ELCO LIMITED

Consolidated Financial information

As of December 31, 2025

(Convenience Translation into US Dollars)

This is an English translation of parts of the information included in the full Hebrew report of the company, that was published on March 29, 2026 (reference No. 2026-01-028839) at the ISA reporting website (magna.isa.gov.il) (hereafter: "the Hebrew Version"). The English version is Voluntary and only for convenience purposes. This is not an official translation and has no binding force. The translation in any case cannot perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

ELCO LIMITED

CONSOLIDATED FINANCIAL INFORMATION
AS OF DECEMBER 31, 2025

Contents **Page**

Auditors' Report 3

Consolidated Information of financial position 9

Consolidated Information of profit or loss 11

Consolidated Information of Comprehensive loss 12

Consolidated Information of Changes in Equity 13

Consolidated Information of Cash Flows 16

Notes to the Financial Information 20

Shape the future
with confidence

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

To: Elco LTD.

Re: Convenience Translation of Financial Information

Opinion

We have audited the consolidated financial information of Elco Ltd. ("the Company"), which comprise the consolidated information of financial position as of December 31, 2025, and the consolidated information of profit or loss, comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial information, including material accounting policies.

We did not audit the financial information of certain consolidated entities, whose assets included in the consolidated information of financial position constitute approximately 0.81% of total consolidated assets as of December 31, 2025, and whose revenues included in the consolidated information of profit or loss constitute approximately 0.45% of total consolidated revenues for the year ended December 31, 2025. Furthermore, we did not audit the financial information of equity accounted investees, the investment in which amounted to approximately 189 million dollars as of December 31, 2025, and the Company's share of their profits amounted to approximately 9 million dollars for the year ended December 31, 2025. The financial information of those entities were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar, as it relates to amounts included for those entities, is based solely on the reports of the other auditors.

The accompanying Financial Information in US Dollars are a convenience translation of the consolidated financial statements as prepared in New Israeli Shekels as the rate of exchange of the Shekel into US Dollars prevailing on December 31, 2025 as described in Note 3 of the Financial Information.

The accompanying Financial Information, which are derived from the Company's consolidated financial statements, are condensed financial information and do not include the disclosures required by International Financial Reporting Standards (IFRS). If the omitted disclosures were included in the accompanying Financial Information, it might influence the user's conclusions about the consolidated financial position, changes in equity, results of operations and cash flows of the Company. Accordingly, the accompanying Financial Information is not designed for those who are not informed about such matters.

Based on our audits and the reports of other auditors, we expressed an unqualified opinion on the consolidated financial statements in our report dated March 29, 2026.

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditor's Regulations (Auditor's Mode of Performance), 1973. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries, in accordance with the applicable legal provisions in Israel regarding independence and conflict of interest of auditors. Additionally, we have fulfilled our other ethical responsibilities in accordance with the Auditors' Law, 1955 and the regulations thereunder. We believe that the audit evidence we have obtained, including the reports of other auditors, is appropriate and sufficient to provide a basis for our opinion.

Shape the future
with confidence

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

Key Audit Matters

The key audit matters described below are those matters that were communicated, or were required to be communicated, to the board of directors of the Company, and that, in our professional judgment, were of most significance in the audit of the consolidated financial information of the current period. These matters include, among others, any matter that (1) relates, or may relate, to significant accounts or disclosures in the consolidated financial information; and (2) involved our professional judgment that was challenging, subjective or especially complex. These matters were addressed in the context of our audit of the consolidated financial information as a whole, and in forming our opinion thereon. The communication of these matters below does not change our opinion on the consolidated financial information as a whole, nor do we provide through such communication a separate opinion on these matters or on the accounts or disclosures to which they relate.

Valuation of investment property in investments accounted for at equity and application of theHypothetical Liquidation at Book Value ("HLBV") method

The subsidiary, Electra Real Estate, through its investees, directly and indirectly serves as limited partner (LP) in US multi-family investment funds, as LP in the single-family rental ("SFR") operation and as shareholder in the general partner (GP) of the investment funds and managing partner of the SFR operation. The subsidiary's holdings in US multi-family investment funds and in the SFR operation are accounted for at equity in the consolidated financial information. The subsidiary, through its investees, is a shareholder in the managing partner of the funds and GP in the SFR operation, which entitles it to receive promote fees from the US multi-family funds and the SFR operation at variable rates, subject to the entire investors' eligibility to the IRR underlying these operations.

As per Note 2f to the consolidated financial statements, the subsidiary has applied the HLBV method in the context of adopting the equity method of accounting for determining its share of the profits allocated by the associates. As per the HLBV method, the subsidiary's share of the promote fees from US multi-family investment funds and the SFR operation is calculated under the assumption that an investee will immediately dispose of its assets at their book value on that date based on their carrying amount and given other liabilities and net investments made. The subsidiary is entitled to promote fees from an investee's profits as the GP thereof if the comprehensive income from the disposal of the asset as per the HLBV method exceeds the IRR for the limited partners. Since the associates measure their investment property at fair value, as part of the application of the HLBV method, the subsidiary's share of the investees' profits is affected by the fair value of the investment properties.

Audit procedures that we have performed, which are connected to the determination of the fair value of investment property in investments that are accounted for at equity and the implementation of the HLBV method

(1) Examining and analyzing the valuations of investment properties in multi-family funds prepared by external valuation experts on a sample basis while considering the qualitative and quantitative parameters of the identified sample; (2) Studying the assumptions underlying the valuations, including the NOI of the various investment properties, the WACC used in the appraisals, comparable transactions and the methodologies used in the valuations; (3) Sample testing the valuations of investment property by experts on our behalf with emphasis on their WACC rates; (4) Making inquiries and obtaining all necessary clarifications from the valuation experts; (5) Analyzing and agreeing the subsidiary's promote fee calculation mechanisms to the various investment properties on a sample basis; (6) Checking the arithmetic calculation and various components of the promote fees; and (7) Verifying the adequacy of the record and disclosure format in the Company's consolidated financial information.

Shape the future
with confidence

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

Revenue recognition of performance and entrepreneurial projects

Recognition of revenue from projects and unbilled receivables earned by the subsidiary, Electra Ltd., represent significant disclosures in the Company's consolidated financial information given their materiality and the judgment exercised by management and those charged with corporate governance in their measurement. The complexity and judgment involve the evaluation of the expected costs of completion of a project, the anticipated revenue based on management's estimates or expert opinions and the percentage of completion used by the Company through the subsidiary in revenue recognition.

We identified these issues as a key audit matter due to the complexity of the estimates underlying the measurement, as described in Note 2i to the consolidated financial statements.

The audit procedures that we have performed, which are connected to the recognition of revenue from entrepreneurial projects

(1) Obtaining an understanding and evaluating the principal internal controls and ITGCs used to make the necessary project calculations. This included: examining controls over the policies and processes for determining the percentage of completion, estimating the anticipated project revenue based on management's estimates or expert opinions and evaluating the expected costs of project completion including the potential of loss contracts; (2) Testing the operational effectiveness of the above controls; (3) Applying analytical procedures to material projects and projects that involve significant management estimates. These procedures included assessing the assumptions and evaluations adopted by management and verifying transactions using audit evidence that consisted of contracts, contract content and scope modifications, documents underlying exceptions, claims and disputes, legal opinions and subcontractor agreements; (4) Discussing percentages of project completion with project managers and management of performing contractors and developers; (5) Analyzing the adequacy of disclosures in the Group's consolidated financial information.

Testing for impairment of goodwill created in business combination of subsidiaries, investment in a company accounted for at equity and testing for impairment of a subsidiary's property, plant and equipment

As described in Note 16 to the consolidated financial statements, the carrying amount of goodwill as of December 31, 2025 is 1,142 million dollars, accounting for about 13% of the Group's total assets. Moreover, according to Note 11d(4) to the consolidated financial statements, the carrying amount of the investment in an associate, Discount Investments ("the associate"), as of December 31, 2025 is 154 million dollars. The managements of the Company and of its subsidiaries perform a test of impairment of the cash-generating units ("CGU") allocated to goodwill at lease annually, or more frequently if there are indications of impairment. Also, IAS 28 and IAS 36 are both applied to the associate for the purpose of impairment testing. As per the Standard, if there are indications of impairment, the Company prepares a valuation of the recoverable amount of the investment in the associate. Goodwill testing in respect of subsidiaries requires the different managements to estimate the expected cash flows from the CGU to which the goodwill is allocated and examine whether the carrying amount of the CGU exceeds its recoverable amount. This examination relies on significant estimates that involve uncertainty and on subjective evaluations such as: (1) forecasted cash flows and growth rates based on management approved budgets and projections; (2) the WACC rate used to reflect the market and other specific risks of the CGU; (3) the use of economic models for scenario testing in the relevant uses. Any change in such estimates or evaluations is likely to materially affect the carrying amount of goodwill and intangible assets in the consolidated financial information.

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

Testing the recoverable amount of the investment in the associate relies on the valuation of the associate's investments in its investees and the use of various assumptions underlying such valuation.

In addition, as described in Note 36a(2) to the consolidated financial statements, in the reporting period, the Company signed a rent agreement with a third party for a hotel owned by the Company. In view of the hotel's performances and the rent agreement, a test was conducted for impairment of the hotel which is accounted for as property, plant and equipment and is held by a subsidiary of the Company, as described in described in Note 29f to the consolidated financial statements. The recoverable amount of the hotel was calculated using a combined approach of income and operating profit capitalization, various estimates such as the cap rate that reflects the hotel's risks and various assumptions such as occupancy rates, average room rate etc.

An audit of the testing for impairment of goodwill, an investment in an associate and property, plant and equipment requires the auditor to exercise judgment and have the knowhow and experience needed to analyze the reasonableness of the assumptions and data used by management to determine the recoverable amounts and therefore we identified these estimates as a key audit matter.

The audit procedures that we have performed, which are connected to testing for impairment in value in relation to goodwill created on business combinations of consolidated companies, impairment in value of an investment in a company accounted for at equity and impairment of a subsidiary's property, plant and equipment

(1) Examining and assessing the competence, qualifications and objectivity of the valuation experts; (2) Examining the assumptions, methodologies and information used by the valuation experts in determining the need to recognize impairment of goodwill in respect of subsidiaries and the investment in an associate, including: studying the different economic data included in the valuation and the forecasted cash flows, preparing a sensitivity analysis to assess the sensitivity to changes in key assumptions and the effect of changes in assumptions on potential impairment, verifying the integrity and accuracy of the base data used in the model, obtaining an indicative calculation from an independent external valuation expert for the need to test for impairment of the investment in an associate, including verifying the integrity of the data underlying the calculation; (3) Relying when necessary on our firm's economic experts for performing an analysis of the recoverable amount as per the valuation prepared by the external valuation expert against the carrying amount of the CGU in the consolidated financial information; (4) Examining and assessing the competence, qualifications and objectivity of the valuation expert regarding the need for a provision for impairment of PP&E and the method and information used by the valuation expert in determining the recoverable amount, the cap rate, the arithmetic accuracy and the model assumptions such as occupancy rates, average room rate and customary provisions in this sector; (5) Relying on tests conducted by the audit team's economic professionals for analyzing the recoverable amount against the carrying amount; (6) Analyzing the adequacy of disclosures in the consolidated financial information; (7) Testing the effectiveness of the Group's internal control over the valuation of goodwill and of the investment in an associate.

Responsibilities of Board of Directors and Management for the Consolidated Financial information

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

In preparing the consolidated financial information, the board of directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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.

Shape the future
with confidence

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

Auditor's Responsibilities for the Audit of the Consolidated Financial information

Our objectives are to obtain reasonable assurance about whether the consolidated financial information 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 information.

As part of an audit, including the reliance on the work of other auditors, 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 information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is appropriate and sufficient 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 use by the board of directors and management 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 information 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 information, including the disclosures, and whether the consolidated financial information represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial preparation of the consolidated financial information, including examining that the accounting principles applied in the financial information audited by other auditors are consistent with the principles applied by the Company, that the reporting principles used in the preparation of the financial information audited by other auditors are consistent with laws and mandatory guidance applicable to the Company, and that all the data required for consolidation have been appropriately reflected in the consolidated financial information.

Shape the future
with confidence

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

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 our audit.

We also provide the board of directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the safeguards applied to eliminate identified threats to our independence.

From the matters communicated or 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 information of 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 "An Audit of Components of Internal Control over Financial Reporting", the Company's components of internal control over financial reporting as of December 31, 2025, and our report dated March 29, 2026 included an unqualified opinion on the effective maintenance of those components.

The engagement partner on the audit resulting in this independent auditor's report is Daniel Bramli.

Tel-Aviv, Israel
March 29, 2026

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

ELCO LIMITED

CONSOLIDATED INFORMATION OF FINANCIAL POSITION
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

	December 31 2025	December 31 2024
Current assets		
Cash and cash equivalents	623	549
Short-term investments	82	195
Trade receivables	932	863
Other receivables	1,002	862
Inventory, inventory of land, buildings and apartments for sale	1,140	919
	3,779	3,388
Non-current assets		
Long-term receivables	171	174
Receivables for concession arrangement for the provision of services	27	91
Investments in entities accounted for at equity	876	933
Long-term inventory of land	220	312
Investments property and investments property under construction	165	145
Fixed Assets	876	742
Right-of-use assets	945	942
Goodwill and other intangible assets	1,384	1,398
Deferred taxes	53	40
	4,717	4,777
	8,496	8,165

March 29, 2026
Date of the approval of the financial information

ELCO LIMITED

CONSOLIDATED INFORMATION OF FINANCIAL POSITION
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

	December 31 2025	December 31 2024
Current Liabilities		
Credit from banks and others	1,240	763
Bonds - current maturities	182	162
Current maturities of leasing liabilities	136	126
Suppliers and providers of services	1,615	1,350
Other payables	1,015	996
	4,188	3,397
Non-Current Liabilities		
Liabilities to banks and others	604	993
Bonds	898	918
Leasing liabilities	909	919
Other liabilities	146	170
Employee benefit liabilities, net	25	27
Deferred taxes	121	136
	2,703	3,163
Equity		
Equity attributable to shareholders in the company	656	660
Non-controlling interests	949	945
Total equity	1,605	1,605
	8,496	8,165

E. Vessely Chief Financial Officer	D. Salkind Joint Managing Director	M. Friedman Chairman of the Board of Directors

ELCO LIMITED

CONSOLIDATED INFORMATION OF PROFIT OR LOSS
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

	For the year ended December 31 2025	For the year ended December 31 2024 *)	For the year ended December 31 2023 *)
Continuing operations			
Revenues, net	7,082	6,414	5,785
Adjustment of the fair value of investment property and investment property under construction	20	(1)	(2)
Group's share of the profits of entities accounted for at equity, net	(18)	(59)	11
Other income	20	25	20
Total	7,104	6,379	5,814
Cost of producing revenues	(6,053)	(5,468)	(4,966)
Selling and marketing expenses	(600)	(569)	(525)
Administrative and general expenses	(224)	(203)	(193)
Other expenses	(1)	(16)	(78)
Financial income	56	42	27
Financing expenses	(213)	(188)	(178)
Total	(7,035)	(6,402)	(5,913)
Income (loss) before taxes on income	**69**	**(23)**	**(99)**
Taxes on income	(23)	(10)	(15)
Income (loss) from continuing operations	46	(33)	(114)
Loss from discontinued operations, net	(12)	(8)	(46)
Net income (loss)	**34**	**(41)**	**(160)**
Attributable to:			
Shareholders in the company	6	(37)	(91)
Non-controlling interests	28	(4)	(69)
	34	**(41)**	**(160)**
Earnings (loss) per share (in U.S. Dollars) - attributable to the Equity holders of the Company:			
Basic - Earnings (loss)			
From continuing operations	0.43	(1.24)	(2.49)
From discontinued operations	(0.21)	(0.14)	(0.85)
	0.22	(1.38)	(3.34)
Fully diluted - Earnings (loss)			
From continuing operations	0.43	(1.25)	(2.52)
From discontinued operations	(0.21)	(0.14)	(0.85)
	0.22	(1.39)	(3.37)

*) Reclassified for discontinued operations.

.

ELCO LIMITED

CONSOLIDATED INFORMATION OF COMPREHENSIVE LOSS
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
Net income (loss)	34	(41)	(160)
Other comprehensive income (loss) (after tax effects)**:**			
Amounts that will not be reclassified to profit or loss in subsequent periods:			
Gain from the re-measurement of defined benefit plans, net	1	(1)	1
Revaluation of a fixed asset that has been reclassified to investment property	-	-	4
	1	(1)	5
Amounts that will be classified or reclassified to profit or loss when specific conditions are met**:**			
Adjustment deriving from the translation of the financial statements of foreign operations, net	(85)	(1)	12
Realization of reserve on translation differences on foreign operations	-	1	-
Gain on hedging transactions, net	(3)	(2)	1
	(88)	(2)	13
Total other comprehensive income (loss)	(87)	(3)	18
Total comprehensive loss	(53)	(44)	(142)
Comprehensive loss attributable to:			
Shareholders in the company	(40)	(39)	(76)
Non-controlling interests	(13)	(5)	(66)
	(53)	(44)	(142)

ELCO LIMITED

CONSOLIDATED INFORMATION OF CHANGES IN EQUITY
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve on transactions with controlling interests	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on hedging transactions	Capital reserve on the re-measurement of defined benefit plans	Adjustments deriving from the translation of financial Statements	Capital reserve on share-based payment	Total attributable to equity holders in the company	Non-controlling interests	Total equity
Balance as of January 1, 2025	**36**	**20**	**(96)**	**813**	**1**	**(55)**	**3**	**1**	**(73)**	**10**	**660**	**945**	**1,605**
Net income	-	-	-	6	-	-	-	-	-	-	6	28	34
Total other comprehensive income (loss)	-	-	-	-	-	-	(1)	*)	(45)	-	(46)	(41)	(87)
Total comprehensive income (loss)	**-**	**-**	**-**	**6**	**-**	**-**	**(1)**	***)**	**(45)**	**-**	**(40)**	**(13)**	**(53)**
Cost of share-based payment	-	-	-	-	-	-	-	-	-	1	1	9	10
Dividend to shareholders in the company	-	-	-	(20)	-	-	-	-	-	-	(20)	-	(20)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(39)	(39)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(1)	(1)	-	-	-	-	-	-	(2)	(1)	(3)
Exercise of option warrants	*)	*)	-	-	-	-	-	-	-	*)	*)	-	*)
Initially consolidated company	-	-	-	-	-	-	-	-	-	-	-	13	13
Issuance of capital /purchase and sale of shares in consolidated companies	-	-	-	53	-	2	-	-	2	-	57	35	92
As of December 31, 2025	**36**	**20**	**(97)**	**851**	**1**	**(53)**	**2**	**1**	**(116)**	**11**	**656**	**949**	**1,605**

(*) An amount of less than 1 million US Dollars.

ELCO LIMITED

CONSOLIDATED INFORMATION OF CHANGES IN EQUITY
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve on transactions with controlling interests	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on hedging transactions	Capital reserve on the re-measurement of defined benefit plans	Adjustments deriving from the translation of financial Statements	Capital reserve on share-based payment	Total attributable to equity holders in the company	Non-controlling interests	Total equity
Balance as of January 1, 2024	**36**	**20**	**(92)**	**854**	**1**	**(57)**	**4**	**1**	**(72)**	**10**	**705**	**858**	**1,563**
Loss	-	-	-	(37)	-	-	-	-	-	-	(37)	(4)	(41)
Total other comprehensive loss	-	-	-	-	-	-	(1)	-	(1)	-	(2)	(1)	(3)
Total comprehensive loss	**-**	**-**	**-**	**(37)**	**-**	**-**	**(1)**	**-**	**(1)**	**-**	**(39)**	**(5)**	**(44)**
Cost of share-based payment	-	-	-	-	-	-	-	-	-	*)	*)	7	7
Dividend to shareholders in the company	-	-	-	(16)	-	-	-	-	-	-	(16)	-	(16)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(29)	(29)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(4)	(6)	-	-	-	-	-	-	(10)	(6)	(16)
Exercise of option warrants	*)	*)	-	-	-	-	-	-	-	*)	*)	-	-
Issuance of capital /purchase and sale of shares in consolidated companies	-	-	-	18	-	2	-	-	-	-	20	120	140
As of December 31, 2024	**36**	**20**	**(96)**	**813**	**1**	**(55)**	**3**	**1**	**(73)**	**10**	**660**	**945**	**1,605**

*) An amount of less than 1 million US Dollars.

ELCO LIMITED

CONSOLIDATED INFORMATION OF CHANGES IN EQUITY
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve on transactions with controlling interests	Capital reserve on financial assets at fair value through other comprehensive income	Capital reserve on hedging transactions	Capital reserve on the re-measurement of defined benefit plans	Adjustments deriving from the translation of financial Statements	Capital reserve on share-based payment	Revaluation reserve	Total attributable to equity holders in the company	Non-controlling interests	Total equity
Balance as of January 1, 2023	**36**	**20**	**(88)**	**966**	**1**	**(58)**	**3**	**1**	**(82)**	**10**	**-**	**809**	**899**	**1,708**
Loss	-	-	-	(91)	-	-	-	-	-	-	-	(91)	(69)	(160)
Total other comprehensive income	-	-	-	-	-	-	1	-	10	-	4	15	3	18
Total comprehensive income (loss)	**-**	**-**	**-**	**(91)**	**-**	**-**	**1**	**-**	**10**	**-**	**4**	**(76)**	**(66)**	**(142)**
Cost of share-based payment	-	-	-	-	-	-	-	-	-	*)	-	*)	10	10
Dividend to shareholders in the company	-	-	-	(22)	-	-	-	-	-	-	-	(22)	-	(22)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(32)	(32)
Acquisition of treasury shares in the company and in subsidiary companies	-	-	(4)	(6)	-	-	-	-	-	-	-	(10)	(6)	(16)
Exercise of option warrants	*)	*)	-	-	-	-	-	-	-	*)	-	*)	-	*)
Initially consolidated companies	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Exit of a consolidated partnership from consolidation	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Issuance of capital /purchase and sale of shares in consolidated companies	-	-	-	7	-	1	-	-	-	-	(4)	4	51	55
As of December 31, 2023	**36**	**20**	**(92)**	**854**	**1**	**(57)**	**4**	**1**	**(72)**	**10**	**-**	**705**	**858**	**1,563**

(*) An amount of less than 1 million US Dollars.

ELCO LIMITED

CONSOLIDATED CASH FLOW INFORMATION
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
Cash flows from operating activities:			
Net income (loss)	34	(41)	(160)
Adjustments required in order to present the cash flows from operating activities (Appendix A')	347	394	366
Net cash generated by operating activities (before acquisition of land)	381	353	206
Acquisition of land **)	(85)	(59)	(69)
Net cash generated by operating activities	296	294	137
Cash flows from investment activities:			
Acquisition of fixed assets and intangible assets	(302)	(287)	(313)
Investment in investment property	(16)	(2)	(3)
Acquisition of initially consolidated companies and activities (Appendix B')	(8)	(3)	-
Proceeds from sale of investment in previously consolidated company (Appendix C')	-	-	(1)
Change in investment in, loans to investee companies and others, net	(79)	(88)	(90)
Consideration from (purchase of) short-term investments, net	106	(75)	17
Consideration from the disposal of fixed assets, investment property and investments	50	29	24
Increase in long term receivables, net	17	11	(23)
Net cash absorbed by investment activities	(232)	(415)	(389)
Cash flows from financing activities:			
Dividend paid to shareholders in the company	(20)	(16)	(22)
Dividend paid to non-controlling interests	(40)	(28)	(33)
Issuance of bonds	166	352	230
Repayment of long-term liabilities	(521)	(422)	(275)
Repayment of leasing liabilities	(132)	(127)	(116)
Receipt of long-term loans from banks and others	341	320	326
Short-term bank credit and others, net	166	104	25
Exercise of option warrants, issuance of capital/ sale of shares to non-controlling interests	63	147	77
Purchase of treasury shares in the Company and in consolidated companies	(3)	(16)	(16)
Net cash absorbed by financing activities	20	314	196
Translation differences in respect of cash and cash equivalent balances	(10)	(4)	1
Increase (decrease) in cash and cash equivalents	74	189	(55)
Balance of cash and cash equivalents at the beginning of the year	549	360	415
Balance of cash and cash equivalents at the end of the year	623	549	360

*) An amount of less than 1 million US Dollars.

**) The acquisition of land are presented in the information of financial position under inventory of land.

CONSOLIDATED CASH FLOWS INFORMATION
CONVENIENCE TRANSLATION INTO US DOLLARS (in millions)

Appendix A' – Adjustments to present the cash flows from operating activities

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
Income and expenses not involving cash flows:			
The Group's share of the profits of companies accounted for at equity, net	18	59	(11)
Dividends, success fee and interest received from companies accounted for at equity	31	35	13
Decrease in success fee (Promote)	5	45	80
Realization of reserve on translation differences on foreign operations	-	1	-
Adjustments of the fair value of investment property, net	(20)	1	2
Depreciation and amortization	302	287	278
Decrease in the value of fixed assets	17	-	-
Impairment in the intangible assets and goodwill	5	-	45
Impairment in the investment in a company accounted for at equity	(20)	9	41
Deferred taxes, net	(25)	(40)	(25)
Change in employee benefit liabilities	(2)	(1)	(1)
Capital gain on the sale of fixed assets and other investments	(11)	(2)	(11)
Gain on the disposal of previously consolidated companies	-	-	(1)
Gain on decrease in the holding rate in a company accounted for at equity	(2)	(6)	(4)
Erosion of long-term receivables and liabilities, net	28	(9)	(16)
Increase in value of short-term investments	(17)	(1)	(1)
Cost of share-based payments	10	7	10
Changes in asset and liability items:			
Increase in inventory and inventory of land (before acquisition of land)	(22)	(33)	(61)
Increase in trade receivables	(57)	(78)	(63)
Increase in other accounts receivable	(77)	(87)	(37)
Increase in suppliers and providers of services	199	120	80
Increase (decrease) in other accounts payable	(15)	87	48
	347	394	366

Appendix B' - Acquisition of initially consolidated companies and activities

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
Working capital, net (except cash and cash equivalents)	(13)	4	14
Fixed assets	(5)	(1)	(2)
Right-of-use assets	(15)	(1)	5
Intangible assets	(11)	(1)	-
Goodwill	(37)	(4)	(20)
Deferred taxes	1	(1)	-
Other long-term liabilities	17	-	2
Liability for contingent consideration	17	1	-
Liability for deferred consideration	25	-	-
Non-controlling interests	13	-	1
	(8)	(3)	-

Appendix C' - Proceeds from sale of investment in previously consolidated company

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
Working capital, net (except cash and cash equivalents)	-	-	1
Investment in company accounted for at equity	-	-	(4)
Goodwill	-	-	3
Other non-current liabilities	-	-	(3)
Non-controlling interests	-	-	1
Gain on the disposal of previously consolidated companies	-	-	1
	-	-	(1)

Appendix D' - Additional information on cash flows

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
Cash paid during the year for:			
Interest	208	201	164
Income tax	49	62	51
Cash received during the year for:			
Interest	23	39	24
Income tax	17	15	12

Appendix E' - Significant activities not involving cash flows

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
Acquisition of fixed assets and other assets	23	22	13
Increase of right-of-use asset against a leasing liability	180	329	87
Transaction with non-controlling interests	-	17	-
Liability for the acquisition of holdings of non-controlling interests in a consolidated company	-	-	37
Deferred consideration for a business combination	-	-	17

Note 1 – General

The accompanying Financial Information is derived from Hebrew version of the Company's annual consolidated financial statement as at December 31, 2025 and for the year ended on that date and the accompanying notes thereto (hereinafter - The annual consolidated financial statements), and is condensed financial information and it does not include the disclosures that are required under the International Financial Reporting Standards (IFRS).

Note 2 - General description of the Company and its activities

Elco Ltd. (hereinafter - The Company), was incorporated in Israel in the year 1949 and its shares are traded on the Stock Exchange in Israel.

As of the date of the financial information the Group operates, in Israel and abroad, in segments in accordance with its investee companies, as follow:

Electra - Operates in the field of services for buildings and infrastructures in Israel and abroad, which includes: the instillation and provision of service for central air-conditioning systems, elevators, sanitation, infrastructures, the execution and construction of national infrastructure facilities, integrated security and protection solutions, electricity and piping, construction, the supervision and management of real estate, entrepreneurial real estate activity, the management and the maintenance of assets, the public transportation field and the shuttle services field.

Electra Consumer Products - Operates in Israel in the importing, manufacturing, exporting, marketing, sale and distribution of electrical consumer products and in the provision of services for products, in the operation of retail marketing chains for the sale of electrical products, in the operation in the food retail field and in the field of investment property.

Electra Real Estate - Operates in the field of the purchase, management and enhancement of housing complexes for rental in the South Eastern United States, which are held directly by a subsidiary company and by funds that invest in housing complexes in the United States, and though funds which raises debt and provides loans and instruments for the supplementation of shareholders' equity for investments in housing complexes and in special purpose partnerships for investment in single family residences on plots of land for rental (SFR) and in a REIT partnership for investment in hotels in the U.S.A and in fund that invests in office space in Great Britain and two reserves of land that are designated primarily for the development of residential complexes for rental in Southern Miami.

Electra Power - Operates in the marketing, sale and distribution of LPG and LPG consuming products, in marketing and sale of Natural gas, electricity and thermal energy.

Others - Relates primarily to the operations of DIC, Elco hospitality and Dream Group.

Note 3 - Convenience translation

The annual financial information in US Dollars are a translation of the statements as prepared in New Israeli Shekels ("NIS" or "Shekel") at the rate of exchange of the Shekel for the US Dollar prevailing on December 31, 2025 (NIS 3.19 = US$ 1).

It should be noted that the New Israeli Shekel amounts, on the basis of which the convenience translation figures were prepared, do not necessarily represent the current cost amounts of the various elements within The Annual Consolidate Financial Statement and, also, that it should not be construed from the translation into US Dollar figures that the Israeli currency amounts actually represent, or could be converted into Dollars. This financial information has been prepared for the convenience of the reader. In the event of any discrepancy between the contents of this translation and the annual consolidated financial statements, the annual consolidated financial statements prevail.