Electreon Wireless Ltd.

Financial Information for the Interim Period

(Unaudited)

As of March 31, 2025

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Contents

Auditors' Review Report to the Shareholders of Electreon Wireless Ltd.

Introduction

We have reviewed the attached financial information of Electreon Wireless Ltd. and its consolidated companies (hereinafter: "The Company"), including the condensed consolidated statement of financial position as of March 31, 2025, and the condensed consolidated statements of comprehensive loss, of changes in equity and of cash flows for the period of three months ended on that date. The Board of Directors and the management are responsible for the preparation and presentation of the financial information for this interim period in accordance with International Accounting Standard IAS 34 "Financial Reporting for Interim Periods" and they are also responsible for the preparation of the financial information for these interim periods in accordance with Part D of the Securities Regulations (Periodic and Immediate Reports) - 1970. Our responsibility is to express a conclusion regarding the financial information for the interim period, based on our review.

Scope of the review

We have conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of interim financial information by the entity's auditor". A review of interim financial information consists of inquiries, mainly with the individuals responsible for financial and accounting matters, and of the application of analytical and other review procedures. A review is significantly limited in scope compared to an audit, which is conducted in accordance with generally accepted auditing standards in Israel, and therefore it does not allow us to reach assurance that we have become aware of all material issues, which could have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

In addition to what is stated in the previous paragraph, based on our review, nothing has come to our attention, which would have caused us to believe that the aforementioned financial information has not been prepared, in all material respects, in accordance with disclosure provisions pursuant to Part D of the Securities Regulations (Periodic and Immediate Reports) - 1970.

Tel-Aviv
May 28, 2025

(Signed)
Kesselman & Kesselman
Certified Public Accountants
A Member Firm of PricewaterhouseCoopers International Limited

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Electreon Wireless Ltd.

Condensed Consolidated Statements of Financial Position

As of March 31, 2025

	As of June 30		As of December 31
	2025	**2024**	**2024**
	(Unaudited)		(Audited)
	NIS thousands		
Assets			
Current assets:			
Cash and cash equivalents	69,377	68,772	90,391
Short-term deposits	2,846	-	1,787
Short-term charged deposits	1,046	1,387	1,046
Trade receivables	12,987	2,404	15,828
Other receivables	10,569	18,833	6,933
Assets for contracts with customers	12,591	1,361	11,657
	109,416	92,757	127,642
Non-current assets:			
Long-term charged deposits	2,000	4,220	3,000
Long-term prepaid expenses	41,799	28,302	47,161
Fixed assets	10,992	10,574	10,788
Right of use assets	4,220	4,608	4,462
	59,011	47,704	65,411
Total assets	168,427	140,461	193,053
Liabilities and equity			
Current liabilities:			
Trade payables	5,439	4,782	3,716
Other payables	14,348	14,491	13,367
Current maturities of leasing liabilities	1,049	949	1,019
	20,836	20,222	18,102
Non-current liabilities:			
Other payables	4,635	1,774	6,080
Leasing liabilities	3,339	3,690	3,577
	7,974	5,464	9,657
Total liabilities	28,810	25,686	27,759
Equity:			
Regular shares, share premium, option warrants and other reserves	574,656	456,487	571,412
Capital reserve on the translation of the financial statements of foreign operations	(1,765)	(616)	1,206
Accumulated losses	(433,274)	(341,096)	(407,324)
Total equity	139,617	114,775	165,294
Total liabilities and equity	168,427	140,461	193,053

Oren Ezer Chairman of the Board of Directors and Chief Executive Officer	Ronit Noam External Director	Barak Duani Chief Financial Officer

Date of the approval of the financial information for the interim period by the Company's Board of Directors: May 28, 2025.

The accompanying notes form an integral part of these condensed financial statements.

Electreon Wireless Ltd.

Condensed Consolidated Statement of Comprehensive Income

For the Period of Three Months Ended March 31, 2025

	For the 3 months ended March 31		For the year ended December 31
	2025	2024	2024
	(Unaudited)		(Audited)
	NIS thousands		
Revenues	2,296	9,024	31,648
Cost of revenues	1,621	6,587	22,602
Gross profit	675	2,437	9,046
Research and development expenses, net			
Research and development expenses	24,353	13,483	58,836
Less – participation in research and development expenses	-	-	(2,826)
Research and development expenses, net	24,353	13,483	56,010
Marketing and business development expenses	4,840	4,413	18,903
Administrative and general expenses	3,304	2,573	12,657
Operating loss	31,822	18,032	78,524
Financing expenses	147	1,042	8,589
Financing income	(6,019)	(179)	(1,990)
Financing expenses (income), net	(5,872)	863	6,599
Loss for the period	25,950	18,895	85,123
Other comprehensive loss for the period:			
Items that may be reclassified to profit or loss:			
Translation differences on the financial statements of foreign operations	2,971	(594)	(2,416)
Comprehensive loss for the period	28,921	18,301	82,707
Basic and diluted loss per share (in NIS)	2.01	1.67	6.80

The accompanying notes form an integral part of these condensed financial statements.

Electreon Wireless Ltd.

Condensed Consolidated Statements of Changes in Equity

For the Period of Three Months Ended March 31, 2025

	Regular shares share premium, option warrants, other reserves	Capital reserve on the translation of financial statements	Accumulated losses	Total
	NIS thousands			
Balance as of January 1, 2025 (audited)	571,412	1,206	(407,324)	165,294
Movements in the period of 3 months ended March 31, 2025 (unaudited)				
Loss for the period	-	-	(25,950)	(25,950)
Other comprehensive income for the year –				
Translation differences on the financial statements of foreign operations	-	(2,971)	-	(2,971)
Exercise of option warrants and options into shares	1,371	-	-	1,371
Benefit component of the granting of options	1,873	-	-	1,873
Balance as of March 31, 2025 (unaudited)	574,656	(1,765)	(433,274)	139,617
Balance as of January 1, 2024 (audited)				
Movements in the period of 3 months ended March 31, 2024 (unaudited)	434,189	(1,210)	(322,201)	110,778
Loss for the period	-	-	(18,895)	(18,895)
Other comprehensive income for the year –				
Translation differences on the financial statements of foreign operations	-	594	-	594
Exercise of option warrants and options into shares (less distribution commission)	21,026	-	-	21,026
Benefit component of the granting of options	1,272	-	-	1,272
Balance as of March 31, 2024 (unaudited)	456,487	(616)	(341,096)	114,775
Balance as of January 1, 2024 (audited)	434,189	(1,210)	(322,201)	110,778
Movements in the year 2024:				
Loss for the year	-	-	(85,123)	(85,123)
Other comprehensive income for the year –				
Translation differences on the financial statements of foreign operations	-	2,416	-	2,416
Exercise of option warrants and options into shares (less distribution commission)	42,886	-	-	42,886
Issuance of shares (less issuance expenses)	86,218	-	-	86,218
Benefit component of the granting of options	8,119	-	-	8,119
Balance as of December 31, 2024 (audited)	571,412	1,206	(407,324)	165,294

The accompanying notes form an integral part of these condensed financial statements.

Electreon Wireless Ltd.

Condensed Consolidated Statement of Cash Flows

For the Period of 3 Months Ended March 31, 2025

	For the 3 months ended March 31		For the year ended December 31
	2025	2024	2024
	(Unaudited)		(Audited)
	NIS thousands		
Cash flows from operating activities:			
Net cash absorbed by operating activities (see Appendix A)	(23,765)	(5,707)	(90,119)
Cash flows from investment activities:			
Purchase of fixed assets	(661)	(1,132)	(3,553)
Interest received	471	164	1,886
Net cash absorbed by investment activities	(190)	(968)	(1,667)
Cash flows from financing activities:			
Consideration from the exercise of option warrants	1,371	21,211	42,886
Payments of principal on leasing commitments	(247)	(243)	(1,000)
Payments of interest on leasing commitments	(91)	(28)	(292)
Consideration from the issuance of shares (less issuance expenses)	-	-	86,218
Net cash generated by financing activities	1,033	20,940	127,812
Increase (decrease) in cash and cash equivalents	(22,922)	14,265	36,026
Balance of cash and cash equivalents at the beginning of the period	90,391	53,831	53,831
Impact of exchange and translation differences on the revaluation of cash and cash equivalents, net	1,908	676	534
Balance of cash and cash equivalents at the end of the period	69,377	68,772	90,391

The accompanying notes form an integral part of these condensed financial statements.

Electreon Wireless Ltd.

Condensed Consolidated Statement of Cash Flows

For the Period of 3 Months Ended March 31, 2025

	For the 3 months ended March 31		For the year ended December 31
	2025	2024	2024
	(Unaudited)		(Audited)
	NIS thousands		
A. Appendix to the condensed statement of cash flows from operating activities			
Loss for the period	(25,950)	(18,895)	(85,123)
Adjustments for:			
Depreciation and amortization	674	606	2,682
Amortization of right of use assets	281	255	1,118
Benefit component in the granting of options	1,873	1,272	8,119
Interest income from deposits	(530)	(165)	(2,114)
Interest expenses on leasing	90	28	292
Gain on exchange differences on cash and cash equivalents	(5,369)	8	2,364
	(28,931)	(16,891)	(72,662)
Changes in asset and liability items			
Decrease (increase) in trade receivables	3,356	5,720	(8,153)
Decrease (increase) in other receivables	830	2,662	(14,658)
Increase (decrease) in trade and other payables	980	2,802	5,354
	5,166	11,184	(17,457)
Net cash absorbed by operating activities	(23,765)	(5,707)	(90,119)
B. Information regarding activities not involving cash flows			
Issuance of shares and option warrants (less issuance expenses)	-	185	-
Recognition of an asset against a liability at the inception of a lease	-	4,559	5,313
	-	4,744	5,313

The accompanying notes form an integral part of these condensed financial statements.

Note 1:- General

A. Electreon Wireless Ltd. (hereinafter – "The Company") was incorporated in Israel and its registered office is located in Beit Yanai. The Company is engaged in the research and development of wireless charging technology for vehicles having electrical transmission mechanisms by means of infrastructure consisting of coils that are embedded below the surface of the road.

The Group operates in one operating segment, which is research and development of wireless charging technology for electrically powered vehicles.

B. The consolidated financial statements include the financial statements of the Company and of its subsidiary companies; Electreon AB (hereinafter: Electreon Sweden), Electreon Germany GmbH (hereinafter: Electreon Germany), Electreon Wireless Inc. (hereinafter: Electreon USA), Electreon Wireless France (hereinafter: Electreon France), Spearhead Investments (Bio) Ltd., Jinan Electreon Wireless Automotive Technology Co. Ltd. (hereinafter: Electreon China), all of which are wholly owned by the Company (hereinafter, together – the "Group").

C. Tariffs on goods imported into the USA

In April 2025, the American government announced the imposition of tariffs on goods that are imported into the United States from various countries across the globe, including Israel, a change that has broad implications for the global economy and for the Israeli economy. However, there is uncertainty regarding the new tariffs policy and the manner in which it is implemented. The Company's management is monitoring the regulatory and policy change in the USA and it is examining their possible impact on its operations.

D. The "Swords of Iron" war

For approximately a year and a half, the State of Israel has been engaged in the "Swords of Iron" war, which broke out on October 7, 2023, which includes, inter alia, a widespread call up of reserve troops. In parallel, the war has expanded and developed with the intensification of the security situation on the Northern border and on additional fronts (hereinafter: the "War") broke out in the State of Israel, The war has led to a slow-down in business activity in the Israeli economy, to changes in the Israeli labor market, to various barriers in the field of shipments and transportation and to impacts on the economic environment in Israel.

As March 31, 2025 and as of the time of the approval of the financial statements, the Company's management is of the opinion that the war will have a minimal impact on the Company's operations, the manpower situation remains stable, with back up and assistance being provided by the employees of the subsidiary companies to replace the employees who have been called up for reserve military service, a certain slow-down in the pace of the cash-burn, which is designated for the salaries of employees who have been called up for reserve military service, and taking note that the Company's financial needs have not changes in the wake of the war, and as of the time of the approval of the financial statements, recruitments of finances and capital investments in the Company have not been halted or delayed. Furthermore, the Company's research and development activity is continuing as planned.

However, the marketing and distribution activity has been suffered a certain level of damage, primarily regarding supply times, where in some cases potential customers' procurement processes have been deferred and in some of the existing agreements, the customers in Israel have requested that the delivery of the systems be deferred for several months. In addition, the war has had a slight impact by way of an increase in shipment costs. Furthermore, the Company has not received any warning or notification whatsoever from the shipping companies that it works with, regarding the continuation of the shipping processes or an increase in their cost, and accordingly, at this stage, in the Company's management's assessment, as at the time of the approval of the financial statements, the war has had a minor impact on the Company's operations.

Without detracting from the aforesaid, the continuation of the war and/or a worsening of the security situation in Israel and/or globally, inter alia, in light of the possible involvement of additional parties in the war, may have a negative impact on the Group's operating results and/or on its financial position.

Electreon Wireless Ltd.

Notes to the Condensed Financial Statements

As of March 31, 2024

(Unaudited)

Note 1:- General (General)

D. The "Swords of Iron" war (Continued)

The Company's management is monitoring what is occurring continuously and it is examining the possibilities that are available to it in order to cope with the implications of the war, insofar as this is necessary.

E. The impacts of inflation and the interest rate

See Note 1D to the annual financial statements for the year 2024 for additional details.

Note 2:- Basis for the preparation of the financial statements:

1) The Group's condensed financial information as of March 31, 2025 and for the interim period of three months then ended (hereinafter – "The financial information for the interim period") has been prepared in conformity with International Accounting Standard Number 34 "Financial Reporting for Interim Periods") (hereinafter – "IAS 34"), and including the additional disclosure that is required in accordance with Part D of the Securities Regulations (Periodic and Immediate Report) - 1970. The financial information for the interim period does not include all of the information and the disclosures, which are required within the framework of annual financial statements. The financial information for the interim period should be reviewed together with the annual financial statements for the year 2024 and the accompanying notes thereto, which comply with the International Financial Reporting Accounting Standards (the "IFRS Accounting Standards), which are standards and interpretations that have been published by the International Accounting Standards Board (hereinafter: "The IFRS Standards") and including the additional disclosure that is required in accordance with Part D of the Securities Regulations (Periodic and Immediate Report) - 1970.

2) The Company has not attached separate financial information to these financial statements, because of the immateriality of the additional information. The Company holds its subsidiary companies wholly and as of the time of the statement of financial position, most of the Group's business activity is performed in the Company, which is reflected in the Group's consolidated reports. As of the time of the statement of financial position, the publication of separate financial information would not constitute the addition of significant information for a reasonable investor.

B. Estimates

In the preparation of the interim financial statements, the Company's management is required to exercise judgment and to make use of accounting estimates and assumptions, which affect the implementation of the Group's accounting policy and the amounts at which the assets and the liabilities, the revenues and the expenses are reported. The actual results may be different from these estimates.

In the preparation of these interim consolidated financial statements, the significant judgments that have been operated by the management in the implementation of the Group's accounting policy and the uncertainty that is inherent in the key sources of the estimates were identical to those in the Group's annual consolidated financial statements as of December 31, 2024.

Note 3:- Principal accounting policies

A. The principal accounting policies and calculation methods, which have been implemented in the preparation of the financial information for the interim period, are consistent with those that were implemented in the preparation of the annual financial statements for the year 2024.

B. New Standards and Revisions to existing Standards, which are not yet in binding effect and which the Group has not elected to make an early implementation of:

Information was presented within the framework of the Group's annual financial statements for the year 2024 regarding new IFRS Standards and Revisions to existing IFRS Standards, which have not entered binding effect yet and which the Group has not elected to implement by way of early implementation.

As of the time of the approval of these financial statements, there are no new Standards or Revisions to existing Standards, which were not presented within the framework of the Group's annual financial statements for the year 2024.

Note 4:- Capital:

A. Options for employees, officers and investors that have been exercised and forfeited

In the three months ended March 31, 2024, 8,812 non-marketable option warrants have been exercised by employees in the Company into 8,812 regular shares in the Company in consideration for an additional payment on the exercise, in an amount of approximately NIS 1.3 million.

Note 5:- Material events in the reporting period and thereafter:

A. See Note 11U to the annual financial statements for the year 2024 for additional details regarding a class action against the Company and officers therein, on a claim of the late presentation of an immediate report that the Company published regarding a binding agreement for the establishment of a project in an industrial park in the Shandong District in China.

B. On March 31, 2025, the Company received notification from the state of North Rhine – Westphalia in Germany, pursuant to which the Company won a grant for participation in the project by an international consortium together with Strabag AG, which will be performing the planning, instillation and electrification works and the Bergische Universität in Wuppertal. Within the framework of the project, it is planned to install the wireless charging on existing vehicles (Aftermarket). Within the framework of the project, the Company will be cooperating with a company by the name of Denso in Germany. The Company's budget in the project is approximately 1.4 million euros (approximately NIS 5.6 million), which will include, inter alia, the costs of the abovementioned system, which is to be deployed on a wireless electrical road with a length of 300 – 400 meters, and the works that are required for the purpose of integrating the wireless charging system on vehicles.

C. On April 2, 2025, the Company signed on an agreement with the Electra Afikim Ltd. public transportation company (hereinafter: "Electra Afikim"), for the planning of the deployment of a wireless charging system for 16 parking positions in an additional project that is operated by Electra Afikim and which is owned by the Ministry of Transport and Road Safety, at the Avnet terminal in Petah Tikvah. Within the framework of the project, the Company is expected to install its wireless charging technology on 16 parking spaces and on the passenger boarding and deboarding platforms for the maximal utilization of those stops in support of the extension of the operating hours for the buses. The Company is expected to receive payment in an amount of approximately NIS 457 thousand for the planning stage. After the completion of the planning process and the receipt of the approvals that are required, subject to the approval and a decision by Ayalon Highways Ltd., the parties will take action for the signing of an addition to the agreement, which arranges all of the details of the construction works for the project at the terminal. At this stage, the estimate of the scope of the project - for the planning stage and for the construction stage, together, stands at an amount of approximately NIS 7.7 million.

Note 5:- **<u>Material events in the reporting period and thereafter</u> (Continued):**

D. On April 3, 2025, the Chief Executive Officer and the Chairman of the Board of Directors exercised 231,492 option warrants into 231,492 regular shares in the Company in consideration for an additional payment on exercise in an amount of NIS 1.35 million.

E. On April 7, 2025, the Company's Board of Directors approved the granting of 20,500 options to 10 employees in the Company. The options will vest over 4 years from the time of their grant – 25% after one year, and the balance in quarterly tranches over an additional 3 years. The additional amount payable on the exercise of each option is NIS 78.48.

F. On May 28, 2025, the Company signed on an additional agreement with the Denso company (hereinafter: "Denso"), within the framework of which Denso is expected to acquire and to install the Company's advanced dynamic wireless charging system on Denso's trials site in the city of Abashiri in the Hokkaido province in Japan, in consideration for an amount of approximately 1.5 million dollars (approximately NIS 5.5 million). The charging system that will be installed within the framework of the project is one of the advanced systems that has been developed by the Company, and it includes an updated version of a battery for the transfer of energy while travelling, a full command and control system, and fiber-optic based telecommunications. The system is expected to provide capacity of approximately 70 kilowatts for vehicles that will be tested on the site.