



Solaer Renewable Energies Ltd.  
Summarized Consolidated Interim  
Financial Statements  
as of June 30, 2025

Solaer Renewable Energies Ltd.

Summarized Consolidated Interim Financial Statements as of June 30, 2025

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## Auditor's Review Report

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Somekh Chaikin  
Millenium TowerKPMG

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03-684-8000

### **Auditor's review for the Shareholders of**

### **Solaer Renewable Energies Ltd.**

#### *Introduction*

We have reviewed the attached financial statements of Solaer Renewable Energies Ltd. and its subsidiaries (hereinafter – "the Group"), which includes the Summarized Consolidated Statements of the Financial Position as of March 31, 2025 and the Consolidated Statements of Comprehensive Income, Changes in Equity Capital and the Cash Flows for the three-month period ending on that date. The Board of Directors and Management are responsible for preparing and presenting the financial statements for those interim periods, pursuant to the International Accounting Standard, IAS 34 "Financial Reporting for Interim Periods," and they are also responsible for preparing the financial data for that interim period pursuant to Part D of the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970. Our responsibility is to express an opinion on the financial statements for that interim period, based on our review.

#### *The Scope of the Review*

e conducted our review pursuant to the Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel "Review of Financial Data for Interim Periods Prepared by the Auditor of the Entity." A review of the financial statements for interim periods comprises ,primarily with personnel responsible for financial and accounting matters ,and for implementing analytical and other review procedures . A review is substantially limited in scope, compared with an audit that is conducted pursuant to generally accepted audit standards in Israel and, therefore, does not enable us to attain assurance that we have been exposed to all the significant matters, which could have been identifiable in an audit. Accordingly ,we do not express an opinion of an audit .

#### *Conclusion*

Based on our review, our attention was not drawn to anything that causes us to believe that, to all material intents and purposes, the aforementioned financial statements were not prepared , pursuant to International Accounting Standard, IAS 34.

Further to the content of the previous paragraph, based on our review, our attention was not drawn to anything that causes us to believe that, from all material aspects , the aforementioned financial information does not fully comply with the disclosure instructions pursuant to Part D of the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970.

#### *Paragraph Highlighting a Matter (a call for attention)*

Without qualifying our aforementioned conclusion, we draw attention to the contents in Note 2d to the aforementioned financial information regarding adjustment by way of restatement of the financial statements as of December 31, 2024, in order to retroactively reflect a material adjustment in the comparative figures in the Derivatives Note, therein.

Somekh Chaikin

Certified Accountants

August 14, 2025

## Summarized Consolidated Interim Statements of the Financial Position

	Note	As of June 30		As of December 31
		2025	2024	2024
		Unaudited		Audited
		NIS thousands		
<u>Current Assets</u>				
Cash and cash equivalents		43,994	200,805	61,918
Encumbered deposits		78,814	32,541	57,253
Trade receivables		12,812	26,097	23,413
Other accounts receivable		60,239	43,931	42,574
Assets held for sale	4e, 4f, 7	508,855	(*) 113,640	193,356
Loan to a related party		8,024	-	7,652
		712,738	417,014	386,166
<u>Non-Current Assets</u>				
Encumbered long-term deposits		19,249	19,610	19,968
Investments in equity accounted partnerships		21,389	15,328	20,931
Loans to equity accounted affiliates		37,474	-	20,313
Property, plant and equipment, net		1,745	1,067	1,259
Connected rooftop electricity generation systems	7	-	201,696	172,356
Ground connected electricity generation systems	4c	23,940	197,664	-
Electricity generating systems in construction and development		781,347	(*) 469,433	703,719
Advances for acquiring projects		37,153	(*) 39,064	32,203
Contract asset for a concession arrangement	7	-	12,471	8,819
Right of use assets		40,523	152,342	128,274
Goodwill		1,205	1,225	1,155
Deferred tax assets		15,320	4,453	18,114
Long-term other accounts receivable		12,646	22,128	11,464
Loan to a related party		-	7,298	-
		991,991	1,143,779	1,138,575
Total Assets:		1,704,729	1,560,793	1,524,741

(\*) Immaterial adjustment of comparative figures. See Note 2c.

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

## Summarized Consolidated Interim Statements of the Financial Position

	Note	As of June 30		As of December 31
		2025	2024	2024
		Unaudited		Audited
		NIS thousands		
<u>Current Liabilities</u>				
Credit and current maturities from banks and other corporations.		29,108	14,899	206,055
Current maturities of bonds		18,871	69,894	18,580
Trade payables		20,415	18,641	48,117
Other accounts payable		83,739	33,297	73,416
Current tax liabilities		7,726	-	-
Current maturities of lease liabilities		3,471	11,013	9,835
Liabilities held for sale	7	402,255	-	121,872
		565,585	147,744	477,875
<u>Non-Current Liabilities</u>				
Liabilities to banks and other credit providers		253,845	547,811	241,747
Bonds	4b	543,979	332,918	392,841
Employee benefits liability, net		216	209	210
Deferred tax liabilities		40,782	(*) 69,425	46,319
Long-term lease liabilities		38,964	146,659	123,470
Decommissioning and restoration reliability		-	698	-
		877,786	1,097,720	804,587
<u>Equity</u>				
Share capital		(**) -	(**) -	(**) -
Share premium		238,786	238,317	238,786
Capital reserves		53,790	70,918	54,137
Receipts on account of options and shares		13,724	9,581	9,581
Retained losses		(60,011)	(30,299)	(80,501)
Total equity attributable to the owners of the Company		246,289	288,517	222,003
Non-controlling interests		15,069	(*) 26,812	20,276
Total Equity		261,358	315,329	242,279
Total Liabilities and Equity		1,704,729	1,560,793	1,524,741

(\*) Immaterial adjustment of comparative figures. See Note 2c.

(\*\*) Represents a sum lower than NIS 1 thousand

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

August 14, 2025

Confirmation date  
of the  
the financial  
statements.

Paula Vilin Segev  
Chairperson of the  
Board of Directors

Alon Segev  
CEO

Yair Eisen  
CFO

## Summarized Consolidated Interim Statements of Comprehensive Income (Loss)

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30		June 30		December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS thousands				
Revenues	38,958	32,146	20,815	22,511	105,720
Expenses					
Construction, maintenance and incidentals	(24,090)	(16,701)	(10,817)	(12,845)	(73,987)
Salary and social benefits	(6,408)	(6,193)	(3,539)	(2,823)	(11,890)
Administration, head office and others	(8,205)	(7,247)	(4,247)	(3,508)	(19,715)
The Company's share in the earnings (losses) of equity accounted affiliates	(518)	(256)	(330)	(77)	(455)
	(39,221)	(30,397)	(18,933)	(19,253)	(106,047)
Profit (loss) before taxes, financing, depreciation and amortization	(263)	1,749	1,882	3,258	(327)
Depreciation and amortization	(4,291)	(11,526)	(764)	(5,758)	(22,098)
Impairment of the systems	(213)	-	-	-	(5,010)
Operating Loss	(4,767)	(9,777)	1,118	(2,500)	(27,435)
Finance expenses	(14,146)	(14,348) (*)	(30,738)	(4,511) (*)	(78,782)
Finance revenues	33,326	(*) 14,374	10,171	(*) 8,444	33,322
Finance revenues (expenses), net	19,180	26	(20,567)	3,933	(45,460)
Profit (loss) before taxes on income	14,413	(9,751)	(19,449)	1,433	(72,895)
Income tax revenues (expenses)	(1,519)	(*) 213	2,788	(*) 1,759	13,390
Profit (loss) for the period	12,894	(9,538)	(16,661)	3,192	(59,505)
Other comprehensive income					
<u>Sums that will not be reclassified later to profit or loss (net of tax)</u>					
Earnings from reevaluation of connected electricity generating systems	69	-	-	-	(22,994)
Earnings from re-measurement for defined benefit programs	-	-	-	-	4
<u>Sums that are likely to be reclassified to profit or loss</u>					
Foreign currency translation reserve	2,381	(*) (932)	1,943	(*) (266)	(646)
Net change in the fair value of cash flows hedging instruments	(443)	689	(374)	(85)	214
Total other comprehensive income (loss) for the period	2,007	(243)	1,569	(351)	(23,422)
Comprehensive income (loss) for the period, net of tax	14,901	(9,781)	(15,092)	2,841	(82,927)

(\*) Immaterial adjustment of comparative figures. See Note 2c.

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

## Summarized Consolidated Interim Statements of Comprehensive Income (Loss)

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30		June 30		December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS thousands				
Income (loss) for the period attributable to:					
The owners of the Company	20,089	(1,242)	(10,966)	6,803	(52,431)
Non-controlling interests	(7,195)	(*) (8,296)	(5,695)	(*) (3,611)	(7,074)
	12,894	(9,538)	(16,661)	3,192	(59,505)
Comprehensive income (loss) for the period attributable to:					
The owners of the Company	20,108	(1,219)	(10,167)	6,475	(67,816)
Non-controlling interests	(5,207)	(*) (8,562)	(4,925)	(*) (3,634)	(15,111)
	14,901	(9,781)	(15,092)	2,841	(82,927)
Earnings (loss) per share attributable to the Shareholders of the Parent Company (in NIS):					
Basic and diluted earnings (loss) per share	1.22	(*) (0.08)	(0.67)	(*) 0.4	(3.19)
Sum of the share capital that was used in calculating earnings (loss) per share:					
Basic per share	16,412,102	16,412,102	16,412,102	16,412,102	16,412,102
Diluted per share	16,427,324	16,412,102	16,427,324	16,412,102	16,412,102

(\*) Immaterial adjustment of comparative figures. See Note 2c.

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

## Summarized Consolidated Interim Statements of Changes in Equity

	For the six-month period ended June 30 2025												
	Share capital	Share premium	Revaluation reserve	Reserve for re-measuring defined benefit programs	Capital reserve share-based payment	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Receipts on account of option warrants	Capital reserve from hedging transactions	Retained losses	Total equity attributable to the owners	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as of January 1, 2025	(*) -	238,786	30,245	(209)	4,716	29	19,401	9,581	(45)	(80,501)	222,003	20,276	242,279
Earnings (loss) for the year	-	-	-	-	-	-	-	-	-	20,089	20,089	(7,195)	12,894
Other comprehensive income for the year	-	-	33	-	-	429	-	-	(443)	-	19	1,988	2,007
Reduction in the reevaluation for surpluses reserve	-	-	(401)	-	-	-	-	-	-	401	-	-	-
Issue of options warrants	-	-	-	-	-	-	-	4,143	-	-	4,143	-	4,143
Share-based payment	-	-	-	-	35	-	-	-	-	-	35	-	35
Balance as of June 30, 2025	(*) -	238,786	29,877	(209)	4,751	458	19,401	13,724	(488)	(60,011)	246,289	15,069	261,358

(\*) Represents a sum lower than NIS 1

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.



## Summarized Consolidated Interim Statements of Changes in Equity

	For the six-month period ended June 30												
	2024												
	Share capital	Share premium	Revaluation reserve	Reserve for re-measuring defined benefit programs	Capital reserve for share-based payment	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Receipts on account of option warrants	Capital reserve from hedging transactions	Retained losses	Total equity attributable to the owners	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as of January 1, 2024	(*) -	238,317	49,109	(213)	4,820	(726)	19,401	9,581	(259)	(30,576)	289,454	35,374	324,828
Earnings (loss) for the year	-	-	-	-	-	-	-	-	-	(1,242)	(1,242)	(**) (8,296)	(**) (9,538)
Other comprehensive income for the year	-	-	-	-	-	(666)	-	-	689	-	23	(**) (266)	(**) (243)
Reduction in the reevaluation for surpluses reserve	-	-	(1,519)	-	-	-	-	-	-	1,519	-	-	-
Share-based payment	-	-	-	-	282	-	-	-	-	-	282	-	282
Balance as of June 30, 2024	(*) -	238,317	47,590	(213)	5,102	(1392)	19,401	9,581	430	(30,299)	288,517	(**) 26,812	(**) 315,329

(\*) Represents a sum lower than NIS 1

(\*\*) Immaterial Reconciliation of Comparative Figures. See Note 2c.

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

## Summarized Consolidated Interim Statements of Changes in Equity

	For the three-month period ended June 30 2025												
	Share capital	Share premium	Revaluation reserve	Reserve for re-measuring defined benefit programs	Capital reserve for share-based payment	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Receipts on account of option warrants	Capital reserve from hedging' transactions	Retained losses	Total equity attributable to the owners	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as of April 1, 2025	(*) -	238,786	29,876	(209)	4,739	(715)	19,401	13,724	(114)	(49,044)	256,444	19,994	276,438
Earnings (loss) for the year	-	-	-	-	-	-	-	-	-	(10,966)	(10,966)	(5,695)	(16,661)
Other comprehensive income for the year	-	-	-	-	-	1,173	-	-	(374)	-	799	770	1,569
Reduction in the reevaluation for surpluses reserve	-	-	(1)	-	-	-	-	-	-	1	-	-	-
Share-based payment	-	-	-	-	12	-	-	-	-	-	12	-	12
Balance as of June 30, 2025	(*) -	238,786	29,875	(209)	4,751	458	19,401	13,724	(488)	(60,009)	246,289	15,069	261,358

(\*) Represents a sum lower than NIS 1

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

## Summarized Consolidated Interim Statements of Changes in Equity

	For the three-month period ended June 30 2024												
	Share capital	Share premium	Revaluation reserve	Reserve for re-measuring defined benefit programs	Capital reserve for share-based payment	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Receipts on account of option warrants	Capital reserve from hedging' transactions	Retained losses	Total equity attributable to the owners	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as of April 1, 2024	(*) -	238,317	48,391	(213)	4,968	(1,149)	19,401	9,581	515	(37,903)	281,908	30,446	312,354
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	6,803	6,803	(**) (3,611)	(**) 3,192
Other comprehensive income (loss) for the period	-	-	-	-	-	(243)	-	-	(85)	-	(328)	(**) (23)	(**) (351)
Reduction in the reevaluation for surpluses reserve	-	-	(801)	-	-	-	-	-	-	801	-	-	-
Share-based payment	-	-	-	-	134	-	-	-	-	-	134	-	134
Balance as of June 30, 2024	(*) -	238,317	47,590	(213)	5,102	(1392)	19,401	9,581	430	(30,299)	288,517	(**)26,812	(**) 315,329

(\*) Represents a sum lower than NIS 1 thousand

(\*\*) Immaterial adjustment of comparative figures. See Note 2c.

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof..

## Summarized Consolidated Interim Statements of Changes in Equity

	For the year ended December 31												
	2024												
	Share capital	Share premium	Revaluation reserve	Reserve for re-measuring defined benefit programs	Capital reserve for share-based payment	Capital reserve from translation differences	Capital reserve for transactions with non-controlling interests	Receipts on account of option warrants	Capital reserve from hedging' transactions	Retained losses	Total equity attributable to the owners	Non-controlling interests	Total equity
	Audited												
	NIS thousands												
Balance as of January 1, 2024	(*) -	238,317	49,109	(213)	4,820	(726)	19,401	9,581	(259)	(30,576)	289,454	35,374	324,828
Earnings (loss) for the year	-	-	-	-	-	-	-	-	-	(52,431)	(52,431)	(7,074)	(59,505)
Other comprehensive income for the year	-	-	(16,358)	4	-	755	-	-	214	-	(15,385)	(8,037)	(23,422)
Reduction in the reevaluation for surpluses reserve	-	-	(2,506)	-	-	-	-	-	-	2,506	-	-	-
Expiry of options	-	469	-	-	(469)	-	-	-	-	-	-	-	-
Distribution of earnings in a consolidated partnership	-	-	-	-	-	-	-	-	-	-	-	13	13
Share-based payment	-	-	-	-	365	-	-	-	-	-	365	-	365
Balance as of December 31, 2024	(*) -	238,786	30,245	(209)	4,716	29	19,401	9,581	(45)	(80,501)	222,003	20,276	242,279

(\*) Represents a sum lower than NIS 1 thousand

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

## Summarized Consolidated Interim Statements of Cash Flows

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30		June 30		December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS thousands				
Cash Flows from (for) operating activities					
Profit (loss) for the period	12,894	(9,538) (*)	(16,661)	(*) 3,192	(59,505)
The mandatory adjustments for presenting cash flows from operating activities					
<u>a. Expenses (revenues) that are not involved in the cash flow</u>					
Depreciation and amortization	4,291	11,526	764	5,758	22,098
Taxes on income	1,519	(213) (*)	(2,788)	(1,759) (*)	(13,390)
Finance expenditure (income), net	(19,180)	(*) (26)	20,567	(*) (3,933)	45,460
The Company's share in the losses of an equity accounted affiliate	518	256	330	77	455
Share-based transactions payment	35	282	12	134	365
Reduction of economically unfeasible projects	-	-	-	-	220
Loss from impairment as a result of revaluing connected systems	213	-	-	-	5,010
	(12,604)	11,825	18,885	277	60,218
<u>b. Changes in assets and liabilities entries (changes in working capital)</u>					
Decrease (increase) in trade receivables	4,215	(17,827)	2,356	(13,374)	(17,611)
Increase in accounts receivables	(21,230)	(9,282)	(18,022)	(6,201)	(23,421)
Decrease (increase) in other long-term accounts receivable	(216)	572	(179)	334	(489)
Increase (decrease) in trade payables	(18,487)	1,188	(6,535)	727	20,568
Increase (decrease) in other accounts payable	(18,518)	17,801	9,787	15,404	49,267
Decrease (rise) in contract assets for concession arrangement	18	22	-	(28)	-
Realization groups classified as held for sale	(4,288)	-	(5,573)	-	-
	(58,506)	(7,526)	(18,166)	(3,138)	28,314
Cash deriving from (used for) regular operations	(58,216)	(5,239)	(15,942)	331	29,027
Cash paid and received during the year for					
Interest payments	(20,739)	(13,130)	(15,951)	(10,472)	(26,242)
Taxes paid	(228)	(356)	(228)	(252)	(1,120)
Interest received	2,226	2,204	1,263	1,265	6,341
	(18,741)	(11,282)	(14,916)	(9,459)	(21,021)
Net cash generated from used for operating activities	(76,957)	(16,521)	(30,858)	(9,128)	8,006

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

(\*) Immaterial adjustment of comparative figures. See Note 2c.

## Summarized Consolidated Interim Statements of Cash Flows

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30		June 30		December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS thousands				
Cash flow from investing activities:					
Acquisition of property, plant and equipment	(593)	(1,635)	(13)	(1,330)	(1,144)
Proceeds from sale of connected systems	-	-	-	-	20,464
Investment in electricity generation systems in construction and development	(33,100)	(38,903)	(14,181)	(23,427)	(120,057)
Investments in investees	(357)	(9,694)	(205)	(5,080)	(16,897)
Advances for acquiring projects	(999)	(1,001)	(999)	(706)	(4,747)
Deposit in Short-term encumbered deposits	(22,350)	(27,939)	(17,046)	17	(51,287)
Deposit in long-term encumbered deposits	(5,010)	(4,183)	-	(2,771)	(10,207)
Release of long-term encumbered deposits	7,149	-	7,149	-	-
Acquisition of consolidated companies, consolidated for the first time (Appendix A)	-	-	-	-	(3,357)
Loan extended to investees	(15,091)	-	(4,064)	-	(20,918)
Loan extended to another	-	(958)	-	(437)	-
Loans extended to partners	(54,630)	(20,899) (*)	(13,949)	(17,083) (*)	(68,103)
Settlement of loans extended to partners	-	-	-	-	18,241
Net cash used for investing activities	(124,981)	(105,212)	(43,308)	(50,817)	(258,012)
Cash flows from (for) financing activities:					
Options issue, net	4,131	-	-	-	-
Payment for settling derivative instruments	(918)	(1,136)	(918)	(1,136)	(1,133)
Redemption of bonds	-	-	-	-	(18,580)
Bonds issue, net	144,571	111,822	-	111,822	111,822
Receipt of borrowings from banks	899	49,671	899	-	74,429
Distribution of earnings in a consolidated partnership	-	-	-	-	(13)
Repayment of borrowings from banks	(7,483)	(8,866)	(7,368)	(7,248)	(48,678)
Payment of a lease liability reserve	(6,025)	(3,605)	(3,692)	(1,440)	(5,655)
Proceeds from borrowings from partners	54,630	(*) 20,899	13,949	(*) 17,083	68,103
Repayment of borrowings from partners	-	-	-	-	(18,241)
Net cash generating from (used for) financing activities	189,805	168,785	2,870	119,081	162,054
Net cash generating from the realization group held for sale	(4,443)	-	3,564	-	(3,686)

(\*) Immaterial adjustment of comparative figures. See Note 2c.

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

## Summarized Consolidated Interim Statements of Cash Flows

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30		June 30		December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS thousands				
<u>Impact of exchange rate fluctuations on cash and cash equivalent balances</u>					
Impact of exchange rate fluctuations on cash and cash equivalent balances	(1,348)	1,175	(524)	920	978
<u>Increase (decrease) in cash and cash equivalents</u>	(17,924)	48,227	(68,256)	60,056	(90,660)
<u>Cash and cash equivalents balance at the beginning of the period.</u>	61,918	152,578	112,250	140,749	152,578
<u>Cash and cash equivalents balance at the end of the period.</u>	43,994	200,805	43,994	200,805	61,918
(A) Acquisition of consolidated companies, consolidated for the first time					
Working capital (apart from cash and cash equivalents)	-	-	-	-	(4,909)
Electricity generating systems in construction and development	-	-	-	-	17,010
Loan to an investee	-	-	-	-	(7,121)
Borrowings from a bank	-	-	-	-	(1,623)
Total consideration paid less cash in the companies that were consolidated	-	-	-	-	3,357
(b) Non-monetary material operations					
Supplier credit for electricity generation systems in construction and development	37,402	12,438	17,091	5,221	29,365
Increase in a right of use asset against leasing liabilities resulting from new leasing agreements	5,298	12,498	5,298	5,469	16,838
Non-monetary sale of a connected system	-	-	-	-	500

The notes attached to the summarized consolidated interim financial statements constitute an integral part hereof.

Notes to the Summarized Interim Consolidated Financial Statements

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## Note 1 - General

## a. A General Description the Company and its Operations

Solaer Renewable Energies Ltd. (hereinafter: "the Company") was established and incorporated in Israel on June 26, 2019 (hereinafter: "the establishment date"), as a private limited liability company, pursuant to the Companies Law, 5759 – 1999,

Ms Paula Vilin Segev is the Controlling Shareholder in the Company

From the Company's establishment to the initial public issue date, the Company did not have any operations. On the date of completing the issue, the operations of Solaer Israel Ltd. (hereinafter: "A sister company"), as well as the holding in the entities dealing in promotion, development, planning, licensing, financing procedure management, establishment, management, activation and maintenance of the. Electricity generating system from renewable energy sources were transferred to the ownership of the Company, pursuant to Section 15 of the Income Tax Ordinance.

The Company, including through the corporations held by it directly and indirectly (hereinafter jointly: "The Group") deals in promoting, developing, planning, licensing, managing financing procedures, constructing, managing, activating and maintaining electricity generating systems from renewable energy sources in Israel, Spain, Italy, Poland and Chile. The Company is examining opportunities and collaboration in additional countries globally.

## b. The Effects of Changes in the Inflation Indices and Interest Rates on the Company's Operations

The report period featured a high inflation rate environment in relation to recent years. As a part of the measures adopted in order to curb price hikes, central banks throughout the world, including the Bank of Israel (BoI) began raising interest rates. The Index rise had an effect on indexed bonds and the loan from a financial institution, while, on the other hand, increasing income from generating electricity.

Regarding the interest effect, there are loans linked to EURIBOR interest rate, so that loans that are affected by changes in the interest rate could have an impact on the Company's future results.

## c. The Iron Swords War

As of the date of the financial statements approval, the State of Israel is in a state of war in Gaza and on additional fronts, after, on October 7, 2023, the terror organization Hamas had attacked the State of Israel (hereinafter: "The war"). Because of the war, certain regions in the North and South were defined as combat zones, citizens were evacuated from these regions and employment places in those regions were closed. These actions and additional actions adopted in the wake of the war, have a crucial impact on the Israeli economy's economic activity and on the capital market, fluctuations in the shekel exchange rate against foreign currencies and a rise in the risk level and uncertainty.



Notes to the Summarized Interim Consolidated Financial Statements

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## Note 1 – General (continued):

As detailed in Note 1(c) to the annual financial statements., a number of damages were caused due to actions that occurred incidental to the war raging in Israel, including damage to the connected rooftop systems in Israel's North and South. The aforementioned damages resulted in a 10.5 mega generation shortage among the rooftop systems in the Company's rooftop projects in various periods during 2024 and in the report period. Due to the aforementioned damages, the Company was unable to execute repairs and maintenance for restoration of the damages and restoring the installations to functional activity over reasonable periods, in view of security and other restrictions. The aforementioned damages does not have a material impact on the Company.

The Company continues to examine the impact of the war and the economic situation on its business operations regularly. As of June 30, 2025, there has been uncertainty relating to the development and scope of the war, the duration of its implications and how the Iron Swords War will develop and the level of its economic effect on the State of Israel and the Company in particular are still unknown. However, in view of the Company being international and the fact that its major venture and construction operations are outside of Israel, as of the date of approving the financial statements, the impact of the Iron Swords War on the Company and its results has not been material and, the Company believes that its future impact on the Company will also be immaterial, albeit the fact that the aforementioned is dependent on developments in the war and its implications.

## d. Seasonality

The Group's revenues from the sale of electricity are affected by seasonality, in view of climatic changes during the year. Solar radiation in the various seasons affects production of the photovoltaic systems. during the summer, when radiation is high, systems' production rises. During the winter, when the radiation quantity is relatively lower, systems' production decreases. Accordingly, the first and fourth quarters of each year are deemed as quarters with relatively low production, while the second and third quarters have high production.

## e. Financial Covenants

## Bonds A

Further to the contents in Note 16(5) of the annual financial statements regarding the bonds, as of the date of the report, the Company complies with its financial covenants. Equity is not less than NIS 85 million. Equity is NIS 256 million. The ratio between separate equity capital and separate balance sheet has not been less than 25%, as of June 30, 2025, it was 28%. Furthermore the ratio between the net consolidated financial debt and the consolidated adjusted EBITDA must not exceed 17. As of June 30, 2025, the ratio was 10.63

## Bonds B

Further to the contents in Note 16(6) of the annual financial statements regarding the bonds, as of the date of the report, the Company complies with its financial covenants. Equity has not been less than NIS 140 million. Equity is NIS 261 million.

Notes to the Summarized Interim Consolidated Financial Statements

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## Note 1 – General (continued):

The ratio between separate equity capital and separate balance must not be less than 25%. As of June 30, 2025, the ratio was 28%. The equity capital ratio to the net consolidated balance sheet must not be less than 12%. As of June 30, 2025, the ratio was 15.7%. Furthermore the ratio between the net consolidated financial debt and the consolidated adjusted EBITDA must not exceed 15. As of June 30, 2025, the ratio was 8.28 See Note 4b below for details regarding expanding bonds Series B.

## Phoenix Roofs Loan

As described in Note 16(d)(1) to the annual financial statements and in Note 1c regarding the Iron Swords War, pursuant to the financing agreement signed between the Company and Phoenix, the Company undertook to meet the financial covenants on 2 fixed dates: June 30 and December 31 of each year.

As of June 30, 2025, the consolidated company complied with its financial covenants. The historical ratio was 1.09

## A Senior Debt Loan Alizarsun

As described in Note 16(d)(2) to the annual financial statements and in Note 1c regarding the Iron Swords War, pursuant to the financing agreement signed with the lender, the Company undertook to meet the financial covenants on 2 fixed dates: June 30 and December 31 of each year.

As of June 30, 2025, the consolidated company complied with its financial covenants. The historical ratio was 1.15

## f. Definitions

The Company	- Solaer Renewable Energies Ltd.
The Group	- The Company and the consolidated companies in the financial statements
Solaer Israel	- Solaer Israel Ltd. – A Company under the proprietorship of the Controlling Shareholder in the Company
IEC	- Israel Electric Corporation Ltd
Related parties	- As defined in International Accounting Standard 24 regarding related parties.
Stakeholder	- "Stakeholder" – In the sense of Clause 1 of the definition of a stakeholder in a corporation in Section 1 of the Securities Law, 5728 – 1968.
The Electricity Authority	- The Public Services Authority – Electricity
KWP/MWP	- Kilowatts/megawatt units used for measuring the size of the systems
Consolidated companies/subsidiaries	- Companies, including partnerships, the financial statements of which are fully consolidated directly, subsidiaries, or indirectly with the Company's financial statements
Index	- The Consumer Price Index published by the Central Bureau of Statistics.

## Notes to the Summarized Interim Consolidated Financial Statements

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### Note 2 – The Basis for Preparing the Financial Statements

#### a. Declaration on Compliance with International Financial Reporting Standards.

The summarized interim consolidated financial statements were prepared pursuant to IAS 34, *Financial Reporting for Interim Periods* and do not include all the data required in the full annual financial statements. They should be read together with the financial statements as of the date and year ending December 31, 2024 (hereinafter – “the annual financial statements”).

Furthermore, these financial statements were prepared pursuant to the instructions in Part D of the Securities (Periodic and Immediate Reports) Regulations, 5730 – 1970.

The summarized consolidated interim financial statements were authorized for publication by the Company's Board on August 14, 2025.

#### b. The use of Estimates and Discretion

On preparing the financial statements pursuant to IFRS, the Company Management had to use discretion for the purposes of making assessments and assumptions, which have an effect on implementing the policy and the sums of the assets and liabilities, revenue and expenses. It must be clarified that the actual results could differ from these estimates.

Management's discretion when implementing the Group's accounting policy and the main assumptions used in the evaluations, which involve uncertainty are consistent with those used when preparing the annual financial statements.

#### Revaluation of the Connected Ground-Based Electricity Generating Systems

Following connection to the electricity grid and completion of the acceptance tests of the projects in Poland and Chile, as detailed in Note 4c, the Company revalued the systems through an independent external appraiser.

The valuation was executed using the discounted cash flows method (DCF), which takes the agreements that the Company had signed for the sale of electricity into account and also used electricity price forecasts published by an international consultation company in the energy prices field.

Valuation results indicated a rise of NIS 69 thousand in the net value which was entered to the revaluation reserve net of tax in the Esmeralda project in Chile and an impairment of NIS 213 thousand in the Wloszczowaproject in Poland.

## Notes to the Summarized Interim Consolidated Financial Statements

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### Note 2 – The Basis for Preparing the Financial Statements (continued)

#### c. Immaterial Adjustment of Comparative Figures

Pursuant to the Shareholders' agreements between the Company and the minority rights holders in subsidiaries in the Group, all Shareholders are obligated to participate in financing the subsidiaries' financial needs, for purposes of financing, development, construction and activating the project under their ownership, proportionately to their holdings rate.

As of 2021, the Company and minority rights holders extended loans to the subsidiaries, when the Company extended the full sums of the loans, both in its name and in the name of the minority rights holders. Thus, the minority rights holders became debtors vis-à-vis the Company for their share in the loans that it had extended in their name.

Because the Company infused the full sums of the loans into the subsidiaries in its name and in those of the minority rights holders, these loans were treated as inter-company loans and, the Company did not recognize a financial asset for the sums that it had extended in the name of the minority rights holders. See Note 2d of the annual financial statements for additional details.

In these financial statements, an immaterial adjustment was made in the comparative figures, as of June 30, 2024 in order to reflect the sums of the loans that were extended directly by the minority rights holders to the subsidiaries and the sums that the minority rights holders owe to the Company, which had extended the loans to the subsidiaries in their name.

Furthermore, as a nonspecific part of capitalizing credit costs, the Company capitalized the general credit costs for all projects in development that meet the definition of qualifying assets, including the Alizarsun Project. However, it did not reduce the revaluation of other comprehensive income and the balance of the revaluation reserve, respectively for the Alizarsun Project the construction of which had been completed in 2022 and that was revalued to its fair value. In these financial statements an immaterial adjustment was made to the comparative figures as of June 30, 2024.

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 2 – The Basis for Preparing the Financial Statements (continued)

## c. Immaterial Adjustments of Comparative Figures (continued)

Following is the impact of the immaterial adjustment as aforementioned:

The impact of the amendment on the Statement on the Financial Position	as of June 30, 2024		
	As reported in the past	The impact of the amendment	As reported in these financial statements:
	Unaudited		
	NIS thousands		
Electricity generating systems in construction and development	437,212	32,221	469,433
Assets held for sale	110,226	3,414	113,640
Advances for acquiring projects	36,455	2,609	39,064
Deferred tax liabilities	59,805	9,620	69,425
Equity attributable to the owners	290,087	(1,570)	288,517
Non-controlling interests	(3,382)	30,194	26,812

The Impact of the amendment on the on Statement on Comprehensive Income	For the six-month period ended June 30, 2024		
	As reported in the past	The impact of the amendment	As reported in these financial statements:
	Unaudited		
	NIS thousands		
Finance expenses	(17,456)	(3,108)	(14,348)
Finance income	8,659	5,715	14,374
Taxes on income revenues	2,429	(2,216)	213
Loss for the period	(16,145)	6,607	(9,538)
Loss for the year attributable to the owners of the Company	(1,233)	(9)	(1,242)
Loss for the year attributable to non-controlling interests	(14,912)	6,616	(8,296)
Foreign currency translation reserve	(1,027)	95	(932)
Comprehensive loss net of tax	(16,483)	6,702	(9,781)
Comprehensive loss for the year attributable to the owners of the Company	(1,210)	(9)	(1,219)
Comprehensive loss for the year attributable to non-controlling interests	(15,273)	6,711	(8,562)

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 2 – The Basis for Preparing the Financial Statements (continued)

## c. Immaterial Adjustments of Comparative Figures (continued)

The Impact of the amendment on the on Statement on Comprehensive Income	For the three-month period ended June 30, 2024		
	As reported in the past	The impact of the amendment	As reported in these financial statements:
	Unaudited		
	NIS thousands		
Finance expenses	(8,014)	3,503	(4,511)
Finance income	7,352	1,092	8,444
Taxes on income revenues	2,889	(1,130)	1,759
Loss for the period	(249)	3,441	3,192
Earnings for the year attributable to the owners of the Company	6,832	(29)	6,803
Loss for the year attributable to non-controlling interests	(7,081)	3,470	(3,611)
Foreign currency translation reserve	(450)	184	(266)
Comprehensive loss net of tax	(784)	3,625	2,841
Comprehensive income for the year attributable to the owners of the Company	6,627	(152)	6,475
Comprehensive loss for the year attributable to non-controlling interests	(7,411)	3,777	(3,634)

## d. Restatement of Comparative Figures

In these financial statements, an adjustment was made to the comparative figures in the Sectors Note for the year ended December 31, 2024. The Company updated the management and construction sector profit and the adjustments for it in the consolidated. Furthermore, adjustment and distribution of revenues in 2024 between Israel and Spain relating to geographic regions.

It should be noted that the total sectorial expenses suitable as reported in the past. Therefore, no adjustment for them was made.

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 2 – The Basis for Preparing the Financial Statements (continued)

## d. Restatement of Comparative Figures (Continued)

Following is the impact of the material adjustment as aforementioned:

The impact of the amendment on the Sectors Note	For the year ended December 31, 2024		
	As reported in the past	The impact of the amendment	As reported in these financial statements:
	Audited		
	NIS thousands		
Israel's sector expenses – photovoltaic	15,130	-	15,130
Spain's sector expenses – photovoltaic	9,673	-	9,673
Management and construction sector expenses	24,667	(3,854)	20,813
Other expenses	(135)	-	(135)
Adjustments to consolidated expenses	(28,077)	5,595	(22,482)
Total consolidated expenses	22,999	-	22,999

## Note 3 – Material Accounting Policy

## The Principles when Preparing the Summarized Interim Financial Statements

The Group's accounting policy in these summarized interim consolidated financial statements is the accounting policy applied in the 2024 annual financial statements.

## a. New Standards, Amendments to Standards and Interpretations that have not yet been Adopted

## Amendments to IFRS 9 Financial Instruments and to IFRS 7 Contracts Relating to Nature Dependent Electricity

The amendments enable the Company to apply the exemption from the provisions in IFRS 9 of contracts held for "own use" (own use exemption) on certain contracts for acquiring electricity, for which the quantity of electricity is dependent on uncontrollable natural conditions such as climate "nature dependent electricity". The exemption will apply if the Company was and expected to be "a net acquirer" of electricity for the contract period. A company is "a net acquirer" of electricity if it procures a sufficient quantity of electricity that sets off all the electricity sales of which no use was made in the market in which the Company sells electricity.

Furthermore, subject to certain conditions, the amendments enable the Company to apply hedge accounting on contracts that relate to nature -dependent electricity, which are treated as derivatives. The aforementioned by designating a foreseeable variable nominal quantity of sales or acquisitions of electricity as a hedged item.

Notes to the Summarized Interim Consolidated Financial Statements

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## Note 3 – Material Accounting Policy (continued)

The amendments also include new disclosure requirements for contracts that relate to nature-dependent electricity.

The amendments will be applicable as of the annual reporting periods commencing January 1, 2026. Early implementation is possible subject to providing disclosure. The amendments to IFRS 9 will be implemented retrospectively without an obligation of restating comparative figures, apart from amendments that relate to hedge accounting which must be applied prospectively to the new hedge ratios to which the Company entered on the date of initial implementation of the amendments or thereafter. The amendments to IFRS 7 will be implemented in the period in which the amendments to IFRS 9 are implemented. Furthermore, if the Company does not restate comparative figures in the framework of implementing the amendments to IFRS 9, it will not provide comparative data for the disclosures required in the framework of the amendments to IFRS- 7.

The Group is examining the implications of the amendment on its financial statements, without any intention for advance implementation.

## Note 4 – Material Events During and After the Reporting Period

- a. On February 13, 2025, together with EDF Renewables Israel Ltd, the Company received notice of succeeding in Competitive Procedure No 1 for establishing the availability tariff for storage installations that are connected or integrated with the ultra-high voltage grid. For the purposes of developing the project, the Company engaged in a cooperation agreement with the Partner, EDF Renewables Israel and, with a number of Kibbutzim, in the framework of which an electricity storage installation would be constructed with a capacity of 120 MW and a storage capacity estimated at 480 MWh. The project will be constructed on site in the Neve Harif region and will be connected to the ultra-high voltage grid at an availability tariff of 3.83 agorot per kilowatt hour.
- b. on February 23, 2025, the Company completed a bonds issue (Series B) of NIS143,226,000 thousand face value, by way of expanding the existing bonds series. As a part of the issue, the public was offered bonds in combination with option warrants (Series 1) without a consideration, that are exercisable into the Company's shares, when each option warrant can be exercised into one ordinary share (a ratio of 1:1) against an exercise increment of NIS 41.52 per share. The bonds bear linked annual interest of 4.9%, which will be paid twice a year on June 30 and December 31. The proceeds received, net of issue expenses, are in the sum of NIS 148,702.thousand. The Company undertook to comply with all the conditions and commitments established in the framework of the shelf offer report, pursuant to the trust deed of the bonds. See Note 16d(6) in the annual statements for additional details.

During July 2025, the Company executed an expansion of a bond series (Series B) by way of a private allocation to Vista, in consideration for the sale of the bonds Series A in their possession. The actual swap date is July 17, 2025. The actual swap rate was 103.85 agorot, the average value of the bonds from Series B for capital gains calculation purposes was 103.6 agorot and the total proceeds for all of the bonds Series B allocated amount to NIS 16,379,99. The expansion was executed



Notes to the Summarized Interim Consolidated Financial Statements

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## Note 4 - Material Events during and after the Report Period (continued):

In the framework of the existing self offer reports and subject to complying with the conditions set in the trust deed. Allocation of the bonds was executed at a premium of 1.171% in relation to the value of the bonds Series A, without deducting tax and pursuant to the authorization of the Tax Authority on the green track.

- c. On March 7, 2025, the projects that comprise the Wloszczowa Project were connected to the electricity grid in Poland with an accumulated capacity of 3 MW, See details about the project in Note 19(e)7 to the annual financial statements.  
Furthermore, on March 31, 2025, the Esmeralda Project in Chile was connected to the electricity grid, with a capacity of 3 MW. See details about the project in Note 19(e)(5)(a) to the annual financial statements. The systems were revalued to fair value on the date of connection to the electricity grid, see Note 2(c) above.
- d. On May 6, 2025 Fotovoltaica Puerto Cruz II, S.L and Fotovoltaica Brazatortas S.L, companies incorporated in Spain and held at an effective rate of 12% by the Company, signed a senior financing agreement with a German bank for extending credit facilities of €43 million for financing 2 projects in Spain. – the Cacin and Fargue Projects Pursuant to the financing agreement, the credit facilities will be will serve the borrower for the purposes of constructing and operating the project, when €34 million of the aforementioned facilities will serve for the purposes of constructing the project and the balance will be designated for extending the required financial guarantees and collateral. Pursuant to the financing agreement, the credit facilities will be for a period of 21 years at an interest rate of 1.6%-1.8% above the three-month EURIBOR interest rate. The credit facilities and the interest on them must be repaid throughout the credit facilities period in equal semiannual payments, when the first principal repayment will be made in December 2026.  
On June 27, 2025, Cacin withdrew €14.3 million from the loan facilities.
- e. On May 9, 2025, a meeting of the Council of Ministers in Italy was held. Inter alia, in the framework of this meeting, the Council of Ministers approved the construction of the Gravina Project with a nominal capacity of 140.70 kW and a storage facility of 125 MWh. This approval is one of the essential approvals required for a renewed energy project in Italy and, after it, it will be possible to compete receiving the building licenses for the project for the purposes of it reaching the readiness to build stage (RTB). See Note 19(a)(6) to the annual financial statements for additional details about the agreement for the sale of the project.
- f. Further to Note 7 in the annual statements regarding signing a Memorandum of Understanding with an investment fund for the sale of Alizarsun, on May 27, 2025, Himin 3, which has a 49% holding in Alizarsun and Zaragoza Israel Solar Project Ltd., which has a 51% holding in Alizarsun (hereinafter: “the sellers”) signed an agreement with the investments fund for the full sale of their holdings in Alizarsun. The aforementioned transaction is a part of the offer for a portfolio transaction that will include the Kalispera and Vienna Projects in the future (or an alternative project to Vienna) with a capacity of an additional accumulation of 50 MW.

Notes to the Summarized Interim Consolidated Financial Statements

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## Note 4 - Material Events during and after the Report Period (Continued):

The enterprise value of the portfolio transaction (EV) is expected to be €80 million. The sellers' available flows from the aforementioned sale of Alizarsun before tax payments (in relation the consideration less the senior debt for the project), is expected to amount to €21 million (the Company's share – €19 million), when a sum of €15.6 million expected to be received immediately after the existence of the conditions precedent as defined below and, the two additional accumulated considerations of €5.6 million will be received subject to completing signing sales agreements of the two additional projects in the transaction (€3.6 million in relation to Kalispera and €2 million in relation to Vienna (or an alternative project to Vienna) (hereinafter: "the consideration"). An immaterial price adjustment is expected for the expected consideration, which will be established on the basis of the forecast output report to be prepared by an independent technical consultant by the date of final completion. Furthermore, the sellers could receive an additional consideration from the acquirer, subject to increasing the connected capacity in the Alizarsun Project by an additional 7 MW, according to presentation of the business plan and, subject to the agreement between the parties, in a 24-month period from the signing date. Conditions precedent for the sale of the Alizarsun Project must exist by September 30, 2025, including signing the Kalispera sales agreement, while signing the Vienna sales agreement (or an alternative project) has to exist by December 31, 2025.

- g. On June 30, 2025, Libienergy Horizontes S.L., a company consolidated in Spain and, which is held in concatenation (at a rate of 47.4%) by the Company, signed a senior financing agreement with a Spanish bank for financing the Kalispera Project with a capacity of 31 MW. The extent of the credit framework is €25 million, of which €19.2 million will be extended for construction and the balance for guarantees. The financing terms and conditions include EURIBOR interest with the addition of 1.6%-1.8% for a period of 15–18 years, with semiannual repayments as of June 2026. Cash withdrawals are subject to receiving Provisional AAE regulatory approval. Pursuant to the financing agreement, the Company must comply with a historical ratio cover of at least 1.05, which constitute available cash flows for partial servicing of the debt during the period.
- h. On July 18, 2025, Resolar 17 S.a.r.l, a consolidated company in Luxembourg, which was established after the report date, and which is held by the Company in concatenation at the rate of 47.4%, and engaged in an agreement for acquiring rights in the photovoltaic project in the RTB(ready to build) stage with a capacity of 100 MW. The total value of the transaction is €5 million, of which €2 million were paid on the signing date and the balance will be paid according to milestones up to connecting the project to the electricity grid all until June 2026, whichever is the earlier. Furthermore, the Company undertook to pay and expenses refund of €6 million for infrastructures that have already been constructed. On August 6, 2025 the companies that had been acquired, ACEBUCHE SOLAR, S.L.U and ALIAGA SOLAR, S.L.U, which indirectly hold a project that was acquired (comprising two adjacent projects each with 50 MW), engaged in a construction agreement with a construction contractor, ELECTRIC Espa, a Spanish company.

Notes to the Summarized Interim Consolidated Financial Statements

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## Note 4 - Material Events during and after the Report Period (Continued):

As a part of the agreement, the construction contractor will be responsible for planning, acquiring, supplying, constructing, installing, inspecting and activating the project, including executing mechanical, electrical and civil work. The total consideration for the services will be €47 million, with payment according to milestones set in the agreement, including an advance of 10% of the total cost, subject to extending guarantees by the contractor.

- i. In view of a breach of a compromise agreement, dated May 30, 2022, which was signed with Mr. Oded Ein Dor, who had served as VP of Business Development in the Company, on July 7, 2025, the Company engaged in an additional compromise agreement, pursuant to which Mr. Ein Dor must transfer 60,682 shares from the security that was held in trust to the Company, while the balance of the shares will remain in trust in favor of Mr. Ein Dor. The agreement was approved pursuant to the Company's Regulations for transactions with stakeholders, while establishing the agreement as reasonable, fair and according to market conditions. See Note 29c(4) of the annual financial statements for additional details.
- j. Pursuant to the sale of the "Phoenicia" establishment by Sol-Neto Phoenicia Ltd. (held by the Company in concatenation, at the rate of 100%), which was completed on December 23, 2024 and, the instructions of approving the financing which was received for the purposes of the sale of the installation, as detailed in Note 19 (1) (a) of the annual financial statements, on July 1, 2025, the Company fully repaid the loan that had been extended by the financier by virtue of the credit facilities that had been extended relating to the installation (principal, interest, linkage differentials and additional amounts according to the financing agreement), in a total sum of NIS 21,234 thousand.
- t. On August 12, 2025, via Energy Intersol Calbuco SpA, which was consolidated in Chile and which is held by the Company in concatenation, at a rate of 47.4%, the Company engaged in a binding agreement with EMOAC SpA, for the sale of electricity (PPA) for an 11-year period, from the "Calboko" wind project in Chile (with an installed capacity of 47.2 MW). The agreement includes the sale of 78% – 100% of the electricity generated by the installation at a fixed price of \$65 per megawatt hour (linked to the US Consumer Price Index).

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 5- Financial Instruments

a. Financial Instruments Measured at Fair Value for Disclosure Purposes Only

Apart from the details in the following table, the Company believes that the book value of the financial assets (cash and cash equivalents, encumbered deposits, trade receivables, assets held for sale, other accounts receivable, loans to a related party) and liabilities (trade payables, other accounts payable, loans from banks and other corporations, lease liabilities, decommissioning and restoration liabilities) presented in the financial statements are compatible with or almost identical to their fair value.

	as of June 30, 2025		as of June 30, 2024		as of December 31, 2024	
	Balance	Fair value	Balance	Fair value	Balance	Fair value
	Unaudited				Audited	
	NIS thousands					
Financial liabilities						
Bonds	562,850	562,860	402,811	388,541	411,798	407,163
Liabilities to banks and other credit providers (*)	378,599	327,313	373,857	322,474	360,652	324,097
	941,449	890,173	776,668	711,015	772,450	731,260

The fair value is estimated using the future cash flows capitalization technique for the principal and interest component, which is capitalized according to the market interest rate as of the measurement date.

(\*) Including interest payable.

b. Financial Instruments Measured at Fair Value

The following table presents an analysis of the financial instruments measured at fair value on a future basis, while using the valuation method pursuant to the fair value levels in the hierarchy. The various levels are defined as follows:

Level 1 :Quoted prices (not adjusted) in the active market for identifiable instruments.

Level 2 :Data observed, directly or indirectly that are not included in Level 1 above.

Level 3: Data that are not based on observed market data.

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 5- Financial Instruments (continued)

## b. Financial Instruments Measured at Fair Value

	as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousands			
Long-term financial assets:				
Derivative financial instruments	-	6,052	-	6,052
	-	6,052	-	6,052

	as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousands			
Financial assets				
Derivative instruments	-	5,513	-	5,513
	-	5,513	-	5,513

	as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousands			
Long-term financial assets:				
Derivative instruments	-	5,344	-	5,344
	-	5,344	-	5,344

The valuation of the SWAP derivative, in which the cash flows at an indexed interest rate are swapped with cash flows at a fixed interest rate, based on the calculation of the difference between both cash flows. Initially, future forecasts as to the inflation level throughout the forecast period are established, based on updated market data as they are observed on the valuation date. The anticipated cash flows for each period in the agreement are calculated based on these forecasts. Simultaneously, the cash flows deriving from the fixed interest established in the agreement are also calculated.

The spread between the flows on each of the payment/receipt dates is capitalized to the valuation date through the riskless interest curve, which reflects the interest rates in the market as they are observed on the valuation date.

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 6 - Transactions with Stakeholders and Related Parties in the Report Period:

**a. Material Balances with Stakeholders and Related Parties:**

	As of June 30		As of December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
Accounts Receivable for affiliates	12,573	13,777	17,330
Accounts receivable related parties	3,135	5,050	2,197
Loans to equity accounted affiliates	37,474	-	20,313
Loans to a sister company	8,024	7,298	7,652
Accounts Payable for affiliates	34,271	3,983	19,712

**b. Material Transactions with Stakeholders and Related Parties:**

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ending December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
Revenues from construction for affiliates	20,566	10,265	9,128	7,826	63,653
Management fee revenues for the sister company	30	30	15	15	60
Interest revenues from loans to affiliates	1,121	-	673	-	495
Interest revenues from the loan to a sister company	374	363	228	231	717

**c. Management Services Agreement**

during the report period, an agreement was signed between the Company, the Partner and S.A. Trends Industrial ("Trends"), pursuant to which, Trends, which has rights in the "ENAPAC" Project being developed in Chile and, which is held by the Company in concatenation at a rate of 51%, was debited with management and development fees by Agua-Sol Development S.L. ("Agua-Sol").

Pursuant to the agreement terms, Agua-Sol is entitled to a success fee of NIS 29.7 million, pursuant to the parties' agreements. 77.59% of the success fee is attributable to the Company (which are canceled in the consolidated report of the Company) and 22.41% are attributable to the Partner. Eligibility for the success fee in the project in Chile is exercisable after the accumulated existence of three principal conditions as detailed below: (a) Receipt of a Root Cause Analysis(RCA), which confirms evaluation of the environmental effect of the project;(b) Receipt of authorization for connecting to the national electricity grid from the relevant regulator; and (c) Submitting a work commencement declaration relating

Notes to the Summarized Interim Consolidated Financial Statements

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Note 6 – Transactions with Stakeholders and Related Parties in the Report Period: (continued)c. Management Services Agreement (continued)

to the projects to the relevant authorities in Chile. During the report period, authorization for connecting to the electricity grid was received, which, on its receipt all the aforementioned conditions precedent were met and the Company recorded revenues of NIS 23 million.

Furthermore, the report period, an agreement was signed between Resolar S.àrl ("Resolar") and Sertekh 1 S.r.l ("Sertekh"), a subsidiary of the Company, pursuant to which Resolar will provide many services to Sertekh in relation to the development stage of the "Garbina" Project, the development by Sertekh Italy's Puglia District, with an expected capacity of 127.7MwpMWp ("the project"). Pursuant to the provisions in the agreement, Resolar (i) to management fees at the rate of 2% of the total this summer in the project, as defined in the agreement; and (ii) to success fees of NIS 17 million, which will be declared on receipt of VIA approval for the project. 73% of the management success fees are attributable to the Company and 27% to the Partners. During the report period and, following a government decision to approve the project, VIA for the project was received and the Company recorded revenues of NIS 17 million.

See Note 29(e) the annual financial statements for additional details really the management services agreements.

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 7 - Non-Current Assets and Realization Groups Held for Sale

Pursuant to a Memorandum of Understanding signed on March 19, 2025, for the sale of the Solneto 1 Partnership, fully held by the Company, on March 31, 2025, the Company classified the assets and liabilities of the Solneto 1 Partnership as a part of the transition group held for sale, according to Company's Management's expectation for the sale of the Partnership within a year from this report date.

Furthermore, the balances of assets and liabilities held for sale, as of June 30, 2025, include the realization group for Alizarsun (See Note 7 of the annual financial statements) and the system in development of the Garbina Project (see Notes 7 and 19(a)(6) to the annual financial statements).

Assets of Realization Groups Classified as Held for Sale	as of June 30, 2025
	Unaudited
	NIS thousands
Cash and Cash Equivalents	3,494
Trade receivables	10,063
Short and long-term other accounts receivable	3,640
Deposits	2,242
Connected rooftop electricity generating systems	170,466
Contract asset for a concession arrangement	8,680
Right of use asset	91,162
Deferred tax assets	3,623
Total assets in the Solneto 1 realization group	293,359
Asset held for sale – Garbina Project	26,842
Realization group held for sale – Alizarsun	188,654
Total assets held for sale	508,855

Liabilities of Realization Groups Classified as Held for Sale	as of June 30, 2025
	Unaudited
	NIS thousands
Trade payables	81
Other accounts payable	1,735
Lease liability	93,639
Liability to banks and other service providers	176,485
Total liabilities in the Solneto 1 realization group	271,938
Realization group held for sale – Alizarsun	130,317
Total Liabilities held for sale	402,255



Notes to the Summarized Interim Consolidated Financial Statements

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## Note 8– Sectors

The Group's operational sectors are presented based on data that was surveyed by the Group's main operational decision-maker (the Group's CEO) for the purposes of allocating resources to the sectors and assessing their performances.

As of the date of approving the financial statements, the Group has three reportable sectors as detailed below, which constitute the Company's strategic business units. These business units include operational fields and are examined separately for the purposes of allocating resources and assessing performances.

a. The Photovoltaic Operational Sector in Israel

Either itself or through its investees, the Company promotes, develops, plans, licenses, manages financing procedures, construction, management, activation and maintenance of. Electricity generating systems from renewable energy sources in Israel. The Company's major operations in Israel are developing and constructing yielding projects of rooftop or ground-based photovoltaic systems, public buildings, factories etc. and, which are used for the purposes of the electricity current to the national distribution and conduction lines and for self-use of private consumers, pursuant to the Electricity Authority's various regulations. The sector's results are based on operating income on neutralizing depreciation and amortization expenses of the system and impairment of the systems

b. The Operational Field of the Photo Voltaic Systems in Spain and Italy

The Company operates, itself or through its investees, in Spain and Italy through joint ventures with third parties in the field of promoting, developing and constructing photovoltaic systems. The sector's results are based on operating income on neutralizing depreciation and amortization expenses of the system and impairment of the systems.

On December 31, 2024, the power purchase agreement (PPA), which was signed on March 15, 2022 with Alpiq Energia Espana S.A.U terminated on 25% of the Alizarsun installation's output at a price of €83.60 per MWH.

c. Management and Construction

The Group's revenues from providing management services to projects in the development, construction or operating stages and from providing construction and maintenance services to projects under partial or full ownership of the Company are reviewed by the chief operational decision-maker. The consolidated companies' results are reviewed according to 100% and not according to the Company's share in the consolidated companies. The sector's results are based on earnings from development, management and construction services that are provided to both the Group's projects and to the projects of third parties. The sectorial earnings constitute the gross profit for the period, including recording salary expenses (that were capitalized during the reporting period for the projects under development) as a part of operating expenses. Adjustments for the consolidated financial statements include canceling revenues and expenses for affiliates and investees and sundry expenses that will be capitalized for the systems in construction and development.

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 8 – Sectors (continued)

- d. Another sector – includes the Company's activity fields in projects in Poland and electricity sales by an electricity trading company in Poland.

The sectorial data for the reporting sectors is as follows:

	For the six-month period ended June 30, 2025					
	Israel – photovoltaic	Spain and Italy – photovoltaic	Management and construction	Other	Adjustments for consolidated	Total consolidated
	Unaudited					
	NIS thousands					
Revenues from external entities	12,905	4,824	27,464	470	(6,705)	38,958
Inter-sectorial revenues	-	-	60,012	-	(60,012)	-
Total revenues of the sector	12,905	4,824	87,476	470	(66,717)	38,958
Sectorial Results	8,840	2,533	36,282	23	(36,268)	11,410
Items that were not allocated to sectors:						
Expenses that were not allocated to sectors						(12,358)
Depreciation, amortization and systems impairment						(3,301)
Net finance income						19,180
Losses of an affiliate						(518)
Pre-tax earnings						14,413

	For the six-month period ended June 30, 2024					
	Israel – photovoltaic	Spain and Italy – photovoltaic	Management and construction	Other	Adjustments for consolidated	Total consolidated
	Unaudited					
	NIS thousands					
Revenues from external entities	14,430	6,901	13,688	539	(3,412)	32,146
Inter-sectorial revenues	-	-	27,204	-	(27,204)	-
Total revenues of the sector	14,430	6,901	40,892	539	(30,616)	32,146
Sectorial Results	6,451	5,046	14,303	(61)	(14,467)	11,272
Items that were not allocated to sectors:						
Expenses that were not allocated to sectors						(11,311)
Depreciation, amortization and systems impairment						(9,482)
Net finance income						(*) 26
Losses of an affiliate						(256)
Pre-tax loss						(9,751)

(\*) Immaterial adjustment of comparative figures. See Note 2c.

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 8– Sectors (continued)

	For the three-month period ended June 30, 2025					
	Israel – photovoltaic	Spain and Italy – photovoltaic	Israel – photovoltaic	Other	Israel – photovoltaic	Total consolidated
	Unaudited					
	NIS thousands					
Revenues from external entities	7,918	3,320	12,130	303	(2,856)	20,815
Inter-sectorial revenues	-	-	24,267	-	(24,267)	-
Total revenues of the sector	7,918	3,320	36,397	303	(27,123)	20,815
Sectorial Results	6,167	2,048	14,293	138	(13,946)	8,700
Items that were not allocated to sectors:						
Expenses that were not allocated to sectors						(6,497)
Depreciation, amortization and systems impairment						(755)
Finance expenses, net						(20,567)
Losses of an affiliate						(330)
Pre-tax loss						(19,449)

	For the three-month period ended June 30, 2024					
	Israel – photovoltaic	Spain and Italy – photovoltaic	Management and construction	Other	Adjustments for consolidated	Total consolidated
	Unaudited					
	NIS thousands					
Revenues from external entities	9,095	5,385	10,433	194	(2,597)	22,512
Inter-sectorial revenues	-	-	24,157	-	(24,157)	-
Total revenues of the sector	9,095	5,385	34,590	194	(26,754)	22,512
Sectorial Results	4,021	4,194	13,631	(2)	(14,319)	7,525
Items that were not allocated to sectors:						
Expenses that were not allocated to sectors						(4,943)
Depreciation, amortization and systems impairment						(4,981)
Net finance income						(*) 3,933
Profits of an affiliate						(77)
Pre-tax earnings						1,433

(\*) Immaterial adjustment of comparative figures. See Note 2c.

## Notes to the Summarized Interim Consolidated Financial Statements

## Note 8– Sectors (continued)

	For the year ended December 31, 2024					
	Israel – photovoltaic	Spain and Italy – photovoltaic	Management and construction	Other	Adjustments for consolidated	Total consolidated
	Audited					
	NIS thousands					
Revenues from external entities	27,052	14,108	84,873	834	(21,147)	105,720
Inter-sectorial revenues	-	-	(129,307)	-	(129,307)	-
Total revenues of the sector	27,052	14,108	214,180	834	(151,454)	105,720
Sectorial Results	15,130	9,673	(*) 20,813	(135)	(*) (22,482)	22,999
Items that were not allocated to sectors:						
Expenses that were not allocated to sectors						(28,199)
Depreciation, amortization and systems impairment						(21,780)
Net finance income						(45,460)
Profits of an affiliate						(455)
Pre-tax loss						(72,895)

(\*) Restatement of comparative figures. See Note 2d.