

SHIKUN & BINUI ENERGY LTD

("The Company")

August 19, 2025

To:

Israel Securities Authority

Via MAGNA

www.isa.gov.il

Tel Aviv Stock Exchange Ltd.

Via MAYA

www.tase.co.il

Subject:

Satu Mare Project – Receipt of Commercial Operation Approval

1. Further to the provisions in Notes 19(a)(7) and 21(c)(7) to the Company's financial statements as of December 31, 2024, Section 12.1.3.5 of Chapter A (Description of the Corporation's Business) of the Company's 2024 annual report, and Section 1.1.4 of the Board of Directors' report for 2024 attached thereto (hereinafter: "the annual report"), which were published on March 19, 2025 and amended on March 20, 2025 (Reference Nos.: 2025-01-018268 and 2025-01-018956); to the Company's immediate reports from December 26, 2022 and March 12, 2023 (Reference Nos.: 2022-01-122442 and 2023-01-025668); and to the provisions in Sections 1.4 and 2 of the Board of Directors' report attached to the Company's financial statements as of June 30, 2025, published on August 18, 2025 (Reference No.: 2025-01-061128) (hereinafter: "the Board of Directors' report for Q2 2025"), regarding a photovoltaic electricity generation project with a total capacity of approximately 71 MW located in a city in Romania, held by a dedicated Satu Mare corporation wholly owned (indirectly) by the Company (hereinafter, respectively: "the project company" and "the project"), the Company updates that on August 19, 2025, the commercial operation of the project commenced (after receiving the permanent generation license from the Romanian Electricity Authority (ANRE) and after the project was registered in the electricity producers' registry managed by the system operator in Romania (Transelectrica)).

2. The project company will sell the electricity generated by the project at market (merchant) prices through a licensed company for trading services in the main central electricity market in Romania (OPCOM) with which the project company has contracted.

3. According to the Board of Directors' report for Q2 2025, the Company estimates that the project company's revenues during a full operating year¹⁰¹ will amount to approximately NIS 27-37 million¹⁰² and the EBITDA¹⁰³ for that full operating year will amount to approximately NIS 23-31 million.¹⁰²

4. This is the Company's first project in Romania to reach commercial operation, and in addition to the Satu Mare project, the Company continues to advance additional projects in Romania with a total capacity of approximately 1,196 MW, which are at various stages of initiation and construction. For more details, see Section 12.1.3 of Chapter A (Description of the Corporation's Business) of the annual report and Section 2 of the Board of Directors' report for Q2 2025.

5. The Company's estimates regarding the expected revenues and EBITDA of the project company and the scope of additional projects in Romania being advanced by the Company constitute forward-looking information as defined in the Securities Law, 1968, based on data, assessments, estimates, and plans of the Company as of this reporting date. The results

4. may in practice not materialize or may materialize differently from the above estimates, including due to a variety of circumstances

- including changes in demand and availability, changes in operating costs, unexpected malfunctions, changes in labor costs,
- non-receipt and/or delay in obtaining various permits, timely supply and proper functioning of equipment, execution of works at the required quality and time by the construction contractor, and other factors beyond the Company's control, including risk factors applicable to the Company as detailed in Section 24 of the Description of the Corporation's Business chapter of the annual report.

Sincerely,

SHIKUN & BINUI ENERGY LTD

Signed by:

- Yuval Skornik, CEO and Head of Business Development
- Amri Kozak, Deputy CEO and Legal Counsel

FOOTNOTE:

¹⁰¹ 'Full operating year' means the first period during which the power station operates and bears senior debt payments for 12 consecutive months.

¹⁰² The results are presented in New Israeli Shekels according to the representative Euro exchange rate as of August 18, 2025 (NIS 3.96 per 1 Euro).

¹⁰³ The EBITDA and FFO metrics are not based on generally accepted accounting principles. The EBITDA and FFO metrics are standard in energy projects and are used by decision-makers in the group. The EBITDA metric was calculated on a cash flow basis, i.e., receipts less payments for operation and maintenance; the FFO metric reflects the ability to service the senior debt principal from the receipts generated by the projects and was calculated based on the EBITDA metric, taking into account financing expenses for senior debt loans. The metric was calculated on a cash flow basis, i.e., receipts less payments for operating and maintenance costs, senior debt interest paid without considering interest payments on shareholder loans, and tax, if paid. Also, amounts are presented without exchange rate changes for foreign currency amounts, and with the addition of projected inflation for amounts linked to the consumer price index. Less principal repayment – cash flow generated before deposits to FFO funds (debt service, heavy maintenance, etc.).