Electreon Wireless Ltd.

2025 Annual Financial Statements

Electreon Wireless Ltd.

2025 Annual Financial Statements

Table of Contents

Independent Auditor's Report

to the Shareholders of Electreon Wireless Ltd.

Opinion

We have audited the consolidated financial statements of Electreon Wireless Ltd. (hereinafter: the " Company"), which comprise the consolidated statement of financial position as of December 31, 2025 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the attached consolidated financial statements present fairly, in all material respects, the consolidated financial position as of December 31, 2025 and the consolidated financial results and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and the provisions of the Securities Regulations (Annual Financial Statements), 5770-2010.

Basis for Opinion

Our audit was conducted in accordance with generally accepted auditing standards, including those prescribed under the Auditors' Regulations (Auditor's Mode of Performance), 5733-1973. Our duties under those standards are described in the paragraph "Auditor's Duties for the Audit of the Consolidated Financial Statements" in this report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of law applying in Israel regarding auditor independence and conflict-of-interest prevention. Also, we have fulfilled our other ethical duties in accordance with these requirements, in accordance with the Accountants Law, 4715-1955 and the regulations enacted thereunder. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are matters that were communicated, or which were required to be communicated, to the Company's board of directors and which, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters include, inter alia, any matter that: (1) relates, or may relate, to material clauses or disclosures in the consolidated financial statements and (2) our judgment regarding it was particularly challenging, subjective, or complex. We have determined that there are no key audit matters to communicate.

Duties of the Board of Directors and Management for the Consolidated Financial Statements

The board of directors and management are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the provisions of the Securities Regulations (Annual Financial Statements), 5770-2010; and they are also responsible for such internal review as the board of directors and management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors and management are responsible for assessing the Company's ability to continue to operate as a going concern, for disclosing, as applicable, going concern related matters and using the going concern basis of accounting, unless the board of directors and management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Duties for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Israel will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with generally accepted auditing standards in Israel, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and management.
- Conclude on the appropriateness of the board of directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit. We also provide the board of directors and management with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards, implemented to eliminate identified threats to our independence.

From the matters that were communicated, or that were required to be communicated, to the board of directors and management, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Reference Paragraph

We have also audited, in accordance with Auditing Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel regarding “Audit of Internal Control Components over Financial Reporting”, components of internal control over financial reporting of the Company as of December 31, 2025 and our report dated March 29, 2026 expressed an unqualified opinion on the effective existence of those components.

The audit engagement partner responsible for this independent auditor's report is Batya Ron.

Tel Aviv,
March 29, 2026

Kesselman & Kesselman
Certified Public Accountants
A member firm of PricewaterhouseCoopers International Limited

Auditor's Report to the Shareholders of Electreon Wireless Ltd.

On the Audit of Internal Control Components over Financial Reporting

Pursuant to Regulation 9B (C) of the Securities Regulations

(Periodic and Immediate Reports), 5730-1970

We have audited the internal control components over financial reporting of Electreon Wireless Ltd. and its subsidiaries (hereinafter jointly: the "Company") as of December 31, 2025. These control components were determined as explained in the following paragraph. The Company's board of directors and management are responsible for maintaining effective internal control over financial reporting and for their assessment of the effectiveness of internal control components over financial reporting attached to the periodic report as of the above date. Our responsibility is to express an opinion on the internal control components over financial reporting of the Company based on our audit.

The audited internal control components over financial reporting were determined in accordance with Auditing Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel, "Audit of Internal Control Components over Financial Reporting" (hereinafter: "Auditing Standard (Israel) 911"). These components are: (1) organization-level controls, including controls over the process of preparing and closing financial reporting and general information systems controls; (2) controls over the procurement process; (3) controls over the payroll and options process; (4) controls over the revenue process (together hereinafter: the "audited control components").

We conducted our audit in accordance with Auditing Standard (Israel) 911. This standard requires that we plan and perform the audit with the objective of identifying the audited control components and obtaining reasonable assurance as to whether those control components were maintained effectively, in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, identifying the audited control components, assessing the risk that a material weakness exists in the audited control components and testing and evaluating the design and operating effectiveness of those control components based on the assessed risk. Our audit, with respect to those control components, also included performing such other procedures as we considered necessary in the circumstances. Our audit related only to the audited control components, as distinguished from internal control over all material processes in connection with financial reporting and therefore our opinion refers to the audited control components only. In addition, our audit did not address interrelationships between the audited control components and those that were not audited and therefore our opinion does not take into account any such possible effects. We believe that our audit provides a reasonable basis for our opinion in the context described above.

Due to inherent limitations, internal control over financial reporting in general and components thereof in particular, may not prevent or detect misstatement. Also, drawing conclusions based on any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over the audited control components as of December 31, 2025.

We have also audited, in accordance with generally accepted auditing standards in Israel, the consolidated financial statements of the Company as of December 31, 2025 and for the year then ended and our report dated March 29, 2026 expressed an unmodified opinion on those financial statements.

Tel Aviv,
March 29, 2026

Kesselman & Kesselman
Certified Public Accountants
A member firm of PricewaterhouseCoopers International Limited

Electreon Wireless Ltd.

Consolidated Statements of Financial Position

	Note	31st December 2024	31st December 2025
		NIS thousand	
Assets			
Current assets:			
Cash and cash equivalents	5A	90,391	22,538
Short-term deposit	5B	1,787	339
Current maturity of pledged long-term deposit	5C	1,046	1,046
Trade receivables		15,828	8,179
Other receivables	6A	6,933	8,229
Receivables in respect of share issuance	12C	-	12,284
Contract assets with customers		11,657	11,862
		127,642	64,477
Non-current assets:			
Pledged long-term deposit	5D	3,000	2,639
Advance long-term expenses	6B, 11E	47,161	49,601
Fixed assets	7	10,788	9,098
Assets for right of use	8	4,462	3,983
		65,411	65,321
Total assets		193,053	129,798
Liabilities and equity			
Current liabilities:			
Trade payables		3,716	3,604
Other payables	10A	13,367	11,191
Current maturities of liabilities for leases	8	1,019	1,137
		18,102	15,932
Pending engagements and liabilities	11		
Non-current liabilities:			
Other payables	10B	6,080	5,937
Liabilities for leases	8	3,577	3,099
		9,657	9,036
Total liabilities		27,759	24,968
Equity:	12		
Ordinary shares, share premium, options and other reserves		571,412	615,415
Capital reserve from translation of financial statements of outside activities		1,206	2,047
Loss balance		(407,324)	(512,632)
Total equity		165,294	104,830
Total liabilities and equity		193,053	129,798

Oren Ezer	Joseph Tenne	Barak Duani
Chairman of the Board and CEO	**External Director**	**CFO**

Date of approval of the financial statements: March 29, 2026.

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

Electreon Wireless Ltd.

Consolidated Statements of Comprehensive Loss

	Note	For the year ended December 31		
		2023	2024	2025
		NIS thousand		
Revenue	13	23,097	31,648	15,968
Cost of revenue		19,598	22,602	11,043
Gross profit		3,499	9,046	4,925
Research and development expenses, net:	14			
Research and development expenses		53,709	58,836	75,907
Less - participation in R&D expenses		(5,177)	(2,826)	(2,749)
Research and development expenses, net		48,532	56,010	73,158
Marketing and business development expenses	15	20,225	18,903	19,529
General and administrative expenses	16	10,651	12,657	12,955
Other expenses	17	2,641	-	-
Operating loss		78,550	78,524	100,717
Financing expenses	18	536	8,589	1,806
Financing income	18	(3,253)	(1,990)	(895)
Financing expenses (income), net		(2,717)	6,599	911
Loss for the year		75,833	85,123	101,628
Other comprehensive loss (income) for the year:				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences of foreign operations		1,554	(2,416)	(841)
Total comprehensive loss for the year		77,387	82,707	100,787
Basic and diluted loss per share (in NIS)	19	6.76	6.80	7.82

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

Electreon Wireless Ltd.

Consolidated Statements of Changes in Equity

	Ordinary shares, share premium, options & other reserves	Capital reserve from translation of financial statements	Accumulated loss	Total equity
	NIS thousand			
Balance as of January 1, 2023	371,658	344	(246,368)	125,634
Movement during 2023:				
Loss for the year	-	-	(75,833)	(75,833)
Other comprehensive loss for the year - foreign currency translation differences of foreign operations	-	(1,554)	-	(1,554)
Issuance of shares and warrants, net of issuance expenses	19,815	-	-	19,815
Issuance of shares and warrants, net of issuance expenses	34,465	-	-	34,465
Benefit component of options granted	7,465	-	-	7,465
Exercise of warrants and share options	786			786
Balance as of December 31, 2023	434,189	(1,210)	(322,201)	110,778
Movement during 2024:				
Loss for the year	-	-	(85,123)	(85,123)
Other comprehensive income for the year - foreign currency translation differences of foreign operations	-	2,416	-	2,416
Exercise of warrants and share options (see Note 12B)	42,886	-	-	42,886
Issuance of shares (net of issuance costs) (see Note 12C)	86,218	-	-	86,218
Benefit component of options granted	8,119	-	-	8,119
Balance as of December 31, 2024	571,412	1,206	(407,324)	165,294
Movement during 2025:				
Loss for the year	-	-	(101,628)	(101,628)
Other comprehensive income for the year - foreign currency translation differences of foreign operations	-	841	-	841
Exercise of warrants and share options (see Note 12B)	2,762	-	-	2,762
Issuance of shares (net of issuance costs) (see Note 12C)	31,270	-	-	31,270
Benefit from modification of warrant terms (see Note 12C)	3,680	-	(3,680)	-
Benefit component of options granted	6,291	-	-	6,291
Balance as of December 31, 2025	615,415	2,047	(512,632)	104,830

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

Electreon Wireless Ltd.

Consolidated Statements of Cash Flows

	For the year ended December 31		
	2023	2024	2025
		NIS thousand	
Cash flows from operating activities:			
Net cash used in operating activities (see appendix)	(63,389)	(90,119)	(89,836)
Cash flows from investing activities:			
Acquisition of fixed assets	(3,376)	(3,553)	(1,086)
Interest received and deposit redemption	712	1,886	2,700
Net cash generated by (used in) investing activities	(2,664)	(1,667)	1,614
Cash flows from financing activities:			
Proceeds from exercise of warrants and options	786	42,886	2,762
Lease principal payments	(1,041)	(1,000)	(1,063)
Lease interest payments	(29)	(292)	(365)
Proceeds from share issuance, net of issuance costs	54,280	86,218	18,986
Net cash provided by financing activities	53,996	127,812	20,320
Increase (decrease) in cash and cash equivalents	(12,057)	36,026	(67,902)
Cash and cash equivalents balance at beginning of year	67,600	53,831	90,391
Effect of exchange rate and translation differences on cash and cash equivalents valuation, net	(1,712)	534	49
Cash and cash equivalents balance at end of year	53,831	90,391	22,538

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

Electreon Wireless Ltd.

Consolidated Statements of Cash Flows (continued)

	For the year ended December 31		
	2023	**2024**	**2025**
		NIS thousand	
A. Appendix to statement of cash flows - net cash used in operating activities:			
Loss for the year	(75,833)	(85,123)	(101,628)
Adjustments for:			
Depreciation and amortization	2,318	2,682	2,829
Amortization of right-of-use assets	1,071	1,118	1,181
Benefit component of options and restricted share units granted	7,465	8,119	6,291
Interest income on deposits	(899)	(2,114)	(895)
Interest expenses on lease	29	292	365
Loss (gain) from exchange rate differences on cash and cash equivalents	(17)	2,364	1,079
	(65,866)	(72,662)	(90,778)
Changes in operating asset and liability items:			
Decrease (increase) in trade receivables	(6,758)	(8,153)	7,346
Decrease (increase) in receivables and debit balances	10,796	(14,658)	(4,046)
Increase (decrease) in trade payables and other payables	(1,561)	5,354	(2,358)
	2,477	(17,457)	942
Net cash used in operating activities	(63,389)	(90,119)	(89,836)

B. Information on financing activities not involving cash flow:

	2023	2024	2025
Recognition of debtors against issue of shares (see Note 12C below)	-	-	12,284
Recognition of asset against liability for new leases	-	5,313	730
	-	5,313	13,014

The accompanying notes are an integral part of these 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 operates in the research and development of wireless charging technology for electrically propelled vehicles, using an infrastructure of coils embedded beneath the road. The Company's shares are listed for trading on the Tel Aviv Stock Exchange Ltd. (hereinafter - the Stock Exchange).

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

B. The consolidated financial statements include the financial statements of the Company and of its subsidiaries: ElectReon AB (hereinafter - Electreon Sweden), ElectReon Germany GMBH (hereinafter - Electreon Germany), ElectReon Wireless, Inc. (hereinafter - Electreon US), ElectReon Wireless France (hereinafter - Electreon France), Spearhead Investments (BVI) Ltd., Jinan Electreon Wireless Automotive Technology Co, Limited (hereinafter - Electreon China) and Electreon Wireless LLC (hereinafter - Electreon Japan), all of which are wholly owned by the Company (hereinafter jointly - the Group).

C. Effect of the new US tariff policy on the import of goods

In April 2025, the US government announced the imposition of a 10% tariff on goods imported into the US, plus higher tariff rates on certain countries (as of this date, the tariff on the import of goods from Israel is 15%, subject to certain exceptions). As of the statement date, in the Group's assessment, the Trump Administration's tariff policy is not expected to have a material effect on the Group's operations.

D. The Swords of Iron War

On October 7, 2023, the Swords of Iron War (hereinafter - the war) broke out in the State of Israel. The war led, among other things, to a slowdown in business activity in the Israeli economy, changes in the Israeli labor market, various obstacles in the shipping and logistics field and effects on the economic environment in Israel. The continuation of the fighting and the uncertainty continued to affect the Israeli economy, the capital market and the cost of living, also during 2025. In June 2025, Israel launched Operation Rising Lion on the Iranian front, during which a special home-front situation was declared and various restrictions were imposed, including closure of Israeli airspace and a ban on gatherings. In October 2025, a ceasefire agreement was signed, which brought about some calm in the fighting in Gaza. At the end of February 2026, Israel, in cooperation with the US, launched Operation Roaring Lion on the Iranian front, during which a special home-front situation was declared and various restrictions were imposed, including closure of Israeli airspace and a ban on gatherings. The Company continues to monitor developments and their possible effect on the Company's operations. In general, the effect of the war on the economy as a whole is negative and involves considerable uncertainty and depends mainly on the duration and intensity of the fighting.

As of the report date, the war and Operations Rising Lion and "Roaring Lion" had a material negative effect on the Company's operations, reflected, among other things, in the following ways: (a) halting or freezing of budgets related to projects in Israel, budgeted by government ministries; (b) postponement of projects in Israel and around the world that the Company expected to enter into agreements regarding; (c) delays in development processes due to the prolonged reserve-duty call-up of leading employees in the development department in general and in the group responsible for the home charging product in particular. These effects lead to delays in revenue in connection with signed projects, as well as delays in closing deals and/or a reduction in the number and scope of deals.

Without derogating from the above, the Company's management continuously monitors developments and examines the options available to it, including reducing expenses, in order to cope with the consequences of the war, to the extent required.

Note 1 - General (continued):

E. Effects of inflation and interest

2025 was characterized by a continued moderation of inflation and further interest rate cuts by the world's leading central banks. In January 2026, the International Monetary Fund published its global growth forecast, according to which growth is expected to be approximately 3.3% in 2026 and approximately 3.2% in 2027. The forecast reflects global economic resilience, supported by accelerated investment in technology and artificial intelligence, supportive financial conditions and fiscal and monetary support in the major economies.

During 2025, the US central bank began a gradual process of interest rate cuts and made three cumulative cuts, bringing the interest rate range to 3.50%–3.75%.

In the Eurozone, inflation stood at 2.4% in February 2026. The European Central Bank (ECB) cut interest rates during 2025 and the rate currently stands at 2%.

Inflation in Israel over the course of 2025 stood at approximately 2.6%. During 2025, the Bank of Israel left the interest rate at 4.5% and in November 2025 decided to cut it to 4.25%; a further cut to 4% was made in early January 2026. According to the Bank of Israel's forecast, the annual inflation rate is expected to be approximately 1.7% in 2026 and approximately 2% in 2027.

The great uncertainty regarding the continuation of the war, its intensity and its results, combined with rising inflation due to political instability in Israel in the period preceding it, led to a downgrade of Israel's credit rating - for the first time in its history - by all three international rating agencies that rate it. Moody's was the first to announce a rating cut in February 2024, from A1 with a stable outlook to A2 with a negative outlook and later that year, in September 2024, announced a further downgrade to Baa1 with a negative outlook. S&P also lowered the credit rating twice during the year: in April 2024 it lowered Israel from AA- to A- with a negative outlook and in October 2024 lowered it again to A with a negative outlook. Fitch also lowered Israel's credit rating in August of this year, from A+ to A with a negative outlook. In November 2025, S&P updated the rating outlook from negative to stable and in January 2026 Moody's updated the rating outlook from negative to stable, while the rating itself remained unchanged.

In the foreign currency market, during 2025 the trend of the shekel strengthening against the major currencies continued.
In light of the fact that the Group operates in several markets around the world (including Israel, the US and Europe), it may be affected by changes in the inflation, interest rate and foreign currency environment. Among other things, the Group may be affected by changes in raw material prices due to rising inflation and currency changes in the countries from which the Group purchases raw materials and by the effect of macroeconomic factors on employment and energy costs in those countries and in the Group's countries of operation. It should be noted that, as of the date of this report, the Group finances its operations mainly through the use of its own equity, capital raises and the receipt of grants and it does not hold credit lines or have entered into loan agreements. In light of the above, as of the date of this report, the effect of interest rates and foreign currency changes on the Group is not material. However, to the extent the Group considers obtaining credit, a loan, or raising debt, the interest rate in the economy will affect the terms on which such financing is made available.

Note 2 - Basis of Preparation of the Financial Statements:

A. Basis of presentation of the financial statements:

The Group's financial statements as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, comply with International Financial Reporting Standards (IFRS Accounting Standards), which are standards and interpretations published by the International Accounting Standards Board (IASB®) and include the additional disclosure required under the Securities Regulations (Annual Financial Statements), 5770-2010.

In connection with the presentation of these financial statements, the following should be noted:

1) The principal accounting policies described below have been applied consistently to all the years presented, unless otherwise stated.

2) The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with International Financial Reporting Standards requires the use of certain material accounting estimates. It also requires Group management to exercise judgment in the process of applying the Group's accounting policies. Note 2D provides disclosure of areas involving a significant degree of judgment or complexity, or areas in which assumptions and estimates have a material effect on the financial statements. Actual results may differ materially from the estimates and assumptions used by Group management.

3) The Group analyzes expenses recognized in profit or loss using a classification method based on the nature of the activity of the expenses.

4) The Group's operating cycle period is 12 months.

5) The Company did not attach separate financial information to these financial statements due to the immateriality of the additional information. The Company wholly owns Spearhead, Electreon Germany, Electreon US, Electreon France, Electreon Sweden and Electreon China and as of the date of the statement of financial position, most of the Group's business activity is carried out in the Company and this activity is reflected in the Group's consolidated financial statements. Accordingly, as of December 31, 2025, the publication of separate financial statements would not constitute material additional information for a reasonable investor.

6) Translation of foreign currency balances and transactions:

A) Functional currency and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which that entity operates (hereinafter - the functional currency). The consolidated financial statements are presented in New Israeli Shekels (hereinafter - NIS), which is the Company's functional and presentation currency.

B) Transactions and balances

Transactions denominated in a currency other than the functional currency (hereinafter - foreign currency) are translated into the functional currency using the exchange rates in effect on the dates of the transactions. Exchange rate differences arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency at the exchange rates at the end of the period are recognized in profit or loss.

Gains and losses arising from changes in exchange rates are presented in the statement of comprehensive loss within "financing expenses (income), net."

Note 2 - Basis of Preparation of the Financial Statements (continued):

A. Basis of presentation of the financial statements (continued):

C) Translation of financial statements of Group companies

The results and financial position of all Group companies (none of whose functional currency is the currency of a hyperinflationary economy) whose functional currency differs from the presentation currency are translated into the presentation currency as follows:

1) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

2) Income and expenses for each statement of profit or loss are translated at the average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the exchange rates at the transaction dates, in which case income and expenses are translated at the exchange rate at the transaction dates);

3) All resulting exchange differences are recognized in other comprehensive income.

B. New IFRS Accounting Standards, amendments to IFRS Accounting Standards and new interpretations:

New IFRS Accounting Standards and amendments to existing IFRS Accounting Standards that are not yet with binding effect and which the Group has not chosen to adopt early:

International Financial Reporting Standard 18, *Presentation and Disclosure in Financial Statements* (hereinafter - IFRS 18)

IFRS 18 replaces International Accounting Standard 1, Presentation of Financial Statements (hereinafter - IAS 1), with many of IAS 1's requirements carried over into IFRS 18, as well as into several other IFRS Accounting Standards. IFRS 18 is intended to improve the way entities communicate information to investors through their financial statements and in particular to increase transparency and comparability between entities, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is also accompanied by amendments to other IFRS Accounting Standards, including International Accounting Standard 7, Statement of Cash Flows (IAS 7) (such as regarding the classification of cash flows from interest and dividends), International Accounting Standard 33, Earnings per Share (IAS 33) and International Accounting Standard 34, Interim Financial Reporting (IAS 34).

The main new principles under IFRS 18 relate to the following areas:

Note 2 - Basis of Preparation of the Financial Statements (continued):

B. New IFRS Accounting Standards, amendments to IFRS Accounting Standards and new interpretations (continued):

A) Structure of the statement of profit or loss - under IFRS 18, items in the statement of profit or loss will be classified into one of 5 categories: operating, investing, financing, income taxes and discontinued operations. IFRS 18 provides guidance on classifying items among these categories. In addition, under IFRS 18, entities will be required to present certain defined subtotals in the statement of profit or loss, as specified in the standard.

B) Disclosure in the financial statements of "management-defined performance measures" (hereinafter - MPMs). MPMs are subtotals of income and expenses that an entity uses in public communications outside the financial statements to communicate management's view of an aspect of the entity's overall financial performance, subject to certain exceptions.

C) Principles for aggregation and disaggregation of information in the primary financial statements or in the notes.

As part of the transition provisions, IFRS 18 requires that, in the annual report for the first year of application of the standard, an entity present a reconciliation for each line item in the statement of profit or loss for the comparative year preceding the year of adoption of the standard, between the amounts to be restated in accordance with IFRS 18 and the amounts originally presented applying IAS 1. A similar reconciliation is also required in interim financial statements in the year of first application, for the current and cumulative comparative period in the year preceding the year of adoption of the standard.

In accordance with the provisions of IFRS 18, the standard will be applied by the Group for annual reporting periods beginning on January 1, 2027, by way of retrospective application. In accordance with the provisions of IFRS 18, early application is permitted. The Group is examining the effect of applying IFRS 18 on its consolidated financial statements, but at this stage the effect of first-time adoption cannot yet be reasonably estimated.

Note 3 - Critical Accounting Estimates and Judgments:

Estimates and judgments are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Regarding the judgments and assessments applied with respect to grants from the Innovation Authority and the discounting of research and development costs, see Note 14.

Regarding the considerations and estimates applied with respect to the cooperation agreement with Dan Public Transport Company Ltd. (hereinafter - Dan), see Note 11D.

Note 4 - Financial Instruments and Financial Risk Management:

Financial risk management:

A. Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the fact that the behavior of the financial markets cannot be predicted and seeks to minimize possible adverse effects on the Group’s financial performance.

Credit risks are managed at the Group level. Credit risks arise from cash and cash equivalents and bank deposits, as well as credit exposures relating to outstanding receivables as of December 31, 2025. The Group does not consider there to be significant credit risk in respect of these balances and has not yet recognized a provision for credit losses.

Exchange rate risks - the Group's activity is international and it is exposed to exchange rate risks arising from exposures to various currencies against the Euro, the US Dollar and the Swedish SEK. Exchange rate risk arises from future commercial transactions and assets or liabilities denominated in foreign currency. In the Group's estimation, a reasonable change in exchange rates would not have a material effect on the financial statements.

Risk management is carried out by the Company's CEO and CFO.

B. Liquidity risk

The Company is a research and development company and has not yet generated profits or positive cash flows from its ongoing operations and the continuation of its operations in the current format is contingent on raising financing sources until a positive cash flow from operations is generated.

All liabilities are due within one year, except for liabilities to the Innovation Authority, a grant in respect of the CAYD project which the Company expects to pay over the coming years in a total amount of NIS 5,427 thousand and long-term lease liabilities.

C. Capital risk management

The Group's capital risk management objectives are to preserve the Group's ability to continue operating as a going concern in order to provide shareholders with a return on their investment and to maintain an optimal capital structure in order to reduce the cost of capital.

Note 5 - Cash, Cash Equivalents and Deposits:

Cash and cash equivalents include cash on hand and short-term deposits with banking corporations that are not restricted by a pledge, with an original maturity not exceeding three months from the date of investment.

Classification of cash flows from interest and dividends in the statement of cash flows

In the consolidated statements of cash flows, the Group presents interest received within cash flows from investing activities and interest paid within cash flows from financing activities.

A. Breakdown by currencies:

	December 31	
	2024	2025
	NIS thousand	
In NIS	37,078	5,938
In foreign currency*	53,313	16,600
	90,391	22,538

* Mainly US dollar and euro.

B. Short-term deposit

As of December 31, 2025, the Company has a NIS deposit with a banking corporation in the amount of NIS 339 thousand.

C. Short-term pledged deposit

As of December 31, 2025 and 2024, the Company has NIS deposits with a banking corporation in the amount of NIS 1,046 thousand. A deposit of NIS 1,000 thousand is pledged in favor of a bank guarantee for the Afikim project, see Note 11G.

D. Long-term pledged deposit

As of December 31, 2025 and 2024, the Company has a long-term pledged deposit of NIS 2,639 thousand and NIS 3,000 thousand, respectively. The deposit is pledged in favor of a bank guarantee for the Afikim project.

Note 6 - Other Receivables and Prepaid Expenses:

A. Other receivables:

	December 31	
	2024	**2025**
	NIS thousand	
Value added tax	1,847	920
Prepaid expenses	1,532*	2,669
Advances to suppliers	3,497	4,408
Others	57	232
	6,933	8,229

* A total of NIS 847 thousand is attributed to prepaid expenses in respect of equity-based compensation under the Dan agreement, see Note 11D.

The carrying amount of the other receivables constitutes a reasonable approximation of their fair value.

Note 6-other receivables: (continued)

B. Long term prepaid expenses:

	December 31	
	2024	**2025**
	NIS thousand	
Prepaid expenses - Dan*	24,552	25,399
Prepaid expenses in respect of projects	22,496	24,202
Others	113	-
	47,161	49,601

* Attributed to prepaid expenses under the Dan agreement, see Note 11D.

Note 7 - fixed assets:

A. Recognition and subsequent measurement

Fixed assets are initially recognized at acquisition cost.

Fixed assets are presented at cost, net of accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method to reduce the cost of fixed assets to their residual value over their estimated useful lives, as follows:

	Years
Office furniture and equipment	5 – 16 (mainly 10-16)
Machinery and equipment	3 - 7
Motor vehicles	5 - 7
Computers and peripheral equipment	3
Leasehold improvements*	4 - 10

* Leasehold improvements are amortized on a straight-line basis over the term of the lease contract or the estimated useful life of the improvements, whichever is shorter.

B. Examination of impairment

The Group examines the need for impairment of non-financial assets when there are indications, as a result of events or changes in circumstances, that the carrying amount in the financial statements is irrecoverable.

The impairment loss recognized is equal to the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, expected cash flows are discounted using a pre-tax discount rate reflecting the risks specific to the asset. For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

A property and equipment item whose value has declined is examined for the purpose of identifying a possible reversal of the impairment recognized in respect thereof, at each statement of financial position date. In the reported years there were no impairments of property and equipment.

Note 7 - fixed assets (continued):

The composition of assets and the accumulated depreciation thereon, by major groups and the movement therein in 2025 and 2024, are as follows:

	Cost					Accumulated depreciation					
	Balance for beginning of the year	Additions during the year	Derecognitions during the year	Other Changes	Balance for end of the year	Balance for beginning of the year	Addition during the year	Derecognitions during the year	changes Others*	Balance for end of the year	Depreciated balance for December 31 2025
	NIS thousand										
Office furniture and equipment	1,268	20	-	(3)	1,285	368	94	-	-	462	823
Machinery and equipment	3,238	211	-	(6)	3,443	1,401	408	-	-	1,809	1,634
Motor vehicles	5,209	149	-	66	5,424	2,399	934	-	-	3,333	2,091
Computers and peripheral equipment	2,642	277	-	(4)	2,915	1,712	517	-	-	2,229	686
Improvements in leasehold	7,752	429	-	-	8,181	3,441	876	-	-	4,317	3,864
	20,109	1,086	-	53	21,248	9,321	2,829	-	-	12,150	9,098

	Cost					Accumulated depreciation					
	Balance for beginning of the year	Additions during the year	Derecognitions during the year	changes Others*	Balance for end of the year	Balance for beginning of the year	Addition during the year	Derecognitions during the year	changes Others*	Balance for end of the year	Depreciated balance for December 31 2024
	NIS thousand										
Office furniture and equipment	1,189	95	-	(16)	1,268	261	107	-	-	368	900
Machinery and equipment	2,460	810	-	(32)	3,238	998	403	-	-	1,401	1,837
Motor vehicles	4,539	840	-	(170)	5,209	1,558	841	-	-	2,399	2,810
Computers and peripheral equipment	1,626	1,016	-	-	2,642	1,102	610	-	-	1,712	930
Improvements in leasehold	6,960	792	-	-	7,752	2,720	721	-	-	3,441	4,311
	16,774	3,553	-	(218)	20,109	6,639	2,682	-	-	9,321	10,788

* The changes result from foreign currency translation differences of subsidiaries' financial statements.

Note 8 - Right-of-Use Assets and Lease Liabilities:

Group policy regarding leases in which the Group is the lessee:

The Group assesses, at the inception of a contract, whether the contract is a lease or contains a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group reassesses whether a contract is or contains a lease only if the terms of the contract change.

For lease contracts that contain non-lease components, such as maintenance services related to the lease component, the Group has elected not to separate the components and instead to account for each lease component and any associated non-lease components as a single lease component.

At initial recognition, the Group recognizes a lease liability at the present value of future lease payments, which include, among other things, the exercise price of extension options that are reasonably certain to be exercised.

Concurrently, the Group recognizes a right-of-use asset in the amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred by the Group.

Since the interest rate implicit in the lease cannot readily be determined, the Group's incremental borrowing rate is used. This interest rate is the rate the Group would be required to pay to borrow, over a similar term and with similar security, the amounts necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

After the lease commencement date, the Group measures the right-of-use asset at cost, less accumulated depreciation and accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation of the right-of-use asset is calculated on a straight-line basis over the estimated useful life of the leased asset or the lease term, whichever is shorter. In the Company's estimation, the useful life of the buildings is 4.5–10 years and includes the lease term including extension options.

Interest on the lease liability is recognized in profit or loss over the lease term, in an amount that produces a constant periodic interest rate on the remaining balance of the lease liability.

A. **Rental agreement**

In March 2024, the Group signed a renewal of the rental agreement for the space in which its offices and facilities used for continued research and development activity are located. Under the agreement, the rental term is from March 1, 2024 to December 31, 2026, with the Group granted a one-time option to extend the agreement by an additional two years until December 31, 2028. Monthly rent is approximately NIS 95 thousand.

In August 2024, the Group signed a renewal of a lease agreement for space in Germany. Under the agreement, the lease term is from December 1, 2024 to November 30, 2028. Monthly rent is approximately NIS 16 thousand (approximately €5 thousand).

In April 2025, the Group signed a lease agreement to expand its leased space in Germany. Under the agreement, the lease term is from April 1, 2025 to May 31, 2030, with an option for an additional 5 years until May 31, 2035. Monthly rent is approximately NIS 8 thousand (approximately €2 thousand).

Note 8 - Right-of-Use Assets and Lease Liabilities (continued)**:**

A. **Right-of-use assets:**

	Cost				Depreciation			Depreciated balance	
	Balance for beginning of the year	Additions during the year	Other changes**	Balance for end of the year	Balance for beginning of the year	Depreciation Additions for the year	Balance for end of the year	For beginning of the year	For end of the year
	NIS thousand								
2025:									
Buildings	8,364	730	(28)	9,066	3,902	1,181	5,083	4,462	3,983
	8,364	730	(28)	9,066	3,902	1,181	5,083	4,462	3,983
2024:									
Buildings	3,089	5,313	(38)	8,364	2,784	1,118	3,902	305	4,462
	3,089	5,313	(38)	8,364	2,784	1,118	3,902	305	4,462

** The changes result from assets and liabilities in respect of foreign currency translation differences of subsidiaries’ financial statements.

Note 8 - Right-of-Use Assets and Lease Liabilities (continued)**:**

B. **Lease liabilities:**

	Balance for beginning of the year	Additions during the year *	Interest expenses	Payments for lease	Other Changes **	Balance for end of the year	Current maturities of liabilities for leases	Long term liabilities for leases
	NIS thousand							
2025:								
Buildings	4,596	730	365	(1,428)	(27)	4,236	1,137	3,099
	4,596	730	365	(1,428)	(27)	4,236	1,137	3,099
2024:								
Buildings	320	5,313	294	(1,292)	(39)	4,596	1,019	3,577
	320	5,313	294	(1,292)	(39)	4,596	1,019	3,577

** The changes result from assets and liabilities in respect of foreign currency translation differences of subsidiaries' financial statements.

Note 9 - Income Taxes:

A. Taxation of the Company and its subsidiaries

Tax rates

Income of the Company and its Israeli subsidiaries (other than income benefiting from reduced tax rates under Israeli encouragement laws, see B below) is subject to corporate tax at the standard rate. The corporate tax rate applicable in Israel is 23%.

B. Taxation of subsidiaries outside Israel

Subsidiaries incorporated outside Israel are taxed under the tax laws of their countries of residence, except for companies defined as a "controlled foreign company" under the Israeli Income Tax Ordinance.

The tax rate applicable to a subsidiary incorporated in Sweden is 20.6%.

The tax rate applicable to a subsidiary incorporated in Germany is 15%.

The tax rate applicable to a subsidiary incorporated in France is 25%.

The federal tax rate applicable to a subsidiary incorporated in the US is 21%.

C. Losses for tax purposes carried forward

Deferred tax assets in respect of losses for tax purposes carried forward are recognized to the extent that realization of the related tax benefit through the existence of future taxable income is likely.

The Company's carry forward loss balance as of December 31, 2025 totals approximately NIS 276 million.

The subsidiaries' carry forward loss balance as of December 31, 2025 totals approximately NIS 46 million.

The Group has not imputed deferred taxes in respect of carry forward losses, since their utilization is not expected in the foreseeable future.

D. Tax assessments

Self-assessments filed by the Company and its Israeli subsidiaries through 2020 are considered final (subject to filing deadlines and prescription periods under law).

Note 10 - Other Payables:

A. Short term other payables

	December 31	
	2024	2025
	NIS thousand	
Employees and institutions in respect of employees	2,894	3,125
Institutions	828	-
Royalties payable	2,975	2,872
Advance incomes	413	139
Provision for vacation and convalescence	4,875	3,962
Expenses payable	792	622
Others	590	471
	13,367	11,191

B. Long term other payables

	December 31	
	2024	2025
	NIS thousand	
Royalties payable	5,498	5,427
Advance incomes	582	510
	6,080	5,937

Note 11 - Pending Engagements and Liabilities:

A. **Royalties to the Innovation Authority**

The Group has obligations to pay royalties to the Innovation Authority. Royalties are calculated based on proceeds from the sale of products in whose development the government participated by way of grants. Under the terms of such participation, royalties will be paid to the Innovation Authority at a rate of 3% of the sales amount of products in whose development the Innovation Authority participated, for the first three years from the commencement of repayment and 3.5% of the sales amount from the fourth year onward, until full repayment of the grant amount received by the Group, linked to the US Dollar, plus annual interest at the SOFR rate.

As of December 31, 2025, the Group recognized a liability in the amount of the expected receipts from the projects (see Notes 3 and 10).

B. In May 2019, the Swedish subsidiary signed an agreement with the Swedish Transport Administration for the construction of a demonstration electric road. The project is funded by the Swedish Transport Administration to a sum of approximately NIS 35 million. On April 3, 2022, further to the above, the Swedish Transport Administration decided to extend the pilot period. In respect of the extension of the pilot period, the subsidiary received additional funding from the Swedish Transport Administration in the amount of approximately €2 million (approximately NIS 7 million).

As of December 31, 2023 and 2022, grants of NIS 5.2 million and NIS 6.8 million, respectively, were recognized out of the approved budget as an offset against research and development expenses in profit or loss. The grants received as described are not subject to future royalty payments.

C. On October 30, 2020, the Group entered into an agreement with Societa di Progetto Brebemi S.p.A in Italy (hereinafter - Brebemi), to carry out a pilot involving the construction and testing of a 1 km wireless electric road at Brebemi's site. In the year ended December 31, 2023, the Group recognized revenue of approximately NIS 0.5 million.

D. On October 4, 2021, the Company and Dan entered into a framework cooperation agreement (hereinafter in this section - the agreement), under which the Company would work to install its wireless charging system at public transport terminals and on electric buses used by Dan and its subsidiaries (hereinafter - the project; Dan and its subsidiaries are jointly referred to in this section as - Dan).

Upon receipt of the required approvals and construction of the Company's wireless charging system, Dan will be able to use it to charge electric buses in exchange for payment of a monthly usage fee to the Company. In respect of Dan's use of the system (in all its various components), its maintenance and in accordance with the stages set out in the agreement, Dan will pay the Company a fixed monthly amount of NIS 2,500 per bus (excluding electricity costs, which are paid by Dan directly to the electric company), in 60 equal monthly payments, commencing from the date each terminal’s system installation is completed.

The following are the main terms of the agreement:

1) The Company will be responsible, at its own risk and expense, for the construction, operation and maintenance of its proprietary wireless electric charging system, which will also include a user identification system (for billing according to user identity) and management of the energy and charging system at the public transport terminals used by Dan, in accordance with the stages and locations detailed in the agreement.

2) Subject to completion of Dan’s procurement process for the electric buses and at Dan's choice and direction, the Company will install the system component required

for wireless charging on Dan's electric buses, in order to enable charging of the buses via the system, in several stages subject to receipt of the approvals required for each stage and subject to meeting criteria to be agreed between the parties.

3) The agreement will be carried out in stages. In the first stage, the pilot stage, the Company will carry out an initial installation of the system on a defined portion of a public transport terminal, where it is feasible, in terms of existing electrical infrastructure, to immediately install the system at a scope enabling simultaneous charging of approximately 14 buses (hereinafter - the preliminary stage). As part of the Company's development efforts

and for the purpose of establishing the technological feasibility of the Company's wireless charging system, Dan undertook to operate the buses for at least 8 hours a day, for a period of 5 years, during which Dan would provide the Company with, among other things, immediate (online) access to system performance data.
In exchange for operating the first stage as described and in respect of its willingness to cooperate with the Company in presenting the project to bus fleet operators around the world, the Company allocated to Dan 130,000 restricted share units and 100,000 options (see Note 13C). The vesting of the restricted share units and options is not conditional on the success of the first stage or on Dan's agreement to move to the following, commercial, stages of the agreement.
The fair value of the equity instruments is approximately NIS 28.9 million (see Note 12B).
Of this amount, the total fair value in respect of the receipt of services from Dan in the first stage, estimated at approximately NIS 25.4 million, is deferred and will be recognized as research and development expenses commencing from the start of bus operation and over 5 years - the bus operation period, in accordance with the agreement. An amount of NIS 25.4 million and NIS 24.5 million is classified in the statement of financial position as of December 31, 2025 and 2024, respectively, within non-current assets.

4) Since the Company's technology is at a preliminary stage and its efficiency has not yet been proven and since Dan has the right not to proceed to the subsequent stages of the agreement, for any reason, the Company concluded that, beyond the consideration assured for it for the first stage, no further consideration from Dan is expected at this stage. Accordingly, the difference by which the fair value of the equity instruments exceeded the consideration secured for the first stage, amounting to approximately NIS 3.6 million, was recognized as an expense in 2021 in the statement of profit or loss under sales, marketing and business development expenses.

5) Following the first stage and subject to its success and in accordance with Dan's exclusive decision, the Company will work to install the system at additional terminals in the Dan region and the Southern District, which would enable charging of up to approximately 186 additional buses, in accordance with a "Charging as a Service" (CaaS) business model.

E. On February 1, 2022, the Group announced that it had won a tender for the establishment of a wireless charging demonstration project, which will include deployment of approximately 1.6 km of wireless charging road and static wireless charging stations in the State of Michigan, US, in a district of the city of Detroit that also serves as Ford's central transport innovation district. The project's funding scope is estimated at approximately $1.9 million. As of the report date, the first part of the dynamic segment and the static station have been installed, in respect of which revenue of approximately NIS 0.9 million, NIS 2.5 million and NIS 2.1 million was recognized in the years ended December 31, 2025, 2024 and 2023, respectively.

F. On February 1, 2022, the Group announced entry into a joint research agreement with the University of Utah, US, under which the Group will deploy a dynamic wireless electric road, a static station and a charging system on a Kenworth truck, in order to demonstrate the feasibility and commercial readiness of the Company's technology. On February 24, 2024, the agreement was signed; the project's funding scope is estimated at approximately \$2.4 million. In the years ended December 31, 2025 and 2024, revenue of approximately NIS 0.53 million and approximately NIS 5.9 million, respectively, was recognized.

G. On May 12, 2022, the Group entered into an agreement with the public transport company Electra Afikim Ltd. (hereinafter - Afikim), for the installation of wireless charging infrastructure for 30 buses and the provision of support, operation and software services for the charging infrastructure for 10 years (hereinafter in this section - the agreement). In exchange for the services, Afikim will pay the Company a total amount of approximately NIS 6.5 million, to be paid subject to the transfer of the consideration from the Ministry of Transport and Road Safety (hereinafter - the Ministry of Transport) to Afikim. Under the agreement, the Company provided a performance guarantee for which it pledged a deposit of NIS 5 million, which will decrease each year by approximately NIS 1 million until the fifth year, from which point onward the deposit amount will stand at NIS 1 million until the end of the agreement. In the year ended December 31, 2023, the Company recognized revenue of approximately NIS 5.7 million. The remaining revenue in respect of the project (approximately NIS 0.8 million) will be recognized over the period of providing the software, operation and maintenance services.

Note 11 - Pending Engagements and Liabilities (continued):

H. On August 4, 2022, the Group announced participation in a consortium selected by the German Federal Ministry for Economic Affairs and Climate Action to carry out the "E-MPower" project in Germany. The project will be budgeted by the German government in a total amount of €5.7 million. Of this amount, the Group will receive approximately €2.1 million. In the years ended December 31, 2025, 2024 and 2023, the Group recognized revenue of approximately NIS 1.14 million, approximately NIS 5.6 million and approximately NIS 1.2 million, respectively.

I. On September 14, 2022, the Group entered into a further agreement with Energie Baden-Württemberg AG (hereinafter - EnBW), under which the Group will deploy a dynamic and static wireless charging system in the city of Baden-Württemberg, will sell the municipality an electric bus manufactured by Higer adapted for wireless charging and will provide operation and maintenance services for the system for three years, in exchange for payment of approximately €3.2 million. On May 5, 2023, commercial operation began of an electric bus equipped with the Company's receiver, for the purpose of providing shuttle services to the general public for a flower exhibition held in the city. Subsequently, during November 2023, the Group completed works to extend the dynamic segment to a length of approximately 1 km. In the years ended December 31, 2025, 2024 and 2023, the Group recognized revenue of approximately NIS 1.08 million, approximately NIS 0.4 million and approximately NIS 10.3 million, respectively, in respect of the agreement.

J. On June 19, 2023, the subsidiary, Electreon Sweden, won a first tender in Norway for the design and construction of a wireless electric road in the city of Trondheim and receipt of consideration expected to total approximately €0.7 million (approximately NIS 2.8 million). In the years ended December 31, 2025 and 2024, the Group recognized revenue of approximately NIS 1.0 million and approximately NIS 2.1 million, respectively.

K. On July 11, 2023, the subsidiary, Electreon France, won a first tender in France as part of the Charge As You Drive project, for the design and construction of a 1.5 km dynamic segment outside the A10 highway near Paris, in exchange for consideration of approximately €3.5 million (approximately NIS 14.2 million). During January 2024, the consortium members signed an agreement to carry out the project and accordingly, the Group began carrying out procurement and development activities for the purpose of executing the project. In the year ended December 31, 2024, the Group recognized revenue of approximately NIS 8.5 million and in respect of an offset against research and development expenses, the Company recognized, in each of the years ended December 31, 2025 and 2024, an amount of approximately NIS 2.75 million and approximately NIS 2.8 million, respectively.

L. On July 31, 2023, the subsidiary, Electreon Germany, won an additional project in Germany - the EMADI project - for the construction of an electric road and for the implementation and validation of technology for measuring and billing wireless charging of a vehicle in motion or parked. For its share in the project, Electreon Germany is expected to receive consideration of approximately NIS 6.2 million, with the remainder subject to final agreements to be reached between the consortium members. The consortium agreement was signed during January 2024. In the years ended December 31, 2025 and 2024, the Group recognized revenue of approximately NIS 2.64 million and approximately NIS 1.1 million, respectively.

M. On January 29, 2024, the Company signed a binding agreement for joint development with the Japanese automotive giants Toyota and Denso, of a wireless charging system to be integrally incorporated into new and existing vehicles. Accordingly, on July 9, 2024, the Company completed the construction of a wireless electric road at Denso's headquarters. The electric road will serve as a demonstration site for potential customers and is expected to enable routine testing of the system's performance.

N. On May 5, 2024, the Company signed a binding agreement with the operating arm of SITEC, the Chinese company Shandong Guohe Industrial Technology Institute Co. Ltd, for the implementation of the first stage of the memorandum of understanding between them dated September 10, 2023. As part of this stage, the parties will construct an "electric road" with dynamic and static charging systems at the SDHS industrial park in the city of Jinan, Shandong Province, China. The electric road to be constructed in the project will serve as the travel route of a shuttle transporting employees around the industrial park, which will be charged both dynamically while driving and statically, as part of the first stage of demonstrating the system's performance to standards and regulatory bodies in China for a period of approximately 6 months. Subsequently, the project will serve as a "demonstration site" for potential key customers, private and public sector partners and other stakeholders. The project will include full integration of the Company's wireless charging system with a bus of the Chinese bus manufacturer Zhongtong, to be purchased by SITEC's operating arm. For the charging system to be used in the project and the maintenance and operation services to be provided by the Company, the Company expects revenue in an estimated scope of approximately $560 thousand (approximately NIS 2.07 million).

Note 11 - Pending Engagements and Liabilities (continued):

O. On May 22, 2024, the Group signed an agreement with the world's leading logistics company, United Parcel Service, Inc. (hereinafter - UPS), for the establishment of a project under which the Company's wireless charging system will be installed at UPS's logistics warehouse in Detroit, Michigan. The project will be carried out in cooperation with the commercial electric vehicle manufacturer XOS Trucks, which supplies commercial vehicles to UPS for the project, expected to include the installation of up to 3 wireless charging stations at UPS warehouses, integration with two XOS vehicles and operation and maintenance services for the project. Revenue from this project is in a scope of approximately $350 thousand (approximately NIS 1.38 million). In the year ended December 31, 2024, the Group recognized revenue of approximately NIS 0.8 million. In 2025, no revenue was recognized in respect of this project.

P. On May 23, 2024, the Company received notice from Trans Israel Ltd. (hereinafter - Trans Israel), that Trans Israel’s tenders and engagements committee had decided that it intends to engage with the Company on a "single supplier exemption" basis, for the execution of a wireless charging project for the Metronit routes under Trans Israel's responsibility, for a period of 24 months with an option to extend by up to an additional 36 months.

On November 3, 2024, the Company signed an agreement with Trans Israel, further to the Company's recognition as sole supplier for Trans Israel for the execution of a wireless charging project for the Metronit routes under Trans Israel's responsibility, under which the

Company will design, deploy and maintain a road enabling dynamic wireless and static charging along the Metronit route in Haifa. Under the agreement, the Company will serve as sole supplier for Trans Israel for a period of 36 months, within which there will be an operating period of approximately 12 months and Trans Israel will have the right to extend the agreement period for an additional period totaling 24 more months. The Company will be responsible for operating and maintaining the project in exchange for a total of approximately NIS 15.8 million. The project was approved and funded by the Ministry of Transport. As part of the project, the contribution of the Company's wireless charging system to improving the efficiency of the Metronit's BRT (Bus Rapid Transit) fleet will be examined, as preparation for a broader deployment and toward a full transition of the fleet to electric buses. In the Metronit project, 16 segments of wireless charging infrastructure, 100 meters each, will be installed out of a pool of 2.12 km marked as potential installation locations. Accordingly, along the route lines there will be dynamic charging infrastructure of approximately 1.6 km and 4 static charging parking spots.

Q. On July 16, 2024, the Group signed a consortium agreement regarding the establishment of a wireless charging road project in the city of Rouen, France, together with all the partner companies in the project - the Rouen Metropolitan Council, Eurovia Haute Normandie (hereinafter - Eurovia), Viafrance Normandie (hereinafter - Viafrance) and Citeos Rouen - all of which are affiliated with the French company VINCI, the largest infrastructure company in Europe. The project is intended to demonstrate that a full operational routine of an electric bus carrying passengers throughout the day's hours can be maintained using the capabilities of the dynamic and static wireless charging system to be installed on the bus, by installing a dynamic charging system on a dynamic road segment combined with routine static charging of the bus at a passenger pickup station. The project's scope is estimated at approximately €547 thousand, of which the Group will be entitled to payment of €255 thousand (approximately NIS 1.02 million). In the years ended December 31, 2025 and 2024, the Group recognized revenue of approximately NIS 0.2 million and approximately NIS 0.8 million, respectively.

R. On October 23, 2024, the Group won a joint project in the US with the University of California, Los Angeles (UCLA), under which dynamic and static charging systems developed by the Company will be installed at various locations across campus. Initially it is planned to convert the university's shuttle service, called "BruinBus," to 100% electric, providing shuttle services throughout the day's hours to students and the general public arriving at the campus and the hospital located there, via a static charging system at several central stops and installation of a dynamic charging system at strategic points along the travel route. In addition to the above, the Group will provide operation and maintenance services for the charging system for approximately 3 years. The project's scope, including financing for the purchase of the electric buses and the required infrastructure works, stands at approximately $35 million, of which the Group is expected to receive funding of approximately $4.25 million (approximately NIS 16 million) from the California Transport Authority for the charging system and services.

Note 11 - Pending Engagements and Liabilities (continued):

S. On June 18, 2024, a motion for approval of a class action was filed against the Company and its officers (hereinafter - the motion) with the Economic Division of the Tel Aviv-Jaffa District Court, alleging a delay in the timing of an immediate report published by the Company regarding a binding agreement for the establishment of a project at an industrial park in Shandong Province, China. According to the plaintiff, damage was caused to all members of the group on whose behalf the claim was filed, which he set at a total amount of NIS 3.63 million, or alternatively NIS 23.89 million, depending on the apparent delay length as pronounced. On February 15, 2026, the Tel Aviv-Jaffa District Court (Economic Division) issued a ruling approving the settlement agreement and giving it the force of a judgment. The actual expense reflected in the Company's financial statements from implementation of the settlement agreement is an amount not material to the Company.

T. On March 31, 2025, the Company received notice from the State of North Rhine-Westphalia in Germany, that the Company had won a grant to participate in a project of an international consortium together with Strabag AG, which will carry out the design, installation and electrification works and Bergische Universität Wuppertal. The project involves the planned aftermarket installation of the wireless charging system on existing vehicles.
As part of the project, the Company will cooperate with DENSO AUTOMOTIVE Deutschland GmbH in Germany. The Company's budget in the project is €1.4 million (approximately NIS 5.6 million), which will include, among other things, the costs of the system to be deployed on a wireless electric road of 300 to 400 meters in length and the works required to integrate the wireless charging system into vehicles.

U. On April 2, 2025, the Company signed a further agreement with Afikim, for the design of a deployment of a wireless charging system at 16 parking spaces in an additional project operated by Electra Afikim and owned by the Ministry of Transport and Road Safety, at the Ovnat terminal in Petah Tikva. As part of the project, the Company expects to install its wireless charging technology at 16 parking positions and at passenger boarding and alighting platforms, for optimal use of these stops to extend bus operating hours. For the design stage, the Company expects to receive payment of approximately NIS 457 thousand. Following completion of the design process and receipt of the required approvals, subject to the approval and decision of Netivei Ayalon Ltd., the parties will work to sign an addendum to the agreement that will regulate all details of the construction works of the project at the terminal. At this stage, the project estimate - for both the design stage and the construction stage together - stands at approximately NIS 7.7 million. In the year ended December 31, 2025, the Group recognized revenue of approximately NIS 0.5 million.

V. On May 28, 2025, the Company signed a further agreement with DENSO Corporation (hereinafter - Denso), under which Denso is expected to purchase and install an advanced dynamic wireless charging system of the Company at Denso's testing site in the city of Abashiri, Hokkaido, Japan, in exchange for approximately $1.5 million (approximately NIS 5.5 million). The charging system to be installed as part of the project is among the most advanced developed by the Company and includes an updated version of coils for energy transfer while driving, a full control and monitoring system and fiber-optic-based communication. The system is expected to provide output of up to approximately 70 kilowatts to the vehicles to be tested at the site. In the year ended December 31, 2025, the Group recognized revenue of approximately NIS 4.74 million.

W. On July 21, 2025, a cooperation agreement was signed between the Company and the Portuguese company ATLOS, a subsidiary of the CME group, which operates in a variety of technology and infrastructure projects across Europe. The project is expected to be the Company's first project in Portugal, as well as a first-of-its-kind integration of the Company's wireless charging technology into an autonomous vehicle operating in a full industrial environment. The total consideration under the agreement is approximately €140 thousand (approximately NIS 540 thousand).

X. On July 24, 2025, the Company entered into an agreement with STRABAG for the supply and installation of a 3rd-generation wireless charging system for electric vehicles, for the purpose of carrying out integration work at the Company's headquarters site in the city of Bad Hersfeld and preparation toward future integration of the technology into transport infrastructure projects. The total consideration under the agreement is approximately €190 thousand (approximately NIS 748 thousand). In the year ended December 31, 2025, the Group recognized revenue of approximately NIS 0.5 million.

Y. On September 5, 2025, the Company was selected by the Michigan Department of Transportation ("MDOT") in the US as the winner of the POWERDRIVE project, to expand operations into a comprehensive urban system and to present a comprehensive business space of sustainability that will enable various commercial fleets to use shared infrastructure to be deployed at various hubs across the south side of the city of Detroit. The total project scope is approximately $6.5 million (approximately NIS 21.84 million), of which the Company's share stands at approximately $4.5 million (approximately NIS 15.12 million).

Note 11 - Pending Engagements and Liabilities (continued):

Z. On November 19, 2025, the Company signed a non-binding memorandum of understanding with the principal shareholders of InductEV, Inc., a private American company that has developed a static, ultra-fast wireless charging product for vehicle fleets, buses and electric industrial vehicles. The memorandum formalizes the parties' intent to complete a transaction for the acquisition of all the shares of a new American corporation (the target company) that will absorb the majority of InductEV's assets upon completion of the ABC process it underwent. The target company will be acquired free of debts, liabilities, or liens from InductEV's operations. The transaction structure as it appears in the memorandum of understanding is the transfer of 100% of the shares of the new American company to the Company and in consideration, at the signing of the final agreement, the Company will allocate to the shareholders of the target company 4.1% of the Company's share capital. In addition and as a condition to signing a binding agreement, InductEV's shareholders will invest in the Company a total amount of $6 million. On February 19, 2026, the acquisition agreement was signed; as of the report date, the Company is still analyzing the implications of the agreement, see Note 21B.

AA. On December 17, 2025, the Company received notice that it had been selected as a winner in the European Union's Horizon Europe program, for a project in the field of stationary and bidirectional wireless charging for light electric vehicles. According to the notice of award, the total funding amount for the project stands at approximately €10 million, of which the Company is expected to be entitled to funding of approximately NIS 9.33 million and its wholly owned Swedish subsidiary (Electreon AB) is expected to be entitled to additional funding of approximately NIS 1.72 million. The project involves the development and implementation of stationary and bidirectional wireless charging systems with interoperability in commercial operation, enabling not only the charging of electric vehicles but also the return of energy from the vehicle to the electricity grid or to other energy systems. This technology is expected to enable a strategic solution for countries, as it allows for smart load management and stabilization of the electricity grid, both at times of peak demand and during periods of production capacity shortage. Its central purpose is to advance the regulatory and commercial readiness of bidirectional wireless charging technology within the urban space. As part of the project, the Company, itself and through its Swedish subsidiary, is expected to serve as the technology provider and lead system integrator at some of the pilot sites, deploying and integrating the wireless charging solutions it has developed into urban transportation and energy systems.

BB. On December 31, 2025, the subsidiary Electreon Wireless Inc. signed an agreement for funding with the New York State Energy Research and Development Authority ("NYSERDA"), to provide a comprehensive wireless charging solution for the Buffalo Niagara International Airport in New York State. The project is part of an initiative of The Niagara Frontier Transportation Authority ("NFTA"), which holds and operates the airport, to replace its fleet of internal-combustion-engine shuttle vehicles with a fleet of electric vehicles. As part of the project, which includes design, installation, testing and operation stages, the Company expects to receive funding of approximately $1 million (approximately NIS 3.2 million), to be transferred in accordance with meeting defined milestones over a two-year engagement period.

Note 12- Shareholders' Equity:

A. Composition of share capital:

	December 31, 2024		December 31, 2025	
	Registered	Issued and paid up	Registered	Issued and paid up
	Number of shares in thousands		Number of shares in thousands	
Ordinary shares without par value	20,000	12,872	20,000	14,158

The ordinary shares confer to their holders the right to vote and participate in the Company's shareholder meetings, the right to receive dividends and the right to participate in surplus assets upon liquidation of the Company, one vote per share.

B. Share based payment:

The Company's board of directors approves plans for granting options to Group employees, service providers and directors from time to time. The total expense is recognized over the vesting period, which is the period during which all the conditions defined for vesting of the share-based payment arrangement must be met.

The theoretical economic value of each option, at the grant date, is calculated using the Black-Scholes formula. This value is based on the following assumptions: expected standard deviation and risk-free interest rate as estimated at the grant date and the expected length of the period until exercise of the options. The degree of volatility, measured by the expected standard deviation, is based on a statistical analysis of the Company's share price for the relevant periods.

Note 12- Shareholders' Equity (continued)**:**

B. Share based payment (continued)**:**

Details on the grants follow:

Grant date	Number of options granted	Fair value per option at grant date in NIS	Exercise price per option NIS	Share price at grant date
January 16, 2022	10,000	83.5	168.0	181.5
April 27, 2022	25,500	78.1	143.5	113.0
August 30, 2022	31,650	52.2	80.9	73.7
September 9, 2022	50,000	22.0	69.5	69.5
September 11, 2022	1,000	49.8	76.9	69.5
November 23, 2022	16,600	23.6	48.0	34.7
March 28, 2023	8,750	42.6	40.0	71.5
March 28, 2023	24,350	52.7	71.5	71.5
November 15, 2023	26,200	46.1	59.3	59.0
January 29, 2024	1,500	59.5	77.7	77.0
March 7, 2024	26,424(*)	57.6	81.6	81.5
March 27, 2024	2,750(*)	84.7	111.1	113.0
April 17, 2024	13,750	140.11	136.4	174.4
April 17, 2024	5,631	128.1	156.4	174.4
May 30, 2024	32,500	153.2	195.9	198.1
September 11, 2024	41,750	139.0	180.5	180.5
September 29, 2024	7,972	124.1	169.4	169.4
December 2, 2024	34,000	149.1	210.8	197.3
April 7, 2025	20,500	59.71	78.48	78.48
August 31, 2025	56,300	34.07	48.09	47.01
September 3, 2025	19,500	39.97	48.29	53.74
October 10, 2025	2,000	44.64	54.55	61.36
November 27, 2025	25,000	40.77	61.97	53.65
November 30, 2025	29,000	39.52	58.87	51.85

(*) Regarding options granted on March 7 and 27, 2024, on April 11, 2024 the Company received a demand letter prior to derivative proceedings from a Company shareholder under Section 194 of the Companies Law, 1999, alleging that the option grants to the Company's directors and officers approved in March 2024 were made in violation of the law and the Company's compensation policy(*). On August 4, 2024, the Company's board of directors decided, for reasons of legal interpretation and out of caution, to cancel the options for the external directors and the independent director. In addition, the officers and the additional director waived the above options.

Note 12- Shareholders' Equity (continued):

B. Share based payment (continued):

1) The value of the benefit is measured at the grant date by reference to the fair value of the equity instruments granted described above (options). The economic value is calculated using the Black-Scholes formula and is based on the following assumptions:

	Year ended December 31	
	2024	**2025**
Expected dividend	0%	0%
Standard deviation - share volatility*	82%-85%	68.79%-85%
Risk-free interest	4.2%-4.5%	4.2%-4.5%
Expected lifetime	6-7 years	6-7 years
Exercise price NIS	77.68-210.75	48.09-78.48

* The degree of volatility is based on the historical volatility of the Company's share for periods corresponding to the expected life of the option through the exercise date.

Movement in the number of options and the weighted average of their exercise prices is as follows:

	Year ended December 31					
	2023		**2024**		**2025**	
	Number of options	**Weighted avg. exercise price**	**No. of options**	**Weighted avg. exercise price**	**No. of options**	**Weighted avg. exercise price**
		NIS		**NIS**		**NIS**
In circulation at beginning of year	1,700,918	52.9	1,696,568	50.71	1,059,840	84.23
Granted	59,300	61.46	166,277	166.92	152,300	56.62
Forfeited/expired	55,895	124.37	44,789	102.59	106,514	167.65
Exercised*	7,755	72.96	758,216	26.27	243,971	11.35
Outstanding at end of year	1,696,568	50.71	1,059,840	84.23	861,655	89.33
Exercisable at end of year	1,547,073	43.03	845,781	65.92	648,024	91.62

* Total consideration received on these exercises in the years ended December 31, 2025, 2024 and 2023 amounts to a total of NIS 2,762 thousand, NIS 19,922 thousand and NIS 566 thousand, respectively.

The weighted average share price in the years ended December 31, 2025, 2024 and 2023 was NIS 94.2 per share, NIS 161.2 per share and NIS 71.5 per share, respectively.

Note 12- Shareholders' Equity (continued)**:**

B. Share based payment (continued):

The following is data regarding the exercise price and remaining contractual life of options outstanding at year end:

2023			2024			2025		
Options in circulation at end of year	Exercise prices range	Weighted avg. remaining contractual life	Options in circulation at end of year	Exercise prices range	Weighted avg. remaining contractual life	Options in circulation at end of year	Exercise prices range	Weighted avg. remaining contractual life
525,338	0.3	4	7,000	0.3	3	7,000	0.3	2
569,021	4.2-18	5	462,984	4.2-18	4	231,492	4.2-18	3
234,743	40-90.4	7	200,759	40-90.4	6	329,282	40-90.4	7
367,466	143.5-258.6	7	389,097	136.41-258.6	7	293,881	136.41-258.6	6
1,696,568			1,059,840			861,655		

Expense amounts recognized in the Company's statements of profit or loss in the years ended December 31, 2025, 2024 and 2023, in respect of option grants to employees and service providers, are NIS 6,291 thousand, NIS 8,119 thousand and NIS 7,464 thousand, respectively.

With respect to options granted to Company employees, the plans are administered within the rules set for this purpose under Section 102 of the Income Tax Ordinance (New Version), 1961. In accordance with the track chosen by the Company and under these rules, the Company is not entitled to claim as a tax expense amounts attributed to employees as a benefit, including amounts recorded as a salary benefit in the Company's accounts, in respect of the options employees received under the plan, except for a fruit-bearing benefit component, if any, determined at the allocation date.

With respect to service providers, options are granted in accordance with Section 3(i) of the Income Tax Ordinance.

C. Capital raising

On January 15, 2023, the Company's board of directors decided on a capital raise of approximately NIS 20 million by way of a private placement of shares and warrants not registered for trading. As part of the placement, the Company offered 666,667 units, each comprising one ordinary share of the Company and one warrant. Each warrant is exercisable into one ordinary share of the Company until June 30, 2024, for NIS 35. The total proceeds from exercise of the warrants, if exercised, would amount to NIS 23.3 million. On February 28, 2023, the raise was approved by the Company's shareholders and on March 5, 2023, the Company completed the raise. In March 2023, proceeds of approximately NIS 20 million were received (NIS 19.8 million, net of issuance expenses).

On June 4, 2023, the Company's board of directors decided on a capital raise of approximately NIS 35 million by way of a private allocation of shares and option warrants not registered for trading. As part of the allocation, the Company offered 538,462 units, each comprising one ordinary share of the Company and one option warrant. Each option warrant is exercisable into one ordinary share of the Company until June 1, 2025, for NIS 95. The total proceeds from exercise of the option warrants, if exercised, would amount to approximately NIS 51 million. On June 27, 2023, the Tel Aviv Stock Exchange Ltd. approved the registration of the securities in the private placement. In July 2023, proceeds of approximately NIS 35 million were received (NIS 34.5 million, net of issuance expenses).

Note 12- Shareholders' Equity (continued)**:**

C. Capital raising (continued)

On May 29, 2025, the Company's board of directors approved postponing the final exercise date of the option warrants granted as part of the NIS 35 million capital raise in the private placement of shares and warrants not registered for trading approved on June 4, 2023, to September 1, 2025, without change to the option terms. For further details about the capital raise, see Note 12(c) to the 2023 annual consolidated financial statements.

As a result of the extension of the option warrants' term, an incremental value of NIS 624 thousand was calculated, which was credited to the ordinary shares, premium, options and other reserves line item against the accumulated deficit within equity.

On August 31, 2025, the Company's board of directors approved a further postponement of the final exercise date of the option warrants granted as part of the above capital raise, to September 1, 2027, without change to the option warrant terms.

As a result of the further extension of the warrants' term, an additional incremental value of NIS 3,056 thousand was calculated, which was credited to the ordinary shares, premium, options and other reserves line item against the accumulated deficit within equity.

On March 28, 2024, the Company's board of directors approved entry into an investment agreement between the Company and DENSO CORPORATION (hereinafter - Denso), which was party to the joint development agreement, under which Denso would invest in the Company an amount of approximately NIS 37.5 million, reflecting an investment of $10 million, in exchange for the allocation of shares by way of a private placement of 235,358 ordinary shares of the Company. On April 12, 2024, approximately NIS 37 million was received from Denso, being the amount of the said investment (NIS 37 million, net of issuance expenses).

On August 29, 2024, the Company's board of directors approved entry into an investment agreement between the Company and one of the world's leading vehicle manufacturers, under which it would invest in the Company an amount of approximately NIS 50 million, reflecting an investment of $13.5 million, in exchange for the allocation of shares by way of a private placement of 291,911 ordinary shares of the Company. On September 29, 2024, approximately NIS 50 million was received, being the amount of the said investment (NIS 49.2 million, net of issuance expenses).

On July 20, 2025, a resolution of the Company's general meeting of shareholders approved, following a decision of the Company's board of directors and audit committee, a capital raise by way of a material and extraordinary private placement of 574,732 ordinary shares of the Company and 574,732 warrants (non-tradable) convertible into ordinary shares of the Company, to 12 offerees who are shareholders of the Company, in exchange for a price of NIS 54.40 per share and warrant, constituting a total investment of approximately NIS 31.2 million. The exercise price addition for each warrant is NIS 60. As of the date of approval of the financial statements, the Company completed the allocation of the shares and warrants. The cash consideration received amounts to approximately NIS 19 million. The remaining consideration of approximately NIS 12.2 million, which was paid by way of post-dated checks, has, as of the date of publication of the report, been received in full.

Note 12- Shareholders' Equity (continued)**:**

D. Capital raising (continued)

Movement in the number of warrants and the weighted average of their exercise prices is as follows:

	Year ended December 31					
	2023		2024		2025	
	Number of options	Weighted avg. exercise price	Number of options	Weighted avg. exercise price	Number of options	Weighted avg. exercise price
		NIS		NIS		NIS
In circulation at beginning of year	-	-	1,198,830	61.95	538,462	95
Issued	1,205,129	61.81	-	-	574,732	60
Expired	-	-	-	-	-	-
Exercised*	(6,299)	35.00	(660,368)	35	-	-
Outstanding at end of year	1,198,830	61.95	538,462	95	1,113,194	76.93

* The total consideration received on the above exercises in the years ended December 31, 2024 and 2023 amounts to a total of NIS 22.96 million (net of a distribution commission of NIS 0.2 million) and NIS 220 thousand, respectively.

Note 13 - Revenue Recognition:

A. Measurement of revenue

The Group's revenue is measured based on the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, such as certain sales taxes. Revenue is presented net of value added tax or other taxes collected on revenue.

The Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services promised to the customer under the transaction and includes in the transaction price all, or part, of the amount of variable consideration only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, the Group updates the estimated transaction price to faithfully represent the circumstances existing at the end of the reporting period and changes in circumstances during the reporting period.

The Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the customer pays for goods or services will be one year or less.

B. The Group's types of revenue:

1) Revenue from the sale of goods

The Group manufactures and sells wireless charging systems for electrically propelled vehicles (hereinafter - the system). The Group recognizes revenue at a point in time, when the system is installed at the customer's site and confirmation is received from the customer that the system operates as defined in the sales contract.

2) Revenue from the provision of services

The Group provides the customer with wireless charging services for a fee, during the time the vehicle is present at terminals where the system is installed. Revenue from the provision of services is recognized as the service is performed; in addition, for customers who purchased the Group's charging system, the Group provides maintenance and operation services for the systems.
As of the date of approval of the financial statements, the Group recognized revenue from the provision of services in an immaterial amount.

3) Revenue from project sales based on milestones

The Group carries out projects that include a range of services and combine design, installation, support and the provision of operation and maintenance services. For these projects, which are composed of several milestones and extend over time, the Group recognizes revenue upon completion of the milestone as set out in the agreement or in accordance with the customer's approval of the completion of the milestone, including, among others:

- Delivery of a design plan for project execution
- Installation of the system
- Submission of a report
- Delivery to the customer
- Operation and maintenance services

As of December 31, 2025 and 2024, there is a balance within current asset balances of NIS 11,862 thousand and NIS 11,657 thousand presented within contract assets with customers.

The trade receivables balance relates to amounts due from the Group's customers for goods sold or services rendered in the ordinary course of business. When collection of these amounts is expected to occur within one year or less, they are classified as current assets; otherwise, they are classified within non-current assets.

Note 14 - Research and Development Expenses, Net:

Research expenditure is recognized as an expense when incurred. Costs incurred in respect of development projects are recognized as intangible assets when the following conditions are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use it or sell it;
- The intangible asset can be used or sold;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditure that does not meet these conditions is recognized as an expense when incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Through December 31, 2025, the Group has not met the criteria for capitalizing development costs as an intangible asset and accordingly no asset in respect of such costs has to date been recognized in the financial statements.

Government grants

Government grants relating to costs are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes the related costs (for which the grants are intended to compensate) as expenses.

Grants received from the Innovation Authority, as participation in research and development carried out by the Group (hereinafter - Innovation Authority grants) and other government grants, fall within the scope of "forgivable loans" as referred to in IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance."

Liabilities in respect of government grants are recognized and measured in accordance with IFRS 9, "Financial Instruments." If, at the date the entitlement to receive the grant is established (hereinafter - the entitlement date), Company management concludes that there is no reasonable assurance that the grant for which entitlement has been established (hereinafter - the grant received) will not be repaid, the Group recognizes, at that date, a financial liability accounted for in accordance with the provisions specified in IFRS 9 for financial liabilities measured at amortized cost. The gap between the grant received and the fair value of the said financial liability at the date of its initial recognition is treated as a government grant, which is credited to profit or loss as a reduction of research and development expenses.

In a case where, at the entitlement date, Company management concludes that there is reasonable assurance that the grant received will not be repaid, the grant is credited, at that date, to profit or loss as a reduction of research and development expenses. To the extent that, in a subsequent period, the Company's management concludes for the first time that there is no reasonable assurance that the grant received will not be repaid, the Group recognizes, at that date, a financial liability against profit or loss. The said financial liability is accounted for in accordance with the provisions specified in IFRS 9 for financial liabilities measured at amortized cost.

Further to the above, Company management must examine whether there is reasonable assurance that the grant received will not be returned. In addition, in a situation where, at initial recognition, the grant was credited to the statement of profit or loss, Company management must examine whether a probability has arisen, at a level of reasonable assurance, of the project's success and of the payment of royalties in respect thereof to the Innovation Authority. As of December 31, 2025 and 2024, the Group is still in the pilot and feasibility-demonstration stages for the wireless charging technology for electrically propelled vehicles that it is developing, which has not yet been proven. The Group has engaged with a number of companies in Europe, the US and Israel to carry out experimental projects (pilots).

Since the system is still in the development stage, the Group is of the opinion that there is no reasonable assurance that royalties will be paid to the Innovation Authority beyond the liability recorded by the Company in respect of those projects (see Note 11A).

Note 14 - Research and Development Expenses, net (continued):

The following is the composition of research and development expenses, net:

	Year ended December 31		
	2023	2024	2025
	NIS thousand		
Salaries and related expenses	26,489	35,119	37,264
Share-based payment	2,961	4,331	3,965
Subcontractors and consultants	5,226	5,920	6,295
Consumables and materials	12,730	5,652	20,832
Depreciation	1,362	1,600	1,514
Others	4,941	6,214	6,037
	53,709	58,836	75,907
Less contribution to R&D expenses, see Note 11	(5,177)	(2,826)	(2,749)
	48,532	56,010	73,158

Note 15 - Sales, Marketing and Business Development Expenses:

	Year ended December 31		
	2023	2024	2025
	NIS thousand		
Salaries and related expenses	10,330	12,600	14,595
Share-based payment	4,025	2,755	1,808
Professional services	4,441	2,195	1,830
Marketing materials	1,116	1,093	1,118
Others	313	260	178
	20,225	18,903	19,529

Note 16 - General and Administrative Expenses:

	Year ended December 31		
	2023	2024	2025
	NIS thousand		
Salaries and related expenses	3,571	4,917	5,101
Share-based payment	478	1,033	519
Rent and maintenance	917	907	1,611
Directors' remuneration	793	590	538
Professional services	2,852	2,939	3,054
Depreciation	948	1,082	1,305
Others	1,092	1,189	827
	10,651	12,657	12,955

Note 17 - Other Expenses:

On the night between August 16, 2023 and August 17, 2023, a break-in occurred at the Company's warehouses in Beit Yanai, during which equipment was stolen (hereinafter - the break-in incident). During the break-in incident, no Company employees were present at the site where the break-in occurred and no person was injured. The Company estimates that the equipment stolen in the break-in incident is not expected to harm future projects to which the Company has committed, including delivery dates and the quality of the systems to be delivered. The value of the equipment stolen amounts to approximately NIS 2.6 million. The Company recorded in its 2023 financial statements an expense in the amount of the value of the stolen equipment.

Note 18 – Financing Expenses (Incomes):

	Year ended December 31		
	2023	2024	2025
	NIS thousand		
Financing expenses:			
To banking corporations	430	242	221
In respect of lease liability	30	292	365
Exchange rate differences	-	7,555	1,124
Others	76	500	96
Total financing expenses	536	8,589	1,806
Financing income			
Interest income from deposits	(993)	(1,890)	(895)
Exchange rate differences	(2,224)	-	-
Others	(36)	(100)	-
Total financing income	(3,253)	(1,990)	(895)
Financing expenses (income), net	(2,717)	6,599	911

Note 19 - Loss per Share:

The calculation of basic loss per share is generally based on the loss attributable to the Company's ordinary shares, divided by the weighted average number of ordinary shares outstanding during the period.

In calculating diluted loss per share, the weighted average number of shares used for the basic calculation is added to the weighted average number of shares to be issued, assuming all dilutive potential shares are converted into shares. Potential shares are taken into account as described only when their effect is dilutive (i.e., increases the loss per share).

A. Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to holders of the Company's ordinary shares by the weighted average number of ordinary shares issued.

	Year ended December 31		
	2023	2024	2025
Loss for the year (NIS thousand)	75,833	85,123	101,628
Benefit from modification of warrant terms (see Note 12C)	-	-	3,680
Weighted average number of ordinary shares issued	11,217,719	12,520,481	13,471,229
Basic loss per ordinary share (NIS)	6.76	6.80	7.82

B. Diluted loss per share

In calculating diluted loss per share for the reported years, warrants and options were not taken into account since their effect, assuming full dilution, is anti-dilutive.

Note 20- Transactions and Balances with Stakeholders and Related Parties

“Stakeholder" - as this term is defined in the Securities Regulations (Annual Financial Statements), 5770-2010.

"Related party" - as this term is defined in IAS 24, "Related Party Disclosures."

The Company's key management personnel - included, together with other parties, in the definition of "related parties" under IAS 24 - comprise the members of senior management and the board of directors.

On December 28, 2023, an update to the employment terms of the CEO and Chairman of the Board, Oren Ezer, who is an officer and shareholder of the Company, was approved. His monthly salary following the update will stand, in the first year, at NIS 65 thousand per month and in the second and third years the salary will be updated by 10% each year.

A. Remuneration for key management personnel:

	For the year ended 31st December		
	2023	**2024**	**2025**
CEO and VPs:	**NIS thousand**		
Salaries and other short-term employee benefits	5,519	6,125	5,400
Severance pay	342	410	359
Share-based payment	896	1,398	641
Total	6,757	7,933	6,400

B. Transactions and benefits for stakeholders and related parties:

	Year ended December 31		
	2022	**2023**	**2024**
	NIS thousand		
Compensation to officers who are stakeholders in the Company	1,765	1,749	1,585
Number of persons to whom the benefit applies	2	2	2
Directors’ fees**	793	590	538
Number of directors to whom the benefit applies	4	4	4

** In addition to directors’ fees as detailed above, the Company recognized, in the years ended December 31, 2025, 2024 and 2023, share-based payment of NIS 147 thousand, NIS 435 thousand and NIS 100 thousand, respectively, in respect of option grants to 4 directors, as detailed in Note 12B.

C. Balances with stakeholders and related parties:

	December 31	
	2024	**2025**
	NIS thousand	
In respect of salary, related expenses and additional benefits - balance presented within "payables and credit balances" under current liabilities	336	297

Note 21 - Events after the Statement of Financial Position Date:

A. On January 20, 2026, the subsidiary Electreon Wireless Inc. received notice from the Pennsylvania Turnpike Commission, a public transportation body in the US State of Pennsylvania, regarding its winning a tender for the execution of a wireless charging project for the authority's vehicles. The Pennsylvania Turnpike Commission is a public authority responsible for managing and operating the toll road network in the State of Pennsylvania, with toll roads totaling approximately 900 km and a daily passenger volume of approximately 500 thousand passengers. As part of the project, the Company's wireless charging system for electric vehicles will be installed and operated at the authority's headquarters site in Pennsylvania. As part of the project, two electric vehicles from the authority's fleet are expected to be adapted for use with the system. The project's scope for the first year of operation is estimated at a total of approximately $0.8 million, with an option to extend for further periods, in additional financial scopes, subject to the authority's decision and the terms to be set in the final agreement. Implementation of the project is expected to begin during 2026.

B. On January 20, 2026, the Company's board of directors approved entry into an agreement for the acquisition of all rights in InductEV NewCo LLC. The agreement was signed on January 27, 2026. Under the agreement, InductEV NewCo LLC will become a wholly owned subsidiary of the Company upon completion of the transaction, which was completed on February 19, 2026. The consideration in the transaction will be paid entirely by way of allocation of Company shares, such that at the closing of the transaction, the Company will allocate to the 55 rights holders in the acquired company, through a trustee, 597,718 ordinary shares in a private placement, to be transferred as follows:

1) In exchange for the transfer of all ownership in NewCo, 268,963 shares will be transferred to the offerees at the completion date.
2) 328,755 shares will be transferred to the offerees, subject to the infusion of their cash investment in the Company in a total amount of $6 million in cash (reflecting an investment at a value of approximately NIS 58.4 per share) - an investment reflecting the offerees' confidence in the Company and in the companies' shared vision. The investment funds will be deposited in advance with a trustee, as a condition for completion of the transaction and will be transferred to the Company in -3 equal installments of $2 million each, with the last of these expected to be completed in July 2026.

In addition, the Company's board of directors approved the grant of 126,500 options to employees of InductEV NewCo LLC. The options will vest over 4 years from the grant date - 25% after one year, with the remainder in quarterly installments over an additional 3 years. The exercise price addition of each option granted is NIS 53.02.

C. On December 6, 2025, the Company's board of directors decided (following approval of the audit committee on November 24, 2025) on a capital raise of approximately NIS 51.25 million, by way of a material private placement of 1,025,000 ordinary shares at a price of NIS 50 per share and 1,025,000 warrants for no additional consideration, at an exercise price of NIS 57 per warrant and approved the Company's entry into agreements with the offerees, subject to approval by the Tel Aviv Stock Exchange Ltd. for the listing for trading of the ordinary shares and the shares to arise from exercise of the option warrants and approval of the general meeting of shareholders held on January 15, 2026, to carry out the private placement in accordance with the Companies Law. The allocation of the shares and option warrants to the offerees will be made after the actual receipt of the consideration by the Company, with the offerees having undertaken, under the investment agreements, to transfer the full consideration no later than December 31, 2026. The option warrants will be exercisable from their actual allocation and issuance date until December 31, 2027. An option warrant not exercised by the end of the exercise period will expire and confer no right on its holder. As of the statement date, NIS 9.65 million has been received, in respect of which 193,000 shares and warrants for no consideration have been issued.

D. On February 8, 2026, a binding agreement was signed between the Company and Hakastel Taxis Cooperative Society Ltd. (hereinafter - Hakastel Taxis), for the operation of a first-of-its-kind wireless charging array in a commercial urban environment. The agreement constitutes the Company's first engagement in a "Charging as a Service" format, in general and as part of a taxi fleet in particular, under which the Company will provide a comprehensive wireless charging solution for taxis, in exchange for payment of a fixed monthly fee for each taxi participating in the array. Under this model, the Company will establish and operate, at its own expense, the wireless charging infrastructure at the sites designated in the agreement in Tel Aviv and the wireless charging receivers in the participating electric taxis.

Note 21 - Events after the Statement of Financial Position Date (continued):

E. On March 26, 2026, a cooperation agreement was signed with Denso Corporation ("Denso") under which the Company will provide development services, in exchange for an amount of up to approximately $3 million (approximately NIS 9.5 million) at most, for each year of the agreement over three years - that is, a total amount of up to $9 million (up to approximately NIS 29 million).