Consolidated Interim Financial Statements

(Unaudited)

As of June 30, 2026

Econergy Ltd.
Consolidated Interim Financial Statements (Unaudited)
As of June 30, 2026

Contents

Kost, Forer, Gabbay and Kasierer
144a Menachem Begin Rd.,
Tel-Aviv 6492102

Tel. +972-3-6232525
Fax +972-3-5622555
ey.com

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Auditor's Review Report to the Shareholders of Econergy Ltd.

Introduction

We have reviewed the attached financial information of Econergy Ltd. (formerly - Econergy Renewable Energy Ltd.), the Company and its subsidiaries (hereinafter - the Company), which includes the Condensed Consolidated Statement of Financial Position as of June 30, 2026 and its Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the six- and three-month periods ended on that date. The Company's Board of Directors and management are responsible for the preparation and presentation of financial information for these interim periods in accordance with International Accounting Standard IAS 34 - "Interim Financial Reporting", and they are also responsible for the preparation of financial information for these interim periods in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on the financial information for these interim periods based on our review.

Scope of the Review

We have conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel – "Reviews of Financial Information for Interim Periods Prepared by the Entity's Auditor". An overview of interim financial information consists of inquiries, primarily with individuals responsible for financial and accounting matters, and the implementation of analytical and other review procedures. A review is significantly limited in scope relative to an audit conducted according to generally accepted Israeli auditing standards, and therefore does not allow us to achieve assurance that we will be aware of all material issues that might have been identified in an audit. Accordingly, we are not expressing an audit-level opinion.

Conclusion

Based on our review, nothing has come to our attention to cause us to believe that the financial information referred to has not been prepared, in all material aspects, in accordance with International Accounting Standard IAS 34.

In addition to that stated in the previous paragraph, nothing has come to our attention to make us believe that the financial information referred to does not comply, in all material aspects, with disclosure provisions according to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel-Aviv,
August 14, 2026

Kost, Forer, Gabbay and Kasierer
Certified Public Accountants

Consolidated Interim Statements of Financial Position

	Explanation	June 30 2026	June 30 2025	December 31 2025
		Unaudited		Audited
		EUR thousands		
Current assets				
Cash and cash equivalents		234,941	138,514	84,647
Short-term investments		40,142	11,136	4,656
Customers and revenue receivable		4,340	923	1,933
Accounts receivable and debit balances		24,340	24,231	27,417
Disposal group held for sale		1,383	1,399	1,383
		305,146	176,203	120,036
Non-current assets				
Restricted cash	4	27,946	25,937	27,641
Systems under construction and in initiation (including land)		518,695	355,988	446,200
Connected electricity-generation systems		364,555	91,208	317,258
Intangible assets		100,826	36,343	101,796
Goodwill		19,952	9,548	19,952
Financial assets at fair value	6	8,096	69	1,271
Fixed assets		1,811	1,117	1,486
Right-of-use assets		43,584	26,227	42,527
Deferred tax asset		226	529	512
Loans to associates		1,073	29,747	1,073
Investments in companies accounted for according to the equity method		26,212	56,637	26,169
		1,112,976	633,350	985,885
Total assets		1,418,122	809,553	1105921
Current liabilities				
Liabilities to suppliers and service providers		15,039	9,860	19,597
Accounts payable and credit balances		8,471	6,067	9,277
Liabilities for contingent and deferred consideration		14,321	1,205	58,920
Conversion component at fair value through profit or loss		-	11,811	5,019
Current maturities of long-term loans		22,457	5,465	21,475
Financial liabilities at fair value		809	10,413	7,029
Convertible bonds		-	80,732	15,159
		61,097	125,553	136,476
Non-current liabilities				
Bonds		313,683	82,251	152,665
Other long-term liabilities		2,584	2,822	2,548
Other long-term loans		323,199	164,470	308,488
Deferred tax liability		23,799	10,505	23,127
Lease liabilities		44,666	24,993	43,179
		707,931	285,041	530,007
Equity attributed to Company shareholders				
Share capital and premium		425,049	134,362	170,995
Capital reserves		63,017	97,927	94,178
Retained earnings (loss)		(45,340)	8,142	(5,340)
		442,726	240,431	259,833
Non-controlling interests		206,368	158,528	179,605
Total equity		649,094	398,959	439,438
Total liabilities and equity		1,418,122	809,553	1,105,921

August 14, 2026			
Financial Statements Date of Approval	**Shlomo Zohar Chairman of the Board of Directors**	**Eyal Podhorzer CEO**	**Limor Lev CFO**

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

Consolidated Interim Statements of Profit and Loss and Other Comprehensive Income

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	EUR thousands (except earnings (loss) per share figures)				
Revenue					
Revenue from the sale of electricity	15,944	2,624	10,012	2,058	8,655
Revenue from the provision of services	79	287	50	177	692
Revenue from the realization of development	-	27,307	-	104	48,433
Compensation for loss of revenues	-	4,550	-	-	4,550
Company share in the profits of companies accounted for using the equity method, net	27	-	119	-	-
Total revenue	16,050	34,768	10,181	2,339	62,330
Expenses					
Systems maintenance and related expenses	4,796	404	2,618	352	2,258
Depreciation and amortizations	9,749	4,569	4,228	2,701	10,572
Salaries and related expenses	8,805	6,047	5,136	2,768	13,788
Administration, headquarters and others	3,796	2,957	2,188	1,673	6,242
Company share in losses of companies accounted for using the equity method, net	-	2,590	-	1,591	395
Total expenses	27,146	16,567	14,170	9,085	33,255
Operating profit (loss)	(11,096)	18,201	(3,989)	(6,746)	29,075
Financing income	5,760	9,211	3,291	2,558	7,345
Financing expenses	41,441	13,838	27,581	8,445	32,591
Financing expenses, net	(35,681)	(4,627)	(24,290)	(5,887)	(25,246)
Profit (loss) before income tax	(46,777)	13,574	(28,279)	(12,633)	3,829
Tax benefit (taxes on income)	(265)	102	182	74	881
Net profit (loss) for the period	(47,042)	13,676	(28,097)	(12,559)	4,710
Attributed to:					
Company shareholders	(40,000)	9,251	(24,194)	(9,971)	(4,231)
Non-controlling interests	(7,042)	4,425	(3,903)	(2,588)	8,941
	(47,042)	13,676	(28,097)	(12,559)	4,710

Consolidated Interim Statements of Profit and Loss and Other Comprehensive Income

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	EUR thousands (except earnings (loss) per share figures)				
Other comprehensive income (loss) (after tax effect):					
Amounts to be classified or reclassified to profit or loss if specific terms are met:					
Adjustments from translation of financial statements of foreign activities	(539)	(212)	(520)	(208)	(6)
Profit (loss) in respect of cash flow hedging transactions	7,368	(1,819)	2,589	(3,349)	(959)
Total other comprehensive income (loss)	6,829	(2,031)	2,069	(3,557)	(965)
Total comprehensive income (loss)	(40,213)	11,645	(26,028)	(16,116)	3,745
Attributed to:					
Company shareholders	(34,847)	7,789	(23,581)	(12,532)	(4,891)
Non-controlling interests	(5,366)	3,856	(2,447)	(3,584)	8,636
	(40,213)	11,645	(26,028)	(16,116)	3,745
Earnings (loss) per share, in EUR					
Basic and diluted earnings (loss) per share	(0.58)	0.19	(0.34)	(0.21)	(0.08)

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

Consolidated Interim Statements of Changes in Equity

	Share capital and premium	Reserve for translation differences, including capital reserve from cash flow hedging	Reserve for transactions with non-controlling interests	Capital Reserve for Share-Based Payment	Accumulated Deficit	Total equity attributed to Company shareholders	Non-controlling interests	Total equity
	Unaudited							
	EUR thousands							
Balance as of January 1, 2026 (Audited)	170,995	(940)	90,363	4,755	(5,340)	259,833	179,605	439,438
Loss for the period	-	-	-	-	(40,000)	(40,000)	(7,042)	(47,042)
Other comprehensive income for the period	-	5,153	-	-	-	5,153	1,676	6,829
Total comprehensive income (loss)	-	5,153	-	-	(40,000)	(34,847)	(5,366)	(40,213)
Exercise of options	442	-	-	(442)	-	-	-	-
Cost of share-based payment	-	-	-	1,176	-	1,176	-	1,176
Issuance of share capital (see Note 3a)	232,715	-		-	-	232,715	-	232,715
Issuance of share capital in an investee company, net (see Note 3b)	-	-	(37,048)	-	-	(37,048)	37,048	-
Conversion of Series A bonds (see Note 3g)	20,897	-	-	-	-	20,897	-	20,897
Convertible loans taken	-	-	-	-	-	-	1,300	1,300
Repayment of convertible loans	-	-	-	-	-	-	(6,219)	(6,219)
Balance as of June 30, 2026	425,049	4,213	53,315	5,489	(45,340)	442,726	206,368	649,094

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

Consolidated Interim Statements of Changes in Equity

	Share capital and premium	Reserve for translation differences, including capital reserve from cash flow hedging	Reserve for transactions with non-controlling interests	Capital reserve in respect of share based payment	Retained earnings (loss)	Total equity attributed to Company shareholders	Non-controlling interests	Total equity
	Unaudited							
	EUR thousands							
Balance as of January 1, 2025 (Audited)	63,335	(280)	95,135	4,174	(1,109)	161,255	50,990	212,245
Profit for the period	-	-	-	-	9,251	9,251	4,425	13,676
Other comprehensive loss for the period	-	(1,462)	-	-	-	(1,462)	(569)	(2,031)
Total comprehensive income (loss)	-	(1,462)	-	-	9,251	7,789	3,856	11,645
Exercise of options	355	-	-	(208)	-	147	-	147
Cost of share-based payment	-	-	-	568	-	568	-	568
issuing share capital	70,672	-	-	-	-	70,672	-	70,672
Convertible loans taken	-	-	-	-	-	-	3,616	3,616
Accrued interest on convertible loans	-	-	-	-	-	-	2,737	2,737
Conversion of convertible loans into capital in an investee	-	-	-	-	-	-	97,329	97,329
Balance as of June 30, 2025	134,362	(1,742)	95,135	4,534	8,142	240,431	158,528	398,959

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

Consolidated Interim Statements of Changes in Equity

	Share capital and premium	Reserve for translation differences, including capital reserve from cash flow hedging	Reserve for transactions with non-controlling interests	Capital reserve in respect of share based payment	Retained earnings (loss)	Total equity attributed to Company shareholders	Non-controlling interests	Total equity
	Unaudited							
	EUR thousands							
Balance as of April 1, 2026	247,397	3,600	80,768	4,926	(21,146)	315,545	187,581	503,126
Loss for the period	-	-	-	-	(24,194)	(24,194)	(3,903)	(28,097)
Other comprehensive loss for the period	-	613	-	-	-	613	1,456	2,069
Total comprehensive income (loss)	-	613	-	-	(24,194)	(23,581)	(2,447)	(26,028)
Exercise of options	267	-	-	(267)	-	-	-	-
Cost of share-based payment	-	-	-	830	-	830	-	830
Issuance of share capital (see Note 3B)	166,024	-	-	-	-	166,024	-	166,024
Issuance of share capital in an investee company, net (see Note 12A)	-	-	(27,453)	-	-	(27,453)	27,453	-
Conversion of Series A bonds (see Note 3g)	11,361	-	-	-	-	11,361	-	11,361
Repayment of convertible loans and interest	-	-	-	-	-	-	(6,219)	(6,219)
Balance as of June 30, 2026	425,049	4,213	53,315	5,489	(45,340)	442,726	206,368	649,094

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

Consolidated Interim Statements of Changes in Equity

	Share capital and premium	Reserve for translation differences, including capital reserve from cash flow hedging	Reserve for transactions with non-controlling interests	Capital reserve in respect of share based payment	Retained earnings (loss)	Total equity attributed to Company shareholders	Non-controlling interests	Total equity
	Unaudited							
	EUR thousands							
Balance as of April 1, 2025	72,918	819	95,135	4,347	18,113	191,332	149,631	340,963
Loss for the period	-	-	-	-	(9,971)	(9,971)	(2,588)	(12,559)
Other comprehensive loss for the period	-	(2,561)	-	-	-	(2,561)	(996)	(3,557)
Total comprehensive loss	-	(2,561)	-	-	(9,971)	(12,532)	(3,584)	(16,116)
Exercise of options	133	-	-	(107)	-	26	-	26
Cost of share-based payment	-	-	-	294	-	294	-	294
issuing share capital	61,311	-	-	-	-	61,311	-	61,311
Conversion of convertible loans into capital in an investee	-	-	-	-	-	-	6,128	6,128
Convertible loans taken	-	-	-	-	-	-	3,616	3,616
Accrued interest on convertible loans	-	-	-	-	-	-	2,737	2,737
Balance as of June 30, 2025	134,362	(1,742)	95,135	4,534	8,142	240,431	158,528	398,959

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

Consolidated Interim Statements of Changes in Equity

	Share capital and premium	Reserve for translation differences, including capital reserve from cash flow hedging	Reserve for transactions with non-controlling interests	Capital reserve in respect of share based payment	Balance Loss	Total equity attributed to Company shareholders	Non-controlling interests	Total equity
	Audited							
	EUR thousands							
Balance as of January 1, 2025 (Audited)	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)	-	-	-	(660)	(305)	(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
issuing share capital	70,702	-	-	-	-	70,702	-	70,702
Issuance of share capital in an investee, net	-	-	(11,122)	-	-	(11,122)	11,122	-
Conversion of convertible bonds	274	-	-	-	-	274	-	274
Exchange offer for convertible bonds	35,947	-	-	-	-	35,947	-	35,947
Convertible loans taken	-	-	-	-	-	-	54,673	54,673
Repayment of convertible loans	-	-	-	-	-	-	(36,795)	(36,795)
Conversion of convertible loan into equity in an investee	-	-	6,350	-	-	6,350	90,979	97,329
Balance as of December 31, 2025 (Audited)	170,995	(940)	90,363	4,755	(5,340)	259,833	179,605	439,438

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

	For the 6 months ended June 30		for the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	EUR thousands				
Cash flows from operating activities					
Net profit (loss)	(47,042)	13,676	(28,097)	(12,559)	4,710
Adjustments required to present cash flows from the Company's operating activities:					
Adjustments of profit or loss items:					
Financing expenses, net	35,681	4,627	24,290	5,887	25,246
Cost of share-based payment	1,036	564	690	293	1,043
Depreciation and amortizations	9,749	4,569	4,228	2,701	10,572
The Company's share in losses (profits) of companies accounted for using the equity method	(27)	2,590	(119)	1,591	395
Revenue from the realization of development	-	(27,307)	-	(104)	(48,433)
Taxes on income (tax benefit)	265	(102)	(182)	(74)	(881)
	46,704	(15,059)	28,907	10,294	(12,058)
Changes in asset and liability items:					
Change in other receivables	3,179	(9,141)	(7,490)	(7,860)	(13,758)
Change in trade receivables	(2,466)	(766)	(1,729)	(260)	(309)
Change in trade payables	1,704	2,492	33	6,034	9,310
Change in other payables	(2,962)	(172)	(825)	(3,430)	(823)
	(545)	(7,587)	(10,011)	(5,516)	(5,580)
Cash paid and received during the period for:					
Interest paid	(5,890)	(1,000)	(4,374)	(163)	(2,607)
Interest received	1,120	2,606	578	742	3,441
Taxes paid	(105)	(232)	(92)	(185)	(353)
	(4,875)	1,374	(3,888)	394	481
Net cash used in operating activities	(5,758)	(7,596)	(13,089)	(7,387)	(12,447)
Cash flows from investing activities					
Change in restricted cash	(293)	(10,603)	131	3,905	(5,845)
Loans granted to associates	-	(573)	-	-	(6,284)
Proceeds from sale of assets held for sale	-	30,012	-	4,141	30,012
Repayment of principal from an associate	-	31,843	-	-	31,843
Investment in a company accounted for using the equity method	-	(1,286)	-	(281)	(1,310)
Realization (purchase) of short-term investments, net	(30,716)	-	14,357	-	7,335
Acquisition of newly consolidated subsidiaries (see Appendix A)	-	-	-	-	(8,314)
Payment of deferred consideration for acquisition of assets consolidated for the first time (see Note 3n)	(35,600)	-	(35,600)	-	-
Investment in systems under construction and in development (including land)	(144,361)	(93,352)	(71,320)	(57,383)	(250,423)
Investment in fixed assets	(609)	(265)	(278)	(220)	(880)
Net cash used in investing activities	(211,579)	(44,224)	(92,710)	(49,838)	(203,866)

	For the 6 months ended June 30		for the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	EUR thousands				
Cash flows from financing activities					
Issuance of share capital, net of issue costs	232,790	70,672	166,099	61,311	70,702
Issuance of bonds, net of issuance costs	133,984	-	-	-	12,533
Repayment of convertible bonds	(4,140)	-	(4,140)	-	-
Exercise of options	-	147	-	26	147
Receipt of loans from a related party	-	1,304	-	1,304	1,304
Repayment of loans to a related party	-	(65,823)	-	(33,701)	(65,825)
Receipt of other long-term loans	22,652	2,691	4,248	2,691	87,652
Repayment of other long-term loans	(7,519)	(2,877)	(5,919)	(93)	(5,019)
Receipt of convertible loan	1,300	3,616	-	3,616	52,021
Repayment of convertible loan	(6,219)	-	(6,219)	-	(33,711)
Repayment of lease principal	(885)	(1,068)	(304)	(921)	(820)
Payments for settlement of derivative instruments designated for hedging	(1,000)	-	-	-	-
Net cash provided by financing activities	370,963	8,662	153,765	34,233	118,984
Change in cash and cash equivalents	153,626	(43,158)	47,965	(22,992)	(97,329)
Cash and cash equivalents at beginning of period	84,647	182,028	192,897	160,796	182,028
Exchange rate differences in respect of cash and cash equivalents	(3,332)	(356)	(5,921)	710	(52)
Cash and cash equivalents at end of period	234,941	138,514	234,941	138,514	84,647

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

	For the 6 months ended June 30		for the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	EUR thousands				
Appendix A – Purchase of assets consolidated for the first time					
Working capital (excluding cash and cash equivalents)	-	-	-	-	(106)
Restricted cash	-	-	-	-	(6,466)
Systems under construction and development	-	-	-	-	(3,474)
Connected electricity-generation systems	-	-	-	-	(152,514)
Intangible assets					(67,494)
Goodwill					(10,404)
Right-of-use asset, net					(1,728)
Investments in companies accounted for according to the equity method					29,788
Loans from banking corporations	-	-	-	-	81,080
Financial liabilities at fair value	-	-	-	-	676
Deferred tax liability	-	-	-	-	13,876
Lease liabilities		-	-	-	1,745
Revenue from sale of development in respect of remeasurement of investment in a company accounted for using the equity method	-	-	-	-	21,125
Liability for deferred consideration	-	-	-	-	48,545
Settlement of previous relationships	-	-	-	-	37,037
	-	-	-	-	(8,314)
Appendix B – Material non-cash activities					
Additions and initial recognition of right-of-use asset and lease liability	2,672	2,542	-	-	17,775
Conversion of convertible loans to share capital	-	-	-	-	90,745
Conversion of Series A bonds into shares	20,897	-	11,361	-	274
Investment in system under construction and in development (including land)	17,158	6,391	9,181	6,391	8,726
	40,727	8,933	20,542	6,391	117,520

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

Note 1:- General

Econergy 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).

Effects of the geopolitical situation in Europe and Israel

For information regarding the implications of the war in Israel that broke out in October 2023, please see Note 1b to the Company's annual consolidated financial statements as of December 31, 2025. During the second quarter of 2026, there was another round of fighting in Iran, with the cooperation of the US and Israel. In this context, Iran closed the Straits of Hormuz to the passage of ships. The closure of the straits has a significant impact on global energy markets, including an increase in energy prices.

As of the date of publication of the report, there is no significant impact on the Company's activities, since all projects are located in Europe and the UK and most of the Company's personnel operate there. However, changes in foreign exchange rates and availability and the cost of the Company's financing sources related to the Israeli economy may affect the Company's activity, but in view of the concentration of activity and financial sources in Europe, the Company estimates that these effects will be limited at most.

The geopolitical situation in the Middle East may have an impact on the economy in Europe, on commodity, transportation and energy prices, and as a result, on the Company's operations. Possible volatility in commodity prices may affect project costs, although the scope and timing of this impact are unclear at this stage. On the other hand, the increase in global energy prices may benefit the Company operating in renewable energies, among other things through a potential improvement in market conditions and project revenues, as well as in an accelerated transition to alternative energy and continued development of projects in this area.

Note 2:- Significant Accounting Policies

Preparation format of the consolidated interim financial statements

These financial statements were prepared in a condensed format as of June 30, 2026 and for the six- and three-month periods ended on that date (hereinafter - "Consolidated Interim Financial Statements"). These statements should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2025 and for the year ended on that date and the notes thereto (hereinafter - the "Annual Consolidated Financial Statements").

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting", and in accordance with the disclosure provisions of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The accounting policy applied in preparation of the consolidated interim financial statements is consistent with that applied in preparation of the consolidated annual financial statements.

Note 3:- 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 issuance expenses of approx. NIS 3.4 million, the net proceeds amounted to approx. NIS 246.5 million (approx. EUR 67 million).
On May 20, 2026, the Company's Board of Directors approved, and on July 4, 2026, the Company completed a capital raising of approx. NIS 550 million in exchange for the allotment of 9,166,666 of the Company's ordinary shares to institutional entities, including Harel Insurance Investments and Financial Services Ltd. and Meitav Investment House Ltd., which became interested parties in the Company.
After deducting issuance expenses of approx. NIS 6.5 million, the net proceeds amounted to approx. NIS 544 million (approx. EUR 166 million).

Note 3:- **Significant Events During and After the Reporting Period (continued)**

B. Investment of €230 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 Econergy UK's capital. This investment amount was fully disbursed during the reporting period.
On June 26, 2026, the Company signed an additional share allotment agreement, under which it will invest EUR 165 million in exchange for an additional 2.15% of Econergy UK's capital. During the reporting period, the Company disbursed a total of EUR 62 million of this amount, with the remaining investment of EUR 103 million expected to be disbursed during the third quarter of 2026.

Following the investment, the Company will hold 79.26% of Econergy UK's capital.

C. Signing of an agreement for the acquisition of full ownership (100%) of a company that owns wind projects in France

On August 5, 2026, the Company, through its second tier subsidiary Econergy France SAS, entered into a binding purchase agreement to acquire 100% of the share capital of ESCOFI, a private French company, for a total of approx. EUR 134.3 million, subject to adjustments in accordance with the agreement's mechanisms.
The company is engaged in developing, constructing and operating wind projects for electricity generation with a cumulative capacity of approx. 740 MW, of which approx. 128 MW are in commercial operation, approx. 34 MW are under construction and approx. 147 MW are in an advanced status (pre-construction or advanced development).

D. Issuance of bonds (Series C)

On January 29, 2026, the Company issued bonds (Series C) with a par value of NIS 500,000 thousand, to be repaid in four installments, as follows: the first three installments will be paid on December 31 of each of the years 2029, 2030 and 2031, and will each be at a rate of 10% of the par value of the bond principal and the fourth and final installment will be paid on December 31, 2032 and will be at a rate of 70% of the par value of the bond principal. The bonds bear annual interest at a rate of 5.25% which will be paid twice annually, on June 30 and December 31 of each of the years 2026 to 2032. The annual effective interest rate of the Bonds (Series C) is approx. 5.5%. After deducting issuance expenses of approx. NIS 6 million, the net proceeds received for the issuance amounted to approx. NIS 494 million (approx. EUR 134 million).
The following are the main financial covenants of the Bonds (Series C):

- Solo equity will not be less than EUR 120 million over a period of two consecutive quarters.
- The ratio between the Company's Solo Financial Debt and the Total Solo Balance Sheet, 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, will not 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 20% for a period of two consecutive quarters.

E. Connection to the RESKO project electricity grid in Poland

On November 13, 2025, the RESKO project in Poland was connected to the electricity grid (a project with a capacity of approx. 52 MW). The project is held indirectly by Econergy UK at a rate of 51% and by Phoenix at a rate of 49%.
On February 2, 2026, the license was received, which marks the date of the project's commercial operation.

Note 3:- **Significant Events During and After the Reporting Period (continued)**

F. Engagement in a financing agreement for the Ovidiu project in Romania in the total amount of approx. EUR 31 million

On March 10, 2026, Ovidiu PV Regenerabile S.r.l, a corporation wholly owned by ecoSun Ciocanari Three S.r.l, which is 100% held by Econergy UK, a company controlled by the Company, signed a financing agreement with Kommunalkredit Austria AG for the provision of project financing in a total amount of approx. EUR 31 million for a solar photovoltaic electricity generation project in Romania that is under construction with a capacity of approx. 60.14 MW.

G. Repayment of convertible bonds (Series A)

During the reporting period, bonds (Series A) in the amount of approx. NIS 43,845 thousand PV were converted into 1,235 thousand ordinary shares. As a result, the debt component and the conversion component were deducted in a total amount of EUR 20,897 thousand against the capital increase. These had no impact on the cash flow.
On June 30, 2026, the balance of the bonds (Series A) were repaid in full in an aggregate amount of approx. EUR 4.2 million, thereby fully repaying the series and delisting it from trading on the Tel Aviv Stock Exchange Ltd.

H. Engagement in a financing agreement and floor agreements for the Immingham project in the UK, totaling approx. GBP 42.7 million

On July 3, 2026, a company incorporated in the UK, wholly owned (indirectly) by Econergy UK, entered into a financing agreement with Santander Bank for project financing in a total amount of approx. EUR 50 million for an electricity storage project using BESS technology in the UK with a capacity of approx. 80 MW, which is currently under construction.
In addition, on June 16, 2026, the project corporation entered into two agreements for the provision of optimization services in connection with the Immingham project, which include a floor price guarantee mechanism with EDF, under which EDF will provide commercial optimization services for the project. The floor agreements include a guaranteed annual income mechanism for ten years, alongside a revenue sharing mechanism for EDF in relation to additional income from the project.

I. Issuance of bonds (Series D)

On July 14, 2026, the Company issued bonds (Series D) with a par value of NIS 500,000 thousand, which are due in eight installments to be paid as follows: The first two installments will be paid on December 31 of each of the years 2028 and 2029, and will each be at a rate of 5% of the par value of the bond principal, the third installment will be paid on December 31, 2031 and will be at a rate of 12.5% of the par value of the bond principal, the fourth, fifth and sixth installments will be paid on December 31 of each of the years 2033, 2034 and 2035, and will each be at a rate of 17.5% of the par value of the bond principal, the seventh installment will be paid on December 31, 2036 and will be at a rate of 15% of the par value of the bond principal and the eighth and final payment will be paid on December 31, 2037 and will be at a rate of 10% of the par value of the bond principal. The bonds bear annual interest at a rate of 5.01% which will be paid twice annually, on December 31 of each of the years 2026 to 2037 (inclusive) and on June 30 of each of the years 2027 to 2037 (inclusive). After deducting issuance expenses of approx. NIS 6 million, the net proceeds received for the issuance amounted to approx. NIS 494 million (approx. EUR 144 million).
The following are the main financial covenants of the Bonds (Series D):

- Solo equity will not be less than EUR 170 million over a period of two consecutive quarters.
- The ratio between the Company's Solo Financial Debt and the Total Solo Balance Sheet, 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, will not 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 20% for a period of two consecutive quarters.

Note 3:- Significant Events During and After the Reporting Period (continued)

J. Non-exercise of option to purchase storage project in Germany

On July 8, 2026, the Company updated its decision not to proceed with the exercise of the option in the agreement for the purchase of shares in connection with the Beech storage project in Germany. The Company's decision was made, among other things, given the regulatory uncertainty regarding the relevant Distribution System Operator (DSO) instructions regarding the conditions for connecting and operating the facility. Accordingly, the parties reached agreements regarding the termination of the engagement, without signing a share purchase agreement and without completing the purchase transaction.
As part of the purchase option agreement, the Company undertook, among other things, to make a first payment to the electricity grid in the amount of approx. EUR 9.6 million (including VAT), with the determination that if the option is not exercised, the Company will be entitled to demand a refund of that payment.
As of the date of publication of the report, the advances and amounts paid by the Company as part of the transaction have been fully refunded to the Company.

K. Granting of convertible securities to officers

On May 20, 2026, following the approval by the Compensation Committee, the Company's Board of Directors approved a non-material and non-exceptional private allocation of 98,752 restricted stock units (RSU) to a Company officer who is a service provider and with whom the Company has no employee-employer relationship.

On July 1, 2026, the Company's General Meeting approved the Company's updated remuneration policy and the update of the terms of office of the Company’s senior officers, as follows:

1. 1,753,506 restricted stock units (RSU) without par value were granted and divided equally between Mr. Eyal Podhorzer, the Company's CEO, and Mr. Yoav Shapira, the Company's Deputy CEO.
   The vesting terms were determined for a period of 4 years (25% at the end of each year) with an additional lock-in period of one year after vesting. The actual vesting is contingent on the fulfillment of two cumulative conditions: continued service as an officer on the vesting date and the company market value meeting a target of NIS 12 billion (approx. EUR 3.55 billion) for 120 consecutive trading days. The exercise price is NIS 0.3 per unit.
2. An update was approved to the terms of office and employment of Mr. Shlomo Zohar, who serves as Chairman of the Company's Board of Directors, according to which he was granted 50,000 options (not listed for trading) at an exercise price of NIS 68.723. The options will vest over a service period of 5 years (40% at the end of the second year from the start of vesting, 20% at the end of each year for the following three years).
   The options may be exercised in cash or through a net exercise mechanism.

L. Engagement in a financing agreement for the Parau 2 project in Romania in a total amount of approx. EUR 229 million

On August 12, 2026, Heliowin S.R.L, a wholly owned subsidiary of Econergy Balkan S.R.L., held 100% by Econergy UK, a company controlled by the Company, signed a financing agreement with a consortium of leading European banks led by EBRD for project financing in a total amount of approx. EUR 229 million for a solar photovoltaic electricity generation project in Romania with a capacity of approx. 342 MW combined with electricity storage using BESS technology with a capacity of approx. 150 MW, which is currently under construction.

M. Connection of the Iancu Jianu project to the electricity grid in Romania

On August 12, 2026, the Iancu Jianu project in Romania was connected to the electricity grid (a project with a capacity of approx. 59 MW), the project is indirectly wholly owned by Econergy UK.

N. Repayment of liability for deferred consideration - Ratesti

Further to Note 8b to the 2025 Consolidated Annual Financial Statements regarding the acquisition of control of the Ratesti project company, during the second quarter of 2026, the Company paid the full deferred consideration in the amount of EUR 35.6 million, thereby completing the payment of the full consideration for the acquisition.

Note 4:- **Guarantees and Pledges**

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.

The total off-balance sheet liabilities as of June 30, 2026 for guarantees amount to approx. EUR 57 million.

As of June 30, 2026, the Company has approx. EUR 28 million in pledged cash for hedge transactions and the construction of projects.

Note 5:- **Operating Segments**

As stated in Note 22 of the Consolidated Annual Financial Statements 2025, operating segments were determined based on the information reviewed by the Chief Operating Decision-Maker (CODM) for decision-making purposes regarding resource allocation and performance evaluation.
For management purposes, the Company examines the business results according to geographical operating segments according to operating profit, excluding administration, headquarters and others.

	Italy	UK	Romania	Poland	Other	Adjustments to the financial statements	Total
				EUR thousands			
				Unaudited			
For the 6-month period ended June 30, 2026							
Segment revenues	448	1,262	12,984	1,329	-	-	16,023
Intersegmental revenues	3,911	2,718	2,177	676	1,385	(10,867)	-
Total Revenue	4,359	3,980	15,161	2,005	1,385	(10,867)	16,023
Segment results	763	405	6,079	428	286	(15,261)	(7,300)
Administration, headquarters and other expenses							3,796
Financing expenses, net							35,681
Income taxes							265
Net loss for the period							(47,042)
Depreciation expenses and amortizations included in the segment's operating profit	1,680	2,248	3,902	756	36	1,127	9,749
Salaries and related expenses included in the segment's operating profit	1,821	697	758	325	875	4,329	8,805

Note 5:- **Operating Segments (continued)**

	Italy	UK	Romania	Poland	Other*	Adjustments to the financial statements	Total
	EUR thousands						
	Unaudited						
For the 6-month period ended June 30, 2025							
Segment revenues	296	32,901	1,571	-	-	-	34,768
Intersegmental revenues	2,980	710	1,632	539	895	(6,756)	-
Total Revenue	3,276	33,611	3,203	539	895	(6,756)	34,768
Segment results	401	27,820	2,148	241	173	(9,625)	21,158
Administration, headquarters and other expenses							2,957
Financing expenses, net							4,627
Income taxes (tax benefit)							(102)
Net profit for the period							13,676
Depreciation expenses and amortizations included in the segment's operating profit	1,638	2,312	259	77	23	260	4,569
Salaries and related expenses included in the segment's operating profit	1,206	757	753	221	699	2,411	6,047

*Retroactively adjusted.

Note 5:- **Operating Segments (continued)**

	Italy	UK	Romania	Poland	Other	Adjustments to the financial statements	Total
	EUR thousands						
	Unaudited						
For the 3-month period ended June 30, 2026							
Segment revenues	307	206	8,610	939	-	-	10,062
Intersegmental revenues	1,870	1,356	1,358	330	626	(5,540)	-
Total Revenue	2,177	1,562	9,968	1,269	626	(5,540)	10,062
Segment results	724	(51)	5,099	90	(2)	(7,661)	(1,801)
Administration, headquarters and other expenses							2,188
Financing expenses, net							24,290
Income taxes (tax benefit)							(182)
Net loss for the period							(28,097)
Depreciation expenses and amortizations included in the segment's operating profit	478	742	1,962	498	18	530	4,228
Salaries and related expenses included in the segment's operating profit	931	593	586	187	455	2,384	5,136

Note 5:- **Operating Segments (continued)**

	Italy	UK	Romania	Poland	Other*	Adjustments to the financial statements	Total
	EUR thousands						
	Unaudited						
For the 3-month period ended June 30, 2025							
Segment revenues	178	1,101	1,060	-	-	-	2,339
Intersegmental revenues	1,504	405	995	270	371	(3,545)	-
Total Revenue	1,682	1,506	2,055	270	371	(3,545)	2,339
Segment results	634	(2,271)	1,254	102	47	(4,839)	(5,073)
Administration, headquarters and other expenses							1,673
Financing expenses, net							5,887
Income taxes (tax benefit)							(74)
Net loss for the period							(12,559)
Depreciation expenses and amortizations included in the segment's operating profit	510	1,747	222	77	6	139	2,701
Salaries and related expenses included in the segment's operating profit	527	317	508	91	317	1,008	2,768

*Retroactively adjusted.

Note 5:- **Operating Segments (continued)**

	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	(14,730)	-
Total Revenue	6,241	59,590	8,381	1,082	1,766	(14,730)	62,330
Segment results	87	50,517	4,462	536	598	(20,883)	35,317
Administration, headquarters and other 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

Note 6:- **Financial Instruments**

A. Financial assets and financial liabilities:

	June 30		December 31
	2026	2025	2025
	Unaudited		Audited
	EUR thousands		
Financial assets at amortized cost			
Cash and cash equivalents	234,941	138,514	84,647
Restricted cash	27,946	25,937	27,641
Customers, accounts receivable and debit balances	28,680	25,154	29,350
Loans to associates	1,073	29,747	1,073
	292,640	219,352	142,711
Financial liabilities measured at amortized cost			
Liabilities to suppliers and service providers	15,039	9,860	19,597
Accounts payable and credit balances	6,668	3,954	8,208
Liabilities for contingent and deferred consideration	16,605	3,727	61,167
Debt component in respect of convertible bonds	-	80,732	15,159
Bonds	313,683	82,251	152,665
Other loans	345,656	169,935	329,963
Lease liability	45,901	27,106	44,247
	743,552	377,565	631,006
Financial assets at fair value through profit and loss			
Short-term investments	40,142	11,136	4,656
Financial assets at fair value	8,096	69	1,271
Financial liabilities measured at fair value through profit and loss			
Financial liabilities at fair value	809	10,413	7,029
Conversion component at fair value through profit or loss	-	11,811	5,019

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

	June 30				December 31	
	2026		2025		2025	
	Balance	Fair value	Balance	Fair value	Balance	Fair value
	Unaudited				Audited	
	EUR thousands					
Financial liabilities						
Series A Bonds (Level 1)	-	-	92,543	85,310	20,178	20,079
Series B Bonds (Level 1)	168,054	182,503	82,251	86,729	152,665	158,832
Series C Bonds (Level 1)	145,629	151,038	-	-	-	-

Note 6:- **Financial Instruments (continued)**

c. Classification of financial instruments according to fair value hierarchy

Financial assets and financial liabilities measured at fair value

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
	EUR thousands			
	Unaudited			
Short-term investments	40,142	-	-	40,142
Financial assets at fair value	-	8,096	-	8,096
Financial liabilities at fair value	-	(809)	-	(809)

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
	EUR thousands			
	Unaudited			
Short-term investments	11,136	-	-	11,136
Financial assets at fair value	-	-	69	69
Financial liabilities at fair value	-	(10,413)	-	(10,413)
Conversion component in respect of convertible financial liabilities	-	-	(11,811)	(11,811)

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
	EUR thousands			
	Audited			
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)

d. Financial Covenants

Further to Note 15 and Notes 20c,d to the Annual Financial Statements as of December 31, 2025, the Company is in compliance with all financial covenants and additional provisions as of June 30, 2026.

Note 7:- **Transactions with Related Parties**

a. **Transactions with interested parties and related parties**

	For the 6 months ended June 30		for the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	EUR thousands				
Sales					
Associates	79	287	50	177	692
Loans granted					
Associates	-	573	-	-	6,284
Loans received					
Other related parties	-	4,920	-	4,920	53,325
Revenue (expenses)					
Associates	15	1,275	7	539	2,074
Other related parties	(1,582)	(4,254)	(937)	(3,654)	(4,254)

b. **Balances with interested parties and related parties**

	June 30 2026	June 30 2025	December 31 2025
	Unaudited		Audited
	EUR thousands		
Current/non-current assets			
Associates	1,499	32,554	1,599
Other related parties	10	-	27
Current/non-current liabilities			
Other related parties	14,524	-	50,012
Associates	54	-	-