MRC Alon Tavor Power Ltd.

Consolidated Financial Statements
December 31, 2025

Consolidated Financial Statements as at December 31, 2025

Contents

Somekh Chaikin
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Report to the Shareholders of
MRC Alon Tavor Power Ltd.

Opinion

We have audited the consolidated financial statements of MRC Alon Tavor Power Ltd. ("the Company") which comprise the consolidated financial position as of December 31, 2025 and the consolidated statements of income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended, in conformity with IFRS Accounting Standards.

Basis of Opinion

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditors Regulations (Auditor's Mode of Performance), 1973. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Company and its subsidiary, in accordance with the applicable legal provisions in Israel regarding independence and conflict of interest of auditors. Additionally, we have fulfilled our other ethical responsibilities in accordance with the Auditors' Law, 1955 and the regulations thereunder. We believe that the audit evidence we have obtained is appropriate and sufficient to provide a basis for our opinion.

Key audit matters

The key audit matters described below are those matters that were communicated, or were required to be communicated, to the Board of Directors of the Company, and that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period. These matters include, among others, any matter that: (1) Relates, or may relate, to significant accounts or disclosures in the consolidated financial statements; and (2) Involved our professional judgment that was challenging, subjective, or especially complex. These matters are addressed in the context of our audit of the consolidated financial statements as a whole, and in forming the opinion thereon. The Communication of these matters below does not change our opinion on the consolidated financial statements as a whole, nor do we provide through such communication a separate opinion on these matters or on the accounts or disclosures to which they relate.

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Fair value of derivatives

As described in Note 22 to the consolidated financial statements, the Company measures the derivatives at fair value. Changes in fair value are recognized in the statement of income.
The balance of the liability in respect of the derivatives in the statement of financial position as at December 31, 2025 is NIS 106,898 thousand. The balance of the liability in respect of derivatives arising from economic hedges is NIS 2,871 thousand. Loss in the total amount of NIS 79,036 thousand was recognized in respect of the derivatives in the statement of income for the year ended December 31, 2025.

Why this matter is a key audit matter

The fair value of the derivatives is measured by an independent external valuer. The fair value is measured on the basis of discounting the difference between the forward price in the contract and the current forward price for the residual period of the contract until redemption using market interest rates appropriate for similar instruments, including the adjustments required for the credit risks of the parties. As a result of the aforesaid, the calculation of the aforesaid differences between the discounted flows is based on inputs that are observable, either directly or indirectly, which are not included in level 1 of the fair value hierarchy (level 2). A change in the forward inputs and/or a change in the discount rate could have a material effect on the financial results in the Company's consolidated financial statements.

The estimates and assumptions used by Management to measure the fair value of the derivatives were identified by us a key audit matter.

An audit of the fair value of the derivatives requires judgement of the auditor as well as knowledge and experience for examining reasonableness of the assumptions and data used when measuring the fair value of the derivatives.

The procedures that were performed for addressing the key audit matter

The following are the main procedures we performed for addressing this key audit matter in the framework of our audit. We performed substantive procedures for testing the estimates and assumptions that were used to measure the fair value of the derivatives. In order to perform these procedures, we were assisted by, inter alia, a specialist on our behalf. These procedures included, inter alia:

- Examining the completeness and accuracy of the information and data used in the model for measuring fair value;

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- Reviewing the fair value measurement methodology that was selected by the Company, by means of a specialist on its behalf, and checking that it is consistent with the characteristics of the derivatives;
- Examining reasonableness of the estimates made by Management, by means of a specialist on its behalf, on the basis of market data;
- Examining proper implementation of the assumptions in the fair value calculation and examining the calculations;
- Examining the disclosures provided in the financial statements.

Responsibilities of Board of Directors and Management for the Consolidated Financial Statements

The board of directors and management are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the board of directors and management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors and management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Israel will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
As part of an audit in accordance with generally accepted auditing standards in Israel, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is appropriate and sufficient to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and management.

- Conclude on the appropriateness of the use by the board of directors and management of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company/Partnership to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the board of directors and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the safeguards applied to eliminate identified threats to our independence.

From the matters communicated or required to be communicated to the board of directors and management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter.

Somekh Chaikin
Certified Public Accountants (Isr.)

March 9, 2026

Consolidated Statements of Financial Position as at December 31

	Note	2025	2024
		NIS thousands	NIS thousands
Current assets			
Cash and cash equivalents	4	146,005	162,852
Trade receivables	5	118,222	43,286
Other receivables	6	20,380	30,518
Derivative instruments	22	67	280
Total current assets		**284,674**	**236,936**
Non-current assets			
Pledged deposits	7	28,724	29,667
Inventory	8	37,451	39,960
Fixed assets and right of use assets	9	2,363,941	2,289,644
Intangible assets	10	272,923	303,509
Total non-current assets		**2,703,039**	**2,662,780**
Total assets		**2,987,713**	**2,899,716**
Current liabilities			
Loans and borrowings	11	156,302	228,002
Trade payables	12	31,273	24,036
Other payables	13	181,256	359,626
Derivative instruments	22	10,052	4,829
Total current liabilities		**378,883**	**616,493**
Non-current liabilities			
Loans and borrowings	11	1,802,771	1,486,902
Other non-current liabilities	14,24	3,722	7,067
Derivative instruments	22	99,784	55,335
Deferred tax liabilities	21	190,853	175,839
Total non-current liabilities		**2,097,130**	**1,725,143**
Total liabilities		**2,476,013**	**2,341,636**
Equity			
Share capital		*	*
Share premium	15	163,000	163,000
Retained earnings		348,700	395,080
Total equity		**511,700**	**558,080**
Total liabilities and equity		**2,987,713**	**2,899,716**

(*) Less than one thousand NIS.

Erez Balasha Chairman of the Board of Directors	Elad Cohen CEO	Eliran Levy CFO

Date of approval of the financial statements March 9, 2026
The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Income Statements for the Year Ended December 31

	Note	2025 NIS thousands	2024 NIS thousands
Revenues		695,132	646,145
Other income		179	2,628
Total Revenues		**695,311**	**648,773**
Operating and Maintenance expenses	16	(372,780)	(334,673)
Salaries and subcontractors' expenses	17	(33,006)	(29,207)
Administrative and IT expenses	18	(2,644)	(1,749)
		(408,430)	**(365,629)**
Operating profit before depreciation and amortization		**286,881**	**283,144**
Depreciation and amortization	19	(117,865)	(98,077)
Operating profit		**169,016**	**185,067**
Financing income	20	19,314	82,001
Financing expenses	20	(123,054)	(128,465)
Financing expenses, net		**(103,740)**	**(46,464)**
Profit before taxes on income		**65,276**	**138,603**
Tax expenses	21	(15,156)	(31,949)
Profit for the year		**50,120**	**106,654**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Change in Equity for the Year Ended December 31

	Share Capital (*)	Share premium	Retained earnings	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Balance as at December 31, 2023	*	**163,000**	**376,726**	**539,726**
Profit for the year	-	-	106,654	106,654
Dividends to owners (Note 15)	-	-	(88,300)	(88,300)
Balance as at December 31, 2024	*	**163,000**	**395,080**	**558,080**
Profit for the year	-	-	50,120	50,120
Dividends to owners (Note 15)	-	-	(96,500)	(96,500)
Balance as at December 31, 2025	*	**163,000**	**348,700**	**511,700**

(*) Represents an amount lower than one thousand NIS.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash flow for the Year Ended December 31

	Note	2025 NIS thousands	2024 NIS thousands
Cash flows from operating activities			
Profit for the year		50,120	106,654
Adjustments for:			
Depreciation	9	87,280	67,492
Amortization of intangible assets	10	30,587	30,585
Derivatives revaluation		79,036	69,759
Realization of economic derivative		(4,325)	3,351
Financing expenses (income), net		24,567	(24,121)
Income tax expenses		15,156	31,949
Change in inventory		2,508	1,904
Change in trade and other receivables		(64,798)	54,192
Change in trade and other payables		9,016	(24,304)
Income taxes paid		(149)	(70)
Net cash from operating activities		**228,998**	**317,391**
Cash flows from investing activities			
Decrease in pledged deposits		943	13,023
Interest received		6,873	3,575
Realization of economic derivative		(24,826)	24,846
Acquisition of fixed assets	9	(273,809)	(221,717)
Net cash used in investing activities		**(290,819)**	**(180,273)**
Cash flows from financing activities			
Interest paid		(79,967)	(35,875)
Repayment of bank loans		(225,458)	(144,986)
Payment of principal of lease liabilities		(329)	(329)
Dividends paid		(126,500)	(58,300)
Loans received from banks		477,000	183,000
Net cash from (used in) financing activities		**44,746**	**(56,490)**
Net increase (decrease) in cash		**(17,076)**	**80,628**
Cash at the beginning of the year		162,852	82,439
Exchange rate fluctuations on cash and cash equivalents		229	(215)
Cash at the end of the year		**146,005**	**162,852**

Annex A- Non-Cash Investing Activities
During 2024, the company declared a dividend of NIS 30 million, which was paid in January 2025.

The accompanying notes are an integral part of these consolidated financial statements.

Note 1- General

A. The reporting entity

MRC Alon Tavor Power Ltd. (the "**Company**") is an Israeli resident private company incorporated on May 7, 2019. The Company has purchased the Alon Tavor Power Plant Site (the "**Alon Tavor Site**") in accordance with a tender published by the Israeli Electricity Company ("**IEC**") and its primary objective is to operate Alon Tavor Site. The Company initiated its operation in December 2019.

The Shareholders and their interest in the Company are as follows: (1) Shamir Energy Group (2023) Ltd **33.3%**; (2) China Harbor Engineering Company Ltd., **33.3%**; and (3) Generation Rapac MRC Holdings General Partnership, **33.3%**. Additional 0. 1% of the Company's shares are dormant shares held by the Company.

The Company is the sole limited partner of MRC A.T Power Development Limited Partnership (the "**Peaker Partnership**") and the sole shareholder (100%) of M.R.C Alon Tavor Energy 1 General Partner Ltd, the general partner of the Peaker Partnership.

B. Definitions

In these financial statements –

1. **The Company** – MRC Alon Tavor Power Ltd.
2. **The Group** - MRC Alon Tavor Power and its subsidiaries, including, but not limited to, the Peaker Partnership.
3. **Consolidated Companies/Subsidiaries –** Companies, including the Peaker Partnership, the financial statements of which are fully consolidated, directly or indirectly, with the financial statements of the Company.
4. **Related Party** – Within its meaning in IAS 24 (2009), "Related Party Disclosures".
5. **Interested Parties** – Within their meaning in Paragraph (1) of the definition of an "Interested Party" in Section 1 of the Securities Law - 1968.

C. Legal framework

Legal Framework

On February 24, 2019, as part of the reform of the electricity sector and the structural change at the Israeli Electric Corporation ("**IEC**"), IEC was required to sell the Alon Tavor Site, in accordance with Government Decision No. 3859 dated June 3, 2018.

On July 3, 2019, the Company was announced as the winner of the tender for the sale of the Alon Tavor Site. The winning bid amounted to NIS 1,872 million (NIS 1,875 million after CPI linkage).

On July 29, 2019, an agreement between the Company and IEC was signed for the purchase of the Alon Tavor Site (the "**Sale Agreement**"), pursuant to which the Company acquired all rights relating to the Alon Tavor Site, covering an area of approximately 221 thousand squares meters. The site includes a combined-cycle natural gas-fired unit with a capacity of approximately 381.63 MW (the "**Combined Cycle Unit**"), two diesel-fired units with a capacity of approximately 110 MW each (the "**Open Cycle Units**", and together with the Combined Cycle Unit, the "**Existing Generating Units**"), fuel and water tanks, spare parts and ancillary equipment, as well as the Dovrat facility for wastewater treatment (the **"Dovrat Facility**") and rights in three monitoring stations (collectively, the "**Facilities**").

Note 1- General (cont'd)

C. Legal framework (cont'd)

On December 3, 2019, the handover of the Alon Tavor Site, including all the Facilities described above, was completed. On such date, the Company was granted generation licenses and tariff approvals by the Electricity Authority for the Existing Generating Units for a period of 15 years (the "**Generating Licenses**"), in accordance with Decision No. 1310 from Meeting No. 552 of December 2, 2018 (the "**Alon Tavor Regulation**"). The acquisition of the Alon Tavor Site was accounted for as a business combination.

In addition, the Company was granted tariff rights and quotas for the construction of new flexible open-cycle units (the "**Peaker Units**") at the site, with a total capacity of up to 230 MW.

In order to exercise these rights, the Company established a partnership fully owned by the Company (the "**Peaker Partnership**") and assigned to it, with the approval of the Electricity Authority, all rights and obligations relating to the construction and operation of the Peaker Units, including the receipt of the financing required for this purpose.

Power Purchase Agreement

In November 2019, as part of the handover conditions, the Company and IEC entered into a 15-year power purchase agreement (the "**PPA**") for the purchase of availability and electricity generated by the Existing Generating Units at the Alon Tavor Site. Following the establishment of the Israel Independent System Operator Ltd. ("**Noga**" or the "**System Operator**"), the PPA was assigned by IEC to Noga.

Pursuant to the Alon Tavor Regulation, the PPA stipulates that the entire available electricity capacity of the Existing Generating Units at the Alon Tavor Site is to be made available to the System Operator, and that the Company is obligated to generate electricity in accordance with the loading plans and operational instructions of the System Operator, which are determined on a daily basis in accordance with the Alon Tavor Regulation and the rules of trading under the SMP market model, as further detailed in the PPA.

In consideration thereof, Noga (as from the completion of its establishment by the end of 2021, prior to which such payments were made directly by IEC) is obligated to pay the Company, on a monthly basis, payments for the availability of the Existing Generating Units, payments for actual electricity generated, and certain additional payments, all in accordance with the tariff approvals of the Electricity Authority. In addition, a substantial number of the Electricity Authority's criteria ("Amot Mida") apply to the contractual relations between the parties.

In December 2022, an additional power purchase agreement was entered into between the Peaker Partnership and Noga with respect to the Peaker Units, for the term of the Peaker Units' generating licenses (20 years from their commercial operation date). Under this agreement, the Peaker Partnership is obligated to make all available electricity capacity of the Peaker Units available to Noga and to generate electricity in accordance with Noga's loading plans and operational instructions.

In return, Noga is obligated to pay the Peaker Partnership monthly payments for the availability of the Peaker Units, payments for actual electricity generated, and certain additional payments, in accordance with the tariff approvals of the Electricity Authority. In addition, a substantial number of the Electricity Authority's criteria ("Amot Mida") apply to the contractual relations between the parties.

Note 1- General (cont'd)

C. Legal framework (cont'd)

Promotion of the Peaker Units

TAMA 10/B/9/2, the zoning plan pursuant to which building permits may be issued for the establishment of the Peaker Units, was approved by the Government in September 2021.
Financial closing, which secured the financing of the project through a loan obtained in 2022, and a Notice to Proceed issued to the selected EPC contractor, Mitsubishi Power Aero ("**MPA**"), was granted in December 2022.

In October 16, 2025, the construction of the Peaker Project was completed, and a generation license for a period of 20 years was granted to the Peaker Partnership by the Electricity Authority.

Option to Purchase an Adjacent Plot

As part of the Alon Tavor sale process, the Israel Land Authority (the "**ILA**") granted the Company an option to lease a plot located adjacent to the Alon Tavor Site, with an area of approximately 30 thousand square meters (the "**Plot**"), against payment of lease fees, for the construction of an additional electricity generation unit (the "**Option Document**").

According to the Option Document, the lease term of the Plot is 25 years, at the end of which the Plot will be returned to the possession of the ILA. The option was valid for a period of five years commencing on May 19, 2019.

Pursuant to ongoing arrangements with the ILA, as of the date of these financial statements, the Company continues to retain its legal interest in the Plot. Discussions are ongoing regarding the regulatory, contractual and procedural framework required to enable the development of the Plot for the construction of additional electricity generation units, in accordance with the updated objectives of the Government as set out in Government Resolution No. 2282 dated October 31, 2024, and the expansion of the Alon Tavor Site.

Note 1- General (cont'd)

D. Iron Swords War

On October 7, 2023, the State of Israel declared war against the terrorist organization Hamas operating in the Gaza Strip (the "**Iron Swords War**"). Following the outbreak of the Iron Swords War, during the years 2023–2025, Israel experienced additional security-related events, including, inter alia, military operations in the northern region, missile attacks originating from Iran in April and October 2024, and Operation Am Ke'Lavi conducted in June 2025 (collectively, the "**War and Security Events**").

In general, the War and Security Events did not have, and as of the date of these financial statements the Company does not anticipate that they will have, a material effect on the operation of the Existing Generating Units or on the Company's electricity generation activities. This is, inter alia, due to the classification of the Alon Tavor Site as an "Essential Plant" under applicable law, pursuant to which the site serves as a reserve unit for operation and maintenance personnel. In parallel, the emergency preparedness of the Alon Tavor Site was completed, including preparations to operate the Combined Cycle Unit using backup fuel (diesel fuel oil) and the maintenance of required emergency and backup fuel quantities, in accordance with applicable laws and regulations.

Without derogating from the foregoing, it should be noted that due to the War and Security Events, maintenance activities scheduled to be performed on the Combined Cycle Unit in October 2023 were postponed. In November 2023, a less extensive maintenance activity was performed on the hot parts of the Combined Cycle Unit's gas turbine, resulting in additional maintenance costs borne by the Company. The remaining maintenance activities originally planned for October 2023 were performed during 2024.

As of the date of these financial statements, following the cessation of the War and Security Events, and notwithstanding the prevailing security uncertainty in the region, the Company is of the opinion that the War and Security Events have not had, and are not expected to have, a material adverse effect on the electricity generation activities of the Existing Generating Units at the Alon Tavor Site or on the Company's financial results. This assessment excludes additional costs incurred by the Company as a result of the postponement and division of the Combined Cycle Unit's maintenance activities, as described above.

The Group's management continues to assess the implications of the War and Security Events on the operations of the Alon Tavor Site and closely monitors security developments in the region on an ongoing basis for preparedness purposes.

<u>Peaker Project -War and Security Events</u>

Following the outbreak of the Iron Swords War, MPA notified the Company of the immediate suspension of all construction activities and the withdrawal of all personnel employed by MPA and its subcontractors from Israel. Similar notices were issued by MPA in connection with the additional War and Security Events described above, resulting in the suspension of works, delays in the mobilization and return of foreign experts required for construction and commissioning, and disruptions to the supply chain of critical components required for the completion of the project.

In full cooperation with MPA, the Company provided the Electricity Authority with periodic updates regarding the impact of the War and Security Events on the Peaker Project's schedule and on additional direct costs incurred. In November 2025, the Company submitted a final request to the Electricity Authority for recognition of the War and Security Events as force majeure, in accordance with the relevant criteria ("Amot Mida"), seeking compensation for direct additional costs and schedule delays attributable to such events. As of the date of these financial statements, this request remains under review.

It is further noted that as a result of delays caused by the War and Security Events, the guaranteed availability payments for the Peaker Units were reduced pursuant to a decision of the Electricity Authority. The Company considers this decision to be inappropriate and has formally submitted a request to amend the applicable tariff rates to their original levels. This request is currently under consideration, and the Company continues to engage with the Electricity Authority in this matter.

Note 1- General (cont'd)

D. Iron Swords War (cont'd)

The Group's management continues to assess the implications of the War and Security Events on the Peaker Project and closely monitors security developments in the region on an ongoing basis for preparedness purposes.

E. Regulatory Hearings

1. Caps on the supplementary tariffs: Following a hearing process, on February 12, 2025, the Electricity Authority published a decision regarding caps to be applied to the supplementary tariffs set under criteria ("Amat Mida") 106F. Under the decision, the Company may elect between two alternatives: (i) application of a gas price factor of 1.4 from the date of the decision onwards, or (ii) application of a gas price factor of 1.6 from the date of the decision onwards, together with retroactive application from the commercial operation date of the Existing Generating Units and a refund of revenues received in excess of the cap during the retroactive period. The Electricity Authority subsequently postponed the deadline for making this election to December 31, 2025.

   Following discussions with the Electricity Authority and Noga regarding the implementation of the decision, and in light of unresolved disagreements and concerns regarding procedural and substantive flaws in the decision and its implementation, the Company filed a petition with the High Court of Justice (Bagatz) against the Electricity Authority and Noga. Pursuant to an arrangement approved by the Court, the Company was granted an extension until April 30, 2026 to submit its election. The petition is expected to be heard and resolved by that date.

   The Company's primary argument is that it submits reasonable, cost-based bids and acted with full transparency. The Company further argues that the decision violates the fundamental rights of the Company, as it unlawfully imposes retroactive price regulation on supplementary tariffs that reflect fair and reasonable operating costs and were established under a competitive wholesale market framework. The Company further asserts that the requirement to refund payments lawfully received over several years lacks statutory authority, violates the presumption against retroactive administrative action, infringes legitimate reliance interests, and creates discriminatory outcomes among private electricity producers.

   In addition, the Company contends that the decision is unreasonable and disproportionate, as it relies on distorted wholesale market price (SMP) data that were later acknowledged to be understated, and that its implementation by Noga suffers from material flaws, including the absence of binding and transparent calculations of the full refund amount prior to requiring an election between the available alternatives. Accordingly, the petition seeks the cancellation of the retroactive mechanism, or alternatively its prospective and uniform application, together with lawful and transparent implementation consistent with the decision.

2. Change in the SMP price: On August 27, 2024, Noga published principles for the update mechanism of the wholesale market price (MCP), which are planned to be implemented during 2026. The Company submitted a comprehensive response to this document in November 2024. Additional documents regarding the MCP update mechanism were published by Noga in December 2025, to which the Company also submitted comprehensive responses.

   Based on the Group's assessment of the Electricity Authority's decision and Noga's abovementioned documents, no material adverse effect on the Group's current financial statements is expected.

Note 2 - Basis of Preparation

. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements were authorized for issue by the Company's Board of Directors on March 9, 2026.

. Functional and presentation currency

These consolidated financial statements are presented in NIS, which is the Company's functional currency, and have been rounded to the nearest thousand, except when otherwise indicated. The NIS is the currency that represents the principal economic environment in which the Company operates.

. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities:

- Derivatives, including embedded derivatives, measured at fair value through profit or loss;
- Liabilities for cash-settled share-based payment arrangements, measured at fair value through profit or loss;
- Deferred tax assets and liabilities, measured at undiscounted amounts;
- Provisions.

. Operating cycle

The Group's operating cycle is one year.

. Classification of expenses recognized in the statement of income

The classification of expenses recognized in the statement of income is based on the nature of the expense. This method of classification is appropriate for understanding the business of the Group, which operates as Special Purpose Company in the electric power industry, and it provides a clear presentation of the Group's Operating profit before depreciation and amortization, which is a key performance indicator (KPI) for the Group's business activity.

Note 2 - Basis of Preparation (cont'd)

. Use of estimates and judgments

Use of estimates

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of accounting estimates used in the preparation of the Group's financial statements requires that management of the Group makes assumptions regarding circumstances and events that involve considerable uncertainty. Management of the Group prepares the estimates on the basis of past industry experience, various facts, external circumstances, and reasonable assumptions according to the pertinent circumstances of each estimate. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions made by the Group with respect to the future and other reasons for uncertainty with respect to estimates that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities in the next financial year are included in the following notes:

- Useful lives of fixed assets – The Group acquired Alon Tavor power plant on December 3, 2019, the power plant was fully available for use as of December 6, 2019, and therefore from that date straight-line basis depreciation of the property began. The Peaker Project was completed On October 16, 2025 and electricity production license was obtained; therefore, depreciation of the related property commenced from that date on a straight-line basis. Accordingly, the Group conducted a review of the useful life of each significant component of the fixed asset items set forth in Note 3c – Significant Accounting Policy (Fixed Assets), using best practices for equivalent production units, the mechanical situation of the components, expected fire hours and further maintenance. The Group also considered the regulatory period for the license. The estimates of depreciation method and useful life are reviewed at least at the end of each reporting year.
- Fair value measurement of non-trading derivatives - Preparation of the financial statements requires the Group to determine the fair value of embedded derivative. The fair value valuation model uses unobservable inputs, such as forward prices and discount rates. These inputs could affect the profit or loss from a change in the fair value of derivative financial instruments. For information on the valuation method and the effect of changes in the forward exchange rates on the fair value of embedded derivative see Note 22 - Financial Instruments.
- Assessment of contingent liabilities and provisions - The preparation of the consolidated financial statements requires management to assess whether it is probable that an outflow of economic resources will be required to settle present obligations. In performing this assessment, the Group relies, where appropriate, on the opinions of technical and legal advisors. The outcome of such assessments may affect the recognition, measurement, or reversal of provisions.

Note 2 - Basis of Preparation (cont'd)

B. Use of estimates and judgments (cont'd)

Determination of fair value

Preparation of the financial statements requires the Group to determine the fair value of certain assets and liabilities. Further information about the assumptions that were used to determine fair value is included in the following notes:

- Note 22 - Financial Instruments; and
- Note 24 - Share-Based Payment Arrangement

When determining the fair value of an asset or liability, the Group uses observable market data as much as possible. There are three levels of fair value measurements in the fair value hierarchy that are based on the data used in the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly
- Level 3: inputs that are not based on observable market data (unobservable inputs).

Note 3 - Significant Accounting Policies

The accounting policies set out below have been applied consistently for all periods presented in these financial statements and have been applied consistently by the Group entities.

A. Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currency of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies (such as bank loans denominated in Euro or trade payables denominated in US Dollar, see also note 22E – Financial Instruments) at the reporting date are translated to the functional currency at the exchange rate at that date.
Non-monetary items that are measured in terms of historical cost (such as inventory and fixed assets) in a foreign currency are translated using the exchange rate at the date of the transaction.

B. Financial instruments

(1) Non-derivative financial assets

Initial recognition and measurement of financial assets
A financial asset such as other receivables and pledged deposits is initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial asset. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and accounting treatment
The Group has trade and other accounts receivables balances which held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise to cash flows representing solely payments of principal and interest on the principal amount outstanding on specified dates. Accordingly, those financial assets are measured at amortized cost.

Note 3 - Significant Accounting Policies (cont'd)

C. Financial instruments (cont'd)

(2) Non-derivative financial liabilities

Non-derivative financial liabilities include loans and borrowings from banks and shareholders, and trade and other payables.

Initial and subsequent measurement of financial liabilities
Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognized when the obligation of the Group, as specified in the agreement, expires or when it is discharged or cancelled.

(3) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposures, including a separable embedded derivative.

Economic hedges
Hedge accounting is not applied to derivative instruments that economically hedge financial assets and liabilities such as natural gas costs and other costs denominated in foreign currencies (USD). Changes in the fair value of such derivatives are recognized in profit or loss under financing income or expenses.

Separable embedded derivatives
The Company separated a foreign currency (Euro) embedded derivative from the host Power Purchase Agreement with Noga and accounted for it at fair value through profit or loss. The foreign currency embedded derivative was separated from the host contract because the Euro is not the functional currency of either substantial party of the contract (the Company and Noga), the price for availability services is not routinely denominated in Euro in commercial transactions around the world and the Euro is not a currency that is commonly used in Power Purchase Agreements in Israel.
Changes in the fair value of the separated embedded derivative are recognized as financing income or expense.

(4) CPI-linked assets and liabilities that are not measured at fair value

The value of CPI-linked financial assets as deposits and liabilities as CPI linked loans, which are not measured at fair value, is re-measured every period in accordance with the actual increase/decrease in the CPI.

Note 3 - Significant Accounting Policies (cont'd)

D. Fixed assets

(1) Recognition and measurement

Fixed asset items are measured at cost, less accumulated depreciation.
The cost of fixed assets includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and capitalized borrowing costs when the asset necessarily takes a substantial period of time to get ready for its intended use (a qualifying asset).
Spare parts, servicing equipment and stand-by equipment are classified as fixed assets. When major parts of a fixed asset item (including costs of major periodic inspections) have different useful lives, they are accounted for as separate items (major components) of fixed assets.

(2) Subsequent costs

The cost of replacing part of a fixed asset item and other subsequent expenses are capitalized if it is probable that the future economic benefits associated with them will flow to the Group and their cost can be measured reliably. The carrying amount of the replaced part of a fixed asset item is derecognized. The costs of day-to-day services are recognized as profit or loss as incurred.

(3) Capitalization of borrowing costs

Specific borrowing costs are capitalized to qualifying assets throughout the period required for completion and construction until they are ready for their intended use. Other borrowing costs are recognized as incurred as financing expenses in profit or loss.

(4) Depreciation

An asset is depreciated from the date it is ready for use, meaning the date it reaches the location and condition required for it to operate in the manner intended by management. Alon Tavor power plant was ready for use from December 6, 2019.
Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of the fixed asset item.

The estimated useful lives for the current period are as follows:

• Buildings	25 years
• Open cycle turbine components	20 years
• Combined cycle turbine components	35 years
• Peaker turbine components	40 years
• Fixtures and equipment	5-20 years
• Furniture, office equipment and fittings	3-10 years
• Periodic inspection costs	Upcoming inspection (open cycle 10-20 years, combined cycle 5-10 years)

Depreciation methods and useful lives are reviewed at the end of each reporting year and adjusted if appropriate.

Note 3 - Significant Accounting Policies (cont'd)

E. Intangible assets

Generating Licenses acquired by the group as part of a business combination are measured at cost (the fair value of the licenses at December 3, 2019, the acquisition date of Alon Tavor power plant) less accumulated amortization and any accumulated impairment losses. The licenses arrangement with IEC is amortized on a straight-line basis for 15 years based on the arrangement period, from the date at which the licenses are available for use (December 6, 2019).

Amortization method and useful lives are reviewed at the end of each reporting year and adjusted if appropriate.

F. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the moving average, and includes expenditure incurred in acquiring the inventories and the costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The Group presents emergency diesel fuel as long-term inventory since the Group is legally obliged to hold this inventory throughout the entire term of its Generating Licenses. For further information, see note 8.

G. Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable (more likely than not) that an outflow of economic benefits will be required to settle the obligation.

(1) Legal claims

A provision for claims is recognized if, as a result of a past event, the Company has a present legal or constructive obligation and it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the amount of obligation can be estimated reliably. When the value of time is material, the provision is measured at its present value.

(2) Employees

Short-term benefits

Provisions for employee benefits are recognized in accordance with Israeli labor laws and the Company's policies regarding bonuses and other benefits.

Share-based payment transactions

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in the liability, over the period that the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date until the settlement date. Any changes in the fair value of the liability are recognized as a salary expense in profit or loss.

Note 3 - Significant Accounting Policies (cont'd)

H. Leases

Leased assets and lease liabilities
Since the right-of-use asset was purchased as part of a business combination (the acquisition of Alon Tavor power plant), it was initially recognized at fair value at the business combination date, with no corresponding lease liability, since the lease payments were fully paid in advance by the seller at the lease commencement date.

The lease term
The lease term is the non-cancellable period of the lease.

Leases presentation
The Group presents right-of-use assets in 'property, plant and equipment' and any lease liabilities in 'other non-current liabilities' in the statement of financial position.

Depreciation of right-of-use asset
After initial recognition, a right-of-use asset is measured on a cost basis less accumulated depreciation and any accumulated impairment losses and is adjusted for re-measurements of the lease liability. Depreciation is calculated on a straight-line basis over the useful life or contractual lease period, whichever earlier, as follows:

- Lands 68 years
- Buildings 10 years

I. Revenue

The Group recognizes revenue when the customer obtains control over the promised goods (actual power generated) or services (availability of Generating Units). The revenue is measured according to the amount of consideration to which the Company expects to be entitled in exchange for the goods promised to the customer, other than amounts collected on behalf of third parties (such as sales taxes).

Variable consideration
In the Company contract with Noga, variable consideration is generally derived from quantity and performance exceptions and is recognised as revenue only when it is highly probable that its inclusion in the transaction price (and therefore in revenue) will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved. At the end of each reporting period and if necessary, the Group revises the amount of the variable consideration included in the transaction price.

J. Financing income and expenses

Financing income and expenses mainly include interest expenses on borrowings which are not capitalized to qualifying assets (recognized using the effective interest method), changes in fair value of economic hedging derivatives and embedded derivatives and net foreign exchange gains or losses.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either financing income or financing expenses depending on whether foreign currency movements are in a net gain or net loss position.

Note 3 - Significant Accounting Policies (cont'd)

K. Presentation of interest paid, interest received, and dividend paid in the statement of cash flows

In the statements of cash flows, interest paid, and dividend paid are presented as part of cash flows from financing activities. Interest received presented as part of cash flows from investing activities.

L. Income tax expense

Income tax comprises current and deferred tax.

Current taxes
Current tax is the expected tax payable (or receivable) on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Current taxes also include taxes in respect of prior years.

Uncertain tax positions
A provision for uncertain tax positions, including additional tax and interest expenses, is recognized when it is probable (more likely than not) that the Company will have to use its economic resources to pay the obligation.
Following the acquisition of Alon Tavor power plant, the Company is in litigation with the Israeli tax authority (ITA) over the amount of purchase tax assessment. The estimate of the Uncertain tax liabilities is based on the opinion of the Company's legal counsels. The estimate is reviewed at least at the end of each reporting period and adjusted when necessary. For information on the estimate of purchase tax assessment, see Note 21D.

Deferred taxes
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.
A deferred tax asset is recognized for unused tax losses and deductible temporary differences, since the Company have sufficient taxable temporary differences against which the unused tax losses carried forward and deductible temporary differences can be utilized.

Offset of current or deferred tax assets and liabilities
Current or deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current or deferred tax liabilities and assets, and there is intent to settle tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

M. Related parties

The Company and MRC Operation Ltd., which is a company held by the Company's shareholders, have signed on 2019 an agreement for the provision of operation and maintenance services regarding Alon Tavor Site, under which MRC Operation Ltd. shall provide the services and labor required in accordance with the Company's requirements (see also note 25).

Assets and liabilities included in a transactions and balances with related and interested parties are measured at fair value on the date of the transaction.

Note 3 - Significant Accounting Policies (cont'd)

N. New standards, amendments to standards and interpretations not yet adopted

IFRS 18, Presentation and Disclosure in Financial Statements

This standard replaces IAS 1, Presentation of Financial Statements. The standard provides guidance for improving the structure and content of the financial statements, particularly the income statement.
The standard includes new disclosure and presentation requirements as well as requirements that were taken from IAS 1, Presentation of Financial Statements. As part of the new disclosure requirements, it is required to present two subtotals in the income statement: operating profit and profit before financing and taxes. Furthermore, the results in the income statement will be classified into three new categories: an operating category, an investing category and a financing category. In addition to the changes in the structure of the income statements, the standard also includes a requirement to provide separate disclosure in the financial statements regarding the use of management-defined performance measures (MPM).
Furthermore, the standard adds specific guidance for aggregation and disaggregation of items in the financial statements and in the notes.

The standard's initial date of application is for annual reporting periods beginning on or after January 1, 2027, with earlier application being permitted. The Group is examining the effects of the standard on its financial statements with no plans for early adoption.

Note 4 - Cash and cash equivalents

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
NIS	142,151	162,217
USD	3,434	103
EUR	292	358
GBP	128	174
	146,005	**162,852**

Note 5 - Trade Receivables

As of December 31, 2025 and 2024, the Group's revenues and trade receivables are primarily concentrated with a single customer, Noga, resulting in a concentration of credit risk. Information regarding exposure to credit risk, currency risk and the impairment assessment of trade receivables is disclosed in Note 22 – Financial Instruments.

Note 6 - Other Receivables

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Institutions	11,720	2,401
Advances to suppliers, prepaid expenses and others	6,222	7,266
Other receivables	2,438	7,822
Supplier's quantity discount	-	13,029
	20,380	**30,518**

Note 7 - Pledged Deposit

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Bank deposits	27,075	28,018
Suppliers' deposits	1,649	1,649
	28,724	**29,667**

The Company has pledged deposits to secure financing commitments, contracts commitments with suppliers and expected amounts not yet contracted with suppliers.

Note 8 – Inventory

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Emergency Diesel Fuel	37,451	39,960

Emergency and back-up Diesel Fuel Oil Storage

In accordance with criteria ("Amat Mida") 125, the Generating Licenses and the Electricity Market Regulations (Conventional Private Electricity Producer), 5765-2005, the Company is legally obligated to hold a diesel fuel reserve in a quantity sufficient for the operation of the Generating Units, in full load, for a period of 100 consecutive hours.

Since the existing fuel tanks located in the Alon Tavor Site are not sufficient in order to meet the abovementioned legal obligation, the Company signed an agreement for diesel fuel storage (and diesel fuel line maintenance services) with Petroleum & Energy Infrastructures Ltd. ("**PEI**"). In accordance with the agreement, the Company uses a total storage capacity of 7,060 cubic meters of diesel fuel oil, within fuel tank of PEI's diesel fuel storage facility in Elroi. See also Note 23 (8) - Commitments and Guarantees regarding the Company's fuel storage agreement.

Note 8 – Inventory (cont'd)

<u>Diesel Fuel Oil Storage Excise Tax ('Blo')</u>

Restitution Claim

On January 7th, 2020, the Company has submitted to the Israeli Tax Authority's (the "**ITA**") National Unit for Blo and Purchase Tax (the "**Blo Unit**") an application under the Blo Order, for Blo restitution with respect to the diesel fuel oil reserve (in a quantity sufficient for the operation of the Existing Generating Units, in full load, for a period of 100 consecutive hours) purchased by the Company, which in accordance with criteria ("Amat Mida") 125, the Generating Licenses and the Electricity Market Regulations (Conventional Private Electricity Producer), 5765-2005, the Company is legally obligated to hold (the "**Application**").

As of the submission of the Application, the Company's management and the Blo Unit's relevant personnel have conducted an exchange of letters and held discussions regarding the Company's Application.

On April 12th, 2022, the Company received the Blo Unit's response to the Application, according to which it was resolved to reject the Application.

Following the rejection by the Blo Unit, it was resolved to file a claim to the District Court against the ITA. The claim was submitted on 30 November 2022.

During 2024, the ITA approached the Company to settle the claim filed by the Company against the ITA, with respect to the Excise Tax ('Blo') restitution. The Company and ITA have reached a settlement, according to which the ITA shall pay to the Company Excise tax ('Blo') restitution for main part of the diesel fuel purchased and maintained as back-up fuel by the Company. The parties signed on March 11, 2024, the settlement agreement, which was approved by the court and recognized as a judgment. In April 2024, the Excise tax ('Blo') restitution was received. The difference between the settlement amount to the Blo amount paid recognized as other income.

Carbon tax

Under Government Resolution No. 1261, dated January 14, 2024, it was resolved to price local pollutant and greenhouse gas emissions, in order to reduce the harm to public health resulting from the emission of local pollutants, and to resolve a significant market failure caused when the polluter does not pay for the environmental damage caused by the emissions of air pollutants and greenhouse gases (hereinafter - carbon emissions) that it has caused, and because emissions pricing is considered the most efficient and effective regulation for encouraging the reduction of these emissions and creating certainty in the market.

As part of the resolution, it was determined to amend the Fuel Excise Duty Order (Imposition of Excise Duty), 5764-2004, that will result in a gradual internalization of the external environmental costs of carbon emissions and local pollutants.

The order which is relevant to the Group with respect to the abovementioned amendment of the Fuel Excise Duty Order (Imposition of Excise Duty), 5764-2004, determines that the amount of the excise tax on natural gas in NIS per ton will be 33 in 2025, 54 in 2026, 80 in 2027, 114 in 2028, 149 in 2029, 192 in 2030 and beyond. The Group expect that there will be no material effect on the financial statements.

Note 9 - Fixed Assets

	Right of use asset - Land	Right of use asset - Buildings	Open cycle turbine components	Combined cycle turbine components	Peaker turbine components	Fixtures and equipment	Furniture, office equipment and fittings	Total
Cost	NIS thousands							
Balance as at December 31, 2024	74,000	15,777	263,240	1,186,530	831,363	176,282	6,895	2,554,087
Additions	-	-	1,418	28,669	123,592	7,898	-	161,577
Transfers from CIP	-	4,500	-	-	(54,200)	49,700	-	-
Balance as at December 31, 2025	**74,000**	**20,277**	**264,658**	**1,215,199**	**900,755**	**233,880**	**6,895**	**2,715,664**

	Right of use asset - Land	Right of use asset - Buildings	Open cycle turbine components	Combined cycle turbine components	Peaker turbine components	Fixtures and equipment	Furniture, office equipment and fittings	Total
Depreciation	NIS thousands							
Balance as at December 31, 2024	5,442	3,914	60,357	161,804	-	26,311	6,615	264,443
Depreciation for the year	1,088	938	12,440	61,687	4,774	6,299	54	87,280
Balance as at December 31, 2025	**6,530**	**4,852**	**72,797**	**223,491**	**4,774**	**32,610**	**6,669**	**351,723**
Carrying amount balances as at December 31, 2025								
Right of use assets carrying amount	67,470	1,336	-	-	-	-	-	68,806
Fixed assets carrying amount	-	14,089	191,861	991,258	895,981	201,270	226	2,295,135
Total carrying amount	**67,470**	**15,425**	**191,861**	**991,258**	**895,981**	**201,370**	**226**	**2,363,941**

Note 9 – Fixed Assets (cont'd)

	Right of use asset - Land	Right of use asset - Buildings	Open cycle turbine components	Combined cycle turbine components	Fixtures and equipment	Furniture, office equipment and fittings	Construction in progress	Total
Cost	NIS thousands							
Balance as at December 31, 2023	74,000	15,777	262,424	1,118,054	187,176	6,895	333,478	1,997,804
Additions	-	-	816	17,061	40,521	-	497,885	556,283
Maintenance classification	-	-	-	51,415	(51,415)	-	-	-
Balance as at December 31, 2024	**74,000**	**15,777**	**263,240**	**1,186,530**	**176,282**	**6,895**	**831,363**	**2,554,087**

	Right of use asset - Land	Right of use asset - Buildings	Open cycle turbine components	Combined cycle turbine components	Fixtures and equipment	Furniture, office equipment and fittings	Construction in progress	Total
Depreciation	NIS thousands							
Balance as at December 31, 2023	4,354	3,021	47,971	114,302	20,777	6,526	-	196,951
Depreciation for the year	1,088	893	12,386	47,502	5,534	89	-	67,492
Balance as at December 31, 2024	**5,442**	**3,914**	**60,357**	**161,804**	**26,311**	**6,615**	**-**	**264,443**
Carrying amount balances as at December 31, 2024								
Right of use assets carrying amount	68,558	1,622	-	-	-	-	-	70,180
Fixed assets carrying amount	-	10,241	202,883	1,024,726	149,971	280	831,363	2,219,464
Total carrying amount	**68,558**	**11,863**	**202,883**	**1,024,726**	**149,971**	**280**	**831,363**	**2,289,644**

Note 9 – Fixed Assets (cont'd)

A. Security

On December 31, 2025, the total amount of fixed assets of the Group are pledged as security for bank loans (see Note 11 - loans and borrowings with respect to terms and repayment dates).

B. Details on right of use assets

1. The Company leases lands at Jezreel Valley from the ILA. The land in which the Dovrat Facility is located is leased for a period of 29 years, commencing on August 10, 2009, i.e. until March 9, 2039, with no option for extension. The land in which Alon Tavor Site is located is leased for a period of 49 years, commencing on March 11, 1990, i.e. until March 10, 2039, with an option for extension of the lease period for additional 49 years. The extension period is taken into account for the lease period.

2. During March 2020, the Company has signed a Lease Agreement for its offices, in the total area of 345 Squared Meters, located in the new industrial zone of Or-Yehuda, Israel. The owners of the offices space are a consortium led by May A.B Nadlan Ltd and Migdal Insurance Company Ltd. The Lease Agreement term is 5 years, with an option to extend it for an additional term of 5 years, which was exercised by the Company.

C. Group investments

As of its incorporation, including during the financial year 2025, the Company has invested significant amounts in systems and upgrades for the Existing Generating Units in Alon Tavor Site, which allow the Company to maintain high availability and capacity rates of the Existing Generating Units under the existing capacities stipulated in the generating unit's generation licenses.

During 2024-2025, Hot Gas Path Inspection (HGPI) and additional significant maintenance activities for the Combined Cycle Unit were carried out.

The abovementioned investments in the systems and upgrades are reflected in high availability rates of all the generating units in Alon Tavor power plant.

D. Peaker project

The Peaker Project was completed in October 2025, and an electricity production license valid for a period of 20 years was obtained.

During 2025, specific borrowing costs amounting to approximately NIS 41 million were capitalized to the qualifying asset in accordance with IAS 23.

Upon commencement of commercial operation on October 16, 2025, the group stopped to capitalize additional costs to the construction in progress and the total balance was transferred to the "Peaker turbine components" category and allocated to the relevant Fixed Assets categories. Depreciation commenced as of October 16, 2025, when the assets were available for use.

See also Note 1C – General (Promotion of the Peaker Units).

Note 10 - Intangible Assets

	License
Balance as at December 31, 2023	334,094
Depreciation for the year	(30,585)
Balance as at December 31, 2024	**303,509**
Depreciation for the year	(30,586)
Balance as at December 31, 2025	**272,923**

For further details about the company licenses see also note 23 - Commitments and Guarantees regarding power purchase agreement (PPA).

Note 11 - Loans and Borrowings

A. Loans and borrowings included in current liabilities

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Short-term bank loans	-	82,176
Current maturities of bank loans	156,302	145,826
	156,302	**228,002**

B. Loans and borrowings included in non-current liabilities

Composition:

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Bank loans	1,802,771	1,486,902
	1,802,771	**1,486,902**

Note 11 - Loans and Borrowings (cont'd)

B. Loans and borrowings included in non-current liabilities (cont'd)

Information on material loans:

						December 31, 2025	
Type	Loan date	Original loan amount	Linkage base	Interest mechanism and rate	Payment date of principal	Face value	Carrying Amount (*)
						NIS thousands	
Senior debt	December 2, 2019	EUR 351 m	Unlinked	2.4% fixed	2020-2034	832,495	825,712
Senior debt	December 2, 2019	EUR 50 m	Unlinked	5.3% fixed	2020-2034	117,755	117,491
Senior debt	October 1, 2020	EUR 30 m	Unlinked	2.0% fixed	2020-2034	72,300	71,769
Peaker Senior Debt	December 15, 2022	NIS 963 m	Linked	3.2-3.6% Fixed	2025-2043	925,000	944,101

(*) Including current maturities

Financing Agreements

A. On November 21, 2019, the Company signed a Senior Facility Agreement and several ancillary financing agreements with Bank Hapoalim B.M (the "**Bank**") as the Arranger and Senior Agent of a Consortium of international commercial banks and Israeli financial institutes, for the provision of funding the Alon Tavor Site, for a total sum of Euro 431 million, subject to the terms and conditions of the Senior Loan Agreement and the ancillary financing agreements (jointly, the "**Financing Agreements**"). The Financing Agreements include representations and liabilities of the Company, which their breach may result, inter alia, in the immediate repayment of the funding provided under the Financing Agreements and/or cause the Company to be in default with respect to its commitments and obligations. In accordance with the above, the Company is required to comply with several covenants such as coverage ratios, on a quarterly basis, see section C below.

On August 16, 2022, the Company, through the Peaker Partnership, entered into a Senior Facility Agreement and related ancillary financing agreements with the Bank, acting as Arranger and Senior Agent, and an additional Israeli financial institution, for the purpose of financing the establishment of the Peaker Project (collectively, the "**Peaker Financing Agreements**").
In addition, certain intercreditor and related agreements governing the relationships between the Company and the Peaker Partnership, as well as among the financing parties under the Financing Agreements and the Peaker Financing Agreements, were executed.

Note 11 - Loans and Borrowings (cont'd)

B. Loans and borrowings included in non-current liabilities (cont'd)

(3) Financing Agreements (cont'd)

The Peaker Financing Agreements include representations and liabilities of the Peaker Partnership, which their breach may result, inter alia, in the immediate repayment of the funding provided under the Peaker Financing Agreements and/or cause the Peaker Partnership to be in default with respect to its commitments and obligations.

Up to date of these Financial Statements, the Group utilized a sum of NIS 925 million, in accordance with the Peaker Financing Agreement, for the ongoing project costs payments and for repayment of the Bridge Financing and the credit under the Shareholder Credit Agreement.

During 2025 the Peaker Partnership utilized sum of NIS 477 million from its financing facilities, in accordance with the Peaker Financing Agreements. As of the date of these Financial Statements, and following the completion of the establishment of the Peaker Project as described above, the senior debt framework under the Peaker Senior Loan Agreement has been rendered unavailable for further drawdowns, and the Peaker Partnership continues to have supplementary credit facilities available for utilization under the Peaker Senior Loan Agreement , in the amount of approximately NIS 137 million.

In accordance with the above, the Peaker Partnership is required to comply with several covenants such as coverage ratios, on a quarterly basis, see section C below.

C. Contractual restrictions and financial covenants

Regarding all the Group's loans, the credit agreements include certain contractual conditions and restrictions on the distribution of dividends, all as commonly agreed in credit agreements of such sort.

Coverage Ratio	Rate
Loan Life Coverage Ratio	1.05:1
Historic Debt Service Coverage Ratio [12 months calculated]	1.05:1
Projected Debt Service Coverage Ratio [12 months calculated]	1.05:1

At the reporting date, in accordance with the Group cash flow projections, the Group meets the above coverage ratios.

Note 12 - Trade Payables

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Open debts to suppliers	31,273	24,036

Note 13 - Other Payables

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Accrued expenses	171,047	324,842
Institutions	6,840	2,058
Employee benefits	2,351	2,397
Current maturities of lease liabilities	329	329
Other payables	689	30,000
	181,256	**359,626**

Note 14 – Long term lease liabilities

(1) Composite:

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Current maturities of lease liability	329	329
Long-term lease liability	1,107	1,391
	1,436	**1,720**

(2) Amounts recognized in profit or loss

	For the year ended December 31 2025	For the year ended December 31 2024
	NIS thousands	NIS thousands
Interest expenses on lease liability	(45)	(53)
Right of use asset depreciation	(1,374)	(1,374)
Variable lease payments not included in the measurement of the lease liability	(46)	(58)
Income from sub-leasing right-of-use assets	96	53
Expenses relating to leases of low-value assets	(430)	(423)

Note 14 - Long term lease liabilities (cont’d)

(3) Maturity analysis of the Company's lease liabilities nominal values:

	December 31, 2025
	NIS thousands
Less than one year	247
One to five years	1,189
More than five years	-
Total	1,436
Current maturities of lease liability	329
Long-term lease liability	1,107

Note 15 - Equity

On May 19, 2019, following the Company’s incorporation, the Company issued to its shareholders 1,000 share capital in the amount of NIS 100.

The Shareholders and their interest in the Company are as follows: Shamir Energy Group (2023) Ltd **33.3%**; (2) China Harbor Engineering Company Ltd., **33.3%**; and (3) Generation Rapac MRC Holdings General Partnership, **33.3%.** Additional 0. 1% of the Company’s shares is dormant shares held by the Company.

The Company’s registered share capital is NIS 1,000, divided into 10,000 regular shares, par value NIS 0.1 each.

On November 21, 2019, as a condition precedent to the Senior Facilities Agreements, an Equity Subscription Agreement was signed between the Company, its shareholders and the Bank (in its capacity as the Security Agent under the senior facility agreement) (the “**ESA**”).

In accordance with the ESA, the Company’s shareholders have committed to make available to the Company an amount of NIS 381 million (the “**Total Required Equity**”), which shall be made available by the Company’s shareholders in accordance with their respective holdings’ interest in the Company.

It should be noted that in accordance with the terms of the ESA, a certain part of the abovementioned commitment may be provided by a shareholder’s loan.

The rights of each of the shareholders and the obligations of the Company under the Subordinated Loan Agreements are subject to and subordinated to the rights of the parties under the SFA.

On December 2025 the Company declared dividends from the net profits of the years 2024 - 2025, in a total amount of NIS 96.5 million.

Note 16 - Production and Maintenance Expenses

	For the year ended December 31, 2025	For the year ended December 31, 2024
	NIS thousands	NIS thousands
Natural Gas and other fuels	258,792	244,836
Fuels Transmission costs	19,026	16,226
Operation & Maintenance costs	75,812	55,918
Other production costs	19,150	17,693
	372,780	**334,673**

Note 17 - Salaries and Subcontractors Expenses

	For the year ended December 31, 2025	For the year ended December 31, 2024
	NIS thousands	NIS thousands
Salaries, wages and related expenses	14,064	12,019
Subcontractors	18,942	17,188
	33,006	**29,207**

Note 18 - Administrative and IT Expenses

	For the year ended December 31, 2025	For the year ended December 31, 2024
	NIS thousands	NIS thousands
Professional fees	1,499	1,046
Office Expenses	593	276
IT and Communications expenses	407	339
Rent and maintenance of buildings	139	58
Other general and administrative expenses	6	30
	2,644	**1,749**

Note 19 - Depreciation and Amortization

	For the year ended December 31, 2025	For the year ended December 31, 2024
	NIS thousands	NIS thousands
Depreciation	87,280	67,492
Amortization	30,585	30,585
	117,865	**98,077**

Note 20 - Financing Income and Expenses

A. Financing Income

	For the year ended December 31, 2025	For the year ended December 31, 2024
	NIS thousands	NIS thousands
Net foreign exchange profit	12,441	66,167
Revaluation of economic hedging derivatives	-	11,057
Deposits Interest and Others	6,873	4,777
	19,314	**82,001**

B. Financing Expense

	For the year ended December 31, 2025	For the year ended December 31, 2024
	NIS thousands	NIS thousands
Revaluation of embedded derivative	47,830	80,814
Revaluation of economic hedging derivatives	31,206	-
Interest expense on loans	42,292	45,466
Bank commissions fee	1,681	2,132
Interest expense on lease liabilities	45	53
	123,054	**128,465**

Note 21 - Taxes on Income

A. Details regarding the tax environment of the Company

(1) Corporate tax rate

The tax rate relevant to the Company in the years 2025 and 2024 was 23%. Current taxes for the reported period are calculated according to the tax rate presented above.

(2) Law for the Encouragement of Industry (Taxes)

During April 2020, the Company received a final tax ruling from the tax authorities according to which it qualifies as “Industrial Company” as defined in the Law for the Encouragement of Industry (Taxes) – 1969. According to the approval of the tax ruling and according to the law, the Company is entitled to benefits of which the most significant one is higher rates of depreciation.

(3) Transfer of Right for development

During December 2023 the Company received a final tax ruling from the tax authorities according to which it was resolved that:

(a) The transfer of the rights for the development and establishment of the Peaker Project from the Company to the Peaker Partnership shall not constitute a ‘sale’ for tax purposes nor a taxable event.

(b) The establishment of the Peaker Project shall not constitute an ‘income’ of the Company.

(c) The Intercompany income shall be considered as income from an industrial plant for the purpose of examining the Company's status as an industrial company in accordance with the Encouragement of Industry Law

B. Composition of income tax expense

	For the year ended December 31, 2025	For the year ended December 31, 2024
	NIS thousands	NIS thousands
Current tax		
Current period	144	70
Deferred tax		
Creation and reversal of temporary differences	15,012	31,879
Income tax expense	**15,156**	**31,949**

As presented above, there are no differences between the theoretical tax on the pre-tax profit and the tax expense.

Note 21 - Taxes on Income (cont'd)

C. Deferred tax assets and liabilities

Changes in deferred tax assets and (liabilities):

	Fixed Assets	Derivatives	Others	Carry-forward losses	Total
	NIS thousands				
Balance as at December 31, 2023	**(266,205)**	**(8,757)**	**5,100**	**125,902**	**(143,960)**
Changes recognized in profit or loss	1,312	22,531	1,916	(57,638)	(31,879)
Balance as at December 31, 2024	**(264,893)**	**13,774**	**7,016**	**68,264**	**(175,839)**
Changes recognized in profit or loss	(21,546)	11,474	(821)	(4,119)	(15,012)
Balance as at December 31, 2025	**(286,439)**	**25,248**	**6,195**	**64,145**	**(190,851)**

D. Tax assessments

(1) Purchase tax assessment

On July 2, 2020, the ITA has issued to the Company a purchase tax assessment with respect to Alon Tavor Site's purchase transaction (the "**Purchase Tax Assessment**"). According to the Purchase Tax Assessment, the base value of Alon Tavor Site for the Purchase Tax Assessment is NIS 1.861 billion (the total consideration paid for Alon Tavor Site, excluding consideration paid for fuels inventory), which reflected in purchase tax amount of NIS 111.7 million.

September 15, 2020, the Company has submitted to the director of the Nazareth Real Estate Tax office an appeal on the Purchase Tax Assessment (the "**Appeal**").

On September 14, 2021, the Director of the Real Estate Tax office has delivered to the Company a resolution regarding the Appeal (the "**Appeal Resolution**") according to which the Director of the Real Estate Tax office has only partially accepted the Company's arguments under the Appeal and determined under the primary assessment that the value of the power plant for purchase tax purposes will be NIS 1.6755 billion and in an alternative assessment, it was determined that the value of the power plant for purchase tax purposes will be NIS 1.372 billion.

On October 11, 2021, the Company has applied (with the consent of the State Attorney's Office and the Director of the Real Estate Tax office) to the Appreciation Tax Appeals Committee to postpone the deadline for filing the appeal until April 1st, 2022. The application was approved by the Appreciation Tax Appeals Committee.

Despite the Company's and the Director of the Real Estate Tax office's mutual attempts to reach a settlement with respect to the Purchase Tax Assessment, such settlement was not reached. Therefore, during July 2022, the Company submitted an appeal on the Purchase Tax Assessment to the Nazareth District Court. The State has submitted its response to the Company's appeal during December 2022. As of the date of these Financial Statements, the legal proceedings are ongoing, and no decision has yet been rendered on the appeal.

Further, in this regard, it should be noted that the Company's position regarding the value of the land of Alon Tavor Site is that its value corresponds to the valuation determined in the land appraisal commissioned by the Electricity Authority, which was published as part of the tender documents for the purchase of Alon Tavor Site. See also note D(2) regarding income tax assessments.

Note 21 - Taxes on Income (cont'd)

D. Tax assessments (cont'd)

In accordance with the Company's tax and legal consultants' professional knowledge, it is more likely than not that the abovementioned appeal will be accepted by the court and the provisions under the Group's Financial Statements regarding the abovementioned fairly reflect the estimated outcome of the proceedings.

(2) Income tax assessments

During 2024, The Company received Income Tax Assessments for the years 2019-2022. As part of the assessment the ITA changed the land value purchased by the Company. As discussions with the ITA regarding the Assessments did not result in an agreement, the Company filed an appeal regarding the Assessments during 2025. As of the date of these Financial Statements, the ITA has not yet rendered a decision on the Appeal.

Note 22 - Financial Instruments

A. Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

This note presents quantitative and qualitative information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

In order to manage these risks and as described hereunder, the Group executes transactions in derivative financial instruments. Presented hereunder is the composition of the derivatives:

December 31,2025	current assets	non-current assets	current liabilities	non-current liabilities	Total Assets (Liabilities)
			NIS thousands		
Embedded derivative	-	-	(7,114)	(99,784)	(106,898)
Economic hedging derivatives	67	-	(2,938)	-	(2,871)

December 31,2024	current assets	non-current assets	current liabilities	non-current liabilities	Total Assets (Liabilities)
			NIS thousands		
Embedded derivative	-	-	(3,733)	(55,335)	(59,068)
Economic hedging derivatives	280	-	(1,096)	-	(816)

B. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group, through its training and management of standards and procedures, aims to develop a disciplined and constructive control environment.

Note 22 - Financial Instruments (cont'd)

C. Credit risk

The Group's credit risk arises principally from the Group's receivables. The carrying amounts of financial assets represent the Group's maximum credit risk exposure.

Cash

The Group holds cash in an Israeli bank.

The Group consider that its cash and cash equivalents have low credit risk based on the credit ratings of the counterparty.

Pledged deposits

The Group deposit in pledged deposits for guarantee financing commitments in bank with low credit risk and also to guarantee payments to supplier which is governmental entity with low credit risk.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristic of the Group's customer. For the date of the financial statements nearly 100% of the Group's revenue is attributable to sales transactions with a single customer (NOGA, System Operator – Israeli governmental company) and therefore there is concentration of credit risk. However, The Company consider that its trade receivables have low credit risk based on the credit ratings of the counterparty.

D. Liquidity risk

The Group examines current forecasts of its liquidity requirements so as to make certain that there is sufficient cash for its operating needs, and it is careful at all times to have enough unused credit facilities so that the Group does not exceed its credit limits and is in compliance with its financial covenant. These forecasts take into consideration matters such as the Group's plan to use debt for financing its activity, compliance with required financial covenants, compliance with certain liquidity ratios, and compliance with external requirements such as laws or regulation.

The Group uses activity-based costing to cost its product, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically, the Group ensures that it has sufficient cash on demand and lines of credit to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Note 22 - Financial Instruments (cont'd)

D. Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities at undiscounted amounts and based on the future rates forecasted at the reporting date, including estimated interest payments. This disclosure excludes the impact of netting agreements:

	December 31, 2025						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	NIS thousands						
Non-derivative financial liabilities							
Trade payables	31,273	31,273	31,273	-	-	-	-
Other payables	181,256	161,742	161,577	165	-	-	-
Bank loans (1)	1,959,073	2,440,176	92,801	91,845	184,173	516,406	1,554,951
Other long-term balances	1,107	1,208	-	-	329	879	-
Derivative financial liabilities							
Embedded derivative	106,898	106,898	3,529	3,585	16,062	21,033	62,689
Economic hedging derivatives	2,938	2,938	2,938	-	-	-	-
Total	**2,282,545**	**2,744,235**	**292,118**	**95,595**	**200,564**	**538,318**	**1,617,640**

	December 31, 2024						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	NIS thousands						
Non-derivative financial liabilities							
Short-term bank loans	82,176	85,463	-	85,463	-	-	-
Trade payables	24,036	24,036	24,036	-	-	-	-
Other payables	57,421	37,907	37,742	165	-	-	-
Bank loans (1)	1,632,728	1,948,199	70,454	76,458	150,719	452,363	1,198,205
Other long-term balances	1,391	1,537	-	-	329	987	221
Derivative financial liabilities							
Embedded derivative	59,068	59,068	1,872	1,861	7,874	22,196	25,265
Economic hedging derivatives	1,096	1,096	1,096	-	-	-	-
Total	**1,857,916**	**2,157,306**	**135,200**	**163,947**	**158,922**	**475,546**	**1,223,691**

(1) As disclosed in Note 11 - Loans and Borrowings and Note 23 - Commitments and Guarantees, the Group has secured bank loans in the amount of NIS 2,440,176 thousand which contain financial covenants. The breach of a financial covenant may require the Company to repay the loans earlier than indicated in the above table. At the reporting date, the Group is in compliance with all financial covenants.

Note 22 - Financial Instruments (cont'd)

E. Market risk

Market risk is the risk that changes in market prices will affect the Group's profit. The purpose of market risk management is to manage and monitor exposure to market risks within acceptable parameters while maximizing profitability. As of the commencement of the commercial operation of Alon Tavor Site and through December 31, 2025, the main risks in accordance with the Group's management assessment are:

1. Changes in regulation applied in the Group operation field as approved by the Electricity Authority, see also Note 1E - General, regarding regulation changes.
2. Changes in the electricity tariff (SMP), see also Note 1E – General, regarding expected changes to the SMP calculation.
3. Change in the cost of purchasing gas and other changes in the electricity and gas market.
4. Political and security events.

(1) *Linkage and foreign currency risks*

<u>Currency risk – foreign currency transactions</u>

The Group is exposed to currency risks on sales, purchases, receivables and borrowings that are denominated in a currency other than the respective functional currency of the Group, the NIS. The principal currencies in which these transactions are denominated are EURO, and USD.

The Group's risk management policy is to hedge foreign currency exposure in respect of forecasted sales and purchases. The Group uses natural hedging to hedge its main currency risk, having a part of its income nominated on EURO, which correlates with its EURO nominated loans.

Note 22 - Financial Instruments (cont'd)

E. Market risk

(a) The exposure to linkage and foreign currency risk

The Group's exposure to linkage and foreign currency risk, was as follows:

	December 31, 2025					
	Unlinked	CPI-linked/other	Dollar	Euro	Total monetary	Total
	NIS thousands					
Current assets:						
Cash and cash equivalents	142,151	*128	3,434	292	146,005	**146,005**
Trade receivables	118,222				118,222	**118,222**
Other receivables	20,380				20,380	**20,380**
Derivative instrument			67		67	**67**
Non-current assets:						
Pledged deposits	28,724				28,724	**28,724**
Current liabilities:						
Loans and borrowings		(34,148)		(122,154)	(156,302)	**(156,302)**
Trade payables	(19,370)		(11,903)		(31,273)	**(31,273)**
Other payables	(180,238)	(329)	(689)		(181,256)	**(181,256)**
Derivative instrument			(2,938)	(7,114)	(10,052)	**(10,052)**
Non-current liabilities:						
Liabilities to banks		(909,955)		(892,816)	(1,802,771)	**(1,802,771)**
Derivative instrument				(99,784)	(99,784)	**(99,784)**
Other long-term liabilities		(1,107)			(1,107)	**(1,107)**
Total net financial assets and financial liabilities exposure in statement of financial position	**109,869**	**(945,411)**	**(12,029)**	**(1,121,576)**	**(1,969,147)**	**(1,969,147)**

* GBP

	December 31, 2024					
	Unlinked	CPI-linked/other	Dollar	Euro	Total monetary	Total
	NIS thousands					
Current assets:						
Cash and cash equivalents	162,217	174*	103	358	162,852	**162,852**
Trade receivables	43,286				43,286	**43,286**
Other receivables	15,088	2,401	13,029		30,518	**30,518**
Derivative instrument			280		280	**280**
Non-current assets:						
Pledged deposits	29,667				29,667	**29,667**
Derivative instrument						
Current liabilities:						
Loans and borrowings	(82,176)	(21,201)		(124,625)	(228,002)	**(228,002)**
Trade payables	(11,591)		(12,445)		(24,036)	**(24,036)**
Other payables	(57,092)	(329)			(57,421)	**(57,421)**
Derivative instrument			(1,096)	(3,733)	(4,829)	**(4,829)**
Non-current liabilities:						
Liabilities to banks		(459,999)		(1,026,903)	(1,486,902)	**(1,486,902)**
Derivative instrument				(55,335)	(55,335)	**(55,335)**
Other long-term liabilities		(1,391)			(1,391)	**(1,391)**
Total net financial assets and financial liabilities exposure in statement of financial position	**99,399**	**(480,345)**	**(129)**	**(1,210,238)**	**(1,591,313)**	**(1,591,313)**

* GBP

Note 22 - Financial Instruments (cont'd)

E. Market risk (cont'd)

(b) Sensitivity analysis

A change as at December 31 in the exchange rates of the following currencies against the NIS, as indicated below, would have affected the measurement of financial instruments denominated in a foreign currency as the embedded derivative and foreign currency denominated balances as the senior debt. This effect would have increased (decreased) profit or loss and equity by the amounts shown below (after tax). This analysis is based on foreign currency exchange rate variance that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	December 31, 2025			
	Increase		Decrease	
	Profit or loss	Equity	Profit or loss	Equity
	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Change in the exchange rate of:				
5% in the euro (*)	10,025	10,025	(9,819)	(9,819)
10% in the euro (*)	18,116	18,116	(18,698)	(18,698)

	December 31, 2024			
	Increase		Decrease	
	Profit or loss	Equity	Profit or loss	Equity
	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Change in the exchange rate of:				
5% in the euro (*)	9,554	9,554	(10,274)	(10,274)
10% in the euro (*)	14,883	14,883	(20,547)	(20,547)

(*) The sensitivity stems from loans and embedded derivative denominated in foreign currency.

(2) Interest rate risk

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Note 22 - Financial Instruments (cont'd)

E. Market risk (cont'd)

(b) *Cash flow sensitivity analysis for variable rate instruments*

Increase or decrease of one percentage point in interest rates at the end of the reporting period would have increased (decreased) equity and profit or loss by the amounts shown below (after tax). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	December 31, 2025			
	Increase in interest (1%)		Decrease in interest (1%)	
	Profit or loss	Equity	Profit or loss	Equity
	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Variable rate instruments	1,673	1,673	(1,673)	(1,673)

	December 31, 2024			
	Increase in interest (1%)		Decrease in interest (1%)	
	Profit or loss	Equity	Profit or loss	Equity
	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Variable rate instruments	(616)	(616)	611	611

(c) *Profile*

At the end of the reporting period the interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group, other than derivatives (see hereunder), was as follows:

	December 31 2025	December 31 2024
	NIS thousands	NIS thousands
Fixed rate unlinked instruments		
Loans from banks	1,014,971	1,151,528
Fixed rate linked instruments		
Loans from banks	944,102	481,200
Variable rate instruments		
Loans from banks	-	82,176

Note 22 - Financial Instruments (cont'd)

F. Fair value

(1) Financial instruments measured at fair value for disclosure purposes only

The carrying amounts of certain financial assets and liabilities, including cash and cash equivalents, trade receivables, other receivables, deposits, derivatives, bank overdrafts, short-term loans and borrowings, trade payables, other payables and proposed dividends are the same or proximate to their fair value. The fair values of the other financial assets and liabilities, together with their carrying amounts shown in the statement of financial position, are as follows:

	December 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	NIS thousands			
Non-current liabilities:				
Long-term bank loans (*)	1,959,074	1,837,595	1,632,728	1,478,451
(*) Including current maturities				

Fair value is estimated by discounting future principal and interest cash flows by the market interest rate on the date of measurement. The interest rate used to discount the expected cash flows is based on a risk-free return curve as of the reporting date (Level 2 in the fair value hierarchy), plus a suitable fixed credit spread, and was as follows:

	December 31, 2025	December 31, 2024
Interest rate	4.01%	4.95%

(2) Fair value hierarchy of financial instruments measured at fair value

The table below presents an analysis of financial instruments measured at fair value on the temporal basis using valuation methodology in accordance with the fair value hierarchy levels (for a definition of the various hierarchy levels,
see Note 2b - Basis of Preparation, regarding determination of fair value).

	December 31, 2025	December 31, 2024	
	NIS thousands	NIS thousands	Fair Value Level
Financial assets (liabilities) measured at fair value through profit or loss:			
Economic hedging derivatives, net	(2,871)	(816)	Level 2
Embedded derivative	(106,898)	(59,068)	Level 2
Share-Based Payment	(2,615)	(5,674)	Level 3

Note 22 - Financial Instruments (cont'd)

F. Fair value (cont'd)

(3) Details regarding fair value measurement at Levels 2

Financial instrument	Valuation method for determining fair value	Significant unobservable inputs	Interrelationships between significant unobservable inputs and fair value measurement
Economic hedging derivatives	Fair value measured based on the difference between the forward price in the contract and the current forward price for the delivery date using market interest rates appropriate for similar instruments.	Not applicable	Not applicable
Embedded derivative	The fair value is determined by discounting the difference between the contractual forward price and the current market forward price over the remaining term of the instrument, using market discount rates appropriate for similar instruments, including adjustments for credit risk.	Discount rate, based on the risk-free rate, adjusted for a risk premium to reflect the credit risk.	The differential cash flow discounted using the calculated credit risk rate

(4) **Details regarding fair value measurement at Levels 3**

Financial instrument	Valuation method for determining fair value	Significant unobservable inputs	Interrelationships between significant unobservable inputs and fair value measurement
Share-based payment	The fair value of the liability is remeasured at each reporting date and at settlement, with changes recognized in profit or loss. Service and non-market performance conditions are not reflected in the fair value.	the most recent Group valuation, the exercise price, volatility and the risk-free interest.	Higher volatility and risk-free rates increase fair value.

(5) Valuation processes used by the Group

The fair value of economic derivative is determined by the forward price for the relevant delivery date minus strike price of the transaction multiply by the total amount of the transaction.

The fair value of embedded derivative is determined by external valuers on a yearly basis. The valuations are presented to the Group's Management for perusal.
Unobservable inputs relate to the discount rate, which is based on the risk-free rate, adjusted for a risk premium to reflect the credit risk.

The fair value of cash-settled share-based payment arrangements is determined on a yearly basis accordance to external valuation of the Group published by its shareholders. Measurement inputs include the Group valuation on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instruments and the risk-free interest. Service and non-market performance conditions are not taken into account in determining fair value.

Note 23- Commitments and Guarantees

A. Commitments

(1) Lease Rights Transfer by the ILA

In accordance with the Sale Agreement, IEC's lease rights in the plots in which the Dovrat Facility and Alon Tavor Site are located, were transferred to the Company (the "**Assigned plots**").

(2) The O&M Agreement

The Group and the O&M Contractor, which is a company held by the Company's shareholders in equal parts (33.3% each)[1], have signed on 2019 and 2022 an agreements for the provision of operation and maintenance services regarding Alon Tavor Site, under which the O&M Contractor shall provide the services and labor required in accordance with the Group's requirements attached to the agreements (the "**O&M Agreement**").

During the term of the O&M Agreement, the Group shall pay the O&M Contractor certain payments, some of them are fixed and some of them are calculated as per energy produced.

(3) Long Term Services Agreement ("LTSA")

On November 21, 2019, the Company signed with General Electric International, Inc and GE Global Parts & Products GmbH (jointly, "**GE**"), a long-term services agreement for the Combined Cycle Unit, under which GE will provide services and certain parts for the unit(s), under the terms as defined in the LTSA. In addition, the LTSA includes availability guarantee for the operation of the unit (s) by GE.

The LTSA shall be in force for a period of 15 years from the maintenance start date, as defined in the LTSA, unless terminated earlier in accordance with the provisions of the LTSA.

Following the signing of the LTSA, the Company purchased from GE the mandatory spare parts, as defined in the LTSA, in the value of USD 17 million. In case the Company is required to purchase additional mandatory spare parts which are not covered under the LTSA, it shall pay to GE for such additional mandatory spare parts payments based upon the time and material rates defined under the LTSA. Furthermore, the LTSA includes monthly fees and factored hours adder fee, and additional payments for extra work.

(4) Long Term Services Agreement Peaker Partnership ("Peaker LTSA") – LTSA

The maintenance services for the Peaker Units are provided under a Long-Term Service Agreement ("LTSA") dated August 16, 2022, between the Peaker Partnership and MPA, which also serves as the EPC contractor and the manufacturer of the turbines and main equipment for the Peaker Project. The LTSA term is 20 years from the acceptance date of the Peaker Project.
Consideration under the LTSA consists primarily of fixed quarterly payments and fees for on-site advisory services. The agreement includes a lease pool asset mechanism designed to ensure the timely replacement of major components in the event of malfunction. Delays in supplying spare parts may result in liquidated damages payable by the service provider.

[1] China Harbor Engineering Company Ltd. holds its interests in MRC Operation Ltd. via its Israeli subsidiary, PAN-MEDITERRANEAN ENGINEERING COMPANY LTD, company fully owned by China Harbor Engineering Company Ltd.

Note 23- Commitments and Guarantees (cont'd)

A. Commitments (cont'd)

(5) Agreement for the Transmission of Natural Gas

On November 28, 2019, an agreement was signed between the Company and Israel Natural Gas Line Company Ltd. ("**INGL**") for the transmission services for the natural gas that is required for the operation of the Existing Generating Units. The term of the agreement is 15 years starting at December 2019, which may be extended, subject to the Company's choice, for an additional period of 5 years. The natural gas' quality specifications to be transported by INGL to the Alon Tavor Site are specified under the agreement. During 2022, an addendum to the agreement with INGL was signed for the construction of the required natural gas installations for the transmission of the natural gas required for the Peaker Units, and for the transmission services for the additional natural gas that is required for their operation.

The Company shall pay to INGL monthly payments for the natural gas capacity ordered by the Company and transmission fee, which is dependent on the natural gas quantities transmitted to Alon Tavor Site.

(6) Natural Gas Purchase Agreement – ENERGEAN

On November 20, 2019, the Company entered into an agreement with Energean Israel Limited ("**Energean**"), according to which the Company will purchase natural gas for the operation of Alon Tavor Site, in accordance with the detailed mechanisms specified in the agreement.

The agreement shall be in force until December 3, 2034. The actual transmission of the natural gas to the Alon Tavor Site began during 2022, although the commissioning of the Karish Reservoir was not officially completed.

During May 2021 and October 2022, two amendments to the agreement with Energean, which amend the commercial conditions in respect of commercial changes at the natural gas purchase market, were signed.

The prices under the agreement are based on agreed tariffs, all indexed to the weighted average production component as published from time to time by the Electricity Authority and are subject to minimum price.

According to the agreement, the Company has an obligation for 'take or pay' quantities and the rights to resell or transfer any quantities of natural gas taken from Energean under the agreement.

On July 31, 2024, the Peaker Partnership entered into an agreement with Energean, according to which the Peaker Partnership will purchase natural gas for the operation of the Peaker Project's units, in accordance with the detailed mechanisms specified in the agreement.

The agreement came into force on the date of its signature and shall be in force for a period of 15 years. The actual transmission of natural gas to the Peaker Project began following its commissioning.

The agreement covers the required daily quantities according to the Peaker Partnership's assumptions regarding operating hours and consumption of the Peaker Units. In addition, the agreement includes

Note 23- Commitments and Guarantees (cont'd)

A. Commitments (cont'd)

(7) Natural Gas Purchase Agreement - TAMAR

Interruptible and Excess Gas layers, which provide the required flexibility of natural gas quantities due to the expected operational regime as 'Peaker' units.

The prices under the agreement are based on agreed tariffs, all indexed to the weighted average production component as published from time to time by the Electricity Authority and are subject to minimum price.

According to the agreement, the Peaker Partnership has a 'take or pay' quantities obligation and the rights to resell or transfer any quantities of natural gas taken from Energean under the agreement.

(8) Natural Gas Purchase Agreement - TAMAR

During 2023, the Company signed agreement with the partners of Tamar, in order for the Group to have the flexibility to purchase additional gas quantities in times of shortages/failures in the gas suppliers' Reserves, with which the Group has agreements. The agreement was extended until December 31, 2026.

(9) Natural Gas Purchase Agreement - LEVIATHAN

During 2023, the Company signed agreement with the partners of Leviathan, in order for the Group to have the flexibility to purchase additional gas quantities in times of shortages/failures in the gas suppliers' reserves, with which the Group has agreements. In light of the export license granted to Leviathan and the framework published by the Government regarding domestic gas prices, in January 2026 the Company signed a revised agreement with the partners of Leviathan.

(10) Diesel Fuel Storage and Maintenance Services Agreement

On November 2019, an agreement for Diesel fuel storage and Diesel line maintenance services was signed between the Company and Petrolium & Energy Infrastructures Ltd. ("**PEI**"). In accordance with the agreement, the Company uses a total storage capacity of 7,060 cubic meters of diesel fuel, within fuel tank of PEI's diesel fuel storage facility in Elroi (the "**Fuel Tank**"). Under the agreement, the Company does not use the entire Fuel Tank's volume, but solely a part of the full volume of the Fuel Tank. In addition, PEI shall provide maintenance services for the transmission of the diesel fuel from Elroi to Alon Tavor Site's infrastructure and transmission of diesel fuel services.

The term of the agreement is for a period of 15 years, commencing at December 2019.

The monthly fee for the volume of the Fuel Tank used under the agreement shall be in accordance with the tariff set from time to time in the Commodity and Services Price Order (Fuel Infrastructure Tariffs) for storage use. For the maintenance services of the infrastructure, the Company will pay the "Maintenance of Designated Lines for Consumer Owned Pipeline", in accordance with the pipeline's length, multiplied by the tariff per kilometer. Any other usage and transmission service from the diesel fuel source to Elroi will be paid in accordance with the tariff order that will be in effect on the day the service is provided.

The Company has signed during June 2022 and October 2023 addendums to the agreement with PEI for the temporary (until the completion of the construction of the new fuel oil tanks, as part of the Peaker Project) increase of the storage of diesel fuel oil in PEI's diesel fuel storage facility in Elroi by 900 cubic meters. Following the increase, the total amount of diesel fuel oil stored in the tank in PEI's diesel fuel storage facility in Elroi was 7,960 cubic meters. Upon completion of the Peaker Project, the stored volume of diesel oil at Elroi was reduced back to 7,060 cubic meters.

Note 23- Commitments and Guarantees (cont'd)

A. Commitments (cont'd)

(11) Natural gas resale

The Group signed various contracts for purchasing and resale of natural gas surplus. Such agreements provide the Group flexibility with respect to the sale and purchase of natural gas quantities. The terms under the agreements are standard and provide the parties mutual rights for the purchase and sale of natural gas surplus. The agreements are for terms of one year and may be extended for additional periods automatically / upon mutual written consent of the parties.

(12) EPC Agreement

During August 2022, the Peaker Partnership and Mitsubishi Power Aero ("MPA") signed an EPC Agreement, according to which MPA shall provide all the works, goods and services necessary for the design, engineering, procurement, construction and development of the Peaker project, on a lump-sum, turnkey basis.

As part of the EPC Agreement, MPA has provided certain bonds and guarantees (such as performance bond and warrantee guarantee) to ensure it complies with the Peaker project's technical and commercial requirements and schedule. In addition, the EPC Agreement includes provisions entitling the Peaker Partnership for liquidated damages with respect to schedule delays and shortfall in performance.

As of the date of the Financial Statements, the Peaker Partnership is withholding certain amounts to which it is entitled to claim liquidated damages from MPA. In accordance with the provisions of the EPC Agreement, MPA's entitlement to receive the liquidated damages is subject to recognition by the Electricity Authority of the security-related events that led to delays in the Peaker project schedule as force majeure events, in accordance with the relevant Standards ('Amot Mida').

The Peaker Partnership, together with MPA, is acting to submit all information and supporting documentation required by the Electricity Authority for the purpose of its determination on this matter, as well as for the Electricity Authority's determination regarding the recognition of the additional costs incurred by the Peaker Partnership and by MPA as a result of the security-related events, as costs eligible for compensation due to such events.

B. Bank Guarantees

As of the date of these financial statements, the Group has provided bank guarantees as required under the Financing Agreements, for the benefit of few service providers, for the benefit of the Electricity Authority, as required for compliance with the Group's Licenses terms and for the benefit of the Local Planning and Building Committee, to secure the Group's obligations to issue building permits for certain buildings located in the Alon Tavor Site.

The total amount of the bank guarantees provided by the Group are approximately NIS 22.1 million.

Note 23- Commitments and Guarantees (cont'd)

C. Liens

The Company

(1) A Fixed lien, first-degree pledge and irrevocable assignment by pledge, on the Company's rights in the assets, including the Company's rights and income related to and deriving from the assets, all in relation to the purchase, operation and maintenance of the Alon Tavor power plant and its power generation facilities (the "**Project**"), as further detailed in the Senior Facility Agreement.

(2) A Floating lien, first-degree, on the Company's rights in the assets, including the Company's rights and income related to and deriving from the assets, all in relation to the purchase, operation and maintenance of the Project, as further detailed in the Senior Facility Agreement.

(3) A Fixed lien, first-degree pledge and irrevocable assignment by pledge, on all Company's VAT rights, as further detailed in the Senior Facility Agreement.

(4) A Fixed lien, first-degree pledge and irrevocable assignment by pledge in a first-degree, on the Company's rights related to the Assigned Plots.

(5) A Fixed lien, first-degree pledge and irrevocable assignment by pledge in a first-degree, on the Company's rights related to its holdings in the Peaker Partnership and in M.R.C Alon Tavor Energy 1 General Partner Ltd

The Peaker Partnership

(1) A Fixed lien, first-degree pledge and irrevocable assignment by pledge, on the Partnership's rights in the assets, including the Partnership's rights and income related to and deriving from the assets, all in relation to the design, finance, construction operation and maintenance of the open cycle generation units at Alon Tavor power plant site and other related facilities, as further detailed in the Senior Facilities Agreement by and between, among others, the Peaker Partnership and Bank Hapoalim B.M.

(2) A Fixed lien, first-degree pledge and irrevocable assignment by pledge, on all of the Partnership's VAT rights, as further detailed in the SFA

Note 24 - Share-Based Payment Arrangement

During 2024, Company's certified organs have approved the Company's officer's phantom option plan, commencing as of September 2023. As part of the Company's officer's employment agreement, the Company's certified organs have allocated to the officers Phantom warrants (the "**Phantom Warrants**"). The Phantom Warrants shall vest on a yearly basis in 5 equal portions, commencing as of September 2023. The Warrants shall be exercisable, in whole or in part, no later than 2038, subject to continuance of the Company's officer's employment.
Upon exercise of each Warrant, the Company's officers shall be entitled to compensation in an amount calculated based on the difference between 'base price', at the time of grant and the Company's valuation then applicable, and by maximum cap as determined in the employment agreement.
The fair value of the liability is re-measured at the end of each period. Measurement input includes the Company valuation on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instruments and risk-free interest. Service and non-market performance conditions are not considered in determining fair value. Changes in value of the Phantom Warrants recognized as salary expenses in profit or loss and as liability in Other non-current liabilities. The expenses recognized in 2024 and 2025 are 5.7 NIS million and 2.6 NIS million respectively, See also Note 22F – Financial Instruments, regarding the fair value valuation.

Note 25 - Related Parties

Transactions and balances with related and interested parties

Related/interested party	Nature of transaction	Transaction value: Year ended December 31, 2025 Value of transactions	Transaction value: Year ended December 31, 2024 Value of transactions
		NIS thousands	NIS thousands
Revenues and expenses			
Entity held by the same shareholders	O&M services	61,124	46,236
Company's Shareholder	NG Purchase	3,790	86

Related/interested party	Statement of financial position	Balance in the statement of financial position: December 31, 2025	Balance in the statement of financial position: December 31, 2024
		NIS thousands	NIS thousands
Entity held by the same shareholders	Trade payables	6,553	6,253
Entity held by the same shareholders	Other receivables	3,240	5,698

Note 26 - Subsequent Events

Subsequent to the reporting period, on February 28, 2026, a significant military escalation occurred following a joint military operation by the State of Israel and the United States against targets in Iran, which was followed by an expansion of hostilities on the Lebanese front on March 1, 2026.

As a result, emergency directives were issued in Israel and certain natural gas reservoirs were temporarily shut down. During this period, the Company operated for a limited number of hours using diesel fuel before resuming operations based on natural gas supply.

As of the date of approval of these financial statements, the security situation is ongoing and developments remain uncertain. The Company continues to monitor the potential implications of these events on its operations and financial results.

Note 27 - Condensed Financial Data for Tax Purposes

A. Balance Sheet Data as of

	December 31, 2025	December 31, 2024
	NIS thousands	NIS thousands
Current assets		
Cash and cash equivalents	22,098	108,970
Trade receivables	95,637	43,668
Other receivables	5,547	24,020
Derivative instruments	67	280
Total current assets	**123,349**	**176,938**
Non-current assets		
Pledged deposits	28,724	29,667
Inventory	37,451	39,960
Investments in equity accounted investees - cost	105,000	175,000
Fixed assets and right of use assets	1,459,778	1,458,281
Intangible assets	272,923	303,509
Total non-current assets	**1,903,876**	**2,006,417**
Total assets	**2,027,225**	**2,183,355**
Current liabilities		
Loans and borrowings	122,154	206,801
Trade payables	33,813	23,891
Other payables	85,480	57,421
Derivative instruments	7,114	3,733
Total current liabilities	**248,561**	**291,846**
Non-current liabilities		
Liabilities to banks	892,817	1,026,903
Long term loan from related party	114,515	106,838
Other non-current liabilities	3,722	7,065
Derivative instruments	99,784	55,335
Deferred tax liabilities	191,668	176,787
Total non-current liabilities	**1,302,506**	**1,372,928**
Total liabilities	**1,551,067**	**1,664,774**
Equity		
Share capital	*	*
Share premium	163,000	163,000
Retained earnings	313,158	355,581
Total equity	**476,158**	**518,581**
Total liabilities and equity	**2,027,225**	**2,183,355**

(*) Less than one thousand NIS.

Note 27 - Condensed Financial Data for Tax Purposes (cont'd)

B. Statement of operations data

	For the year ended December 31, 2025	For the year ended December 31, 2024
	NIS thousands	NIS thousands
Revenues	662,086	646,145
Other income	179	2,628
Total Revenues	**662,265**	**648,773**
Manufacturing & Maintenance expenses	(361,446)	(334,673)
Salaries and subcontractors' expenses	(33,006)	(29,207)
Administrative and IT expenses	(2,169)	(1,749)
	(396,621)	(365,629)
Operating profit before depreciation and amortization	**265,644**	**283,144**
Depreciation and amortization	(113,091)	(98,077)
Operating profit	**152,553**	**185,067**
Financing income	17,287	74,725
Financing expenses	(100,733)	(130,303)
Financing expenses, net	**(83,446)**	**(55,578)**
Profit before taxes on income	**69,107**	**129,489**
Tax expenses	15,030	31,949
Profit for the period	**54,077**	**97,540**

C. Changes in Equity Statements

	Share Capital (*) NIS thousands	Share premium NIS thousands	Retained earnings NIS thousands	Total NIS thousands
Balance as at December 31, 2023	*	**163,000**	**346,341**	**509,341**
Dividends to owners	-	-	(88,300)	(88,300)
Profit for the year	-	-	97,540	97,540
Balance as at December 31, 2024	*	**163,000**	**355,581**	**518,581**
Dividends to owners	-	-	(96,500)	(96,500)
Profit for the year Dividends to owners	-	-	54,077	54,077
Balance as at December 31, 2025	*	**163,000**	**313,158**	**476,158**

(*) Represents an amount lower than one thousand NIS.