



First Quarter Report for 2026

Shikun & Binui Energy Ltd.

Quarterly Report for the period ended March 31, 2026

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Chapter A

Board of Directors Report on the State of the Corporation's Affairs
for the period ended March 31, 2026

Board of Directors Report on the State of the Corporation's Affairs

Board of Directors Report on the State of the Corporation's Affairs As of March 31, 2026

The Board of Directors of Shikun & Binui Energy Ltd. (hereinafter: the "**Company**") is honored to submit herewith the Board of Directors Report on the state of the Company's affairs (the Company together with the corporations under its control, hereinafter: the "**Group**") for the three-month period ended March 31, 2026 (hereinafter: the "**Reporting Period**").

The review presented below is limited in scope and refers to events and changes that occurred in the state of the Company's affairs during the Reporting Period, whose impact on the interim reports data (as defined below) and on the data in the description of the corporation's business is material, as examined from the Group's perspective, and should be read together with the Periodic report for December 31, 2025 (including the description of the corporation's business, the annual financial statement, the Board of Directors report, as well as the financial statements and valuations attached to them) published by the Company on March 18, 2026, and amended on March 25, 2026 (reference numbers: 2026-01023741 and 2026-01-026905, respectively) ("the **2025 Periodic report**", "the Annual Reports" and "the **2025 Board of Directors Report**", respectively).

Attached to this report are the condensed interim consolidated financial statements of the Group for the three-month period ended March 31, 2026 (hereinafter: the "**Interim Reports**") as well as a report of the affiliated companies Ramat Hovav Partnership and Saticoy, for the three-month period ended March 31, 2026. In certain cases, details are provided reviewing events that occurred after the date of the Interim Reports and close to the date of publication of this report. The Interim Reports are prepared according to International Financial Reporting Standards (IFRS) and in accordance with the provisions of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970 (hereinafter: the "Reporting Regulations"). In this report, Dollar refers to US Dollar.

Except for the reviewed data in the Interim Reports presented in this report, the Board of Directors report data is not audited or reviewed by the Company's auditing accountant. It should be emphasized that this report includes forward-looking information, as defined in the Securities Law, 1968 (hereinafter: the "Securities Law"). Forward-looking information is uncertain information regarding the future, including forecasts, estimates, plans, assessments, or other information referring to an event or matter whose materialization and the manner of its materialization are uncertain and/or not under the Group's control. Forward-looking information included in this report is based, among other things, on information or estimates existing in the Group as of the date of publication of this report, and there is no certainty regarding its materialization and/or the manner of its actual materialization, which may be different or even materially different from what is stated in this report, and this, among other things, as a result of changes in market conditions, regulatory factors, risk factors applicable to the Group's activity and/or factors not under the Group's control.

1 Part A - General

The Company is a public company whose securities are traded on the Tel Aviv Stock Exchange Ltd. The controlling shareholder of the Company is Shikun & Binui Ltd., a public company whose securities are traded on the Tel Aviv Stock Exchange Ltd. (hereinafter: "**S&B**" or the "**Parent Company**") which holds close to the date of publication of the report (hereinafter: the "**Report Date**") at a rate of

Approximately 66.79% of the issued and paid-up share capital of the Company. As of the date of the report, the parent company's activities in the field of energy are carried out through the Group, except as specified in the activity delimitation arrangement between the Company and the parent company (see Regulation 22 of Chapter D (Additional Details About the Company) of the 2025 Periodic report).

As of the date of the report, the Group is engaged in the acquisition and/or initiation, development, planning, licensing, financing, establishment, management, operation, and maintenance of projects for energy production, energy storage, and energy management and supply from both renewable sources (such as through photovoltaic technology, thermo-solar technology, pumped storage technology, and battery storage technology) and from conventional sources (such as natural gas), in Israel, Europe, and the USA. For more details regarding the Group's activities and the development of its business, see Chapter A (Description of the Corporation's Business) in the 2025 Periodic report.

The Group is one of the oldest and largest in the energy sector in Israel, and as of the date of the report, holds energy assets with a cumulative capacity of thousands of megawatts in a variety of technologies, a significant portion of which are in commercial operation, and has proven knowledge and experience in the initiation, financing, establishment, and operation of projects in the energy field in Israel and abroad. In addition, the Group belongs to the S&B group, which has extensive global activity and financial stability, which constitutes an additional advantage for the Group in its activities to initiate additional projects in Israel and worldwide.

As of the date of the report, the Group operates in five operating segments reported as operating segments in its financial statements: (1) **Electricity production using photovoltaic technology in Israel including storage systems** - initiation, management, establishment, operation, and maintenance of photovoltaic systems and storage systems, as well as electricity production and its sale in Israel; (2) **Electricity production using natural gas** - initiation, development, planning, licensing, financing, establishment, management, operation, and maintenance of projects for electricity production using natural gas; (3) **Electricity production using thermo-solar technology** - financing, management, operation, and maintenance of a thermo-solar project; (4) **USA Energy** - initiation, development, planning, licensing, financing, establishment, and management of photovoltaic projects and storage systems in the United States; (5) **Europe Energy** - acquisition and/or initiation, development, planning, licensing, financing, establishment, and management of photovoltaic projects and storage systems in Europe. In addition, the Group has other activities which are not recognized as reportable segments in the financial statements and are presented under 'Others' (including a pumped storage project with a capacity of approximately 300 MW and 3,000 MWh of storage at Ma'ale Gilboa which is in commercial operation; activity in the supply segment where the Group supplies electricity to customers; and activity for marketing and sale of natural gas). For further details see Note 30 to the financial statements as of December 31, 2025 (hereinafter: 'Financial Statements').

This section includes material changes and developments that occurred in the corporation's business during the first three months of 2026:

1. Electricity Production using Photovoltaic Technology and Energy Storage Systems in Israel

1.1. Ramat Beka Project

Further to what was stated in Section 2.1.1.2 of the 2025 Board of Directors' Report regarding the Ramat Beka project and the Company's signing of a detailed agreement with Azrieli Group Ltd for the sale of 50% of the Company's rights in the Ramat Beka project (the 'Agreement'), on March 25, 2026, approval was received from the Competition Authority, which constituted a suspending condition for the agreement. For further details see Note 4(e) to the interim reports and the immediate report of the Company published on March 25, 2026 (Ref No.: 2026-01-027283).

1.2. Urim High Voltage

On March 15, 2026, the Company (in its capacity as EPC contractor) engaged with a third party, who will serve as a subcontractor in a subcontracting agreement for the design, supply, and establishment of the Urim High Voltage project and on March 23, 2026, the Company issued a Notice to Proceed (NTP) regarding the project's establishment. For further details see Note 12(10)(h) to the annual reports and Note 4(c) to the interim reports.

1.3. Ashalim PV

Further to what was stated in Section 2.1.1.3 of the 2025 Board of Directors' Report regarding the PV project in Ashalim, on January 12, 2026, Negev Energy PV Ltd. entered into an agreement with Belectric Israel Ltd. for the establishment, design, procurement, commissioning, and completion of the project. For more details see Note 11(a)(1)(e) to the annual reports and Note 7(a)(1) to the interim reports.

2. Electricity Production using Thermo-Solar Technology

Further to Note 11(a)(1) to the annual financial statements regarding the Thermo project held by Negev Energy – Ashalim Thermo Solar Ltd., on January 31, 2026, the thermo concessionaire repaid owner's loan interest in a total amount of NIS 40 million (the Company's share is NIS 20 million). For more details see Note 7(a)(1) to the interim reports.

3. Electricity Production using Natural Gas

Ramat Hovav Project

On April 19, 2026, the court announced the postponement of the date for the parties' responses regarding the filing of an appeal concerning purchase tax until June 19, 2026. Furthermore, regarding the filing of an appeal to the Supreme Court by the partnership concerning the permit fee assessment issued by the ILA, a hearing in the Supreme Court was scheduled for July 26, 2027. For more details see Note 7(a)(2) to the interim reports.

4. USA Energy

4.1. Beacon Project

On April 30, 2026, project corporations held (49.5%) (indirectly) by the Company ("**Beacon Corporations**"), signed an agreement for the purchase of the share (6.04%) of Firststar Development LLC, which is a tax partner in each of the Beacon Corporations ("**Tax Partner Agreement**"). Furthermore, concurrently with the signing of the Tax Partner Agreement, the Beacon corporations signed an amendment to the financing agreement as part of a Refinance. For more details see Note 7(a)(4) to the interim reports and Note 11(a)(5) to the annual reports.

5. Pumped Storage

Further to what was stated in Section 2.1.4 of the 2025 Board of Directors' Report, and further to the administrative petition filed by PSP against the system operator due to non-delivery of the information as stated under the Freedom of Information Law, a hearing was held on April 20, 2026, and it was agreed that the judge in the proceeding would propose a compromise between the parties. For more details see Note 11(a)(4) to the annual reports and Note 7(a)(3) to the interim reports, as well as the Company's immediate report published on February 2, 2026 (Reference No. 2026-01-011659).

6. Europe Energy

6.1. Simleu Silvaniei

Further to what was stated in Section 1 of the 2025 Board of Directors' Report, as of the approval date of the financial statements, the project was connected to the electricity grid, passed the acceptance tests, and is in the stage of obtaining the permanent production license from the electricity authority in Romania (ANRE), towards the registration of the project in the database of electricity producers managed by the system operator in Romania (Transelectrica). For more details see Note 19(a)(8) to the annual reports and Note 4(d) to the interim reports.

7. Hof HaBonim Project

The Company holds 40% of the rights in the Hof HaBonim project. As of the date of the report, the Company is taking actual actions to realize its share in the project, including advancing contacts with potential parties for the purpose of executing such a transaction.

Board of Directors' Report on the State of the Corporation's Affairs

According to the Company's management estimation, and subject to the fulfillment of customary suspending conditions and the completion of negotiations with relevant parties, the realization transaction is expected to close during the next 12 months. It should be emphasized that there is no certainty regarding the completion of the transaction or its final terms.

8. Allocation of Shares and Warrants

On January 27, 2026, the Company completed an issuance of 62,662,900 registered ordinary shares of the Company, of NIS 1 par value each and 31,331,450 warrants (Series 1) exercisable into ordinary shares of the Company (each warrant (Series 1) is exercisable into one ordinary share), from the date of their listing for trading on the Stock Exchange until the final date for their exercise on July 27, 2027 (inclusive), against a cash payment of an exercise price in the amount of NIS 4.47. For further details see Note 31(1) to the annual reports and Note 4(g) to the interim reports and the immediate report of the Company published on January 27, 2026 (Ref No.: 2026-01-010191).

9. Equity Compensation Plan and Prospectus

After the balance sheet date and close to the date of publication of the report, an equity compensation plan was approved by the Compensation Committee and the Board of Directors of the Company, and the Company's Board of Directors published a new prospectus for the offer of warrants and/or units for restricted stock. For further details see Note 4(a) to the interim reports.

10. Engagement in a Memorandum of Understanding with Generation Capital Ltd.

After the balance sheet date, on May 15, 2026, a Memorandum of Understanding was signed regarding a reverse triangular merger transaction of the Company, the parent company, and Generation Capital Ltd. For further details see Note 1(d) to the interim reports and the immediate report of the Company published on May 18, 2026 (Ref No.: 2026-01-045518).

Board of Directors' Report on the State of the Corporation's Affairs

2 Summary of Data for Key Projects as of March 31, 2026

Projects in Commercial Operation ⁽¹⁾																												
Country	Project Name	Technology	Installed Capacity	Storage Capacity	Holding Rate	Commencement of Commercial Operation	Validity of PPA/ Availability Agreement ⁽¹⁾	PPA/ Availability Tariff ⁽²⁾	Construction/ Acquisition Cost ⁽³⁾	Outstanding Balance as of March 31, 2026 ⁽³⁾	Invested Equity up to March 31, 2026 ⁽⁴⁾	Results ⁽³⁾																
												Revenues ⁽⁵⁾		EBITDA ⁽⁶⁾		FFO ⁽⁶⁾		FFO less principal repayment ⁽⁶⁾										
												Y-2025	Q1 2026	Y- 2025	Q1 2026	Y- 2025	Q1 2026											
												MW	MWh	%	Year	Year	Agorot per kWh		NIS M	NIS M	Y- 2025	NIS M	NIS M	NIS M	NIS M	NIS M	NIS M	NIS M
Israel	Nevatim	Photovoltaic	18	-	100%	2016	2036	71.8	150	98	30	22.7	4.2	21	3.9	16.8	2.9	6.5										
	High Voltage - Process 1	Photovoltaic	59.7	-	100%	2018	2041	23.8	201	164	40	25.4	5	20.2	4.7	17.3	3.8	13.2										
	Tze'elim	Photovoltaic	120	-	100%	2019	2039	41.02	574	573	120	95.7	19.19	77.5	13.4	60.1	9.3	22.2										
	Tze'elim Expansion – HV Process 4		23				2045	21.08	70	-	15																	
	Ashalim	Thermo-solar	121	545	50%	2019	2044	88	3,746	2,043	450	430	69.9	309.2	32.5	165.1	0.8	60.7										
	High Voltage - Process 3	Photovoltaic	19	-	⁽⁷⁾ 100%	2021	2044	21.44	55	55	12	8.4	1.5	7.3	1.3	6.3	1.3	3.3										
	HaBonim Reservoir	Photovoltaic	23	-	40%	2021	2046	26.51	78	72	-	8.9	1.7	6.1	1	3.9	0.7	2.5										
	Pumped Storage	Pumped Storage	300	3,000	25.5%	2020	2040	Availability component: 10.6 agorot per kWh	1,920	1,281	152	364.1	47.9	201.2	10.4	137.1	(4.58)	38.8										
	Ramat Hovav	Natural Gas	1,194	-	50%	⁽⁸⁾ 2020	2035-2040	Availability component: 4.1 agorot per kWh; Energy component: SMP	4,257	2,664	305	1,165.4	242.5	477.6	121.3	402.1	106.7	205.4										
	Hagit East	Natural Gas	660	-	50%	⁽⁸⁾ 2022	2037	Availability component: 2.48 agorot per kWh; Energy component: SMP	1,602	1,395	169	563.5	147.18	171.2	45.8	127.9	36.3	56.9										
	Etgal	Natural Gas	189	-	100%	⁽⁹⁾ 2025	2043	Availability approx. 6 agorot per kWh	719	220	97	44.8	2.2	36.5	24.3	28.22	20.68	18.6										
Karkas - High Voltage	Photovoltaic	22	103	100%	⁽¹⁰⁾ 2025	2050	Market Model	185	⁽¹¹⁾ 175	-	6.8	2.2	6	1.88	3.8	(0.23)	3.8											
USA ⁽¹⁶⁾	Beacon 2	Photovoltaic	60	-	49.5%	⁽⁸⁾ 2020	2042	18.48	267	146	48	22.2	4.17	16.5	3.3	10.7	1.37	1.8										
	Beacon 5	Photovoltaic	48	-	49.5%	⁽⁸⁾ 2020	2042	18.7	227	119	40	17.5	3.48	13.1	0.3	7.9	0.3	0.6										
	⁽¹³⁾ Brazoria	Photovoltaic	260	-	100%	2022	2034-2037	8-8.7	855	264	298	34.7	6.8	14.7	2.8	1.9	0.03	(1.8)										
	Saticoy	Battery Storage	-	400	49%	2021	2041	Availability component: 19.8 NIS per kW per month	482	240	269	36.4	6.51	1.1	1.3	(21.6)	(2.4)	(40.8)										
Total			3,188	4,048					15,585	9,854	2,246	2,933	612	1,393	271	978	178	402										

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Projects in Commercial Operation ^(*)																												
Country	Project Name	Technology	Installed Capacity	Storage Capacity	Holding Rate	Commencement of Commercial Operation	Validity of PPA/ Availability Agreement ⁽¹⁾	PPA/ Availability Tariff ⁽²⁾	Construction/ Acquisition Cost ⁽³⁾	Outstanding Balance as of March 31, 2026 ⁽³⁾	Invested Equity up to March 31, 2026 ⁽⁴⁾	Results ⁽³⁾																
												Revenues ⁽⁵⁾		EBITDA ⁽⁶⁾		FFO ⁽⁶⁾		FFO less principal repayment ⁽⁶⁾										
												Y-2025	Q1 2026	Y- 2025	Q1 2026	Y- 2025	Q1 2026											
												MW	MWh	%	Year	Year	Agorot per kWh	NIS M	NIS M	NIS M	Y- 2025	NIS M	NIS M	NIS M	NIS M	NIS M	NIS M	NIS M
Europe ⁽¹⁶⁾	Satu Mare	Photovoltaic	71	-	100%	⁽¹⁴⁾ 2025	2054	Market Prices	197	98	98	2,933	612	1,393	271	978	178	⁽¹⁵⁾ 14.3										
Total			3,188	4,048					15,585	9,854	2,246	2,933	612	1,393	271	978	178	402										

Board of Directors' Report on the State of the Corporation's Affairs

* Due to the rounding of numbers, the sum of the values in the table may not match the total sum exactly

1. Validity of the period within which electricity can be sold in accordance with the provisions of the regulation and/or in accordance with the validity of the Group's agreements with the land rights holders, where as a rule – regarding projects in Israel the period of land use under agreements with land rights holders is for a period that does not exceed 25 years from the date the option for those lands was and/or will be exercised.
2. The tariff for electricity sale and availability is linked to the index as of December 31, 2025.
3. The data is presented according to a 100% holding rate (including partners' share).
4. Including owners' loans - Company share only.
5. Revenues from electricity generation are presented according to the fixed assets model.
6. It should be emphasized that the EBITDA and FFO indicators are not based on accepted accounting principles. EBITDA and FFO indicators are common indicators in renewable energy projects and are used by decision-makers in the Group. The EBITDA indicator was calculated on a cash flow basis, i.e., receipts minus payments for operation and maintenance; the FFO indicator reflects the ability to service the senior debt principal from the receipts generated by the projects and was calculated based on the EBITDA indicator, taking into account financing expenses for senior debt loans. The indicator was calculated on a cash flow basis, i.e., receipts minus payments for operation and maintenance costs, senior debt interest paid without taking into account interest payments on owners' loans, and tax, to the extent paid. FFO less principal repayment – cash flow generated before deposits to funds (debt service, heavy maintenance, etc.).
7. The rate shown is regarding the economic significance for the Company, as opposed to the holding rate in the project corporations, which is 74% (where the remaining holdings are held by moshavim, in accordance with the guidelines of decision 1560 of the Israel Land Authority regarding the holding percentages of agricultural settlements).
8. Start of commercial operation when the project is held by the Group (the project was commercially operated previously by a third party from whom the Group purchased the project).
9. The commercial operation of the Etgal project occurred on May 20, 2025.
10. On April 29, 2025, commercial operation approval was received for the Tidhar project and on May 30, 2025, commercial operation approval was received for the Nativ HaAsara project.
11. The debt loan balance as of December 31, 2025, includes a senior debt loan and an EBF loan against financial guarantees. As of the report date, payment of all construction costs has not yet been completed.
12. The tax partner in the Brazoria project is entitled to the attribution of most of the tax losses that will arise in the project: in the first 18 months after commercial operation, about 99% of the tax losses and ITC (Federal Tax Credit at the rate of 30% of construction cost) were attributed to the tax partner. From that date, the tax partner is entitled to an attribution of only 67% until the flip date. According to the agreements with the tax partner, the flip date will be determined upon the tax partner reaching a target return on its investment, which is expected to occur about 8 years after the commercial operation date. After the flip date, the tax partner will be entitled to only 5% of the attribution of tax losses and profits from the project. Furthermore, until the flip date, the tax partner will be entitled to 25% of the cash flow to partners in the project, and after this date, its entitlement will decrease to only 5%.
13. On August 19, 2025, commercial operation approval was received for the Satu Mare project.
14. Revenues include approximately NIS 6 million in revenues from acceptance tests prior to the commercial operation of the project.
15. Results of projects in the USA for Q1 2026 are presented in New Israeli Shekels based on the average USD exchange rate (NIS 3.122 per 1 USD), balance sheet balances of US projects are presented according to the USD representative rate as of March 31, 2026 (NIS 3.165 per 1 USD). Results of projects in Europe for Q1 2026 are presented in New Israeli Shekels based on the average Euro exchange rate (NIS 3.654 per 1 Euro), balance sheet balances of projects in Europe are presented according to the Euro representative rate as of March 31, 2026 (NIS 3.636 per 1 Euro).

Board of Directors' Report on the State of the Corporation's Affairs

Additional details about projects that started commercial operation during 2025 ^(*)																
Country	Project Name	Technology	Forecasted Installed Capacity	Storage Capacity	Holding Rate	Forecasted Start of Commercial Operation	Validity of Electricity Sale Agreement/ Land Agreement ⁽¹⁾	Electricity Sale Tariff	Construction Cost ⁽²⁾	Debt Balance as of March 31, 2026	Remaining Equity Invested up to March 31, 2026 ⁽³⁾	Forecasted Results for a Full Year of Activity ⁽⁴⁾⁽²⁾				
													Revenues	EBITDA ⁽⁵⁾	FFO ⁽⁵⁾	FFO less Principal Repayment ⁽⁵⁾
			MW	MWh	%	Year	Year	agorot per kWh	NIS M	NIS M	NIS M	NIS M	NIS M	NIS M	NIS M	NIS M
Israel	Etgal	Natural Gas	189		100%	2025	2043	Availability: approx. 6.2 agorot per kWh	719	467	220	124-138	48-58	35-43	16-22	
	Grounds - High Voltage	Photovoltaic	22	103	100%	2025	-	Market Model	185	175	-	17-19	11-13	6-8	2-4	
Romania ⁽⁶⁾	Satu Mare	Photovoltaic	71	157	100%	2025	-	Market Prices	263-293	98	98	38-50	32-40	22-28	7-11	
Total			282	260					1,167-1,197	740	318	179-207	92-112	64-80	25-37	

* Due to the rounding of numbers, the sum of values in the table may not add up exactly to the total sum

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1. Validity of the period during which electricity can be sold in accordance with regulation provisions and/or in accordance with the validity of the Group's agreements with land rights holders, where as a rule – regarding projects in Israel, the period of land use under agreements with land rights holders is for a period not exceeding 25 years from the date the option for those lands was and/or will be exercised.
2. Data is presented according to a 100% holding rate (including partners' share).
3. Including bridge loans and owners' loans - Company share only.
4. "Full year of activity" means the first period during which the system will operate and bear senior debt payments for 12 consecutive months.

The forecasted results for projects are forward-looking information based on data, evaluations, and estimates in the Group's possession close to the date of publication of the report. These data, evaluations, and estimates may not materialize or may change during project execution due to a range of circumstances, including existing or possible delays in schedules, demand and availability, changes in operating costs, existing or possible delays by authorities as well as expansions of projects being executed, labor wages, or other factors not dependent on the Group, and there is no certainty that they will materialize if the forecasts and evaluations on which the plans are based do not materialize or materialize differently than expected.

5. It should be emphasized that the EBITDA and FFO indicators are not based on accepted accounting principles. EBITDA and FFO are common indicators in renewable energy projects and are used by decision-makers in the Group. The EBITDA indicator was calculated on a cash flow basis, i.e., receipts minus payments for operation and maintenance; the FFO indicator reflects the ability to service the senior debt principal from project receipts and was calculated based on the EBITDA indicator, taking into account financing expenses for senior debt loans. The indicator was calculated on a cash flow basis, i.e., receipts minus payments for operation and maintenance costs, senior debt interest paid without taking into account interest payments on owners' loans, and tax, to the extent paid. Also, amounts are presented without exchange rate changes for foreign currency amounts, and plus forecasted inflation for CPI-linked amounts. FFO less principal repayment - cash flow generated before deposits to funds (debt service, heavy maintenance, etc.).

6. Satu Mare project was commercially operated on August 19, 2025, as a photovoltaic technology project without integration of storage capacity. During December 2025, agreements were signed for the development of storage capacity for the project. The figures recorded in the forecasted results for a full year of activity present data during a full year of activity in which a storage system will also operate. Below are forecasted results for a full year of activity prior to the operation of the storage system: revenues of approx. NIS 22 million, EBITDA of approx. NIS 16.3 million, FFO of approx. NIS 8.4 million, and FFO less principal repayment of approx. NIS 0.5 million.

Board of Directors' Report on the State of the Corporation's Affairs

Projects under construction/towards construction ⁽¹⁾																
Country	Project Name	Technology	Forecasted Installed Capacity	Storage Capacity	Holding Rate	Forecasted Start of Commercial Operation	Validity of Electricity Sale Agreement/ Land Agreement Validity ⁽¹⁾	Electricity Sale Tariff	Forecasted Construction Cost ⁽²⁾	Debt Balance as of March 31, 2026	Forecasted Leverage Rate	Remaining Equity Invested up to March 31, 2026 ⁽³⁾	Forecasted results for a full year of activity ⁽²⁾⁽⁴⁾			
													Revenues	EBITDA ⁽⁵⁾	FFO ⁽⁵⁾	FFO less Principal Repayment ⁽⁵⁾
			MW	MWh	%	Year	Year	agorot per kWh	NIS M	NIS M	%	NIS M	NIS M	NIS M	NIS M	NIS M
Israel	Grounds - High Voltage	Photovoltaic	106	438	51%-100% ⁽⁶⁾	2026-2027	2050-2051	Market Model	540-570		75%-85%	28	65-79	43-53	25-33	8-14
	Urim – Very High Voltage ⁽¹⁰⁾	Photovoltaic	102	360	100%	2027	2051	Market Model	364-394	-	75%-85%	53	70-84	42-52	29-37	16-22
	Ashalim PV ⁽⁷⁾⁽¹⁰⁾	Photovoltaic	150	460	50%	2027	2043	Market Model	589-619	124 ⁽⁸⁾	80%-90%	103	87-101	52-62	32-40	5-11
	Tze'elim – Very High Voltage ⁽¹⁰⁾	Photovoltaic	147	633	51%-100%	2028	2052	Market Model	534-564	-	75%-85%	10	124-138	63-73	45-53	26-32
Romania ⁽⁹⁾	Simleu Silvaniei	Photovoltaic	104	193	100%	2026	-	Market Prices	366-396	108	60%	131	49-63	41-51	30-38	11-15
Total			608	2,084					2,394-2,544	232		325	396-466	240-290	161-201	67-95

* Due to the rounding of numbers, the sum of values in the table may not add up exactly to the total sum

1. Validity of the period within which electricity can be sold in accordance with regulation provisions and/or in accordance with the validity of the Group's agreements with land rights holders, where as a rule – regarding projects in Israel, the period of land use under agreements with land rights holders is for a period not exceeding 25 years from the date the option for those lands was and/or will be exercised.
2. Data is presented according to a 100% holding rate including partners' share.
3. Including bridge loans and owners' loans - Company share only.
4. "Full year of activity" means the first period during which the system will operate and bear senior debt payments for 12 consecutive months.

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The projected results in the projects are forward-looking information based on data, evaluations, and estimates available to the Group close to the report's publication date. These data, evaluations, and estimates may not materialize or may change during project execution due to a range of circumstances, including existing or possible delays in schedules, demand and availability, changes in operating costs, existing or possible delays by authorities as well as expansions of the projects performed, labor wages, or other factors independent of the Group, and there is no certainty of their materialization if the projections and evaluations on which the plans are based do not materialize or materialize differently than expected.

5. It should be emphasized that the EBITDA and FFO indices are not based on generally accepted accounting principles. The EBITDA and FFO indices are common indices in renewable energy projects and are used by decision-makers in the Group. The EBITDA index was calculated on a cash flow basis, i.e., receipts less payments for operation and maintenance; the FFO index reflects the ability to service senior debt principal from the receipts generated by the projects and was calculated based on the EBITDA index, taking into account financing expenses for senior debt loans. The index 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 owner loans, and tax, if paid. Additionally, amounts are presented without exchange rate changes for foreign currency amounts, and plus projected inflation for CPI-linked amounts. FFO less principal repayment – cash flow generated before deposits into funds (debt service, major maintenance, etc.).
6. The rate shown is regarding the economic significance for the Company, which may differ from the holding rate in some of the project corporations which is 74% (while the remaining holdings are held by Moshavim, in accordance with the Israel Land Authority Decision 1560 guidelines regarding holding percentages of agricultural settlements). Additionally, in some projects, the settlements are full partners in the project through a holding not exceeding 50% in the project corporation.
7. The projected results regarding the Ashalim PV project take into account the profit-sharing mechanism with the State. For more details, see Note 11(a)e to the annual financial statements.
8. On January 7, 2026, after the balance sheet date, a bridge loan agreement was signed between the PV franchisee and a banking corporation to provide a credit facility for the purpose of financing the development and construction costs of the project until financial closing for the project is completed, in an amount not exceeding NIS 160 million. For more details, see Note 11(a)(1)(e)7 to the annual financial statements.
9. Financial data in Romania projects are presented according to the representative Euro exchange rate as of March 31, 2026 (NIS 3.636 per 1 Euro).
10. In March 2026, regarding high-voltage projects integrated with storage, updated connection surveys were received from the System Operator, as part of the transition to market model regulation, which apparently indicate that connecting the projects to the power grid will involve delaying connection dates compared to the previous connection surveys the company received, as well as flow restrictions for various periods. Since the specific implications for the projects according to the connection surveys received were not clear, upon receiving the connection surveys, the Company contacted the relevant parties at the Electricity Authority and the System Operator for clarifications, including regarding the relationship between the updated connection surveys and the connection surveys already received by the Company for those projects. From the talks held so far with the Electricity Authority and the System Operator, the Company was informed, among other things, that the Electricity Authority is working with the System Operator to provide estimates as accurate as possible for the limited capacity and the number of limited hours in each project. Additionally, regarding some of the projects, the System Operator stated that updates will be carried out alongside continued examination of additional issues. The Company is also holding discussions with the Electricity Authority regarding additional regulatory solutions that could address the issues raised. As of the report publication date, the Company estimates that the updated connection surveys will be revised and/or other regulatory solutions will be provided that will allow the connection of the projects to the power grid in a manner that they can be operated at the commercial operation date projected by the Company and without the projects (including their projected results) being materially affected.

The Company's assessments regarding the update of the connection surveys and/or the provision of other regulatory solutions and their impact on the projects (including their projected results) are forward-looking information as defined in the Securities Law, based on the Company's assessments, among other things, after the discussions it held as mentioned with the Electricity Authority and the System Operator, the materialization of which is uncertain and may not materialize or materialize differently due to factors beyond the Company's control, among other things, due to decisions by the Electricity Authority and/or the System Operator and/or transmission grid constraints and/or the impact of other third-party projects on the transmission grid.

¹ For more details regarding the connection surveys, see the publication on the System Operator's website (<https://www.noga-iso.co.il/pdt/essay-surveys>).

Projects in Advanced Development ^(*)													
Country	Project Name	Technology	Projected Installed Capacity	Storage Capacity	Holding Rate	Projected Start of Commercial Operation	Validity of Electricity Sale Agreement/Land Agreement ⁽¹⁾	Electricity Sale Tariff	Projected Construction Cost ⁽²⁾	Projected Leverage Rate	Balance of Equity Invested until March 31, 2026 ⁽³⁾	Projected Results for Full Operating Year ⁽⁴⁾⁽²⁾	
			MW	MWh	%	Year	Year	Agorot per kWh	NIS m	%	NIS m	Revenues	EBITDA ⁽⁵⁾
												NIS m	NIS m
Israel	Land-based - High Voltage	Photovoltaic	41-51	210-240	51%-100% ⁽⁶⁾	2027-2028	2051-2052	Market Model	229-259	75%-85%	3	27-37	18-24
	Agro - High Voltage	Photovoltaic	24-32	176-196	51%-100% ⁽⁶⁾	2027-2028	2051-2052	Market Model	180-200	75%-85%	7	24-34	12-18
	Derech Eretz – Highway 6 Interchanges ⁽⁷⁾	Photovoltaic	11-17	55-65	100%	2027	2051	Market Model	53-67	75%-85%	5	6-14	3-7
	High Voltage SA Storage	Battery Storage		467-497	51%-100%	2027-2028	2051-2052	Market Model	216-236	70%-80%	2	56-70	15-23
	Tze'elim SA Storage	SA Storage – High Voltage ⁽⁹⁾		677	51%-100%	2028	2052	Market Model	277-297	70%-80%	1	20-30	17-23
Romania ⁽⁸⁾	Costești	Photovoltaic	368	730	100%	2028	-	Market Prices	1,149-1,199	60%-70%	55	239-259	199-215
Total			445-469	2,315-2,405					2,104-2,258		73	371-443	265-311

* Due to rounding of numbers, the sum of values in the table may not exactly match the total sum

1. Validity of the period within which electricity can be sold in accordance with the regulatory provisions and/or in accordance with the validity of the Group's agreements with land rights holders, where generally – the period of use of the land under agreements with land rights holders is for a period not exceeding 25 years from the date the option regarding those lands was and/or will be exercised.
2. Data are presented according to a holding rate of 100% including partners' share.
3. Includes bridge loans and owners' loans – Company's share only.
4. 'Full operating year' means the first period during which the system will operate and bear senior debt payments for 12 consecutive months.
5. It should be emphasized that the EBITDA index is not based on generally accepted accounting principles. The EBITDA index is a common index in renewable energy projects and is used by decision-makers in the Group. The EBITDA index was calculated on a cash flow basis, i.e., receipts less payments for operation and maintenance. Additionally, amounts are presented without exchange rate changes for foreign currency amounts, and plus projected inflation for CPI-linked amounts.
6. The rate shown is regarding the economic significance for the Company, which may differ from the holding rate in some of the project corporations which is 74% (while the remaining holdings are held by Moshavim, in accordance with the Israel Land Authority Decision 1560 guidelines regarding holding percentages of agricultural settlements). Additionally, in some of the projects, the settlements are full partners in the project through a holding not exceeding 50% in the project corporation.
7. During the progress of the initiation and planning procedures of the project, complexities in statutory aspects were discovered which limit the possibility of promoting the project in a way that caused a decrease in the potential scope for project construction.
8. Financial data in Romanian projects are presented according to the representative Euro exchange rate as of March 31, 2026 (NIS 3.636 per 1 Euro).

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9. In March 2026, regarding the SA high-voltage storage project, a connection survey was received from the System Operator, which apparently indicates that connecting the project to the power grid will involve delaying the connection dates relative to the date estimated by the company, as well as flow restrictions for various periods.² Since the specific implications for the project according to the connection survey received were not clear, upon receipt of the connection survey, the Company contacted the relevant parties at the Electricity Authority and the System Operator for clarifications. From the talks held so far with the Electricity Authority and the System Operator, the Company was informed, among other things, that the Electricity Authority is working with the System Operator to provide estimates as accurate as possible for the limited capacity and the number of limited hours in each project. The Company is also holding discussions with the Electricity Authority regarding strategic solutions that could address the issues raised. As of the report publication date, the Company estimates that the connection survey provided will be revised and/or other strategic solutions will be provided that will allow the connection of the project to the power grid in a manner that it can be operated at the commercial operation date projected by the Company and without the project (including its projected results) being materially affected.

The Company's assessments regarding the update of the connection survey and/or the provision of other strategic solutions and their impact on the project (including its projected results) are forward-looking information as defined in the Securities Law, based on the Company's assessments, among other things, after the discussions it held as mentioned with the Electricity Authority and the System Operator, the materialization of which is uncertain and may not materialize or materialize differently due to factors beyond the Company's control, among other things, due to decisions by the Electricity Authority and/or the System Operator and/or transmission grid constraints and/or the impact of other third-party projects on the transmission grid.

Projects in Initiation			
		Capacity	Storage Capacity
		MW	MWh
Israel	Photovoltaic	837	2,762
	Battery Storage		1,038
Total Israel		837	3,800
Romania	Photovoltaic	234	
	Wind	554	
Italy ⁽¹⁾	Photovoltaic	383	
Total Europe		1,171	

1. Following the change made by the Company in defining the stages of projects within this 2025 annual report (for details, see section 1 of Chapter A (Business Description of the Corporation) in the 2025 Periodic report), the project backlog in Italy, which within the 2024 annual report was included in projects in advanced development, was transferred within this report to projects in initiation. Also during November 2025, after a process of reassessing the land situation in Sicily, the Company decided to stop its activity in a project with a capacity of 43 MW, as the land did not meet the professional standards set by the Company.

Regarding projects in advanced development and projects in initiation, the Company estimates that most of the project backlog will be built. However, the Company's decision regarding which projects will be built will be expedited, among other things, by obtaining the various required approvals and the scope of equity and financing required to build the projects, and the Company is unable to estimate which of the said projects will mature into a project and reach commercial operation.

² For more details regarding the connection surveys, see the publication on the System Operator's website (<https://www.noga-iso.co.il/pdt/essay-surveys>).

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The Group's evaluations above regarding capacities, storage capacity, commercial operation dates, construction costs, leverage rates, electricity sale tariffs, approval of the market model regulation for high-voltage ground installations, projected results, including consumption volume, revenues, EBITDA, FFO, and holding rates, regarding projects under construction or towards construction, projects in advanced development and projects in initiation, constitute forward-looking information, as this term is defined in the Securities Law, the realization of which is uncertain and not under the exclusive control of the Group. The aforementioned assessments are based on the Group's plans regarding each system and the characteristics of the systems, and may not materialize or may materialize differently due to factors beyond the Group's control, such as: existing or possible delays in schedules including in obtaining permits required for the construction of the systems, changes in construction and/or operation costs of the systems, delays in construction, changes in legal provisions or regulations, increase in financing expenses, foreign currency changes, unexpected expenses, system defects, changes in weather, changes in consumer electricity tariffs or system costs, changes in electricity consumption volumes by consumers, changes in tax rates, changes in labor wages and the like, and there is no certainty of their materialization if the projections and assessments on which the plans are based do not materialize.

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Matching financial information by operating segments to accounting profit before tax for the three-month period ended March 31, 2026 (in thousands of NIS):

Item	Segment	Proportionate consolidation (companies accounted for using the equity method) (thousands of NIS)	Full consolidation (thousands of NIS)	Total (thousands of NIS)
Revenues	Electricity generation using photovoltaic technology in Israel	674	32,655	33,329
	Electricity generation using natural gas	194,870	44,795	239,665
	Electricity generation using thermo-solar technology	34,970	-	34,970
	Electricity generation in the USA	6,972	6,883	13,855
	Electricity generation in Europe	-	7,209	7,209
	Others	12,220	13,345	25,565
	Total	249,706	104,887	354,593
EBITDA	Electricity generation using photovoltaic technology in Israel	432	25,299	25,731
	Electricity generation using natural gas	83,589	24,357	107,946
	Electricity generation using thermo-solar technology	16,264	-	16,264
	Electricity generation in the USA	3,248	2,873	6,121
	Electricity generation in Europe	-	4,656	4,656
	Others	2,660	1,471	4,131
	Total	106,193	58,656	164,849
FFO	Electricity generation using photovoltaic technology in Israel	302	17,089	17,391
	Electricity generation using natural gas	71,551	20,675	92,226
	Electricity generation using thermo-solar technology	397	-	397
	Electricity generation in the USA	321	59	380
	Electricity generation in Europe	-	3,160	3,160
	Others	(1,169)	1,471	302
	Total	71,402	42,454	113,856
Adjustments to accounting profit before tax	Depreciation and amortization	(70,171)	(23,034)	(93,205)
	Amortization of financial asset / contract	(20,758)	(16,022)	(36,780)
	Amortization of current tax liability	-	14,928	14,928
	Financing adjustments	6,358	(19,959)	(13,601)
	Other	2,539	(17,484)	(14,945)
	Profit before tax	(10,630)	(19,117)	(29,747)

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Below are data of the Group, divided by operating segments, including adjustments to financial statements (in thousands of NIS) (for more details see Note 10 to the interim reports):

For the three-month period ended March 31, 2026	Electricity generation using photovoltaic in Israel	Electricity generation using natural gas ⁽¹⁾	Electricity generation using thermo-solar technology	USA	Europe	Others	Total	Adjustments to the financial statements					Financial statements
								Amortization attributed to contract asset ⁽²⁾	Depreciation expenses (excluding IFRS16) ⁽³⁾	Amortization of tax partner liabilities	Transition from proportionate consolidation to equity value ⁽⁴⁾	Costs not attributed to project	
Revenues from electricity generation ⁽⁴⁾	33,329	239,665	34,970	13,855	7,209	25,565	354,593	(16,022)	-	-	(249,706)	-	88,865
Cost of electricity generation	(7,446)	(127,446)	(15,547)	(7,389)	(2,553)	(20,918)	(181,299)	-	(23,034)	-	134,587	-	(69,746)
General and administrative expenses	(352)	(5,258)	(3,176)	(345)	-	(2,437)	(11,568)	-	-	-	9,927	(16,565)	(18,206)
Share of losses of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	(10,629)	(10,629)
Other income, net	200	985	17	-	-	1,921	3,123	-	-	14,928	(1,002)	(918)	16,131
EBITDA⁽⁵⁾	25,731	107,946	16,264	6,121	4,656	4,131	164,849	-	-	-	-	-	-
Financing costs	(8,340)	(15,720)	(15,867)	(5,741)	(1,496)	(3,829)	(50,993)	7,370	-	-	34,789	(27,328)	(36,162)
FFO⁽⁵⁾	17,391	92,226	397	380	3,160	302	113,856	-	-	-	-	-	-
Loss before taxes on income													(29,747)

- (1) Amortization attributed to contract asset - refers to revenues in the photovoltaic and energy storage systems segment in Israel.
- (2) Depreciation expenses (excluding IFRS16) - refers to costs in the photovoltaic and energy storage systems segment in Israel.
- (3) Transition from proportionate consolidation to equity value - refers mainly to electricity generation using thermo-solar technology, electricity generation using gas, electricity generation using photovoltaic technology in the USA, and electricity generation using pumped storage technology.
- (4) Revenues from electricity generation are presented according to the fixed asset model.

It should be emphasized that EBITDA and FFO indicators are not based on generally accepted accounting principles. EBITDA and FFO indicators are common indicators in energy projects and are used by decision-makers in the Group. The EBITDA indicator was calculated on a cash flow basis, i.e., receipts less payments for operation and maintenance; The FFO indicator was calculated based on the EBITDA indicator, and it reflects the ability to service the senior debt principal from the receipts generated by the projects and considering financing expenses for senior debt loans, without considering interest payments on owners' loans and tax.

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3 Part C - Board of Directors' Explanations for the Corporation's Business Position

3.1 Results of Business Activity

A. Below is a summary of data regarding the results of business activity:

Results of Business Activity in thousands of NIS			
Activity Results	For the three-month period		For the year ended December 31, 2025
	ended March 31		
	2026	2025	2025
Revenues from sales and services	88,865	34,429	286,129
Cost of sales and services	(69,746)	(30,930)	(232,087)
Gross profit	19,119	3,499	54,042
Gross profit margin	22%	10%	19%
Selling and marketing, general and administrative expenses	(18,206)	(16,996)	(80,790)
Company's share in profits of held companies	(10,629)	16,354	(35,471)
Other income (expenses), net	16,131	20,303	(22,259)
Operating profit	6,415	23,160	(84,478)

Results of Business Activity in thousands of NIS			
Operating profit margin	7%	67%	(30%)
Financing income (expenses), net	(36,162)	11,700	(98,323)
Profit (loss) before taxes on income	(29,747)	34,860	(182,801)
Taxes on income	(5,204)	(10,005)	(18,370)
Profit (loss) for the period	(34,951)	24,855	(201,171)

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3.2 Revenues from Sales and Services

Below is a breakdown of the main changes that occurred in the first three months of 2026 compared to the corresponding period of 2025, divided by the company's five operating segments (which are detailed in the financial statements):

Revenues from sales and services in thousands of NIS				
Activity Segment	For the three-month period ended March 31			Board of Directors' Explanations
	2026	2025	Difference	
Photovoltaics and storage systems in Israel	33,329	32,882	447	-
Natural gas	239,665	237,632	2,033	The increase of approx. NIS 42 million in the Etgal project which began commercial operation in mid-May 2025, which was partially offset by a decrease of approx. NIS 40 million in activity from the Ramat Hovav and Hagit East projects, the decrease stems from a decline in the dispatch volume of production units compared to the same period last year, combined with the supplementary tariff ceiling set by the Electricity Authority.
Thermo-solar	34,970	36,977	(2,007)	The decrease stems from a decline in the radiation index and low operation of the facility with gas due to maintenance.
USA	13,855	16,491	(2,636)	The decrease stems from a drop in the radiation index.
Europe	7,209	3,333	3,876	The increase stems from the start of operation of the Satu Mare project in the middle of the third quarter of 2025 and revenues from construction tests in the Simleu project.
Others	25,565	28,263	(2,698)	The item reflects, among others, the results of: (a) Gilboa pumped storage project, a decrease of approx. NIS 10 million due to maintenance work at the station; (b) on the other hand, an increase in revenues from electricity supply activity, an increase of approx. NIS 8 million.
Adjustments ³	(265,728)	(321,149)	55,421	-
Total revenues	88,865	34,429	54,436	

³ Resultant data of the held companies measured in the financial statements according to the equity method appear in the segments note according to the proportionate consolidation method according to the presentation format in the reports to the chief operating decision maker. Apart from this, the accounting policy of the operating segments is identical to that presented in Note 3 regarding the main accounting policies.

3.3 Gross Profit

Gross Profit In thousands of NIS				
Operating Segment	For the three-month period ended March 31			Board Explanations
	2026	2025	Difference	
Photovoltaic and storage systems in Israel	25,883	26,343	(460)	-
Natural Gas	112,219	97,691	14,528	The increase results mainly from an increase in activity of approximately NIS 17 million in the Etgal project whose commercial operation began in mid-May 2025.
Thermo-solar	19,423	22,610	(3,187)	The decrease results from a drop in the radiation index and low operation of the gas facility due to maintenance.
USA	6,465	7,492	(1,027)	The decrease results from a drop in the radiation index.
Europe	4,656	3,333	1,323	The increase results from the start of operation of the Satu Mare project in the middle of the third quarter of 2025 and revenues from construction tests in the Simleu project (without operating costs).
Others	6,813	15,351	(8,538)	The item reflects, among other things, the results of the Gilboa pumped storage project; the decrease results mainly from maintenance work at the station.
Adjustments ⁴	(156,340)	(169,321)	12,981	-
Total Gross Profit	19,119	3,499	15,620	

⁴ Resulting data of held companies measured in the financial reports according to the equity method appear in the segment note according to the proportionate consolidation method in accordance with the manner of presentation in the reports to the chief operating decision maker. Apart from this, the accounting policy of the operating segments is identical to that presented in Note 3 regarding the main accounting policies.

3.4 Selling and Marketing, General and Administrative Expenses

Selling and Marketing, General and Administrative Expenses In thousands of NIS				
	For the three-month period ended March 31			Board Explanations
	2026	2025	Difference	
Total Selling and Marketing, General and Administrative Expenses	18,206	16,996	1,210	The primary increase results mainly from an increase in salary costs, partially offset by a decrease in business development expenses.

3.5 Company's share in profits (losses) of held companies, net

Company's share in profits (losses) of held companies, net In thousands of NIS				
Company's Share	For the three-month period ended March 31			Board Explanations
	2026	2025	Difference	
Profits of held companies	(10,629)	16,354	(26,983)	The change results from: (a) Decrease in results of Ramat Hovav and Hagit East power stations by approximately NIS 23 million resulting from a drop in the loading volume of the production units; (b) Decrease in pumped storage results by approximately NIS 2 million following maintenance work at the station.

3.6 Other income (expenses), net

Other income (expenses), net In thousands of NIS				
Company's Share	For the three-month period ended March 31			Board Explanations
	2026	2025	Difference	
Other income (expenses), net	16,131	20,303	(4,172)	Decrease results mainly from a decrease of approximately NIS 2 million in income from a tax partner resulting from the passage of time as well as a decrease in the US Dollar currency, and from a partial reversal of a provision for impairment in a project that was fully written down in Romania in the corresponding period last year.

3.7 Financing costs, net

Financing costs, net In thousands of NIS				
Company's Share	For the three-month period ended March 31		Difference	Board Explanations
	2026	2025		
Customers in respect of concession arrangements	7,370	10,477	(3,107)	The change results from the progress of the concession arrangement and indexation in the Zeelim and Nevatim High Voltage projects.
Loans granted to associates	17,341	19,924	(2,583)	Decrease results from a decrease in the balance of loans
Profit from hedging	(378)	(126)	(252)	Results include closing of derivatives through profit and loss related to competitive process 2 (Tidhar and Nativ HaAsara) and the Braveria project.
Loans from banking and other corporations	(30,132)	(28,018)	(2,114)	The increase results mainly from a loan provided to the Etgal project which began its operation.
Commissions and interest	(3,932)	(966)	(2,966)	The main increase results from guarantee fees in connection with new loans taken as EBF
Interest income from deposits	3,461	2,168	1,293	The increase results mainly from an increase in the balance of deposits
Interest expenses in respect of leases	(3,395)	(2,305)	(1,090)	Increase results mainly from projects in the USA and the initial recording of the Etgal project
Exchange rate differences	(14,974)	24,851	(39,825)	Exchange rate differences from the revaluation of loans granted to subsidiaries in the USA and Europe.
Others	(3,691)	(2,958)	(733)	The item mainly includes financing expenses in respect of accounting with a tax partner in the Braveria project.
Revaluation of loans to associates	(12,959)	(20,195)	7,236	Net change results from the revaluation of loans to Negev Energy and Pumped Energy according to IFRS9
Less capitalized credit costs	4,947	8,848	(3,901)	Decrease results mainly from the start of operation of projects during 2025.
Financing costs, net	(36,162)	11,700	(47,862)	

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3.8 Taxes on income

Taxes on income In thousands of NIS				
	For the three-month period ended March 31			Board Explanations
	2026	2025	Difference	
Taxes on income	(5,204)	(10,005)	4,801	The change results mainly from an update of deferred taxes in respect of the Group's ongoing operations.

4 Financial Position

4.1 Equity

Equity In thousands of NIS				
Liability	As of March 31, 2026	As of December 31, 2025	Difference	Explanation
Equity	1,919,191	1,682,680	236,511	The increase in equity reserves results from: Issuance of shares and warrants in the amount of NIS 232 million (see Note 4(f)) Change in the balance of surplus in the amount of the loss of approximately NIS 35 million. Decrease in the hedging transactions reserve recorded in Ramat Hovav and Hagit as well as in projects from the USA and Romania in the amount of the loss of approximately NIS 39 million

4.2 Current assets

Current assets In thousands of NIS				
Liability/Item	As of March 31, 2026	As of December 31, 2025	Difference	Explanation
Cash and cash equivalents	432,419	246,896	185,523	For the main changes, see section 5.2 of the report.
Restricted deposits	119,722	109,139	10,583	This item expresses the balance of restricted cash in the project accounts; the change compared to the balance at the end of 2025 stems mainly from an increase in the balance of deposits in projects in Europe.
Trade receivables - income receivable	75,605	63,639	11,966	The main change stems from the ongoing activity of the Etgal, Tze'elim, and Europe projects.
Debtors and others	50,310	87,607	(37,297)	The decrease stems mainly from VAT refunds in projects in Europe and Israel.
Other investments - including derivatives	4,108	3,937	171	-
Current maturities of long-term loans to group companies	71,335	64,902	6,433	The change stems from the expected loan repayment during the period.
Current maturities of contract assets regarding concession arrangements	42,849	42,409	440	The change stems from the progress of the concession arrangement in the Tze'elim and Nevatim high-voltage project.
Assets held for sale	68,179	67,145	1,034	The change stems from investments in the Ramat Beka project.
Current tax assets	1,407	1,062	345	-
Total current assets	865,934	686,736	179,198	

4.3 Non-current assets

Non-current assets In thousands of NIS				
Liability/Item	As of March 31, 2026	As of December 31, 2025	Difference	Explanation
Investments in associates accounted for using the equity method	853,599	805,009	48,590	The increase stems mainly from profit and other comprehensive income from the Ramat Hovav and Hagit project, partially offset by a decrease in loss in the Negev Energy project as a result of a decrease in the radiation index and in the Pumped Storage project as a result of maintenance at the station.
Loans to associates	436,662	466,330	(29,668)	The change stems mainly from partial repayment of a loan provided to Negev Energy, from interest accrual on loans as well as from revaluation of loans of Negev Energy and Pumped Storage according to IFRS9.
Restricted deposits	4,277	4,278	(1)	-
Fixed assets and right-of-use assets	2,797,019	2,780,964	16,055	The increase stems mainly from investment in the Orim project and from the initial recording of a right-of-use asset in PV projects.
Intangible assets, net	2,721	2,788	(67)	-
Long-term debit balances	11,325	10,517	808	The increase stems mainly from changes in the balance of prepaid credit raising commission.
Other investments including derivatives	28,026	27,976	50	-
Contract assets regarding concession arrangements	669,485	678,577	(9,092)	The decrease stems from the progress of the concession arrangement in the Tze'elim and Nevatim high-voltage project, which is affected by indexing to the Consumer Price Index.
Total non-current assets	4,803,114	4,776,439	26,675	

4.4 Current liabilities

Current liabilities In thousands of NIS				
Liability	As of March 31, 2026	As of December 31, 2025	Difference	Explanation
Short-term credit from banking corporations and others	140,338	134,875	5,463	The main increase stems from loans for projects in Europe.

Current liabilities In thousands of NIS				
Liability	As of March 31, 2026	As of December 31, 2025	Difference	Explanation
Current maturities of BONDS	75,000	75,000	-	-
Suppliers and service providers	57,986	53,323	4,663	The decrease stems mainly from an increase in the suppliers balance in the Etgal project
Short-term employee benefits	8,966	7,001	1,965	-
Creditors and credit balances	66,486	96,581	(30,095)	Decrease stems mainly from the accrued expenses item from VAT refunds in projects in Europe and Israel
Liability to tax partner	52,416	52,830	(414)	The change stems from progress in the project in the USA and from exchange rate differences.
Creditors and credit balances – controlling shareholder	3,308	3,408	(100)	-
Financial liabilities – derivative instruments	14,654	16,026	(1,372)	The increase stems mainly from changes in hedging transactions for the high-voltage terrestrial project backlog.
Liabilities held for sale	1,975	-	1,975	-
Total current liabilities	421,129	439,044	(17,915)	

4.5 Non-current liabilities

Non-current liabilities In thousands of NIS				
Liability	As of March 31, 2026	As of December 31, 2025	Difference	Explanation
Liabilities to banking corporations and others	2,160,473	2,174,204	(13,731)	The main decrease stems mainly from loan repayments
Liability to tax partner	37,879	51,445	(13,566)	Non-financial liability to tax partner in the Brazoria project, which is amortized over 5 years.
Financial liabilities – derivative instruments	2,068	4,365	(2,297)	-
BONDS	852,033	851,794	239	-
Provision for liquidation and restoration	25,138	25,127	11	-
Deferred tax liabilities	245,179	229,097	16,082	The increase stems mainly from updating deferred taxes regarding ongoing activity of the group.
Excess losses accumulated over investment cost and deferred credit balance in associates	5,958	5,419	539	-
Total non-current liabilities	3,328,728	3,341,451	(12,723)	

5 Liquidity and Sources of Financing

5.1 Sources of Financing

The Group finances its activities through its equity, the issuance of public BONDS, loans from banking and other institutional corporations, and from positive cash flow surpluses from its operations.

5.2 Cash Flow

Liquidity and Sources of Financing in thousands of NIS				
Flow from Activity	For the three-month period ended March 31			Board of Directors' Explanations
	2026	2025	Difference	
Operating	32,398	(41,197)	73,595	The primary change in operating activity relative to the corresponding period last year stems mainly from a decrease in asset and liability items by approximately 44 million NIS and from adjustments to profit totaling approximately 27 million NIS.
Investing	(22,251)	(31,389)	9,138	The primary change stems from a loan repayment from an associate company totaling 20 million NIS, partially offset by a refund regarding capitalization fees from ILA (Remi) totaling approximately 14 million NIS received in the corresponding period last year.
Financing	175,665	(35,208)	210,873	The primary change stems from the issuance of shares and warrants totaling 232 million NIS (see Note 4(1)), partially offset by a decrease in loan receipts, net, and a change in interest paid totaling approximately 20 million NIS.
Change in cash and cash equivalents	185,812	(107,794)	293,606	

5.3 Working Capital

The Group's working capital totaled approximately 444,805 thousand NIS as of March 31, 2026, compared to approximately 247,692 thousand NIS at the end of 2025. The company has cash and cash equivalents balances as of March 31, 2026, totaling 432,419 thousand NIS. Regarding the working capital data in the separate reports (Solo report), it should also be noted that the working capital is positive.

5.4 Net Financial Debt

Net Financial Debt in thousands of NIS							
As of March 31, 2026							
Debt	Credit from Banking and Other Corporations	Cash and Cash Equivalents	Short and Long-Term Deposits and Loans	Net	Lease Liability	Project Credit	Non-Project Net Credit
Photovoltaic	1,057,295	1,751	67,436	988,108	171,578	1,057,295	-
Gas	463,774	-	13,423	450,351	46,992	463,774	-
USA	444,553	2,165	17,040	425,348	70,133	444,553	-
Europe	23,696	9,355	26,098	-11,757	8,593	23,696	-
Others	938,394	419,148	(1)	519,247	2,836	-	938,394
Total	2,927,712	432,419	123,996	2,371,297	300,132	1,989,318	938,394

5.5 The Company's liabilities status by maturity dates

A report regarding the Company's liabilities status is published in a separate reporting form concurrently with the publication of this report, and its contents are incorporated herein by reference.

5.6 Specific disclosure for BONDS holders (Series 1 and Series 2)

Below are details regarding the BONDS (Series 1 and Series 2) of the Company (for further details, see also Appendix A attached to the Board of Directors' Report):

	BONDS (Series 1)	BONDS (Series 2)
Series	Series A	Series B
Issuance Date	August 2, 2023.	September 15, 2025.
Par Value at Issuance Date (NIS)	750,000,000	257,310,000
Par Value at Report Date (NIS)	675,000,000	257,310,000
Interest Accrued up to Report Date (NIS)	11,361,255	-
Fair Value of the Series as included in Financial Reports (NIS)	736,810,000	262,739,000
Market Value at Report Date	736,810,000	262,739,000
Interest Type	Annual interest (unlinked) at a rate of 6.77%.	Annual interest (unlinked) at a rate of 5.66%.
Principal Payment Dates	The principal of the BONDS (Series 1) is due for repayment in ten equal annual installments on June 30 of each	The principal of the BONDS (Series 2) is due for repayment in ten equal annual installments on September 30 of each of the years 2028 to 2037 (inclusive).

	BONDS (Series 1)	BONDS (Series 2)
	from the years 2025 to 2034 (inclusive). The first principal payment was paid on June 30, 2025.	
Interest Payment Dates	The interest on the outstanding balance, as it shall be from time to time, of the BONDS (Series 1), shall be paid twice a year, on June 30 and December 31 of each of the years 2024 to 2034 (inclusive). The first interest payment was paid on June 30, 2024, and the last interest payment shall be paid together with the last payment of the BONDS principal, on June 30, 2034, against delivery of the BONDS certificates to the Company or allocation letters.	The interest on the outstanding balance, as it shall be from time to time, of the BONDS (Series 2), shall be paid twice a year, starting from March 2026, on March 30 and September 30 of each of the years 2026 to 2037 (inclusive). The first interest payment shall be paid on March 30, 2026, and the last interest payment shall be paid together with the last payment of the BONDS principal, on September 30, 2037, against delivery of the BONDS certificates to the Company or allocation letters.
Indexation Conditions	The principal of the BONDS (Series 1) and the interest thereon are not linked to any index.	The principal of the BONDS (Series 2) and the interest thereon are not linked to any index.
Are they convertible into another security	No.	No.
Company's right to perform early redemption	The Company has the right to perform early redemption in accordance with the conditions set forth in the trust deed.	The Company has the right to perform early redemption in accordance with the conditions set forth in the trust deed.
Guarantee for payment of liabilities	No.	No.
The series is material to the company	Yes.	Yes.
Trustee Details	Trust Company Name: Mishmeret - Trust Services Company Ltd. Address: 46-48 Menachem Begin Road, Tel Aviv Telephone: 03-6374352 Email Address: Office@mtrust.co.il Trustee Contact Person: Rami Sabti	Trust Company Name: Mishmeret - Trust Services Company Ltd. Address: 46-48 Menachem Begin Road, Tel Aviv Telephone: 03-6374352 Email Address: ramis@mtrust.co.il Trustee Contact Person: Rami Sabti
Rating Company	Midroog Ltd.	Midroog Ltd.
Rating as of report date	A3.il	A3.il
Rating at issuance date	A3.il. For details, see immediate report dated July 24, 2024 (Reference No.: 2024-01-078175), the details of which are incorporated herein by reference.	A3.il. For details, see immediate report of Midroog Ltd. dated August 19, 2025 (Reference No.: 2025-01-061619), the details of which are incorporated herein by reference.

	BONDS (Series 1)	BONDS (Series 2)
Compliance with terms and obligations to BONDS holders as of report date under the trust deed	Yes. For details regarding the financial covenants to which the Company committed within the framework of the trust deed and their calculation as of March 31, 2026, see Note 8(c) to the financial statements.	Yes. For details regarding the financial covenants to which the Company committed within the framework of the trust deed and their calculation as of March 31, 2026, see Note 8(c) to the financial statements.
Did conditions occur establishing grounds for immediate repayment of the BONDS	No.	No.

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	BONDS (Series 1)	BONDS (Series 2)
Restrictions on the creation of pledges and/or regarding the Company's authority to issue additional BONDS	The Company's obligation to repay the BONDS is not secured by any collateral or in any other manner. Within the trust deed, restrictions were included on the Company relative to creating a pledge in favor of any third party (negative pledge). For details, see Section 6.2 of the trust deed. For provisions regarding the issuance of additional securities and series expansion, see Section 3.2 of the trust deed.	The Company's obligation to repay the BONDS is not secured by any collateral or in any other manner. Within the trust deed, restrictions were included on the Company relative to creating a pledge in favor of any third party (negative pledge). For details, see Section 6.2 of the trust deed. For provisions regarding the issuance of additional securities and series expansion, see Section 3.2 of the trust deed.

5.7 Disclosure regarding a Material Valuation

Disclosure regarding a Material Valuation	
Identification of Valuation Subject	Owners' loan provided to Negev Energy (Ashalim Project).
Valuation Timing	March 31, 2026.
Value of the valuation subject shortly before the valuation date if accepted accounting principles, including depreciation and amortizations, did not require the change of its value according to the valuation	707 million NIS.
Value of the valuation subject determined according to the valuation	476 million NIS.
Details about the Valuator	Kama Z Consulting and Valuation Ltd. is a financial consulting and investment banking firm.

Disclosure regarding a Material Valuation	
Is there an indemnification agreement with the Valuator?	Yes.
Valuation model the Valuator acted upon	Discounted Cash Flows (DCF) used for repayment of the owners' loan.
Assumptions under which the Valuator performed the valuation, according to the valuation model	The valuation work assumptions were based, among other things, on loan terms, project status, cash flow forecast according to the Company's financial model, and the discount rate: A. The spread between risk-free interest for the loan WAL (8.11 years) and the cost of equity rate was estimated at approximately 5.20%; B. The discount curve of the expected flow from the owners' loan as of March 31, 2026, was estimated based on a risk-free NIS interest curve for said date plus the aforementioned spread. C. The above discount rate was estimated based on the assumption that the cash flow forecasts in the financial model reflect management's forecast based on the most reasonable scenario and/or based on the expected value of possible scenarios and in accordance with developments in the project as of the valuation date.

6 Part VI - Corporate Governance

6.1 Non-attachment of an Auditor's opinion regarding the effectiveness of internal control

In accordance with the provisions of Regulation 9B(c1) of the Reporting Regulations, the provisions of Regulation 9B(c) of the Reporting Regulations, according to which the auditor's opinion regarding the effectiveness of internal control over financial reporting and regarding material weaknesses he identified in this control must be attached to the company's reports, shall not apply to the company before five years have passed since it became a reporting corporation, except for certain controls specified in the same regulation.

6.2 Updates regarding human capital aspects

- 6.2.1 On February 25, 2026, the company's general meeting approved the reappointment of Ms. Raz Aviv as an external director of the company for an additional three-year term starting January 3, 2026. For further details, see the immediate report dated February 25, 2026 (reference number: 2026-01-017821).
- 6.2.2 On January 1, 2026, the company allocated 88,223 warrants (unregistered) to Mr. Imri Kozak, the company's VP Legal Counsel, 176,446 warrants (unregistered) to Mr. Omer Erez, the company's CFO, and 46,018 warrants (unregistered) to Mr. Emanuel Katan, the company's Commercial VP. For further details, see the immediate report dated January 1, 2026 (reference number: 2026-01-000670).
- 6.2.3 On April 30, 2026, Mr. Gabriel David, a director of the company, announced the end of his term on that date. For further details, see the immediate report dated April 30, 2026 (reference number: 2026-01-040157).
- 6.2.4 On May 3, 2026, Mr. Doron Cohen, an independent director of the company, announced the end of his term in the company starting May 5, 2026. For further details, see the immediate report dated May 4, 2026 (reference number: 2026-01-040931).
- 6.2.5 On May 11, 2026, the company's board of directors approved the appointment of Mr. Yogev Carmel as a director of the company from that date until the date of the company's next annual meeting. For further details, see the immediate report dated May 12, 2026 (reference number: 2026-01-043739).

Amit Birman

Chairman of the Board

Yuval Skornik

Company CEO

May 18, 2026

Appendix A to the Board of Directors' Report - Material Loan Agreements

Below is a summary of the provisions of the material loan agreements to which the Company and/or corporations held by the Group are parties:

Loan	Borrower	Lender	Credit Line Scope	Balance as of March 31, 2026	Loan Repayment Dates	Interest and Linkage	Collateral	Financial Restrictions and Covenants, Calculation Method and Results as of March 31, 2026
Loans granted to the company								
BONDS (Series 1) of the company ¹	The company	Public Bonds	675,000,000 NIS	686,361,000 NIS	The principal of the BONDS is due for repayment in ten equal annual installments to be paid on June 30 of each of the years 2025 to 2034 (inclusive).	Fixed annual interest (non- linked) at a rate of 6.77%	As of the date of publication of the report, the company's obligation to repay the BONDS is not secured by any collateral or in any other way.	<u>Restrictions on dividend distribution:</u> Compliance with all of the following conditions: if there is no cause for immediate repayment; the company's consolidated equity is not less than 1,250,000,000 NIS; the ratio of equity to consolidated balance sheet is not less than 26%; the ratio of net consolidated financial debt, minus the financial debt intended for the construction of projects that have not yet begun to generate EBITDA, to the adjusted EBITDA exceeded 14 ² . A cause for immediate repayment of BONDS (Series 1) may arise if: (1) an series of bonds traded on the stock exchange or on another TASE UP system issued by the company has been put up for immediate repayment; or (2) another material financial debt of the company and/or consolidated companies has been put up for immediate repayment (except in the case of immediate repayment of non- recourse debt), provided that the demand regarding said debt is not cancelled and/or the debt is not repaid within 21 business days from the date of said immediate repayment. For this purpose only, "material financial debt" means: financial debt (or several such debts in aggregate), the balance of which at the time of being put up for immediate repayment constitutes 7% or more of the company's total financial liabilities, according to the company's financial statements. For further details about the mechanism, see section 8.1.19 of the Trust Deed. For details about financial covenants, calculation method and results as of December 31, 2025 with BONDS (Series 1), see Note 21(e) to the financial statements.

1. For further details about the company's BONDS (Series 1) - see dedicated disclosure for bondholders in section 3.5 of Part C of the Board of Directors' Report to which this appendix is attached.

2. For the definitions of "Company's Consolidated Equity"; "Net Consolidated Financial Debt"; "Financial Debt intended for construction of projects that have not yet begun to generate EBITDA"; "Adjusted EBITDA"; "Ratio of the Company's Consolidated Equity to Balance Sheet" – see Section 5.2.1.2 of the Trust Deed.

Loan	Borrower	Lender	Credit Line Scope	Balance as of March 31, 2026	Loan Repayment Dates	Interest and Linkage	Collateral	Financial Restrictions and Covenants, Calculation Method and Results as of March 31, 2026
Loans granted to the company								
BONDS (Series 2) of the company ³	The company	Public Bonds	257,310,000 NIS	257,310,000 NIS	The principal of the BONDS (Series 2) is due for repayment in ten equal annual installments on September 30 of each of the years 2028 to 2037 (inclusive).	Annual interest (non-linked) at a rate of 5.66%.	As of the date of publication of the report, the company's obligation to repay the BONDS is not secured by any collateral or in any other way.	Restrictions on dividend distribution: Compliance with all of the following conditions: if there is no cause for immediate repayment; the company's consolidated equity is not less than 1,250,000,000 NIS; the ratio of equity to consolidated balance sheet is not less than 26%; the ratio of net consolidated financial debt, minus the financial debt intended for the construction of projects that have not yet begun to generate EBITDA, to the adjusted EBITDA exceeded 14⁴. A cause for immediate repayment of BONDS (Series 2) may arise if: (1) an series of bonds traded on the stock exchange or on another TASE UP system issued by the company has been put up for immediate repayment; or (2) another material financial debt of the company and/or consolidated companies has been put up for immediate repayment (except in the case of immediate repayment of non-recourse debt), provided that the demand regarding said debt is not cancelled and/or the debt is not repaid within 21 business days from the date of said immediate repayment. For this purpose only, "material financial debt" means: financial debt (or several such debts in aggregate), the balance of which at the time of being put up for immediate repayment constitutes 7% or more of the company's total financial liabilities, according to the company's financial statements. For further details about the mechanism, see section 8.1.19 of the Trust Deed. For details about financial covenants, calculation method and results as of December 31, 2025 regarding the BONDS (Series 2), see Note 21(e) to the financial statements.

3. For further details about the company's BONDS (Series 2) - see dedicated disclosure for bondholders in section 3.5 of Part C of the Board of Directors' Report to which this appendix is attached.

4. For the definitions of "Company's Consolidated Equity"; "Net Consolidated Financial Debt"; "Financial Debt intended for construction of projects that have not yet begun to generate EBITDA"; "Adjusted EBITDA"; "Ratio of the Company's Consolidated Equity to Balance Sheet" – see Section 5.2.1.2 of the Trust Deed.

Loan	Borrower	Lender	Credit Line Scope	Balance as of March 31, 2026	Loan Repayment Dates	Interest and Linkage	Collateral	Financial Restrictions and Covenants, Calculation Method and Results as of March 31, 2026
Loans granted to the company								
Ramat Hovav Financing Agreement	Ramat Hovav Power Plant Partnership	Banking corporation and non-banking institutional entities	Approx. 934,500,000 EUR (Tranche A); Approx. 300,000,000 NIS (Tranche B which is subordinate to Tranche A); Approx. 135,000,000 NIS debt service reserve facilities.	2,664,223,000 NIS	Tranche A – approx. 19.5 years after the date of receiving possession of the power plant; Tranche B – approx. 9 years after the date of receiving possession of the power plant. Principal and interest are paid on a quarterly basis.	Tranche A interest rate for a loan in EUR – 2-3%; Tranche B interest rate for a loan in NIS – Prime plus a margin of 1-2%.	1. Pledge of all the borrower's assets (Ramat Hovav Partnership) in favor of the lenders; 2. Pledge of the partners' rights in the borrower and in the shares of the general partner.	<u>Loan Life Cover Ratio</u> ⁵ – shall not be less than 1.05; <u>Debt Service Cover Ratio</u> ⁶ – shall not be less than 1.05. The Loan Life Cover Ratio and the Debt Service Cover Ratio (for the last 12 months and the 12 months following the calculation date) are at least 1.15 or, after the full repayment of Tranche B – 1.25. As of the report date, the calculation result of said cover ratio is 1.47. <u>Credit Rating</u> – maintaining a credit rating of at least A3. A drop in the rating to certain levels as determined in the financing agreement will lead to an increase in the margin and may also constitute a breach. As of the report date, the credit rating of the project stands at the minimum required level.

5. The ratio between the net present value of the cash flows available for debt service until the final repayment date of Tranche A plus the balance in the project accounts (except for the maintenance reserve account and the distribution accounts), and the total debt balance (excluding the debt under Tranche B).

6. The ratio between the cash flows available for debt service in the period for which the calculation is performed, and the debt service in the same period (excluding debt service under Tranche B), where this ratio is calculated for the 12 months preceding the calculation date and also for the 12 months following the calculation date.

The Loan	Lender	Credit Facility Scope	Balance as of March 31, 2026	Loan Repayment Dates	Interest and Indexation	Collateral	Financial restrictions and covenants, calculation method and results as of March 31, 2026
Loans provided to the Company							
Hagit East Financing Agreement	Hagit East Power Station Partnership Banking corporations and an institutional body	Approx. 220,000,000 Euro and approx. 760,000,000 NIS long-term credit facilities; Approx. 110,000,000 guarantee and debt service reserve facilities.	1,395,378,000 NIS	Approx. 14 years and nine months after the date of receiving possession of the power plant; Principal and interest are paid on a quarterly basis.	Interest rate for loan in Euro - 3-5%; For loan in NIS - 2%-4%;	1. Pledge of all borrower's assets (Ramat Hovav partnership) for the benefit of the lenders; 2. Pledge of partners' rights in the borrower and the shares of the general partner.	<u>Loan Life Cover Ratio</u> ⁷ – shall not be less than 1.05. <u>Debt Service Cover Ratio</u> ⁸ – shall not be less than 1.05. The Loan Life Cover Ratio and the Debt Service Cover Ratio (for the last 12 months and the 12 subsequent months to the calculation date) are higher than the ratio agreed upon in the financing agreements. As of the report date, the covenants cannot yet be calculated because 12 months have not yet passed from the date of receiving the loan. As of the report date, the result of the calculation of said coverage ratio is 1.22. <u>Credit Rating</u> – Issuance of initial rating in accordance with the financing agreement. A decrease in credit rating may lead to an increase in interest on senior debt. As of the report date, the project's credit rating stands at the minimum required level.
Negev Energy Ashalim Thermo Solar	Negev Energy Ashalim Thermo Solar Banking corporations and institutional bodies	Approx. 930.8 million NIS (Loan A), approx. 213.6 million NIS (Loan B), approx. 54.5 million US Dollars (Loan C), approx. 139 million Euro (Loan D) and approx. 247 million US Dollars (Loan E)	2,043,000,000 NIS	Repayment dates every half year (June and December). The final repayment date of A, B, C, E is the year 2040, Loan D until 2038.	Loan A – Prime + 1.8% Loan B – Prime + 1.8%, on April 8, 2021 the interest changes to 3% linked to the Consumer Price Index Loan C – 4.25% + 3-month Libor Loan D – 2.31% + 3-month Euribor Loan E – 1.85% + 3-month Libor	1. Guarantees for debt service, the higher of two-year loan repayments from the establishment date or half a year thereafter; 2. Floating charge on all assets of the project company.	<u>Debt Service Cover Ratio</u> ⁹ – shall not be less than 1.1. <u>Distribution Coverage Ratio</u> – shall not be less than 1.2, after two years of the operation period distributions can be made. The result of the calculation of said coverage ratio is 1.216.

7. The ratio between the Net Present Value of cash flows available for debt service until the final repayment date of the senior debt plus cash balances, to the total balance of the senior debt.

8. The ratio between the cash flow available for debt service in the period for which the calculation is performed, to the debt service of the senior debt in the same period, where this ratio is calculated for the 12 months preceding the calculation date and for the 12 months following the calculation date.

9. The ratio between the cash flow available for debt service in the period for which the calculation is performed, to the debt service in that same period, where this ratio is calculated for the 12 months preceding the calculation date and for the 12 months following the calculation date.

The Loan	Borrower	Lender	Credit Facility Scope	Balance as of March 31, 2026	Loan Repayment Dates	Interest and Indexation	Collateral	Financial restrictions and covenants, calculation method and results as of March 31, 2026
Etgal Financing Agreement	Etgal Power Stations L.P.	Banking corporation and non-banking institutional bodies	Approx. 570,000,000 NIS	467,774,000 NIS	Loans to be drawn from the senior debt facility for construction will be repaid in up to 38 semi-annual principal repayments occurring in March and September. Principal repayment of the loans will begin approx. 6 to 12 months from the commercial operation date, and in any case no later than September 2024.	Index-linked long-term interest rate calculated based on the weighted average of index-linked government BONDS with a duration of 8-8.5 years plus a margin of 2-3% from the commercial operation date.	To ensure repayment of the loan to the senior debt lenders, there are several collaterals, including: - First fixed charge on all project assets - Debt service fund / bank guarantees in the amount of a semi-annual payment to be provided during the operation period - Limited recourse to the owners in the event of certain scenarios.	<u>Breach coverage ratio:</u> 1.05. <u>Coverage ratio for drawing an additional layer</u> (24 months from the commercial operation date): 1.23 <u>Distribution coverage ratio:</u> 1.20 The coverage ratio is calculated as the ratio between (1) cash flow available for debt service and (2) debt service, all for a period of 12 months. <u>Credit Rating:</u> Maintenance of a credit rating of at least investment grade. A rating downgrade below investment grade will cause a breach of the financing agreement. As of the report date, the project's credit rating stands at the minimum required level. As of the report date, the project began commercial operation on May 20, 2025, and therefore the examination of covenants has not yet begun

The Loan	Borrower	Lender	Credit Facility Scope	Balance as of March 31, 2026	Loan Repayment Dates	Interest and Indexation	Collateral	Financial restrictions and covenants, calculation method and results as of March 31, 2026
								as one year has not passed from commercial operation.
Tzeelim Financing Agreement (including Tzeelim Expansion)	Shneur Tzeelim L.P.	Non-banking corporations	Approx. 510,000,000 NIS; Approx. 110,000,000 NIS within leverage increase Approx. 85,000,000 NIS for Tzeelim Expansion	571,997,000 NIS	Final repayment date of the senior debt facility for the Tzeelim project – year 2038; Final repayment date of the leverage increase facility – 36 principal and interest payments starting from 30.03.2020; Final repayment date of the Tzeelim expansion facility – year 2044.	<u>Senior Debt</u> : Index-linked long-term interest rate calculated based on the weighted average of index-linked government BONDS with the relevant duration plus a margin of 2-3% until the end of 24 months from the commercial operation date. <u>Leverage Increase</u> : 2-3% index-linked <u>Tzeelim Expansion</u> : 2.5%-3.5% index-linked	To ensure repayment of the loan to the senior debt lenders, there are several collaterals, including: - First fixed charge on all project assets - Debt service fund / bank guarantees in the amount of a semi-annual payment to be provided during the operation period - Limited recourse to the owners in the event of certain scenarios.	<u>Breach coverage ratio</u> : 1.10 <u>Distribution coverage ratio</u> : 1.20 The coverage ratio is calculated as the ratio between (1) cash flow available for debt service and (2) debt service, all for a period of 12 months. As of the report date, the result of the calculation of said coverage ratio is 1.4. <u>Credit Rating</u> : Maintenance of a credit rating of at least A3. A rating downgrade below A3 will cause a breach of the financing agreement. As of the report date, the project's credit rating stands at the minimum required level.

Loan	Borrower	Lender	Credit Facility Scope	Balance as of March 31, 2026	Loan Repayment Dates	Interest and Indexation	Collateral	Financial restrictions and covenants, calculation method and results as of March 31, 2026
Loans provided to the Company								
Long-term loan in Brazoria Project ¹⁰	Brazoria West Solar Project LLC	Banking corporations	275,354,355 NIS	263,866,000 NIS ¹¹	The loan will be for a period of 5 years starting from November 16, 2022, with the final repayment date in November 2027.	Variable interest based on SOFR, plus a margin of 2.616%.	Pledge on all project company assets	<u>The minimum distribution coverage ratio shall not be less</u> than 1.2:1. The DSCR will be examined quarterly based on the last 12 months ending on the examination date, and is calculated as the ratio between cash flow from current operations available to cover debt service for the period, to the total planned debt service for this period. As of the report date, the result of the calculation of said coverage ratio is 1. The above coverage ratio is for distribution purposes and failure to meet it does not constitute grounds for immediate repayment. <u>Minimum Average Selling Price</u> (ARP) of electricity in the project of no less than \$29.606 per Megawatt-hour (MWh). The ARP is defined as \$/MWh of total sales for electricity production received in the project during the last 12 months ending on the examination date, which is examined quarterly, starting at least 12 months after the start of the loan period. The company meets a minimum average selling price of \$21.48 for the 12-month period ended March 31, 2026.

The Loan	Borrower	Lender	Credit Facility Scope	Balance as of March 31, 2026	Loan Repayment Dates	Interest and Indexation	Collateral	Financial restrictions and covenants, calculation method and results as of March 31, 2026
Long-term loan for project pipeline	Shikun & Binui Energy Solar Electricity Market Model Limited Partnership	Banking corporations	797,000,000 NIS	175,261,000 NIS	Long-term senior debt facility – principal and interest are paid twice a year based on a sculpted amortization schedule, according to the operation and maintenance needs of the project pipeline, reflecting the coverage ratios agreed upon between the borrower and the bank. VAT facilities – principal and interest are paid in one payment upon receipt of the refund from VAT authorities. Debt service facility (if utilized) – principal and interest will be paid via cash sweep. Equity bridge financing facility – interest and principal are paid in one payment on the loan's repayment date.	Long-term senior debt facility – interest on fixed-rate index-linked government BONDS plus a margin in the range of 1.7% - 2.7%. VAT facility – Prime interest plus a margin in the range of 0.5% - 1.5%. Debt service facility – Prime interest plus a margin in the range of 2.7% - 3.7%. Equity bridge financing facility – Prime interest plus a margin in the range of -0.5% up to 0.5%.	To ensure repayment of the loan to the senior debt lenders, there are several collaterals, including: - First fixed charge on all project assets and pledge on holdings and rights in the project companies and the borrower (including the right to receive proceeds from the project). - Limited recourse to the owners in certain scenarios. - Regarding the equity bridge financing facility – autonomous bank guarantee for the full amount of the loan.	Coverage ratio for grounds for immediate repayment – Consolidated historical ADSCR for the last 12 months preceding the calculation date, minimum consolidated projected ADSCR and minimum consolidated LLCR, less than 1.05. Coverage ratio for making distributions – Consolidated historical ADSCR for the last 12 months preceding the calculation date, minimum consolidated projected ADSCR and minimum consolidated LLCR, shall not be less than 1.15 during the first 7 years of operation, 1.17 between year 8 and year 12, and 1.20 from year 13 onwards. As of the report date, the examination of covenants has not yet begun.



Chapter B

Summary of Condensed Interim
Consolidated Financial Statements
For the period ended March 31, 2026

(Unaudited)

Somekh Chaikin
KPMG Millennium Tower
17 HaArba'a Street, P.O. Box 609
Tel Aviv 6100601
03 684 8000

To
The Board of Directors of
Shikun & Binui Energy Ltd. ("the Company")
1 HaYarden
Airport City

Dear Sirs/Madams,

Subject: Consent letter regarding the shelf prospectus of Shikun & Binui Ltd. from August 2025

We hereby inform you that we agree to the inclusion (including by way of reference) of our reports detailed below regarding the shelf prospectus from August 2025:

Review report of the auditing accountant dated May 18, 2026 on condensed consolidated financial information of the Company as of March 31, 2026 and for the three-month period ended on that date.

Somekh Chaikin
Accountants
May 18, 2026

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KPMG Somekh Chaikin

KPMG Millennium Tower

17 HaArba'a Street, P.O. Box 609

Tel Aviv 6100601

03 684 8000

Review Report of the Auditing Accountants to the Shareholders of Shikun & Binui Energy Ltd.

Introduction

We have reviewed the accompanying condensed interim financial information of Shikun & Binui Energy Ltd. and its consolidated companies (hereinafter – the Company), which includes the condensed consolidated statement of financial position as of March 31, 2026, and the condensed consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of financial information for these interim periods in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting", and they are also responsible for the preparation of financial information for these interim periods according to Chapter D of the Securities Regulations (Periodic reports and Immediate Reports), 1970. Our responsibility is to express a conclusion on the financial information for these interim periods based on our review.

We did not review the condensed interim financial information of an investee company accounted for using the equity method, the investment in which is approximately NIS 60,672 thousand as of March 31, 2026, and the Company's share in its results is approximately NIS (2,412) thousand for the three-month period then ended. The condensed interim financial information of that company was reviewed by other accountants whose review reports were furnished to us, and our conclusion, insofar as it relates to the financial information for that company, is based on the review reports of the other accountants.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel regarding "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other accountants, nothing has come to our attention that causes us to believe that the abovementioned financial information is not prepared, in all material respects, in accordance with International Accounting Standard IAS 34.

In addition to the aforementioned in the previous paragraph, based on our review and the review reports of other accountants, nothing has come to our attention that causes us to believe that the abovementioned financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Securities Regulations (Periodic reports and Immediate Reports), 1970.

Somekh Chaikin

Accountants

Tel Aviv

May 18, 2026

KPMG Somekh Chaikin, a registered partnership in Israel and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Condensed Interim Consolidated Statements of Financial Position

Assets	Note	As of March 31 2026 NIS thousands (Unaudited)	As of March 31 2025 NIS thousands (Unaudited)	As of December 31 2025 NIS thousands (Audited)
Assets				
Cash and cash equivalents		432,419	141,357	246,896
Restricted deposits		119,722	107,409	109,139
Trade receivables – income to be received		75,605	43,973	63,639
Debtors and others		50,310	51,326	87,607
Current costs of contract assets regarding concession arrangements		42,849	40,140	42,409
Derivative financial instruments	6	4,108	9,052	3,937
Current costs for loans to investees	6	71,335	74,685	64,902
Assets held for sale		68,179	-	67,145
Current tax assets		1,407	2,006	1,062
Total current assets		865,934	469,948	686,736
Investments in investees accounted for using the equity method	8	853,599	849,749	805,009
Loans to investees	6	436,662	489,988	466,330
Restricted deposits		4,277	36,127	4,278
Property, plant and equipment and right-of-use assets	7	2,797,019	2,722,997	2,780,964
Intangible assets, net		2,721	5,054	2,788
Derivative financial instruments		28,026	32,366	27,976
Long-term receivables		11,325	4,079	10,517
Contract assets regarding concession arrangements		669,485	698,782	678,577
Total non-current assets		4,803,114	4,839,142	4,776,439
Total assets		5,669,048	5,309,090	5,463,175

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Financial Statements as of March 31, 2026

Condensed Interim Consolidated Statements of Financial Position

	Note	As of March 31		As of December 31
		2026	2025	2025
		NIS thousands	NIS thousands	NIS thousands
		(Unaudited)	(Unaudited)	(Audited)
Liabilities				
Short-term credit from banking corporations and others	9	140,338	309,964	134,875
Current maturities of BONDS	9(c)	75,000	75,000	75,000
Trade payables and service providers		57,986	62,761	53,323
Short-term employee benefits		8,966	5,666	7,001
Other payables and credit balances		66,486	34,374	96,581
Other payables and credit balances – from controlling shareholder	10	3,308	2,339	3,408
Non-financial liability regarding tax partner		52,416	61,563	52,830
Financial liabilities – derivative instruments	6	14,654	48	16,026
Liabilities held for sale		1,975	-	-
Current tax liabilities		-	133	-
Total current liabilities		421,129	551,848	439,044
Liabilities to banking corporations and others	9	2,160,473	1,854,220	2,174,204
Provision for decommissioning and restoration		25,138	26,755	25,127
Financial liabilities – derivative instruments	6	2,068	4,227	4,365
Non-financial liability regarding tax partner		37,879	106,112	51,445
Deferred tax liabilities		245,179	203,364	229,097
BONDS, net	9(c)	852,033	670,825	851,794
Excess of accumulated losses over cost of investment and deferred credit balance in investees	8	5,958	1,401	5,419
Total non-current liabilities		3,328,728	2,866,904	3,341,451
Total liabilities		3,749,857	3,418,752	3,780,495
Equity				
Share capital		979,525	916,856	916,862
Share premium		818,765	665,846	668,771

	Note	As of March 31		As of December 31
		2026	2025	2025
		NIS thousands	NIS thousands	NIS thousands
		(Unaudited)	(Unaudited)	(Audited)
Warrants		19,671	-	-
Retained earnings (accumulated deficit)		(96,832)	164,345	(61,883)
Reserves		198,259	143,688	159,125
Total equity attributable to owners of the Company		1,919,388	1,890,735	1,682,875
Non-controlling interests		(197)	(397)	(195)
Total liabilities and equity		5,669,048	5,309,090	5,463,175

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

CFO
Ofer Erez

CEO
Yuval Skornik

Chairman of the Board
Amit Birman

May 18, 2026
Date of approval of the financial statements

Financial Statements as of March 31, 2026

Condensed Interim Consolidated Statements of Profit or Loss

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Revenues from sales and services	88,865	34,429	286,129
Cost of sales and services	(69,746)	(30,930)	(232,087)
Gross profit	19,119	3,499	54,042
Selling, marketing, general and administrative expenses	(18,206)	(16,996)	(80,790)
Share in (losses)/ profits of investees accounted for using the equity method	(10,629)	16,354	(35,471)
Other income	17,144	20,361	87,451
Other expenses	(1,013)	(58)	(109,710)
Operating profit (loss)	6,415	23,160	(84,478)
Financing income	14,993	59,212	90,022
Financing expenses	(51,155)	(47,512)	(188,345)

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Financing income (expenses), net	(36,162)	11,700	(98,323)
Profit (loss) before taxes on income	(29,747)	34,860	(182,801)
Taxes on income expenses	(5,204)	(10,005)	(18,370)
Profit (loss) for the period	(34,951)	24,855	(201,171)
Attributable to:			
Owners of the Company	(34,949)	24,897	(200,508)
Non-controlling interests	(2)	(42)	(663)
Net profit (loss) for the period	(34,951)	24,855	(201,171)
Basic profit (loss) per share - in NIS	(0.04)	0.03	(0.22)
Diluted profit (loss) per share - in NIS	(0.04)	0.03	(0.22)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Financial Statements as of March 31, 2026

Condensed Interim Consolidated Statements of Profit or Loss

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Profit (loss) for the period	(34,951)	24,855	(201,171)
Other comprehensive income (loss) (net of tax) that after initial recognition in comprehensive income will be reclassified to profit or loss			
The effective portion of the change in fair value of cash flow hedges, net of tax	178	569	(23,594)
Foreign currency translation differences for foreign operations	(295)	7,701	(52,805)

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Group's share of other comprehensive income of an investee accounted for using the equity method, net of tax	38,989	(83,656)	16,954
The effective portion of the change in fair value of cash flow hedges reclassified to profit or loss	-	-	457
<u>Total other comprehensive income (loss).</u>	38,872	(75,386)	(58,988)
<u>Total comprehensive income (loss) for the period</u>	3,921	(50,531)	(260,159)
<u>Total comprehensive income (loss) attributable to:</u>			
Owners of the Company	3,923	(50,489)	(259,496)
Non-controlling interests	(2)	(42)	(663)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Financial Statements as of March 31, 2025

Condensed Interim Consolidated Statements of Changes in Equity

	Share capital	Share premium	warrants	Share-based payment	Capital reserve for transactions with a controlling shareholder	Reserve for hedging transactions NIS thousands	Translation reserve of foreign operations	Retained earnings	Non-controlling interests	Total equity
Balance as of January 1, 2024 (audited)	916,862	668,771	-	5,657	137,390	21,559	(5,481)	(61,883)	(195)	1,682,680
Loss for the period	-	-	-	-	-	-	-	(34,949)	(2)	(34,951)
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	39,167	(295)	-	-	38,872
Issuance of ordinary shares and warrants	62,663	149,994	19,671	-	-	-	-	-	-	232,328
Share-based payment	-	-	-	262	-	-	-	-	-	262
Balance as of March 31, 2024 (unaudited)	979,525	818,765	19,671	5,919	137,390	60,726	(5,776)	(96,832)	(197)	1,919,191

	Share capital	Share premium	warrants	Share-based payment	Capital reserve for transactions with a controlling shareholder	Reserve for hedging transactions NIS thousands	Translation reserve of foreign operations	Retained earnings	Non-controlling interests	Total equity
Balance as of January 1, 2025 (audited)	916,855	665,815	-	7,441	137,390	27,742	47,324	139,448	(355)	1,941,660
Profit (loss) for the period	-	-	-	-	-	-	-	24,897	(42)	24,855
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	(83,087)	7,701	-	-	(75,386)
Issuance of ordinary shares	1	31	-	(32)	-	-	-	-	-	-
Share-based payment	-	-	-	(791)	-	-	-	-	-	(791)
Balance as of March 31, 2025 (unaudited)	916,856	665,846	-	6,618	137,390	(55,345)	55,025	164,345	(397)	1,890,338

	Share capital	Share premium	warrants	Share-based payment	Capital reserve for transactions with a controlling shareholder	Reserve for hedging transactions NIS thousands	Translation reserve of foreign operations	Retained earnings	Non-controlling interests	Total equity
Balance as of January 1, 2025 (audited)	916,855	665,815	-	7,441	137,390	27,742	47,324	139,448	(355)	1,941,660
Loss for the year	-	-	-	-	-	-	-	(200,508)	(663)	(201,171)
Other comprehensive loss for the period, net of tax	-	-	-	-	-	(6,183)	(52,805)	-	-	(58,988)
Issuance of ordinary shares	7	2,956	-	(2,963)	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(823)	823	-
Share-based payment	-	-	-	1,179	-	-	-	-	-	1,179
Balance as of December 31, 2025 (audited)	916,862	668,771	-	5,657	137,390	21,559	(5,481)	(61,883)	(195)	1,682,680

The notes attached to the condensed interim consolidated financial statements form an integral part thereof

Financial Statements as of March 31, 2026

Condensed Interim Consolidated Statements of Cash Flows

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(unaudited)	(unaudited)	(audited)
Cash flows from operating activities			
Profit (loss) for the period	(34,951)	24,855	(201,171)
Adjustments for:			
Depreciation and amortization	26,271	13,697	80,559
Other expenses (income)	907	(806)	96,940
Company's share in (losses) profits of investees	10,629	(16,354)	35,471
Other income regarding tax partner	(14,928)	(17,312)	(62,984)
Income tax expenses	5,204	10,005	18,370
Financing income (expenses), net	36,162	(11,700)	98,323

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(unaudited)	(unaudited)	(audited)
	64,245	(22,470)	266,679
Change in trade receivables	(11,972)	(18,011)	(38,408)
Change in other receivables and others	37,054	(1,632)	(39,159)
Change in trade payables and service providers	6,170	(23,365)	(25,759)
Change in other payables and credit balances	(30,437)	(37)	39,373
Change in provisions and employee benefits	2,234	(531)	2,934
Receipt of dividends and withdrawal of profits from investees	400	-	27,005
Income tax paid	(345)	(6)	(8,802)
Net cash provided by (used in) operating activities	32,398	(41,197)	22,692

The notes attached to the condensed interim consolidated financial statements form an integral part thereof.

Financial Statements as of March 31, 2026

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(unaudited)	(unaudited)	(audited)
Cash flows from investing activities			
Investment in fixed assets	(42,905)	(51,831)	(305,027)
Refund for capitalization fees	-	14,487	15,978
Change in deposits in banking corporations, net	(11,154)	(12,757)	15,104
Interest received	288	1,751	16,377
Providing loans to investees	(556)	(1,076)	(3,212)
Repayment of loans provided to investees	20,000	-	25,770

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(unaudited)	(unaudited)	(audited)
Contract asset for concession arrangements – interest received	8,101	8,396	33,871
Contract asset for concession arrangements – repayment	7,920	7,314	40,336
Investment in an associate	-	-	(13,480)
Receipt (payment) for settlement of investments in derivatives, net	(3,945)	2,327	(5,729)
Net cash used in investing activities	(22,251)	(31,389)	(180,012)
<u>Cash flows from financing activities</u>			
Receipt of loans from banking and other corporations	10,267	16,731	393,860
Repayment of long-term loans from banking and other corporations	(32,047)	(22,521)	(269,827)
Issuance of shares and warrants (see Note 4(f))	232,328	-	-
Repayment of BONDS principal	-	-	(75,000)
Issuance of BONDS, net	-	-	255,355
Interest paid	(31,051)	(25,628)	(136,986)
Repayment of lease liability	(3,832)	(3,790)	(9,251)
Net cash provided by (used in) financing activities	175,665	(35,208)	158,151
<u>Increase (decrease) in cash and cash equivalents</u>	185,812	(107,794)	831
<u>Effect of exchange rate fluctuations on cash</u>	(289)	496	(2,590)
<u>Balance of cash and cash equivalents at the beginning of the year</u>	246,896	248,655	248,655
<u>Balance of cash and cash equivalents at the end of the period</u>	432,419	141,357	246,896
<u>Additional information - non-cash investing and financing activity</u>			
Provision for dismantling and restoration recorded against fixed assets	-	-	1,624
Suppliers credit against fixed assets	5,289	-	11,386

The notes attached to the condensed interim consolidated financial statements form an integral part thereof.

Financial Statements as of March 31, 2026

Note 1 - General

A. The Reporting Entity

Shikun & Binui Energy Ltd. (hereinafter: the "**Company**") is a company resident in Israel, which was incorporated in Israel and its official address is 1A HaYarden Street, Airport City. The condensed interim consolidated financial statements as of March 31, 2026, include those of the Company and of its consolidated subsidiaries (including partnerships) and the Group's interests in associate companies (including partnerships) and joint ventures (hereinafter together: the "**Group**"). The Company is a public company whose shares are traded on the Tel Aviv Stock Exchange Ltd. (hereinafter: the "**TASE**") and it is controlled by Shikun & Binui Ltd., a public company whose securities are traded on the TASE (hereinafter: the "**Parent Company**").

B. The Group's activity includes:

1. Initiation, development, planning, licensing, financing, construction, management, operation and maintenance of photovoltaic projects and storage systems, as well as electricity generation and sale in Israel.
2. Initiation, development, planning, licensing, financing, construction, management, operation and maintenance of electricity generation projects using natural gas.
3. Initiation, development, planning, licensing, financing, construction, management, operation and maintenance of a thermo-solar project.
4. Initiation, development, planning, licensing, financing, construction and management of photovoltaic projects and storage systems in the United States.
5. Acquisition and/or initiation, development, planning, licensing, financing, construction and management of photovoltaic projects and storage systems in Europe.

C. Definitions

In these financial statements –

1. The Company – Shikun & Binui Energy Ltd.
2. Consolidated companies/ subsidiaries – companies, including partnerships, whose reports are fully consolidated, directly or indirectly, with the Company's reports.
3. Investees – consolidated companies, including partnerships, the Company's investment in which is included, directly or indirectly, in the financial statements on an equity basis.
4. Interested parties – as defined in paragraph (1) of the definition of "interested party" in a corporation in Section 1 of the Securities Law, 1968.
5. Related party – as defined in International Accounting Standard (2009) 24 regarding related parties.
6. The Annual Reports – the Company's consolidated financial statements as of December 31, 2025.

The term "Shikun & Binui group companies" in these financial statements refers to the Parent Company or its investees.

D. Entering into a memorandum of understanding with Generation Capital Ltd.

On May 15, 2026, the Company signed with the Parent Company and with Generation Capital Ltd. ("**Generation**"), a primarily non-binding memorandum of understanding regarding a transaction in which Generation, by itself or through a corporation under its control ("**Purchaser**"), will acquire the full share capital (100%) of the Company, by way of a reverse triangular merger, whereby the Company will be the absorbing company and will become, following the completion of the transaction (if and to the extent completed), a private company fully owned by Generation or a corporation under its control, but will remain a reporting entity.

At the date of completion of the transaction (if and to the extent completed), all of the Company's shares will be transferred to the Purchaser for a consideration to be paid on the completion date to all the Company's shareholders according to their shareholding rate in its shares, in a total cash amount of NIS 4.05 billion, subject to customary adjustments in agreements of this type to be implemented starting from the date of signing the memorandum of understanding. In addition, the Purchaser will pay to all the Company's shareholders on the completion date of the transaction, an additional amount reflecting payment for the passage of time from the date of signing the memorandum of understanding until the completion date, in the amount of NIS 150 million; and in total a sum of NIS 4.2 billion.

Shikun & Binui Energy

Financial Statements as of March 31, 2026

Furthermore, subject to meeting milestones related to the promotion of certain existing projects of the Company, in a period of up to 60 months from the completion date, an additional future contingent consideration will be paid to those who are shareholders of the Company on the transaction completion date, in a maximum cumulative amount of up to NIS 300 million, under the terms specified in the memorandum of understanding.

Completion of the transaction will be subject to the fulfillment of customary conditions precedent, including approval of the Company's General Meeting, regulatory approvals (including the Competition Authority and the Electricity Authority), approval of the Company's BONDS holders and approval of financing entities, as may be required.

Upon signing the memorandum of understanding, the purchaser will conduct due diligence regarding the company for a period of 30 days from the date of opening a data room for the purchaser and its advisors, which will include the documents specified in the memorandum of understanding ("**the Review Period**"). During the Review Period, the Company and the parent company undertook to immediately stop all existing discussions and/or negotiations with any third party conducted before signing the memorandum of understanding, if any, regarding the possibility of carrying out a competing transaction (as defined in the memorandum of understanding) and until the end of the Review Period not to conduct negotiations with any entity, not to enter into any agreement and not to reach any understandings in everything related or concerning a competing transaction (as defined in the memorandum of understanding). In addition, the Company and the parent company undertook that if an unsolicited inquiry from a third party regarding a competing transaction (as defined in the memorandum of understanding) is received by the end of the Review Period, they will not promote it until the end of the Review Period.

According to the memorandum of understanding, agreed and binding mechanisms were established for providing financial compensation to the Company by Generation Capital Ltd. in the event that a detailed agreement is not signed by the end of the Review Period, and for providing compensation by the parent company or the Company in the event that Generation Capital Ltd. pays the said compensation and one of them completes a competing transaction (as defined in the memorandum of understanding) as a result of which a new controlling shareholder is created in the Company instead of the parent company or as a result of which the main assets of the Company are sold, within a certain period from the end of the Review Period.

E. Impact of the Iron Swords War

On October 7, 2023, the "Iron Swords" war broke out and a state of war was declared in Israel. In October 2025, through the mediation of the US and other countries, an agreement based on the 21-point plan of the US President was signed. In general, the ceasefire is being maintained as stated.

In June 2025, the State of Israel opened a direct conflict with Iran as part of Operation "Am Ke-Lavi", where upon its opening, the State of Israel declared a special situation in the home front and the closure of its airspace. During the operation, the activity of some gas reservoirs was shut down, and among other things, as a result, some of the production units at the Ramat Hovav and Hagit East power plants were not loaded, and some were loaded to a low extent, using diesel instead of gas.

On February 28, 2026, the State of Israel and the United States launched a combined attack on Iran as part of Operation "Lion's Roar", among other things, with the aim of hitting Iran's missile arrays and various targets of the Iranian regime. In response, the Iranian regime began launching missiles and UAVs toward the State of Israel and other countries in the region. On March 1, the campaign was also expanded to Lebanon due to firing at the State of Israel by the Hezbollah organization. With the start of the operation, it was decided to move all areas of the country from a full activity level to an essential activity level, which includes a ban on educational activities, gatherings, and arrival at workplaces, except for workplaces defined as essential for the economy. Furthermore, additional reserve mobilization was carried out for the needs of the operation. On April 5, 2026, a ceasefire was declared between the US and Iran and according to the date of publication of the report, attacks on the State of Israel from the direction of Iran ceased. Close to the declaration of the ceasefire with Iran, a ceasefire was declared between Israel and the terrorist organization Hezbollah, alongside talks taking place between the Israeli government and the Lebanese government. However, the ceasefire was violated several times by the terrorist organization Hezbollah, and therefore it is not yet clear whether the ceasefire will be maintained and for how long, when as of the date of publication of the report, in the northern region the exchanges of fire continue even if at a lower intensity.

As of the report date and to the best of the Company's knowledge, the operations and the declaration of the special situation in the home front as stated did not have a material impact on the Company's operations and the Group's financial results. Including this, all electricity production facilities were available and operated according to the instructions of the system manager, while operation and maintenance activities were carried out in shifts, and also as of the date of publication of the report, all the Group's facilities in commercial operation in Israel are operating as usual and without significant harm. However, as this is an event beyond the Company's control, factors such as the continued duration of the operation and its expansion to other countries, as well as additional events, may affect the Company, its financial condition, its operating results and its cash flows. The Company continues to monitor various developments to examine the impact of the operation on its activities.

F. The Impact of Inflation and Interest Rate Increases

In the first quarter of 2026, the Consumer Price Index decreased by approximately 0.1% (in the corresponding quarter last year, the Consumer Price Index rose by approximately 0.3%).

As of March 31, 2026, the Group has a surplus of liabilities over assets linked to the Consumer Price Index in the amount of approximately NIS 436 million.

In general, there is a correlation between the linkage of revenues from electricity generation to the input prices of electricity generation costs in these projects. Therefore, in the Company's estimation, the increase in the Consumer Price Index does not have a material impact on the profitability of these projects.

The Company presents and measures loans to companies handled according to the equity method with a non-fixed repayment schedule at fair value, in accordance with International Financial Reporting Standard 9 (IFRS9). The valuations of loans are affected by both the interest rate curve and the Consumer Price Index curve; when the curves rise, the value of the loans decreases, and as a result, the Company recognizes financing expenses in profit and loss. For further details, see Note 6 regarding financial instruments, concerning the impact on loans to held companies measured at fair value.

G. Seasonality

Revenues from electricity sales of the Group are affected by seasonality due to changes in weather conditions during the year. Solar radiation in different seasons affects the output of photovoltaic systems; in the summer months, when radiation is high, system output increases. In the winter months, when the radiation level is relatively low, system output decreases. Accordingly, the first and fourth quarters of each year are considered quarters with relatively low output, while the second and third quarters have high output.

Note 2 – Basis of Preparation of the Financial Statements

A. Statement of Compliance with International Financial Reporting Standards

The condensed consolidated interim financial statements as of March 31, 2026 (hereinafter: **"the Interim Reports"** or **"the Financial Statements"**) were prepared in accordance with IAS 34 and do not include all the information required in full annual financial statements. It should be read in conjunction with the financial statements for the year ended December 31, 2025, which were published on March 17, 2026 (above and hereinafter: **"the Annual Reports"**). Furthermore, the condensed consolidated interim financial statements were prepared in accordance with the provisions of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. The condensed consolidated interim financial statements were approved for publication by the Company's Board of Directors on May 18, 2026.

B. Use of Estimates and Judgment

In accordance with IFRS in preparing the interim reports, the Company's management is required to use judgment, assessments, estimates and assumptions that affect the application of policy and the amounts of assets and liabilities, income and expenses. It is clarified that actual results may differ from these estimates. Management's judgment, when applying the Group's accounting policy and the main assumptions used in evaluations involving uncertainty, are consistent with those used in preparing the Annual Reports.

Note 3 - Material Accounting Policy

The Group's accounting policy in these interim reports is the accounting policy applied in the Annual Reports.

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Note 4 - Events During the Reporting Period and After the Reporting Date

A. Equity Compensation Plan and Prospectus

After the balance sheet date and close to the date of publication of the report, an equity compensation plan for managers in the Company and its subsidiaries was approved by the Compensation Committee and the Company's Board of Directors. Additionally, the Company's Board of Directors approved the publication of a new prospectus for the offering of warrants and/or restricted share units to officers (excluding directors) and other employees in the Company and subsidiaries, which will be published shortly after the publication of this report.

B. PV Electricity Generation Facilities (Combined with Storage) - Otzem and Ein Tamar

Further to Note 21(c)(9) to the Annual Reports regarding the Otzem and Ein Tamar projects, on February 15, 2026 and May 3, 2026, the construction of the projects in Otzem and Ein Tamar (which are part of the project backlog) began.

C. Urim High Voltage

Further to Note 12(h)(10) to the Annual Reports regarding the Urim High Voltage project which the Company is promoting through a dedicated corporation under its full ownership, on March 15, 2026 the Company entered into an agreement (as an EPC contractor) with a third party, who will serve as a subcontractor in a subcontracting agreement for the design, supply and construction of the photovoltaic facility, and on March 23, 2026 the Company issued a Notice to Proceed (NTP) to the said subcontractor.

As of the reporting date approximately 12% of the project's construction was completed.

D. Activity in Europe

Simleu Silvaniei Project

Further to Note 12(h)(8) to the Annual Reports regarding the Simleu Silvaniei project in Romania, as of the date of approval of the financial reports, the project was connected to the power grid, passed acceptance tests and is in the process of obtaining a permanent production license from the Romanian Electricity Authority (ANRE) towards the registration of the project in the power generator registry managed by the system operator in Romania (Transelectrica).

As of the reporting date approximately 99% of the project's construction was completed.

E. Ramat Beka Project

Further to Note 19(a)(7) to the Annual Reports regarding the Ramat Beka project and the Company's signing of a detailed agreement with Azrieli Group Ltd. for the sale of 50% of the Company's rights in the Ramat Beka project ("the Agreement"), on March 25, 2026, the Competition Authority approval was received, which constituted a condition precedent to the Agreement. On April 14, 2026, the steering committee was established and the parties began managing the project jointly. In light of the fulfillment of the conditions precedent and the establishment of the management mechanisms, the Company believes that from the said date, a loss of control in the project occurred, and on this date the holding moves to joint control in the project and it will be presented according to the equity method.

On May 4, 2026, the Company, together with other developers who won the tender published by the ILA in 2022-2023 for the construction of renewable energy electricity production facilities using photovoltaic technology in Ramat Beka ("the Developers", "the Tenders" and "the Facilities", respectively) and under which the Company won the project area, ("the Developers") filed an administrative petition against the Israel Land Authority ("ILA") to the District Court in Beer Sheva, sitting as an administrative court regarding the authorization agreements signed between each of the Company and the Developers and the ILA, following the win in the tenders ("the Authorization Agreements"). Within the framework of the legal proceeding, the Developers insisted that the ILA Tender Committee did not make a decision regarding their request to extend the deadlines set in the Authorization Agreements, which was submitted

Following material changes in circumstances that occurred after the signing of the authorization agreements. Accordingly, the court was asked, among other things, to order the ILA Tender Committee to extend the authorization period for planning by at least 24 months, and to update the deadline for signing the lease contracts and paying the balance of the consideration (80%) to 12 months from the date of approval of the new plans.

On May 6, 2026, the ILA submitted a "Notice on behalf of the Respondent" to the court, within which it agreed not to take any unilateral action that could harm the rights of the Developers by virtue of their winning the tenders, and not to cancel the authorization for planning, until 14 days after the Developers receive the Tender Committee's decision. It was also noted in the notice that in light of the ILA's position, the need to submit a response to the request for an interim order has become redundant at this stage.

On May 6, 2026, the court's decision was given, within which effect was given to the ILA's notice as stated.

Regarding the prospects of the proceeding, and since the proceeding is at a very preliminary stage, before receiving a response and/or decision from the Tender Committee, the prospects of the legal proceeding cannot be comprehensively assessed.

F. Hof HaBonim Project

The Company holds 40% of the rights in the Hof HaBonim project. As of the report date, the Company is taking actual steps to realize its share in the project, including promoting contacts with potential parties for the purpose of executing such a transaction.

According to the assessment of the Company's management, the completion of the transaction subject to the fulfillment of customary conditions precedent and subject to the completion of negotiations with the relevant parties, if completed, is expected to occur during 2026. It should be emphasized that there is no certainty regarding the completion of the transaction or its final terms.

G. Allocation of Shares and warrants

Further to Note 31(1) to the Annual Reports, on January 27, 2026, the Company completed an issuance of 62,662,900 ordinary shares of the Company, registered by name, of NIS 1 par value each and 31,331,450 warrants (Series 1) exercisable into ordinary shares of the Company (each warrant (Series 1) is exercisable into one ordinary share), from the date of their registration for trading on the TASE until the final date for their exercise on July 27, 2027 (inclusive), against a cash payment of an exercise price of NIS 4.47. The net consideration amount from the issuance is NIS 232 million.

H. Entering into a Memorandum of Understanding with Generation Capital Ltd.

After the balance sheet date, on May 15, 2026, a memorandum of understanding was signed regarding a reverse triangular merger transaction of the Company, the parent company and Generation Capital Ltd. For more details, see Note 1(d).

Note 5 - Contingent Liabilities, Claims and Legal Proceedings

Parent Company Investigations

On October 14, 2024, the Tel Aviv-Yafo District Court approved a plea bargain with several companies in the Shikun & Binui Group (which are not the Company or corporations held by it) which exhausted the (criminal) proceedings against the said companies in the Shikun & Binui Group regarding past events that were the basis of the Israel Police investigation opened against the parent company and other companies in the Group (which as stated are not the Company and corporations held by it), after which, according to the State Attorney's announcement dated July 4, 2024, the investigation file opened against the parent company and another subsidiary of the parent company (which are not related to the Company or corporations held by it) was closed. Within the framework of the plea bargain approved by the court, it was determined, among other things, that a subsidiary of the parent company (which is not the Company or a corporation held by it) would confess and be convicted, among other things, of an offense under Section 499(a)(1) of the Penal Law, 1977, due to the failure to stop making payments without receipts, some of which were improper, and which some of the subsidiaries in the Shikun & Binui Group (which are not the Company or corporations held by it) and some of their various organs used to perform prior to Amendment No. 99 to the Penal Law, to various entities in the countries of operation where the Shikun & Binui Group operated, some of them unlawfully, and this mainly until 2012.

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Furthermore, according to the arrangement, a final and total forfeiture of NIS 250 million was carried out from funds seized within the framework of the investigation (which are not related to the Company or its held corporations) and which were deposited into a forfeiture fund in 2018, and the remainder of the forfeited deposit was returned to the Shikun & Binui group. Additionally, a fine of NIS 10 million was imposed on the parent company's subsidiary (regarding which it was agreed it would confess and be convicted as detailed above, and which is not the Company or its held corporations), which was paid from the property located in the forfeiture fund as detailed above.

The Court determined, among other things, that it is a worthy plea bargain that should be respected, and referred to the fact that given the novelty of the proceeding, there is significant evidentiary and legal complexity in this case. The Court further noted, within its other considerations in the judgment for approving the arrangement as stated, the fact that the officers who actually committed the offenses confessed and were convicted of the same offenses within separate plea bargains, and that those officers from the companies that committed the offenses are no longer officers in the Group. The Court further determined that the replacement of the officers as stated essentially constitutes a type of new company and therefore it should be allowed to continue business under alternative management. The Court also determined that an updated enforcement and compliance program was adopted by the Company and that a large company, and especially a group of companies, cannot hermetically prevent the commission of any offense by any of its officers.

It should be clarified that, contrary to suspicions, the subsidiary of the parent company (and similarly the companies of the parent company group) were not convicted of offenses of bribery to foreign public officials and were not convicted of money laundering offenses. With this, the described criminal proceeding ended.

It should be noted that Section 6(b) of the Electricity Sector Law, 5756-1996 (hereinafter: the "**Electricity Sector Law**") provides that a license under this Law shall not be granted to an individual convicted of an offense that, in the opinion of the Attorney General, involves moral turpitude, to a company, even if an officer or a controlling shareholder therein was convicted as stated, and to a partnership, even if one of the partners therein was convicted as stated. Additionally, Regulation 32(a)(1) of the Electricity Sector Regulations provides that in addition to the provisions of Section 6(b) of the Electricity Sector Law, the Minister or the Authority may refuse to grant a license to an applicant if they believe that granting the license to the applicant contradicts the public interest or the government's policy in the electricity sector. In the Company's view, based on legal advice it received, the aforementioned Regulation 32 does not apply regarding the aforementioned proceedings against the parent company and the other entities mentioned above, among other things, given the fact that the aforementioned provision sets restrictions on granting licenses and not on canceling existing licenses, and also given the positive arrangement in Section 6(b) of the Law. It should be noted that the Company's material projects in Israel operating or currently being established under a license according to the Electricity Sector Law are: Ashalim, Tze'elim, Nevatim, Etgal, Ramat Hovav, Hagit East, Pumped Storage, and Urim High Voltage.

In the Company's assessment, the degree of influence of this risk factor is low, among other things, after the plea bargain was approved as stated above and since the parent company (the controlling shareholder in the Company) was not convicted and anyway Section 6(b) of the Electricity Sector Law does not apply, and given that the aforementioned legal provisions were anyway relevant only in relation to projects in Israel that require a license, the possibility of selling the projects if necessary at market prices, and the Company's ability in any case to continue its activity in all fields or projects that do not require a license in Israel. However, it should be noted that the approval of the plea bargain as stated above, which includes the conviction of the parent company's subsidiary (which is not the Company or its held corporation as stated), may make it difficult for the Company in various business moves such as obtaining project financing and/or partnering with business partners, but the Company assesses this as low risk, among other things, because the Company did not encounter difficulties during the aforementioned investigation proceedings and since the plea bargain was approved. The Company will continue to examine from time to time the implications of the approval of the arrangement as stated on the Company and its activity.

Note 6 – Financial Instruments

A. Financial instruments measured at fair value for disclosure purposes only

The carrying amount of certain financial assets and liabilities including cash and cash equivalents, short-term deposits, customers, other receivables, other short-term investments, bank overdrafts, short-term loans and credit, suppliers, other payables, floating rate assets and liabilities, which do not involve material credit risk, matches or is close to their fair value.

The fair value of the remaining financial assets and liabilities and the carrying amounts presented in the statement of financial position are as follows:

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	As of March 31, 2026			As of March 31, 2025			As of December 31, 2025			
	Carrying Amount	Fair Value	Fair Value Interest %	Carrying Amount	Fair Value	Fair Value Interest %	Carrying Amount	Fair Value	Fair Value Interest	Cap. Rate
	NIS thousands		%	NIS thousands		%	NIS thousands			%
	(Unaudited)			(Unaudited)			(Audited)			
Financial Assets										
Contract assets regarding concession arrangement	712,334	790,856	3.09-3.29	738,922	800,608	3.57-3.6	720,986	808,263	-	3.12-3.13
Financial Liabilities										
Loans from banking and other corporations	1,456,932	1,417,650	3.29-3.41	1,336,375	1,255,135	3.53-3.69	1,481,109	1,462,467	-	3.12-3.21
BONDS Series A	675,000	736,810	-	758,449	797,100	-	675,000	727,853	-	-
BONDS Series B	257,100	262,739	-	-	-	-	260,981	269,403	-	-

The fair value of long-term loans bearing fixed interest is based on the calculation of the present value of cash flows according to the accepted interest rate for a similar loan with similar characteristics.

1. Following are data regarding the fair value hierarchy of financial instruments measured at fair value recognized in the statement of financial position:

	March 31, 2026		
	NIS thousands		
	Level 2	Level 3	Total
	(Unaudited)		
Financial assets measured at fair value through profit and loss: Loans to associated companies	-	688,176	688,176

	March 31, 2026		
	NIS thousands		
	Level 2	Level 3	Total
	(Unaudited)		
Financial assets measured at fair value through other comprehensive income: Derivative instruments	32,134	-	32,134
Financial liabilities measured at fair value through other comprehensive income: Derivative instruments	(16,722)	-	(16,722)
	15,412	688,176	703,588

	March 31, 2025		
	NIS thousands		
	Level 2	Level 3	Total
	(Unaudited)		
Financial assets measured at fair value through profit and loss: Loans to associated companies	-	715,300	715,300
Financial assets measured at fair value through other comprehensive income: Derivative instruments	41,370	-	41,370
Financial liabilities measured at fair value through other comprehensive income: Derivative instruments	(4,227)	-	(4,227)
	37,143	715,300	752,443

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	December 31, 2025		
	NIS thousands		
	Level 2	Level 3 (Audited)	Total
Financial assets measured at fair value through profit and loss:			
Loans to associated companies	-	703,611	703,611
Financial assets measured at fair value through other comprehensive income:			
Derivative instruments	31,913	-	31,913
Financial liabilities measured at fair value through other comprehensive income:			
Derivative instruments	(20,391)	-	(20,391)

	December 31, 2025		
	NIS thousands		
	Level 2	Level 3 (Audited)	Total
	11,522	703,611	715,133

2. Data regarding Level 2 fair value measurements

Forward Contract

Fair value is estimated based on discounting the difference between the Forward price specified in the contract and the current Forward price for the remaining term of the contract until maturity, using appropriate market interest rates for similar instruments, including required adjustments for the credit risks of the parties.

3. Data regarding Level 3 fair value measurements

Fair Value

Loan granted to associated company Negev Energy Ashalim Thermo-Solar Ltd:

The valuation of the owners' loan was performed by discounting the cash flows used to repay the owners' loan in the project (principal and interest) at a discount rate reflecting the risk level of the flow. The required rate of return on equity was estimated based on the CAPM model and as of March 31, 2026, was estimated at approximately 9.24% and reflects a spread of approximately 5.2% (as of March 31, 2025, estimated at approximately 9.06% reflecting a spread of approximately 4.62% and as of December 31, 2025, estimated at approximately 8.97% reflecting a spread of approximately 5.1%) relative to risk-free interest for the loan duration.

Revenue forecast is based on an output of 426 million kWh on average per year. In the first quarter of 2026, project outputs were lower than the forecast following sandstorms that hit the station. The revenue forecast is based on an expert opinion for the project's output forecast throughout the remaining 19 years of the project's life.

Following is a breakdown of gains (losses) recorded as a result of measuring the loan at fair value (after recording contractual financing income and linkage):

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands (Unaudited)	NIS thousands (Unaudited)	NIS thousands (Audited)
Change in the value of the loan as a result of fair value measurement	(15,051)	(23,100)	(67,545)

Regarding interest income recorded during the period, see Note 7.

	March 31 2026	March 31 2025	December 31 2025
	NIS thousands (Unaudited)	NIS thousands (Unaudited)	NIS thousands (Audited)
Loan value	476,000	487,600	497,900

Loan granted to associated company PSP Investments Ltd:

The valuation for the current measurement date was performed using the Merton model while applying a Monte Carlo simulation. Following are parameters and assumptions at the basis of the valuation:

	March 31 2026	March 31 2025	December 31 2025
	NIS thousands (Unaudited)	NIS thousands (Unaudited)	NIS thousands (Audited)
Risk-free interest	4.11%	4.56%	4%
Implied asset volatility	35.77%	32.26%	34.13%
Discount rate	5%	5%	5%
Asset value (NIS millions)	1,832	1,748	1,840
Loan value	49,409	43,491	48,249

Following is a breakdown of gains recorded as a result of measuring the loan at fair value (after recording contractual financing income and linkage):

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands (Unaudited)	NIS thousands (Unaudited)	NIS thousands (Audited)
Change in the value of the loan as a result of fair value measurement	2,093	2,905	6,978

B. Financial instruments measured at fair value Level 3

The table below presents a reconciliation between the opening balance and the closing balance regarding financial instruments measured at fair value Level 3 in the fair value hierarchy:

Level 3 Financial Assets	
Loans to associated companies	
NIS thousands	
Opening balance as of January 1, 2026 (Audited)	703,611
Provision of loans	556
Interest receipt	(20,000)
Total gains (losses) recognized:	
In profit and loss	4,255
In other comprehensive income (loss)	(246)
Balance as of March 31, 2026 (Unaudited)	688,176

	Financial Assets Level 3 Loans to associated companies NIS thousands	
Opening balance as of January 1, 2025 (Audited)	718,953	
Granting of loan	1,076	
Interest received	(5,000)	
Total gains (losses) recognized:		
In profit and loss	(103)	
In other comprehensive income (loss)	374	
Balance as of March 31, 2025 (Unaudited)	715,300	

	Financial Assets Level 3 Loans to associated companies NIS thousands	
Opening balance as of January 1, 2025 (Audited)	718,953	
Interest received	(12,555)	
Loans granted	3,212	
Repayment of loans	(35,232)	
Total gains (losses) recognized:		
In profit and loss	29,407	
In other comprehensive income (loss)	(174)	
Balance as of December 31, 2025 (Audited)	703,611	

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C. Market Risks and Hedge Accounting

	March 31, 2026			March 31, 2025			December 31, 2025		
	Hedge Accounting	Carrying Amount	Nominal Amount	Hedge Accounting	Carrying Amount	Nominal Amount	Hedge Accounting	Carrying Amount	Nominal Amount
				NIS thousands					
	(Unaudited)			(Unaudited)			(Audited)		
Foreign currency risk									
Forward contracts on exchange rates	Yes	(15,404)	\$60 million	Yes	4,053	\$59.6 million	Yes	(17,571)	\$87 million
Interest rate risk									
Forward contracts for EURIBOR 6M interest swap	Yes	1,033	€44 million	Yes	(4,227)	€70 million	Yes	(691)	€44 million
Forward contracts for SOFR (LEIBOR) interest swap	Yes	30,647	\$70.5 million	Yes	37,317	\$61 million	Yes	31,453	\$70.5 million
Forward contracts for EURIBOR 6M interest swap	Yes	(864)	€28 million	-	-	-	Yes	(1,669)	€28 million

For further details regarding hedge accounting, see Note 28(d) to the annual reports.

Note 7 - Investments in Held Companies Accounted for Using the Equity Method

The Group attaches to these interim reports a summary of the interim financial statements of Ramat Hovav Power Station Partnership and Saticoy.

The following is summary information regarding material held companies accounted for using the equity method, without adjustment for the ownership rate held by the Group.

A. Details regarding investments in held companies accounted for using the equity method:

1. Investment in Negev Energy company

Following Note 11(a)(1) to the annual financial statements regarding the thermal project held by Negev Energy - Ashalim Thermo Solar Ltd., on January 31, 2026, the thermal concessionaire repaid interest on owner's loan in a total amount of NIS 40 million (the Company's share is NIS 20 million).

Following Note 11(a)(1)(e) to the annual reports regarding a BOT (Build Operate Transfer) concession agreement between the State of Israel and Negev Energy PV Ltd. (held 50% by the Company and 50% by Noy Fund) ("the PV Concessionaire") regarding the design, financing, construction, operation and maintenance of a solar facility in Ashalim, for the production of electricity using photovoltaic (PV) technology combined with energy storage systems, with an installed capacity of 150 MW and a storage capacity of 460 MWh (Ashalim PV Project), on January 12, 2026, the PV Concessionaire entered into an agreement with Belectric Israel Ltd. ("the Construction Contractor") for the construction, design, procurement, commissioning and completion of the facility on a Turn Key basis, at a fixed price. To secure the Construction Contractor's obligations, a parent company guarantee was provided in favor of the PV Concessionaire, and the Construction Contractor's obligation to provide a performance guarantee, warranty, and advance payment was regulated. The contractor's warranty period ends two years after the completion date (unless extended according to the agreement). The agreement establishes standard arrangements for force majeure, change in law, liquidated damages, liability, and grounds for cancellation, and on January 21, 2026, the PV Concessionaire gave the Construction Contractor notice to commence preliminary works in accordance with the construction agreement provisions.

2. Investment in Ramat Hovav Partnership

2.1 Following Note 11(a)(2)(d) to the annual reports regarding the submission of a purchase tax appeal by the Partnership to the court concerning the purchase tax assessment issued by the Real Estate Taxation Authority, on April 19, 2026, the court announced a postponement of the parties' response until June 19, 2026.

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According to the Partnership's assessment and based on a legal opinion the Partnership received from its legal advisors on the subject, it is more likely than not that if the dispute between the parties regarding the assessment reaches a judicial determination, the legal position taken by the Partnership in its reports to Real Estate Taxation will be accepted.

2.2 Following Note 11(a)(2)(e) regarding the filing of an appeal to the Supreme Court by the Partnership concerning the assessment of permit fee payments issued by IMI (Rami), a hearing date in the Supreme Court was set for July 26, 2027.

As of the date of approval of the reports, the results of the proceedings against IMI and the amount of permit fees that will be determined at their conclusion cannot be assessed.

3. Investment in PSP Company - Pumped Storage

3.1 Following Note 11(a)(4)(d) to the annual financial statements, regarding faults in the facility's production units, the second stage of fault repairs began on February 4, 2026, in unit number 2 and on February 25, 2026, in unit number 1. The repair was expected to last between 6-7 months; however, due to the "Sha'agat HaAri" operation at the end of February 2026, PSP was updated by the Construction Contractor that due to the operation, and according to instructions received from GE management, GE employees stopped the repair work at the site and left the country. Following discussions with the Construction Contractor, unit 1 was returned to full production activity starting April 5, 2026, which is expected to continue at least until the beginning of June 2026, while as of the publication date of the report, unit 2 returned to repairs on May 6, 2026, by the contractor's team of foreign experts, with the expected completion of repairs for unit number 2 being November 11, 2026. Furthermore, PSP demanded that the contractor submit an updated repair plan including an acceleration plan to reduce repair times. The stoppage of work as mentioned is expected to cause a prolongation of the shutdown relative to the original schedule. PSP is examining the impact of these changes and is acting to minimize their impact. Additionally, following the agreement reached on November 9, 2025, between PSP and its shareholders (including the Company), the project financiers, contractor representatives, and the contractor's shareholders (including the Company's parent company) to shut down the facility for the second stage of repair, due to changes in the security situation in Israel and the departure of the construction contractor from the site, PSP is examining the need for an update to the framework and/or financing agreement, as necessary.

3.2 Following Note 11(a)(4)(z) to the annual financial statements regarding an arbitration award granted in favor of the facility operator as part of an International Court of Arbitration of the ICC proceeding and regarding the application filed by PSP to the Tel Aviv-Jaffa District Court for the cancellation of the arbitration award, on March 31, 2026, PSP and the operator submitted a joint notice regarding the fulfillment of the conditions precedent set in the agreement under which the variable payments component and the bonuses component were agreed upon, along with the spreading of the amounts awarded in favor of the operator and its full entry into force, and accordingly requested the District Court to order the dismissal of the cancellation application for the arbitration award, without an order for costs, and on April 5, 2026, a judgment was rendered ordering the dismissal of the cancellation application without an order for costs and the closing of the file.

3.3 Following Note 11(a)(4)(j) to the annual financial statements regarding the receipt of the system manager's account for December 2025, within which, in addition to detailing the payments to which PSP is entitled for December 2025 (among others, for availability and energy production), the system manager sought to offset a total of approximately NIS 45 million for an equivalent availability deviation at the power station for January to March 2023 plus interest for the said deviation, on February 5, 2026, PSP filed a lawsuit in court against the system manager alongside a request for a temporary injunction (filed ex parte) and a permanent injunction against the offset until the determination of the lawsuit, and on February 5, 2026, the court issued a temporary injunction prohibiting the system manager from performing an offset until a hearing is held in the presence of the parties on the request for a temporary injunction. As of the publication date of the report, the hearing on the temporary injunction given in the presence of the parties was postponed at the system manager's request to June 3, 2026.

Regarding the request filed by PSP to the system manager in accordance with the Freedom of Information Act to receive the documents and information required for it to address the draft account, and following the administrative petition filed by PSP against the system manager due to the non-delivery of said information under the Freedom of Information Act, a hearing was held on April 20, 2026, where it was suggested that the judge in the proceeding propose a compromise between the parties, and following the responses of the system manager and PSP, on May 14, 2026, the court decided that a settlement proposal would be sent later to the parties.

Financial Statements as of March 31, 2026

4. Investment in US Projects

4.1 Beacon

Following Note 11(a)(5) to the annual reports, on April 30, 2026, two special purpose entities holding the Beacon 2 and Beacon 5-1 projects, which are indirectly held 49.5% by the Company ("Beacon Entities"), signed an agreement to purchase the share (6.04%) of the tax partner in said projects ("Tax Partner Agreement") for an amount that is not material to the Company. Simultaneously with the signing of the Tax Partner Agreement, the Beacon Entities signed an amendment to the financing agreement as part of a Refinance with the project financiers, under which a total loan of approximately \$84.1 million was provided, which was used to repay the previous loan (the Company's share being approximately \$42.05 million).

4.2 Saticoy

Following indicators of impairment on March 31, 2026, due to the site's low performance relative to the forecast, the Company evaluated the recoverable amount of the investment in the project company. The recoverable amount of the investment was estimated according to the DCF approach, according to which the current value of the company is determined by future cash flows over the period discounted by a discount factor. The recoverable amount was determined by assessing the probabilities for each of the possible future cash flows; based on the evaluation, it was determined that the carrying amount of the investment is \$0.84 million higher than its recoverable amount, and therefore no impairment was recognized in 2026.

B. Condensed Financial Information on the Financial Position

As of March 31, 2026 (Unaudited)	Ownership Rate	Assets	Non-Current Assets	Liabilities	Non-Current Liabilities	Total Equity
	%	Current		Current		
	Percent	NIS thousands				
Negev Energy Ashalim Thermo Solar Ltd.	50	267,687	2,821,941	144,563	3,299,238	(354,173)

As of March 31, 2026 (Unaudited)	Ownership Rate	Assets	Non-Current Assets	Liabilities	Non-Current Liabilities	Total Equity
	%	Current		Current		
	Percent	NIS thousands				
Negev Energy PV Ltd.	50	20,595	113,645	134,240	-	-
Ramat Hovav Concessionaire LP	50	330,396	3,787,621	419,029	2,615,739	1,083,249
Ramat Hovav Operation and Maintenance LP	50	28,391	1,602	18,888	356	10,749
Beacon 2	49.5	12,707	219,297	21,323	144,777	65,904
Beacon 5	49.5	9,327	175,920	17,854	117,751	49,642
Saticoy	49	19,851	382,750	252,510	20,739	129,352
Hagit East Power Station LP	50	250,628	1,474,862	147,151	1,344,724	233,615
PSP Investments Ltd.	25.5	197,200	1,712,458	219,719	1,432,512	257,427
Others	50	43,186	12,521	38,784	25,744	(8,821)

As of March 31, 2025 (Unaudited)	Ownership Rate	Assets	Non-Current Assets	Liabilities	Non-Current Liabilities	Total Equity
	%	Current		Current		
	Percent	NIS thousands				
Negev Energy Ashalim Thermo Solar Ltd.	50	257,396	3,076,830	158,365	3,473,857	(297,996)
Ramat Hovav Concessionaire LP	50	369,839	3,928,485	409,696	3,186,377	702,251
Ramat Hovav Operation and Maintenance LP	50	27,797	1,014	17,758	-	11,053
Beacon 2	49.5	11,515	315,156	11,195	185,696	129,781
Beacon 5	49.5	8,603	256,720	9,321	151,728	104,275
Saticoy	49	48,762	680,480	310,988	24,274	393,979
Hagit East Power Station LP	50	263,955	1,586,653	152,932	1,480,330	217,346
PSP Investments Ltd.	25.5	224,098	1,738,559	1,451,432	243,747	267,478
Others	40-50	63,518	90,391	51,740	99,886	2,283

Financial statements as of March 31, 2026

	Ownership rate % percentage	Current assets	Non-current assets	Current liabilities NIS thousands	Non-current liabilities	Total equity
As of December 31, 2025 (audited)						
Negev Energy Ashalim Thermo Solar Ltd.	50	395,605	2,834,941	152,284	3,416,721	(338,459)
Ramat Hovav Concessionaire P.S.	50	371,618	3,775,920	406,312	2,740,538	1,000,688
Ramat Hovav Operations and Maintenance P.S.	50	23,879	1,472	18,025	148	7,178
Beacon 2	49.5	9,883	222,302	149,940	15,019	67,226
Beacon 5	49.5	6,960	177,492	121,380	12,932	50,140
Saticoy	49	33,761	389,592	265,705	20,895	136,753
Hagit East Power Station P.S.	50	208,718	1,503,843	128,712	1,375,408	208,441
PSP Investments Ltd.	25.5	232,920	1,722,534	1,444,664	243,705	267,085
Others	40-50	75,278	83,970	69,339	100,992	(11,083)

C. Condensed financial information on results of operations

	Ownership rate percentage	Revenues	Operating profit (loss)	Profit (loss) for the period	Total comprehensive profit (loss) for the period NIS thousands	Profit (loss) attributable to the owners of the company	Company financing income for loans to associates
For the three-month period ended March 31, 2026 (unaudited)							
Negev Energy Ashalim Thermo Solar Ltd.	50	18,507	(2,646)	(15,714)	(15,714)	(7,857)	13,211
Ramat Hovav Concessionaire P.S.	50	215,351	22,798	3,744	82,561	1,872	2,229
Ramat Hovav Operations and Maintenance P.S.	50	27,204	3,510	3,571	3,571	1,786	-
Beacon 2	49.5	4,559	899	(653)	(868)	(323)	-
Beacon 5	49.5	3,479	334	(22)	(175)	(304)	-
Saticoy	49	6,505	(2,545)	(6,249)	(6,249)	(3,062)	-
Hagit East Power Station P.S.	50	139,931	15,680	5,197	25,174	2,599	622
PSP Investments Ltd.	25.5	47,921	5,380	(9,658)	(9,658)	(2,276)	3,253
Others	40-80	37,126	(5,536)	(5,934)	(5,934)	(3,064)	148

(*) The company recorded a loss in the value of financial instruments measured at fair value (IFRS9) in the amount of 12,259 NIS thousands

	Ownership rate percentage	Revenues	Operating profit (loss)	Profit (loss) for the period	Total comprehensive profit (loss) for the period NIS thousands	Profit (loss) attributable to the owners of the company	Company financing income for loans to associates
For the three-month period ended March 31, 2025 (unaudited)							
Negev Energy Ashalim Thermo Solar Ltd.	50	17,467	(1,806)	(13,202)	(13,202)	(6,601)	14,738
Ramat Hovav Concessionaire P.S.	50	271,364	76,631	49,778	(121,983)	24,889	2,954
Ramat Hovav Operations and Maintenance P.S.	50	28,119	866	879	879	440	-
Beacon 2	49.5	4,404	33	(1,915)	(5,921)	(948)	-
Beacon 5	49.5	3,548	(11)	(1,283)	(4,476)	(635)	-
Saticoy	49	12,471	(1,423)	(6,485)	(6,485)	(3,178)	-
Hagit East Power Station P.S.	50	161,228	24,229	7,244	(35,083)	3,622	815
PSP Investments Ltd.	25.5	89,153	28,363	(635)	(635)	(162)	4,232
Others	40-80	50,098	(1,449)	(1,998)	(1,998)	(1,073)	89

(*) The company recorded a loss in the value of financial instruments measured at fair value (IFRS9) in the amount of 20,195 NIS thousands

Financial statements as of March 31, 2026

	Ownership rate percentage	Revenues	Operating profit (loss)	Profit (loss) for the year	Total comprehensive profit (loss) for the year	Profit (loss) attributable to company owners	Company financing income regarding loans to associates
		NIS thousands					
For the year ended December 31, 2025 (audited)							
Negev Energy Ashalim Thermo Solar Ltd.	50	99,211	5,297	(53,665)	(53,665)	(26,833)	69,801
Ramat Hovav Concessionaire P.S.	50	1,081,640	218,349	120,833	176,454	60,417	11,020
Ramat Hovav Operations and Maintenance P.S.	50	83,796	418	477	477	239	-
Beacon 2	49.5	22,211	5,216	(1,842)	(7,207)	(912)	-
Beacon 5	49.5	17,505	4,009	(2,246)	(6,610)	(1,112)	-

	Ownership rate percentage	Revenues	Operating profit (loss)	Profit (loss) for the year	Total comprehensive profit (loss) for the year	Profit (loss) attributable to company owners	Company financing income regarding loans to associates
		NIS thousands					
Saticoy	49	36,422	(23,940)	(114,678)	(114,678)	(55,001)	-
Hagit East Power Station P.S.	50	523,907	58,837	(9,438)	2,521	(4,722)	2,888
PSP Investments Ltd.	25.5	364,139	101,725	(18,527)	(18,527)	(4,724)	13,122
Others	40-80	209,280	4,393	(2,541)	(10,441)	(1,583)	420

(*) The company recorded a loss in the value of financial instruments measured at fair value (IFRS9) in the amount of 60,567 NIS thousands

Note 8 - Liabilities to banking and other corporations

A. Details of loan repayments

1. During the three-month period ended March 31, 2026, the company repaid loans in the amount of approximately 50.4 million NIS (the interest portion is approximately 18.4 million NIS)
2. Withdrawals in Simleu Silvaniei project, on January 30, 2026 and March 13, 2026, additional withdrawals were made from the senior debt facility in a total amount of approximately 2.8 million Euro. For more details regarding the financing agreement in the project, see Note 21(c)(7) to the annual reports.

B. Compliance with financial covenants - liabilities from banking and other corporations

As of March 31, 2026, the Group meets the required coverage ratios

C. Compliance with financial covenants - BONDS (Series 1 and Series 2)

Covenant	Measurement result as of March 31, 2026
Commitment to maintain minimum equity: The company's consolidated equity shall not be less than a total of 1,000,000,000 NIS for a period of two consecutive quarters.	1,919,191 NIS thousands
Ratio of equity to the consolidated company's balance sheet: The ratio of equity to the company's consolidated balance sheet shall not be less than 21% for a period of two consecutive quarters.	34%
Ratio of consolidated net financial debt, excluding financial debt designated for the establishment of projects that have not yet begun to generate EBITDA, to adjusted EBITDA: Shall not exceed 16 for a period of two consecutive quarters.	3.4

Regarding the method of calculating financial covenants, see Note 21 to the annual reports.

As of March 31, 2026, the company meets the financial covenants as detailed above.

Financial statements as of March 31, 2026

Note 9 – Related Parties

A. Balances with related parties

	Balances from the statement of financial position		
	As of March 31		As of December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(unaudited)	(unaudited)	(audited)
Assets			
Accounts receivable and debit balances - held companies accounted for using the equity method	12,584	12,518	8,848
Accounts receivable and debit balances – related party	716	386	717
Loans to held companies accounted for using the equity method	943,139	916,933	946,930
Liabilities			
Accounts payable and credit balances - controlling shareholder	3,308	2,339	3,894
Accounts payable and credit balances - related party	33,876	2,577	36,611
Suppliers and service providers – current balances vs. held companies accounted for using the equity method	2,101	3,308	2,933

B. Transactions with related parties

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(unaudited)	(unaudited)	(audited)
Revenues from sales and provision of services	267	172	1,407
Management and general expenses			
Management fees and additional costs to controlling shareholder	(4,777)	(4,804)	(20,310)
Share-based payment expenses	-	(103)	(248)
Financing income, net			
Financing income regarding loans provided to held companies accounted for using the equity method (*)	17,341	20,092	90,273
Financing costs to controlling shareholder (including guarantee fees), net	239	(966)	(2,898)

(*) Without the effect of revaluation of loans to fair value in accordance with the provisions of International Financial Reporting Standard 9. For further details see Note 6 regarding financial instruments.

Financial statements as of March 31, 2026

Note 10 - Operating Segments

The basis for segment split and the basis for measurement of segment profit and loss is identical to that presented in Note 30 regarding operating segments in the annual financial statements. The accounting policy of the operating segments is identical to that presented in Note 3 regarding significant accounting policies.

[illegible]

Financial statements as of March 31, 2026

For the three-month period ended March 31, 2025

	Photovoltaic Israel	Natural Gas	Thermo- Solar	USA	Europe	Others(*)	Adjustments	Total
Thousands								
Segment revenue	32,882	237,632	36,977	16,491	3,333	28,263	(321,149)	34,429
Segment costs, net	(6,783)	(142,227)	(15,971)	(9,607)	-	(16,030)	161,574	(29,044)
Segment results	26,099	95,405	21,006	6,884	3,333	12,233	(159,575)	5,385
Financing expenses allocated to segments	(6,604)	(17,025)	(17,137)	(7,276)	-	(3,477)	41,853	(9,666)
Segment results including financing costs	19,495	78,380	3,869	(392)	3,333	8,756	(117,722)	(4,281)
Income from reduction of liability to tax partner	-	-	-	17,312	-	-	-	17,312
Segment results including financing costs and income from reduction of liability to tax partner	19,495	78,380	3,869	16,920	3,333	8,756	(117,722)	13,031
Items not allocated to segments							(16,650)	(16,650)
General and administrative expenses							759	759
Other income							16,354	16,354
Share in profits of associates accounted for using the equity method (net of tax)							21,366	21,366
Financing expenses, net not allocated to segments								
Profit before tax								34,860

(*)Reclassified

For the year ended December 31, 2025

	Photovoltaic Israel	Natural Gas	Thermo- Solar	USA	Europe	Others	Adjustments	Total
Thousands								
Segment revenue	168,728	961,543	225,021	72,234	14,348	141,907	(1,297,652)	286,129
Segment costs, net	(33,042)	(600,630)	(70,401)	(42,208)	(1,578)	(84,118)	606,838	(225,139)
Segment results	135,686	360,913	154,620	30,026	12,770	57,789	(690,814)	60,990
Financing expenses allocated to segments	(28,615)	(67,677)	(72,034)	(29,514)	(2,893)	(16,356)	165,350	(51,739)
Segment results including financing costs	107,071	293,236	82,586	512	9,877	41,433	(525,464)	9,251
Income from reduction of liability to tax partner	-	-	-	62,984	-	-	-	62,984
Segment results including financing costs and income from reduction of liability to tax partner	107,071	293,236	82,586	63,496	9,877	41,433	(525,464)	72,235
Items not allocated to segments							(77,197)	(77,197)
General and administrative expenses							(95,784)	(95,784)
Other income							(35,471)	(35,471)
Share in losses of associates accounted for using the equity method (net of tax)							(46,584)	(46,584)
Financing expenses, net not allocated to segments								
Loss before tax								(182,801)



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Chapter C

Summary of interim separate financial
information

For the period on March 31, 2026

(Unaudited)

Separate financial information of the Company as of March 31, 2026

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KPMG Somekh Chaikin
KPMG Millennium Tower
17 Ha'arba'a St., P.O.B. 609
Tel Aviv 6100601
03 684 8000

To
The Shareholders of Shikun & Binui Energy Ltd.

Dear Sirs,

Subject: Special report of the auditors on condensed interim separate financial information according to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the condensed interim separate financial information presented according to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 of Shikun & Binui Energy Ltd. (hereinafter – the Company), as of March 31, 2026, and for the three-month period ended on that date. The condensed interim separate financial information is the responsibility of the Company's Board of Directors and Management. Our responsibility is to express a conclusion on the condensed interim separate financial information for these interim periods based on our review.

We did not review the condensed interim separate financial information from the financial statements of an associate company in which the total investment amounted to approximately NIS 60,672 thousand as of March 31, 2026, and in which the profit (loss) from this associate company amounted to approximately NIS (2,412) thousand for the three-month period ended on that date. The condensed interim separate financial information of those companies was reviewed by other accountants whose reports were furnished to us and our conclusion, insofar as it relates to the financial information for those companies, is based on the review reports of the other accountants.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel regarding "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim separate financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, and on the review reports of other accountants, nothing has come to our attention that causes us to believe that the aforementioned condensed interim separate financial information is not prepared, in all material respects, in accordance with the provisions of Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Somekh Chaikin

Accountants

Tel Aviv

May 18, 2026

Separate financial information of the Company as of March 31, 2026

Condensed interim statement of financial position

	As of March 31		As of December 31
	2026	2025	2025
Assets	NIS thousands (Unaudited)	NIS thousands (Unaudited)	NIS thousands (Audited)
Cash and cash equivalents	384,967	115,495	198,089
Deposits	-	29,295	-
Debtors and debit balances	31,643	3,247	2,905
Debtors and debit balances – investees	119,449	114,945	120,955
Current maturity of loans to investees	25,000	20,000	20,000
Financial assets – derivative instruments	198	3,753	460
Available-for-sale investment	67,716	-	66,922
Total current assets	628,973	286,735	409,331
Loans to investees	1,350,523	1,285,950	1,359,007
Investments in investees	895,098	1,060,873	874,386
Property, plant and equipment and right-of-use asset	5,692	70,188	5,706
Financial assets – derivative instruments	-	348	-
Deferred expenses	4,822	811	4,693
Deferred taxes	44,302	22,827	44,302
Total non-current assets	2,300,437	2,440,997	2,288,094
Total assets	2,929,410	2,727,732	2,697,425
Liabilities			
Current maturities of long-term loans from others	12,806	13,889	5,616
Current maturity of BONDS	75,000	75,000	75,000
Suppliers and service providers	3,243	1,282	6,896
Financial liabilities – derivative instruments	14,652	49	16,026
Creditors and credit balances	31,736	21,256	39,691
Creditors and credit balances – investees	8,858	36,338	8,826
Creditors and credit balances – controlling shareholder	3,308	2,338	3,408
Total current liabilities	149,603	150,152	155,463
Lease liability	1,392	1,214	1,388
Financial liabilities – derivative instruments	948	-	2,004
BONDS, net	852,033	670,825	851,794

	As of March 31		As of December 31
	2026	2025	2025
Assets	NIS thousands (Unaudited)	NIS thousands (Unaudited)	NIS thousands (Audited)
Excess of accumulated losses over cost of investment and deferred credit balance in investees	6,046	14,806	3,901
Total non-current liabilities	860,419	686,845	859,087
Equity			
Share capital	979,525	916,856	916,862
Share premium	818,765	665,846	668,771
Retained earnings (Accumulated deficit)	(96,832)	164,345	(61,883)
Reserves and warrants	217,930	143,688	159,125
Total equity	1,919,388	1,890,735	1,682,875
Total liabilities and equity	2,929,410	2,727,732	2,697,425

Amit Birman	Yuval Skornik	Omer Erez
Chairman of the Board	CEO	CFO

May 18, 2026

Date of approval of the financial statements

Separate financial information of the Company as of March 31, 2026

Condensed interim statement of profit and loss

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Revenue from sales and services	38,229	19,916	89,696
Cost of sales and services	(31,356)	(11,233)	(51,090)
Gross profit	6,873	8,683	38,606

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Selling, general and administrative expenses	(12,775)	(10,092)	(51,411)
Operating loss	(5,902)	(1,409)	(12,805)
Finance income	19,583	(*) 16,543	82,321
Finance expenses	(18,134)	(*) (17,172)	(61,057)
Finance income (expenses), net	1,449	(629)	21,264
Profit (loss) after finance expenses, net	(4,453)	(2,038)	8,458
Other expenses	-	-	1,360
Share of profit (loss) of investees, net	(29,910)	28,477	(215,471)
Profit (loss) before income taxes	(34,363)	26,439	(205,652)
Income tax income (expenses)	(586)	(1,542)	5,144
Profit (loss) for the period	(34,949)	24,897	(200,508)

(*) Reclassification

Separate financial information of the Company as of March 31, 2026

Condensed interim statements of comprehensive income

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Profit (loss) for the period	(34,949)	24,897	(200,508)

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Other comprehensive income (loss) transferred to profit and loss			
Effective portion of the change in fair value of cash flow hedges transferred to profit and loss	-	-	457
Items of other comprehensive income (loss) that after initial recognition in comprehensive income were or will be transferred to profit and loss			
Effective portion of the change in fair value of cash flow hedges (net of tax)	(1,808)	3,743	(22,680)
Group's share of other comprehensive income (loss) of an investee accounted for using the equity method (net of tax)	40,975	(86,830)	16,038
Foreign currency translation differences for foreign operations	(295)	7,701	(52,803)
Total other comprehensive income (loss)	38,872	(75,386)	(58,988)
Total comprehensive income (loss) for the period	3,923	(50,489)	(259,496)

Separate financial information of the Company as of March 31, 2026

Condensed interim statements of cash flows

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands (Unaudited)	NIS thousands (Unaudited)	NIS thousands (Audited)
Operating activities			
Profit (loss) for the period attributable to owners of the Company	(34,949)	24,897	(200,508)
Adjustments for:			
Depreciation	565	514	2,164
Company's share of profits (losses) of investees, net	29,910	(28,477)	215,471
Income tax income (expenses)	586	1,542	(5,144)
Dividends and profits received from investees	-	-	13,750
Other income	-	-	(1,360)

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS thousands (Unaudited)	NIS thousands (Unaudited)	NIS thousands (Audited)
Finance income (expenses), net	(1,449)	629	(21,264)
	29,612	(25,792)	203,617
Changes in asset and liability items:			
Change in debtors and others	(25,771)	(18,118)	(33,993)
Change in suppliers and service providers	(3,824)	(16,818)	(11,699)
Change in creditors and credit balances	(10,156)	(8,217)	(15,639)
Change in provisions and employee benefits	2,124	(153)	3,228
	(37,627)	(43,306)	(58,103)
Income tax paid	(330)	(7)	(10,173)
Net cash used in operating activities	(43,294)	(44,208)	(65,167)
Investing activities			
Investment in property, plant and equipment	(161)	(586)	(5,551)
Change in deposits with banking corporations, net	-	(29,295)	-
Proceeds (payment) from settlement of derivative investments	(4,938)	777	(11,499)
Interest received	23,046	1,292	7,724
Loans provided to investees	(9,004)	(41,826)	(152,108)
Repayment of loans to investees	-	9,831	81,504
Net cash provided by (used in) investing activities	8,943	(59,807)	(79,930)
Financing activities			
Repayment of BONDS principal	-	-	(75,000)
Issuance of BONDS, net	-	-	255,355
Issuance of shares and warrants, net (see Note 4G in the main statements)	232,328	-	-
Interest paid	(10,645)	-	(55,418)
Repayment of lease liability	(454)	(402)	(1,663)
Net cash provided by (used in) financing activities	221,229	(402)	123,274
Increase (decrease) in cash and cash equivalents	186,878	(104,417)	(21,823)
Cash and cash equivalents at beginning of period	198,089	219,912	219,912
Cash and cash equivalents at end of period	384,967	115,495	198,089

Separate financial information of the Company as of March 31, 2026

Additional Information

A. General

1. Shikun & Binui Energy Ltd. (hereinafter: "the Company") is a company resident in Israel, which was incorporated in Israel and its official address is 1A HaYarden St., Airport City. The Company is a public company whose shares are traded on the Tel Aviv Stock Exchange Ltd. (hereinafter: "the TASE") and it is controlled by Shikun & Binui Ltd., a public company whose securities are traded on the TASE (hereinafter: "the Parent Company"). Below are financial data from the interim consolidated financial reports of the group as of March 31, 2026 (hereinafter: "Consolidated reports"), published as part of the Periodic reports, attributed to the Company itself (hereinafter: "Separate financial information"), presented in accordance with Regulation 9C and the Tenth Schedule to the Securities Regulations (Periodic and Immediate Reports) 1970 regarding separate financial information of the corporation.

The Separate financial information should be read together with the summary of the interim consolidated financial reports (hereinafter: "the interim Consolidated reports").

2. Definitions

In these financial reports –

- i. The Company – Shikun & Binui Energy Ltd.
 - ii. Consolidated companies/ Subsidiaries – companies, including partnerships, whose reports are fully consolidated, directly or indirectly, with the Company's reports.
 - iii. Investee companies – consolidated companies, including partnerships, in which the Company's investment is included, directly or indirectly, in the financial reports on the equity basis.
3. The term "**Companies in the Shikun & Binui Group**" in these financial reports refers to the Parent Company or its investee companies.

B. Summary of significant accounting policies applied in the summary of interim separate financial information

Except as detailed below, the accounting policy in this summary of interim separate financial information is in accordance with the accounting policy rules detailed in the separate financial information as of December 31, 2025. For further details, see Note 3 to the summary of the interim consolidated financial reports.

C. Material events during the report period and thereafter

1. For additional events, see Note 4 in the summary of the interim consolidated reports.
2. On March 31, 2026, the Company signed loan agreements with Shikun & Binui Energy International Limited partnership (hereinafter in this section: "the partnership"). The loan bears annual interest at a rate of Prime+1% but not less than the interest rate according to the Income Tax Regulations (determination of interest rate for the purpose of Section 3(i)(1)), 1986, in a total amount of 9,006 thousand NIS. The balance of the loan provided by the Company to the partnership as of March 31, 2026, stands at approximately 1,011,180 thousand NIS.
3. Regarding the establishment of the Urim project, see Note 4 (c) to the interim consolidated financial reports.

4. Regarding the issuance of shares and warrants, see Note 4(g) to the interim consolidated financial reports.
5. Regarding the RAMAT BEKA construction project, see Note 4(e) to the interim consolidated financial reports.
6. After the balance sheet date, on May 15, 2026, a memorandum of understanding was signed regarding a reverse triangular merger transaction of the Company, the Parent Company, and Generation Capital Ltd. For further details, see Note 1(d) to the interim consolidated reports.



Chapter D

Report on the effectiveness of internal control over financial reporting and disclosure according to Regulation 38C(a)

Quarterly report on the effectiveness of internal control over financial reporting and on disclosure according to Regulation 38C(a) of the Securities Regulations (Periodic and Immediate Reports), 1970.

Management, under the supervision of the Board of Directors of Shikun & Binui Energy Ltd. (hereinafter - the Corporation), is responsible for the determination and existence of adequate internal control over financial reporting and disclosure in the Corporation.

In this regard, the members of management are:

1. Yuval Skornik, CEO;
2. Omer Erez, CFO;
3. Imri Kozak, VP and Legal Counsel;
4. Yosef Tish, VP Operations;
5. Emanuel Katan, VP Commercial;

Internal control over financial reporting and disclosure includes controls and procedures existing in the Corporation, which were designed by the General Manager and the most senior officer in the field of finance or under their supervision, or by whoever effectively performs the said roles, under the supervision of the Corporation's Board of Directors, which are intended to provide a reasonable degree of assurance regarding the reliability of financial reporting and the preparation of the reports in accordance with the provisions of the law, and to ensure that information that the Corporation is required to disclose in the reports it publishes according to the provisions of the law is collected, processed, summarized, and reported at the time and in the format prescribed by law.

Internal control includes, among other things, controls and procedures designed to ensure that information that the Corporation is required to disclose as stated is accumulated and transferred to the management of the Corporation, including the General Manager and the most senior officer in the field of finance or whoever effectively performs the said roles, in order to allow decision-making at the appropriate time, regarding the disclosure requirement.

Due to its structural limitations, internal control over financial reporting and disclosure is not intended to provide absolute assurance that a misleading presentation or omission of information in the reports will be prevented or discovered.

In the annual report regarding the effectiveness of internal control over financial reporting and disclosure which was attached to the Periodic report for the period ended December 31, 2025 (hereinafter: "the last Annual Report on Internal Control"), the Board of Directors and management evaluated the internal control in the Corporation; based on this evaluation, the Board of Directors and the management of the Corporation reached the conclusion that the said internal control, as of December 31, 2025, is effective.

Until the date of the report, no event or matter was brought to the attention of the Board of Directors and management that would change the evaluation of the effectiveness of the internal control, as presented in the framework of the last Annual Report on Internal Control;

As of the date of the report, based on the evaluation of the effectiveness of the internal control in the last Annual Report on Internal Control, and based on information brought to the attention of management and the Board of Directors as stated above, the internal control is effective;

(a) General Manager's Declaration according to Regulation 38C(d)(1):

CEO Declaration

I, Yuval Skornik, declare that:

1. I have examined the quarterly report of Shikun & Binui Energy Ltd. (hereinafter - the Corporation) for the first quarter of 2026 (hereinafter – the Reports);
2. To my knowledge, the Reports do not include any incorrect representation of a material fact and do not lack a representation of a material fact necessary so that the representations included in them, in light of the circumstances in which those representations were included, will not be misleading with respect to the period of the Reports;
3. To my knowledge, the financial reports and other financial information included in the Reports fairly reflect, in all material respects, the financial position, results of operations, and cash flows of the Corporation for the dates and periods to which the Reports relate;
4. I have disclosed to the Corporation's auditing accountant, to the Board of Directors and the audit committee of the Corporation's Board of Directors, based on my most recent evaluation of internal control over financial reporting and disclosure:
 - A.

All significant deficiencies and material weaknesses in the determination or operation of internal control over financial reporting and disclosure that are reasonably likely to adversely affect the Corporation's ability to collect, process, summarize, or report financial information in a manner that casts doubt on the reliability of the financial reporting and the preparation of the financial reports in accordance with the provisions of the law; and -

- B. Any fraud, whether material or not, involving the General Manager or those directly subordinate to him or involving other employees who have a significant role in internal control over financial reporting and disclosure;

5. I, alone or together with others in the Corporation:

- A. Have determined controls and procedures, or ensured the determination and existence of controls and procedures under my supervision, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Reports), 2010, is brought to my attention by others in the Corporation and in the consolidated companies, particularly during the preparation period of the Reports; and -

- b. I have established controls and procedures, or ensured the establishment and existence of controls and procedures under my supervision, intended to reasonably ensure the reliability of financial reporting and the preparation of financial reports in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;
- c. No event or matter has been brought to my attention that occurred during the period between the date of the last report (quarterly or periodic, as applicable) and the date of this report, which would change the conclusion of the Board of Directors and Management regarding the effectiveness of internal control over financial reporting and over disclosure of the Corporation.

Nothing in the above shall derogate from my responsibility or the responsibility of any other person, under any law.

Date

May 18, 2026Yuval Skornik, CEO

(b) Declaration of the most senior officer in the field of finance according to Regulation 38C(d)(2):

Declaration of the most senior officer in the field of finance

I, Omer Erez, declare that:

1. I have examined the interim financial reports and the other financial information included in the reports for the interim period of Shikun & Binui Energy Ltd. (hereinafter - the Corporation) for the first quarter of 2026 (hereinafter - "the Reports" or "the Interim Reports");
- 2.

To my knowledge, the interim financial reports and other financial information included in the interim reports do not include any misrepresentation of a material fact and do not lack a representation of a material fact necessary so that the representations included in them, in light of the circumstances in which those representations were included, will not be misleading with respect to the period of the reports;

3. To my knowledge, the interim financial reports and other financial information included in the interim reports fairly reflect, in all material respects, the financial position, results of operations and cash flows of the Corporation as of the dates and for the periods to which the reports refer;
4. I have disclosed to the Corporation's auditing accountant, the Board of Directors, and the Audit Committee of the Board of Directors of the Corporation, based on my most recent assessment of internal control over financial reporting and over disclosure:
 - a. All significant deficiencies and material weaknesses in the determination or operation of internal control over financial reporting and over disclosure as it relates to the interim financial reports and other financial information included in the interim reports, which could reasonably adversely affect the Corporation's ability to collect, process, summarize or report financial information in a way that casts doubt on the reliability of the financial reporting and the preparation of the financial reports in accordance with the provisions of the law; and -
 - b. Any fraud, whether material or not, involving the CEO or anyone directly subordinate to him, or involving other employees who have a significant role in internal control over financial reporting and over disclosure;
5. I, alone or together with others in the Corporation:

5 | Shikun & Binui Energy Ltd. | March 31, 2026

a. I have established controls and procedures, or ensured the establishment and existence of controls and procedures under my supervision, intended to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and in the consolidated companies, particularly during the preparation period of the reports; and -

b. I have established controls and procedures, or ensured the establishment and existence of controls and procedures under my supervision, intended to reasonably ensure the reliability of financial reporting and the preparation of financial reports in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

c.

No event or matter has been brought to my attention that occurred during the period between the date of the last report (quarterly or periodic, as applicable) and the date of this report, relating to the interim financial reports and any other financial information included in the interim reports, which would change, in my assessment, the conclusion of the Board of Directors and Management regarding the effectiveness of internal control over financial reporting and over disclosure of the Corporation.

Nothing in the above shall derogate from my responsibility or the responsibility of any other person, under any law.

Date

May 18, 2026Omer Erez, CFO



Chapter E

Summary of Financial Reports of Ramat Hovav
Power Plant
Limited Partnership (Associate Company)
For the period ended March 31, 2026

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Chapter E

Summary of financial statements of Ramat
Hovav Power Plant
Limited Partnership (Associate Company)
For the period ended March 31, 2026

Somekh Chaikin

KPMG Millennium Tower
17 Ha'arba'a St., P.O. Box 609
Tel Aviv 6100601
03 684 8000

Kidron & Co. Accountants

9 Hamasger St.
Tel Aviv 67776
Phone: 03-6370606
Fax: 03-6370600

Date: May 10, 2026

To

The Board of Directors of

Shikun & Binui Energy Ltd.

The Board of Directors of

Ramat Hovav Power Plant Limited Partnership ("The Partnership")

Dear Sir/Madam,

Subject: Consent letter regarding the shelf prospectus of Shikun & Binui Energy Ltd. from August 2025

We hereby inform you that we agree, including consent to Shikun & Binui Energy Ltd., to the inclusion (including by way of reference) of our reports specified below regarding the shelf prospectus from August 2025 of Shikun & Binui Energy Ltd., and any shelf offering report to be published thereunder from time to time:

Review report of the auditor dated May 10, 2026 on summary financial information of The Partnership as of March 31, 2026 and for the three-month period ended on that date.

Somekh Chaikin

Accountants

Kidron & Co.

Accountants

Ramat Hovav Power Plant Limited Partnership
Interim Financial Statements
As of March 31, 2026

Summary of Interim Financial Statements as of March 31, 2026	Ramat Hovav Power Plant Limited Partnership
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**Auditors' Review Report to the Partners of
Ramat Hovav Power Plant Limited Partnership**

Introduction

We have reviewed the accompanying condensed financial information of Ramat Hovav Power Plant Limited Partnership (hereinafter - "The Partnership"), which includes the condensed interim statement of financial position as of March 31, 2026 and the condensed interim statements of comprehensive income, changes in partners' equity and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned financial information is not prepared, in all material respects, in accordance with International Accounting Standard IAS 34.

Somekh Chaikin
Accountants

Kidron & Co.
Accountants

May 10, 2026

Condensed Interim Statements of Financial Position as of

Ramat Hovav Power Plant Limited Partnership

	March 31 2026	March 31 2025	December 31 2025
	NIS in thousands	NIS in thousands	NIS in thousands
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	105,981	140,685	139,367
Trade receivables and income to be received	157,087	193,081	202,831
Other receivables and debit balances	52,789	36,073	16,027
Derivative instruments	14,539	-	13,393
Total current assets	330,396	369,839	371,618
Restricted deposits	39,727	56,097	41,487
Other receivables	160,214	160,214	160,214
Fixed assets	2,404,637	2,435,561	2,367,880
Intangible assets and goodwill	1,151,231	1,243,213	1,173,911
Right-of-use assets	31,812	33,400	32,428
Total non-current assets	3,787,621	3,928,485	3,775,920
Total assets	4,118,017	4,298,324	4,147,538
Liabilities			
Current liabilities			
Current maturities of loans from banking corporations and others	247,499	236,156	248,697
Current maturities of loans from rights holders and related parties	36,881	47,613	37,444
Trade payables	93,787	65,654	72,276
Other payables and credit balances	34,212	49,991	41,102
Derivative instruments	6,650	10,282	6,793
Total current liabilities	419,029	409,696	406,312
Non-current liabilities			
Loans from banking corporations and others	2,386,017	2,913,871	2,511,075
Loans from rights holders and related parties	171,132	200,141	166,674
Derivative instruments	58,590	72,365	62,789
Total non-current liabilities	2,615,739	3,186,377	2,740,538

	March 31 2026	March 31 2025	December 31 2025
	NIS in thousands	NIS in thousands	NIS in thousands
	(Unaudited)	(Unaudited)	(Audited)
Partnership equity			
Capital notes	330,000	330,000	330,000
Capital reserves	141,489	(164,710)	62,672
Retained earnings	611,760	536,961	608,016
Total partnership equity	1,083,249	702,251	1,000,688
Total liabilities and partnership equity	4,118,017	4,298,324	4,147,538

May 10, 2026	Doron Ezra	Ram Erlichman	Efrat Hadar
Date of approval of the financial statements	Chairman of the Board	CEO	CFO

The accompanying notes to the condensed interim financial statements are an integral part thereof.

Ramat Hovav Power Plant Limited Partnership

Condensed Interim Statements of Profit or Loss and Other Comprehensive Income

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS in thousands	NIS in thousands	NIS in thousands
	(Unaudited)	(Unaudited)	(Audited)
Revenue	215,351	271,364	1,081,640
Cost of operating the power plant			
Energy costs	(65,397)	(99,077)	(444,632)
Other operating costs	(29,632)	(37,604)	(144,571)
Total cost of operating the power plant before depreciation and amortization	(95,029)	(136,681)	(589,203)
Total profit from power plant operation before depreciation and amortization	120,322	134,683	492,437

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS in thousands	NIS in thousands	NIS in thousands
	(Unaudited)	(Unaudited)	(Audited)
Depreciation and amortization	(94,978)	(56,853)	(258,816)
Profit from power plant operation	25,344	77,830	233,621
Other income, net	1,274	1,535	3,604
General and administrative expenses	(3,820)	(2,734)	(18,876)
Operating profit	22,798	76,631	218,349
Finance income	4,123	2,691	14,974
Finance expenses	(23,177)	(29,544)	(112,490)
Finance expenses, net	(19,054)	(26,853)	(97,516)
Profit for the period	3,744	49,778	120,833
Items of other comprehensive income (loss) that after initial recognition in comprehensive income (loss) were or will be reclassified to profit or loss			
Net change in cash flow hedging instruments – debt	73,329	(172,430)	28,493
Net change in fair value of cash flow hedging instruments – index contracts	4,342	16,312	25,508
Net change in fair value of cash flow hedging instruments – exchange rate contracts	1,146	(15,643)	1,620
Total other comprehensive income (loss) for the period	78,817	(171,761)	55,621
Total comprehensive income (loss) for the period	82,561	(121,983)	176,454

The accompanying notes to the condensed interim financial statements are an integral part thereof.

Ramat Hovav Power Plant Limited Partnership

Condensed Interim Statements of Changes in Partnership Equity

For the three-month period ended March 31, 2026 (Unaudited)

	Capital notes	Hedging reserve	Retained earnings	Total
	NIS in thousands			
Balance as of January 1, 2026	330,000	62,672	608,016	1,000,688

	Capital notes	Hedging reserve	Retained earnings	Total
	NIS in thousands			
Total comprehensive income for the period				
Profit for the period	-	-	3,744	3,744
Other comprehensive income for the period	-	78,817	-	78,817
Total comprehensive income for the period	-	78,817	3,744	82,561
Balance as of March 31, 2026	330,000	141,489	611,760	1,083,249

For the three-month period ended March 31, 2025 (Unaudited)

	Capital notes	Hedging reserve	Retained earnings	Total
	NIS in thousands			
Balance as of January 1, 2025	330,000	7,051	487,183	824,234
Total comprehensive income (loss) for the period				
Profit for the period	-	-	49,778	49,778
Other comprehensive loss for the period	-	(171,761)	-	(171,761)
Total comprehensive loss for the period	-	(171,761)	49,778	(121,983)
Balance as of March 31, 2025	330,000	(164,710)	536,961	702,251

For the year ended December 31, 2025 (Audited)

	Capital notes	Hedging reserve	Retained earnings	Total
	NIS in thousands			
Balance as of January 1, 2025	330,000	7,051	487,183	824,234
Total comprehensive income for the year				
Profit for the year	-	-	120,833	120,833
Other comprehensive income for the year	-	55,621	-	55,621
Total comprehensive income for the year	-	55,621	120,833	176,454
Balance as of December 31, 2025	330,000	62,672	608,016	1,000,688

The accompanying notes to the condensed interim financial statements are an integral part thereof.

Ramat Hovav Power Plant Limited Partnership

Condensed Interim Statements of Cash Flows

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS in thousands (Unaudited)	NIS in thousands (Unaudited)	NIS in thousands (Audited)
Cash flows from operating activities			
Profit for the period	3,744	49,778	120,833
Adjustments:			
Depreciation and amortization	94,978	56,853	258,816
Finance expenses, net	19,054	26,853	97,516
	117,776	133,484	477,165
Change in trade receivables and income to be received	45,672	(109,902)	(119,675)
Change in other receivables and debit balances	(36,446)	(19,843)	(353)
Change in trade payables	(3,665)	(26,328)	(16,448)
Change in other payables and credit balances	(15,744)	17,288	9,013
	(10,183)	(138,785)	(127,463)
Net cash provided by (used in) operating activities	107,593	(5,301)	349,702
Cash flows from investing activities			
Investment in long-term restricted deposits	(195)	-	(2,457)
Maturity of long-term restricted deposits	6,722	10,788	29,047
Investment in fixed assets	(81,916)	(30,115)	(93,097)
Interest received	1,516	1,819	7,301
Net cash used in investing activities	(73,873)	(17,508)	(59,206)
Cash flows from financing activities			
Repayment of loans from rights holders and related parties	-	-	(39,883)
Interest paid on loans from rights holders and related parties	-	-	(21,274)
Repayment of loans from banking corporations and others	(48,820)	(54,836)	(244,646)
Interest and fees paid	(18,346)	(22,587)	(87,615)
Net cash used in financing activities	(67,166)	(77,423)	(393,418)
Net change in cash and cash equivalents	(33,446)	(100,232)	(102,922)
Effect of exchange rate fluctuations on cash balances	60	1,042	2,414
Cash and cash equivalents balance at the beginning of the period	139,367	239,875	239,875

	For the three-month period ended March 31		For the year ended December 31
	2026	2025	2025
	NIS in thousands (Unaudited)	NIS in thousands (Unaudited)	NIS in thousands (Audited)
Cash and cash equivalents balance at the end of the period	105,981	140,685	139,367

Non-cash investing activities:

During the period ended March 31, 2026, the partnership acquired fixed assets on credit totaling approximately NIS 30.2 million. As of the reporting date, the full amount of the acquisition cost was paid.

During the period ended March 31, 2025, the partnership acquired fixed assets on credit totaling approximately NIS 9.9 million.

The accompanying notes to the condensed interim financial statements are an integral part thereof.

Note 1 - General

A. The Reporting Entity

Ramat Hovav Power Plant Limited Partnership (hereinafter - "the partnership") was incorporated on December 19, 2019, for the purpose of engaging in electricity generation and the establishment of the infrastructure required for this activity. The partnership began its operations during 2020.

As of the date of the report on the financial position, the rights holders in the partnership are:

- Shikun & Binui Energy Israel Ltd. (Limited Partner) – 50%
- Edeltech Management Limited Partnership (Limited Partner) – 50%
- Havat Hashmal Ltd. (General Partner) – serves as the Managing Partner of the partnership (the holding rates of the Limited Partners in the rights of the partnership are identical to their holding rates in the shares of the General Partner)

B. Definitions

In these financial statements —

- Related party - as defined in International Accounting Standard (IAS 24 (2009)) regarding related parties.
- Interested parties - as defined in paragraph (1) of the definition of "interested party" in a corporation in Section 1 of the Securities Law, 1968.
- All references to laws, regulations, and legal proceedings refer to the State of Israel unless otherwise stated.

Note 2 - Basis of Preparation of the Financial Statements

A. Statement of compliance with International Financial Reporting Standards

The condensed interim financial statements were prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all the information required in full annual financial statements. They should be read in conjunction with the financial statements for the day and year ended December 31, 2025 (hereinafter: "the Annual Reports").

The condensed interim financial statements were approved by the partnership's management on May 10, 2026.

B. Use of estimates and judgment

In preparing the condensed financial statements in accordance with IFRS, the partnership's management is required to use judgment, assessments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets and liabilities, income, and expenses. It is clarified that actual results may differ from these estimates.

When formulating the accounting estimates used in preparing the partnership's financial statements, the partnership's management was required to make assumptions regarding circumstances and events involving significant uncertainty. In its judgment in determining the estimates, the partnership's management relies on past experience, various facts, external factors, and reasonable assumptions according to the circumstances appropriate for each estimate.

The use of estimates and the partnership's judgment in these condensed interim financial statements is as applied in the annual financial statements for 2025.

Note 3 - Material Accounting Policy

A. The accounting policy of the partnership in these condensed interim financial statements is the accounting policy applied in the annual financial statements for 2025.

Ramat Hovav Power Plant Limited

Notes to the Condensed Interim Financial Statements as Partnership

of March 31, 2026

Note 4 - Financial Instruments

A. Fair Value

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

The book value of certain financial assets and financial liabilities, including cash and cash equivalents, accounts receivable, debtors and debit balances, restricted deposits, short-term credit, suppliers, creditors and credit balances, and loans from banking corporations and others (except for senior debt - see details below) corresponds to or is close to their fair value.

The fair value of the remaining financial liabilities and the book values presented in the statement of financial position are as follows:

	As of March 31, 2026	
	(Unaudited)	
	Book value	Fair value
	NIS thousands	NIS thousands
Financial liabilities:		
Long-term loans from banks (Senior debt)	2,552,731	2,157,450
(*) (Level 2 in the fair value hierarchy)		

(*) Includes current maturities

The fair value was estimated using the technique of discounting future cash flows at the market interest rate derived from the Euribor curve for the measurement date. The discount rate is approximately 5.34%.

	As of March 31, 2025	
	(Unaudited)	
	Book value	Fair value
	NIS thousands	NIS thousands
Financial liabilities:		
Long-term loans from banks (Senior debt)	3,024,845	2,577,001
(*) (Level 2 in the fair value hierarchy)		

(*) Includes current maturities

The fair value was estimated using the technique of discounting future cash flows at the market interest rate derived from the Euribor curve for the measurement date. The discount rate is approximately 4.96%.

	As of December 31, 2025	
	(Audited)	
	Book value	Fair value
	NIS thousands	NIS thousands
Financial liabilities:		
Long-term loans from banks (Senior debt)	2,671,492	2,275,031
(*) (Level 2 in the fair value hierarchy)		

(*) Includes current maturities

The fair value was estimated using the technique of discounting future cash flows at the market interest rate derived from the Euribor curve for the measurement date. The discount rate is approximately 5.06%.

Note 4 - Financial Instruments (continued)

A. Fair Value (continued)

(2) Fair Value Hierarchy

The table below presents an analysis of the financial instruments measured at fair value, using an evaluation method. The different levels were defined as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical instruments.
- Level 2: Observable data, directly or indirectly, that are not included in Level 1 above.
- Level 3: Data that are not based on observable market data.

	As of March 31, 2026	
	(Unaudited)	
	Total	Level 2
	NIS thousands	
Derivatives used for hedging		
CPI Forward contracts	(65,240)	(65,240)
Exchange rate forward contracts	14,539	14,539
	14,539	14,539

	As of March 31, 2025	
	(Unaudited)	
	Total	Level 2
	NIS thousands	
Derivatives used for hedging		
CPI Forward contracts	(78,777)	(78,777)
Exchange rate forward contracts	(3,870)	(3,870)
	(3,870)	(3,870)

	As of December 31, 2025	
	(Audited)	
	Total	Level 2
	NIS thousands	
Derivatives used for hedging		
CPI Forward contracts	(69,582)	(69,582)
Exchange rate forward contracts	13,393	13,393
	13,393	13,393

(3) Data regarding the measurement of fair value of level 2 financial instruments

Forward contract - the fair value was estimated based on the discounting of the difference between the Forward price specified in the contract and the current Forward price for the remaining term of the contract until maturity, using appropriate market interest rates for similar instruments, including the required adjustments for the parties' credit risks. For derivatives whose measurement is based on the Consumer Price Index in Israel, the fair value was estimated based on discounting the difference between the index specified in the contract and the expected index as of the measurement date, using appropriate market interest rates including the required adjustments for the parties' credit risks.

Note 4 - Financial Instruments (continued)

B. Exposure to changes in interest rates

An increase in bank of Israel interest rates by its nature may lead to an increase in the partnership's financing expenses, regarding loans from banking corporations and owners.

The following are details about the loans affected by a change in the bank of Israel interest rate:

	Currency and linkage basis	31.03.2026 Nominal interest %	Book value as of March 31, 2026 (Unaudited) NIS thousands
Loans from banking corporations	Non-linked NIS	7.1	111,493
Loans from rights holders and related parties	Non-linked NIS	12.5	232,689

The increase in the bank of Israel interest rate increased the partnership's financing expenses for the period by approximately NIS 2.7 million, compared to the financing expenses that would have been recorded for the period based on the interest rate on the day the loan was taken.

	Currency and linkage basis	31.03.2025 Nominal interest %	Book value as of March 31, 2025 (Unaudited) NIS thousands
Loans from banking corporations	Non-linked NIS	7.6	158,602
Loans from rights holders and related parties	Non-linked NIS	13	273,256

The increase in the bank of Israel interest rate increased the partnership's financing expenses in the corresponding period last year by approximately NIS 3.9 million, compared to the financing expenses that would have been recorded in the corresponding period last year if they had been recorded based on the interest rate on the day the loan was taken.

	Currency and linkage basis	31.12.2025 Nominal interest %	Book value as of December 31, 2025 (Audited) NIS thousands
Loans from banking corporations	Non-linked NIS	7.35	119,471
Loans from rights holders and related parties	Non-linked NIS	12.75	228,231

The increase in the bank of Israel interest rate increased the partnership's financing expenses in 2025 by approximately NIS 14 million, compared to the financing expenses that would have been recorded for the period based on the interest rate on the day the loan was taken.

Note 4 - Financial Instruments (Continuation)

C. Indices and Exchange Rates

Below are details regarding the representative exchange rates and the Consumer Price Index:

	Consumer Price Index	Euro to NIS exchange rate	Dollar to NIS exchange rate
As of March 31, 2026	118.172	3.636	3.165
As of March 31, 2025	116.011	4.022	3.718
As of December 31, 2025	117.831	3.745	3.190
For the three-month period ended March 31, 2026	0.28%	(2.91%)	(0.78%)
For the three-month period ended March 31, 2025	1.06%	5.95%	1.94%
For the year ended December 31, 2025	2.64%	(1.34%)	(12.53%)

Note 5 - Related Parties

Transactions and Balances with Related Parties -

Below are details regarding transactions and balances with related parties:

		Transaction amounts		
		For the three-month period ended March 31		For the year ended December 31
		2026	2025	2025
		(Unaudited)		(Audited)
		NIS thousands		
Related party	Nature of transaction			
Shikun & Binui Energy Israel Ltd.	Owners' loan (1)	2,229	2,954	11,020
Shikun & Binui Energy Natural Gas Limited Partnership	Gas surplus purchases(4)	159	-	383
Edeltech Management Hovav Limited Partnership	Owners' loan (1)	2,229	2,954	11,020
Edeltech Management Hovav Limited Partnership	Gas surplus purchases(4)	31	-	299
Ramat Hovav Power Plant Operation and Maintenance Limited Partnership	Operation and maintenance services (2)	27,179	28,107	82,439
Ramat Negev Energy Ltd.	Gas surplus sales (3)	(184)	-	(253)
Hagit Mizrach Power Plant Limited Partnership	Gas surplus sales and purchases (3,4)	(31,533)	(18,204)	(42,210)
Hagit Mizrach Power Plant Limited Partnership	Service fees (5)	(337)	(330)	(1,338)

		Transaction amounts		
		For the three-month period ended March 31		For the year ended December 31
		2026	2025	2025
		(Unaudited)		(Audited)
		NIS thousands		
Related party	Nature of transaction			
Hagit Mizrach Power Plant Limited Partnership	Charges for service	(99)	(24)	(130)
Ramat Hovav Power Plant Operation and Maintenance Limited Partnership	Charges for service	(5)	(35)	(139)

Ramat Hovav Power Plant Limited Partnership

Notes to the Condensed Interim Financial Statements as of March 31, 2026

Note 5 - Related Parties (Continuation)

Transactions and Balances with Related Parties (Continuation) -

Below are details regarding transactions and balances with related parties (Continuation):

Related party	Nature of transaction	Balance in the statement of financial position		
		As of March 31	As of December 31	
		2026 2025 (Unaudited)	2025 (Audited)	
		NIS thousands		
Shikun & Binui Energy Israel Ltd.	Capital note (1)	(165,000)	(165,000)	(165,000)
Shikun & Binui Energy Israel Ltd.	Owners' loan (1)	(116,344)	(136,628)	(114,115)
Shikun & Binui Energy Natural Gas Limited Partnership	Gas surplus purchases (4)	-	-	(142)
Edeltech Management Hovav Limited Partnership	Capital note (1)	(165,000)	(165,000)	(165,000)
Edeltech Management Hovav Limited Partnership	Owners' loan (1)	(116,344)	(136,628)	(114,115)
Edeltech Management Hovav Limited Partnership	Gas surplus purchases (4)	-	-	(81)
Ramat Hovav Power Plant Operation and Maintenance Limited Partnership	Operation and maintenance services (2)	(11,245)	(13,758)	(6,787)
Ramat Negev Energy Ltd.	Gas surplus sales and purchases (3,4)	-	-	578
Hagit Mizrach Power Plant Limited Partnership	Service fees (5)	4,210	5,141	9,244
Hagit Mizrach Power Plant Limited Partnership	Charges for service	132	130	133
Hagit Mizrach Power Plant Limited Partnership	Charges for service	3	(5)	20
Hagit Mizrach Power Plant Operation and Maintenance Limited Partnership	Charges for service	6	42	15

(1) Regarding the terms of loans from rights holders and capital notes, see also Notes 9, 11.A.(1), 11.A.(2) in the financial statements as of and for the year ended December 31, 2025.

- (2) See also Note 11.A.(4) in the financial statements as of and for the year ended December 31, 2025.
- (3) Gas sales - during the period, transactions for the sale of surplus gas were carried out with a related party by the partnership, presented as part of other income net of gas purchase costs.
- (4) Gas purchases - during the period, gas purchase transactions were carried out with a related party.
- (5) Service fees - in accordance with the agreement signed in May 2022.

Note 6 - Material Events During and After the Reporting Period

- A.** Purchase Tax - Further to Note 1.C.5 in the annual financial statements as of and for the year ended December 31, 2025, on April 19, an extension notice was given to the court, and it ruled that it must be updated by June 19, 2026.

According to the partnership's assessment and based on a legal opinion the partnership received from its legal advisors on the matter, it is more likely than not that if the dispute between the parties regarding the assessment reaches a judicial decision, the legal position taken by the partnership in its reports to the Real Estate Taxation will be accepted. Therefore, these financial statements do not include a provision beyond the self-assessment paid.

Note 6 - Material Events During and After the Reporting Period (Continuation)

- B.** Further to Note 11.A.(3) in the annual financial statements as of and for the year ended December 31, 2025, regarding land lease engagements, on February 8, 2026, the partnership filed an appeal to the Supreme Court and accordingly a hearing date for the appeal filed was set for July 26, 2027.

Regarding the second appraisal objection, the hearing before the objections committee took place on February 18, 2026. A decision has not yet been received from the objections committee.

According to the partnership's assessment and based on a legal opinion the partnership received from its legal advisors, as long as the second objection process is still ongoing and has not yet been decided, the question of paying the balance of the charge is not expected to arise.

- C.** On February 28, 2026, the State of Israel and the United States launched a combined attack in Iran, hitting Iran's missile arrays and hitting various targets of the Iranian regime. In response, the Iranian regime began launching missiles and drones toward the State of Israel and toward other countries in the region. On March 1, the campaign was also expanded to Lebanon due to firing toward the State of Israel by the Hezbollah organization.

As a result, the Minister of Energy declared on March 1, 2026, an emergency state in the gas sector and the operation of some of the gas reservoirs was shut down. Accordingly, some of the units at the site were not loaded and some were loaded at a low volume using diesel instead of gas.

On April 8, 2026, after 40 days of fighting, a ceasefire was declared between the parties.



Chapter 1

Condensed financial statements of Eagle Rock
Partners, LLC

(Associate) for the period ended March 31, 2026





Somekh Chaikin
17 Ha'arba'a Street, PO Box 609
KPMG Millennium Tower
Tel Aviv 6100601, Israel
+972 3 684 8000

The Members of Eagle Rock Partners, LLC.

**Subject: Letter of Consent Regarding the Shelf Prospectus which was
published in August 2025 of SHIKUN & BINUI ENERGY LTD**

We hereby inform you that we consent to the inclusion (including by way of reference) of our report listed below in connection of the above shelf prospectus:

- Review Report by the independent auditor dated May 7, 2026, on the condensed interim financial information of Eagle Rock Partners, LLC. as of March 31, 2026, and for the three-month period ended on that date.

Somekh Chaikin
Certified Public Accountants

May 7, 2026

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Eagle Rock Partners, LLC

Consolidated Interim Financial
Statements
As of March 31, 2026
(Unaudited)

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Condensed Consolidated Financial Statements as of March 31, 2026

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Review Report to the Shareholders of Eagle Rock Partners, LLC

Introduction

We have reviewed the accompanying financial information of Eagle Rock Partners, LLC and its consolidated subsidiaries (hereinafter – “the Company”) comprising of the condensed consolidated statement of financial position as of March 31, 2026 and the related condensed consolidated statements of income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (Israel) 2410 of the Institute of Certified Public Accountants in Israel, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information was not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter – Going Concern

Without qualifying our conclusion, we draw attention to Note 1.B.2 to the financial statements. The Company incurred losses of USD 2 millions during the three-month period ended March 31, 2026. Furthermore, as of that date, the Company had a working capital deficit of USD 73.5 million, primarily due to a loan maturing in December 2026. These conditions, along with other matters described in Note 1, raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans regarding these matters are also disclosed in Note 1.B.2.

The financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Somekh Chaikin
Certified Public Accountants (Isr.)

Tel Aviv

May 7, 2026

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		Eagle Rock Partners, LLC		
Consolidated Interim Statements of Financial Position				
		March 31	March 31	December 31
		2026	2025	2025
	Note	USD		
		(Unaudited)	(Unaudited)	(Audited)
Assets				
Current Assets				
Cash and cash equivalents		4,789,589	10,211,640	8,818,461
Restricted cash, current		17	16	17
Accounts receivable		1,019,578	1,852,304	774,772
Prepaid expenses		462,504	1,051,373	990,160
Total Current Assets		6,271,688	13,115,333	10,583,410
Non-Current Assets				
Battery energy storage system, net	4	116,184,493	136,998,578	117,339,610
Right of use asset, net		5,104,203	5,273,872	5,146,620
Total Non-Current Assets		121,288,696	142,272,450	122,486,230
Total Assets		127,560,384	155,387,783	133,069,640
Liabilities and Stockholders' Equity				
Current Liabilities				
Accounts payable and accrued expenses		3,819,297	3,065,765	6,349,009
Interest payable		1,324,386	1,291,083	2,401,150
Related party accounts payable		15,438	4,928	17,531
Lease liability - current		3,832	-	-
Loans and borrowings- current		74,618,921	79,281,726	74,525,549
Total Current Liabilities		79,781,874	83,643,502	83,293,239
Non-Current Liabilities				
Asset retirement obligation liability		37,319	34,502	36,604
Long term lease liability		6,516,004	6,494,758	6,513,549
Total Non-Current Liabilities		6,553,323	6,529,260	6,550,153
Total Liabilities		86,335,197	90,172,762	89,843,392
Equity				
Members’ equity		41,225,187	65,215,021	43,226,248
Total Members' Equity		41,225,187	65,215,021	43,226,248
Total Liabilities and Stockholders' Equity		127,560,384	155,387,783	133,069,640

Ofer Haiat, Authorized Representative

Date of approval of the financial statements: May 7, 2026
The accompanying notes are an integral part of these consolidated interim financial statements.

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Consolidated interim statement of Income

	For the three-month period ended		For the year ended
	March 31	March 31	December 31
	2026	2025	2025
	(Unaudited)		(Audited)
	USD		
Revenues	2,083,354	3,452,458	10,557,171
Revenues	2,083,354	3,452,458	10,557,171
Operations and maintenance	(1,466,465)	(1,698,918)	(7,179,223)
General and administrative expenses	(174,636)	(248,962)	(3,041,886)
Impairment (loss)	-	-	(19,675,485)
Other income (expenses)	329,941	(7,200)	(27,143)
Depreciation expense	(1,221,078)	(1,320,386)	(5,133,227)
Operating income (loss)	(448,884)	176,992	(24,499,793)
Financing (expenses), net	(1,552,359)	(1,436,665)	(6,598,000)
Net (loss)	(2,001,243)	(1,259,673)	(31,097,793)

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

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Eagle Rock Partners, LLC

Consolidated interim statement of changes in Members Equity

	Members' equity
For the three months ended March 31, 2026 (Unaudited)	
Balance - January 1, 2026	43,226,248
Net loss	(2,001,243)
Balance - March 31, 2026	41,225,187
For the three months ended March 31, 2025 (Unaudited)	
Balance - January 1, 2025	66,474,694
Net loss	(1,259,673)
Balance - March 31, 2025	65,215,021
For the Year ended December 31, 2025 (Audited)	
Balance - January 1, 2025	66,474,694
Capital Contributions	7,849,347
Net loss	(31,097,793)
Balance - December 31, 2025	43,226,248

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

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Consolidated Interim Statement of Cash Flow

	For the three-month period ended		For the year ended
	March 31		December 31
	2026	2025	2025
	(Unaudited)		(Audited)
	USD		
Cash flows from Operating Activities			
Net profit (loss)	(2,001,243)	(1,259,673)	(31,097,793)
Adjustments to Reconcile Net Income to Net Cash (Used for) Operating Activities:			
Impairment	-	-	19,675,485
Other expenses	(329,941)	7,200	27,143
Depreciation	1,221,078	1,320,386	5,133,227
Finance costs, net	1,552,359	1,436,665	6,598,000
Changes in operating assets and liabilities:			
Prepaid expenses	527,656	(20,191)	41,022
Accounts payable and accrued expenses	(2,529,712)	253,181	2,449,452
Accounts receivable	(244,806)	(710,443)	367,089
Related party accounts receivable	-	196,000	196,000
Related party accounts payable	(2,093)	-	12,603
Net Cash (Used in) from Operating Activities	(1,806,702)	1,223,125	3,402,228
Interest received	8,373	59,282	230,443
Liquidated Damages received	382,000	-	-
Payments made on battery energy storage system	(72,138)	(58,796)	(3,048,468)
Net Cash from (Used in) Investing Activities	318,235	486	(2,818,025)
Cash flows from Financing Activities:			
Repayment of loans	-	-	(5,569,716)
Interest paid	(2,441,119)	(49,439)	(2,784,597)
Payment of interest for lease liability	(99,286)	(97,699)	(395,942)
Capital contribution	-	-	7,849,347
Net Cash (Used in) Financing Activities	(2,540,405)	(147,138)	(900,908)
Net Increase (Decrease) in Cash and Cash equivalents	(4,028,872)	1,076,473	(316,705)
Cash and Cash Equivalents - Beginning of Periods	8,818,478	9,135,183	9,135,183
Cash and Cash Equivalents - End of Periods	4,789,606	10,211,656	8,818,478

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Notes to the consolidated interim Financial Statements

Note 1 - Nature of Operations

A. Reporting entity

Eagle Rock Partners, LLC ("ERP" or the "Company") was formed on January 21, 2020, as a Delaware limited liability company which is owned 51% by Ventura BESS CEI, LLC and 49% by SBEN US HoldCo, LP. The Company's purpose is for the development, construction, and operation of a 100-megawatt ("MW") Battery Energy Storage Project located in Ventura County, California (the "Battery Storage Facility"). The Battery Storage Facility is owned by ERP and achieved commercial operation ("COD") in April 2021.

B. The Company's financial condition

(1) As disclosed in Note 1A(1) to the annual financial statements regarding the Compliance agreement with the County. As of May 7, 2026, the date the consolidated financial statements were available to be issued, the work to remedy the violations has not yet been completed, however, the project company remains on schedule in accordance with compliance agreement.

(2) As of March 31, 2026, the Company had working capital deficit in amount of \$73.5M. In addition, the Company incurred loss in amount of \$2M for the period ended March 31, 2026.

As disclosed in Note 9 to the annual financial statements, the project company had an outstanding loan in amount of \$75M maturing in December 2025. On December 30, 2025, management signed an amendment to credit agreement with the current lender. The amendment provides for a one-year extension of the loan with additional 6-months option. The project will pay 0.5% extension fees on the outstanding principal balance and additional 2% interest on deferred payments.

In consideration of the above, if the company is unable to repay the loan in December 2026 and does not obtain an extension, this may result in a default under the financing agreement, which could allow the bank, among other remedies, to enforce its security interests over the project company's assets and the shareholders' interests therein. The loan is non-recourse to the shareholders; accordingly, enforcement could result liquidation.

As of May 7, 2026, the date the consolidated financial statements were available to be issued, the accompanying consolidated financial statements do not include any adjustments, if any, that might result from the outcome of this uncertainty.

Note 2 - Basis of Preparation

A. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements. They should be read in conjunction with the financial statements as at and for the year ended December 31, 2025 (hereinafter - "the annual financial statements").

These interim financial statements were authorized for issue by the Company's Managing member on May 7, 2026

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Notes to the consolidated interim Financial Statements

Note 2 - Basis of Preparation (cont'd)

B. Use of estimates and judgments

Use of estimates

The preparation of financial statements in conformity with IFRSs requires management to exercise judgment when making assessments, 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.

C. Risk and uncertainties

The Company is subject to market risks associated with, among other things: (i) price movements of energy commodities and credit associated with commercial activities; (ii) reliability of its systems, procedures and other infrastructure necessary to operate the business; (iii) changes in laws and regulations; (iv) financial market conditions and access to and pricing of capital (v) the successful operation of power markets and restrictions on cycling and operating the battery by the local independent system operator.

Note 3 - Summary of Significant Accounting Policies

The significant judgments made by management in applying the Company's accounting policies and the principal assumptions used in the estimation of uncertainty were the same as those that applied to the annual financial statements.

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Partnership in its annual financial statements.

Note 4 – Battery energy storage system

On March 31, 2026 due to lower performance the company assessed the recoverable amount of the Battery Storage Facility.

The recoverable amount of the investment was estimated based on DCF, a common financial technique known as discounted cash flow analysis used in determining the income approach indication of value for income- producing investment asset with the assistance of independent valuers.

As disclosed in Note 4 to the annual financial statements, there are no material changes in the key assumptions used in calculation of recoverable amount.

Based on the assessment, there has been no change in the recoverable amount.

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