mechanism, with EDF, pursuant to which EDF will provide commercial optimization services for the project.

The agreement includes a guaranteed annual income mechanism for 10 years alongside a revenue sharing mechanism for EDF in relation to additional income from the project.

NOTE 20: - CONTINGENT LIABILITIES AND CONTRACTS (CONTINUED)

M. Engagement in a virtual electricity supply agreement VPPA in the RESKO project in Poland

Further to section 20E above, on November 4, 2024, the Resko project corporation in Poland signed a virtual power supply agreement (VPPA) with a multinational company (the "buyer") for the Resko photovoltaic solar power generation project in Poland, which has an annual installed power of 52 megawatts. As part of the VPPA agreement, the project corporation and the buyer entered into a price-fixing agreement for the electricity to be generated in the Resko project, for 75% of the production for a period of 19 years from the date of the Resko project's commercial operation. It should be noted that the remaining 25% of the electricity to be generated in the Resko project is expected to be sold at market prices (merchant), which is not part of the agreement.

N. Engagement in a financing agreement for the IANCU JIANU project in Romania

on November 26, 2024, eco sun JIANU S.R.L. (the "project corporation"), a corporation wholly owned by econergy UK, signed a financing agreement with Kommunalkredit Austria ("Kommunalkredit") for the provision of project financing in a total amount of approx. EUR 28 million for a solar photovoltaic electricity generation project in Romania with a capacity of approx. 58 mw. The following are the main points of the agreement:

the final repayment date of the loan is the earliest of: (1) three years from the date of signing the financing agreement; (2) two years after the date of completion of the project, the financing in the agreement as defined.

the principal and interest will be repaid in semi-annual payments starting from December 31, 2025, and on the final repayment date of the loan, a balloon will be paid in the amount of the outstanding principal balance.

in addition, a semi-annual cash sweep mechanism was determined on part of the free cash flow for the ongoing principal payments under the terms set forth in the financing agreement.

according to the agreement, the company is required to comply with a debt coverage ratio of at least 1.50 which will be calculated every June 30 and December 31, starting from the date of the project's commercial operation.

as of December 31, 2025, the loan balance is €25 million.

NOTE 21 - BALANCES AND TRANSACTIONS WITH INTERESTED PARTIES AND RELATED PARTIES

A. Balances with interested parties and related parties

As of December 31, 2025

	Controlling shareholder	Officers	Affiliated companies	Interested party and other related parties
	EUR thousands			
Debit balances:				
Trade and other receivables (a)	18	-	526	9
Loans to affiliated companies (b)	-	-	1,073	-
Credit balances:				
Trade and other payables	345	232	-	133
Other long-term liabilities (c)	300	-	-	-
Liabilities for deferred consideration (D)	-	-	-	49,002

NOTE 21 - BALANCES AND TRANSACTIONS WITH INTERESTED PARTIES AND RELATED PARTIES (CONTINUED)

Additional information:

(A) The highest balance of current liabilities of interested parties during the year was approximately EUR 18 thousand.
(B) Loans granted to finance the construction of projects in Italy.
(C) Long-term balances with a controlling shareholder are in respect of a provision for the adjustment period.
(D) Balances to pay for the acquisition of 50% of the share capital of the property companies of the Parau and Ratesti projects from the previous partners. See Notes 9C-9D above.

As of December 31, 2024

	Controlling shareholder	Officers	Affiliated companies	Interested party and other related parties
	EUR thousands			
Debit balances:				
Trade and other receivables (a)	2	-	2,951	9
Loans to affiliated companies (b)	-	-	61,017	-
Credit balances:				
Trade and other payables	291	150	-	2,653
Other long-term liabilities (c)	300	-	-	-
Loans from related parties (d)	-	-	-	160,316
Conversion component at fair value through profit or loss	-	-	-	500

Additional information:

(A) The highest current debt balance of interested parties during the year was approx. EUR 8 thousand.
(B) Loans granted by a subsidiary of the company, Econergy Cyprus, to the project companies Parau and Ratesti. See Notes 9c-9d above.
(C) Long-term balances with a controlling shareholder are in respect of a provision for the adjustment period.
(D) RG's share in the loan to Heliolux and Phoenix's share in the loans to the project companies it finances.

B. Transactions with interested parties and related parties

For the year ended December 31, 2025

	Controlling shareholder	Officers	Affiliated companies	Interested party and other related parties
	EUR thousands			
Revenues	-	-	692	-
Salaries and related expenses	1,016	1,082	-	-
Administration, headquarters and others	-	-	-	431
Financing income	-	-	2,074	-

NOTE 21: - BALANCES AND TRANSACTIONS WITH INTERESTED PARTIES AND RELATED PARTIES (CONTINUED)

For the year ended December 31, 2024

	Controlling shareholder	Officers	Affiliated companies	Interested party and other related parties
	EUR thousands			
Revenues	-	-	1,624	395
Salaries and related expenses	868	1,061	-	-
Financing income	-	-	4,859	-
Administration, headquarters and others	-	-	-	420
Financing expenses	-	-	-	3,616

C. Information regarding terms of office of officers as of the date of signing the financial statements

1. Mr. Eyal Podhorzer, one of the controlling shareholders of the Company, serves as the Company's CEO and as a director. In accordance with the management agreement between Eyal and the Company, it was agreed that Mr. Podhorzer would provide management services to all group companies, in exchange for management fees of €90,000 per quarter, for a period of three years starting on January 1, 2025. On March 2, 2026, the Remuneration Committee and the Company's Board of Directors approved a bonus of six (6) months of management fees to Eyal for meeting the 2025 goals.

2. Mr. Yoav Shapira, one of the controlling shareholders of the Company, serves as Deputy CEO of the Company and as a director of the Company. In accordance with the management agreement between Yoav and the Company, it was agreed that Mr. Shapira would provide management services to all group companies, in exchange for management fees of €90,000 per quarter, for a period of three years starting on January 1, 2025. On March 2, 2026, the Compensation Committee and the Company's Board of Directors approved a bonus of six (6) months of management fees to Yoav for meeting the 2025 goals.

3. Attorney Elad Kerner serves as the Company's VP and Chief Legal Counsel, effective April 6, 2022. In accordance with the agreement signed between him and the Company, Adv. Kerner will receive compensation as follows: (a) management fees in the amount of 23,000 euros per month plus VAT; (b) 100,000 options of the Company, each of which can be converted into one share of the Company without consideration (at an exercise price of ILS 19.14)according to the Company's stock option plan. The date on which the options begin to vest will be the date of employment and the options will vest over a period of three years as follows: 33,400 of the options after a full year of employment with the company; four additional tranches of 16,650 options, each tranche every six months for two years after the first vesting date. On March 2, 2026, the Remuneration Compensation Committee and the Company's Board of Directors approved a discretionary grant in the amount of six months of management fees to Attorney Kerner for the year 2025.

4. Mr. Nir Peleg served as the Company's Chief Financial Officer from June 15, 2022 to August 31, 2025. In accordance with the agreement signed between him and the Company, Mr. Peleg was entitled to the following consideration: (1) a salary of ILS 55,000 per month; (2) 133,000 options of the Company, each of which can be converted into one share of the Company without consideration (at an exercise price of ILS 19.14). Mr. Nir Peleg terminated his position as the company's chief financial officer effective august 31, 2025. On the day his employment ended, 116,500 options were vested in Mr. Peleg and 16,500 were forfeited.

NOTE 21: - BALANCES AND TRANSACTIONS WITH INTERESTED PARTIES AND RELATED PARTIES (CONTINUED)

5. MS. LIMOR LEV serves as the Company's Chief Financial Officer starting August 31, 2025. In accordance with the agreement signed between her and the Company, MS. LEV is entitled to consideration as follows: (1) salary of ILS 55,000 per month; (2) 150,000 options of the Company, each of which can be converted into one share of the Company without consideration (at an exercise price of ILS 38.65). The date of commencement of vesting of the options will be the date of commencement of employment and the options will vest over a period of five years as follows: 30,000 of the options after two years; 45,000 of the options after three years and two additional tranches of 37,500 options after 4 and 5 years respectively. On March 2, 2026, the Renumeration Committee and the Company's Board of Directors approved a discretionary bonus of ILS 110,000 to Ms. Lev.
6. Mr. Eran Levy serves as the company's Director of Finance. In accordance with the agreement between Eran and the Company, Mr. Levy will receive compensation as follows: (1) a salary of ILS 36,500 per month; (2) 35,000 options of the Company, each of which is convertible into one share of the Company at an exercise price of ILS 12.73 per share, in accordance with the Company's options plan. The date on which the options begin to vest will be the date of employment and the options will vest over a period of three years as follows: 11,690 of the options after a full year of employment with the company; four additional tranches of 5,828 options, each tranche every six months for two years after the first vesting date. (3) A leased vehicle for which the value of the use of the vehicle for income tax purposes will be borne by the Company. On March 2, 2026, the Remuneration Committee and the Company's Board of Directors approved a discretionary bonus of ILS 87,500 to Mr. Levy.
7. Following the approval of the Company's Remuneration Committee and Board of Directors at their meetings on March 23, 2023 and March 27, 2023, respectively, on May 2, 2023, the Company's General Meeting approved the terms of office and employment for Mr. Shlomo Zohar, as Active Chairman of the Company's Board of Directors. As part of his terms, Mr. Zohar will be paid a fixed monthly payment of ILS 20,833, for a position scope of approximately 20%. In addition, Mr. Zohar was granted 150,000 options of the Company, each of which is convertible into one share of the Company at an exercise price of ILS 12.73 per share, in accordance with the Company's options plan. The date on which the options begin to vest will be the date of employment and the options will vest over a period of three years as follows: 50,000 of the options after a full year of employment with the Company; four additional tranches of 25,000 options, each tranche every six months for two years after the first vesting date.

NOTE 22 - OPERATING SEGMENTS

The operating segments were determined based on the information reviewed by the chief operating decision makers (**CODM**) for the allocation of resources and the evaluation of performance. The company's chief operating decision makers are the company's CEO and the deputy CEO. Accordingly, for management purposes, the group is structured according to operating segments based on the geographical areas of the business units.
Segment performance (segment profit or loss) is estimated based on operating profit (or loss) as presented in the financial statements.
Segment results reported to the chief operating decision makers include the operating profit attributed directly to the segment.
Unallocated items, which mainly include administration, headquarters and others, financing and taxes on income, are managed on a group basis.
For management purposes, the company examines the business results according to geographical operating segments according to operating profit, excluding administration, headquarters and others.
The results of operations of the Spain, Greece and Germany segments have been grouped into the other segment since they do not constitute reportable segments. Segment data for comparative periods was restated.

NOTE 22 - OPERATING SEGMENTS (CONTINUED)

Reporting regarding operation segments:

	Italy	UK	Romania	Poland	Other	Adjustments to the financial statements	Total
	EUR thousands						
For the year ended December 31, 2025							
Segment revenues	601	56,337	5,392	-	-	-	62,330
Intersegmental revenues	5,640	3,253	2,989	1,082	1,766	(14,729)	-
Total Revenue	6,240	59,590	8,381	1,082	1,766	(14,729)	62,330
Segment results	87	50,517	4,462	536	598	(20,883)	35,317
Administrative Expenses							6,242
Financing expenses, net							25,246
Tax benefit							(881)
Net profit							4,710
Depreciation and amortizations included in the segment's operating profit	3,155	6,027	817	78	58	437	10,572
Salaries and related expenses included in the segment's operating profit	2,905	1,950	1,585	469	1,084	5,795	13,788
As of December 31, 2025							
Total assets	62,447	666,094	750,418	64,984	22,102	(460,125)	1,105,920
Total liabilities	59,775	372,940	588,033	59,392	17,466	(431,124)	666,482

	Italy	UK	Romania	Poland	Other*	Adjustments to the financial statements	Total
	EUR thousands						
For the year ended December 31, 2024							
Segment revenues	566	41,281	-	-	-	6,909	48,756
Intersegmental revenues	4,188	1,148	2,511	964	1,931	(10,742)	-
Total Revenue	4,754	42,429	2,511	964	1,931	(3,833)	48,756
Segment results	1,826	35,460	1,144	578	590	(8,482)	31,116
Administrative Expenses							5,088
Financing expenses, net							1,826
Tax benefit							(201)
Net profit							24,403
Depreciation and amortizations included in the segment's operating profit	620	5,939	229	68	173	460	7,489
Salaries and related expenses included in the segment's operating profit	2,166	729	975	318	1,025	4,348	9,561
As of December 31, 2024							
Total assets	34,014	463,563	240,138	61,753	3,995	(19,791)	783,672
Total liabilities	30,044	263,432	233,024	56,187	4,561	(15,821)	571,427

*Retroactively adjusted.

NOTE 22 - OPERATING SEGMENTS (CONTINUED)

	Italy	UK	Romania	Poland	Other*	Adjustments to the financial statements	Total
	EUR thousands						
For the year ended December 31, 2023							
Segment revenues	112	987	-	-	-	-	1,099
Intersegmental revenues	3,675	1,426	2,072	946	311	(8,430)	-
Total revenue	3,787	2,413	2,072	946	311	(8,430)	1,099
Segment results	1,553	847	919	822	(169)	(12,291)	(8,319)
Administrative Expenses							4,870
Financing income, net							857
Income taxes							1,151
Loss							13,483
Depreciation and amortizations included in the segment's operating profit	329	277	137	1	1	215	960
Salaries and related expenses included in the segment's operating profit	1,850	1,021	483	124	479	3,351	7,308
As of December 31, 2023							
Total assets	23,403	230,443	89,666	53,794	6,119	(31,287)	372,138
Total liabilities	21,738	119,311	87,083	52,418	5,196	(50,466)	235,280

*Retroactively adjusted.

NOTE 23- GUARANTEES AND LIENS

Total off-balance sheet liabilities as of December 31, 2025 for guarantees amount to approximately €49 million. Some of the agreements in which the company is engaged include the provision of a guarantee for which the company has a deposit pledged to a bank.

As of December 31, 2025, the company has pledged cash of approximately €28 million against hedging transactions and guarantees.

NOTE 24 - GOODWILL AND OTHER INTANGIBLE ASSETS

Composition and movement

	Intangible assets	Goodwill	Total
	EUR thousands		
Cost			
Balance as of January 1, 2025	37,701	9,548	47,249
Company consolidated for the first time	67,495	10,404	77,899
Disposals	(3,201)	-	(3,201)
Balance as of December 31, 2025	101,994	19,952	121,945
Accumulated amortization			
Balance as of January 1, 2025	8	-	8
Amortization recognized during the year	190	-	190
Balance as of December 31, 2025	198		198
Net balance	101,796	19,952	121,748

	Assets under construction	Goodwill	Total
	EUR thousands		
Cost			
Balance as of January 1, 2024	-	-	-
Company consolidated for the first time	40,032	9,548	49,580
Disposals	(2,331)	-	(2,331)
Balance as of December 31, 2024	37,701	9,548	47,249
Accumulated amortization			
Balance as of January 1, 2024	-	-	-
Amortization recognized during the year	8	-	8
Balance as of December 31, 2024	8	-	8
Net balance	37,693	9,548	47,241

(1) The Company performed an impairment test by an external valuer on the systems under construction of an acquired subsidiary. The recoverable amount of the cash-generating unit was determined based on the value in use, calculated by discounting the expected future cash flows from this cash-generating unit. As of the valuation date, the recoverable amount of the unit is higher than its balance in the financial statements.

NOTE 24 - GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(2) For the purpose of determining the fair value of the systems under construction, the Company uses forecasts it has made, while relying on and controlling external sources of information, for the purpose of determining the discount rates and the risk-free interest rate.

(3) The discount rate used to determine the fair value of the systems is between 9-12% as of December 31, 2025.

NOTE 25 - SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

A. Capital raising through private placement of shares

On November 30, 2025, the company's board of directors approved, and on January 6, 2026, the company's general meeting approved, a capital raising of approximately ILS 250 million in exchange for the allotment of 6,578,948 ordinary shares of the company to institutional entities, including y.d. mor investments ltd., which became an interested party in the company.
After deducting the issuance expenses, in the amount of approximately EUR 927 thousand, the net proceeds amounted to approximately ILS 247 million (approximately EUR 66.5 million).

B. Investment of €65 million by the company in the capital of econergy UK

On January 21, 2026, the company signed an additional share allotment agreement, under which it will invest EUR 65 million in exchange for an additional 1.87% of the capital of Econergy UK. After the investment, the company will hold 77.11% of the capital of Econergy UK. In January 2026, the company invested approximately EUR 35 million and the company expects to invest an additional EUR 30 million by the end of the first quarter, 2025.

C. Issuance of bonds (series c)

On January 28, 2026, the company completed capital raising through a public offering of bonds (series c) under a shelf offering report.

As part of the offering, the company responded to requests from classified investors and the public and allotted ILS 500,000,000 par value bonds (series c). The annual interest rate set in the bond auction is 5.25%.

The total (gross) proceeds received for the issuance amount to approximately ILS 500 million.

D. Connection of Resko project to the electricity grid in Poland
On November 13, 2025, the Resko project was connected to the electricity grid (a project with a capacity of approximately 52 megawatts). The project is held in concatenation by Econergy UK at 51% and by phoenix at 49%.
On February 2, 2025, the license was received, which marks the date of commercial operation of the project.
