

TADIRAN GROUP LTD

Registration Number: 520036732

To: Israel Securities Authority

To: Tel Aviv Stock Exchange Ltd.

Form Number: T053 (Public)

Sent via MAGNA: 05/08/2025

ISA Website: www.isa.gov.il

TASE Website: www.tase.co.il

Reference: 2025-01-057826

Immediate Report on an Event or Matter Outside the Ordinary Course of the Corporation's Business

Regulation 36 of the Securities Regulations (Periodic and Immediate Reports), 1970

Results of an offering should be reported in T20 and not in this form.

Reporting on bond rating or corporate rating should be submitted via Form T125.

Report on:

☐ Delayed report submission

Nature of the Event:

The company's assessments regarding the results of the second quarter of 2025 and update of the strategic plan

- 1. The company's assessments regarding the results of the second quarter of 2025**

The company hereby updates that, as part of the process of preparing the company's consolidated financial statements as of June 30, 2025, the company received a draft valuation (prepared by an external and independent appraiser) regarding the impairment test of goodwill attributed to VP Solar as of June 30, 2025 ("the draft valuation"). According to the draft valuation, it appears that there has been a decrease in the value of the goodwill attributed to VP Solar in the amount of approximately 18.5 million euros (about 73 million NIS), which will be deducted from the goodwill. The goodwill impairment (which is non-cash) is expected to be included under other expenses in the company's financial statements for the period ended June 30, 2025.

In light of the above, and based on the data available to the company as of this date, the company estimates that in the consolidated financial statements as of June 30, 2025, it is expected to record, in the first half and the second quarter of 2025, an operating profit before other income (expenses), net, of approximately 39.8 million NIS and 23.8 million NIS, respectively, and a loss of approximately 51.9 million NIS and 43.6 million NIS, respectively. The aforementioned reduction is mainly due to the update of the revenue and profitability forecast of VP Solar for the years 2025-2028, among other things, in light of the company's assessment that although in the first half of 2025, there was an increase of about 40% in VP Solar's revenues compared to the same period last year, the growth rate in the solar market in Italy is expected to be more moderate and slower, among other things, due to relatively low realizations as of this date of grants under the Italian government's incentive programs for the commercial-industrial market (C&I).

It should be clarified that nothing in this immediate report, including the company's assessments as stated above regarding the company's financial results for the second quarter of 2025, constitutes any commitment or intention of the company to publish a preliminary report and/or similar assessments in the future, and these assessments are given only in relation to this report.

Update of the company's strategic plan for 2026

On August 4, 2025, the company's board of directors decided to update the revenue target to be achieved by 2026 (inclusive) to approximately 2.5 billion NIS (instead of about 3 billion NIS) (of which about 1.4 billion NIS will come from the energy sector and about 1.1 billion NIS from the consumer products sector), mainly for the following reasons:

(a) Update of VP Solar's revenue forecast for the years 2025-2028, as detailed above. It should be noted that, alongside the above, it appears that the agenda of European countries and the Italian government regarding energy and climate programs has not changed. Thus, on June 30, 2023, the Italian Ministry of Energy announced that Italy aims to produce 65% of its electricity from renewable energies by 2030, a higher target than the previous one, which was 55%. In addition, in February 2024, the European Union set a target of a 90% reduction in emissions by 2040. In order to encourage the establishment of renewable energy systems and promote compliance with these targets, the Italian government is promoting, from time to time, regulatory decisions such as tax benefits and subsidies that encourage the establishment of such systems. VP Solar is examining the changes and trends in the solar market in Italy and Europe and is making, from time to time, adjustments to its business structure, including, during 2024 and up to the date of this report, taking actions to strengthen a dedicated sales system for the industrial-commercial market.

For more details regarding the various macro factors affecting VP Solar's business environment, see, by way of reference, section 4.10 of the company's periodic report for 2024 as published on March 26, 2025 (reference number: 2025-01-020559) ("the periodic report").

(b) The company's assessment that the realization of potential and the creation of a significant order backlog in deals for the supply of storage systems will be postponed to the end of 2026 and to the years 2027-2028. The company's assessments are based, among other things, on the expected general growth in the storage field in Israel as a result of regulatory processes such as the Electricity Authority's announcement of the winners in the first high-voltage storage tender in Israel (in February 2025), as well as supportive regulation for the establishment of high-voltage storage facilities, including industrial-commercial systems (C&I) in various scopes. According to the company, all these may positively affect the scope of activity of its existing and potential customers and the company's order backlog in this field. For more details regarding the company's strategic plan, see, by way of reference, section 37 of the periodic report.

The data in this report do not constitute a substitute for the full disclosure that will be included in the financial statements as part of the company's quarterly report for the second quarter of 2025 (hereinafter: "the quarterly report"), which the company is expected to publish on August 13, 2025, and are forward-looking information as defined in the Securities Law, 1968, and there is no certainty that they will be identical to the final data to be included in the quarterly report. The review and examination process by the company's auditor, regarding the data included in this immediate report regarding the draft valuation and the company's financial results as will be reflected in the company's financial statements for the period ended June 30, 2025, has not yet been completed, and the data detailed above have not yet been discussed and approved by the audit committee and the company's board of directors. These data are correct as of the date of publication of this report, according to the information available to the company as of the date of this report, before all the checks, controls, and procedures required to complete the preparation of the financial statements have been completed, and therefore these data, all or part of them, may change, even materially, until the date of publication of the quarterly report.

The information detailed in this immediate report regarding the company's financial results for the period ended June 30, 2025, as well as regarding the group's business goals and strategy as described above and the company's assessments regarding the dates on which it will achieve these goals and the manner in which the goals set in the company's strategic plan will be realized, is forward-looking information as defined in the Securities Law, 1968, based, among other things, on the group's goals as of this date, its assessments of trends in the group's business in particular and trends in the markets in which the group operates in general, as well as the group's management's assessments regarding the potential and trends in its areas of activity. These assessments may not materialize and/or may materialize in a manner materially different from the group's assessments, among other things, as a result of external factors to the company and which are not under its control, including, among other things, the development and effects of the "Iron Swords" war, changes in the economic situation in Israel and in the market in which the company operates in particular, trends and changes that may affect the demand for the company's products, the company's ability to enter into significant storage deals, regulatory changes in Israel and Italy, particularly in the field of renewable energy, and the realization of any of the risk factors described in section 38 of part A of the company's periodic report for 2024, which was published on March 26, 2025.

2. The date and time the corporation first became aware of the event or matter:

04/08/2025 at 12:00.

3. If the report was delayed - the reason for the delay:
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4. On the date: _____ at: _____ the impediment to reporting was removed.
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5. ☐ The company is a shell company as defined in the TASE regulations.
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Details of the authorized signatories on behalf of the corporation:

No.	Name of Signatory	Position
1	Ayelet Krishpin	Other (Chief Legal Counsel and VP)

Explanation: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted under these regulations must be signed by those authorized to sign on behalf of the corporation. Staff position on the matter can be found on the ISA website: [Click here](#).

Securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

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Company Website: www.tadiran-group.co.il

Previous names of the reporting entity: Tadiran Holdings Ltd., Crystal Consumer Products Ltd., Top-Line The Israeli Company for Import and Marketing of Electrical Products

Electronic reporter name: Krishpin Ayelet Hasia

Position: Chief Legal Counsel and VP

Employer company name:

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Form structure update date: 06/08/2024