

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 10-K/A
(Amendment No. 1)**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36894

SOLAREEDGE TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-5338862
(IRS Employer
Identification No.)

1 HaMada Street
Herziliya Pituach, Israel
(Address of Principal Executive Offices)

4673335
(Zip Code)

972 (9) 957-6620
Registrant's telephone number, including area code
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	SEDG	Nasdaq (Global Select Market)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or “emerging growth company”. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of the registrant’s voting and non-voting common stock held by non-affiliates of the registrant on June 30, 2025, the last business day of the registrant’s most recently completed second fiscal quarter was approximately \$1.04 billion (assuming that the registrant’s only affiliates are its officers, directors and non-institutional 10% stockholders) based upon the closing market price on that date of \$20.40 per share as reported on the Nasdaq Global Select Market.

As of February 1, 2026, there were 60,366,291 shares of the registrant’s common stock, par value of \$0.0001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this report, to the extent not set forth herein, is incorporated herein by reference from our definitive proxy statement relating to the Annual Meeting of Stockholders to be held in 2026, which definitive proxy statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the annual period to which this report relates.

EXPLANATORY NOTE

SolarEdge Technologies, Inc. (“SolarEdge,” the “Company,” “we,” “us,” or “our”) is filing this Amendment No. 1 on Form 10-K/A (“Amendment”) to its Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on February 25, 2026 (“Form 10-K”).

The only changes to our Form 10-K are at the end of this filing, after Item 15 “Exhibits and Financial Statement Schedules”.

At the end of the filing, we have included the conformed signatures of our officers and directors, including a Power of Attorney, as such they were inadvertently omitted from our original 10-K filing. Pursuant to the rules of the SEC, currently dated certifications from our chief executive officer and chief financial officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, are filed or furnished herewith, as applicable.

This Amendment No. 1 does not reflect events occurring after the filing of the Form 10-K and does not update disclosures contained in the Form 10-K or modify or amend the Form 10-K except as specifically described in this explanatory note.

FISCAL YEAR FORM 10-K

TABLE OF CONTENTS

PART I		
Item 1.	Business	2
Item 1A.	Risk Factors	16
Item 1B.	Unresolved Staff Comments	41
Item 1C.	Cybersecurity	42
Item 2.	Properties	44
Item 3.	Legal Proceedings	44
Item 4.	Mine Safety Disclosures	45
PART II		
Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity	47
Item 6.	Reserved	
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	49
Item 8.	Financial Statements and Supplementary Data	F-1
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	66
Item 11.	Executive Compensation	66
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	66
Item 13.	Certain Relationships and Related Transactions, and Director Independence	66
Item 14.	Principal Accountant Fees and Services	66
PART IV		
Item 15.	Exhibits, Financial Statement Schedules	67
Item 16	Form 10-K Summary	68
	Signatures	69

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and the documents incorporated herein by reference contain forward-looking statements that are based on our management's expectations, estimates, projections, beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in "Item 1. Business," "Item 1A. Risk Factors" "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." and "Item 7A. Quantitative and Qualitative Disclosures About Market Risk". This discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, technology developments, new products and services, financing and investment plans, competitive position, industry and regulatory environment, effects of acquisitions, growth opportunities, and the effects of competition. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would," or similar expressions and the negatives of those terms.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Forward-looking and other statements regarding our sustainability efforts and aspirations are not an indication that these statements are necessarily material to investors or requiring disclosure in our filing with the Securities and Exchange Commission ("SEC"). In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future, including future rule-making. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this filing. Important factors that could cause actual results to differ materially from our expectations include those discussed in Item 1A, Risk Factors, as well as those discussed elsewhere in this Annual Report on Form 10-K, including:

- our ability to be profitable in the future;
- the rapidly evolving and competitive nature of the solar industry;
- changes in tax laws, tax treaties, regulations, guidance or the interpretation of them, including the IRA and the H.R.1;
- fluctuations in demand for solar energy solutions, including if demand for solar energy solutions does not resume growth or grows at a slower rate than anticipated;
- macroeconomic conditions in our domestic and international markets, as well as inflation concerns, rising interest rates and recessionary concerns;
- changes in the U.S. and global trade environments, including the imposition and/or increase of import tariffs or other restrictive trade measures;
- the retail price of electricity derived from the utility grid or alternative energy sources;
- interest rates and supply of capital in the global financial markets in general and in the PV market specifically;
- competition, including introductions of power optimizer, inverter, EV chargers, batteries and PV system monitoring products by our competitors;
- developments in alternative technologies or improvements in distributed solar energy generation;
- historic cyclicity of the solar industry and periodic downturns;
- product quality or performance problems in our products;
- changes in our geographic footprint or product and service offerings;
- our dependence upon a small number of outside contract manufacturers and limited or single source suppliers;
- delays, disruptions, and quality control problems in manufacturing;
- shortages, delays, price changes, or cessation of operations or production affecting our suppliers of key components;
- capacity constraints, delivery schedules, manufacturing yields, and costs of our contract manufacturers and availability of components;
- changing political, geopolitical conditions, and the conditions of the global energy market;
- performance of distributors and large installers in selling our products;
- consolidation in the solar industry among our customers and distributors;
- our ability to implement our new Enterprise Resource Planning ("ERP") system;
- discontinuation of our e-Mobility business, energy storage business, and PV Tracker business;

- ability to successfully operate our global operations with a reduced work force;
- our ability to recognize expected benefits from restructuring plans;
- any unauthorized access to, disclosure, or theft of confidential or personal information or unauthorized access to our network or other similar cyber incidents;
- attempts by third parties, our employees, or our vendors might gain unauthorized access to our network or seek to compromise our products and services;
- emerging issues related to the development and use of artificial intelligence;
- loss of key executives, and our ability to retain key personnel and attract additional qualified personnel;
- disruption to our business operations due to the evolving conflict in Israel and other conditions in Israel that affect our operations;
- tax benefits that are available to us under Israeli law require us to meet various conditions and may be terminated or reduced in the future; difficulty to enforce a judgment of a U.S. court against our officers and directors, to assert U.S. securities laws claims in Israel;
- our dependence on ocean transportation to timely deliver our products in a cost-effective manner;
- entry into business engagements with South Korean military bodies;
- fluctuations in global currency exchange rates;
- the impact of evolving legal and regulatory requirements including emerging corporate social responsibility requirements;
- existing and future responses to and effects of pandemics, epidemics or other health crises;
- reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications;
- changes to net metering policies may reduce demand for electricity from PV systems
- stringent and changing data privacy and security laws, rules, regulations and other obligations;
- Existing electric utility industry regulations and changes to regulations, may present technical, regulatory, and economic barriers to the purchase and use of PV systems;
- business practices and regulatory compliance of our raw material suppliers;
- our ability to maintain our brand and to protect and defend our intellectual property;
- claims for remuneration or royalties for assigned service invention rights by our employees;
- impairment of our goodwill or other long-lived and intangible assets;
- volatility of our stock price;
- provisions in our certificate of incorporation and by-laws may have the effect of delaying or preventing a change of control or changes in our management;
- our certificate of incorporation includes a forum selection clause, which could limit our stockholders' ability to obtain a favorable judicial forum;
- our liquidity and our ability to service our debt; and
- the other factors set forth under "Item 1A. Risk Factors."

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

ITEM 1. Business

Introduction

We are a global smart energy technology company that changed the way power is harvested and managed in photovoltaic (also known as PV) systems. Our direct current (“DC”), optimized inverter system maximizes power generation while lowering the cost of energy produced by the PV system for improved return on investment, or ROI. Additional benefits of the DC optimized inverter system include: comprehensive and advanced safety features, improved design flexibility, efficient integration (DC coupled) with SolarEdge storage solutions, and improved operation and maintenance, or O&M, with remote monitoring at the module-level. The typical SolarEdge DC optimized inverter system consists of inverters, Optimizers, a communication device which enables access to a cloud-based Monitoring Platform and, in many cases, a battery and additional smart energy management solutions and devices, such as EV chargers and load controllers. As part of our hardware sales, we also provide the energy management software which controls, manages and optimizes the energy production, storage and use of energy generated by our systems. Our solutions address a broad range of solar market segments, from residential solar installations to commercial and small utility scale solar installations.

We have expanded our activity to other areas of smart energy technology, both through organic growth and through acquisitions. By leveraging world-class engineering capabilities and with a relentless focus on innovation, we now offer energy solutions that include primarily the hardware technology used in residential, commercial, and small scale utility PV systems and also product offerings in the areas of energy storage systems, or ESS, EV chargers, home and commercial energy management software, grid services, software platforms and applications that enable virtual power plants (“VPPs”).

We primarily sell our products indirectly to thousands of solar installers through large distributors and electrical equipment wholesalers and directly to large solar installers and engineering, procurement, and construction firms, or EPCs. Our customers include leading providers of PV systems to residential and commercial end users, key solar distributors, and electrical equipment wholesalers.

The SolarEdge Solution. The key advantages of our solution over a traditional string inverter PV system include:

- **Maximized PV module power output.** Our Power Optimizers provide module-level, maximum power point (“MPP”) tracking, i.e. real-time adjustments of current and voltage to the optimal operating point of each individual PV module. This enables each PV module to continuously operate at its MPP, independent of other modules in the same string, thus minimizing power lost due to module mismatch (e.g. due to manufacturing differences, aging, etc.) and partial shading. By performing these adjustments at a high rate, our Power Optimizers also reduce the dynamic MPP losses associated with traditional inverters.
- **Optimized architecture with economies of scale.** Our system shifts certain functions of the traditional inverter to our Power Optimizers while keeping the DC-to-AC function and grid interaction in our inverter. As a result, our inverter is more efficient and more reliable than inverters used in traditional string inverter systems. As a PV system grows in size, our inverter benefits from economies of scale. This enables our technology to be viable for both large commercial and small-scale utility applications.
- **Enhanced system design flexibility.** Unlike a traditional inverter system that requires each parallel connected string to be substantially the same length, use the same type of PV modules and be positioned at the same angle toward the sun, our system allows significant design flexibility by enabling the installer to place PV modules in uneven string lengths, on multiple roof facets, and in locations receiving different irradiance. This design flexibility increases the amount of the available roof that can be utilized for power production. As a result, our system is significantly less prone to wasted roof space resulting from rooftop asymmetries and obstructions.
- **Reduced balance of system (BoS) costs.** Our commercial DC optimized inverter system allows significantly longer strings to be connected to the same inverter (as compared to a traditional inverter system). This reduces the cost of cabling, fuse boxes and other ancillary electric components. These factors result in easier installations with shorter design times and a lower initial cost per watt, while enabling larger installations per rooftop.
- **Continuous monitoring and control to reduce operation and maintenance costs.** Our cloud-based monitoring platform provides data visibility at the module level, string level, inverter level and system level. The data can be accessed remotely by web-enabled device, allowing comprehensive analysis, immediate fault detection and alerts. These monitoring features reduce O&M costs for the system owner by identifying and locating faults, enabling remote testing and reducing field visits.

- **Enhanced safety.** We have incorporated module-level safety mechanisms in our DC optimized system to protect installers, electricians, and firefighters. Each Power Optimizer is configured to reduce output voltage to 1 volt unless the Power Optimizer receives a fail-safe signal from a functioning inverter that is paired to the optimizer. As a result, if the inverter is shut down (e.g., for system maintenance, grid shutdown, due to malfunction, in the event of a fire, or otherwise), the DC voltage throughout the system is reduced to a safe level. Our DC-optimized inverters comply with the applicable safety requirements of the regions in which they are sold, providing cost savings to installers by reducing the need for additional hardware such as DC breakers, switches, or fire-proof ducts required by traditional inverter systems. In the U.S., the SolarEdge SafeDC feature is compliant with NEC 2020 & NEC 2023 Rapid Shutdown functionality, Section 690.12. SolarEdge inverters also have a built-in safety feature designed to mitigate the effects of some arcing faults that may pose a risk of fire, in compliance with the UL1699B arc detection standard. Most SolarEdge inverters comply with IEC 63027 arc detection standards. In addition, some of the SolarEdge Power Optimizers include the SolarEdge "Sense Connect" capability which is designed to monitor Power Optimizers' connectors, and identify improper connections and possible malfunctions for early detection and mitigation of arc risks. In addition, certain SolarEdge residential batteries also meet UL 9540A.
- **High reliability.** PV systems are typically expected to operate for approximately 25 years under harsh outdoor conditions. High reliability is critical and is facilitated by our utilization of systems and components that have low heat generation, solid and stable materials, and the minimal use of moving parts in our products. We have designed our system to meet these stringent requirements. Our Power Optimizers' high switching frequency allows the use of ceramic capacitors with a low, fixed rate of aging and an estimated life expectancy in excess of 25 years. Further, we use application-specific integrated circuits ("ASICs") that embed many of the required electronics. This reduces the number of components and consequently the potential points of failure.
- **DC Coupling with Energy Storage.** For residential systems, our DC-optimized inverter system enables direct storage of solar energy in batteries without the need for DC-AC or AC-DC conversions, a process known as DC coupling. This approach eliminates energy loss that is typically associated with such conversions, allowing for more efficient energy management within the battery. As a result, users benefit from improved efficiency, increased savings, and a higher overall return on investment (ROI).
- **Energy Management.** Our residential and commercial systems feature SolarEdge ONE, a single platform to manage, monitor and gain real-time, module-level insights on all site energy assets. SolarEdge ONE manages a site's entire energy portfolio, including PV, battery storage, EV, smart devices, and building assets, to ensure optimized performance of each component. It includes capabilities tailored to the specific needs of the varying residential and commercial system stakeholders and is fortified with advanced cyber capabilities designed to protect against cyber threats.

For residential systems, SolarEdge ONE optimizes the way homeowners use, store, and sell their energy, as well as charge their EVs using their smart devices, in accordance with their personalized preferences. It enables users to store solar energy at cost-effective times. It is designed to permit homeowners to control the timing of their PV energy consumption in order to increase their energy independence, take advantage of lower time-of-use rates, reduce electricity bills, and is designed to improve overall system return on investment.

Commercial installations benefit from SolarEdge ONE's ability to synchronize production, consumption, and storage to align with business goals, making data-driven decisions based on customer definitions and market conditions. SolarEdge ONE includes robust monitoring and reporting tools that enable PV professionals to enhance operational efficiencies and lower maintenance costs across their fleets.

The SolarEdge ONE for commercial capabilities extend to optimization and management of sites featuring large quantities of EV chargers (e.g. workplaces, parking lots, apartment buildings, public charging stations, etc.) as well as support for enterprises seeking to take control of their energy usage with greater energy management and connectivity capabilities, enabling more efficient and sustainable energy management.

- **Distributed Energy Generation.** As an electric grid evolves from centralized power stations to a network of distributed, renewable energy sources, our inverter can serve as a local control system that manages the energy resources within such a distributed network. Our inverters facilitate the creation of a distributed and interactive grid, enhancing grid stability. One such example is inverter-enabled charging and discharging of batteries within a VPP, helping to manage grid load and support grid stability.

Our Products

Our products reflect our focus on innovation, the capacity of our technology departments as well as the emphasis that we put on creating value for our customers. Our core product roadmap includes: our power optimizers and inverters, which form an integral part of the DC optimized inverter systems, batteries, and smart energy management.

We have drawn on our expertise in the fields of power electronics, analog and digital electronics, magnetic design, mechanical and heat dissipation, control, and algorithms, power line communications and lithium-ion battery technology, to design and develop advanced commercial solutions for harvesting power from PV, storage and energy management solutions for residential and commercial applications. These technologies are explained in greater detail below. Our portfolio also includes energy IoT, EV charging optimization, and energy storage systems.

We operate in one reportable segment, which includes the following products:

SolarEdge Power Optimizer. Our Power Optimizer which forms an integral part of our DC optimized inverter system is a highly reliable and efficient DC-to-DC converter which is connected to each PV module. Our Power Optimizer increases energy output from the connected PV module by continuously tracking the MPP of the module and controlling its operating point. The Power Optimizer's ability to track the MPP of the connected PV module and its ability to adjust the optimizer output voltage enables the inverter's input voltage to remain fixed under a large variety of string configurations. This feature enhances the flexibility in PV system designs, enabling a single inverter to be connected to strings of different lengths to PV modules featuring multiple orientations, and using various PV module types. In addition, our Power Optimizers monitor the performance of each PV module and communicate performance data to our inverter using our proprietary power line communications ("PLC"). In turn, the inverter transmits this information to our monitoring server. Each Power Optimizer is equipped with our proprietary safety mechanism which automatically reduces the output voltage of each PV module to 1 volt unless the Power Optimizer receives a fail-safe signal from a paired functioning inverter. As a result, if the inverter is shut down (e.g., for system maintenance, due to malfunction, in the event of a fire or otherwise), the system is designed to reduce the DC voltage to a safe level. Some of our SolarEdge Power Optimizers include our "Sense-Connect" capability which is designed to monitor Power Optimizers' connectors to identify improper connections and possible malfunctions, enabling the early detection and mitigation of arc risks.

Our Power Optimizers are designed to withstand high temperatures and harsh environmental conditions and contain multiple bypass features that localize failures and enable continued system operation, even in cases of Power Optimizer failure, in the vast majority of cases. Our Power Optimizers are compatible with most modules on the market today and carry a 25-year product warranty. During the year ended December 31, 2025, the year ended December 31, 2024 and the year ended December 31, 2023, revenues derived from the sale of Power Optimizers represented 41.4%, 34.9% and 30.3% of total revenues, respectively.

Our Power Optimizer Technology: Our Power Optimizers are DC/DC step up/step down ("buck+boost") converters designed and developed to operate in harsh outdoor environments at very high conversion efficiency. Our Power Optimizers include proprietary power electronics and control loops customized to efficiently convert power from the PV module to the inverter.

A key factor in the performance of our Power Optimizer is determined by the digital control algorithms and closed-loop control mechanism. The Power Optimizer's control is built into our advanced ASIC which is responsible for all digital control functions of the power optimizer, including detailed power analysis, digital real-time control of the power conversion subsystem, power line communications and networking. Since each Power Optimizer handles the power and voltage of either a single module or two modules, we are able to reach a high degree of semiconductor integration by leveraging low-cost silicon in standard semiconductor packages. As a result, much of the Power Optimizer functionality can be integrated into a standard ASIC instead of requiring discrete electronic components, resulting in lower costs and higher reliability.

The ASIC performs the critical power analysis and power conversion control functions of the Power Optimizer. The power analysis functions process the state and working parameters at the Power Optimizer's input and output and, together with advanced digital control and state machine logic, control the power conversion function. In addition, our digital control system uses technology that allows the PV installation to anticipate and adapt to changing operating conditions, and to protect itself against system anomalies.

Each Power Optimizer in the array is connected to the inverter by a power line communications networking link. Our power line communications link uses a proprietary networking technology that we developed, utilizing the existing DC wiring between the Power Optimizers and the inverter to transmit and receive data between these devices using scalable technology supporting a wide range of installation sizes, from small residential to large commercial installations.

Our Power Optimizer Product Roadmap: We currently sell our fourth and fifth generation of Power Optimizers, the S-Series, designed for fully automated assembly and based on our fourth and fifth generation ASICs, respectively. We have launched the H1300, a Gen 4 based Power Optimizer, as a part of the SolarEdge TerraMax™ inverter solution, with our H1500 Power Optimizer now available in North America. The H1500 is designed to enable more power per string and supports even higher power PV modules, leading to reduced BoS costs for our TerraMax solution. The H-Series models are our first optimizer equipped with high frequency DC power line communications technology which allows communication with larger numbers of Power Optimizers for ground mount applications as well as improved remote software upgrade capabilities.

In an effort to improve efficiency, with each new ASIC generation, we have reduced the number of components required for any given functionality, thereby adding more functions to the Power Optimizer. An improvement in efficiency reduces energy loss, which in turn, decreases heat dissipation. This enables design of a more cost-effective and typically smaller enclosure and while keeping the electronics cooler, improving the Power Optimizer's reliability. Our research and development teams continuously work on further improving our ASICs and releasing new generations of this advanced technology.

For the commercial market, we plan to launch our SolarEdge Duo Power Optimizer featuring a dual input design. This allows the connection of two PV modules with Maximum Power Point Tracking (MPPT) for each independent module, for enhanced system performance.

SolarEdge Inverters. Our DC-to-AC inverters which form an integral part of our DC optimized inverter systems, contain sophisticated digital control technology with efficient power conversion architecture resulting in superior solar power harvesting and high reliability, and are designed to work exclusively with our DC Power Optimizers. A proprietary power line communication receiver is integrated into each inverter, receiving data from our Power Optimizers, storing this data and transmitting it to our monitoring server when an internet connection exists. Since each string that features our Power Optimizers provides fixed input voltage to our inverter, the inverter is able to operate at an optimized efficiency at all times and therefore is more cost effective, energy efficient and reliable.

Like our Power Optimizers, our inverters are designed to withstand harsh environmental conditions. We currently offer single-phase inverters designed to address the residential market (2.2 kilowatt ("kW") to 11.4 kW), and three-phase inverters designed to address the residential and commercial markets (5 kW to 120 kW). We also offer our three-phase SolarEdge TerraMax™ inverters, which are designed to address the ground mount market (300kW to 330kW). Paired with our H-Series Power Optimizers, the SolarEdge Terramax™ supports distributed and centralized inverter configurations and is designed for ground mount installations such as, community solar, floating PV, and dual use Agri-PV sites.

The vast majority of our inverters are sold with a 12 year warranty that is extendable to 20 or 25 years for an additional cost. During the year ended December 31, 2025, the year ended December 31, 2024 and the year ended December 31, 2023 revenues derived from the sale of inverters, represented 28.2%, 27.5% and 46.2% of our total revenues, respectively.

Our Inverter Technology: Most of our inverters are designed for single-stage DC/AC conversion. Using our inverter in combination with the Power Optimizers allows the inverter control loop to maintain a regulated DC voltage level at its input, thereby enabling the inclusion of long, uneven, and multi-faceted strings of solar modules while also enabling custom, cost efficient, and reliable inverter design and component selection.

Our inverters' digital control algorithms are implemented using programmable digital signal processors which allow for flexibility and the adaptation of control loops for various grids and for the requirements and standards of different grid operators across geographies. We have already implemented the control mechanisms necessary to support advanced grid codes and standards that are required to support high penetration of solar energy into utility grids. We continue to develop and manufacture our own DSP (ASIC) in our inverters which enables us to improve the performance of our control loops, increase our cost savings and reduce dependence on third party suppliers. The DSP (ASIC) performs the critical power analysis and power conversion control functions of the inverter. Additionally, our digital control system uses technology that is designed to allow the inverter to anticipate and adapt to changing operating conditions, and to protect itself against system anomalies as well as comply with applicable regulations in the different regions in which we operate.

Our DSP (ASIC) is also in charge of our PLC networking link between the inverter and the optimizers. Our PLC uses a proprietary networking technology that we developed, utilizing the existing DC wiring between the Power Optimizers and the inverter to transmit and receive data and commands between these devices.

We have developed and continue to develop in-house design and manufacturing capabilities for several major passive components, such as magnetic components, in order to decrease dependence on suppliers, improve component performance, reduce costs and have better control over our production processes.

Our Inverter Product Roadmap: Our inverter roadmap includes both new products as well as additional capabilities for existing inverters. Our inverter roadmap is intended to serve four main purposes: (i) expand addressable markets (ii) improve electronic design: increase total power throughput while minimally changing the existing enclosure, thereby reducing cost per watt and increasing economies of scale; (iii) simplify and enhance ease of installation: integrate additional functionality required in certain installations to reduce costs of additional hardware and subcontractors' labor costs; and (iv) improve the residential inverter's functionality. We are in the final stages of the development of our next-generation SolarEdge Nexis Inverters for single phase and three phase systems, which is now in the process of being launched. We plan to begin offering the new SolarEdge Nexis Inverter 3ph which is designed to provide between 8-20 kW to address the three phase residential market and the SolarEdge Nexis Inverter 1ph designed to provide 3.8-13 kW to address the single phase residential market.

We plan to introduce our MultiRange Concept, which is designed to simplify the way our customers stock, sell, install, and service SolarEdge inverters. This is part of our ongoing efforts to save time, reduce complexity, and grow profitably with our products. With the MultiRange Concept, select residential and commercial inverters will be able to support multiple power ratings rather than be limited to one power setting. While the inverters are stocked, the inverter power rating remains undefined. Installers only need to configure the inverter power onsite, during the commissioning process using our SolarEdge Go mobile app. This concept is intended to lessen the amount of overall part numbers and simplify inventory management. Each inverter can support multiple job sizes.

Storage Solutions.

For the Residential Market: The SolarEdge Home Battery 400V, our DC-coupled, 10kWh, single-phase battery (scales up to 3 batteries per inverter) integrates with our single phase SolarEdge Home Hub and Wave family of inverters. We also offer the SolarEdge Home Battery 48V, our DC-coupled, 4.6/4.85kWh (can scale up to 5 battery modules per inverter) battery that integrates with our three phase SolarEdge Home Hub Inverters. When connected with our SolarEdge Home Backup Interface (BUI), with either of our single and three-phase inverters, the SolarEdge Home Battery aims to provide homeowners the ability to power their homes even when the grid is off for anywhere from several hours to several days, depending on use of loads and available sunlight during the outage. The battery also works in tandem with the SolarEdge ONE energy optimization system to optimize the use of solar energy in locations with different types of import and export tariffs scenarios (such as time-of-use and dynamic rates). Our batteries can be connected to our cloud-based monitoring platform, reporting information on the battery status, solar production, and self-consumption data.

With the SolarEdge backup solution, power is stored in a battery and can be used during a power outage to power essential devices such as refrigerators, communication devices, lighting, and AC outlets for anywhere from several hours to many days, depending on use of loads and available sunlight during the outage.

Residential Storage Solution - Technology: In 2021, we released our first lithium-ion residential batteries for sale in the U.S. and Europe through our solar distribution channels. Our batteries are composed of lithium cells, a Battery Management System (BMS), bi-directional DC/DC high efficiency converter that facilitates the charging and discharging of the battery, and a user interface. Our DC/DC converter uses digital control algorithms, which are implemented using a programmable digital signal processor. Our power products, inverters, Power Optimizers, and batteries are connected to the same DC bus, allowing the battery to be directly charged by the DC current generated by the Power Optimizers without AC conversion, thereby reducing the round-trip efficiency of PV generated power provided from batteries the AC loads.

Residential Storage Solution - Product Roadmap: Our residential storage solution, launched in 2021, is designed to integrate with our single phase and three phase inverters to provide optimal energy management, maximum efficiency, longer backup times and increased ease of use for homeowners.

We plan to begin offering a new SolarEdge Nexis Battery, our DC-coupled, 4.65 kWh battery (scaling up to 78.4 kWh per inverter) that integrates with both our single phase and our three phase SolarEdge Nexis Inverters. When connected to the SolarEdge Home Backup Interface (in Europe) and SolarEdge IslandERTM (in North America), the SolarEdge Nexis Battery is designed to provide homeowners the ability to power their homes even when the grid is off for anywhere from several hours to many days, depending on use of loads and available sunlight during the outage.

For the Commercial market: The SolarEdge CSS-OD solution, suitable for indoor or outdoor installations, includes the CSS-OD 102.4 (102.4 kilowatt hour) and CSS-OD 197 (197 kilowatt hour) batteries scalable up to megawatt hour ("MWh") size sites. Each model consists of a pre-assembled battery cabinet and one or two battery inverters (depending on the model) and includes advanced safety features. The CSS-OD connects with the SolarEdge PV system and is managed by the SolarEdge ONE for C&I energy optimization platform, which controls the battery's functionality to support various use cases such as maximum self-consumption, peak shaving and more, for maximum electricity savings.

The CSS-OD solution also supports backup power by integrating with the CSS-OD back up unit, or BUI, which is available in some countries. It is designed to avoid downtime with uninterrupted power supply, ensuring continuous business operations during unplanned outages or challenging grid conditions such as load shedding.

For small-scale indoor/outdoor commercial sites, we also offer our modular SolarEdge 48V battery. Scaling up to 69kW per hour per site, this battery supports new and existing PV installations connected to three-phase SolarEdge commercial inverters. This on-grid storage solution can enable system owners to reduce their electricity costs by storing excess solar production in the battery for maximizing self-consumption and by boosting their resilience to volatile electricity prices.

Commercial Storage Solution - Technology: We offer commercial and industrial battery storage solutions through our CSS-OD product family, including the 102.4kWh-rated CSS-OD 102.4 and the 197kWh-rated CSS-OD 197. Designed for indoor and outdoor deployment, including operation in harsh environments, both battery systems are delivered in pre-assembled enclosures to minimize onsite work and reduce installation faults. The CSS-OD 102.4 incorporates a 50kW inverter and can support connection of up to two batteries per commercial inverter for MWh-scale sites, while the CSS-OD 197 provides higher energy density, with 50kW or 100kW inverter capacity, and storage capacity scaling up to 4MWh per site, addressing the needs of larger applications. Both solutions are designed to integrate with the SolarEdge commercial PV ecosystem and are managed through SolarEdge ONE for C&I, enabling optimized energy utilization and cost reduction.

Our CSS-OD battery systems are incorporate built-in, multi-layered safety technologies meant to address potential risks across cell, module, cluster, and cabinet levels, creating a comprehensive safety framework that safeguards the system and the site. The CSS-OD meets multiple battery safety standards including UL9540A (that measures fire, gas emissions, and explosion risks) and IEC 62619 (covering industrial lithium-ion batteries).

At the cell and module levels, protection mechanisms focus on early risk prevention through continuous monitoring of key parameters, such as voltage and temperature. At the cluster level, integrated detection and response technologies—including fire, smoke, and environmental sensors—monitor and regulate groups of battery modules, with the CSS-OD 197 incorporating enhanced detection and suppression capabilities to support higher energy density deployments. At the cabinet level, each system provides physical and environmental protection for the battery enclosure, supported by thermal management and system monitoring. Our built-in battery enclosure HVAC system is designed to protect internal components, and module-level fire detection mechanisms and multiple electrical safeguards such as Dual DC Relays and DC Breakers (MCCB) work to isolate faults in connected energy modules. Software-driven safety measures, including real-time alerts, diagnostics, and secure cloud connectivity, further enhance system protection and operational resilience.

Both CSS-OD models can be connected to our SolarEdge ONE for the C&I platform, for cloud-based operation, maintenance, and monitoring. It can present the operational status and alerts from cell to cabinet level and consolidates data and alerts for both the PV system and CSS-OD battery. The ONE for C&I platform is designed to ensure the CSS-OD storage solution is leveraged in an optimized manner, by intelligently combining site-level production and consumption patterns with factors such as weather conditions, electricity prices, and local feed-in tariffs. It combines with the SolarEdge ONE Controller to manage energy storage and discharge.

Commercial Storage Solution - Product Roadmap: In 2025, we extended our commercial storage solution portfolio with the release of our 197kWh-rated SolarEdge CSS-OD 197 with 50kW or 10kW inverter capacity and storage capacity scaling up to 4MWh per site. We plan to introduce an indoor/outdoor 107.52 kWh-rated SolarEdge CSS-OD 107 storage solution. Similar to the previous CSS-OD models, it includes advanced battery safety technologies designed to protect against thermal runaway events, ensure safe electrical operation and safeguard internal components, and is delivered in a pre-assembled enclosure to minimize onsite work and reduce installation faults. The CSS-OD 107 incorporates a next generation 30kW or 50kW battery inverter designed to deliver built-in backup capabilities, transformerless off-grid operation and phase-independent control for stable system performance.

EV Chargers and Software management of EV charging.

Product Offering: We sell EV chargers for residential and commercial applications which allow the system owner to redirect excess PV energy to charge electric vehicles. This product enables consumers to increase their self-consumption of clean energy. The SolarEdge ONE smart energy optimization system can be programmed to automatically charge the EVs using energy generated at the most advantageous times and the optimal economically efficient rates.

In April 2024, we completed the acquisition of all outstanding shares in Wevo Energy Ltd., (formerly known as Weev Energy B.F Ltd) (“Wevo”). Wevo is a software company specializing in EV charging optimization and management for sites with large quantities of EV chargers such as apartment buildings, workplace parking lots, and public charging locations. The Wevo solution integrates between on-site solar generation, battery storage and large-scale EV charging.

In September 2025, we introduced the SolarEdge ONE EV Charger, suitable for both residential and commercial installations. Designed for flexible installations and long-term reliability, it supports both single- and three-phase installations, with indoor/outdoor compatibility and socket or tethered configurations. The SolarEdge ONE EV Charger is available in two models, standard and Pro. The SolarEdge ONE EV Charger is designed to integrate seamlessly with the SolarEdge product ecosystem.

Smart Energy Products. As the solar energy industry evolves, SolarEdge has and continues to develop innovative solutions to further enhance smart energy technology.

Smart Energy Management Systems. We have developed smart energy management software and capabilities that integrate seamlessly with our hardware solutions. These tools are designed to enable system owners to store solar energy at cost-effective times by controlling the timing of their PV energy consumption, increasing energy independence, taking advantage of time-of-use rates, reducing electricity bills, and improving overall system ROI.

SolarEdge ONE for Residential is an energy optimization system, designed for a dynamic energy landscape. It deploys a personalized 24-hour home energy plan that adapts to real-time market and weather changes, optimizing how homeowners use, store & sell their PV power to maximize savings. ONE is based on AI algorithms that gather & process data from three sources: external data (weather forecasts, utility rates), internal data (homeowner usage patterns & PV system parameters), and homeowner preferences and schedules. SolarEdge ONE is designed to adapt to dynamic or peak rates tariffs, optimize negative rates, facilitate VPP participation, and maximize self-consumption & backup duration, while synchronizing with site data & correcting itself in real-time.

SolarEdge ONE for Residential - Product Roadmap: We are developing new features and capabilities for the smart energy management solutions. For instance, our SolarEdge ONE Controller, is designed to enable the homeowner to run and manage their most energy-intensive devices on excess solar energy.

We have introduced smart energy and fleet management platforms for the commercial market with the SolarEdge ONE Controller for C&I. It is a local communication gateway that is designed to optimize energy use across commercial facilities for lower electricity costs. The SolarEdge ONE Controller integrates the site’s energy infrastructure including PV inverters, batteries, sensors, meters, and other energy equipment, enabling real-time monitoring and control. It also acts as a cyber gateway, meant to protect against unauthorized system access.

SolarEdge Software Solutions. We offer a variety of professional software tools to support the complete PV system planning, installation, monitoring and maintenance processes of our DC optimized inverter solutions:

Monitoring Platform. The SolarEdge monitoring platform is a cloud-based monitoring platform which collects power, voltage, current temperature, and other data sent from SolarEdge inverters and Power Optimizers and allows users to view the data pertaining to their SolarEdge site/s at the module level, string level, inverter level and system level. The monitoring platform is accessible from most browsers and from most smart phones and tablets. The monitoring software continuously analyzes data and flags potential issues. The monitoring software includes features which are used routinely by integrators, installers, maintenance staff, and system owners to improve a PV system’s performance. In 2025, we started migrating our commercial customers from the legacy Monitoring Platform to the SolarEdge ONE energy optimization platform, featuring new, that enable improved performance analysis, monitoring, and management capabilities across SolarEdge commercial fleets.

mySolarEdge app. The mySolarEdge application enables system owners to track their real-time system production and household energy consumption, view their inverter and battery status for quick analysis, and control the battery's back-up configuration, all from their mobile phones.

SolarEdge Go app. The SolarEdge Go app is a mobile application designed for SolarEdge installers, integrating installation, management, and service capabilities into a single platform. This comprehensive app allows installers to manage their fleets efficiently by providing real-time alerts, equipment management, and user administration. It also offers remote service and operation features, including diagnosis, troubleshooting, and configuration, which help minimize downtime and reduce the need for on-site visits. Additionally, SolarEdge Go simplifies the commissioning process with an intuitive step-by-step “wizard” and detailed reports, ensuring streamlined installations. This app enhances the overall installer experience by consolidating multiple functionalities into one tool, making it convenient for installers to monitor and manage their entire fleet. We intend for SolarEdge Go to replace our legacy SetApp mobile app for all residential and commercial site installation commissioning.

SolarEdge Designer Platform. Our Designer Platform is a web-based tool that helps solar professionals plan, build, simulate, and validate residential and commercial systems from inception to installation.

SolarEdge Designer Platform - Product Roadmap: Over the course of 2025, we released several major features designed to enhance the system design and sales experience, including:

- Importing existing sites from our monitoring software directly into Designer - complete with all equipment and real consumption data – to quickly plan customer upgrades or expansions e.g. adding more PV modules or batteries to an existing system;
- Providing smart battery sizing recommendations, tailored to desired capacity and performance targets, when adding storage to SolarEdge PV sites. Users can view and compare multiple optimized options side by side, making it easy to choose the best solution at a glance; and
- Detailed AC and DC cabling calculation and visualization across the electric design, that automatically feed into string reports and losses diagram (gradual roll out).

Mapper Application. The mapper application provides SolarEdge installers with an efficient, streamlined process for registering the physical layout of new PV sites installed with SolarEdge DC optimized inverter systems in the SolarEdge Monitoring Platform. Installers can use the Mapper application to scan SolarEdge Power Optimizer and SolarEdge inverter barcodes, creating a virtual map of the PV site in the monitoring platform. The map may later help facilitate remote diagnostics thereby enabling enhanced customer support and reducing maintenance costs for installers and SolarEdge system owners.

SetApp Application. The SetApp application is used to activate and configure SolarEdge inverters during commissioning directly through a smartphone. This application is designed to simplify and expedite installations. We plan to replace our SetApp application with SolarEdge Go, for all residential and commercial site installations as well as for commissioning activities.

SetApp Application - Product Roadmap: We continue to improve our software offering portfolio with the introduction of new tools and features. We are developing algorithms that detect and pinpoint problems that can affect power production in field systems. In addition, we are expanding the capabilities of our public Application Programming Interfaces (APIs) to enable third-party developers, partners, and customers to integrate our systems into their own applications and workflows. These expanded APIs will allow users to build, deploy, and share innovative solutions leveraging the monitoring and operational data generated by our software platforms.

Grid Services. As energy production is transitioning from a centralized system to a distributed network model, where energy is produced and stored close to the location in which it is consumed. This model creates an opportunity for new interconnected and decentralized energy networks offering improved grid reliability and stability, new energy service and reduction in grid infrastructure costs. SolarEdge grid services deliver near real-time aggregated control and data reporting, enabling the pooling of distributed energy resources - photovoltaic systems, battery storage and electric vehicle chargers, in the cloud for the creation of VPPs. The SolarEdge grid services and VPP solution provide management platforms to enable near real-time, aggregated control of available energy resources to meet ever-changing supply needs and demand. Our Virtual Power Plant program interfaces (APIs) are used by our partners for countering peak demand events and for participating in various electricity markets. In 2025, SolarEdge continued to sell grid services, mainly in the U.S., including services provided to independent system operators, energy retailers, national installers and others.

Product Portfolio Evolution.

We continuously evaluate opportunities to expand our core product offerings and services to our customers. We may from time to time develop new products or services that are a natural extension of our core products and existing business, or may engage in acquisitions of businesses or product lines with the potential to strengthen our market position, enable us to enter attractive markets, expand our technological capabilities, or provide synergistic opportunities. In parallel, we also evaluate and, when appropriate, divest or discontinue non-core product lines, such as our recent divestitures from our Energy Storage Department and our PV tracker business, to maintain a company wide focus on our core offerings.

Sales and Marketing Strategy

In 2025, we began to strategically focus on our core markets and product lines to better align resources with markets and product lines that exhibit the strongest potential. As part of this strategic portfolio rationalization, we are concentrating our operations in key jurisdictions while discontinuing local activities in certain countries. We remain open to penetrating new geographic regions and increasing our market share.

We target our sales and marketing efforts to the largest distributors, electrical equipment wholesalers, EPC contractors and installers in each of the countries where we operate. Our products are carried and actively sold by most of the top PV distributors as well as some of the largest electrical distribution companies. As of December 31, 2025, based on the number of installer accounts on our monitoring portal, over 93,000 installers around the world have installed SolarEdge PV systems.

Additionally, as further detailed below, we offer several programs focused on educating installers and other industry professionals about our technology, and we use a combination of road shows, webinars, and partner trainings to teach them how to best design, sell, and implement our technology in their projects.

Our Customers

We derive a significant portion of our revenues from key solar distributors, electrical equipment wholesalers and large installers in the U.S. and worldwide. In 2025, one of our customers, Consolidated Electrical Distributors, Inc, represented 18.6% of our revenues. None of our other customers accounted for more than ten percent of our revenues in the year ended December 31, 2025.

Training and Customer Support

We offer our installer base a comprehensive package of customer support and training services which include pre-sales support, ongoing trainings, and technical support before, during, and after installation based on our global operation structure. We also provide customized support programs to large installers and distributors to help prioritize and track support issues, thereby enabling short cycle times for issue resolution. In December 2025, we began to roll out new AI-powered virtual support agents, designed to help resolve common technical inquiries, reduce service wait times, and provide real-time troubleshooting and product guidance across phone and chat channels. We also deployed an AI-driven agent assistant that delivers context-aware response recommendations to support teams, enhancing service accuracy, consistency, and operational efficiency.

During 2025, our training portal (Edge Academy) hosted over 161,263 learners.

During 2025, 12,162 installers completed our certification programs.

In addition to the above, we support our commercial system customers with design consulting throughout their sales process and installation.

Our technical support organization includes local expert teams, tech centers, an online service portal, an AI-powered virtual support agent, and live chat service. Our toll-free call and live chat centers are open Monday through Friday at least from 9:00 a.m. to 6:00 p.m. based on our global support operation structure. In addition, customers can open and track support cases 24/7 utilizing our online portal. All support cases are monitored via a customer relationship management system in order to provide service, track closure of all customer issues and further improve our customer service. Our call centers have access to our cloud-based monitoring platform database, which enables real-time remote diagnostics.

Customer service and satisfaction continue to be a key component of our business offering and we consider it integral to our continued success. We maintain high levels of customer engagement through our call centers in California, India, Bulgaria, Israel, Brazil, Taiwan, Thailand, and Poland. In addition to our call centers, we have field service engineers located in the geographies where we are active, and support our customers with commissioning of large projects, introduction of new technologies and features and on-the-job training of new installers. As of December 31, 2025, our customer support and training organization consisted of 749 employees worldwide.

Manufacturing

We have designed our manufacturing processes to produce high quality products at competitive costs. The strategy is threefold: outsource, automate, and localize. We currently contract to have our solar products manufactured by two of the world's leading global electronics manufacturing service providers, Jabil Inc. ("Jabil") and Flex Ltd. ("Flex"). By using contract manufacturers, we are able to access advanced manufacturing equipment, processes, skills and capacity on a relatively "asset light" budget while remaining flexible in our manufacturing operations and are able to enjoy the CM's global reach and access to different manufacturing regions. Our contract manufacturers are responsible for funding some of the capital expenses incurred in connection with the manufacture of our products, except with regard to some of the automated optimizer assembly lines, our proprietary end-of-line testing equipment and other specific manufacturing equipment utilized in assembling our products or sub-components which are financed and owned by the Company. We expect to continue this funding arrangement in the future, with respect to any expansions to such existing lines save for circumstances where the direct purchase by us of non-specific manufacturing equipment will result in a substantial reduction in costs in which case we will consider financing such non-specific manufacturing equipment ourselves. In light of the Inflation Reduction Act ("IRA") legislation in the United States which incentivizes the local manufacturing of renewable energy products by providing benefits to installers for the purchase and installation of US-manufactured products, as well as by incentivizing manufacturers of such products domestically, we are manufacturing inverters in Texas, inverters and optimizers in Florida, and are also ramping manufacturing of our batteries in Utah. With the ramp-up of these new sites and as part of an effort to centralize and improve operational activity, we have discontinued manufacturing in China, Mexico, and Hungary. We continue to maintain manufacturing capabilities in Vietnam with a third party manufacturer.

Our own manufacturing facility in the North of Israel, is called "Sella 1". The proximity of Sella 1 to our R&D team and labs enables us to accelerate new product development cycles as well as define equipment and manufacturing processes of newly developed products which can then be adopted by our contract manufacturers worldwide.

SolarEdge is mindful of the transformative impact of automation and AI in manufacturing efficiency and product manufacturing innovation. We are continuously striving to enhance the capabilities of all of our products through cutting-edge advancements in production processes. One significant focus that we have taken on is automating the manufacture of our inverters and optimizers.

We invest resources in 1 automated assembly lines as well as in automated machinery for subassembly and self-manufacturing of certain components used in our products, and we own and are responsible for funding most of the capital expenses related thereto. The current and expected capital expenses associated with these automated assembly lines and other machinery are funded out of our cash flows.

We source our raw materials through various component manufacturers and invest resources in continued cost-reduction efforts as well as verifying second and third sources so as to limit dependence on sole suppliers.

Due to our global presence, we are subject to risk and exposure from the evolving macroeconomic environment. The impact of new or existing tariffs, trade restrictions, or retaliatory actions on our business, the solar industry, and our customers continue to create uncertainty and impact on our operations. We have relocated the majority of our contract manufacturing to the United States, however, certain critical components for our products are still sourced from outside the United States. An escalation in trade tensions or the implementation of broader tariffs, trade restrictions, or retaliatory measures on our products, commodities we require for manufacturing, or components originating from countries outside the United States could adversely impact our ability to source necessary components, manufacture products at competitive cost, or sell our products.

Reliability and Quality Control

Our Power Optimizers are connected to each PV module (or pair of PV modules) by installers, designed to be as reliable as the PV module itself and capable of withstanding the same operating and environmental conditions.

Our reliability methodology includes a multi-level plan with design analysis, sub-system testing of critical components by Accelerated Life Testing, and integrative testing of design prototypes by Highly Accelerated Life Testing and large sample groups. As part of our reliability efforts, we subject components to industry standard conditions and tests including in accelerated life chambers that simulate burn-in, thermal cycling, damp-heat, and other stresses at large sample size groups. For validation purposes, finished products are tested by simulating accelerated aging through the use of Thermal Cycling, Damp Heat, High Temperature Endurance, Vibration, and HALT (Highly accelerated life test) that combines temperature changes and vibration. Specific additional tests have been developed to assess design changes' impact on reliability. We also conduct out of box audits (OBA) on our finished products. In addition, online reliability tests (ORT) are conducted on our optimizers and we test complete products in stress tests and in the field (alpha tests). Our rigorous testing processes have helped us to develop highly reliable products.

In order to verify the quality of each of our products when it leaves the manufacturing plant, each component, sub-assembly, and final product are tested multiple times during production. These tests include Automatic Optical Inspection, In-Circuit Testing, Board-Functional Testing, Safety Testing, and Integrative Stress Testing. We employ a serial number-driven manufacturing process auditing and traceability system that allows us to control production line activities, verify correct manufacturing processes and to achieve item-specific traceability.

As a part of our quality and reliability approach, a portion of failed products from the field are returned and subjected to root cause analysis, the results of which are used to improve our product and manufacturing processes and design and further reduce our field failure rate.

Certifications

Our products and systems comply with the applicable regulatory requirements of the jurisdictions in which they are sold as well as all other major markets around the world. These include safety regulations, cybersecurity standards, electromagnetic compatibility standards and grid compliance.

Research and Development

We devote substantial resources to research and development with the objective of developing new products and systems to our core products, adding new features and reducing unit costs of our products and systems. Our development strategy is to identify software and hardware features, products, and systems that reduce the cost and improve the effectiveness of our solutions for our customers. We measure the effectiveness of our research and development by metrics including product unit cost, efficiency, reliability, power output, and ease of use.

We have a strong research and development team with wide ranging experience in power electronics, semiconductors, power line communications and networking, chemical, mechanical and software engineering. In addition, many members of our research and development team have expertise in solar technologies. As of December 31, 2025 our research and development organization had a headcount of 887 employees.

Intellectual Property

The success of our business depends, in part, on our ability to maintain and protect our proprietary technologies, information, processes, and know-how. We rely primarily on patent, trademark, copyright and trade secrets laws in the U.S. and similar laws in other countries, confidentiality agreements and procedures and other contractual arrangements to protect our technology. As of December 31, 2025, SolarEdge has 518 issued patents worldwide and 219 patent applications pending for examination. A majority of our patents relate to DC power optimization and DC to AC conversion for alternative energy power systems, power system monitoring and control, battery technology and management systems. Our issued patents are scheduled to expire between 2026 and 2044.

We continually assess opportunities to seek patent protection for those aspects of our technology, designs, and methodologies and processes that we believe provide significant competitive advantages.

We rely on trade secret protection and confidentiality agreements to safeguard our interests with respect to proprietary know-how that is not patentable and processes for which patents are difficult to enforce. We believe that many elements of our manufacturing processes involve proprietary know-how, technology, or data that are not covered by patents or patent applications, including technical processes, test equipment designs, algorithms, and procedures.

All of our research and development personnel are required to enter into confidentiality and proprietary information agreements with us. These agreements address intellectual property protection issues and require our employees to assign to us all of the inventions, designs, and technologies they develop during the course of employment with us.

Our customers and business partners are required to enter into confidentiality agreements before we disclose any sensitive aspects of our technology or business plans.

Competition

The markets for our smart energy and PV products are competitive, and we compete with providers of smart energy solutions, as well as manufacturers of other PV systems. The principal areas in which we compete with other companies include:

- product and system performance and features;
- total cost of ownership (TCO);
- reliability and duration of product warranty;
- customer service and support;
- breadth of product line;
- technological expertise;
- brand recognition;
- local sales and distribution capabilities;
- compliance with applicable certifications and grid codes;
- ability to optimize for various electricity tariffs and grid service plans;
- product safety features;
- implementation of AI features and solutions;
- size and financial stability of operations; and
- size of installed base.

Recent market trends show an increased focus on safety features in rooftop installations, and the emergence of standards that are evolving to address such concerns. In particular, the rapid shutdown (RSD) standards in the US market, have led to the introduction of module-level rapid-shutdown devices from our competitors. We believe the existence of rapid shutdown capabilities built into our Power Optimizers positions us well in this regard, and serves as a competitive advantage. Additionally, we have seen PV module manufacturers introduce larger PV modules with higher power and current levels. This market trend, which comes as a result of PV cell manufacturers introducing larger cell sizes, bi-facial modules, as well as different module build configurations and materials, leads to market interest in higher power rating Power Optimizers, micro inverters, and other MLPE devices. The increasing demand for storage and battery solutions, in both existing and new sites, is an additional noteworthy market trend which is expected to increase the attachment rate of storage to PV installations in the coming years.

Our DC optimized residential system competes principally with solutions from traditional inverter and battery manufacturers, such as Sungrow Power Supply Co., Ltd., Huawei Technologies Co. Ltd., Sigenergy Technology Co., Ltd., and SMA Solar Technology AG., as well as from other, mostly Chinese inverter manufacturers. In the North American residential market, we compete with manufacturers such as Tesla Inc. with traditional string-based solutions, as well as microinverter manufacturers such as Enphase Energy, Inc. In addition, there are several new entrants to the MLPE market, including low-cost Asian manufacturers; as well as software-based energy management solution providers, mainly in the European market.

Our DC optimized C&I and optimized utility systems compete with solutions from traditional providers of string inverters and batteries, such as SMA Solar Technology AG, Sungrow Power Supply Co., Ltd. Huawei Technologies Co. Ltd, Sigenergy Technology Co., Chint Power Systems America, as well as other C&I battery providers. Our energy management solution also competes with software-based energy management and operations and management platforms and similar platforms by our traditional competitors.

We believe that our DC optimized inverter and battery solutions, alongside our energy management, monitoring, design, and load control functions offer significant technology and cost advantages that reflect a competitive differentiation over traditional inverter systems and microinverter technologies, as well as over software-only solution providers.

Government Incentives

U.S. federal, state, and local government laws, regulations, and bodies as well as non-U.S. government bodies, provide incentives to owners, end users, distributors, and manufacturers of PV and BESS systems to promote solar electricity in the form of rebates, tax credits, lower VAT rate and other financial incentives such as system performance payments, payments for renewable energy credits associated with renewable energy generation, and exclusion of PV systems from property tax assessments. The market for on grid applications, where solar power is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, often depends in large part on the availability and size of these government subsidies and economic incentives, which vary from time to time by geographic market.

In August 2022, the U.S. government enacted IRA, which contains several provisions intended to accelerate U.S. manufacturing and adoption of clean energy such as solar, wind, hydrogen and electric vehicles and therefore had positive impacts on our business and operations along with the overall U.S. solar market. Some of the applicable provisions in the IRA that are positively impacting the market for renewable energy include the extension of 48E, the tech-neutral investment tax credit ("ITC"), and 45Y, the tech-neutral Production Tax Credit ("PTC"). The IRA includes incentives for residential and commercial solar customers and developers through the inclusion of ITCs for qualifying energy projects of up to 30% with a potential to gain further bonus credits such as through the utilization of Domestic Content.

Section 45X of the Internal Revenue Code (the "Code"), as enacted by the IRA, offers Advanced Manufacturing Production Tax Credits ("AMPTC"s or "45X Credits") that incentivize the manufacturing of eligible components within the U.S. In light of such incentives, in addition to the benefits to some of our U.S. customers, under the IRA, the Company established manufacturing capabilities in the U.S. in 2023, and further expanded such capabilities in 2024 and 2025. On October 24, 2024, regulations concerning the application of Section 45X were published by the U.S. Treasury Department which contain detailed rules concerning eligibility, qualifying and accounting for AMPTCs. Of particular relevance to the Company are the tax credits that we generate as a result of rules concerning the qualification and measurement of AMPTCs to Residential Inverters, Commercial Inverters and DC-Optimized Inverter Systems that we manufacture in the United States. In 2024 and 2025, we sold a significant part of the AMPTCs that we generated from our U.S. production of eligible components. Because these provisions both extend existing law and create new law, guidance concerning their implementation continues to be published by the U.S. Treasury Department and the Internal Revenue Service.

To the extent that tax benefits or credits may be impacted through new regulation, issued guidance, interpretation, or by new laws passed by Congress, our business could be disadvantaged or advantaged. We continue to monitor the benefits that may be available to us, such as the availability of tax credits for domestic manufacturers.

Impact of the H.R.1 on U.S. Tax Incentives

On July 4, 2025, H.R.1, was enacted into law (“H.R.1.” or the “OBCCA”) introducing amendments to the clean energy tax credits contained in the IRA. The IRA provides energy tax credits that are significant to SolarEdge and its U.S. based customers, and material changes thereto could materially and adversely affect our revenue, our eligibility for certain tax credits, tax credits available to our customers, competitiveness and demand for our products and our financial condition.

H.R.1 accelerates the phase-out timeline for certain credits, eliminates the 25D credit, and imposes new eligibility criteria. H.R.1 does not shorten the term of 45X Credits. Among other changes, H.R.1 shortens the term of the investment tax credit and production tax credit under Section 48E and 45Y of the Code, used by customers of SolarEdge who are engaged in third-party ownership (“TPO”) models, such as residential solar leases and power purchase agreements, and commercial solar customers and developers, shortening the end date from 2034 to 2027. However, H.R.1 also includes a 12-month period in which such customers can begin construction, giving them four years to complete their projects. Projects begun after twelve months from enactment of H.R.1 must be placed in service by December 31, 2027, to receive the credit. H.R.1 eliminates the individual residential tax credit under Section 25D of the Code at the end of 2025. These changes may negatively impact the eligibility of our customers and individuals to obtain tax credits, which may negatively affect the overall demand for our products. H.R.1 also amends the domestic content bonus credit rules for Section 48E projects. Projects commencing construction after June 16, 2025 must meet a 45% domestic content threshold, up from 40%. Since January 1, 2026, such threshold was increased to 50% and shall thereafter be further increased by 5% on an annual basis until and including 2029.

In addition, H.R.1 introduced new Foreign Entity of Concern (“FEOC”) requirements for Sections 45X, 45Y, and 48E of the Code. These restrictions require threshold percentages of non FEOC components that increase over time, beginning January 1, 2026. Currently, We manufacture components aimed to help our customers meet their non-FEOC percentage requirements. However, if Treasury were to release new rules or guidance that impact our ability to provide components with non-FEOC percentages towards their total requirement, our customers’ eligibility to qualify for certain tax credits could be impaired, which may adversely affect our revenue, gross margins, business operations and competitive position. In addition, as of January 1, 2026, in order to receive the 45X Credit manufacturers must also reach a required percentage of non-FEOC content in their manufactured components.

On February 12, 2026, the U.S Department of Treasury and IRS released IRS Notice 2026-15 providing additional guidance on H.R. 1 related to the Prohibited Foreign Entity rules (PFE) enacted in H.R. 1. Specifically, this notice confirms the ability to rely on temporary safe harbor tables and existing safe harbor tables for the determination of material assistance from a PFE. This guidance provides answers to several compliance questions related to the Company’s 45X Credit material assistance calculations and its customers 48E material assistance calculation among other things. While this removed some uncertainty around the Material Assistance Cost Ratio calculation, impending Notice of Proposed Rule and Final Rule on this same topic expected later this year could create challenges for the Company to meet the FEOC requirements or to assist our customers in meeting them. If we are unable to meet the requirements this may adversely affect our revenue, or our customers eligibility to obtain certain tax credits, the overall demand for our products, our results of operations and cash flows.

Trade Regulation and Import Tariffs

Our business activities are subject to numerous laws and regulations in the jurisdictions in which we operate. Particularly, our exports and imports are subject to complex trade and customs laws, tax requirements and tariffs set by governments through mutual agreements or unilateral actions. Countries duties, tariffs or other restrictions on our imports could adversely impact our business. Changes in tax policies or trade regulations, the disallowance of tax deductions on imported merchandise, or the imposition of new tariffs on imported products, could have an adverse effect on our business and results of operations.

We have relocated our contract manufacturing to the United States, where we manufacture the vast bulk of our products. We continue to manufacture a minor portion of our products in Israel, at our Sella 1 facility. Certain critical subcomponents for our products are still sourced from outside the United States. The escalation in trade tensions or the implementation of broader tariffs, trade restrictions or other measures on our products or components or subcomponents originating from countries outside of the United States, could adversely impact our ability to source necessary components or subcomponents, manufacture products at competitive cost, or sell our products at prices customers are willing to pay. In addition, retaliatory measures from other countries on products originating from the United States for export could adversely impact our ability to sell our products at competitive prices in such countries. Certain of the subcomponents used in our products are being imported to the United States from China, which may be subject to significantly increased tariffs. In light of the aforementioned, we continue to adjust our supply chains and are exploring alternative suppliers, however, there is no assurance that we will be successful in identifying suitable alternatives, or that such alternatives, if identified, will not result in increased costs or reduced operational efficiency.

The U.S. administration has announced proposed tariffs on products manufactured abroad that are intended to be sold in the U.S. market. Certain other countries have announced reciprocal and retaliatory measures for imports from the U.S. We continue to monitor how this situation could affect our global business operations and manufacturing in various jurisdictions. To the extent that our products or imported components could be subject to U.S. tariffs, our business could be adversely disadvantaged. The U.S. administration has also proposed imposed tariffs on the import of certain goods from China and other countries, which, if implemented could disadvantage some of our competitors.

Seasonality

The solar energy market is subject to seasonal and quarterly fluctuations affected by weather. For example, during the winter months in Europe and the northeastern U.S. where the climate is particularly cold and snowy, it is typical to see a decline in PV installations and this decline can impact the timing of orders for our products.

Sustainable, Responsible and Transparent Business Practices

During 2025, we continued making progress on our commitment to corporate social responsibility (“CSR”) performance and disclosure. Our CSR practices are guided by our mission of furthering our business to accelerate the move to a low-carbon world, powered by a decentralized, distributed, interconnected energy network, where electricity is generated, stored, managed and used in the most optimal manner. We have crafted a comprehensive sustainability strategy spanning various CSR matters. Our seventh annual Sustainability Report, published in 2025, was prepared in reference to leading global sustainability disclosure standards, GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board). Our sustainability strategy includes the following pillars:

- **Powering Clean Energy:** Accelerating the uptake of clean energy, delivering new smart energy, innovative solutions and improving the lifecycle impacts of our products.
- **Powering People:** Maintaining leading responsible employment practices, upholding human rights and investing in communities. In 2025, we continued to enhance our responsible employment practices, focusing on safety and on employee growth and development.
- **Powering Business:** Maintaining and reinforcing ethical conduct throughout our value chain, improving the efficiency of our resource consumption, and ethical sourcing of raw materials and components.

We believe that our sustainability strategy aligns directly with 10 United Nations Sustainable Development Goals (SDGs), and our products and activities are most critical to achievement of SDG #7, Affordable Clean Energy.

Human Capital

We believe our success depends on our ability to attract and retain outstanding employees at all levels of our business. As of December 31, 2025, we had 3,576 employees (full time and part time). Of these employees, 887 were engaged in research and development, 399 in sales and marketing, 1,935 in operations, production, quality and reliability, and support, and 355 in general and administrative capacities. Of our employees, 2,134 were based in Israel, 424 were based in India, 355 were based in the U.S., 432 were based in Europe, and 231 were based in the remaining countries in which we operate, including Thailand, Vietnam, Australia, and others.

None of our employees are represented by a labor union. We have not experienced any employment-related work stoppages, and we consider relations with our employees to be good.

Recruitment: We rely on the success of our recruitment efforts to attract and retain technically skilled people who can support our ongoing innovation and global operations. We aim to be inclusive in our hiring practices, focusing on the best talent for the role, welcoming all genders, nationalities, ethnicities, abilities and other dimensions of diversity.

Employee benefits: We aim to provide our employees with competitive salary and benefits that enable them to achieve a good quality of life and plan for the future. Our benefits differ according to local norms and market preferences, but typically include all salary and social benefits required by local law (including retirement saving programs, paid vacation and sick leave) and many additional benefits that go beyond legal requirements in local markets.

Leadership, Training and Development: We aim to provide our employees with advanced professional and development skills, so that they can perform effectively in their roles and build their capabilities and career prospects for the future. Our primary focus is on creating collaborative, internal learning experiences that support employee development and organizational objectives. We provide advanced professional training for sales, research, and development, and other functional teams through an annual training program. On an individual basis, we may offer formal learning opportunities through external educational resources when aligned with our business priorities.

Corporate Social Responsibility: We strive to offer equal opportunities in all roles, supporting and equal pay in accordance with equal opportunity laws.

Workplace safety and health: We believe that all accidents and injuries at work are preventable and we strive to achieve a zero-injury culture across our offices and operations. Our safety practices are designed to comply with applicable occupational health and safety regulations and are certified to Occupational Health and Safety Quality Management Standard ISO 45001:2018. Our safety practices include: nominated safety officers at each of our manufacturing or R&D sites, mandatory annual safety training for all employees, mandatory job-specific training for all employees in relevant roles (e.g., for those working in high-voltage labs), comprehensive safety, fire, and emergency drill programs so that our employees are well-versed with emergency procedures and root-cause assessments of incidents and corrective actions.

Corporate Information

We were incorporated in Delaware in 2006. Our principal executive offices are located at 1 HaMada Street, Herziliya Pituach, 4673335, Israel and our telephone number at this address is 972 (9) 957-6620. Our website is www.solaredge.com.

We file annual, quarterly and current reports, proxy statements and other documents with the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"). Our reports, proxy statements and other documents filed electronically with the SEC are available at the website maintained by the SEC at www.sec.gov.

We use the Investor Relations portion of our website at www.solaredge.com, as a routine channel of distribution of important information such as press releases, analyst presentations, corporate governance practices and corporate responsibility information, financial information including our annual, quarterly, and current reports, our proxy statements, and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the SEC. All such postings and filings are available on our Investor Relations website free of charge.

Information contained on our website is not incorporated by reference into this Annual Report, and you should not consider information contained on our website as part of this Annual Report.

ITEM 1A. Risk Factors

When evaluating our business, you should carefully consider the risks, events and uncertainties described below together with the other information set forth in this Annual Report on Form 10-K. The events and consequences discussed in these risk factors could materially affect our business, financial condition, results of operations and future growth prospects. The risks described below are not the only risks facing our company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and operating results in the future. Additionally, while some of the factors, events and contingencies described herein may have occurred in the past, the disclosures herein are not representations as to whether or not they have occurred, and are instead provided because future occurrences of such factors, events, or contingencies could have a material adverse effect.

Risk Factors Summary

The following summarizes the principal factors that make an investment in our Company speculative or risky. This summary should be read in conjunction with the full risk factors discussed below and should not be relied upon as an exhaustive summary of the material risks facing our business. The order of presentation is not necessarily indicative of the level of risk that each factor poses to us.

We face risks related to our business and our industry, including those related to:

- Our ability to be profitable in the future.
- The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our future prospects.
- Changes in tax laws, tax treaties, and regulations or the interpretation of them, including the IRA and the H.R.1;
- Changes in the global trade environment, including the United States trade environment, such as the increase or imposition of import tariffs;
- Fluctuations in demand for solar energy solutions, including if demand for solar energy solutions does not resume growth or grows at a slower rate than anticipated, and our ability to accurately forecast customer demand.
- Macroeconomic conditions in our domestic and international markets, as well as inflation concerns, instability of financial institutions, rising interest rates, and recessionary concerns.
- Changes in the U.S. and global trade environments, including the imposition and/or increase of import tariffs or other restrictive trade measures.
- The impact of declines in the retail price of electricity derived from the utility grid or from alternative energy sources.
- The impact of increases in interest rates or tightening of the supply of capital on the ability of end-users to finance the cost of a PV system.
- Interest rates and supply of capital in the global financial markets in general and in the PV market specifically;
- The impact of increased competition, including introductions of power optimizer, inverter, EV chargers, batteries and PV system monitoring products by our competitors.
- Our reliance on distributors and large installers to assist in selling our products, and the failure of these customers to perform as expected.
- Developments in alternative technologies or improvements in distributed solar energy generation.
- The cyclical nature of the solar industry.
- Defects or performance problems in our products.
- Our dependence on a small number of outside contract manufacturers, including difficulties increasing production with new contract manufacturers.
- Any delays, disruptions, or quality control problems in our manufacturing operations.
- Our dependence on a limited number of suppliers for key components and raw materials in our products to adequately meet anticipated demand.
- Changing political and geopolitical conditions could adversely impact our business and financial results.
- Changes in our geographic footprint or product and service offerings may subject us to additional business, operational, financial, competitive and compliance risks;
- our dependence upon a small number of outside contract manufacturers and limited or single source suppliers.
- Mergers in the solar industry among our current or potential customers.
- Our ability to implement our new ERP system;
- We have discontinued our e-Mobility business, energy storage business, and PV Tracker business, resulting in the write-off of tangible and intangible assets.
- Our ability to successfully operate our global operations with a reduced work force.
- Our ability to recognize expected benefits from cost reduction and restructuring.
- Any unauthorized access to, disclosure, or theft of confidential or personal information we gather, store, or use.
- Attempts by third parties, our employees, or our vendors to gain unauthorized access to our network or seek to compromise our products and services.
- Emerging issues related to the development and use of artificial intelligence could give rise to legal or regulatory action, damage our reputation, or otherwise materially harm of our business.
- Fluctuations in currency exchange rates.
- Changing political and geopolitical conditions could adversely impact our business and financial results
- Changes in our geographic footprint or product and service offerings may subject us to additional business, operational, financial, competitive and compliance risks.
- The loss of key executives, and our ability to retain key personnel and attract additional qualified personnel.
- Disruption to our business operations due to the evolving conflict in Israel and other conditions in Israel that affect our operations and may limit our ability to develop, produce and sell our products.
- The tax benefits that are available to us under Israeli law that require us to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.
- Difficulties in enforcing a judgment of a U.S. court against our officers and directors, to assert U.S. securities laws claims in Israel, or to serve process on our officers and directors.
- Our dependence on ocean transportation to deliver our products in a timely and cost-efficient manner.
- Fluctuations in global currency exchange rates.
- Our entry into business engagements with South Korean military bodies as our customers in the lithium-ion battery and energy storage business embodies a risk for potentially large-scale and uncapped liability.
- Corporate social responsibility and sustainability, including the impact of evolving legal and regulatory requirements.
- Natural disasters, public health events, significant disruptions of information technology systems, data security breaches, or other catastrophic events.

We face risks related to legal, compliance and regulatory matters, including those related to:

- Any reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications.
- Changes to net metering policies.
- We are subject to stringent and changing data privacy and security laws, rules, regulations and other obligations. These areas could damage our reputation, deter current and potential customers, affect our product design, or result in legal or regulatory proceedings and liability.
- Existing electric utility industry regulations and changes to regulations, which may present technical regulatory, and economic barriers to the purchase and use of PV systems.

We face risks related to intellectual property, including those related to:

- Our ability to protect our intellectual property and other proprietary rights.
- Any claims by third parties that we are infringing upon their intellectual property rights.
- Any claims for remuneration or royalties for assigned service invention rights by our employees.
- The impairment of our goodwill or other intangible assets.

We face risks related to our Notes and the ownership of our common stock, including those related to:

- Volatility of our stock price.
- Provisions in our certificate of incorporation and by-laws that may have the effect of delaying or preventing a change of control or changes in our management.
- The forum selection clause contained in our certificate of incorporation.
- Our ability to raise the funds necessary to settle conversion of our convertible senior notes or Notes in cash or to repurchase the Notes upon a fundamental change.
- Our ability to raise additional capital to execute on our current or future business opportunities.
- Our lack of plans to pay any cash dividends on our common stock in the foreseeable future.

Risk Factors

Risks related to Our Business and Our Industry

Our ability to be profitable in the future.

We incurred a net loss of \$405.4 million for the year ended December 31, 2025 and net loss of \$1,806.4 million for the year ended December 31, 2024. Beginning in the third quarter of 2023, we experienced a slowdown in the demand for our products and during the second part of the third quarter of 2023, we experienced substantial unexpected cancellations and push outs of existing backlog from our European distributors. We continued to experience a slowdown in demand for our products throughout the year ending December 31, 2024. Despite a prolonged softness in demand, in the year ending December 31, 2025, we have seen an increase in sales due to more normalized channel inventory in both the United States and in Europe.

In the future, our revenues may not grow at the pace we anticipate, or may decline for a number of reasons, many of which are outside our control, including a decline in demand for our products, a decrease in the growth of the solar industry, disadvantageous changes to tax law, tax treaties, regulations, and guidance and interpretations related thereto, and business and industry trends including component shortages, increased competition, and supply chain disruptions due to ocean freight capacity, shipping times and port congestions as well as other macroeconomic conditions in our domestic and international markets, inflation concerns, rising interest rates and recessionary concerns, or our failure to continue to capitalize on growth opportunities. If we fail to maintain sufficient revenue to support our operations, we may not be able to reach or sustain profitability.

In addition, we expect to incur additional costs and expenses related to the continued development, divestiture from businesses, expansion of our business, ongoing marketing, developing our products, development of our own manufacturing facilities, expanding into new product markets, maintaining and enhancing our research and development operations and hiring additional personnel. We do not know whether our revenues will grow rapidly enough to absorb these costs, or the extent of these expenses or their impact on the results of our operations.

The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our future prospects.

The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects.

The viability and demand for our products and services may be affected by many factors beyond our control, including:

- cost competitiveness, reliability and performance of PV systems compared to conventional and non-solar renewable energy sources and products;
- competing new technologies at more competitive prices than those we offer for our products and services;
- policy change and the introduction of tariffs affecting the manufacture or sale of our products;
- availability and amount of government subsidies and incentives to support the development and deployment of solar energy solutions;
- the extent of deregulation in the electric power industry and broader energy industries to permit broader adoption of solar electricity generation;
- prices of traditional carbon-based energy sources;
- adoption of our solutions by installers, system owners and solar financing providers;
- the ability of prospective system owners to obtain long-term financing for PV installations based on our product platform on acceptable terms or at all;
- levels of investment by end-users of solar energy products, which tend to decrease when economic growth slows; and
- the emergence, continuance or success of, or government support for, other alternative energy generation technologies and products.

Changes in tax laws, tax treaties, regulations, guidance or the interpretation of them, including the Inflation Reduction Act and the OBBBA

National, state and local government bodies in many countries, including the United States, have provided incentives in the form of rebates, tax credits, feed-in tariffs and others to manufacturers, system owners, distributors and installers of PV systems and battery energy storage systems.

In August 2022, the IRA was signed into federal law. The IRA provides for, among other things, certain incentives, including certain tax credits, for solar energy, that are significant to the Company and its U.S. based customers. On July 4, 2025, H.R.1 was enacted into law, introducing amendments to clean energy tax credits contained in the IRA. The H.R.1 accelerates the phase-out timeline for our customers' tax credits and imposes new eligibility criteria for the Company and our customers.

The Company has invested significant resources in establishing our manufacturing presence in the U.S. to benefit from the incentives available under the IRA, including tax credits available to us for manufacturing in the U.S. and tax credits available to certain of our U.S. customers. The Company established manufacturing capabilities in the U.S. in 2023 and further expanded such capabilities in 2024 and 2025. Moreover, we incorporate into our financial planning and agreements with our customers and suppliers certain assumptions regarding U.S. tax incentives. Material changes thereto could adversely affect our revenue, our eligibility for certain tax credits, tax credits available to our customers, competitiveness and demand for our products and our financial condition.

Section 45X of the Code, as enacted by the IRA, offers AMPTCs that incentivize the manufacturing of eligible components within the U.S. Of particular relevance to the Company are the tax credits that we generate as a result of rules concerning the qualification and measurement of AMPTCs to Residential Inverters, Commercial Inverters and DC-Optimized Inverter Systems that we manufacture in the United States. H.R.1 preserved the length of the term of such AMPTCs.

Among other changes, H.R.1 shortens the term of the investment tax credit and production tax credit under Section 48E and 45Y of the Code, available to the Company's customers, who are engaged in TPO models, such as residential solar leases and power purchase agreements, and commercial solar customers and developers, shortening the end date from 2034 to 2027. H.R.1 also includes a 12-month window in which such customers can begin construction, giving them four years to complete their projects. Projects begun after twelve months from enactment of H.R.1 must be placed in service by December 31, 2027, to receive the credit. H.R.1 also amended the domestic content bonus credit rules for Section 48E projects: projects commencing construction after June 16, 2025 must meet a 45% domestic content threshold, up from 40%, must meet a 50% threshold from and after January 1, 2026, and the threshold thereafter increases by 5% on an annual basis until 2029. H.R.1 eliminated the individual residential tax credit under Section 25D of the Code at the end of 2025. These changes may negatively impact the eligibility of our customers and individuals to obtain tax credits, which may negatively affect the overall demand for our products.

H.R.1 has also introduced new FEOC requirements including for Sections 45X, 45Y, and 48E of the Code. These restrictions will require threshold percentages of non-FEOC material assistance that increase over time, for projects that begin on or after January 1, 2026. On July 7, 2025, the President issued an Executive Order titled “Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources.” In response, on August 15, 2025, the U.S. Treasury Department released IRS Notice 2025-42, its first set of guidance for H.R. 1 related to beginning of construction requirements applicable to our customers. While it removed the ability for projects over 1.5 MW to utilize the 5% safe harbor method, it kept in place the offsite physical work test method for all size projects.

On February 12, 2026, the U.S Department of Treasury and IRS released IRS Notice 2026-15 providing additional guidance on H.R.1 related to the Prohibited Foreign Entity rules (PFE) enacted in H.R. 1. Specifically, this notice confirms the ability to rely on temporary safe harbor tables and existing safe harbor tables for the determination of material assistance from a PFE. This guidance provides answers to several compliance questions related to the Company’s 45X Credit material assistance calculations and its customers 48E material assistance calculation among other things. While this removed some uncertainty around the Material Assistance Cost Ratio calculation, impending Notice of Proposed Rule and Final Rule on this same topic expected later this year could create challenges for the Company to meet the FEOC requirements or to assist our customers in meeting them. If we are unable to meet the requirements this may adversely affect our revenue, or our customers eligibility to obtain certain tax credits, the overall demand for our products, our results of operations and cash flows.

We expect that the AMPTCs will be phased out by the end of 2031. Reductions in AMPTCs, without an offsetting reduction in our manufacturing costs, would adversely affect our results of operations and cash flows, and have an adverse impact on our gross margin, which may include transitioning into a gross loss. Such reductions may cause us to consider modifying the geographical footprint of our manufacturing to reduce our costs, which would require significant resources of the Company, and could adversely affect our competitiveness, business and financial condition.

Unfavorable regulatory treatment, guidance, interpretation, expiration of or changes to the benefits made available, which we relied upon in structuring certain projects and investments, or any adverse impacts on our ability to increase production in the U.S. in a timely manner to benefit from the incentives available under the IRA and H.R.1., could adversely impact our business and financial condition.

The U.S. Administration and to a lesser extent, portions of the European Union, have expressed a prioritization of fossil fuels over renewable energy. For example, in Germany there is a discussion regarding the possibility of reducing small residential customer’s feed-in tariffs. If successful, certain of these legislative actions could further slow the solar market potentially resulting in adverse effects on overall demand for our products, impacts to our revenue, operations and cash flows.

Demand for solar energy solutions fluctuates, and if demand for solar energy solutions does not resume growth or grows at a slower rate than anticipated, or if we are unable to accurately forecast customer demand, our business and results of operations will suffer.

Our revenues are primarily derived from products utilized in PV installations. Thus, our future success depends on continued demand for solar energy solutions and our ability, and the the ability of vendors to meet this demand. The solar industry is an evolving industry that has experienced substantial changes in recent years, and we cannot be certain that consumers, businesses, or utilities will adopt PV systems as an alternative energy source at levels sufficient to grow our business. If demand for solar energy solutions fails to continue to develop sufficiently, demand for our products and services will decrease, resulting in an adverse impact on our ability to increase our revenue and grow our business.

Additionally, there is fluctuating demand for solar energy solutions and we manufacture our products according to our estimate of future customer demand. We have experienced, and may in the future continue to experience, excess or shortages of product inventory as a result. This process requires us to make multiple forecasts and assumptions relating to the demand of our distributors, their end customers and general market conditions. As we sell most of our products to distributors, who in turn sell to their end customers, we have limited visibility as to end-customer demand. We depend significantly on our distributors to provide us visibility into their end-customer demand, and we use these forecasts to make our own forecasts and planning decisions. If the information from our distributors turns out to be incorrect or incomplete, then our own forecasts may also be inaccurate. Furthermore, we do not have long-term purchase commitments with most of our distributors or end customers, and our sales are generally made by purchase orders that may be canceled, changed or deferred without notice to us or penalty. As a result, it is difficult to forecast future customer demand to plan our operations.

The cancellation or deferral of product orders, or overproduction due to a change in anticipated order volumes could result in us holding excess or obsolete inventory, which could result in inventory write-downs and, in turn, could have a material adverse effect on our financial condition. For example, in the second part of 2023, the solar industry began to experience a downturn, particularly in Europe, and we experienced substantial unexpected cancellations and push outs of existing backlog from our European distributors. This was a result of operational challenges in the later part of 2022, followed by record level shipments in the first half of 2023, slowing market demand in the third quarter of 2023, and which continued through the year ending December 31, 2024, as distributors began to experience financial challenges. In November 2025, Posigen, Inc., a customer of ours, announced that it filed for Chapter 11 bankruptcy in the Southern District of Texas, following a major liquidity crisis, leading to cancellations of orders. Some of our customers and some installers who purchase our products from distributors have shown signs of financial distress and some have requested and received extended payment terms or loans from us. Additionally, uncertainty related to changes in tariffs, trade policies, legislation, and guidance including from H.R.1, may further contribute to market volatility and adversely impact customer demand for our products, pricing and our financial performance. We may have to make significant provisions for inventory write-downs based on events that are currently not known, and such provisions or any adjustments to such provisions could be material. We may also become involved in disputes with our suppliers who may claim that we failed to fulfill forecast or minimum purchase requirements.

Conversely, if we underestimate demand, we may not have sufficient inventory to meet end-customer demand, and we may incur excess costs related to expedited deliveries, lose market share, damage relationships with our distributors and end customers, harm our reputation and forego potential revenue opportunities. Obtaining additional supply in the face of product shortages may be costly or impossible, particularly in light of supply chain disruptions and our outsourced manufacturing processes, which could prevent us from fulfilling orders in a timely and cost-efficient manner or at all. In addition, if we overestimate our production requirements, our contract manufacturers may purchase excess components and build excess inventory. If our contract manufacturers, at our request, purchase excess components that are unique to our products and are unable to recoup the costs of such excess through resale or return or build excess products, we could be required to pay for these excess parts or products and recognize related inventory write-downs.

In addition, we plan our operating expenses, including research and development expenses, hiring needs and inventory investments, in part on our estimates of customer demand and future revenue. If customer demand or revenue for a particular period is lower than we expect, we may not be able to proportionately reduce our fixed operating expenses for that period, which would harm our operating results for that period.

Macroeconomic conditions in our domestic and international markets, as well as inflation concerns, instability of financial institutions, rising interest rates, and recessionary concerns may adversely affect our industry, business and financial results.

Our business depends on the overall demand for our solar energy products and on the economic health and willingness of our customers and potential customers to make capital commitments to purchase our products and services. As a result of macroeconomic or market uncertainty, including inflation concerns, rising interest rates, recessionary concerns, and geopolitical conflicts, customers may decide to delay purchasing our products and services or not purchase at all. In addition, a number of the risks associated with our business, which are disclosed in these risk factors, may increase in likelihood, magnitude or duration, and we may face new risks that we have not yet identified.

In the past, unfavorable macroeconomic and market conditions have resulted in sustained periods of decreased demand. Macroeconomic and market conditions could be adversely affected by a variety of political, economic or other factors in the U.S., Europe, and international markets, which could, in turn, adversely affect spending levels of installers and end users and could create volatility or deteriorating conditions in the markets in which we operate. Macroeconomic uncertainty or weakness could result in:

- reduced demand for our products as a result of constraints on capital spending for solar energy systems by our customers and/or a reduction in government subsidies for renewable energy investments;
- increased price competition for our products that may adversely affect revenue, gross margin and profitability;
- the introduction of any disadvantageous trade regulations and import tariffs;
- decreased ability to forecast operating results and make decisions about budgeting, planning and future investments;
- decrease in the popularity of solar energy as a green energy solution;

- business and financial difficulties faced by our suppliers or other partners, including impacts to material costs, sales, liquidity levels, ability to continue investing in their businesses, ability to import or export goods, ability to meet development commitments and manufacturing capability; and
- increased overhead and production costs as a percentage of revenue.

Reductions in customer spending in response to unfavorable or uncertain macroeconomic and market conditions, globally or in a particular region where we operate, would adversely affect our business, results of operations and financial condition.

A drop in the retail price of electricity derived from the utility grid or from alternative energy sources may harm our business, financial condition, results of operations, and prospects.

Decreases in the retail prices of electricity from the utility grid, or other renewable energy resources, would make the purchase of PV systems less economically attractive and would likely lower sales of our products. The price of electricity derived from the utility grid could decrease as a result of:

- construction of a significant number of new power generation plants, including plants utilizing natural gas, nuclear, coal, renewable energy, or other generation technologies;
- relief of transmission constraints that enable local centers to generate energy less expensively;
- reductions in the price of natural gas, or alternative energy resources other than solar;
- utility rate adjustment and customer class cost reallocation;
- energy conservation technologies and public initiatives to reduce electricity consumption;
- development of smart-grid technologies that lower the peak energy requirements of a utility generation facility;
- development of new or lower-cost energy storage technologies that have the ability to reduce a customer's average cost of electricity by shifting load to off-peak times; and
- development of new energy generation technologies that provide less expensive energy.

Moreover, technological developments in the PV and solar components industry could allow our competitors and their customers to offer electricity at lower costs than those that we can offer to our customers, which could result in reduced demand for our products. If the cost of electricity generated by PV installations incorporating our systems is high relative to the cost of electricity from other sources, our business, financial condition, and results of operations may be negatively impacted.

An increase in interest rates or tightening of the supply of capital in the global financial markets could make it difficult for end-users to finance the cost of a PV system and could reduce the demand for smart energy products and thus the demand for our products.

Many end-users depend on financing to fund the initial capital expenditure required to develop, build, or purchase a PV system. An increase in interest rates or a reduction in the supply of project debt financing or tax equity investments, could reduce the number of solar projects that receive financing or otherwise make it difficult for our customers or the end-users to secure the financing necessary to develop, build, purchase, or install a PV system on favorable terms, or at all, and thus lower demand for our products which could limit our growth or reduce our net sales. In addition, we believe that a significant percentage of end-users install PV systems as an investment, funding the initial capital expenditure through financing. An increase in interest rates could lower such end-user's return on investment on a PV system, increase equity return requirements or make alternative investments more attractive relative to PV systems, and, in each case, could cause such end-users to seek alternative investments. During 2022 and 2023, record levels of inflation resulted in significant volatility and disruptions in the global economy. In response to rising inflation, central banks in the markets in which we operate, including the U.S. Federal Reserve and the European Central Bank, tightened their monetary policies and raised interest rates. Such measures have adversely impacted the demand for our products and may continue if there is a period of sustained heightened inflation.

The market for our products is highly competitive and we expect to face increased competition as new and existing competitors introduce power optimizers, EV chargers, inverters, PV system monitoring, batteries and other smart energy products, which could negatively affect our results of operations and market share.

The market for PV solutions is highly competitive and increasing competition may adversely affect our market share, revenues, gross margins, and profitability. We principally compete with traditional inverter manufacturers, microinverter manufacturers, and emerging MLPE technology providers. Our DC optimized inverter system competes with products from these traditional competitors as well as new entrants offering alternative MLPE technologies. Over the last years, several new entrants to the inverter and MLPE market, including low-cost Asian manufacturers, have entered, announced, or expanded into markets in which we sell our products, including, with respect to sales in the U.S., Australia, and in Europe. We expect competition to intensify as new and existing competitors enter the market. Increasing competition is being driven by evolving safety standards, the emergence of higher-power PV modules, rising demand for storage solutions, and the entry of additional MLPE, inverter, battery, and software-based energy-management providers across our key markets, across both our residential and C&I markets. If these technologies are successful in offering a price competitive and technological attractive solution to the PV market, this could make it more difficult for us to maintain market share.

Several of our existing and potential competitors have the financial resources or have received financial resources or benefit from government subsidies or state-supported financing, in order to offer competitive products at aggressive or below-market pricing levels, which could cause us to lose sales or market share or require us to lower prices for our products in order to compete effectively. Specifically, competition from Chinese state owned or financed companies pose pricing pressure on us and may exacerbate regional market volatility. If we have to reduce our prices more than anticipated, or if we are unable to offset any future reductions in our average selling prices by increasing our sales volume, reducing our costs and expenses or introducing new products, our revenues and gross profit would suffer.

In addition, competitors may be able to develop new technologies or products more quickly than us, may partner with other competitors to provide combined technologies and competing solutions and may be able to develop products that are more reliable or that provide more functionality than ours.

Developments in alternative technologies or improvements in distributed solar energy generation may have a material adverse effect on demand for our offerings.

Significant developments in alternative technologies, such as advances in other forms of distributed PV power generation, storage solutions, such as batteries, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of centralized power production, may have a material adverse effect on our business and prospects. Any failure by us to adopt new or enhanced technologies, processes, or to react to changes in existing technologies, could result in product obsolescence, the loss of competitiveness of our products, decreases in our revenue, and a loss of market share to competitors.

The solar industry has historically been cyclical and experienced periodic downturns.

Our future success partly depends on continued demand for PV systems in the end-markets we serve, including the residential and commercial sectors in the U.S., Europe and additional international markets. The solar industry has historically been cyclical and has experienced periodic downturns which have affected and may in the future affect demand for our products. The solar industry has undergone challenging business conditions in past years, including downward pricing pressure for PV modules, mainly as a result of overproduction, and reductions in applicable governmental subsidies, contributing to demand decreases. For example, since the second part of 2023, throughout 2024, and throughout 2025 the solar industry experienced a downturn, which persists. This downturn initially led to a large amount of requests to cancel or push out orders during 2023 and into 2024, and the buildup of a significant backlog for our products. In the second half of 2023, throughout 2024, and throughout 2025, with a downturn of the renewable energy demand, some players in the market have announced exiting the solar market and others have shown signs of financial distress. For example, in November 2025, Posigen, Inc., a customer of ours, announced that it filed for Chapter 11 bankruptcy in the Southern District of Texas, following a major liquidity crisis. Some of our customers and some installers who purchase our products from distributors have shown signs of financial distress and some have requested and received extended payment terms or loans from us. There is no assurance that the solar industry will not suffer additional significant downturns in the future, which will adversely affect demand for our solar products and our results of operations.

Defects or performance problems in our products could result in loss of customers, reputational damage, and decreased revenue, and we may face warranty, indemnity, and product liability claims arising from defective products.

Although our products meet our stringent quality requirements, they may contain undetected errors or defects, especially when first introduced or when new generations are released. Errors, defects, or poor performance can arise due to design flaws, defects in raw materials or components or manufacturing difficulties, which can affect both the quality and the yield of the product. Any actual or perceived errors, defects, or poor performance in our products could result in the replacement or recall of our products or components thereof, shipment delays, rejection of our products, damage to our reputation, lost revenue, diversion of our personnel from our product development efforts, and increases in customer service and support costs, all of which could have a material adverse effect on our business, financial condition, and results of operations.

Furthermore, defective components may give rise to warranty, indemnity, or product liability claims against us that exceed any revenue or profit we receive from the affected products. In most cases, we offer a 12-year limited warranty for our inverters, extendable to twenty-five years for an additional cost, a 25-year limited warranty for our power optimizers and a 10-year limited warranty for our residential batteries and storage solutions. Our limited warranties cover defects in materials and workmanship of our products under normal use and service conditions; therefore, we bear the risk of warranty claims long after we have sold products and recognized revenue. While we do have accrued reserves for warranty claims, our estimated warranty costs for previously sold products may change to the extent future products are not compatible with earlier generation products under warranty. Our warranty accruals are based on our assumptions and in some cases we do not have a long history of making such assumptions. These assumptions could prove to be materially different from the actual performance of our systems, or from claims made by installers, customers or end users, causing us to incur substantial unanticipated expenses to repair or replace defective products in the future or to compensate customers for defective products. Our failure to accurately predict future claims could result in unexpected volatility in, and have a material adverse effect on, our financial condition. In particular, our commercial CSS-OD batteries are relatively new to the market, and our operational experience in servicing these products is still developing.

If one of our products were to cause injury to someone or cause property damage, or in the event that a claim is made alleging false or misleading advertisement, unfair competition or other consumer related claims, we could potentially be exposed to product liability claims and lawsuits which could result in significant costs and liabilities if damages are awarded against us. Further, any product liability claim we face could be expensive to defend and could divert management's attention. Even in litigation where we believe our liability is remote, there is a risk that a negative finding or decision in a matter involving multiple plaintiffs or a purported class action could have a material adverse effect on our competitive position, results of operations or financial condition.

The successful assertion of a product liability claim against us could result in potentially significant monetary damages, penalties or fines, subject us to adverse publicity, damage our reputation and competitive position, and adversely affect sales of our products. In addition, product liability claims, injuries, defects, or other problems experienced by other companies in the residential solar industry could lead to unfavorable market conditions for the industry as a whole.

Changes in our geographic footprint or product and service offerings may subject us to additional business, operational, financial, competitive, and compliance risks.

In 2025, we began to strategically focus on our core markets and product lines to better align resources with markets and product lines that exhibit the strongest potential. As part of this strategic portfolio rationalization, we are concentrating our operations in key jurisdictions while discontinuing local activities in certain countries. As such, we are focusing on markets where we believe we will recognize the most opportunity. We have in the past, and may in the future, evaluate opportunities to leave geographic markets if they are not profitable or expand into new geographic markets and introduce new product offerings and services. We may sell subsidiaries, business, or disengage with product lines in order to further our focus on our core business and as a cost-reduction effort. We may also engage in acquisitions of businesses or product lines with the potential to strengthen and expand our market position, technological capabilities, or provide synergy opportunities.

Throughout the last years, we have divested from certain businesses and markets in order to focus on our core business. In October 2023, the Company decided to discontinue its LCV e-Mobility activity. In November 2024, the Company decided to discontinue its Energy Storage business related to the manufacture of batteries, mainly at our Sella2 location in South Korea in order to focus on the Company's core solar business. On September 4, 2025, as part of the decision to close our Energy Storage Division, we sold our last battery cell manufacturing facility in South Korea. In April 2025, we divested from our PV tracker business, as part of our effort to focus on our core activities. Our divestiture from any market or business has costs, could result in us holding excess or obsolete inventory, which could result in inventory write-downs and, in turn, could have a material adverse effect on our financial condition. Our divestiture from any geographic markets may involve significant operational, legal, and financial risks. Decisions to discontinue operations in a region—whether due to unfavorable regulatory changes, sustained decreases in demand, macroeconomic deterioration, or shifts in strategic priorities could result in the loss of established customer relationships, impairment of long-lived assets, and increased costs associated with contract terminations, workforce reductions, or regulatory compliance. Additionally, withdrawal from a market may adversely affect our brand reputation, limit future growth opportunities in that region, and increase the complexity of managing our global operations, any of which could materially and adversely affect our business, financial condition, and results of operations.

Our successful operation in any market, including those we exit, re-enter, or any acquired business, will depend on a number of factors, including our ability to develop solutions to address the requirements of the homeowners, regulators, large commercial and utility-scale PV markets, timely certification of new products for large commercial and utility-scale PV installations, acceptance of power optimizers in PV markets in which they have not traditionally been used, and our ability to manage increased manufacturing capacity and production and to identify and integrate any acquired businesses.

Further, we expect PV markets and additional markets that we have entered, exited, or may enter into, to have different characteristics from the markets in which we currently sell our products. Our success will depend on our ability to properly adapt to these differences, which include differing regulatory requirements, such as tax laws, trade laws, labor regulations, tariffs, export quotas, customs duties, or other trade restrictions, limited or unfavorable intellectual property protection, international, political or economic conditions, restrictions on the repatriation of earnings, longer sales cycles, warranty expectations, product return policies and cost, and performance and compatibility requirements. In addition, expanding into new geographic markets will increase our exposure to existing risks, such as fluctuations in the value of foreign currencies and increased expenses in complying with U.S. and foreign laws, regulations and trade standards, including the Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”).

Failure to successfully develop and introduce new products, successfully integrate acquired businesses, or to otherwise manage the risks and challenges associated with our potential expansion into new product and geographic markets, could adversely affect our revenues and our ability to sustain profitability.

We depend upon a small number of outside contract manufacturers. Our operations could be disrupted if we encounter problems with these contract manufacturers, including difficulties ramping production with new contract manufacturers.

While we manufacture a small portion of our products in Israel, we heavily rely upon our contract manufacturers to manufacture most of our products. We mainly rely on two contract manufacturers. Any change in our relationship or contractual terms with our contract manufacturers, or changes in our contract manufacturers’ ability to comply with their contractual obligations could adversely affect our financial condition and results of operations. Our reliance on a small number of contract manufacturers makes us vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields and costs. Even though we also manufacture in our facilities in Israel, the expected production volumes will not be sufficient to relieve our significant dependence on our contract manufacturers. In addition, we remain heavily dependent on suppliers of the subcomponents and components needed for our manufacturing.

The revenues that our contract manufacturers generate from our orders represent a relatively small percentage of their overall revenues. Therefore, fulfilling our orders may not be considered a priority in the event of constrained ability to fulfill all of their customer obligations in a timely manner.

If either of our contract manufacturers were unable or unwilling to manufacture our products in required volumes and at high quality levels or continue to supply under existing terms, we would have to identify, qualify, and select acceptable alternative contract manufacturers, which may not be available to us when needed or may be unable to satisfy our quality or production requirements on commercially reasonable terms. Any significant interruption in manufacturing would require us to reduce our supply of products to our customers or increase our shipping costs to make up for delays in manufacturing, which in turn could reduce our revenues, harm our relationships with our customers, subject us to liquidated damages for late deliveries, and damage our reputation with local installers and potential end-users, all of which will cause us to forego potential revenue opportunities.

Further, the ramping up of a new contract manufacturer is time consuming and draining on the resources of our operations team. For example, in light of the IRA, a law in the United States that incentivizes the local manufacturing of renewable energy products by providing benefits to installers for the purchase and installation of U.S.-manufactured products as well as by incentivizing manufacturers of such products domestically, we have engaged two contract manufacturers in the U.S. Our ability to ramp up production with these contract manufacturers in a timely manner, and to realize the benefits from the IRA as planned, is dependent upon supply times of equipment deliveries and readiness of the assembly lines, recruitment and training of the necessary work force, ramp up of the assembly lines and the quality of the initial production.

We may experience delays, disruptions, or quality control problems in our manufacturing operations.

Our product development, manufacturing, and testing processes are complex and require significant technological and production process expertise involving several precise steps from design to production. Any change in our processes could cause one or more production errors, requiring a temporary suspension or delay in our production line until the errors can be identified and properly rectified. This may occur particularly as we introduce new products, modify our engineering and production techniques, and/or expand our capacity. In addition, our failure to maintain appropriate quality assurance processes could result in increased product failures, loss of customers, increased warranty reserve, increased costs and delays, all of which could have a material adverse effect on our business, financial condition, and results of operations.

We depend on a limited number of suppliers for key components and raw materials in our products to adequately meet anticipated demand. Due to the limited number of such suppliers, any changes or shortages in raw materials or key components we use could result in sales delays, higher costs associated with air shipments, cancellations, and loss of market share.

We depend on limited or single source suppliers for certain key components and raw materials used to manufacture our products, making us susceptible to quality issues, shortages and price changes. Any of these limited or single source suppliers could stop supplying, or offering at commercially reasonable prices, our components or raw materials, cease operations or be acquired by, or enter into exclusive arrangements with our competitors. Moreover, we rely on suppliers in China for certain key subcomponents or components, and rising tensions between China and other countries could damage our relationships with these suppliers. It may be difficult to timely identify and/or qualify alternate suppliers on commercially reasonable terms; therefore, our ability to satisfy customer demand may be adversely affected. Transitioning to a new supplier or redesigning a product to accommodate a new component manufacturer would result in additional costs and delays that could harm our business or financial performance.

In addition, given our dependence on suppliers in China, changes in international trade policies, tariffs, or trade disputes could significantly and adversely affect our business, revenues, margins, results of operations, and cash flows.

Managing our supplier and contractor relationships is particularly difficult when we are introducing new products. For example, as we began to ramp assembly and production of residential and commercial batteries we became heavily reliant on new third-party suppliers that needed to be approved through rigorous testing and validation processes for use in our supply chain. Once selected, it is time consuming and costly to replace such vendors. Any delay or shortage of supply or inability to deliver the components to our manufacturing facilities could harm our business or financial performance.

Any interruption in the supply of limited source components or raw materials for our products would adversely affect our ability to meet scheduled product deliveries to our customers and could result in lost revenue or higher expenses associated with increased air shipments required to meet customer demand in a timely manner and would harm our business.

Changing political and geopolitical conditions could adversely impact our business, our financial results, and the global energy market.

Changes in the political conditions in markets in which we manufacture, sell, or distribute our products, as well as changing geopolitical conditions, may be difficult to predict and may adversely affect our business, operations, and financial results. Results of elections, referendums, the implementation of trade restrictions, sanctions or other political processes and pressures in certain markets in which our products are manufactured, sold or distributed have created and could continue to create uncertainty regarding how existing governmental policies, laws and regulations may change, including with respect to sanctions, taxes, tariffs, import and export controls and the general movement of goods, materials, services, capital, data and people between countries. The potential implications of such uncertainty, which include, among others, exchange rate fluctuations, variability, and unpredictability in trade relations such as U.S. trade relations, new or increased tariffs, trade barriers and market contraction, could adversely affect the Company's results of operations and cash flows.

For example the conflict that began between Russia and Ukraine in late February 2022 may lead to disruptions to our supply-chain and logistics. Specifically, the conflict may disrupt the transit of goods by train from China to Europe, resulting in an increase in prices of certain raw materials that we use in the manufacture of our products. In addition, the governments of the U.S., the European Union, Japan and other jurisdictions announced sanctions on certain industry sectors and parties in Russia and the regions of Donetsk and Luhansk, as well as enhanced export controls on certain products and industries. These and any additional sanctions, as well as any counter responses by the governments of Russia or other jurisdictions, could adversely affect the global financial markets generally and levels of economic activity as well as increase financial markets volatility and any additional measures or sanctions, as well as the resulting rise in prices of oil and certain raw materials sourced in Russia may disrupt our business and results of operations and/or adversely affect the pricing of our products.

We rely on distributors and large installers to assist in selling our products, and the failure of these customers to perform as expected could reduce our future revenues.

Our customers' decisions to purchase our products are influenced by several factors outside of our control. The agreements we have with some of our largest customers do not have long-term purchase commitments and are generally cancellable by either party after a relatively short notice period. The loss of, or events affecting, one or more of these customers could have a material adverse effect on our business, financial condition, and results of operations (see Note 2.aa to our consolidated financial statements).

In addition, we do not have exclusive arrangements with our third-party distributors and large installers, many of which also market and sell products from our competitors. These distributors and large installers may terminate their relationships with us at any time and with little or no notice. Further, these distributors and large installers may fail to devote resources necessary to sell our products at the prices, in the volumes, and within the time frames that we expect, or may focus their marketing and sales efforts on products of our competitors. Termination of agreements with current distributors or large installers, failure by these distributors or large installers to perform as expected, or failure by us to cultivate new distributor or large installer relationships, could hinder our ability to expand our operations and could negatively impact our revenue and results of operations.

In the second half of 2023, throughout 2024, and throughout 2025, with a downturn of the renewable energy demand, some players in the market have announced exiting the solar market and others have shown signs of financial distress. For example, in November 2025, Posigen, Inc., a customer of ours, announced that it filed for Chapter 11 bankruptcy in the Southern District of Texas. Some of our customers and some installers who purchase our products from distributors have shown signs of financial distress and some have requested and received extended payment terms or loans from us. If these installers and distributors become insolvent or if some of their customers fail to pay our distributors for products sold by such distributors, we may need to write off some of their debt to us and we may suffer harm to our business, financial condition, and results of operations.

Mergers in the solar industry among our current or potential customers may adversely affect our competitive position.

There have been consolidation activities among distributors, large installers, and other strategic partners in the solar industry. For example in SunPower Inc. a solar technology, services and installation company acquired Sunder Energy, a leading residential solar sales company, in September 2025. In November 2025, Sun Power Inc also acquired Ambia Solar, a residential solar installation company. Additionally, in September 2025, Solaris Assets, LLC, and certain of its affiliates acquired substantially all the assets and business operations of Sunnova Energy International Inc., a residential solar and battery storage services company. If consolidations persist in the solar industry, our customers may be impacted, as we may increase our reliance on a small number of customers for a significant portion of our sales and may negatively impact our competitive position in the solar market.

Our ability to implement our new ERP system could adversely impact our business and operations.

We rely extensively on information systems and technology to manage our business and summarize operating results. We substantially completed the implementation of our new global ERP system during the fiscal quarter ended June 30, 2025. We are performing our post-implementation activities. The implementation of that ERP system is expected to, among other things, improve user access security and automate a number of accounting, back office and reporting processes and activities, thereby decreasing the amount of manual processes previously required. The implementation resulted in, and the post-implementation activities may result in, changes to certain of our processes and procedures. These changes have been and will continue to be subject to our evaluation of the operating effectiveness of internal controls over financial reporting. The ERP system is designed to accurately maintain the Company's financial records, enhance operational functionality and provide timely information to the Company's management team related to the operation of the business. The ERP system implementation process has required, and will continue to require, the investment of significant personnel and financial resources. We may not be able to successfully complete the implementation of our ERP system without experiencing delays, increased costs and other difficulties. If we are unable to successfully design and utilize the new ERP system as planned, our financial positions, results of operations and cash flows could be negatively impacted. Additionally, if we do not effectively utilize the ERP system as planned or the ERP system does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected or our ability to assess those controls adequately could be delayed.

We have discontinued our e-Mobility business, energy storage business, and PV Tracker business, resulting in the write-off of tangible and intangible assets.

In October 2023, the Company decided to discontinue its LCV e-Mobility activity related to the supply of products to its sole customer, Stellantis. Our e-Mobility business does not have projects in the pipeline, and we do not plan to engage additional customers or generate revenues from the e-Mobility business. We have therefore discontinued this business. In November 2024, the Company announced that it intends to discontinue its Energy Storage business related to the manufacture of batteries, mainly at our Sella 2 location in South Korea in order to focus on the Company's core solar business. On September 4, 2025, as part of the decision to close our Energy Storage Division, we sold our last battery cell manufacturing facility in South Korea. During December 2025, the Company decided to undertake actions necessary to substantially complete the liquidation process of SolarEdge Technologies Korea Co., Ltd. In April 2025, we divested from our PV tracker business, as part of our effort to focus on our core activities.

In the year ended December 31, 2023, we impaired tangible assets including machinery and inventory write-off related to our e-Mobility business. In the year ending December 31, 2024 we impaired goodwill and intangible assets and inventory write-off relating to our and Energy Storage Division. In the year ending December 31, 2025, we impaired our e-Mobility and Energy Storage held-for-sale assets to its fair value and did not impair any goodwill or intangible assets. Any future impairment charges could have a negative impact on our operating results and related financial statements.

Our ability to successfully operate our global operations with a reduced work force

The workforce reductions we have implemented as part of our Restructuring Plans may negatively impact our ability to attract, integrate, retain and motivate highly qualified employees, may harm our reputation with current or prospective employees, may cause disruption to our business and result in the loss of institutional knowledge, and may impede the execution of our day-to-day operations and affect our ability to execute our business strategy. Under the Restructuring Plans, the Company reduced its workforce globally, throughout the last two years, through involuntary workforce reductions in order to better align the Company with current market conditions.

We may not realize expected benefits from our cost reduction and restructuring efforts, and our profitability or our business otherwise might be adversely affected.

In order to operate more efficiently and cost effectively, we have, and we may from time to time, adjust employment levels, optimize our footprint and/or implement other restructuring activities. For example, in January, July, and November 2024, as well as January 2025, we announced adoption of a restructuring plan in response to challenging industry conditions, including a reduction in workforce. In 2025, we began to strategically focus on our core markets and product lines to better align resources with markets and product lines that exhibit the strongest potential. As part of this strategic portfolio rationalization, we are concentrating our operations in key jurisdictions while discontinuing local activities in certain countries. These activities are complex and may involve or require significant changes to our operations. If we do not successfully manage these activities, expected efficiencies and benefits might be delayed or not realized. Risks associated with these actions and other workforce management issues include: unfavorable political responses and reputational harm; unforeseen delays in the implementation of the restructuring activities; additional costs; adverse effects on employee morale; the failure to meet operational targets due to the loss of employees or work stoppages; and difficulty managing our operations during or after facility consolidations, any of which may impair our ability to achieve anticipated cost reductions, harm our business or reputation, or have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

Any unauthorized access to, disclosure, or theft of confidential or personal information we gather, store, or use could harm our reputation and subject us to claims or litigation.

Our business and operations may be impacted by cybersecurity incidents data security breaches and cybersecurity attacks, including attempts to gain unauthorized access to confidential data. We receive, store, and use certain personal information of our employees, customers, and the end-users of our customers' PV systems. We may also share information with contractors and third-party providers to conduct our business. Although such contractors and third-party providers typically implement encryption and authentication technologies to secure the transmission and storage of data, those third-party providers may experience a significant data security breach, which may also detrimentally affect our business, results of operations, and financial condition. Our end-user product installations are monitored and supported remotely by our SAAS-based monitoring service. Our business, products, and operations may be impacted by attempts to interrupt our monitoring capabilities or attempts to interrupt the normal operation of existing installations, which could also affect electric grid operations. Our business operations, including manufacturing, shipments and sales may be materially impacted by attempts to sabotage the operations. Our ongoing business in all departments is dependent upon digital technology and use of computers for daily use and may be materially affected by attempts to disrupt our networks.

As detailed in Item 1C. - Cybersecurity, we take steps to protect the security, integrity, and confidentiality of our data, products, and the personal information we process; however, we have been subject to cybersecurity attacks, cyber incidents, and other information technology system disruptions in the past and there is no guarantee that inadvertent or unauthorized access, use or disclosure or cybersecurity incident, in each case, which could have material impact on us, will not occur despite our efforts. As such, while we have not experienced a material cybersecurity incident to date, a material cybersecurity incident could materially affect the integrity of our information systems, products, operations and production, including our ability to produce goods or provide services and our ability to timely and accurately produce financial reports. In addition, because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until after they are launched against a target, we and our suppliers or vendors may be unable to anticipate these techniques or to implement adequate preventative or mitigatory measures.

Unauthorized use or disclosure of, or access to, any personal information maintained by us or on our behalf, whether through breach of our systems, breach of the systems of our suppliers or vendors by an unauthorized third party, or through employee or contractor error, theft or misuse, or otherwise, could harm our business, particularly in light of the European General Data Protection Regulation, the California Consumer Privacy Act, and other state and federal laws in the U.S., and global laws which are already in effect or are coming into effect between 2024 and 2026. If any such unauthorized use manipulation, corruption, loss, or disclosure of, or access to, such personal information were to occur, our operations could be seriously disrupted, including the inability to render services due to system outages, and we could be subject to demands, claims and litigation by private parties, and investigations, related actions, and penalties by regulatory authorities. In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of foreign, federal, state, and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information. Any perceived or actual unauthorized access to, or use or disclosure of, such information could harm our reputation, substantially impair our ability to attract and retain customers, and have an adverse impact on our business, financial condition and results of operations. Any of the foregoing may be exacerbated by a delay or failure to detect a cybersecurity incident or the full extent of such incident. We may be required to incur significant costs to analyze any such event and to protect against damage caused by these disruptions or security breaches in the future. In addition, our liability insurance, which includes cyber insurance, might not be sufficient in type or amount to cover us against claims related to security incidents, cyberattacks and other related incidents.

Attempts by third parties, our employees, or our vendors might gain unauthorized access to our network or seek to compromise our products and services.

Our products and services involve the storage, handling, and transmission of proprietary and other sensitive information. Malicious software such as viruses, software bugs, theft, misuse, defects, vulnerabilities in our products and services, as well as cyber attacks, phishing schemes, and other types of security breaches expose us to a risk of loss or improper use and disclosure of such information, which could result in litigation and other potential liabilities, including regulatory fines and penalties, as well as reputational harm. We have added new features involving AI to our offerings and internal systems, and features that rely on AI that may be susceptible to unanticipated security threats as our and the market's understanding of AI-centric security risks and protection methods continue to develop.

Occasionally, we face attempts by others, including our own employees or vendors, to access our networks, to gain unauthorized access through the Internet, introduce malicious software to our information technology (IT) systems, or corrupt the processes of hardware and software products that we manufacture and services we provide. We or our products may be a target of computer hackers, organizations, or malicious attackers who attempt to gain access to our network or data centers or those of our customers or end users; steal proprietary information related to our business, products, employees, and customers; or interrupt our systems or those of our customers or others. Occasionally, we encounter intrusions or attempts at gaining unauthorized access to our network. To date, none of these incidents have resulted in any material adverse impact to our business or operations, although there can be no guarantee that such impacts will not be material in the future. While we seek to detect and investigate all unauthorized attempts and attacks against our network and products, and to prevent their recurrence where practicable, we remain potentially vulnerable to additional known or unknown threats. In addition to intentional third-party cybersecurity breaches, the integrity and confidentiality of Company and customer data may be compromised as a result of human error, product defects, or technological failures. Cybersecurity breaches, whether successful or unsuccessful, and other IT system interruptions, including those resulting from human error and technological failures, could subject us to significant costs arising from, among others, rebuilding internal systems, reduced inventory value, providing modifications to our products and services, defending against litigation, responding to official inquiries or actions, paying damages, or taking other remedial steps with respect to third parties.

Emerging issues related to the development and use of artificial intelligence could give rise to legal or regulatory action, damage our reputation, or otherwise materially harm of our business.

Our development and use of AI technology in our products and operations remains in the early phases. While we aim to develop and use AI responsibly and attempt to mitigate ethical and legal issues presented by its use, we may ultimately be unsuccessful in identifying or resolving issues before they arise. AI technologies are complex and rapidly evolving, and the technologies that we develop or use may ultimately be flawed. Moreover, AI technology is subject to rapidly evolving regulations, which could impose significant costs and obligations on us. This includes actual and pending orders and laws by the U.S. federal government, the European Union and other jurisdictions in which we operate. Emerging regulations may also pertain to the ethical use of AI, as well as clarifying intellectual property considerations. Our use of AI could give rise to legal or regulatory action or increased scrutiny or liability, and may damage our reputation or otherwise materially harm our business.

Our evolving AI-related efforts may give rise to risks related to harmful content, inaccuracies, discrimination, intellectual property infringement or misappropriation, violation of rights of publicity, defamation, data privacy, cybersecurity, and other issues. As a result of these and other challenges associated with innovative technologies, our implementation of AI systems could subject us to competitive harm, regulatory action, legal liability (including under new and proposed legislation and regulations), new applications of existing data protection, privacy, intellectual property, and other laws, and brand or reputational harm. Some uses of AI will present ethical issues and may have broad effects on society. In order to implement AI responsibly and minimize unintended harmful effects, we have already devoted and will continue to invest significant resources to develop, test, and maintain our products and services, but we may not be able to identify or resolve all AI-related issues, deficiencies, and/or failures before they arise. Unintended consequences, uses, or customization of our AI tools and systems may negatively affect human rights, privacy, employment, or other social concerns, which may result in claims, lawsuits, brand or reputational harm, and increased regulatory scrutiny, any of which could harm our business, financial condition, and operating results.

Furthermore, AI technology and services are highly competitive, rapidly evolving, and require significant investment, including technical infrastructure, development and operational costs, to meet the changing needs and expectations of our existing users and attract new users. Our ability to correctly deploy certain AI technologies is critical for our products and services and for our business strategy may depend on the availability and pricing of third-party equipment and other technical infrastructure operations costs, including network capacity, energy, and equipment costs. Additionally, other companies may develop AI products and technologies that are similar or superior to our technologies or more cost-effective to develop and/or deploy. Other companies may also have (or in the future may obtain) patents or other proprietary rights that would prevent, limit, or interfere with our ability to make, use, or sell our own AI products and services.

The loss of key executives, and our ability to retain key personnel and attract additional qualified personnel

On August 26, 2024, the Company's former Chief Executive Officer, Zvi Lando resigned, and the Board of Directors appointed its former Chief Financial Officer, Ronen Faier to the position of interim Chief Executive Officer. In conjunction with this transition, the Board of Directors also appointed Ariel Porat, formerly the Company's Senior Vice President of Finance, to serve as Chief Financial Officer. On December 4, 2024, Shuki Nir was appointed as the Company's CEO. On December 31, 2024, Rachel Prishkolnik, the Company's VP General Counsel and Corporate Secretary retired from her position and was replaced by Dalia Litay, the Company's new Chief Legal Officer. On March 3, 2025, Asaf Alperovitz replaced Ariel Porat as the Company's Chief Financial Officer. Executive leadership and senior management transitions, reductions in workforce and employee turnover can be time consuming, difficult to manage, create instability, cause disruption to our business and result in the loss of institutional knowledge, and any of these outcomes could impede the execution of our day-to-day operations and our ability to fully implement our business strategy. These impacts could also make it more difficult to attract and retain talent. The failure to successfully hire and retain key executives and employees or the further loss of any key executives, senior management and employees could have a significant impact on our operations, including declining product identity and competitive differentiation, eroding employee morale and productivity or an inability to maintain internal controls, regulatory or other compliance related requirements, any and all of which could in turn adversely impact our business, financial condition, and results of operations.

Disruption to our business operations as a result of the evolving conflict in Israel and other conditions in Israel that affect our operations may limit our ability to develop, produce and sell our products.

Our headquarters and research and development center are located in Israel. Accordingly, political, economic, and military conditions in Israel directly affect us. Israel has been involved in a number of armed conflicts and the target of terrorist activity, including threats from Gaza, Iran, the Houthis in Yemen, Hezbollah militants in Lebanon, Iranian militias in Syria, and others. Additionally, in the second quarter of 2025, Israel and the Islamic Republic of Iran engaged in a 12-day war, which has since stabilized due to a brokered ceasefire. Violence between Hamas and Israel intensified on October 7th, 2023 when the terrorist group launched an unprecedented attack on Israel. On October 8, 2023 the Israeli Government declared that the Security Cabinet of the State of Israel approved a war situation in Israel. Since our headquarters and most of our employees operate from Israel, the state of war has disrupted and is continuing to disrupt our business operations. This situation has impacted the availability of our workforce, as part of our workforce in Israel, where we are headquartered, have been called into active reserve duty. From November 2023, until October 2025, the Houthis, a rebel Shi'a group in Yemen attacked international shipping lanes in the red sea forcing commercial ships to redirect commercial freight traffic away from the Bab al Mandab Strait and the Suez Canal, and find alternative longer and safer travel routes. If this situation continues or intensifies shipment costs and energy prices may increase which in turn may have an impact on the Company as well as on the global economy.

On October 9, 2025, Israel, Hamas, the United States and other countries in the region agreed to a framework for a ceasefire in Gaza between Israel and Hamas. It is unknown whether this ceasefire will endure, or if other conflicts in Gaza, Lebanon, Yemen, Iran, or in the broader region will reemerge or escalate in the future.

Any future armed conflict, political instability or violence in the region may impede our ability to manage our business effectively, operate our manufacturing plant in northern Israel, engage in research and development, or otherwise adversely affect our business or operations. In the event of escalation of the current war situation or others, we may be forced to cease operations, which may cause delays in the distribution and sale of our products. Some of our directors, executive officers, and employees in Israel are obligated to perform reserve duty in the Israeli military and are subject to being called for additional active duty under emergency circumstances. In the event that our principal executive office is damaged as a result of hostile action, or hostilities otherwise disrupt the ongoing operation of our offices, our ability to operate could be materially adversely affected.

Additionally, several countries principally in the Middle East, restrict doing business with Israeli companies, and additional countries and groups may impose similar restrictions if hostilities in Israel or political instability in the region continue or increase. If instability in neighboring states results in the establishment of fundamentalist Islamic regimes or governments more hostile to Israel, or if Egypt or Jordan abrogates its respective peace treaty with Israel, Israel could be subject to additional political, economic, and military confines, and our operations and ability to sell our products to countries in the region could be materially adversely affected.

Any current or future hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could have a material adverse effect on our business, financial condition, and results of operations.

In that regard, since the start of the war with Hamas, we have become aware of pressure being placed on our customers not to engage in business with us due to our affiliation with Israel. In addition, foreign policy could be negatively impacted with regard to Israel. If these pressures intensify or continue to occur, they could impact our business with suppliers and customers which could in turn adversely impact our reputation, results of operations or financial condition.

While our offices and facilities are open worldwide, including in Israel, and, to date, we have not had material disruptions to our ability to manufacture and deliver products and services to customers, a reemergence of conflicts in Israel could materially adversely affect our business, financial condition, and results of operations.

Due to the war that began on October 7, 2023, some of our employees in Israel were called to active reserve duty and additional employees may be called in the future, if needed. In the year ended December 31, 2025 approximately 279 or 13% of our employees in Israel have been called to active reserve duty for varying periods, impacting the availability of our workforce.

The majority of our key employees and officers are residents of Israel. If any of our facilities in Israel were to be damaged, destroyed or otherwise rendered unable to operate, whether due to war, acts of hostility, earthquakes, fire, floods, storms, other natural disasters, employee malfeasance, terrorist acts, power outages or otherwise, or if performance of our research and development is disrupted for any other reason, such an event could delay commercialization of our products, and if we choose to manufacture all or any part of them internally, jeopardize our ability to manufacture our products as promptly as our prospective customers will likely expect, or possibly at all. If we experience delays in achieving our development objectives within a timeframe that meets our prospective customers' expectations, our business, prospects, financial results and reputation could be harmed.

Additionally, in 2023, the Israeli government announced plans to significantly reduce the Israeli Supreme Court's judicial oversight, including reducing its ability to strike down legislation that it deems unreasonable, and plans to increase political influence over the selection of judges. Although the Israeli Supreme Court partially struck down these plans, the current government has vowed to make other changes to law that limit the powers of the Supreme Court. If such government plans are eventually enacted, they may cause operational challenges for us since we are headquartered in Israel and many of our employees are located in Israel.

The tax benefits that are available to us under Israeli law require us to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.

SolarEdge Technologies Ltd., our Israeli subsidiary ("Israeli Subsidiary") was eligible for certain tax benefits provided to "Benefited Enterprises" under the Israeli Law for the Encouragement of Capital Investments, 1959 (the "Investments Law"). Beginning in January 2019, and with respect to its taxable results from 2019 onwards, our Israeli Subsidiary further elected to apply the terms of the Investments Law as per "Preferred Enterprise" ("PE") or "Preferred Technological Enterprise" ("PTE"). In order to remain eligible for the tax benefits for "Benefited Enterprises" with respect to our Israeli Subsidiary's taxable results until 2018 and with respect to its taxable results from 2019 for PE or PTE, we must continue to meet certain conditions stipulated in the Investments Law and its regulations, as amended. If these tax benefits are reduced, cancelled, or discontinued, or if we are held to have violated the conditions stipulated in the Law, our Israeli taxable income would be subject, in whole or in part, to regular Israeli corporate tax rates and we may be required to refund any tax benefits that we have already received, plus interest and penalties thereon. The statutory corporate tax rate for Israeli companies is 23% as of January 1, 2018 and onward. Additionally, if we increase our activities outside of Israel through acquisitions or otherwise through our Israeli Subsidiary, our existing or expanded activities might not be eligible for inclusion in existing or future Israeli tax benefit programs. The Israeli government may furthermore independently determine to reduce, phase out or eliminate entirely the benefit programs under the Investments Law, regardless of whether we then qualify for benefits under those programs at the time, which would also adversely affect our global tax rate and our results of operations.

It may be difficult to enforce a judgment of a U.S. court against our officers and directors, to assert U.S. securities laws claims in Israel, or to serve process on our officers and directors.

Many of our directors and executive officers, their assets, and most of our assets are located outside of the U.S. Consequently, a judgment obtained against any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the U.S. It also may be difficult to effect service of process on these persons in the U.S. or to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws on the grounds of *forum non conveniens*. In addition, even if an Israeli court hears a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proven as a fact by expert witnesses, which can be a lengthy and costly process. Further, an Israeli court may not enforce a judgment awarded by a U.S. or other non-Israeli court. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses these matters. As a result of the difficulty associated with enforcing a judgment against any of these persons in Israel, judgment against many of our directors and executive officers may be unachievable or unenforceable.

We are dependent on ocean transportation to deliver our products in a timely and cost efficient manner. If we are unable to use ocean transportation to deliver our products, our business and financial condition could be materially and adversely impacted. Additionally, we are impacted by storage prices that have increased in the past year.

We rely on ocean transportation for the delivery of most of our products to our customers, and when unavailable, incompatible with customer delivery time requirements, or when we are unable to accommodate accelerated delivery times due to growing customer volume demands or shipment constraints, we rely on alternative, more expensive air transportation. Our ability to deliver our products via ocean transportation could be adversely impacted by shortages in available cargo capacity, changes by carriers and transportation companies in policies and practices, such as scheduling, pricing, payment terms and frequency of service or increases in the cost of fuel, taxes and labor, disruptions to ports and other shipping facilities as a result of epidemics and other factors not within our control. If we are unable to use ocean transportation and are required to substitute more expensive air transportation, our financial condition and results of operations could be materially and adversely impacted.

Our entry into business engagements with South Korean military bodies as our customers in the lithium-ion battery and energy storage business embodies a risk for potentially large-scale and uncapped liability.

As a result of the acquisition of our Korean subsidiary (formerly Kokam), we sell a small portion of our products to customers who integrate our storage systems or cells and then sell these products to military customers. Our sales to military customers often involve standard form contracts, which may not be subject to negotiation. In particular, certain of these contracts involve unlimited damages provisions that could result in large-scale liabilities.

Fluctuations in currency exchange rates may negatively impact our financial condition and results of operations.

Although our financial results are reported in U.S. dollars, 35.5% of our revenues in the year ended December 31, 2025 were generated in currencies other than the U.S. Dollar. In addition, a significant portion of our operating expenses are accrued in New Israeli Shekels (primarily related to payroll), the Euro, and other currencies. As detailed in the Foreign Currency Exchange Risk under Item 7A - Quantitative and Qualitative Disclosures About Market Risk, our profitability is affected by movements of the U.S. dollar against the Euro, the New Israeli Shekel, and, to a lesser extent, other currencies in which we generate revenues, incur expenses and maintain cash balances. Foreign currency fluctuations may also affect the prices of our products which are denominated primarily in U.S. dollars. If there is a devaluation of a particular currency, the prices of our products will increase relative to the local currency and may be less competitive. Despite our efforts to minimize foreign currency risks, primarily by maintaining cash balances in New Israeli Shekels, significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the Euro and, New Israeli Shekel, and other currencies, against the U.S. dollar could have an adverse effect on our profitability and financial condition.

Occasionally, we enter into derivative financial instruments to hedge the exchange rates impacts on our assets, liabilities and certain transactions denominated in Israeli Shekels, Euro, and other currencies.

Our hedging activities may also contribute to increased losses as a result of volatility in foreign currency markets. If foreign exchange currency markets continue to be volatile, such fluctuations in foreign currency exchange rates could materially and adversely affect our profit margins and results of operations in future periods, and may make it difficult to hedge our foreign currency exposures effectively.

We are subject to risks related to corporate social responsibility and sustainability, including the impact of evolving legal and regulatory requirements.

We may face scrutiny related to our corporate social responsibility practices and requested disclosures by institutional and individual investors who may be using corporate social responsibility screening criteria in making investment decisions. Our disclosures on these matters or a failure to satisfy evolving stakeholder expectations for corporate social responsibility practices and reporting may potentially harm our reputation and impact relationships with investors, customers, and /or regulators. Certain market participants including major institutional investors use third-party benchmarks or scores to measure our corporate social responsibility practices in making investment decisions. Similarly, some of our customers and suppliers may evaluate our corporate social responsibility practices. At the same time, stakeholders and regulators have increasingly expressed or pursued opposing views, legislation, and investment expectations with respect to sustainability initiatives. In addition, our failure or perceived failure to pursue or fulfill our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could expose us to government enforced actions and/or private litigation.

As sustainability-related, reporting standards and disclosure requirements continue to develop, we may incur increasing costs related to sustainability monitoring and reporting. For example, in January 2023, the EU enacted the Corporate Sustainability Reporting Directive, which will require sustainability reporting across a broad range of environmental, social and governance topics for both EU and non-EU companies, and in October 2023, California enacted legislation addressing the disclosure of greenhouse gas emissions, climate-related risks, environmental claims and the use or sale of voluntary carbon offsets. Regulatory changes related to climate change and reporting could increase the complexity of and costs associated with compliance with such regulations that could have a material adverse effect on our business, results of operations and financial condition.

Natural disasters, public health events, significant disruptions of information technology systems, data security breaches, or other catastrophic events could adversely affect our operations.

Our worldwide operations could be subject to natural disasters (including as a result of climate change), public health events, significant disruptions of information technology systems, data security breaches and other catastrophic business disruptions, which could harm our future revenue and financial condition and increase our costs and expenses. We own a manufacturing facility in Israel and rely on third-party manufacturing facilities, including for all product assembly and final testing of our products, which are performed at third-party manufacturing facilities, in the United States, and to a lesser extent, Vietnam. There may be conflict or uncertainty in the countries in which we operate, including public health issues (for example, a pandemic or an outbreak of contagious diseases or health epidemics), safety issues, natural disasters, fire, disruptions of service from utilities, nuclear power plant accidents, regional wars, or general economic or political factors. Such risks could result in an increase in the cost of components, production delays, general business interruptions, delays from difficulties in obtaining export licenses for certain technology, tariffs and other barriers and restrictions, longer payment cycles, increased taxes, restrictions on the repatriation of funds and the burdens of complying with a variety of foreign laws, any of which could ultimately have a material adverse effect on our business.

In the event that natural disasters (including as a result of climate change), public health epidemics or technical catastrophes were to damage or destroy any part of our facilities or those of our contract manufacturers, destroy or disrupt vital infrastructure systems or interrupt our operations or services for any extended period of time, our business, financial condition and results of operations would be materially and adversely affected.

Risks Related to Legal, Compliance and Regulations

The reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications could reduce demand for PV systems and harm our business.

Federal, state, local government laws, regulations, and bodies as well as non-U.S. government bodies provide incentives to owners, end users, distributors, and manufacturers of Solar PV and BESS systems to promote solar electricity in the form of rebates, tax credits, lower VAT rates, and other financial incentives. The market for on-grid applications, where solar power is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, often depends in large part on the availability and size of government and economic subsidies and economic incentives, which vary from time to time by geographic market. In general, subsidies and incentives may expire on a particular date, end when the allocated funding is reduced or terminated due to, *inter alia*, legal challenges, adoption of new statutes or regulations or the passage of time, they often occur without warning.

In August 2022, the IRA was signed into federal law. The IRA provides for, among other things, certain incentives, including certain tax credits, for solar energy, that are significant to the Company and its U.S. based customers. On July 4, 2025, H.R.1 was enacted into law, introducing amendments to clean energy tax credits contained in the IRA. The H.R.1 accelerates the phase-out timeline for our customers' tax credits and imposes new eligibility criteria for the Company and our customers

The Company has invested significant resources in establishing our manufacturing presence in the U.S. to benefit from the incentives available under the IRA, including tax credits available to us for manufacturing in the U.S. and tax credits available to certain of our U.S. customers. The Company established manufacturing capabilities in the U.S. in 2023 and further expanded such capabilities in 2024 and 2025. Moreover, we incorporate into our financial planning and agreements with our customers and suppliers certain assumptions regarding U.S. tax incentives. Material changes thereto could adversely affect our revenue, our eligibility for certain tax credits, tax credits available to our customers, competitiveness and demand for our products and our financial condition.

Section 45X of the Code, as enacted by the IRA, offers AMPTCs that incentivize the manufacturing of eligible components within the U.S. Of particular relevance to the Company are the tax credits that we generate as a result of rules concerning the qualification and measurement of AMPTCs to Residential Inverters, Commercial Inverters and DC-Optimized Inverter Systems that we manufacture in the United States. H.R.1 preserved the term of such AMPTCs.

Among other changes, H.R.1 shortens the term of the investment tax credit and production tax credit under Section 48E and 45Y of the Code, available to the Company's customers, who are engaged in TPO models, such as residential solar leases and power purchase agreements, and commercial solar customers and developers, shortening the end date from 2034 to 2027. H.R.1 also includes a 12-month window in which such customers can begin construction, giving them four years to complete their projects. Projects begun after twelve months from enactment of H.R.1 must be placed in service by December 31, 2027, to receive the credit. H.R.1 also amended the domestic content bonus credit rules for Section 48E projects: projects commencing construction after June 16, 2025, must meet a 45% domestic content threshold, up from 40%, must meet a 50% threshold from and after January 1, 2026, and the threshold thereafter increases by 5% on an annual basis until 2029. H.R.1 eliminated the individual residential tax credit under Section 25D of the Code at the end of 2025. These changes may negatively impact the eligibility of our customers and individuals to obtain tax credits, which may negatively affect the overall demand for our products.

H.R.1 has also introduced new FEOC requirements including for Sections 45X, 45Y, and 48E of the Code. These restrictions will require threshold percentages of non-FEOC material assistance that increase over time, for projects that begin on or after January 1, 2026. On July 7, 2025, the President issued an Executive Order titled "Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources." In response, on August 15, 2025, the U.S. Treasury Department released IRS Notice 2025-42, its first set of guidance for H.R.1 related to beginning of construction requirements applicable to our customers. While it removed the ability for projects over 1.5 MW to utilize the 5% safe harbor method, it kept in place the onsite physical work test method for all size projects.

On February 12, 2026, the U.S Department of Treasury and IRS released IRS Notice 2026-15 providing additional guidance on H.R.1 related to the Prohibited Foreign Entity rules (PFE) enacted in H.R.1. Specifically, this notice confirms the ability to rely on temporary safe harbor tables and existing safe harbor tables for the determination of material assistance from a PFE. This guidance provides answers to several compliance questions related to the Company's 45X Credit material assistance calculations and its customers 48E material assistance calculation among other things. While this removed some uncertainty around the Material Assistance Cost Ratio calculation, impending Notice of Proposed Rule and Final Rule on this same topic expected later this year could create challenges for the Company to meet the FEOC requirements or to assist our customers in meeting them. If we are unable to meet the requirements this may adversely affect our revenue, or our customers eligibility to obtain certain tax credits, the overall demand for our products, our results of operations and cash flows.

We expect that the AMPTCs will be phased out by the end of 2031. Reductions in AMPTCs, without an offsetting reduction in our manufacturing costs, would adversely affect our results of operations and cash flows, and have an adverse impact on our gross margin, which may include transitioning into a gross loss. Such reductions may cause us to consider modifying the geographical footprint of our manufacturing to reduce our costs, which would require significant resources of the Company, and could adversely affect our competitiveness, business and financial condition. We are actively monitoring the situation and evaluating potential impacts on our financial condition and operational strategy.

Changes to net metering policies may reduce demand for electricity from PV systems and harm our business.

Our business benefits from favorable net metering policies across the U.S. and some European countries, that allow a PV system owner to pay his or her electric utility only for power usage net of production from the PV system. System owners receive credit for the energy that the solar installation generates to offset energy usage at times when the solar installation is not generating energy. Under a net metering program, the customer typically pays for the net energy used or receives a credit against future bills if more energy is produced than consumed.

Most U.S. states had adopted some form of net metering. Yet, net metering programs have recently come under regulatory scrutiny in some U.S. states due to allegations that net metering policies inequitably shift costs onto non-solar ratepayers, by allowing solar ratepayers to sell electricity at rates that are too high for utilities to recoup their fixed costs. California's NEM 3.0, effective April 2023, has significantly reduced export rates and introduced grid fees, resulting in homeowners receiving lower compensation. This is now occurring in additional states such as Arizona, Hawaii, and North Carolina, etc. We cannot be certain that similar programs will not be adopted in other states or that existing programs will not be further modified going forward.

If the value of the credit that customers receive for net metering is reduced, it could impact the current level of cost savings associated with net metering. The absence of favorable net metering policies or of net metering entirely, or the imposition of new charges that only or disproportionately affect end-users that use net metering would significantly limit demand for our products and could have a material adverse effect on our business, financial condition, results of operations and future growth.

We are subject to stringent and changing data privacy and security laws, rules, regulations and other obligations. These areas could damage our reputation, deter current and potential customers, affect our product design, or result in legal or regulatory proceedings and liability.

We process sensitive, confidential or personal data or information in the ordinary course of our business that is subject to privacy and security laws, regulations, industry standards, external and internal policies, contracts and other obligations that govern the collection, processing, storing, transfer, and sharing of such data by us and on our behalf. Concerns about our practices or the ultimate use of our products and services with regard to the collection, use, retention, security or disclosure of personal information or other privacy-related matters, including for use in AI technologies, even if unfounded, could damage our reputation and adversely affect our operating results. The theft, loss or misuse of personal data in our possession or by one of our partners could result in damage to our reputation, regulatory proceedings, disruption of our business activities or increased security or remediation costs and costs related to defending legal claims.

In the United States, federal, state, and local authorities have enacted numerous data privacy and security laws, including for data breach notification, personal data privacy and consumer protection. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020, or CPRA, or collectively the CCPA, gives California residents the right to access, delete and opt-out of certain sharing of their personal information, and to receive detailed information about how it is used and shared. The CCPA provides for substantial fines for intentional violation and the law created a private right of action for certain data breaches. Similar laws are being considered in several other states, as well as at the federal and local levels. Additionally, several states and localities have enacted measures related to the use of AI in products and services. If we become subject to additional data privacy laws, the risk of enforcement action against us could increase.

Worldwide regulatory authorities are also considering and have enacted various laws concerning data protection. The European Union adopted the General Data Protection Regulation, or GDPR, and the United Kingdom similarly adopted the U.K. GDPR, governing the strict handling of personal data of persons within the European Economic Area, or EEA, and the United Kingdom, respectively, including its use and protection and the ability of persons whose data is stored to access, correct, and delete such data about themselves. Additionally, Europe's Network and Information Security Directive, or NIS2, regulates resilience and incident response capabilities of entities operating in a number of sectors, including the digital infrastructure sector. Non-compliance with NIS2 may lead to administrative fines. If we are found not to comply, we could be subject to monetary fines, penalties, reputational damage, damage to our financial condition, and operating results.

Statutory fines under U.S. or worldwide regulations may be imposed on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Statutory fines under U.S. or worldwide regulations may be imposed on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices, and to those of any third parties that process personal data on our behalf.

Existing electric utility industry regulations and changes to regulations, may present technical, regulatory, and economic barriers to the purchase and use of PV systems, that may significantly reduce demand for our products or harm our ability to compete. In addition, determinations of various regulatory bodies regarding lack of compliance with certifications or other regulatory requirements, could harm our ability to sell our products in certain countries.

Federal, state, local, and foreign government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services, and could deter purchases of PV systems sold by our customers, significantly reducing the potential demand for our products. For example, utilities commonly charge fees to larger, industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. These fees could increase the cost to use PV systems sold by our customers and make them less desirable, thereby harming our business, prospects, financial condition and results of operations. In addition, depending on the region, electricity generated by PV systems competes most effectively with expensive peak-hour electricity from the electric grid, rather than the less expensive average price of electricity. Modifications to the utilities' peak hour pricing policies or rate design, such as to a flat rate, could require the price of PV systems and their component parts to be lower in order to compete with the price of electricity from the electric grid.

Changes in current laws or regulations applicable to us or the imposition of new laws and regulations in the U.S., Europe, or other jurisdictions in which we do business could have a material adverse effect on our business, financial condition and results of operations. Any changes to government or internal utility regulations and policies that favor electric utilities could reduce the competitiveness of PV systems sold by our customers, causing a significant reduction in demand for our products and services. In addition, changes in our products or changes in export and import laws and implementing regulations may delay the introduction of new products in international markets, prevent our customers from deploying our products internationally or, in some cases, prevent the export or import of our products to certain countries altogether, resulting in a material adverse effect on our business, financial condition, and results of operations.

Compliance with various regulatory requirements and standards is a prerequisite for placing our products on the market in most countries in which we do business. We have all such certifications but there are at times, challenges by local administrative telecommunications, consumer board or other authorities that can place sales bans on products.

Risks Related to Intellectual Property

If we fail to protect, or incur significant costs in defending our intellectual property and other proprietary rights, our business and results of operations could be materially harmed.

Our success depends to a significant degree on our ability to protect our intellectual property and other proprietary rights. We rely on a combination of patents, trademarks, copyrights, trade secrets, and unfair competition laws, as well as confidentiality and license agreements and other contractual provisions with our customers, suppliers, employees, and others, to establish and protect our intellectual property (IP) and other proprietary rights. Our ability to enforce these rights is subject to litigation risks, as well as uncertainty as to the enforceability of our IP rights in various countries, specifically claims that our IP rights are invalid or unenforceable. Our assertion of IP rights may result in another party seeking to assert claims against us, which could harm our business. Our inability to enforce our IP rights under any of these circumstances can harm our competitive position and business.

We have applied for patents in the U.S., Europe, and other jurisdictions, some of which have been issued. We cannot guarantee that any of our pending applications will be approved or that our existing and future intellectual property rights will be sufficiently broad to protect our proprietary technology. Any failure to obtain such approvals or finding that our intellectual property rights are invalid or unenforceable could force us to, among other things, rebrand or re-design our affected products. In countries where we have not applied for patent protection or where effective intellectual property protection is not available to the same extent as in the U.S., we may be at greater risk that our proprietary rights will be misappropriated, infringed, or otherwise violated.

Our intellectual property may be stolen or infringed upon. We were in the past and may in the future engage in legal proceedings related to intellectual property. Litigation proceedings are inherently uncertain, and adverse rulings may occur, including monetary damages, injunction stopping us from manufacturing or selling certain products, or requiring other remedies. Lawsuits are intended to protect our significant investment in our intellectual property, but they also may consume management and financial resources for long periods of time and may not result in favorable outcome for us, which may adversely affect our business, results of operations or financial condition.

Third parties may assert that we are infringing upon their intellectual property rights, which could divert management's attention, cause us to incur significant costs, and prevent us from selling or using the technology to which such rights relate.

Our competitors and other third parties hold numerous patents related to technology used in our industry. Occasionally, we may also be subject to claims of intellectual property right infringement and related litigation, and, as we gain greater recognition in the market, we face a higher risk of being the subject to claims of violation of others' intellectual property rights. For example, in July 2022, we were served with a complaint by Ampt, LLC filed with the International Trade Commission pursuant to Section 337 of the Tariff Act of 1930, as amended and the District Court for the District of Delaware alleging patent infringement against the Company and its subsidiary SolarEdge Technologies Ltd. In May 2023, we entered into a settlement agreement under which the parties agreed to dismiss all proceedings related to the complaints and the parties have granted each other 10-year cross-licenses for certain intellectual property.

Responding to such claims can be time consuming, divert management's attention and resources and may cause us to incur significant expenses in litigation or settlement. While we believe that our products and technology do not infringe in any material respect upon any valid third-party IP rights, we cannot be certain of successfully defending against any such claims. If we do not successfully defend or settle an IP claim, we could be liable for significant monetary damages and could be prohibited from continuing to use certain technology, business methods, content, or brands. To avoid a prohibition, we could seek a license from the applicable third party, which could require us to pay significant royalties, increasing our operating expenses. If a license is unavailable at all or unavailable on reasonable terms, we may be required to develop or license a non-violating alternative, either of which could require significant effort and expense. If we cannot license or develop a non-violating alternative, we could be forced to modify, limit or, in extreme cases, stop manufacturing and sales of our affected products in the relevant country and may be unable to effectively compete. Any of these results could adversely affect our business, financial condition, and results of operations.

We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees, which could result in litigation and adversely affect our business.

We enter into agreements with our employees pursuant to which they agree that any inventions created in the scope of their employment or engagement are assigned to us or owned exclusively by us, depending on the jurisdiction, without the employee retaining any rights. A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Under the Israeli Patent Law, 5727-1967 (the "Patent Law"), inventions conceived by an employee during the scope of his or her employment with a company are regarded as "service inventions," which belong to the employer, absent a specific agreement between the employee and employer giving the employee service invention rights. The Patent Law also provides that if there is no such agreement between an employer and an employee, the Israeli Compensation and Royalties Committee (the "Committee"), a body constituted under the Patent Law, shall determine whether the employee is entitled to remuneration for his or her inventions. Case law clarifies that the right to receive consideration for "service inventions" can be waived by the employee and that in certain circumstances, such waiver does not necessarily have to be explicit. The Committee will examine, on a case-by-case basis, the general contractual framework between the parties, using interpretation rules of the general Israeli contract laws. Further, the Committee has not yet determined the method for calculating this Committee-enforced remuneration, but rather uses the criteria specified in the Patent Law. Although our employees have agreed that any rights related to their inventions are owned exclusively by us, we may face claims demanding remuneration in consideration for such acknowledgement. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and/or former employees, or be forced to litigate such claims, which could negatively affect our business.

If our goodwill or other intangible assets become impaired, our financial condition and results of operations could be negatively affected.

Following the latest impairment recorded during 2024, goodwill and other intangible assets totaled approximately \$57.3 million, or approximately 2.6% of our total assets, as of December 31, 2025. We test our goodwill for impairment at least annually, or more frequently if an event occurs indicating the potential for impairment, and we assess on an as-needed basis whether there have been impairments in our other intangible assets, which include complex, and often subjective, assumptions and estimates. These assumptions and estimates can be affected by a variety of external factors such as industry and economic trends, and internal factors such as changes in our business strategy or our internal forecasts. To the extent that the factors described above change, we could be required to record additional non-cash impairment charges in the future, which could negatively affect our financial condition and results of operations (see Notes 9 and 10 of the financial statements for additional information).

Risks Related to our Notes and the Ownership of Our Common Stock

Our stock price has been, and may continue to be, subject to significant volatility.

Our common stock price during the year ended December 31, 2025, ranged from \$11.00 to \$48.60 per share. As further detailed in the Performance Graph in Item 5 below, the price of our Common Stock in 2025 was highly volatile and may fluctuate in response to our results of operations in future periods or due to other factors, including factors specific to companies in our industry, many of which are beyond our control. As a result, our share price may experience significant volatility and may not necessarily reflect the value of our expected performance. We have been subject to securities class action litigation as a result of our stock price volatility, which could result in substantial cost and diversion of our management's attention from other business concerns, which could seriously harm our business.

Among other factors that could affect our stock price are:

- the addition or loss of significant customers or suppliers;
- changes in laws or regulations applicable to our industry, products or services;
- changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Inflation Reduction Act and the OBBBA;
- changes in the U.S. and global trade environments, including the imposition and/or increase of import tariffs or other restrictive trade measures;
- changes, elimination or expiration of government subsidies and economic incentives for on-grid solar energy applications;
- changes in the popularity of solar energy or renewable energy in general;
- speculation about our business in the press or the investment community;
- price and volume fluctuations including due to general macro-economic and geopolitical changes and developments in the overall stock market;
- volatility in the market price and trading volume of companies in our industry or companies that investors consider comparable;
- share price and volume fluctuations attributable to inconsistent trading levels of our shares;
- our ability to protect our intellectual property and other proprietary rights;
- sales of our common stock by us or our significant stockholders, officers and directors;
- the expiration of contractual lock-up agreements;
- success of competitive products or services;
- the public's response to press releases or other public announcements by us or others, including our filings with the Securities and Exchange Commission (the "SEC"), announcements relating to litigation or significant changes to our key personnel;
- the effectiveness of our internal controls over financial reporting;
- changes in our capital structure, such as future issuances of debt or equity securities;
- our entry into new markets;
- tax developments in the U.S., Europe, or other markets;
- the inclusion, exclusion, or deletion of our stock from any trading indices;
- conversion of all or portion of the Convertible Senior Notes;
- strategic actions by us or our competitors, such as acquisitions or restructurings; and
- changes in accounting principles.

Further, the stock markets have experienced extreme price and volume fluctuations unrelated or disproportionate to the operating performance of affected companies. In addition, the stock prices of many renewable energy companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions such as recessions, changes in U.S. regulations and policies with respect to renewable energy, interest rate changes, or international currency fluctuations, may cause the market price of our common stock to decline.

Provisions in our certificate of incorporation and by-laws may have the effect of delaying or preventing a change of control or changes in our management.

Our certificate of incorporation and by-laws contain provisions that could depress the trading price of our common stock by discouraging, delaying, or preventing a change of control of our Company or changes in our management that the stockholders of our Company may believe advantageous. These provisions include:

- authorizing “blank check” preferred stock that our board of directors could issue, to increase the number of outstanding shares, to discourage a takeover attempt;
- providing for a classified board of directors with staggered, three-year terms until the 2026 annual meeting of stockholders at which time all of the board members will be subject to annual elections, which, until then, could delay the ability of stockholders to change the membership of a majority of our board of directors;
- not providing for cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- limiting the ability of stockholders to call a special stockholder meeting;
- prohibiting stockholders from acting by written consent;
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- the removal of directors only for cause and only upon the affirmative vote of the holders of at least a majority in voting power of all the then-outstanding shares of common stock of the Company entitled to vote thereon, voting together as a single class until the 2026 annual meeting of stockholders;
- providing that our board of directors is expressly authorized to amend, alter, rescind or repeal our by-laws.

In addition, we are governed by the provisions of Section 203 of the Delaware General Corporation Law (“DGCL”), which generally prohibits a Delaware corporation from engaging in a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder becomes an “interested” stockholder.

Our certificate of incorporation includes a forum selection clause, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us.

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for any stockholder (including any beneficial owner) to bring (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our certificate of incorporation or by-laws, or (iv) any action asserting a claim governed by the internal affairs doctrine, will be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). In addition, unless the Corporation, in writing, selects or consents to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for any complainant asserting a cause of action arising under the Securities Act of 1933, to the fullest extent permitted by law, shall be the federal district courts of the United States of America. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. This forum selection provision may limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us. It is also possible that, notwithstanding the forum selection clause that is included in our certificate of incorporation, a court outside of Delaware could rule that such a provision is inapplicable or unenforceable.

We may not have the ability to raise the funds necessary to settle conversion of our Convertible Senior Notes or Notes 2029 in cash or to repurchase the Notes 2029 upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or to repurchase the Notes 2029.

Holders of our Notes 2029 have the right to require us to repurchase all or a portion of their notes upon the occurrence of a fundamental change (as defined in the Indenture governing our Notes 2029) at a repurchase price equal to 100% of the principal amount of the Notes 2029 to be repurchased, plus accrued and unpaid special interest, if any. In addition, upon conversion of the Notes 2029, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes 2029 being converted. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes 2029 surrendered or Notes 2029 being converted. In addition, our ability to repurchase the Notes 2029 or to pay cash upon conversions of the Notes 2029 may be limited by law, regulatory authority or agreements governing our future indebtedness. Our failure to repurchase Notes at a time when the repurchase is required by the indenture governing such Notes 2029 or to pay cash upon conversion of the Notes as required by such indenture would constitute a default under such indenture. A default under the indenture governing the Notes 2029 or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes 2029 or make cash payments upon conversion of the Notes 2029.

We may not be able to raise additional capital to execute on our current or future business opportunities on favorable terms, if at all, or without dilution to our stockholders.

We believe that cash provided by operation activities, as well as our cash and cash equivalents, restricted cash and available for sale marketable securities, will be sufficient to meet our anticipated cash needs for at least the next 12 months as well as in the longer term, including the self-funding of our capital expenditure, operational commitments and the redemption of our debt. However, we may need to raise additional capital or debt financing to execute on our current or future business strategies, including to:

- provide additional cash reserves to support our operations;
- invest in our research and development efforts;
- expand our operations into new product markets and new geographies;
- acquire complementary businesses, products, services or technologies; or
- otherwise pursue our strategic plans and respond to competitive pressures, including adjustments to our business to mitigate the effects of any tariffs that might apply to us or our industry.

We do not know what forms of financing, if any, will be available to us. If financing is not available on acceptable terms, if and when needed, our ability to fund our operations, enhance our research and development and sales and marketing functions, develop and enhance our products, respond to unanticipated events and opportunities, or otherwise respond to competitive pressures would be significantly limited. In any such event, our business, financial condition and results of operations could be materially harmed, and we may be unable to continue our operations. Moreover, if we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders could be significantly diluted, and these newly issued securities may have rights, preferences or privileges senior to those of existing stockholders.

We do not intend to pay any cash dividends on our common stock in the foreseeable future.

We have never declared or paid any dividends on our common stock and currently do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and organizational documents. As a result, capital appreciation in the price of our common stock, if any, may be your only source of gain on an investment in our common stock.

ITEM 1B. Unresolved Staff Comments.

Not applicable.

ITEM 1C. Cybersecurity

Cyber security risk is an area of increasing focus for our Board, particularly as an increasingly significant part of our operations rely on digital technologies. As a result, we have implemented a cyber security program to assess, identify, and manage risks from cyber security threats that may result in material adverse effects on the confidentiality, integrity, and availability of our information systems and products. This program has been integrated into the Company's enterprise risk management processes.

We design and assess our cybersecurity program based on the NIST Cybersecurity Framework (CSF) and industry best practices. We do not claim to comply with any technical standards, specifications, or requirements by using these frameworks. They are guides that help us to deal with the cybersecurity risks that are relevant to our business.

Our cybersecurity program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across legal, compliance, operational, and financial risk areas. To this end, we have implemented a cybersecurity program that includes the following elements:

- A Chief Information Security Officer (CISO) responsible for developing and maintaining our administrative, technical, and physical cybersecurity controls.
- Periodic assessments designed to identify material cybersecurity risks to our critical systems and information.
- A Security Operations Center (SOC) to monitor our critical infrastructure and execute immediate, human-led responses to confirmed and suspected cyber security threats.
- External technology and security providers, where appropriate, to assess, test or otherwise assist with aspects of our cybersecurity program.
- External technology and security tools, where appropriate, to identify and mitigate threats.
- Cybersecurity awareness training for employees.
- A third-party risk management process and questionnaire for certain service providers and vendors who access sensitive information.
- A retained, trained incident response team and written procedures to navigate incident response lifecycles.
- Periodic cyber security drills designed to simulate potential cyber events and test our detection, response, and recovery capabilities.

In the normal course of business, we are and have been the target of malicious cyber-attack attempts and have experienced other cybersecurity incidents. However, based on the information that we have to date, we have not identified risks from known material cybersecurity threats, including any prior cybersecurity incidents, that have materially affected the Company, including our operations, business strategy, results of operations, or financial condition. As of the date of this Annual Report on Form 10-K, the Company is not aware of any material risks from cybersecurity threats that are reasonably likely to do so. However, we cannot eliminate all risks from cybersecurity threats or provide assurances that the Company will not be materially affected by such risks or cyber incidents in the future. There can be no guarantee that our policies, programs and controls, and those of our third-party vendors, including those described in this section, will be sufficient to protect our information, information systems, products, or other property. Additional information on cybersecurity risks we face is discussed in Item 1A of Part I, "Risk Factors," which should be read in conjunction with the foregoing information.

Risk Management and Strategy

While we follow product cybersecurity best practices and comply with mandatory standards and regulations, our products and information systems are potentially subject to cyber risks of data leakage, privacy concerns, interrupted availability, and operational damages, including to customers and third parties. To protect our products and information systems from cybersecurity threats, we use various security controls and processes that help prevent, identify, escalate, investigate, resolve, and recover from identified vulnerabilities and security incidents in a timely manner. These include, but are not limited to, periodic cyber testing, code scanning and ongoing attack surface monitoring, threat intelligence monitoring, other monitoring and detection tools, and a coordinated vulnerability disclosure program to allow security researchers to assist us in identifying vulnerabilities in our products before they are exploited by malicious threat actors. Any reported vulnerability is analyzed and dealt with in accordance with its risk level and mitigation options.

As part of our program to mitigate risk from cyber security threats, the Company actively evaluates and refines its cyber security tools and processes with the intention of reducing cyber security risks and aligning with the National Institute of Standards and Technology Cyber-security Framework for risk management. Features of our cybersecurity program include:

- Processes designed to comply with information security standards and privacy regulations, including the European Union's General Data Protection Regulation.
- Maintenance of an ISO 27001 Information Security Management Standard certification.
- Implementation of a variety of security controls, such as firewalls, endpoint detection tools and intrusion detection systems.
- Protection against Denial-of-Service attacks which prevent legitimate use of our services.
- Security events monitoring in a third party security operations center.

- Development of incident response policies and procedures designed to initiate remediation and compliance activities in a timely manner.
- Implementation of data loss prevention tools.
- Implementing an ID management system to enforce granular role-based access controls.
- Integration of granular access controls at the network level.
- Performing penetration testing on products and networks.
- Administration of a phishing awareness program and an employee security training periodically and as part of onboarding.
- Engagement with a third-party, independent cyber security firm to conduct cyber security assessments of our systems and procedures.
- Employment of a responsible disclosure policy designed to help identify and fix any potential flaws in the company's services or products.

Third Party Cybersecurity Oversight

We have implemented governance processes designed to monitor, evaluate, and mitigate security risks that may arise from a relationship with a third party vendor, partner, or customer. These security measures include:

- Vendor security assessments - Evaluating the cybersecurity protections that key vendors employ, prior to and during engagement.
- Insurance risk assessments - Conducted by our insurance providers in order to evaluate cybersecurity related exposure.
- Operational Technology Security - Implementing security measures within some of our manufacturing facilities to enhance our cybersecurity protection.
- Secure customer data management - Solutions designed to safeguard customer data integrity and critical systems' integrity.

We engaged a well-known external firm to audit our compliance with the European Union's NIS 2.0 Directive (the Directive on Security of Network and Information Systems). This audit is being conducted to confirm that our cybersecurity practices align with the latest regulatory requirements and best practices for managing the security of critical infrastructure and services. The Technology and Cyber Committee receives periodic reports from management on our cybersecurity program and risks. In addition, management updates the Technology and Cyber Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential. The Technology and Cyber Committee reports to our Board regarding its risk management functions, including those related to cybersecurity.

Governance & Oversight

The Board has delegated primary oversight of the our risks from cybersecurity threats to the Technology and Cyber Committee. Our management team, including our CISO, provides quarterly updates to our Technology and Cyber Committee and annually to the full Board regarding our cyber security activities and other developments impacting our digital security. We have protocols by which certain cyber security incidents are escalated within the Company and, where appropriate, reported to the Board and the Technology and Cyber Committee in a timely manner.

At the management level, our CISO, who reports to our Chief Information Officer, is responsible for overseeing the assessment and management of our material risks from cyber security threats. Our CISO has extensive experience and knowledge in cyber security as a result of 20 years of experience of varied cybersecurity experience across various industries and domains. The CISO is informed about and monitors the prevention, detection, mitigation, and remediation of emerging cybersecurity threats. Our cybersecurity team is also informed of any potential Cyber security incidents through reports and alerts from retained cyber threat intelligence firms.

ITEM 2. Properties

Our corporate headquarters are located in Herziliya Pituach, Israel.

Leased Offices and R&D Laboratories

As of December 31, 2025, we lease office, testing, and product design facilities in Israel. In May 2021, we signed a long-term lease agreement for the development of a 38,000 square meter campus, to be built on 16,500 square meters of land, in the central area of Israel. The campus, which is scheduled to be completed in by the end of 2026, will replace our current headquarters in Herziliya, Israel. In November 2025, we amended our agreement with Azrieli Group Ltd., the developer of our new campus, to reduce the leased area by approximately 40%.

In addition to our leased properties in Israel, we lease offices and lab facilities in California, Nevada, Germany, Netherlands, Italy, China, France, Australia, the United Kingdom, Japan, India, Bulgaria, Taiwan, Korea, Brazil, Spain, Vietnam, and Poland.

Manufacturing

We outsource most of our manufacturing to our manufacturing partners. We have our own manufacturing facility, Sella 1 (which property is leased), in the North of Israel. On September 4, 2025, as part of the decision to close our Energy Storage Division, we sold our last battery cell manufacturing facility in South Korea.

We believe that our existing properties are in good condition and are sufficient and suitable for the conduct of our business for the foreseeable future. To the extent our needs change as our business grows, we expect that additional space and facilities will be available on commercially reasonable terms.

ITEM 3. Legal Proceedings

On November 3, 2023, Daphne Shen, a purported stockholder of the Company, filed a proposed class action complaint for violation of federal securities laws, individually and putatively on behalf of all others similarly situated, in the U.S. District Court of the Southern District of New York against the Company, the Company's CEO and the Company's CFO. The complaint alleges violations of Section 10(b) and Rule 10b-5 of the Exchange Act, as well as violations of Section 20(a) of the Exchange Act against the individual defendants. The complaint seeks class certification, damages, interest, attorneys' fees, and other relief. On December 13, 2023, Javier Cascallar filed a similar proposed class action. On January 2, 2024, six purported lead plaintiffs filed motions in the Shen litigation seeking to consolidate the Cascallar and Shen litigations and appoint lead plaintiffs and lead counsel pursuant to the procedures of the Private Securities Litigation Reform Act of 1995.

On February 7, 2024, the Court consolidated the two actions (the "Consolidated Securities Litigation"), and appointed co-lead plaintiffs (the "Plaintiffs") and lead counsel. On April 22, 2024, Plaintiffs filed an amended complaint adding two additional officers. The amended complaint made substantially similar allegations and claims. Defendants moved to dismiss the amended complaint on July 15, 2024 (the "Motion"), and the motion was fully briefed as of September 17, 2024. On December 4, 2024, the Court issued an order granting in part the Motion, dismissing all allegations except those relating to two purported misstatements, characterizing inventory levels as low. The Court allowed Plaintiffs to again amend their complaint, and they filed a Second Amended Complaint on January 3, 2025. On February 10, 2025, Defendants moved to dismiss the Second Amended Complaint insofar as it attempts to resurrect any of the allegations dismissed in the Court's December 4, 2024 order. On April 7, 2025, the Court issued an order granting in part the second motion to dismiss, dismissing all allegations except those characterizing inventory levels as "low" and those relating to demand in Europe. Lead Plaintiffs filed a motion for class certification on October 17, 2025, and Defendants filed their opposition on January 16, 2026. Plaintiffs' reply is due on February 20, 2026. Fact discovery is ongoing.

On March 15, 2024, Abdul Hirani filed a purported derivative complaint in the U.S. District Court for the Southern District of New York against certain current and former SolarEdge executive officers and board members, including Zvi Lando, Ronen Faier, Nadav Zafir, Betsy Atkins, Marcel Gani, Dana Gross, Dirk Hoke, Avery More, and Tal Payne. The Hirani complaint makes largely the same allegations as those in the Consolidated Securities Litigation. The Hirani complaint brings claims for (i) breach of fiduciary duty, (ii) aiding and abetting breach of fiduciary duty, (iii) unjust enrichment, (iv) waste of corporate assets, and (v) securities fraud under Section 10(b) of the Exchange Act. The complaint seeks compensatory and punitive damages, interest, attorneys' fees, and other relief.

On June 10, 2024, Jonathan Blaufarb filed a second purported derivative complaint in the U.S. District Court for the Southern District of New York against the same defendants as those named in the Hirani complaint as well as Lior Danziger and J.B. Lowe. The Blaufarb complaint makes largely the same allegations as those in the Consolidated Securities Litigation and seeks declaratory relief, corporate governance reforms, damages, restitution, attorneys' fees, and other relief. It also pleads the same counts as those in the Hirani complaint, as well as additional counts for abuse of control and gross mismanagement. Defendants accepted service of the Hirani and Blaufarb complaints via stipulation that was so-ordered on July 12, 2024, and the two cases were consolidated with the Hirani matter designated as the lead case (the "Consolidated Derivative Action"). On September 9, 2024 the parties agreed to stay the Hirani and Blaufarb actions pending a decision on the motion to dismiss in the Consolidated Securities Litigation. Following the decision granting in part and denying in part the motion to dismiss the Second Amended Complaint in the Consolidated Securities Litigation, the parties entered into a new stipulation on June 20, 2025, staying this consolidated derivative action through the close of fact discovery in the Consolidated Securities Litigation.

On August 7, 2024, Edwin Isaac filed a purported derivative complaint in the U.S. District Court for the District of Delaware against the same defendants as those named in the Consolidated Derivative Action. The Isaac complaint makes largely the same allegations as those in the Consolidated Securities Litigation. It also pleads the similar counts to the Consolidated Derivative Action, including (i) breach of fiduciary duty, (ii) contribution, (iii) violation of Section 14(a) of the Exchange Act and SEC Rule 14a-9, (iv) unjust enrichment, (v) waste of corporate assets, and (vi) aiding and abetting breach of fiduciary duty. The complaint seeks declaratory relief, damages, interest, unspecified equitable relief, attorneys' fees, and other relief. The parties filed a stipulation on June 30, 2025 agreeing to stay the Isaac matter through the close of fact discovery in the Consolidated Securities Litigation.

On May 22, 2025, Mike Maddox ("Maddox") filed a purported derivative complaint in the U.S. District Court for the Southern District of New York against the same defendants as those named in the earlier-filed derivative actions. The Maddox complaint makes largely the same allegations as those in the Consolidated Securities Litigation and the other derivative actions. It also pleads similar counts to those in the other derivative actions, including (i) breach of fiduciary duty, (ii) gross mismanagement, (iii) waste of corporate assets, (iv) unjust enrichment, and (v) violation of Section 14(a) of the Exchange Act. The parties filed a stipulation on July 21, 2025 agreeing to stay the Maddox matter through the close of fact discovery in the Consolidated Securities Litigation.

On September 9, 2025, Jerald Chauncey, Jr. ("Chauncey") filed a complaint in the Delaware Court of Chancery against the same defendants as those named in the other derivative actions. The Chauncey complaint makes largely the same allegations as those in the Consolidated Securities Litigation and the other derivative actions. It also pleads similar counts to those in the other derivative actions, including (i) breach of fiduciary duty, (ii) unjust enrichment, and (iii) waste of corporate assets. The parties filed a stipulation on October 7, 2025 agreeing to stay the Chauncey matter through the close of fact discovery in the Consolidated Securities Litigation.

Due to the early stage of these proceedings, we cannot reasonably estimate the potential range of loss, if any, or the likelihood of a potential adverse outcome. The Company disputes the allegations of wrongdoing and intends to vigorously defend against them.

On January 13, 2025, Stellantis Europe S.p.A. ("Stellantis") submitted an application for injunctive relief, to the Court of Turin, Italy, claiming that SolarEdge e-Mobility was allegedly in breach of contract. The application for injunctive relief is aimed at obtaining the following interim measures: i) order the Company to resume supply of spare parts and technical assistance activities in favor of Stellantis; and ii) to order the Company to pay a penalty of 100,000 Euro for each day of delay in fulfilling the order above. At a hearing on February 25, 2025 the parties discussed the case. On May 8, 2025, the court denied Stellantis' request for injunction and on July 2, 2025, Stellantis appealed, and the next hearing is scheduled for March 13, 2026. The Company disputes the allegations of wrongdoing. On February 11, 2026, the Company completed the sale of SolarEdge e-Mobility.

On September 15, 2025, Ampt, LLC ("Ampt") filed a lawsuit in the District of Delaware seeking to enforce an agreement between Ampt and the Company. The Company had invoked a force majeure clause in relation to its performance of the agreement, valued at \$54 million over a period of five years, in October 2023. The Company has not yet filed an answer. The Company disputes the allegations and intends to vigorously defend against them. On January 5, 2026, the parties met for mediation, which has been inconclusive.

ITEM 4. Mine Safety Disclosures.

Not applicable.

PART II

ITEM 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity

Market Information

Our common stock, par value \$0.0001 per share, trades on the Nasdaq Global Select Market, where prices are quoted under the symbol “SEDG”.

Holders of Record

As of December 31, 2025, there were 11 holders of record of our common stock. Because many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividends

We have never declared or paid any dividends on our common stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and organizational documents.

Recent Sales of Unregistered Securities

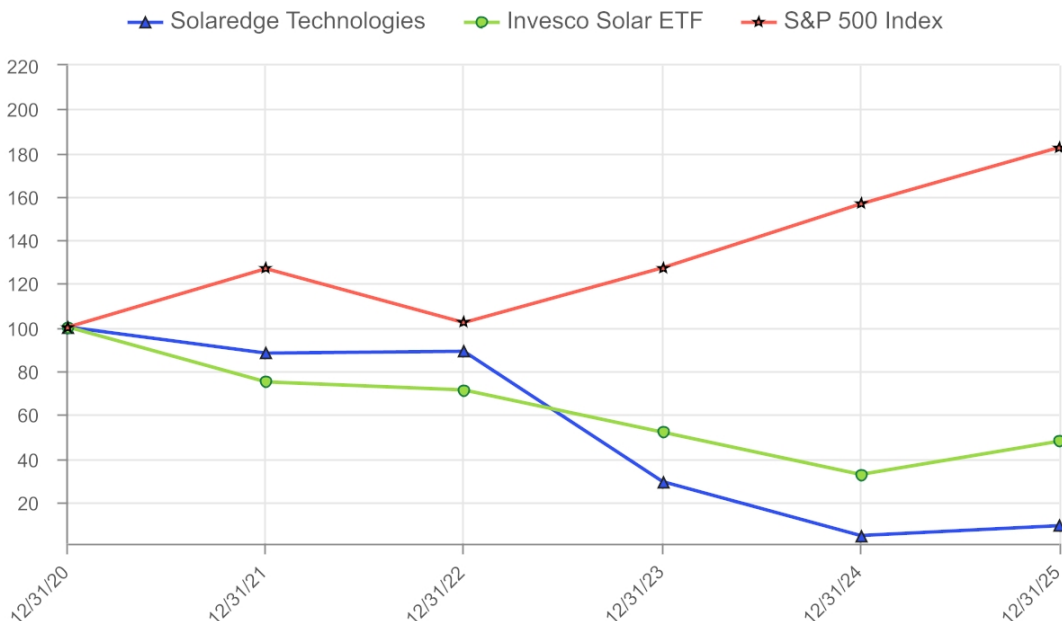
None.

Issuer Purchases of Equity Securities

On November 1, 2023, we announced the approval by the Board of Directors of a share repurchase program which authorizes the repurchase of up to \$300 million of the Company’s common stock. Under the share repurchase program, which expired on December 31, 2024, repurchases can be made using a variety of methods, which may include open market purchases, block trades, privately negotiated transactions, accelerated share repurchase programs and/or a non-discretionary trading plan or other means, including through 10b5-1 trading plans, all in compliance with the rules of the SEC and other applicable legal requirements. The timing, manner, price and amount of any common share repurchases under the share repurchase program are determined by the Company in its discretion and depend on a variety of factors, including legal requirements, price and economic and market conditions. The program does not obligate the Company to acquire any amount of common stock, it may be suspended, extended, modified, discontinued or terminated at any time at the Company’s discretion without prior notice, and expired on December 31, 2024. During the year ended December 31, 2024, the Company repurchased 753,364 shares of common stock from the open market at an average cost of \$66.63 per share for a total of \$50.2 million.

Performance Graph

The following graph compares the cumulative total shareholder return on our common stock for each year from December 31, 2020 to December 31, 2025 to that of the total return of the S&P 500 Index and the Invesco Solar ETF. This graph is furnished and not “filed” with the Securities and Exchange Commission or “soliciting material” under the Securities Exchange Act of 1934 and shall not be incorporated by reference into any such filings, irrespective of any general incorporation contained in such filing.



* The stock performance graph assumes for comparison that the value of the Company’s common stock and of each index was \$100 on December 31, 2020 and that all dividends were reinvested.

ITEM 6. Reserved

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section of this Annual Report on Form 10-K captioned "Business" and our consolidated financial statements and the related notes to those statements included elsewhere in this Form 10-K. In addition to historical financial information, the following discussion and analysis contains forward looking statements that involve risks, uncertainties, and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward looking statements as a result of many factors, including those discussed under the sections of this Annual Report captioned "Special Note Regarding Forward Looking Statements" and "Risk Factors". For discussion related to changes in financial condition and the results of operations for the year ended December 31, 2024, refer to Item 7- Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 25, 2025.

Overview

We are a global smart energy technology company. We develop, manufacture, and sell products that address a broad range of energy market segments through our diversified product offering, including residential, commercial and large scale photovoltaic or PV, energy storage and backup solutions, electric vehicle or EV charging capabilities, home energy management, grid services and virtual power plants. By leveraging engineering capabilities and with a focus on innovation, safety and reliability, we create smart energy solutions that power our lives and drive future progress.

We launched or ramped up sales of several new products in 2025. Most notably, we launched our next-generation residential product portfolio, called SolarEdge Nexis, with initial units delivered toward the end of 2025. We also expanded our commercial energy storage business with CSS-OD, a 102.4 kWh rated solution scalable up to megawatt hour size sites, suitable for outdoor or indoor installations.

At the end of 2025, we transitioned our inverter products to a Single SKU concept. This is a software-defined platform that significantly reduces the complexity of our business for residential and commercial applications globally. It allows us to manufacture and ship one SKU of an inverter to the market, which can then be programmed to the desired kilowatt rating in the field. This framework simplifies forecasting, manufacturing, inventory management, logistics, service and support, for both us and our customers. It also adds flexibility for home and business owners who can boost the inverter rating if a larger system is needed in the future.

In light of the IRA legislation in the United States, which incentivizes the local manufacturing of renewable energy products by providing benefits to installers for the purchase and installation of products with domestic content, as well as by incentivizing local manufacturing of our products, we manufacture the vast majority of our products in the United States. This includes inverters in Texas, optimizers and inverters in Florida, and manufacturing of batteries in Utah. As part of our effort to streamline and centralize, we have discontinued manufacturing in China, Mexico, and Hungary. We continue to manufacture a minor portion of our products in Israel, at our Sella 1 facility. We also continue to maintain manufacturing capabilities in Vietnam, with a third-party manufacturer.

In 2025, we began to strategically focus on our core markets and product lines to better align resources with markets and product lines that exhibit the strongest potential. As part of this strategic portfolio rationalization, we are concentrating our operations in key jurisdictions while discontinuing local activities in certain countries.

Following the sale of Automation Machines and the discontinuation of the Company's Energy Storage activity in 2024, we operate as one operating segment that constitutes consolidated results.

Further information regarding our business is provided in "Part I, Item 1. Business" of this Annual Report.

For the year ended December 31, 2025, one customer accounted for 18.6% of our revenues and our top three customers together represented 35.8% of our revenues.

Our revenues were \$1,184.4 million and \$901.5 million for the year ended December 31, 2025 and 2024, respectively. For the year ended December 31, 2025 our gross profit was 16.6% as compared to gross loss of 97.3% for the year ended December 31, 2024. For the year ended December 31, 2025, our net loss was \$405.4 million as compared to our net loss of \$1,806.4 million for the year ended December 31, 2024.

Performance Measures

In managing our business and assessing financial performance, we supplement the information provided by the financial statements with other operating metrics. These operating metrics are utilized by our management to evaluate our business, measure our performance, identify trends affecting our business and formulate projections. As discussed in our quarterly report on Form 10-Q for the third quarter of 2025, we re-evaluated the key operating metrics that we have historically used to measure our operating performance to improve their accuracy and relevance to the Company's business. This process included our application of new data, technologies, and/or product changes that may allow us to identify metrics that we view to be the most reflective of our business.

Specifically, the markets that we serve are increasingly transitioning away from discreet product purchases and toward more comprehensive systems and solutions. This trend is occurring across all of our regions and end markets. As a result of these market trends, we are adjusting our technology platform and go to market strategies to cater to this trend by offering more comprehensive solutions. These trends also result in the cost of our inverter, optimizer, and energy storage products becoming a widely varying fraction of the overall value of the solutions that we provide. In addition, the ASP calculation for these units also widely varies due to diverse end market exposure. As such, trends in costs and selling prices per megawatt and megawatt hour are less representative of our overall business performance. We believe that this trend will only continue to become more prevalent in the future. Additionally, the Company believes that revenue recognition is a more accurate measurement than products shipped, for the purpose of assessing the Company's actual earnings rather than mere operational activity. In some cases, products shipped may not be recognized as revenue in a specific quarter due to timing of delivery, and results may differ as such in the metrics previously used in our financial statements. Accordingly, and further to the Company's quarterly report on Form 10-Q for the third quarter of 2025, management determined that the third quarter of 2025 would be the last report in which it would include i) inverters shipped, ii) optimizers shipped, and iii) MWh of batteries shipped, as metrics, before being discontinued in this annual report on Form 10-K. Management has replaced these key operating metrics with i) inverters recognized as revenue, ii) optimizers recognized as revenue, and iii) MWh of batteries recognized as revenue, which management believes more accurately reflect the Company's actual operations. In addition, we have begun disclosing revenue derived from inverters, optimizers and batteries on a quarterly basis within our quarterly reports on Form 10Q and in this annual report on Form 10K.

In an effort to simplify the Company's product portfolio and streamline our business, we have reduced the variety of SKUs, in a manner in which we are no longer able to track Megawatts shipped as a metric. The move to our Single SKU concept means that the Company is not able to determine the AC power rating of inverters at the time of shipment. The AC power rating can only be determined once it is installed in the field, which typically occurs at least 6 months after shipment and can be altered in accordance with an end user's needs. As a result, the Company no longer provides Megawatts shipped as key operating metrics, starting with this fourth quarter of 2025.

	Year ended December 31,	
	2025	2024
Inverters recognized as revenue (in thousands)	349.6	245.7
Power optimizers recognized as revenue (in thousands)	10,571.4	6,645.8
Megawatt hours recognized as revenue - batteries	897.4	556.2

Limited Market Portfolio Rationalization

In 2025, we began to strategically focus on our core markets and product lines to better align resources with markets and product lines that exhibit the strongest potential. As part of this strategic portfolio rationalization, we are concentrating our operations in key jurisdictions while discontinuing local activities in certain countries.

Global Circumstances Influencing our Business and Operations

Demand for Products

A prolonged slowdown in demand in the global market for PV products has continued to adversely impact the solar industry. Additionally, uncertainty related to changes in tariffs, trade policies, legislation, and guidance including from H.R.1, may further contribute to market volatility and adversely impact customer demand for our products, pricing and our financial performance. Despite a prolonged softness in demand, we have seen an increase in sales, in 2025, due to more normalized channel inventory in both the United States and in Europe. Additionally, the attachment rate of batteries within solar installations is rising globally, which we believe has led an increase in demand for our batteries.

Impact of the H.R.1 on U.S. Tax Incentives

In August 2022, the U.S. government enacted the IRA, which contains several provisions intended to accelerate U.S. manufacturing and adoption of clean energy such as solar, wind, hydrogen and electric vehicles and therefore had positive impacts on our business and operations along with the overall US solar market. Some of the applicable provisions in the IRA that are positively impacting the market for renewable energy include the extension of 48E, the tech-neutral investment tax credit ITC, and 45Y, the tech-neutral PTC. The IRA includes incentives for residential and commercial solar customers and developers through the inclusion of ITCs for qualifying energy projects of up to 30% with a potential to gain further bonus credits such as through the utilization of Domestic Content. Section 45X of the IRA offers AMPTCs, that incentivize the production of eligible components within the United States. In light of such incentives, we established manufacturing capabilities in the United States starting in 2023, and further expanded such capabilities in 2024 and 2025. On October 24, 2024, regulations concerning the application of Section 45X were published by the U.S. Treasury Department which contain detailed rules concerning eligibility, qualifying and accounting for AMPTCs. Of particular relevance to the Company are the tax credits that we generate as a result of rules concerning the qualification and measurement of AMPTCs to Residential Inverters, Commercial Inverters and DC-Optimized Inverter Systems that we manufacture in the United States. In 2024 and 2025, we sold a significant part of the AMPTCs that we generated from our U.S. production of eligible components.

On July 4, 2025, H.R.1, was enacted into law introducing amendments to the clean energy tax credits contained in the IRA. The IRA provides energy tax credits that are significant to SolarEdge and its U.S. based customers, and material changes thereto could adversely affect our revenue, our eligibility for certain tax credits, tax credits available to our customers, competitiveness and demand for our products and our financial condition.

H.R.1 accelerates the phase-out timeline for certain credits, eliminates the 25D credit, and imposes new eligibility criteria. H.R.1 does not shorten the term of such 45X Credits. Among other changes, H.R.1 shortens the term of the investment tax credit and production tax credit under Sections 48E and 45Y of the Code, used by customers of SolarEdge who are engaged in TPO models, such as residential solar leases and power purchase agreements, and commercial solar customers and developers, shortening the end date from 2034 to 2027. However, H.R.1 also includes a 12-month period in which such customers can begin construction giving them four years to complete their projects. Projects begun after twelve months from enactment of H.R.1 must be placed in service by December 31, 2027, to receive the credit. H.R.1 eliminates the individual residential tax credit under Section 25D of the Code at the end of 2025. These changes may negatively impact the eligibility of our customers and individuals to obtain tax credits, which may negatively affect the overall demand for our products.

H.R.1 also amends the domestic content bonus credit rules for Section 48E projects. Projects commencing construction after June 16, 2025 must meet a 45% domestic content threshold, up from 40%. Since January 1, 2026, such threshold was increased to 50% and shall thereafter be further increased by 5% on an annual basis, until 2029. In addition, H.R.1 introduced new FEOC requirements for Sections 45X, 45Y, and 48E of the Code. These restrictions require threshold percentages of non FEOC components that increase over time, beginning January 1, 2026. Currently, SolarEdge is manufacturing components aimed help our customers meet their non-FEOC percentage requirements. However, if Treasury were to release new rules or guidance that impact our ability to provide components with non-FEOC percentages towards their total requirement, our customers' eligibility to qualify for certain tax credits could be impaired, which may adversely affect our revenue, gross margins, business operations and competitive position. In addition, as of January 1, 2026, in order to receive the 45X Credit, manufacturers must also reach a required percentage of non-FEOC content in their manufactured components. If the Company is unable to reach that required percentage, it could have adverse impacts on our manufacturing costs, results of operations, cash flows, gross margin, and profits.

On August 15, 2025, the U.S. Treasury Department and the IRS released Notice 2025-42, its first set of guidance for H.R.1 related to beginning of construction requirements applicable to our customers. While it removed the ability for projects over 1.5 MW to utilize the 5% safe harbor method (still allowing projects equal to or less than 1.5 MW to continue using it), but kept in place the physical work test method for all projects.

On February 12, 2026, the U.S Department of Treasury and IRS released IRS Notice 2026-15 providing additional guidance on H.R. 1 related to the Prohibited Foreign Entity rules (PFE) enacted in H.R.1. Specifically, this notice confirms the ability to rely on temporary safe harbor tables and existing safe harbor tables for the determination of material assistance from a PFE. This guidance provides answers to several compliance questions related to the Company's 45X Credits material assistance calculations and its customers' 48E material assistance calculation among other things. While this removed some uncertainty around the Material Assistance Cost Ratio calculation, impending Notice of Proposed Rule and Final Rule on this same topic expected later this year could create challenges for the Company to meet the FEOC requirements or to assist our customers in meeting them. If we are unable to meet the requirements this may adversely affect our revenue, or our customers eligibility to obtain certain tax credits, the overall demand for our products, our results of operations and cash flows.

To the extent that tax benefits or credits may be impacted through new regulation, issued guidance, interpretation, or by new laws passed by Congress, our business could be disadvantaged or advantaged. Reductions in AMPTCs, without an offsetting reduction in our manufacturing costs, would adversely affect our results of operations and cash flows, and have an adverse impact on our gross margin, which may include transitioning into a gross loss. We continue to monitor the benefits that may be available to us, such as the availability of tax credits for domestic manufacturers.

Trade Tariff Uncertainties

The current trade situation is creating uncertainty about what impact new or existing tariffs, trade restrictions or retaliatory actions may have on us, the solar industry, our partners, and our customers. We have relocated our contract manufacturing to the United States, where we manufacture the vast bulk of our products. We continue to manufacture a minor portion of our products in Israel, at our Sella 1 facility. Certain critical subcomponents for our products are still sourced from outside the United States. If not resolved, the escalation in trade tensions or the implementation of broader tariffs, trade restrictions or other retaliatory measures on our products or components or subcomponents originating from countries outside of the United States, could adversely impact our ability to source necessary components or subcomponents, manufacture products at competitive cost, or sell our products at prices customers are willing to pay. In addition, retaliatory measures from other countries on products originating from the United States for export could adversely impact our ability to sell our products at competitive prices in such countries. Certain of the subcomponents used in our products are being imported to the United States from China, which may be subject to significantly increased tariffs. In light of the aforementioned, we continue to adjust our supply chains and are exploring alternative suppliers outside of China, however, there is no assurance that we will be successful in identifying suitable alternatives, or that such alternatives, if identified, will not result in increased costs or reduced operational efficiency.

If the price of solar power systems increases, as well as the cost of manufacturing our products in the United States, the use of solar power systems could become less economically feasible and could further reduce our gross margins or reduce the demand of solar power systems manufactured and sold, which in turn may decrease demand for our products. Additionally, existing or future tariffs may negatively affect key partners, suppliers and manufacturers. Such outcomes could adversely affect the amount or timing of our revenue, results of operations or cash flows, and continuing uncertainty could cause sales volatility, price fluctuations or supply shortages or cause our customers to advance or delay their purchase of our products. Any such developments could materially and adversely affect our business operations, results of operations and cash flows.

Disruptions Due to the War in Israel

Due to the war that began on October 7, 2023, some of our employees in Israel were called to active reserve duty and additional employees may be called in the future, if needed. In the year ended December 31, 2025, approximately 279 or 13% of our employees in Israel were called to active reserve duty for varying periods. On October 9, 2025, Israel, Hamas, the United States and other countries in the region agreed to a framework for a ceasefire in Gaza between Israel and Hamas. It is unknown whether this ceasefire will endure, or if other conflicts in Gaza, Lebanon, Yemen, Iran, or in the broader region will reemerge or escalate in the future.

While our offices and facilities are open worldwide, including in Israel, and, to date, we have not had material disruptions to our ability to manufacture and deliver products and services to customers. A reemergence of conflicts in Israel could materially adversely affect our business, financial condition, and results of operations. Due to the ongoing and evolving nature of the conflict in Israel, and the extent of these events, the adverse effect on our business operations is still unknown.

The majority of our key employees and officers are residents of Israel. If any of our facilities in Israel were to be damaged, destroyed or otherwise rendered unable to operate, whether due to war, acts of hostility, earthquakes, fire, floods, storms, other natural disasters, employee malfeasance, terrorist acts, power outages or otherwise, or if performance of our research and development is disrupted for any other reason, such an event could delay commercialization of our products, and if we choose to manufacture all or any part of them internally, jeopardize our ability to manufacture our products as promptly as our prospective customers will likely expect, or possibly at all. If we experience delays in achieving our development objectives within a timeframe that meets our prospective customers' expectations, our business, prospects, financial results and reputation could be harmed.

Key Components of Our Results of Operations

The following discussion describes certain line items in our Consolidated Statements of Operations.

Revenues

We generate revenues from the sale of DC optimized inverter systems for PV installations, which include power optimizers, inverters, storage and backup solutions, EV chargers, smart energy devices, our cloud-based monitoring platform, extended warranty for our products and grid services. Our customer base mainly includes distributors, large solar installers, wholesalers, and EPCs.

Our revenues from the sale of our products are affected by changes in the volume and average selling prices of our DC optimized inverter systems. The volume and average selling price of our systems is driven by the supply and demand for our products, changes in the product mix between our residential and commercial products, the customer mix between large and small customers, the geographical mix of our sales, sales incentives, end user government incentives, seasonality, and competitive product offerings.

Our revenue growth is dependent on our ability to expand our market share in each of the geographies in which we compete, retain our global footprint in evolving markets, manage our production capabilities to meet demand, continue to develop and introduce new and innovative products that address the changing technology and performance requirements of our customers.

In the year ended December 31, 2025, 60.6% of our revenues were generated from the United States, 26.8% of our revenues were generated from Europe, and 12.5% of our revenues were generated from our other international markets ("International Markets"). In the year ended December 31, 2024, 42.1% of our revenues were generated from the United States, 35.8% of our revenues were generated from Europe, and 22.1% of our revenues were generated from International Markets.

Cost of Revenues and Gross Profit

Cost of revenues consists primarily of product costs, including purchases from our contract manufacturers and other suppliers, as well as costs related to shipping, customer support, product warranty, personnel, depreciation of testing and manufacturing equipment, amortization of intangible assets and other fixed costs, provision for losses related to slow moving and dead inventory, hosting services for our cloud based monitoring platform, variable utility costs, operational costs related to the manufacturing factories, other logistics services, and contract termination costs, partially offset by AMPTCs we are entitled to under IRA. When evaluating potential manufacturing locations, the Company considers the full cost structure associated with the cost of revenues and the related decision-making process reflects a holistic review of operational, logistical, financial, and strategic parameters, including market conditions, cost structures, tariffs, and the evolving policy landscape. Our product costs are affected by technological innovations, such as advances in semiconductor integration and new product introductions, economies of scale resulting in lower component costs, improvements in production processes and automation, the volume of products subject to import tariffs (for example, for imports from China to the U.S.) and the volume of products for which manufacturing credits are available (for example, for products made in the U.S.). Some of these costs, primarily personnel, amortization of intangible assets and depreciation of testing and manufacturing equipment, are not directly affected by sales volume.

Cost of revenues also includes our operations, production, and support departments' costs. Our operations and production departments are responsible for production management such as planning, procurement, supply chain, production methodologies and machinery planning, logistics management, and manufacturing support to our contract manufacturers, as well as the quality assurance of our products. Our support department provides customer and technical support at various levels through our call centers around the world as well as second and third-level support services, which are provided by support personnel located in our headquarters. Our employees headcount in our operations, production and support departments has increased to 1,935 as of December 31, 2025 from 1,804 as of December 31, 2024.

In October of 2023, the Company made an announcement regarding its restructuring plans to adjust its manufacturing capacity and increase operating efficiency, including the discontinuation of the Company's LCV e-Mobility activity. On January 21, 2024, the Company announced adoption of additional measures in response to challenging industry conditions, including reducing its headcount by approximately 900 over the first half of 2024 through involuntary workforce reduction plans, followed by an additional involuntary workforce reduction in July 2024 resulting in the layoff of approximately 400 employees. On November 27, 2024, the Company announced the closure of its Energy Storage Division. Under the closure, the Company expected to reduce its headcount by approximately 500 employees, primarily employees working in manufacturing positions in South Korea. These decisions were made in order to better align the Company with current market conditions (together, the "Restructuring Plans").

In January 2025, the Company announced the adoption of a restructuring plan, in response to challenging industry conditions, which included an additional reduction in workforce. In April 2025, we divested from our PV tracker business, as part of our effort to focus on our core activities. On September 4, 2025, as part of the decision to close our Energy Storage Division, the Company sold its last battery cell manufacturing facility in South Korea. In 2025, we also began to strategically focus on our core markets and product lines to better align resources with markets and product lines that exhibit the strongest potential. As part of this strategic portfolio rationalization, we are concentrating our operations in key jurisdictions while discontinuing local activities in certain countries (together, the "Restructuring Plans").

Gross profit (loss) may vary from quarter to quarter and is primarily affected by our average selling prices, product costs, manufacturing ramp-up costs, restructuring costs, product mix, customer mix, geographical mix, location of manufacturing, shipping method, warranty costs, generation and recognition of AMPTCs, ability to benefit from certain tax credits, inventory write-offs, exchange rates, and seasonality.

Operating Expenses

Operating expenses consist of research and development, sales and marketing, general and administrative, goodwill impairment and other operating expenses, net. Personnel-related costs are a significant component of the operating expenses and include salaries, benefits, payroll taxes, commissions, severance and stock-based compensation. Our employees headcount in our research and development, sales and marketing and general and administrative departments, has reduced to 1,641 as of December 31, 2025 from 2,157 as of December 31, 2024 as part of our Restructuring Plans.

Research and development expenses

Research and development expenses include personnel-related expenses such as salaries, severance, benefits, stock-based compensation and payroll taxes. Our research and development employees are engaged in the design and development of power electronics, semiconductors, software, power-line communications, networking and chemistry. Our research and development expenses also include third-party design and consulting costs, materials for testing and evaluation, ASIC development and licensing costs, depreciation and amortization expenses, and other indirect costs. We devote substantial resources to ongoing research and development programs that focus on enhancements to, and cost efficiencies in, our existing products and timely development of new products that utilize technological innovation, thereby maintaining our competitive position.

Sales and marketing expenses

Sales and marketing expenses consist primarily of personnel-related expenses such as salaries, severance, sales commissions, benefits, payroll taxes, and stock-based compensation. These expenses also include travel, fees of independent consultants, trade shows, marketing, costs associated with the operation of our sales offices and other indirect costs. We currently have a sales presence in many countries worldwide. In 2025, we began to strategically focus on our core markets and product lines to better align resources with markets and product lines that exhibit the strongest potential. As part of this strategic portfolio rationalization, we are concentrating our operations in key jurisdictions while discontinuing local activities in certain countries. We may either continue to reduce our presence in certain regions or expand our sales presence to additional regions or , globally, in the future.

General and administrative expenses

General and administrative expenses consist primarily of salaries, severance, employee benefits, and stock-based compensation related to our executives, finance, human resources, information technology, and legal organizations, travel expenses, facilities costs, fees for professional services, and registration fees related to being a publicly-traded company. Professional services consist of audit and legal costs, remuneration to board members, insurance, information technology, and other costs. General and administrative expenses also include expenses related to certain legal claims and provision for expected credit losses in the event of uncollectible account receivables balances.

Other operating expenses, net

Other operating expenses, net, consist primarily of impairment and abandonment of long-lived assets, impairment of assets held for sale, loss from business disposition, as well as goodwill impairment tested for impairment at least on an annual basis and certain other nonrecurring items.

Non Operating Expenses

Financial income (expense), net

Financial income (expense), net, consists primarily of interest income, interest expense, gains or losses from foreign currency fluctuations, credit loss related to loans receivable and hedging transactions.

Interest income consists of interest from our investment in available for sale marketable securities, deposits, loans to third parties and accretion of discounts related to our investment in available for sale marketable securities.

Interest expense consists of interest related to bank loans, advance payments received for performance obligations that extend for a period greater than one year, related to Accounting Standard Codification 606, "Revenue from Contracts with Customers" (ASC 606), interest related to Accounting Standard Codification 842, "Leases" (ASC 842), amortization of premium related to our investment in available for sale marketable securities, the amortization of debt issuance cost associated with our Notes due 2029 as well as the contractual interest expenses from our Notes due 2029.

Our functional currency is the U.S. dollar. With respect to certain of our subsidiaries, the functional currency is the applicable local currency. Financial income (expenses), net, also consists of gains or losses from foreign currency fluctuations, the fair value remeasurement of hedging contracts not designated as cash flow hedge and bank charges. Foreign currency fluctuations primarily consist of the effect of foreign exchange differences between the U.S. dollar and the New Israeli Shekel, the Euro, and other currencies related to our monetary assets and liabilities.

Other income (loss)

Other income (loss) consists primarily of realized and unrealized gains and losses on investments in privately-held companies and realized gains and losses on investment in available for sale marketable securities.

Income taxes

We are subject to income taxes in the countries where we operate.

In the year ended December 31, 2025, we recorded a net income tax expense of \$13.4 million, which consists of a \$14.2 million current income tax expense and \$0.8 million of deferred tax income. In the year ended December 31, 2024, we recorded a net income tax expense of \$96.1 million, which consists of a \$16.9 million current income tax expense and a \$79.2 million deferred tax income. Our effective tax rate for 2025 was negative 3.5%, compared to negative 5.63% for 2024.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into law, making significant changes to U.S. income tax law. These changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years 2018 onwards and created new taxes on certain foreign-sourced earnings (including tax on Global Intangible Low Taxed Income ("GILTI") and certain related-party payments. The Tax Act also amended Section 174 of the U.S Internal Revenue Code, effective from January 1, 2022, eliminating the option to deduct research and development expenditures currently and requiring taxpayers to amortize them over five years (if incurred in the U.S.) or fifteen years (if incurred outside the U.S.).

Furthermore, the Tax Act required the Company to pay U.S. income taxes on accumulated foreign subsidiaries earnings not previously subject to U.S. income tax at a rate of 15.5% to the extent of foreign cash and certain other net current assets, and 8% on the remaining earnings. The total tax liability will be paid over the eight-year period provided in the Tax Act (ending 2025).

SolarEdge Technologies Ltd., our Israeli Subsidiary, is taxed under Israeli law. Income not eligible for benefits under the Investments Law is taxed at the corporate tax rate. The Israeli corporate tax rate is 23%.

Our Israeli Subsidiary elected tax year 2012 as a "Year of Election" for "Benefited Enterprise" under the Israeli Investments Law, which provides certain benefits, including tax exemptions and reduced tax rates. Upon meeting the requirements under the Israeli Investments Law, the two-year tax exemption has ended on December 31, 2018.

The Investment Law was amended in 2005 and was further amended as of January 1, 2011 and in August 2013 (the "2011 Amendment"). The 2011 Amendment canceled the availability of the benefits granted in accordance with the provisions of the Investments Law prior to 2011 and, instead, introduced new benefits for income generated by a "Preferred Company" through its "Preferred Enterprise" (both as defined in the 2011 Amendment). Under the 2011 Amendment, income derived by Preferred Companies from Preferred Enterprise would be subject to a uniform rate of corporate tax. The tax rate applicable to such income, referred to as "Preferred Income", would be 7.5% in areas in Israel that are designated as Development Zone A and 16% elsewhere in Israel starting in the year 2017 and thereafter. Our Israeli Subsidiary has established its own manufacturing facility in Israel, located in a Development Zone A, therefore income from manufacturing attributed to that facility is subject to a 7.5% tax rate.

In December 2016, Amendment 73 to the Investments Law (the "2017 Amendment") was published. According to the 2017 Amendment, special tax tracks for technological enterprises have been introduced, which are subject to rules that were issued by the Israeli Ministry of Finance. A Preferred Technological Enterprise (PTE), as defined in the 2017 Amendment, that is located in the central region of Israel, will be subject to a tax at a rate of 12% on profits deriving from intellectual property, or 6% if its annual revenues exceed New Israeli Shekel 10 billion.

On June 14, 2017, the Encouragement of Capital Investments Regulations (Preferred Technological Income and Capital Gain for Technological Enterprise), 2017 (the "Regulations") were published. The Regulations describe, inter alia, the mechanism used to determine the calculation of the benefits under the PTE regime. A company that complies with the terms under the PTE regime, may be entitled to certain tax benefits with respect to certain income generated during the company's regular course of business and derived from the preferred intangible asset.

As of January 2019, our Israeli Subsidiary elected to implement the 2011 and 2017 Amendments starting as of tax year 2019 and as a result, under the PTE regime with respect to our business activities in Israel. Our PTE income was subject to a 12% tax rate in Israel in the years 2019-2021, and in 2022-2023 to a 6% tax rate as we surpassed 10 billion New Israeli Shekel revenues threshold. In 2024 and 2025 the Company incurred losses for tax purposes.

The Law for the Encouragement of Industry (Taxes), 1969, (the "Industry Encouragement Law"), provides certain tax benefits for an 'Industrial Company' as such term is defined in the Industry Encouragement Law. An Industrial Company is entitled to certain tax benefits including, inter alia, amortization over an eight-year period of the cost of purchased know-how, patents and accelerated depreciation rates on equipment and buildings. We qualify as an Industrial Company under the Law and benefit from its provisions as applicable.

Loss from equity method investments

Loss from equity method investments consists of our proportionate share of the net loss of equity method investments.

Results of Operations

The following tables set forth our consolidated statements of income for the years ended December 31, 2025 and 2024. We have derived this data from our consolidated financial statements included elsewhere in this Annual Report. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report. The results of historical periods are not necessarily indicative of the results of operations for any future period.

Comparison of year ended December 31, 2025 and year ended December 31, 2024

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Revenues	\$ 1,184,444	\$ 901,456	\$ 282,988	31.4%
Cost of revenues	988,163	1,778,660	(790,497)	(44.4)%
Gross profit (loss)	196,281	(877,204)	1,073,485	(122.4)%
Operating expenses:				
Research and development	221,255	277,237	(55,982)	(20.2)%
Sales and marketing	117,332	146,865	(29,533)	(20.1)%
General and administrative	101,035	147,455	(46,420)	(31.5)%
Other operating expenses, net	58,338	259,527	(201,189)	(77.5)%
Total operating expenses	497,960	831,084	(333,124)	(40.1)%
Operating income (loss)	(301,679)	(1,708,288)	1,406,609	(82.3)%
Financial expense, net	(71,999)	(14,570)	(57,429)	394.2%
Other income (loss), net	(17,428)	14,547	(31,975)	(219.8)%
Loss before income taxes	(391,106)	(1,708,311)	1,317,205	(77.1)%
Income taxes	(13,382)	(96,150)	82,768	(86.1)%
Net loss from equity method investments	(960)	(1,896)	936	(49.4)%
Net loss	\$ (405,448)	\$ (1,806,357)	\$ 1,400,909	(77.6)%

Revenues

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Revenues	\$ 1,184,444	\$ 901,456	\$ 282,988	31.4%

Revenues increased by \$283.0 million, or 31.4%, in the year ended December 31, 2025, as compared to the year ended December 31, 2024, primarily due to (i) an increase of \$261.1 million related to an increase in the number of inverters and power optimizers sold; (ii) an increase of \$94.9 million related to the number of batteries sold, mainly in Europe and the U.S.; (iii) a decrease of \$33.5 million in revenues due to the discontinuation of our Energy Storage Business; and (iv) a decrease of \$30.4 million in the amount of ancillary solar products sold.

Revenues from outside of the U.S. comprised 39.4% of our revenues in the year ended December 31, 2025 as compared to 57.9% in the year ended December 31, 2024.

The number of power optimizers recognized as revenues increased by approximately 3.9 million units, or 59.1%, from approximately 6.6 million units in the year ended December 31, 2024, to approximately 10.6 million units in the year ended December 31, 2025. The number of inverters recognized as revenues, increased by approximately 103.9 thousand units, or 42.3%, from approximately 245.7 thousand units in the year ended December 31, 2024 to approximately 349.6 thousand units in the year ended December 31, 2025. The megawatt hours of batteries recognized as revenues increased by approximately 341.2 megawatts hour, or 61.3% from approximately 556.2 megawatts in the year ended December 31, 2024 to approximately 897.4 megawatts in the year ended December 31, 2025, as a result of increase in demand.

Cost of Revenues and Gross Profit (loss)

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Cost of revenues	\$ 988,163	\$ 1,778,660	\$ (790,497)	(44.4)%
Gross profit (loss)	\$ 196,281	\$ (877,204)	\$ 1,073,485	(122.4)%

Cost of revenues decreased by \$790.5 million, or 44.4%, in the year ended December 31, 2025 as compared to the year ended December 31, 2024, primarily due to:

- a decrease of \$757.6 million in inventory costs, which is mainly attributed to inventory write-down;
- a decrease of \$36.0 million in warranty expenses and warranty accruals, associated primarily with a lower cost of materials and changes in estimates;
- a decrease in personnel-related costs of \$10.1 million, resulting from our workforce reduction plan designed to reduce operating expenses and align our cost structure to current market dynamics.

These were partially offset by an increase of \$26.3 million, in the direct cost of revenues sold associated primarily with an increase in the volume of products sold, net, of an increase in AMPTC recognized; Excluding such AMPTC incentives would have caused us to transition into a gross loss.

Gross profit as a percentage of revenue increased from gross loss of 97.3% for the year ended December 31, 2024 to a gross profit of 16.6% in the year ended December 31, 2025 primarily due to:

- a decrease of inventory write-down accruals resulting in higher gross margin of approximately 101%; and
- lower absolute fixed and other production related costs, which were divided this year by higher revenues, resulting in higher gross margin of approximately 12.8%.

Excluding the AMPTC incentives, would have caused our gross profit as a percentage of revenue, to transition from a gross profit to a gross loss.

Operating Expenses:

Research and Development

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Research and development	\$ 221,255	\$ 277,237	\$ (55,982)	(20.2)%

Research and development costs decreased by \$56.0 million or 20.2%, in the year ended December 31, 2025 compared to the year ended December 31, 2024, primarily due to:

- a decrease of \$40.9 million in personnel-related costs, resulting from our workforce reduction plan designed to reduce operating expenses and align our cost structure to current market dynamics;
- a decrease in depreciation and amortization of \$5.5 million;
- a decrease in material consumption in an amount of \$5.4 million; and
- a decrease in expenses related to consultants and sub-contractors in the amount of \$3.3 million;

Sales and Marketing

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Sales and marketing	\$ 117,332	\$ 146,865	\$ (29,533)	(20.1)%

Sales and marketing expenses decreased by \$29.5 million, or 20.1%, for the year ended December 31, 2025 compared to the year ended December 31, 2024, primarily due to:

- a decrease of \$23.1 million in personnel-related costs, resulting from our workforce reduction plan designed to reduce operating expenses and align our cost structure to current market dynamics;
- a decrease of \$1.7 million in other marketing expenses; and
- a decrease in depreciation and amortization of \$1.6 million.

General and Administrative

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
General and administrative	\$ 101,035	\$ 147,455	\$ (46,420)	(31.5)%

General and administrative expenses decreased by \$46.4 million, or 31.5%, in the year ended December 31, 2025 compared to the year ended December 31, 2024, primarily due to:

- a net reversal of allowance for doubtful debt related to the collection of amounts previously reserved in the amount of \$20.5 million in the year ended December 31, 2025, compared to an expense of \$28.2 million, in the year ended December 31, 2024; and
- a decrease of \$17.1 million in personnel-related costs, resulting from our workforce reduction plan designed to reduce operating expenses and align our cost structure to current market dynamics.

These were partially offset by:

- an increase of \$12.8 million related to potential legal claims; and
- an increase of \$8.1 million, primarily due to a payment for postponing the commencement of our campus lease agreement.

Other operating expenses, net

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Other operating expenses, net	58,338	259,527	\$ (201,189)	(77.5)%

Other operating expenses, net, decreased by \$201.2 million, or 77.5% in the year ended December 31, 2025 compared to the year ended December 31, 2024, primarily due to:

- a decrease of \$219.0 million in losses related to the impairment and abandonment of property, plant and equipment;
- a decrease of \$22.4 million in losses related to the impairment of intangible assets.

These were partially offset by an increase of \$43.3 million related to impairment of held for sale assets.

Financial income (expense), net

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Financial income (expense), net	\$ (71,999)	\$ (14,570)	\$ (57,429)	394.2%

Financial expenses, net, increased by \$57.4 million, or 394.2% in the year ended December 31, 2025 compared to the year ended December 31, 2024, primarily due to:

- an increase of \$56.6 million in fluctuations in foreign exchange rates, which was primarily driven by a reclassification from accumulated other comprehensive loss to financial income (expense), resulting from the substantial completion of the liquidation of a certain foreign subsidiary.
- a decrease of \$17.9 million in interest income related to our marketable securities investments and loans receivable; and
- an increase of \$5.3 million in interest expenses mainly related to our Notes 2029 (as defined below).

These were partially offset by a reversal of credit loss related to loans receivable in the amount of \$7.9 million in the year ended December 31, 2025 compared to a credit loss provision in the amount of \$17.5 million in the year ended December 31, 2024.

Other income (loss), net

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Other income (loss), net	\$ (17,428)	\$ 14,547	\$ (31,975)	(219.8)%

Other loss, net was \$17.4 million for the year ended December 31, 2025 compared to other income, net of \$14.5 million in the year ended December 31, 2024, primarily due to:

- a decrease in income of \$15.5 million in gain from the repurchase of the Notes 2025 (as defined below) recognized in prior year;
- an increase in expenses of \$16.6 million as a result of impairment of investment in privately held company; and
- a decrease in income of \$3.0 million in realized gain from marketable securities;

These were partially offset by \$4.0 million income from sale of an investment in a privately held company.

Income taxes

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Income taxes	\$ (13,382)	\$ (96,150)	\$ 82,768	(86.1)%

Income taxes decreased by \$82.8 million, or 86.1%, for the year ended December 31, 2025 as compared to the year ended December 31, 2024. The significantly higher taxes in 2024 is primarily attributable to the valuation allowance we recorded in the year ended December 31, 2024 against our deferred tax assets for losses and other temporary differences of the company and its subsidiaries.

Loss from equity method investments

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Net loss from equity method investments	\$ (960)	\$ (1,896)	\$ 936	(49.4)%

Net loss from equity method investments decreased by \$0.9 million, or 49.4% for the year ended December 31, 2025 as compared to the year ended December 31, 2024.

Net loss

	Year ended December 31,		2024 to 2025	
	2025	2024	Change	
	(In thousands)			
Net loss	\$ (405,448)	\$ (1,806,357)	\$ 1,400,909	(77.6)%

As a result of the factors discussed above, net loss decreased by \$1,400.9 million, or 77.6%, for the year ended December 31, 2025 as compared to the year ended December 31, 2024.

Liquidity and Capital Resources

The following table shows our cash flows from operating activities, investing activities, and financing activities for the stated periods:

	Year ended December 31,	
	2025	2024
	(In thousands)	
Net cash provided by (used in) operating activities	\$ 104,261	\$ (313,319)
Net cash provided by investing activities	379,882	416,286
Net cash used in financing activities	(348,890)	(20,129)
Increase in cash, cash equivalents and restricted cash	\$ 135,253	\$ 82,838

As of December 31, 2025, our cash and cash equivalents were \$455.1 million. This amount does not include \$84.8 million restricted cash, \$38.1 million invested in available for sale marketable securities, \$2.7 million invested in deposits, and \$0.5 million invested in restricted deposits. Our principal uses of cash are for funding our operations, capital expenditures, other working capital requirements, other investments, and the repayment of our Notes 2029. As of December 31, 2025, we have open commitments for capital expenditures in the amount of approximately \$23.5 million. These commitments reflect purchases of automated assembly lines and other machinery related to our manufacturing operations. We also have purchase obligations in the amount of \$513.2 million related to raw materials and commitments for the future manufacturing of our products.

As of December 31, 2025, we had a non-cancelable lease commitment for the initial term of a lease of approximately \$274,237 for new offices in Israel, which has not yet commenced. The lease is expected to commence during the next twelve months. The initial term of the lease agreement is 15 years commencing on the transfer of possession, and with an option to extend the lease for additional periods of up to 10 years, subject to the conditions of the lease agreement. In November 2025, we amended our lease agreement with the developer for our new campus to reduce the leased area. In connection with the amendment, we agreed to make a lease modification payment of \$28,828, recorded under other long-term assets, which is accounted for as prepaid lease consideration under ASC 842, of which \$3,143 had been paid as of December 31, 2025.

Beginning in the fourth quarter of 2024, we started to sell AMPTCs to third parties pursuant to tax credit agreements. We plan to pursue additional tax credit sales in the future. Our inability to complete sales or delays in doing so may affect the timing of our cash inflows. Failing to sell AMPTCs could result in delays between 18-24 months in the realization of the credits' value, and would have a negative effect on our liquidity.

We believe that cash provided by operation activities, as well as our cash and cash equivalents, restricted cash and available for sale marketable securities, will be sufficient to meet our anticipated cash needs for at least the next 12 months as well as in the longer term, including the self-funding of our capital expenditure, operational commitments and the redemption of our debt.

Operating Activities

Operating cash flows consist primarily of net loss adjusted for certain non-cash items and changes in assets and liabilities. Cash provided by operating activities was \$104.3 million in the year ended December 31, 2025 as compared to cash used in operating activities of \$313.3 million in the year ended December 31, 2024. This was mainly result of a decrease in net loss adjusted for certain non-cash items as well as a decrease in operating working capital requirements.

Investing Activities

Investing cash flows consist primarily of capital expenditures, investment in, sales and maturities of available for sale marketable securities, investment and withdrawal of bank deposits and restricted bank deposits, cash used for acquisitions and disbursements and receipts from collections of loans made by the Company. Cash provided by investing activities decreased by \$36.4 million in the year ended December 31, 2025 as compared to the year ended December 31, 2024, primarily driven by an increase of \$217.7 million in purchases of available-for-sale debt investments and a decrease of \$44.3 million in proceeds provided by sales and maturities of available-for-sale debt investments. These were partially offset by a decrease of \$84.7 million in purchase of property plant and equipment, a decrease of \$37.5 million in disbursements of loans made by the Company, an increase of \$35.8 million in sale of property plant and equipment, a decrease of \$25.4 million in the purchase of privately-held companies, an increase of \$21.4 million in proceeds from loans receivables, a decrease of \$10.4 million in cash used for a business combination, and a decrease of \$10.0 million in purchase of intangible assets.

Financing Activities

Financing cash flows consist primarily of repurchases of our common stock, under our share repurchase program, which expired on December 31, 2024, the issuance, partial repurchase and redemption of the convertible senior Notes, and our employee equity incentive plans. Cash used in financing activities for the year ended December 31, 2025 increased by \$328.8 million, compared to cash used in financing activities in the year ended December 31, 2024, primarily due to an increase of \$342.3 million in cash used for the repayment of our Notes 2025 and a decrease of \$329.2 million in cash provided by the issuance of the Notes 2029. These were partially offset by a decrease of \$262.8 million in cash used for the repurchase of our Notes 2025, a decrease of \$50.2 million in cash used in share repurchases, and a decrease of \$28.3 million in cash used to purchase the capped call transactions.

Convertible Senior Notes

On September 25, 2020, we issued \$632.5 million aggregate principal amount of our convertible senior notes ("Notes 2025") in a transaction exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. Net proceeds from the offering, after underwriters' discount and commissions and offering expenses, was \$617.9 million. In March 2025 the Company repurchased \$5,250 principal amount of its Notes 2025. The Company recorded a net gain of \$146, under other income, net, from the repurchase. The Company settled all of its remaining Notes 2025 on September 15, 2025. As part of the settlement, the Company paid \$342,250 in cash towards principal amount of the Notes 2025 and no shares were issued in connection with the settlement as the conversion value was less than the principal amount of the Notes 2025. Following the settlement, there were no Notes 2025 outstanding as of September 30, 2025.

On June 28, 2024, we sold an aggregate principal amount of \$300 million of 2.25% convertible senior notes due 2029 in a transaction exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The net proceeds from the offering of the Notes 2029 were approximately \$293.2 million, after deducting fees and estimated expenses. Separately, we have entered into capped call transactions. We used approximately \$25.2 million of the net proceeds from this offering to pay the cost of the capped call transactions and approximately \$267.9 million of the net proceeds from this offering to repurchase \$285.0 million principal amount of its outstanding 0.000% Notes 2025. As a result of the partial repurchase of the Notes 2025, we recognized a gain of \$15.5 million which was recorded under other income. We intend to use the remainder of the net proceeds from the offering for general corporate purposes.

On July 8, 2024, we sold an aggregate principal amount of \$37 million of our convertible senior notes (“Notes 2029”). The Notes 2029 were sold pursuant to the Initial Purchasers’ (as defined in Note 18) exercise of the option granted by the Company to the Initial Purchasers to purchase additional Notes 2029, as described in Note 18, “Convertible Senior Notes”.

Share Repurchases

On November 1, 2023, we announced the approval by the Board of Directors of a share repurchase program which authorizes the repurchase of up to \$300 million of the Company’s common stock. The share repurchase program expired on December 31, 2024.

Critical Accounting Policies and Significant Management Estimates

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the U.S. (“GAAP”). The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management’s judgments and estimates. Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations because they require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain (see Note 2 to our annual financial statements for more information).

Revenue Recognition

We generate revenues from the sale of DC optimized inverter systems for PV installations which include our power optimizers, inverters, batteries, cloud-based monitoring platform as well as other related ancillary products. Our worldwide customer base includes large solar installers, distributors, EPCs, utility companies and other customers. Our products are fully functional at the time of shipment to the customer and do not require production, modification, or customization. We recognize revenue under the core principle that transfer of control to the customers should be depicted in an amount reflecting the consideration we expect to receive in revenue. In order to achieve that core principle, we apply the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied. Provisions for rebates, sales incentives and discounts to customers are accounted for as reductions in revenue in the same period that the related sales are recorded.

We generally sell our products to our customers pursuant to a customer’s standard purchase order and our customary terms and conditions. We generally do not offer rights to return our products other than for normal warranty conditions, and as such, revenue is recognized based on the transfer of control, which includes but is not limited to, the agreed International Commercial terms. We evaluate the creditworthiness of our customers to determine that appropriate credit limits are established prior to the acceptance and shipment of an order.

We provide our full web-based monitoring platform for our solar products free of charge and revenues associated with the service since that date are being recognized ratably over 25 years. In the absence of third party comparable pricing for such service, management determines the revenue levels of this service based on the costs associated with providing the service plus appropriate margins that reflect management's best estimate of the selling price. These revenues are minimal and we do not expect this to become a significant source of revenue in the near future.

We recognize financing component expenses in our consolidated statement of income (loss) in relation to advance payments for performance obligations that extend for a period greater than one year. These financing component expenses are reflected in our deferred revenues balance. Such performance obligations are those that include a financing component, specifically: (i) warranty extension services, (ii) cloud-based monitoring, and (iii) communication services.

See Notes 2v and 15 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to revenue recognition.

Product Warranty

We provide a standard limited product warranty for our solar products against defects in materials and workmanship under normal use and service conditions. Our standard limited product warranty period is 25 years for our power optimizers, 12 year limited warranty for the majority of our inverters, and a 10-year limited warranty for our batteries. In addition, customers can purchase extended warranties for inverters that extend the warranty period to up to 25 years.

Our products are designed to meet the warranty periods and our reliability procedures cover component selection, design, accelerated life cycle tests, and end-of-manufacturing line testing. However, since our history in selling power optimizers is shorter than the warranty period, the calculation of warranty provisions is inherently uncertain.

We accrue for estimated warranty costs at the time of sale based on anticipated warranty claims and actual historical warranty claims experience. Warranty provisions, computed on a per-unit sold basis, are based on our best estimate of such costs and are included in our cost of revenues. The warranty obligation is determined based on actual and predicted failure rates of the products, cost of replacement and service and delivery costs incurred to correct a product failure. Our warranty obligation requires management to make assumptions regarding estimated failure rates and replacement costs.

In order to predict the failure rate of each of our products, we have established a reliability model based on the estimated mean time between failures ("MTBF"). The MTBF represents the average elapsed time predicted for each product unit between failures during operation. Applying the MTBF failure rate over our install base for each product type and generation allows us to predict the number of failed units over the warranty period and estimates the costs associated with the product warranty. Predicted failure rates are updated periodically based on data returned from the field and new product versions, as are replacement costs which are updated to reflect changes in our actual production costs for our products, subcontractors' labor costs, and actual logistics costs.

Since the MTBF model does not take into account additional non-systematic failures, such as failures caused by workmanship or manufacturing or design-related issues, and since warranty claims are at times opened for cases in which the error has been triggered by an improper installation, we have developed a supplemental model to predict such cases. This model, which is based on actual root cause analysis of returned products, identification of the causes of claims and time until each identified problem is revealed, allows us to better predict actual warranty expenses and is updated periodically based on our experience, taking into account the installed base of approximately 142.5 million power optimizers and approximately 6.2 million inverters as of December 31, 2025.

If actual warranty costs differ significantly from these estimates, adjustments may be required in the future, which could adversely affect our gross profit and results of operations. Warranty obligations are classified as short-term and long-term warranty obligations, based on the period in which the warranty is expected to be claimed. The warranty provision (short and long-term) was \$357.9 million and \$432.4 million, for the years ended December 31, 2025 and December 31, 2024, respectively.

See Notes 2x and 14 "Warranty obligations" to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to product warranty.

Inventory Valuation

Our inventories comprise sellable finished goods, raw materials bought for our own manufacturing facilities or on behalf of our contract manufacturers, and faulty units returned under our warranty policy.

Sellable finished goods and raw material inventories are valued at the lower of cost or net realizable value, based on the moving average cost method. Certain factors could affect the realizable value of our inventories, including market and economic conditions, technological changes, existing product changes (mainly due to cost reduction activities) and new product introductions. We consider historic usage, expected demand, anticipated sales price, the effect of new product introductions, product obsolescence, and other factors when evaluating the net realizable value of inventories. Inventory write-downs are equal to the difference between the cost of inventories and their estimated net realizable value. Inventory write-downs are recorded as cost of revenues in the accompanying statements of income and were \$17.8 million and \$738.8 million, for the years ended December 31, 2025 and December 31, 2024, respectively.

Faulty products returned under our warranty policy are often refurbished and used as replacement units. Such products are written off upon receipt.

We do not believe that there is a reasonable likelihood that there will be a material change in future estimates or assumptions that we use to record inventory at the lower of cost or net realizable value. However, if estimates regarding customer demand are inaccurate or changes in technology affect demand for certain products in an unforeseen manner, we may be exposed to losses that could be material.

See Notes 2k and Note 5 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to inventory valuation.

Business Combination

We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair value. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require our management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired technology and other intangible assets, their useful lives and discount rates. Our management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

See Note 2o to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to business combination.

Intangible and other long-lived assets

We evaluate the recoverability of finite-lived intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value.

The more significant estimates and assumptions inherent in the estimate of the fair value of finite-lived intangible assets include (i) assumptions associated with forecasting product profitability, including sales and cost to sell projections, (ii) tax rates which seek to incorporate the geographic diversity of the projected cash flows, (iii) expected impact of competitive, legal and/or regulatory forces on the projections and the impact of technological risk, R&D expenditure for ongoing support of product rights, and (iv) estimated useful lives.

During the year ended December 31, 2025, we recorded an impairment charge of \$49.1 million, related to tangible and intangible assets.

Acquired identifiable finite-lived intangible assets are amortized on a straight-line basis or accelerated method over the estimated useful lives of the assets. We believe the basis of amortization approximates the pattern in which the assets are utilized, over their estimated useful lives. We routinely review the remaining estimated useful lives of finite-lived intangible assets. In case we reduce the estimated useful life assumption for any asset, the remaining unamortized balance is amortized or depreciated over the revised estimated useful life.

See Notes 2.p and 9 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to intangible assets.

Goodwill

Goodwill reflects the excess of the consideration transferred, including the fair value of any contingent consideration and any non-controlling interest in the acquiree, over the assigned fair values of the identifiable net assets acquired. Goodwill is not amortized, and is assigned to reporting units and tested for impairment at least on an annual basis.

The goodwill impairment test is performed according to the following principles:

- (1) An initial qualitative assessment may be performed to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount.
- (2) If the Company concludes it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative fair value test is performed. An impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value is recognized.

We estimate the fair values of all reporting units using a discounted cash flow model which utilizes Level 3 unobservable inputs. Key estimates include the revenue growth rates taking into consideration industry and market conditions, terminal growth rate and the discount rate. The discount rate used is based on the WACC, adjusted for the relevant risk associated with country-specific and business-specific characteristics. The carrying value of each reporting unit is determined by assigning the assets and liabilities, including the existing goodwill, to those reporting units. Starting January 1, 2025, we operate as one reporting unit.

We complete the required annual testing of goodwill impairment for the reporting units at least on an annual basis and determine whether goodwill should be impaired. During the year ended December 31, 2025, we did not record an impairment charges.

See Notes 2.r and 10 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to goodwill.

Government grants

Government grants are recognized when there is reasonable assurance that: (1) we will comply with the relevant conditions and (2) the grant disbursement will be received.

In August 2022, the U.S. government enacted the IRA, which includes several incentives intended to promote clean energy, battery and energy storage, and other solar products, and is impacting our business and operations. As part of such incentives, the IRA, among other things, extended the investment tax credit ITC through 2034 and was therefore expected to increase the demand for solar products. The IRA further incentivizes residential and commercial solar customers and developers by providing significant tax credits for qualifying energy projects. In July 2025, the U.S. government enacted the H.R.1 that shortened the ITC credits. The IRA further provides AMPTCs for U.S. manufacturing of eligible components (under IRC §45X), including PV inverters and DC-optimized systems. The duration of this credit was not impacted by H.R.1. H.R.1 introduced new FEOC requirements for Sections 45X, 45Y, and 48E of the Code. These restrictions require threshold percentages of non-FEOC components that increase over time, beginning January 1, 2026. Currently, SolarEdge manufactures components that help our customers meet their non-FEOC percentage requirements. If the U.S. Treasury were to release new rules or guidance that impact our ability to provide components with non-FEOC percentages towards their total requirement, our customers' eligibility to qualify for certain tax credits could be impaired, which may adversely affect our revenue, gross margins, business operations and competitive position. In addition, as of January 1, 2026, in order to receive the 45X Credits, manufacturers must also reach a required percentage of non-FEOC content in their manufactured components. The Company has been manufacturing eligible products in the U.S. since the fourth quarter of 2023. In addition to using the tax credits to offset tax due to the U.S. government, the IRA allows taxpayers to elect to have AMPTCs refunded in cash ("Direct Pay") or sell these credits to a third party. The Direct Pay option is available as a one-time election, in any taxable year after December 31, 2022, for a facility in which eligible components are produced, and is applicable for five years. In 2025 the Company sold a significant part of the AMPTCs it generated from the US production of eligible components.

Refundable and transferable tax credits are similar in essence to government grants. This is because the taxpayer can realize the benefit regardless of whether they owe income tax or not in the relevant years. Therefore, these amounts are not considered income taxes and fall outside the scope of Topic 740. Instead, they are treated as government grants.

The Company recognizes AMPTCs as a reduction in the cost of revenues in the statement of income (loss). The Company does this systematically over time as it recognizes the related expenses. The AMPTCs are also reflected in the consolidated balance sheet, according to the way the Company expects to utilize them: as a reduction of income tax payable within accrued expenses and other liabilities, as a tax prepayment, or, if AMPTCs are to be sold, within prepayment and other assets.

Income taxes

We account for income taxes in accordance with ASC 740, "Income Taxes." ASC 740, which prescribes the use of the liability method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax basis of assets and liabilities, and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse.

We account for uncertain tax positions in accordance with ASC 740-10 two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% (cumulative probability) likely to be realized upon ultimate settlement.

See Note 2.af and 25 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information related to income taxes.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm (PCAOB ID: 1281)	F-2
Consolidated Balance Sheets as of December 31, 2025 and December 31, 2024	F-6
Consolidated Statements of Income for the year ended December 31, 2025, 2024 and 2023	F-8
Consolidated Statements of Comprehensive Income for the years ended December 31, 2025, 2024 and 2023	F-9
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2025, 2024 and 2023	F-10
Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023	F-11
Notes to Consolidated Financial Statements	F-13



Report of Independent Registered Public Accounting Firm
To the Stockholders and the Board of Directors of SolarEdge Technologies Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SolarEdge Technologies Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income (loss), comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 25, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Warranty obligations

Description of the Matter As described in Notes 2x and 14 to the consolidated financial statements, as of December 31, 2025, warranty obligations were \$357,889 thousand.

The Company provides warranty obligations for its products as follows: a standard 10-year limited warranty for its batteries, a standard 12-year limited warranty for the majority of its inverters, and a 25-year limited warranty for power optimizers. In order to predict the failure rate of each product, the Company established a reliability model based on the estimated mean time between failures ("MTBF") and an additional model to capture non-systematic failures. Predicted failure rates are updated periodically based on new product versions and analysis of the root cause of actual failures.

Auditing management's estimates for the valuation of warranty obligations required significant auditor judgment due to the subjectivity involved in management's assumptions. These assumptions included expected failure rates and the estimated average cost of product replacements, such as material costs, logistics costs and subcontractors' services costs associated with the product replacements.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the valuation of warranty obligations, including controls over management's review of the significant assumptions and underlying data used in the valuation of the warranty obligations.

To test management's valuation of warranty obligations, including significant assumptions related to expected failure rates and the estimated average cost of product replacements, our substantive audit procedures included, testing the accuracy and completeness of the underlying data used in management's warranty obligations valuation assessment. We assessed the accuracy of historical data used in estimating expected failure rates and repair replacement ratios by comparing them to actual warranty claims. In addition, we involved a specialist to assess the assumptions and the precision of the inputs underlying the MTBF model, including, evaluating the MTBF model and its consistency with data obtained from external sources.

Valuation of Inventories - Reserves for slow moving, excess and obsolete inventory items

Description of the Matter	<p>As of December 31, 2025, the Company's consolidated inventories balance was \$552,632 thousand.</p> <p>As described in Notes 2k and 5 to the consolidated financial statements, the Company values its inventories at the lower of cost or net realizable value. In connection with this policy, the Company periodically evaluates quantities on hand and records reserves for slow-moving, excess and obsolete inventory items based on management's analysis of historical usage, expected demand, and market conditions.</p> <p>Auditing management's valuation of inventory reserves for slow-moving, excess and obsolete inventory items required significant auditor judgment due to the subjectivity involved in management's assumptions. These assumptions included expected inventory usage and the assessment, by inventory category, of future demand for the Company's products, and market conditions.</p>
How We Addressed the Matter in Our Audit	<p>We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's reserves for slow-moving, excess and obsolete inventory items, including controls over management's review of the significant assumptions and underlying data used in the inventory reserves valuation.</p> <p>To test management's valuation of the reserves for slow-moving, excess and obsolete inventory, our substantive audit procedures included evaluating the reasonableness of the significant assumptions used by management, including those related to expected inventory usage and demand, and market conditions. We also examined the completeness and accuracy of the underlying data used in management's estimates. In addition, we compared recent sales transactions to the cost of inventories to assess whether inventories were stated at the lower of cost or net realizable value.</p>

/s/ Kost Forer Gabbay & Kasierer
A Member of EY Global

We have served as the Company's auditor since 2007.
Tel-Aviv, Israel
February 25, 2026



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Report of Independent Registered Public Accounting Firm
To the Stockholders and the Board of Directors of SolarEdge Technologies Inc.

Opinion on Internal Control Over Financial Reporting

We have audited SolarEdge Technologies Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, SolarEdge Technologies Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of income (loss), comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated February 25, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are 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.

/s/ Kost Forer Gabbay & Kasierer
A Member of EY Global

Tel-Aviv, Israel
February 25, 2026

SOLAREEDGE TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	December 31,	
	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 455,075	\$ 274,611
Restricted cash	84,771	135,328
Marketable securities	38,097	311,279
Trade receivables, net of allowances of \$17,224 and \$43,038, respectively	267,441	160,423
Inventories, net	552,632	645,897
Prepaid expenses and other current assets	341,831	523,027
Total current assets	1,739,847	2,050,565
LONG-TERM ASSETS:		
Marketable securities	-	42,597
Property, plant and equipment, net	269,351	343,438
Operating lease right-of-use assets, net	48,178	41,393
Intangible assets, net	7,129	9,666
Goodwill	50,123	48,380
Loan receivables, net	-	45,678
Other long-term assets	67,566	64,736
Total long-term assets	442,347	595,888
Total assets	\$ 2,182,194	\$ 2,646,453

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREEDGE TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS (Cont.)
(in thousands, except per share data)

	December 31,	
	2025	2024
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 271,983	\$ 107,543
Employees and payroll accruals	73,992	76,292
Warranty obligations	89,330	140,249
Deferred revenues and customers advances	70,371	140,870
Accrued expenses and other current liabilities	297,819	246,078
Convertible senior notes, net	-	346,305
Total current liabilities	803,495	1,057,337
LONG-TERM LIABILITIES:		
Convertible senior notes, net	331,561	330,006
Warranty obligations	268,559	292,116
Deferred revenues and customers advances	293,328	231,049
Finance lease liabilities	18,558	39,159
Operating lease liabilities	36,648	30,018
Other long-term liabilities	2,581	8,426
Total long-term liabilities	951,235	930,774
COMMITMENTS AND CONTINGENT LIABILITIES		
STOCKHOLDERS' EQUITY:		
Common stock of \$0.0001 par value - Authorized: 125,000,000 shares; issued: 60,360,154 shares as of December 31, 2025 and 58,780,490 shares as of December 31, 2024; outstanding: 60,360,154 shares as of December 31, 2025 and 58,027,126 shares as of December 31, 2024.	6	6
Additional paid-in capital	1,872,760	1,813,198
Treasury stock, at cost; 0 and 753,364 stocks held as of December 31, 2025 and December 31, 2024, respectively	-	(50,194)
Accumulated other comprehensive loss	(11,663)	(76,477)
Accumulated deficit	(1,433,639)	(1,028,191)
Total stockholders' equity	427,464	658,342
Total liabilities and stockholders' equity	\$ 2,182,194	\$ 2,646,453

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREEDGE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands, except per share data)

	Year ended December 31,		
	2025	2024	2023
Revenues	\$ 1,184,444	\$ 901,456	\$ 2,976,528
Cost of revenues	988,163	1,778,660	2,272,705
Gross profit (loss)	<u>196,281</u>	<u>(877,204)</u>	<u>703,823</u>
Operating expenses:			
Research and development	221,255	277,237	321,482
Sales and marketing	117,332	146,865	164,318
General and administrative	101,035	147,455	146,504
Other operating expenses, net	58,338	259,527	31,314
Total operating expenses	<u>497,960</u>	<u>831,084</u>	<u>663,618</u>
Operating income (loss)	(301,679)	(1,708,288)	40,205
Financial income (expense), net	(71,999)	(14,570)	41,212
Other income (loss), net	(17,428)	14,547	(318)
Income (loss) before income taxes	<u>(391,106)</u>	<u>(1,708,311)</u>	<u>81,099</u>
Income taxes	(13,382)	(96,150)	(46,420)
Net loss from equity method investments	(960)	(1,896)	(350)
Net income (loss)	<u>\$ (405,448)</u>	<u>\$ (1,806,357)</u>	<u>\$ 34,329</u>
Net basic earnings (loss) per share of common stock	<u>\$ (6.88)</u>	<u>\$ (31.64)</u>	<u>\$ 0.61</u>
Net diluted earnings (loss) per share of common stock	<u>\$ (6.88)</u>	<u>\$ (31.64)</u>	<u>\$ 0.60</u>
Weighted average number of shares used in computing net basic earnings (loss) per share of common stock	<u>58,954,380</u>	<u>57,082,182</u>	<u>56,557,106</u>
Weighted average number of shares used in computing net diluted earnings (loss) per share of common stock	<u>58,954,380</u>	<u>57,082,182</u>	<u>57,237,518</u>

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREEDGE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share data)

	Year ended December 31,		
	2025	2024	2023
Net income (loss)	\$ (405,448)	\$ (1,806,357)	\$ 34,329
Other comprehensive income (loss), net of tax:			
Available-for-sale marketable securities	579	4,575	20,489
Cash flow hedges	(557)	(2,678)	5,701
Foreign currency translation adjustments on intra-entity transactions that are of a long-term investment nature	66,874	(35,379)	(5,375)
Foreign currency translation adjustments	(2,082)	3,890	5,409
Total other comprehensive income (loss), net of tax:	<u>64,814</u>	<u>(29,592)</u>	<u>26,224</u>
Comprehensive income (loss)	<u>\$ (340,634)</u>	<u>\$ (1,835,949)</u>	<u>\$ 60,553</u>

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREEDGE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except per share data)

SolarEdge Technologies, Inc. Stockholders' Equity							
	Common stock		Additional paid in Capital	Treasury stock	Accumulated other comprehensive loss	Retained earnings (Accumulated deficit)	Total
	Number	Amount					
Balance as of December 31, 2022	56,133,404	\$ 6	\$ 1,505,632	\$ -	\$ (73,109)	\$ 743,837	\$ 2,176,366
Issuance of common stock upon exercise of stock-based awards	790,745	*-	226	-	-	-	226
Issuance of Common stock under employee stock purchase plan	199,288	*-	20,693	-	-	-	20,693
Stock based compensation	-	-	154,071	-	-	-	154,071
Other comprehensive income adjustments, net	-	-	-	-	26,224	-	26,224
Net income	-	-	-	-	-	34,329	34,329
Balance as of December 31, 2023	57,123,437	\$ 6	\$ 1,680,622	\$ -	\$ (46,885)	\$ 778,166	\$ 2,411,909
Issuance of common stock upon exercise of stock-based awards	796,905	*-	173	-	-	-	173
Issuance of Common stock under employee stock purchase plan	860,148	*-	18,468	-	-	-	18,468
Stock based compensation	-	-	142,277	-	-	-	142,277
Repurchase of common stock	(753,364)	-	-	(50,194)	-	-	(50,194)
Capped call transactions related to the Notes 2029	-	-	(28,342)	-	-	-	(28,342)
Other comprehensive loss adjustments, net	-	-	-	-	(29,592)	-	(29,592)
Net loss	-	-	-	-	-	(1,806,357)	(1,806,357)
Balance as of December 31, 2024	58,027,126	\$ 6	\$ 1,813,198	\$ (50,194)	\$ (76,477)	\$ (1,028,191)	\$ 658,342
Issuance of common stock upon exercise of stock-based awards	1,337,521	*-	220	-	-	-	220
Issuance of Common stock under employee stock purchase plan (753,364 shares transferred from treasury stock)	995,507	*-	(36,252)	50,194	-	-	13,942
Stock based compensation	-	-	95,594	-	-	-	95,594
Other comprehensive income adjustments, net	-	-	-	-	64,814	-	64,814
Net loss	-	-	-	-	-	(405,448)	(405,448)
Balance as of December 31, 2025	60,360,154	\$ 6	\$ 1,872,760	\$ -	\$ (11,663)	\$ (1,433,639)	\$ 427,464

* Represents an amount less than \$1.

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREDGE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except per share data)

	Year ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net income (loss)	\$ (405,448)	\$ (1,806,357)	\$ 34,329
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	30,511	59,865	57,196
Provision to write down inventories to net realizable value	17,827	738,757	46,369
Impairment of asset held-for-sale	42,746	-	-
Loss on impairment and disposal of property, plant and equipment	5,799	224,772	25,168
Stock-based compensation expenses	92,545	137,251	149,945
Loss from business disposition	17,875	-	-
Impairment of goodwill and intangible assets	-	24,674	5,622
Impairment of privately-held companies	21,587	5,000	482
Deferred income taxes, net	(761)	79,209	(43,071)
Gain from repurchasing of convertible notes	-	(15,456)	-
Loss (gain) from exchange rate fluctuations	2,594	11,918	(26,878)
Loss (gain) from sale of property, plant and equipment	(3,058)	1,522	542
Cumulative translation adjustment, including intra-entity transactions that are of a long-term investment reclassified from other comprehensive income (loss)	58,916	-	-
Other items	866	1,508	7,140
Changes in assets and liabilities:			
Trade receivables, net	(105,923)	451,707	296,429
Inventories, net	97,230	67,799	(737,223)
Prepaid expenses and other assets	107,055	7,369	(113,387)
Operating lease right-of-use assets, net	11,342	15,805	16,525
Trade payables	164,808	(405,990)	(58,081)
Warranty obligations	(72,101)	(85,541)	133,090
Deferred revenues and customers advances	(5,781)	119,519	39,632
Operating lease liabilities	(13,360)	(15,829)	(15,981)
Accrued expenses and other liabilities	38,992	69,179	2,039
Net cash provided by (used in) operating activities	<u>104,261</u>	<u>(313,319)</u>	<u>(180,113)</u>
Cash flows from investing activities:			
Investment in available-for-sale marketable securities	(471,158)	(253,431)	(296,396)
Proceeds from maturities of available-for-sale marketable securities	713,413	719,454	277,382
Proceeds from sales of available-for-sale marketable securities	76,288	114,564	2,807
Purchase of property, plant and equipment	(23,467)	(108,163)	(170,523)
Proceeds from sale of investment in privately-held company	4,000	-	-
Business dispositions, net of cash sold	(7,322)	-	280
Business combinations, net of cash acquired	-	(10,417)	(16,653)
Proceeds from sale of property, plant and equipment	37,642	1,876	-
Advance related to held-for-sale asset	7,000	-	-
Purchase of intangible assets	-	(10,000)	(10,600)
Disbursements for loans receivables	-	(37,500)	(58,000)
Investment in privately-held companies	(300)	(25,664)	(8,000)
Proceeds from loans receivables	53,585	32,150	-
Proceeds from governmental grant	-	-	6,794
Repayment related to governmental grant	(6,643)	-	-
Other investing activities	(3,156)	(6,583)	4,015
Net cash provided by (used in) investing activities	<u>\$ 379,882</u>	<u>\$ 416,286</u>	<u>\$ (268,894)</u>

SOLAREEDGE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont.)
(in thousands, except per share data)

	Year ended December 31,		
	2025	2024	2023
<u>Cash flows from financing activities:</u>			
Repurchase of common stock	\$ -	\$ (50,194)	\$ -
Repurchase of convertible debt	(5,093)	(267,900)	-
Proceeds from issuance of Notes 2029, net of issuance costs	-	329,214	-
Capped call transactions related to Notes 2029	-	(28,342)	-
Repayment of convertible notes at maturity	(342,250)	-	-
Tax withholding in connection with stock-based awards, net	2,665	(281)	(9,259)
Other financing activities	(4,212)	(2,626)	(2,697)
Net cash used in financing activities	<u>(348,890)</u>	<u>(20,129)</u>	<u>(11,956)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>3,344</u>	<u>(11,367)</u>	<u>16,319</u>
Increase (decrease) in cash, cash equivalents and restricted cash including cash classified within current held-for-sale assets	138,597	71,471	(444,644)
Less: change in cash classified within current held-for-sale assets	(8,690)	-	-
Increase (decrease) in cash, cash equivalents, and restricted cash	<u>129,907</u>	<u>71,471</u>	<u>(444,644)</u>
Cash, cash equivalents and restricted cash, beginning of period	409,939	338,468	783,112
Cash, cash equivalents and restricted cash, end of period	<u>\$ 539,846</u>	<u>\$ 409,939</u>	<u>\$ 338,468</u>
<u>Supplemental disclosure of non-cash activities:</u>			
Purchase of intangible assets and business combinations	\$ -	\$ -	\$ 11,307
Issuance of Common stock under employee stock purchase plan	\$ 13,942	\$ 18,468	\$ 20,693
Right-of-use asset recognized with corresponding lease liability including changes in lease liabilities from lease modifications and terminations	\$ (2,214)	\$ 2,931	\$ 18,077
Purchase of property, plant and equipment	<u>\$ 1,466</u>	<u>\$ 5,783</u>	<u>\$ 6,323</u>
<u>Supplemental disclosure of cash flow information:</u>			
Cash paid for income taxes, net	\$ 31,788	\$ 17,004	\$ 137,981
Cash paid for interest on convertible debt and bank loans	<u>\$ 3,887</u>	<u>\$ 62</u>	<u>\$ 70</u>

The accompanying notes are an integral part of the consolidated financial statements.

The following table reconciles cash, cash equivalents and restricted cash per the statement of cash flows to the balance sheet:

	Year ended December 31,		
	2025	2024	2023
Cash and cash equivalents	\$ 455,075	\$ 274,611	\$ 338,468
Restricted cash	84,771	135,328	-
Cash, cash equivalents and restricted cash, end of period	<u>\$ 539,846</u>	<u>\$ 409,939</u>	<u>\$ 338,468</u>

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except per share data)

NOTE 1: GENERAL

SolarEdge Technologies, Inc. together with its subsidiaries (the “Company”) is a global smart energy technology company. We develop, manufacture, and sell products that address a broad range of energy market segments through our diversified product offering, including residential, commercial and large scale photovoltaic or PV, energy storage and backup solutions, electric vehicle or EV charging capabilities, home energy management, grid services and virtual power plants. By leveraging engineering capabilities and with a focus on innovation, safety and reliability, we create smart energy solutions that power our lives and drive future progress.

The Company and its subsidiaries sell products worldwide through large distributors, electrical equipment wholesalers, directly to large solar installers and EPC firms. Our products are carried and actively sold by most of the top PV distributors as well as some of the largest electrical distribution companies. The Company has expanded its activity to other areas of smart energy technology both organically and through acquisitions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared according to United States generally accepted accounting principles (“U.S. GAAP”).

a. Principles of consolidation:

The consolidated financial statements include the accounts of the Company. Intercompany transactions and balances including profit from intercompany sales not yet realized outside the Company have been eliminated upon consolidation.

b. Use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, government grants, income taxes and related disclosures in the accompanying notes. Actual results could differ from those estimates.

In preparing the Company’s consolidated financial statements, management considered the economic implications of inflation, geopolitical developments, including the conflict in Israel, currency fluctuation, and our ability to benefit from certain tax credits, in evaluating assumptions used in key accounting estimates. These factors were considered in assessing assets recoverability, inventory valuation and warranty obligations. Actual results could differ from those estimates.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

c. Financial statements in U.S. dollars:

A major part of the Company's operations is carried out in the United States, Israel, and certain other countries. The functional currency of these entities is the U.S. dollar. Financing activities, including cash investments are primarily made in U.S. dollars.

Accordingly, monetary accounts maintained in currencies other than the U.S. dollar are translated into U.S. dollars in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") No. 830 "Foreign Currency Matters". All transaction gains and losses of the re-measurement of monetary balance sheet items are reflected in the consolidated statements of income (loss) as financial income or expenses, as appropriate.

The financial statements of other Company's subsidiaries whose functional currency is other than the U.S. dollar have been translated into U.S. dollars. Assets and liabilities have been translated using the exchange rates in effect as of the balance sheet date. Consolidated statements of income (loss) amounts have been translated using the date of the transaction or at the average exchange rate for the relevant period.

The resulting translation adjustments are reported as a component of stockholders' equity in accumulated other comprehensive loss. Gains and losses arising from intercompany foreign currency transactions that are of a long-term investment in nature are reported in the same manner as translation adjustments.

In the year ended December 31, 2025, upon the substantial completion of the liquidation of a foreign operation, the cumulative foreign currency translation adjustments related to that operation are reclassified from accumulated other comprehensive loss and recognized in finance income (expense), net in the consolidated statement of income (loss). The reclassification resulted in a charge of \$58,916.

d. Cash and cash equivalents:

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash, with original maturities of three months or less at the date acquired.

e. Restricted cash

Restricted cash represents cash, held as certificates of deposit that are collateralized under a letter of credit, issued to customers and vendors. The letters of credit are required as a performance security, with a face amount equal to the aggregate purchase price of an executed sales agreement. The letters of credit were issued per the terms of the executed sales and purchasing agreements and the Company has collateralized certificates of deposit under these letters of credit in an aggregated amount of \$84,771 and \$135,328, which is reflected as restricted cash on the Company's consolidated balance sheet as of December 31, 2025 and 2024, respectively.

f. Restricted bank deposits:

Short-term restricted bank deposits possess an original maturity of more than three months and less than a year from the date of investment. Long-term restricted bank deposits possess an original maturity of more than one year from the date of investment. Restricted bank deposits are primarily used as collateral for the Company's office leases and credit cards.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

g. Marketable Securities:

Marketable securities consist of corporate and governmental bonds. The Company determines the appropriate classification of marketable securities at the time of purchase and re-evaluates such designation at each balance sheet date. In accordance with FASB ASC No. 320 "Investments - Debt and Equity Securities", the Company classifies marketable securities as available-for-sale.

Available-for-sale ("AFS") securities are stated at fair value, with unrealized gains and losses reported in accumulated other comprehensive loss, a separate component of stockholders' equity, net of taxes. Realized gains and losses on sales of marketable securities, as determined on a specific identification basis, are included in other income (loss), net, on the consolidated statements of income (loss). The amortized cost of marketable securities is adjusted for amortization of premium and accretion of discount to maturity, both of which, together with interest, are included in financial income (expenses), net.

The Company classifies its marketable securities as either short-term or long-term based on each instrument's underlying contractual maturity date. Marketable securities with maturities of 12 months or less are classified as short-term and marketable securities with maturities greater than 12 months are classified as long-term.

On each reporting period, the Company evaluates whether declines in fair value below carrying value are due to expected credit losses, as well as the ability and intent to hold the investment until a forecasted recovery occurs, in accordance with ASC 326. Allowance for credit losses on AFS debt securities are recognized as a charge in financial income (expenses), net, on the consolidated statements of income (loss), and any remaining unrealized losses, net of taxes, are included in accumulated other comprehensive loss in stockholders' equity.

The Company has not recorded credit losses on AFS debt securities for the years ended December 31, 2025, 2024 and 2023.

h. Investment in privately-held companies:

The Company's equity investments are investments in equity securities of privately-held companies, that are not traded and therefore not supported with observable market prices. The Company elected to account for its equity investments without readily determinable market values that either (i) do not meet the definition of in-substance common stock or (ii) do not provide the Company with control or significant influence, using Accounting Standards Update ("ASU") 2016-01.

The Company accounts for equity investments through which it exercise significant influence but do not have control over the investee under the equity method. Under this method, the investment, which was initially recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the investee as they occur, rather than when dividends or other distributions are received.

The Company adjusts the carrying value of its investments to fair value upon observable transactions for identical or similar investments of the same issuer.

The Company periodically evaluates the carrying value of its investments in privately-held companies, when events and circumstances indicate that the carrying amount of the investment may not be recovered. The maximum loss the Company can incur for its investments is their carrying value.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

The Company may determine the fair value by reviewing equity valuation reports, current financial results, long-term plans of the privately-held companies, the amount of cash that the privately-held companies have on-hand, the ability to obtain additional financing and overall market conditions in which the privately-held companies operate or based on the price observed from the most recent completed financing.

All gains and losses, whether due to an impairment or revaluation, on investments in privately-held companies, realized and unrealized, are recognized in other income (loss), net.

i. Trade receivables:

Trade receivables are stated net of credit losses allowance. The Company is exposed to credit losses primarily through sales of products. The allowance against trade receivables reflects the current expected credit loss inherent in the receivables portfolio determined based on the Company's methodology. The Company's methodology is based on historical collection experience, customer creditworthiness, current and future economic condition and market condition. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. Trade receivables are written off after all reasonable means to collect the full amount have been exhausted.

The following table provides a roll-forward of the allowance for credit losses that is deducted from the amortized cost basis of trade receivables to present the net amount expected to be collected:

	As of December 31,	
	2025	2024
Balance, at the beginning of the period	\$ 43,038	\$ 16,400
Increase in provision for expected credit losses	7,784	33,799
Recoveries collected	(26,347)	(5,809)
Amounts written off charged against the allowance	(9,363)	(66)
Foreign currency translation	2,112	(1,286)
Balance, at the end of the period	\$ 17,224	\$ 43,038

j. Loan receivables:

Loan receivables are carried at the outstanding principal amount. An allowance for credit loss on loan receivables is established when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. The Company determines this by considering several factors, including the credit risk and current financial condition of the borrower, the borrower's ability to pay current obligations, historical trends, and economic and market conditions. The Company performs a credit quality assessment on the loan receivable on a quarterly basis and reviews the need for an allowance in accordance with ASC 326. The Company evaluates the extent and impact of any credit deterioration that could affect the performance and the value of the secured property, as well as the financial and operating capability of the borrower. Changes in provision for credit loss is recorded under financial income (expense), net.

The loan repayments are expected per the contractual terms of the loan agreement. The loan is measured at its amortized cost and is subjected to the Company's credit risk policy. The loans bear interest that represents market interest rate.

As of December 31, 2025 and December 31, 2024, the Company's provision for credit loss was \$9,751 and \$17,672, respectively.

As of December 31, 2025, the loans were presented under prepaid expenses and other current assets on the consolidated balance sheets.

As of December 31, 2024, the loans were presented under other long-term assets on the consolidated balance sheets.

Interest income is recorded on an accrual basis at the stated interest rate and is recorded in financial income (expense), net, in the accompanying consolidated statements of income (loss).

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

k. Inventories:

Inventories are stated at the lower of cost or net realizable value. Cost includes depreciation, labor, material, shipment and overhead costs. Inventory reserves are provided to cover risks arising from slow-moving, excess inventory items and technological obsolescence. The Company periodically evaluates the quantities on hand relative to historical, current, and projected sales volume. Based on this evaluation, an impairment charge is recorded when required to write-down inventory to its net realizable value. Cost of finished goods and raw materials is determined using the moving average cost method (see Note 5).

l. Property, plant and equipment:

Property, plant, and equipment are stated at cost, net of accumulated depreciation and government grants. Assets under construction represent the construction or development stage of property and equipment that have not yet been placed in service for the Company's intended use. Depreciation is calculated by the straight-line method over the estimated useful life of the assets, at the following rates:

	%
Buildings and plants	5.7
Computers and peripheral equipment	14.3-33 (mainly 14.3)
Office furniture and equipment	7-20 (mainly 7)
Machinery and equipment	10-20 (mainly 10)
Laboratory and testing equipment	15-20 (mainly 15)
Leasehold improvements	over the shorter of the lease term or useful economic life

m. Government assistance

Advanced manufacturing production tax credits

In August 2022, the U.S. government enacted the Inflation Reduction Act of 2022 ("IRA"), which includes several incentives intended to accelerate U.S. manufacturing and adoption of clean energy, battery and energy storage, electrical vehicles, and other solar products, and therefore impacts our business and operations, along with the overall U.S. solar market. As part of such incentives, the IRA, among other things, extended the investment tax credits ITC through 2034 and was therefore expected to increase the demand for solar products. The IRA further incentivizes residential and commercial solar customers and developers by providing significant tax credits for qualifying energy projects. In July 2025, the U.S. government enacted the H.R.1 that shortened the ITC credits. The IRA further provides Advanced Manufacturing Production Tax Credits ("AMPTCs") for U.S. manufacturing of eligible components (under IRC §45X), including PV inverters and DC-optimized systems. The duration of this credit was not impacted by H.R.1. H.R.1 introduced new Foreign Entity of Concern ("FEOC") requirements for Sections 45X, 45Y, and 48E of the Code. These restrictions require threshold percentages of non FEOC components that increase over time, beginning January 1, 2026. Currently, the Company manufactures components that help our customers meet their non-FEOC percentage requirements. The Company has been manufacturing eligible products in the U.S. since the fourth quarter of 2023. In addition to using the tax credits to offset tax due to the U.S. government, the IRA allows taxpayers to elect to have AMPTCs refunded in cash ("Direct Pay") or sell these credits to a third party. The Direct Pay option is available as a one-time election, in any taxable year after December 31, 2022, for a facility in which eligible components are produced, and is applicable for five years. In 2025 the Company sold to third parties a significant part of the AMPTCs it generated from the U.S. production of eligible components.

Refundable and transferable tax credits are similar in essence to government grants. This is because the taxpayer can realize the benefit regardless of whether they owe income tax or not in the relevant years. Therefore, these amounts are not considered income taxes and fall outside the scope of Topic 740. Instead, they are treated as government grants.

Government grants are recognized when there is reasonable assurance that: (1) the Company will comply with the relevant conditions and (2) the grant disbursement will be received. The Company recognizes AMPTCs as a reduction in the cost of revenues in the consolidated statement of income (loss). The Company does this systematically over time as it recognizes the related expenses. The AMPTCs are also reflected in the consolidated balance sheet, according to the way the Company expects to utilize them: as a reduction of income tax payable within accrued expenses and other liabilities, as a tax prepayment, or, if AMPTCs are to be sold, within prepayment and other assets.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

Property, plant and equipment

In November 2024, following the announced discontinuation of SolarEdge Korea, the Company was required to return approximately \$10,000 in subsidies granted to date. The Company recorded an accrual under accrued expenses and other current liabilities in the consolidated balance sheets.

In 2025 the Company settled and repaid \$6,643.

n. Leases:

The Company determines if an arrangement is a lease at inception. Contracts containing a lease are further evaluated for classification as an operating or finance lease. In determining the leases classification the Company assesses among other criteria: (i) The lease term is for a major part of the remaining economic life of the underlying asset (ii) The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already included in the lease payments equals or exceeds substantially all of the fair value of the underlying asset. Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities and long-term operating lease liabilities in the Company's consolidated balance sheets. Finance leases are included in property, plant and equipment, net, other current liabilities, and long-term finance lease liabilities in the Company's consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. For leases with terms greater than 12 months, the Company records the ROU asset and liability at commencement date based on the present value of lease payments according to their term. Certain lease agreements include rental payments that are adjusted periodically for the consumer price index ("CPI"). The ROU and lease liability were calculated using the CPI as of the adoption date and will not be subsequently adjusted, unless the liability is reassessed for other reasons.

The Company uses incremental borrowing rates based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The ROU asset also includes any lease payments made and net of lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expenses are recognized on a straight-line basis over the lease term or the useful life of the leased asset.

In addition, the carrying amount of the ROU and lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the substance fixed lease payments or a change in the assessment to purchase the underlying asset. Upon modification of a lease, the Company reassesses, as of the effective date of the modification, whether the lease is classified as a finance lease or an operating lease in accordance with ASC 842.

The Company also elected the practical expedient to not separate lease and non-lease components for all its leases.

o. Business Combination:

The Company allocates the fair value of the purchase price to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair value. The excess of the fair value of the purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired technology and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which does not exceed one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the finalization of the measurement period, any subsequent adjustments are recorded to earnings.

p. Intangible Assets:

Acquired identifiable finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets. The basis of amortization approximates the pattern in which the assets are utilized, over their estimated useful lives. The Company routinely reviews the remaining estimated useful lives of finite-lived intangible assets. In case the Company reduces the estimated useful life for any asset, the remaining unamortized balance is amortized over the revised estimated useful life (see Note 9).

Amortization is calculated by the straight-line method over the estimated useful life of the assets, at the following rates:

	%
Current technology	14.3-20 (mainly 20)
Trade names	20-50 (mainly 20)
Patents	9.5-10 (mainly 9.5)

q. Impairment of long-lived assets:

The Company's long-lived assets to be held and used, including property, plants and equipment, ROU assets and identifiable intangible assets, other than goodwill, are reviewed for impairment in accordance with ASC 360 "Property, Plants and Equipment", whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset (or asset group) to the future undiscounted cash flows expected to be generated by the assets (or asset group). If such evaluation indicates that the carrying amount of the asset (or asset group) is not recoverable, the assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds their fair value (see Note 9).

For the years ended December 31, 2025, 2024 and 2023, the Company recorded impairment charges of long-lived assets in the amount of \$5,998, \$249,588 and \$30,790, respectively, presented under Other operating expenses, net.

r. Goodwill:

Goodwill reflects the excess of the consideration transferred, including the fair value of any contingent consideration and any non-controlling interest in the acquiree, over the assigned fair values of the identifiable net assets acquired. Goodwill is not amortized, and is assigned to reporting units and tested for impairment at least on an annual basis, in the fourth quarter of the fiscal year.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

The goodwill impairment test is performed according to the following principles:

- (1) An initial qualitative assessment may be performed to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount.
- (2) If the Company concludes it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test is performed. An impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value is recognized (see Note 10).

Starting January 1, 2025, the Company operates as one reporting unit.

For the year ended December 31, 2025, the Company did not record any goodwill impairment charges.

For the year ended December 31, 2024, the Company recorded impairment charges of goodwill in the amount of \$2,251.

For the year ended December 31, 2023, the Company did not record any goodwill impairment charges.

s. Cloud computing arrangements:

In 2021, due to the growing size and complexity of the Company, the Company decided to implement a new global enterprise resource planning ("ERP") system, which will replace the Company's existing operating and financial systems. During 2022, the Company began implementing a cloud-based ERP system. The Company has substantially completed the implementation of its new ERP system during the fiscal quarter ended June 30, 2025. The Company is performing post-implementation activities. The implementation is intended to enhance user access controls and automate certain accounting, back-office and reporting processes. The Company expects the new system to reduce reliance on manual processes upon full deployment.

The Company incurs costs to implement cloud computing arrangements ("CCA") that are hosted by third party vendors. Implementation costs associated with CCA are capitalized when incurred during the application development phase until the software is ready for its intended use. The costs are then amortized on a straight-line basis over the contractual term of the cloud computing arrangement and are recognized as an operating expense within the consolidated statements of income (loss). Capitalized amounts related to such arrangements are recorded within other long-term assets and prepaid expenses and other current assets in the consolidated balance sheets. Cash payments for CCA implementation costs are classified as cash used in operating activities.

As of December 31, 2025, and 2024 the gross capitalized implementation costs related to the Company's ERP conversion, amounts to \$48,060 and \$29,366, respectively. Amortization of the implementation costs began on July 1, 2025, the date the software was ready for its intended use.

For the year ended December 31, 2025, the Company commenced amortization of the CCA and recognized \$3,363 in related amortization expense.

t. Severance pay:

The employees of the Company's Israeli Subsidiary are included under Section 14 of the Severance Pay Law, 1963, under which these employees are entitled only to monthly deposits made in their name with insurance companies, at a rate of 8.33% of their monthly salary. These payments cause the Company to be released from any future obligation under the Israeli Severance Pay Law to make severance payments in respect of those employees; therefore, related assets and liabilities are not presented in the consolidated balance sheets.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

If applicable, severance costs are recorded in each entity in accordance with local laws and regulations.

For the years ended December 31, 2025, 2024 and 2023, the Company recorded \$16,378, \$21,959 and \$23,643 in severance expenses related to its employees, respectively.

u. Derivatives and Hedging:

The Company accounts for derivatives and hedging based on ASC 815 (“Derivatives and Hedging”). ASC 815 requires the Company to recognize all derivatives on the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship.

To protect against the increase in value of forecasted foreign currency cash flows resulting from salary denominated in the Israeli currency, NIS, during the year ended December 31, 2025, the Company instituted a foreign currency cash flow hedging program whereby portions of the anticipated payroll denominated in NIS for a period of one to nine months with hedging contracts.

Accordingly, when the dollar strengthens against the NIS, the decline in present value of future foreign currency expenses is offset by losses in the fair value of the hedging contracts. Conversely, when the dollar weakens, the increase in the present value of future foreign currency cash flows is offset by gains in the fair value of the hedging contracts. These hedging contracts are designated as cash flow hedges, as defined by ASC 815 and are all effective hedges.

The Company also entered into derivative instrument arrangements to hedge the Company’s exposure to currencies other than the U.S. dollar. These derivative instruments are not designated as cash flow hedges, as defined by ASC 815, and therefore all gains and losses, resulting from fair value remeasurement, were recorded immediately in the statement of income (loss), as a financial income (expense), net.

The Company classifies cash flows related to its hedging as operating activities in its consolidated statement of cash flows.

v. Revenue recognition:

Revenues are recognized in accordance with ASC 606; revenue from contracts with customers is recognized when control of the promised goods or services is transferred to the customers, in an amount that the Company expects in exchange for those goods or services.

The Company’s products and services consist mainly of (i) power optimizers, (ii) inverters, (iii) batteries, (iv) a related cloud-based monitoring platform, (v) communication services, and (vi) warranty extension services.

The Company recognizes revenue under the core principle that transfer of control to the Company’s customers should be depicted in an amount reflecting the consideration the Company expects to receive in revenue.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

In order to achieve this core principle, the Company applies the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when the performance obligation is satisfied.

(1) Identify the contract with a customer

A contract is an agreement or purchase order between two or more parties that creates enforceable rights and obligations. In evaluating the contract, the Company analyzes the customer's intent and ability to pay the amount of promised consideration (credit risk) and considers the probability of collecting substantially all of the consideration.

The Company determines whether collectability is reasonably assured on a customer-by-customer basis pursuant to its credit review policy. The Company typically sells to customers with whom it has a long-term business relationship and a history of successful collection. For a new customer, or when an existing customer substantially expands its commitments, the Company evaluates the customer's financial position, the number of years the customer has been in business, the history of collection with the customer, and the customer's ability to pay, and typically assigns a credit limit based on that review.

(2) Identify the performance obligations in the contract

At a contract's inception, the Company assesses the goods or services promised in a contract with a customer and identifies the performance obligations. The main performance obligations are the provisions of the following: providing of the Company's products; cloud based monitoring services; extended warranty services and communication services. Depending on the shipping terms agreed with the customer, the Company may perform shipping and handling activities after the customer obtains control of the goods and revenue is recognized. The Company has elected to account for shipping and handling costs as activities to fulfill the promise to transfer the goods. As a result of this accounting policy election, the Company does not consider shipping and handling activities after the customer obtains control of the goods as promised services to its customers.

(3) Determine the transaction price

The transaction price is the amount of consideration to which the Company is entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (e.g., sales tax and other indirect taxes). Generally, the Company does not provide price protection, stock rotation, and/or right of return. The Company determines the transaction price for all satisfied and unsatisfied performance obligations identified in the contract from contract inception to the beginning of the earliest period presented.

Rebates or discounts on goods or services are accounted for as variable consideration. Provisions for rebates, sales incentives and discounts to customers are accounted for as reductions in revenue in the same period the related sales are recorded.

Accrual for rebates for direct customers is presented net of trade receivables. Accrual for sale incentives related to non-direct customers is presented under accrued expenses and other current liabilities. The Company accrued \$83,882 and \$53,026 for rebates and sales incentives as of December 31, 2025 and December 31, 2024, respectively.

The Company has elected to apply the practical expedient to not evaluate payment terms of one year or less for the existence of a significant financing component.

When a contract provides a customer with payment terms of more than a year, the Company considers whether those terms create variability in the transaction price and whether a significant financing component exists.

As of December 31, 2025, the Company has not provided payment terms of more than a year.

The performance obligations that extend for a period greater than one year are those that include a financial component: (i) warranty extension services, (ii) cloud-based monitoring, and (iii) communication services. The Company recognizes financing component expenses in its consolidated statement of income (loss) in relation to advance payments for performance obligations that extend for a period greater than one year. These financing component expenses are reflected in the Company's deferred revenues balance.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

- (4) Allocate the transaction price to the performance obligations in the contract

The Company performs an allocation of the transaction price to each separate performance obligation, in proportion to their relative standalone selling prices. When a standalone selling price is not directly observable, the Company estimates it using the expected cost-plus-margin approach.

- (5) Recognize revenue when a performance obligation is satisfied

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer. Control either transfers over time or at a point in time, which affects when revenue is recorded.

Revenues from sales of products are recognized based on the transfer of control, which includes but is not limited to, the agreed International Commercial terms, or "INCOTERMS". Revenues related to cloud-based monitoring, extended warranty services, communication services and other services are recognized over time on a straight-line basis since these services have a consistent continuous pattern of transfer to a customer during the contract period.

Billed accounts receivable include all outstanding invoices to customers, as well as amounts allowed to be billed according to contractual billing terms with customers.

Deferred revenues and advances from customers consist of deferred cloud-based monitoring, extended warranty services, communication services, other services and advance payments received from customers for the Company's products. Deferred revenues and advances from customers are classified as short-term and long-term deferred revenues and advances from customers based on the period in which revenues are expected to be recognized (see Note 15).

- w. Cost of revenues:

Cost of revenues includes the following: product costs consisting of purchases from contract manufacturers and other suppliers, direct and indirect manufacturing costs, shipping and handling, support, warranty expenses, provision for losses related to slow moving and dead inventory, personnel and government grants related to the AMPTCs.

Shipping, handling and warehouse costs, which amounted to \$63,385, \$79,534 and \$214,349, for the years ended December 31, 2025, 2024 and 2023, respectively, are included in the cost of revenues in the consolidated statements of income (loss). Shipping, handling and warehouse costs include custom tariff charges and all other costs associated with the distribution of finished goods from the Company's point of sale directly to its customers.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

Shipping, handling and warehouse costs incurred prior to the point of sale that are directly attributable to bringing inventory to its present location and condition are capitalized as part of inventory. These costs are subsequently recognized in cost of revenues upon sale of the related inventory.

x. Warranty obligations:

The Company provides a product warranty for its products as follows: a standard 10-year limited warranty for its batteries, a standard 12-year limited warranty for the majority of its inverters, that is extendable up to 25 years for an additional cost, and a 25-year limited warranty for power optimizers.

The Company maintains reserves to cover the expected costs that could result from the standard warranty. The warranty liability is in the form of product replacement and associated costs. Warranty reserves are based on the Company's best estimate of such costs and are included in cost of revenues. The reserve for the related warranty expenses is based on various factors including assumptions about the frequency of warranty claims on product failures, derived from results of accelerated lab testing, field monitoring, analysis of the history of product field failures, and the Company's reliability estimates.

The Company has established a reliability measurement system based on the units' estimated mean time between failure, or MTBF, a metric that equates to a steady-state failure rate per year for each product generation. The MTBF predicts the expected failure rate of each product within the Company's products installed base during the expected product warranted lifetime.

The Company performs accelerated life cycle testing, which simulates the service life of the product in a short period of time. The accelerated life cycle tests incorporate test methodologies derived from standard tests used by solar module vendors to evaluate the period over which solar modules wear out. Corresponding replacement costs are updated periodically to reflect changes in the Company's actual and estimated production costs for its products, rate of usage of refurbished units as a replacement of faulty units, and other costs related to logistic and subcontractors' services associated with the replacement products.

In addition, through the collection of actual field failure statistics, the Company has identified several additional failure causes that are not included in the MTBF model. Such causes, which mostly consist of design errors, workmanship errors caused during the manufacturing process and, to a lesser extent, replacement of non-faulty units by installers, result in generating additional replacement costs to the replacement costs projected under the MTBF model.

Warranty obligations are classified as short-term and long-term obligations based on the period in which the warranty is expected to be claimed.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

y. Advertising costs

Advertising costs are expensed when incurred and are included in sales and marketing expenses in the consolidated statements of income (loss). The Company incurred advertising expenses of \$10,270, \$12,015, and \$13,476 for the years ended December 31, 2025, 2024, and 2023, respectively.

z. Research and development costs:

Research and development costs, are charged to the consolidated statement of income (loss) as incurred.

aa. Concentrations of credit risks:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, restricted bank deposits, marketable securities, trade receivables, loan receivables, derivative instruments and other accounts receivable.

Cash and cash equivalents, restricted cash and restricted bank deposits are mainly invested in major banks in the U.S., Israel, Germany, Italy and Korea. Management believes that the financial institutions that hold the Company's investments are financially sound and, accordingly, minimal credit risk exists with respect to these investments.

The Company's debt marketable securities include investments in high-rated corporate debentures (located mainly in the U.S.) and governmental bonds. The financial institutions that hold the Company's debt marketable securities are major financial institutions located in the United States. The Company believes its debt marketable securities portfolio is a diverse portfolio of highly-rated securities and the Company's investment policy limits the amount the Company may invest in an issuer (see Note 2g).

The trade receivables of the Company derive from sales to customers located primarily in the United States and Europe.

The Company performs ongoing credit evaluations of its customers for the purpose of determining the appropriate allowance for credit losses (see Note 2i). The Company generally does not require collaterals, however, in certain circumstances, the Company may require letters of credit, other collateral, or additional guarantees. From time to time, the Company may purchase trade credit insurance.

The Company had one major customer (customers with attributable revenues that represent more than 10% of the Company's total revenues) for the year ended December 31, 2025, one major customer for the year ended December 31, 2024, and two major customers for the year ended December 31, 2023 that accounted for approximately 18.6%, 12.9% and 24.0% of the Company's consolidated revenues, respectively. For the years ended December 31, 2024 and December 31, 2023, revenues from these customers were generated in the solar segment.

The Company had three major customers (customer with a balance that represents more than 10% of total trade receivables, net) as of December 31, 2025 and as of December 31, 2024 that accounted in the aggregate for approximately 45.5% and 43.4%, of the Company's consolidated trade receivables, net, respectively.

ab. Concentrations of supply risks:

The Company depends on certain contract manufacturers and several limited or single source component suppliers. Reliance on these vendors makes the Company vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields, and costs.

As of December 31, 2025 and 2024, two contract manufacturers accounted for 50.7% and 43.4% of the Company's total trade payables, respectively.

The Company's own manufacturing facility, Sella 1, is located in the North of Israel.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

ac. Fair value of financial instruments:

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments:

The carrying value of cash and cash equivalents, restricted cash, short-term bank deposits, restricted bank deposits, trade receivables, net, prepaid expenses and other current assets, loan receivables, trade payables, employee and payroll accruals and accrued expenses and other current liabilities approximate their fair values due to the short-term maturities of such instruments.

Assets measured at fair value on a recurring basis as of December 31, 2025 and December 31, 2024 are comprised of money market funds, derivative instruments and marketable securities (see Note 13).

The Company applies ASC 820 "Fair Value Measurements and Disclosures", with respect to fair value measurements of all financial assets and liabilities. Fair value is an exit price, representing the amount that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

A three-tiered fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

- Level 1- Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2- Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3- Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

ad. Stock-based compensation:

The Company uses the closing trading price of its common stock on the day of the grant date as the fair value of awards of restricted stock units ("RSUs"), and performance stock units that are based on the Company's financial performance targets ("PSUs"). The compensation expense for RSUs is recognized using a straight-line attribution method over the requisite employee service period while compensation expense for PSUs is recognized using an accelerated attribution method. The Company estimates the forfeitures at the time of grant and revise, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Estimated forfeitures are based on actual historical pre-vesting forfeitures.

The Company granted and grants stock based compensation under its 2015 Plan, PSU awards to certain employees and officers which vest upon the achievement of certain performance or market conditions subject to their continued employment with the Company.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

The Company granted PSUs based on the Company's total shareholder return ("TSR") compared to the TSR of companies listed in the S&P 500 index over a one to three year performance period. In addition, the Company granted PSUs based on the 30-day successive average trading price of the Company's common stock (the "30-Day Price") over a three year performance period, which are expected to vest if certain 30-Day Price levels are met. For market conditions awards, the Company uses a Monte-Carlo simulation to determine the grant date fair value for these awards, which takes into consideration the market price of a share of the Company's common stock on the date of grant less the present value of dividends expected during the requisite service period, as well as the possible outcomes pertaining to the TSR market condition. The Company recognizes such compensation expenses on an accelerated attribution method.

The Company selected the Black-Scholes-Merton option-pricing model as the most appropriate fair value method for its stock-option awards and Employee Stock Purchase Plan ("ESPP"). The option-pricing model requires a number of assumptions, of which the most significant are the fair market value of the underlying common stock, expected stock price volatility, and the expected option term. Expected volatility for stock-option awards and ESPP was calculated based upon the Company's stock prices. The expected term of options granted is based upon historical experience and represents the period between the options' grant date and the expected exercise or expiration date. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company does not use dividend yield rate since the Company has not declared or paid any dividends on its common stock and does not expect to pay any dividends in the foreseeable future.

A modification of the terms of a stock-based award is treated as an exchange of the original award for a new award with total compensation cost equal to the grant-date fair value of the original award plus the incremental value of the modification to the award.

The fair value for PSU and ESPP granted to employees is estimated at the date of grant using the following assumptions:

	Year ended December 31,		
	2025	2024	2023
ESPP			
Risk-free interest	3.74% - 4.36%	4.42% - 5.42%	5.38% - 5.46%
Dividend yields	0%	0%	0%
Volatility	111.24% - 113.95%	70.94% - 104.93%	56.44% - 66.78%
Expected term	6 months	6 months	6 months
PSU			
Risk-free interest	4.43%	3.9% - 4.2%	4.09%
Dividend yields	0%	0%	0%
Volatility	73.75%	65.18% - 76.7%	71.60%
Expected term	3 years	2 - 3 years	3 years

ae. Earnings (loss) per share

Net basic Earnings Per Share ("EPS") is computed by dividing the net income (loss) by the weighted-average number of shares of common stock outstanding during the period.

Net diluted EPS is computed by giving effect to all potential shares of common stock, to the extent dilutive, including stock options, RSUs, PSUs, shares to be purchased under the Company's ESPP, the Notes 2025, and Notes 2029, all in accordance with ASC No. 260, "Earnings Per Share."

The Company's convertible senior notes are included in the calculation of diluted EPS if the assumed conversion into common shares is dilutive, using the "if-converted" method. This involves adding back the periodic cash and non-cash interest expense net of tax associated with the Notes to the numerator and by adding the shares that would be issued in an assumed conversion (regardless of whether the conversion option is in or out of the money) to the denominator for the purposes of calculating diluted EPS, unless the Notes are antidilutive (see Note 22).

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

af. Income taxes:

The Company account for income taxes in accordance with ASC 740, "Income Taxes". ASC 740 prescribes the use of the liability method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse.

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent the Company believes they will not be realized. The Company considers all available evidence, including historical information, long range forecast of future taxable income and evaluation of tax planning strategies. Amounts recorded for valuation allowance can result from a complex series of judgments about future events and can rely on estimates and assumptions. Tax has not been recorded for (a) taxes that would apply in the event of disposal of investments in subsidiaries, as it is generally the Company's intention to hold these investments, not to realize them; and (b) taxes that would apply on the distribution of unremitted earnings from foreign subsidiaries, as these are retained for reinvestment in the Group.

The Company accounts for uncertain tax positions in accordance with ASC 740-10 two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% (cumulative probability) likely to be realized upon ultimate settlement.

ag. New accounting pronouncements not yet effective:

In November 2024, the FASB issued ASU 2024-03, "Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income (loss) Statement Expenses" ("ASU 2024-03"). ASU 2024-03 requires disaggregation of certain costs and expenses included in each relevant expense caption on the Company's consolidated income (loss) statements in a separate note to the financial statements at each interim and annual reporting period, including amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization. ASU 2024-04 is effective fiscal years beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This amendment introduces a practical expedient for the application of the current expected credit loss (“CECL”) model to current accounts receivable and contract assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the timing of adoption and impact of this amendment on its Consolidated Financial Statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, “Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software” (“ASU 2025-06”), which simplifies the capitalization guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. ASU 2025-06 permits an entity to apply the new guidance using a prospective, retrospective or modified transition approach. The Company is currently evaluating the impact from ASU 2025-06 on its consolidated financial statements.

In November 2025, the FASB issued ASU 2025-09 to amend the guidance in Derivatives and Hedging (Topic 815). The update provides targeted improvements intended to enhance the application of hedge accounting, including expanded eligibility of forecasted transactions, additional flexibility in measuring hedge effectiveness, and clarifications related to hedging non-financial items. The guidance is effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. The Company is currently evaluating the impact on its financial statement disclosures.

In December 2025, the FASB issued ASU 2025-10, “Accounting for Government Grants Received by Business Entities” (“ASU 2025-10”), which establishes the accounting and presentation for government grants received by a business entity. ASU 2025-10 is effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted. ASU 2025-10 permits an entity to apply the new guidance using a modified prospective basis, a modified retrospective basis, or a full retrospective basis. The Company is currently evaluating the impact from ASU 2025-10 on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact from ASU 2025-10 on its consolidated financial statements.

ah. Recently issued and adopted pronouncements:

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”). ASU 2023-09 requires additional categories of information about federal, state and foreign income taxes to be included in effective tax rate reconciliation disclosure. Additionally, the newly added categories also apply to the income taxes paid disclosure. Effective December 31, 2025, the Company has adopted this standard prospectively. The adoption of this ASU affects only disclosures, with no impact to the Company's financial condition and results of operations (see Note 25).

ai. Certain prior period amounts have been reclassified to conform to the current period presentation.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 3: INVESTMENT IN PRIVATELY-HELD COMPANY

In January 2024, the Company completed an investment of \$6,075 in the preferred stock of Ivy Energy, Inc. ("Ivy"), a privately-held U.S. company. The Company accounted for the Ivy investment as an equity investment that does not have readily determinable fair values.

In March 2024, the Company completed an investment of \$5,000 in the preferred stock of Stardust Solution, Inc. ("Stardust"), a privately-held U.S. company. The Company accounted for the Stardust investment as an equity investment, under ASC 321, Equity Securities, that does not have a readily determinable fair market value.

In April 2024, the Company completed an investment of approximately \$17,000 in the preferred stock of Ampeers Energy GmbH ("Ampeers"), a privately-held German company, which represented 28.23% of Ampeers' outstanding shares.

The Company accounted for its investment in Ampeers using the equity method of accounting in accordance with ASC 323, Investments — Equity Method and Joint Ventures. Under this method, the investment, which was initially recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the investee as they occur, rather than when dividends or other distributions are received.

As of December 31, 2025, the Company has fully impaired its investments in privately-held companies.

As of December 31, 2024, the carrying value of investments in privately-held companies was \$20,976.

For the years ended December 31, 2025, and 2024 the Company recorded impairment charges in the amount of \$21,438 and \$5,000, respectively.

For the year ended December 31, 2025, the Company recorded a gain of \$4,000 upon the sale of Stardust.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 4: MARKETABLE SECURITIES

The following is a summary of available-for-sale marketable securities at December 31, 2025:

	<u>Amortized cost</u>	<u>Gross unrealized gains</u>	<u>Fair value</u>
Matures within one year:			
Corporate bonds	\$ 36,413	\$ 188	\$ 36,601
U.S. Government agency securities	1,495	1	1,496
Total	<u>\$ 37,908</u>	<u>\$ 189</u>	<u>\$ 38,097</u>

The following is a summary of available-for-sale marketable securities at December 31, 2024:

	<u>Amortized cost</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Fair value</u>
Matures within one year:				
Corporate bonds	\$ 290,570	\$ 97	\$ (811)	\$ 289,856
U.S. Treasury securities	12,596	-	(2)	12,594
U.S. Government agency securities	8,810	19	-	8,829
	<u>311,976</u>	<u>116</u>	<u>(813)</u>	<u>311,279</u>
Matures after one year:				
Corporate bonds	36,006	252	(17)	36,241
U.S. Government agency securities	6,309	47	-	6,356
	<u>42,315</u>	<u>299</u>	<u>(17)</u>	<u>42,597</u>
Total	<u>\$ 354,291</u>	<u>\$ 415</u>	<u>\$ (830)</u>	<u>\$ 353,876</u>

Proceeds from maturity of available-for-sale marketable securities during the years ended December 31, 2025, 2024 and 2023, were \$713,413, \$719,454 and \$277,382, respectively.

Proceeds from sales of available-for-sale marketable securities during the year ended December 31, 2025 were \$76,288, which did not lead to realized gains or losses.

Proceeds from sales of available-for-sale marketable securities during the year ended December 31, 2024 were \$114,564, which led to realized gains of \$2,966.

Proceeds from sales of available-for-sale marketable securities during the year ended December 31, 2023 were \$2,807, which led to realized losses of \$125

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 5: INVENTORIES, NET

	As of December 31,	
	2025	2024
Raw materials	\$ 306,288	\$ 209,259
Work in process	-	3,113
Finished goods	246,344	433,525
	\$ 552,632	\$ 645,897

The Company recorded inventory write-downs of \$17,827, \$738,757 and \$46,369 for the years ended December 31, 2025, 2024 and 2023, respectively.

NOTE 6: PREPAID EXPENSES AND OTHER CURRENT ASSETS

	As of December 31,	
	2025	2024
Vendor non-trade receivables ¹	\$ 129,223	\$ 198,211
Government authorities	161,749	213,290
Prepayments	25,334	25,291
Assets held for sale	11,155	60,500
Other	14,370	25,735
Total prepaid expenses and other current assets	\$ 341,831	\$ 523,027

¹ Vendor non-trade receivables derived from the sale of components to manufacturing vendors who manufacture products, components and other testing equipment for the Company. The Company purchases these components directly from other suppliers. The Company does not reflect the sale of these components to the contract manufacturers in its revenues.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT, NET

	As of December 31,	
	2025	2024
Cost:		
Land	\$ -	\$ 1,087
Buildings and plants	24,953	60,498
Computers and peripheral equipment	44,805	47,279
Office furniture and equipment	8,682	8,955
Laboratory and testing equipment	65,429	60,638
Machinery and equipment	188,000	209,906
Leasehold improvements	107,901	110,380
Assets under construction and payments on account	36,694	34,949
Gross property, plant and equipment	476,464	533,692
Less - accumulated depreciation	207,113	190,254
Total property, plant and equipment, net	<u>\$ 269,351</u>	<u>\$ 343,438</u>

For the years ended December 31, 2025, 2024 and 2023, the Company recorded impairment and abandonment by disposal of property, plant, and equipment in the amount of \$5,799, \$224,772, and \$25,168, respectively, under Other operating expense (income), net in the consolidated statements of income (loss).

Depreciation expenses for the years ended December 31, 2025, 2024 and 2023, were \$27,650, \$51,966 and \$49,544, respectively.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 8: LEASES

The following table summarizes the Company's lease-related assets and liabilities recorded in the consolidated balance sheets:

Description	Classification on the consolidated Balance Sheet	As of December 31,	
		2025	2024
Assets:			
Operating lease assets, net of lease incentive obligation	Operating lease right-of use assets, net	\$ 48,178	\$ 41,393
Finance lease assets	Property, plant and equipment, net	17,848	46,610
Total lease assets		<u>\$ 66,026</u>	<u>\$ 88,003</u>
Liabilities:			
Operating leases short term	Accrued expenses and other current liabilities	\$ 15,959	\$ 11,861
Finance leases short term	Accrued expenses and other current liabilities	1,547	3,382
Operating leases long term	Operating lease liabilities	36,648	30,018
Finance leases long term	Finance lease liabilities	18,558	39,159
Total lease liabilities		<u>\$ 72,712</u>	<u>\$ 84,420</u>

The following table presents certain information related to the operating and finance leases:

	Year ended December 31,	
	2025	2024
Finance leases:		
Amortization of right-of-use-assets	\$ 3,239	\$ 3,127
Interest on lease liabilities	\$ 930	\$ 973
Weighted average remaining lease term in years	12.74	14.38
Weighted average annual discount rate	1.80%	2.30%
Operating leases:		
Operating lease costs	\$ 15,310	\$ 17,503
Weighted average remaining lease term in years	10.43	10.67
Weighted average annual discount rate	6.28%	4.76%

The following table presents supplemental cash flows information related to the lease costs for operating and finance leases:

	Year ended December 31,	
	2025	2024
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 15,849	\$ 17,685
Operating cash flows for finance leases	\$ 323	\$ 350
Financing cash flows for finance leases	\$ 3,285	\$ 2,877

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

The following table reconciles the undiscounted cash flows for each of the first five years and the total of the remaining years of the operating and finance lease liabilities recorded in the consolidated balance sheets:

	Operating Leases	Finance Leases
2026	\$ 16,495	\$ 1,557
2027	6,730	1,557
2028	5,107	1,557
2029	4,009	1,588
2030	3,916	1,681
Thereafter	30,702	14,609
Total lease payments	\$ 66,959	\$ 22,549
Less amount of lease payments representing interest	(14,352)	(2,444)
Present value of future lease payments	\$ 52,607	\$ 20,105
Less current lease liabilities	(15,959)	(1,547)
Long-term lease liabilities	\$ 36,648	\$ 18,558

As of December 31, 2025, a lease previously classified as a finance lease was reclassified as an operating lease following an approximately 40% reduction in the leased asset's scope.

As of December 31, 2025, the Company has a non-cancelable lease commitment for the initial term of the lease of approximately \$274,237 for new offices in Israel, which has not yet commenced. The lease is expected to commence during the next twelve months. The initial term of the lease agreement is 15 years commencing on the transfer of possession, and with an option to extend the lease for additional periods of up to 10 years, subject to the conditions of the lease agreement. In November 2025, the Company amended its lease agreement with the developer of its new campus to reduce the leased area. In connection with the amendment, the Company agreed to make a lease modification payment of \$28,828, recorded under other long-term assets, which is accounted for as prepaid lease consideration under ASC 842, of which \$3,143 had been paid as of December 31, 2025.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 9: INTANGIBLE ASSETS, NET

Acquired intangible assets consisted of the following as of December 31, 2025, and 2024:

	<u>As of December 31, 2025</u>			<u>As of December 31, 2024</u>		
	<u>Gross carrying amount</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>	<u>Gross carrying amount</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>
Current technology	\$ 11,183	\$ (4,936)	\$ 6,247	\$ 10,675	\$ (2,753)	\$ 7,922
Customer relationships	1,548	(1,548)	-	1,526	(1,216)	310
Trade names	1,326	(946)	380	1,279	(464)	815
Assembled workforce	-	-	-	3,575	(3,575)	-
Patents	2,000	(1,498)	502	2,000	(1,381)	619
Total	<u>\$ 16,057</u>	<u>\$ (8,928)</u>	<u>\$ 7,129</u>	<u>\$ 19,055</u>	<u>\$ (9,389)</u>	<u>\$ 9,666</u>

Amortization expenses for the years ended December 31, 2025, 2024 and 2023, were \$2,861, \$7,899 and \$7,652, respectively.

Expected future amortization expenses of intangible assets as of December 31, 2025 are as follows:

2026	\$ 2,322
2027	2,194
2028	1,025
2029	636
2030	636
Thereafter	316
	<u>\$ 7,129</u>

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 10: GOODWILL

The following summarizes the goodwill activity for the years ended December 31, 2025, and 2024:

	Total
Goodwill at December 31, 2023	\$ 42,996
Changes during the year:	
Acquisitions	11,344
Impairment losses	(2,251)
Foreign currency adjustments	(3,709)
Goodwill at December 31, 2024	48,380
Changes during the year:	
Foreign currency adjustments	1,743
Goodwill at December 31, 2025	\$ 50,123

Following the sale of Automation Machines and the discontinuation of the Company's Energy Storage activity in 2024, the Company operates as one operating segment that constitutes consolidated results. The Company recast its comparative numbers to conform to current period presentation.

As of December 31, 2025 and December 31, 2024 there were \$92,355 accumulated goodwill impairment losses.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 11: OTHER LONG TERM ASSETS

	As of December 31,	
	2025	2024
Payments made before lease commencement	\$ 28,828	\$ -
Cloud computing arrangements	37,972	29,366
Investments in privately held companies	-	20,976
Severance pay fund	-	9,185
Prepaid expenses and other	766	5,209
Total other long term assets	<u>\$ 67,566</u>	<u>\$ 64,736</u>

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 12: DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

As of December 31, 2025, the Company entered into put and call options to sell USD in the amount of NIS 99 million.

The fair values of outstanding derivative instruments were as follows:

	Balance sheet location	December 31, 2025	December 31, 2024
Derivative assets of options and forward contracts:			
Designated cash flow hedges	Prepaid expenses and other current assets	\$ 705	\$ 1,262

Gains (losses) on derivative instruments are summarized below:

	Affected line item	Year ended December 31,		
		2025	2024	2023
Foreign exchange contracts				
Non Designated Hedging Instruments	Consolidated Statements of Income (loss) - Financial income (expense), net	\$ (2,967)	\$ 802	\$ 2,337
Designated Hedging Instruments	Consolidated Statements of Comprehensive Income (loss) - Cash flow hedges	\$ 7,641	\$ (445)	\$ (1,990)

See Note 21 for information regarding gains (losses) from designated hedging instruments reclassified from accumulated other comprehensive loss.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 13: FAIR VALUE MEASUREMENTS

In accordance with ASC 820, the Company measures its cash equivalents and marketable securities, at fair value using the market approach valuation technique. Cash and cash equivalents and restricted cash are classified within Level 1 because these assets are valued using quoted market prices. Marketable securities and foreign currency derivative contracts are classified within level 2 due to these assets being valued by alternative pricing sources and models utilizing market observable inputs.

The following table sets forth the Company's assets that were measured at fair value as of December 31, 2025 and December 31, 2024 by level within the fair value hierarchy:

Description	Fair Value Hierarchy	Fair value measurements as of	
		December 31, 2025	December 31, 2024
Assets:			
Cash, cash equivalents and restricted cash:			
Cash	Level 1	\$ 312,539	\$ 239,020
Money market mutual funds	Level 1	\$ 8,315	\$ 21,075
Deposits	Level 1	\$ 134,221	\$ 14,516
Restricted cash	Level 1	\$ 84,771	\$ 135,328
Derivative instruments	Level 2	\$ 705	\$ 1,262
Short-term marketable securities:			
Corporate bonds	Level 2	\$ 36,601	\$ 289,856
U.S. Treasury securities	Level 2	\$ -	\$ 12,594
U.S. Government agency securities	Level 2	\$ 1,496	\$ 8,829
Long-term marketable securities:			
Corporate bonds	Level 2	\$ -	\$ 36,241
U.S. Government agency securities	Level 2	\$ -	\$ 6,356

In addition to assets and liabilities that are recorded at fair value on a recurring basis, impairment indicators may subject goodwill and long-lived assets to nonrecurring fair value measurements.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 14: WARRANTY OBLIGATIONS

Changes in the Company's product warranty obligations for the years ended December 31, 2025, 2024 and 2023 were as follows:

	Year ended December 31,		
	2025	2024	2023
Balance, at the beginning of the period	\$ 432,365	\$ 518,244	\$ 385,057
Accruals for warranty during the period	69,713	60,137	250,266
Changes in estimates	(26,506)	(5,345)	20,017
Settlements	(117,683)	(140,671)	(137,096)
Balance, at end of the period	357,889	432,365	518,244
Less current portion	(89,330)	(140,249)	(183,047)
Long-term portion	<u>\$ 268,559</u>	<u>\$ 292,116</u>	<u>\$ 335,197</u>

NOTE 15: DEFERRED REVENUES AND CUSTOMERS ADVANCES

Deferred revenues and customer advances consist of deferred cloud-based monitoring services, communication services, warranty extension services and advance payments received from customers for the Company's products and other services. Deferred revenues and customer advances are classified as short-term and long-term deferred revenues and customer advances based on the period in which revenues are expected to be recognized.

Significant changes in the balances of deferred revenue and customer advances during the period are as follows:

	Year ended December 31,		
	2025	2024	2023
Balance, at the beginning of the period	\$ 371,919	\$ 255,443	\$ 213,577
Revenue recognized	(138,587)	(41,035)	(29,650)
Increase in deferred revenues and customer advances	130,367	157,511	71,516
Balance, at the end of the period	363,699	371,919	255,443
Less current portion	(70,371)	(140,870)	(40,836)
Long-term portion	<u>\$ 293,328</u>	<u>\$ 231,049</u>	<u>\$ 214,607</u>

The following table includes estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2025:

2026	\$ 70,371
2027	26,189
2028	25,168
2029	21,565
2030	14,778
Thereafter	205,628
Total deferred revenues	<u>\$ 363,699</u>

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 16: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	As of December 31,	
	2025	2024
Accrued expenses	\$ 211,136	\$ 166,699
Government authorities	20,493	51,705
Operating lease liabilities	15,959	11,861
Accrual for sales incentives	24,102	11,671
Provision for legal claims	13,199	350
Liabilities held for sale	7,592	-
Other	5,338	3,792
Total accrued expenses and other current liabilities	\$ 297,819	\$ 246,078

NOTE 17: CONVERTIBLE SENIOR NOTES

On September 25, 2020, the Company sold an aggregate principal amount of \$632,500 of its 0.00% convertible senior notes, due 2025 (the “Notes 2025”). The Notes 2025 were sold pursuant to an indenture, dated September 25, 2020 (the “Indenture”), between the Company and U.S. Bank National Association, as trustee. The Notes 2025 did not bear regular interest and matured on September 15, 2025. The Notes 2025 were general senior unsecured obligations of the Company. The initial conversion rate for the Notes 2025 was 3.5997 shares of common stock per \$1,000 principal amount of Notes 2025, which was equivalent to an initial conversion price of approximately \$277.80 per share of common stock, subject to adjustment upon the occurrence of certain specified events as set forth in the Indenture. In March 2025 the Company repurchased \$5,250 principal amount of its Notes 2025. The Company recorded a net gain of \$146, under other income, net, from the repurchase. The Company settled all of its remaining Notes 2025 on September 15, 2025. As part of the settlement, the Company paid \$342,250 in cash towards principal amount of the Notes 2025 and no shares were issued in connection with the settlement as the conversion value was less than the principal amount of the Notes 2025. Following the settlement, there were no Notes 2025 outstanding as of December 31, 2025.

On June 28, 2024, the Company sold an aggregate principal amount of \$300,000 of its 2.25% convertible senior notes, due in 2029 (the “Notes 2029”). The Notes 2029 were sold pursuant to an indenture, dated June 28, 2024 (the “Indenture 2029”), between the Company and U.S. Bank National Association, as trustee. The Notes 2029 will bear interest at a rate of 2.25% per year, payable semiannually in arrears on January 1 and July 1 of each year, beginning on January 1, 2025. The Notes 2029 mature on July 1, 2029, unless repurchased, redeemed or converted in accordance with their terms prior to such date. The Notes 2029 are general senior unsecured obligations of the Company. Holders may convert their Notes 2029 at any time prior to the close of business on the business day immediately preceding April 1, 2029 in multiples of \$1,000 principal amount, only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2024 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period in which the trading price per \$1,000 principal amount of the Notes 2029 for each trading day of that five consecutive trading day period was less than 98% of the product of the last reported sale price of the common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events or if the Company provides a notice of redemption as described in the Indenture 2029. In addition, holders may convert their Notes 2029, in multiples of \$1,000 principal amount, at their option at any time beginning on or after April 1, 2029, and prior to the close of business on the second scheduled trading day immediately preceding the stated maturity date of the Notes 2029, without regard to the foregoing circumstances. The initial conversion rate for the Notes 2029 is 29.1375 shares of common stock per \$1,000 principal amount of Notes 2029, which is equivalent to an initial conversion price of approximately \$34.32 per share of common stock, subject to adjustment upon the occurrence of certain specified events as set forth in the Indenture 2029.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

Upon conversion, the Company may choose to pay or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock.

In addition, upon the occurrence of a fundamental change (as defined in the Indenture 2029), holders of the Notes 2029 may require the Company to repurchase all or a portion of their Notes 2029, in multiples of \$1,000 principal amounts, at a repurchase price of 100% of the principal amount of the Notes 2029, plus any accrued and unpaid interest, if any, up to, but not including, the repurchase date. If certain fundamental changes referred to as make-whole fundamental changes occur, the conversion rate for the Notes 2029 may be increased.

The Notes 2029 are not redeemable prior to July 6, 2027. On or after July 6, 2027, the Company may redeem the Notes 2029 at its option if the last reported sale price of the common stock has been at least 130% of the conversion price, then in effect, for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on and including the trading day immediately preceding the date on which the Company provides notice of redemption, at a redemption price equal to 100% of the principal amount of the Notes 2029 to be redeemed, plus accrued and unpaid interest, if any, up to, but excluding, the redemption date.

The net proceeds from the offering of the Notes 2029 were approximately \$293,200, after deducting fees and estimated expenses. Congruently, the Company has entered into capped call transactions (as detailed below). The Company used approximately \$25,230 of the net proceeds from this offering to pay the cost of the capped call transactions. The Company also used approximately \$267,900 of the net proceeds, from this offering, to repurchase \$285,000 principal amount of its Notes 2025. In June 2024, the Company recorded under other income (loss), net a gain of \$15,456 from the repurchase of Notes 2025.

The Company accounts for the Notes 2029 at amortized cost, as a single unit of account on the balance sheet. The carrying value of the liability is represented by the face amount of the Notes 2029, less debt issuance costs, adjusted for any amortization of issuance costs. Issuance costs are being amortized as interest expense over the term of the Notes 2029, using the effective interest rate method.

The capped call transactions are expected generally to reduce the potential dilution to the common stock upon any conversion of the Notes 2029 and/or offset any cash payments the Company is required to make in excess of the principal amount of converted Notes 2029, as the case may be, in the event that the market price per share of common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions. The strike price initially corresponds to the conversion price of the Notes and is subject to customary anti-dilution adjustments. If, however, the market price per share of common stock exceeds \$48.84, the initial cap price of the capped call transactions, there would nevertheless be unmitigated dilution and/or no offset of any cash payments, in each case, attributable to the amount by which the market price of the common stock exceeds the cap price. The cap price is subject to certain customary adjustments under the terms of the capped call transactions.

The capped call transactions are considered a freestanding instrument as they were entered into separately and apart from Notes 2029. In addition, the conversion or redemption of the Notes 2029 would not automatically result in the exercise of the capped call.

As the capped call transactions are indexed to the Company's common stock, they were recorded as a reduction of additional paid-in capital in the consolidated balance sheets.

On July 8, 2024 the Company sold to Goldman Sachs & Co. LLC, as representative of the several initial purchasers (the "Initial Purchasers"), and the Initial Purchasers purchased from the Company, \$37,000 aggregate principal amount of additional Notes 2029. The additional Notes 2029 were sold pursuant to the Initial Purchasers' exercise of the option granted by the Company to the Initial Purchasers to purchase additional Notes 2029, solely to cover over-allotments, under the purchase agreement.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

The net proceeds from the exercise of the option granted by the Company to the Initial Purchasers of the Notes 2029 were approximately \$36,237, after deducting fees and estimated expenses. Congruently, the Company has entered into additional capped call transactions. The Company used approximately \$3,111 of the net proceeds from this offering to pay the cost of the additional capped call transactions. The Company intends to use the remainder of the net proceeds from the offering for general corporate purposes.

The Convertible Senior Notes consisted of the following as of December 31, 2025 and December 31, 2024:

	As of December 31,	
	2025	2024
Notes 2025		
Principal	\$ -	\$ 347,500
Unamortized issuance costs	-	(1,195)
Net carrying amount Notes 2025	<u>\$ -</u>	<u>\$ 346,305</u>
Notes 2029		
Principal	337,000	337,000
Unamortized issuance costs	(5,439)	(6,994)
Net carrying amount Notes 2029	<u>331,561</u>	<u>330,006</u>
Total notes carrying amount	<u><u>\$ 331,561</u></u>	<u><u>\$ 676,311</u></u>

Costs related to the Notes 2025 and the Notes 2029 were as follows:

	Year ended December 31,		
	2025	2024	2023
Notes 2025			
Debt issuance cost	\$ 1,183	\$ 2,280	\$ 2,930
Notes 2029			
Debt issuance cost	\$ 1,555	\$ 792	\$ -
Contractual interest expense	\$ 7,583	\$ 3,854	\$ -

As of December 31, 2025, the unamortized issuance costs of the Notes 2029 will be amortized over the remaining term of approximately 3.5 years.

The annual effective interest rate of the Notes 2029 is 2.75%.

As of December 31, 2025, the estimated fair value of the Notes 2029, which the Company has classified as Level 2 financial instruments, is \$401,084. The estimated fair value was determined based on the quoted bid price of the Convertible Senior Notes in an over-the-counter market on the last trading day of the reporting period.

As of December 31, 2025, the if-converted value of the Notes 2029 did not exceed the principal amount.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 18: OTHER LONG TERM LIABILITIES

	As of December 31,	
	2025	2024
Accrued severance pay	\$ 1,868	\$ 6,079
Other	713	2,347
	<u>\$ 2,581</u>	<u>\$ 8,426</u>

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 19: STOCK CAPITAL

a. Common stock rights:

Common stock confers upon its holders the right to receive notice of, and to participate in, all general meetings of the Company, where each share of common stock shall have one vote for all purposes, to share equally, on a per share basis, in bonuses, profits, or distributions out of fund legally available therefor, and to participate in the distribution of the surplus assets of the Company in the event of liquidation of the Company.

b. Equity Incentive Plans:

The Company's Amended and Restated 2015 Global Incentive Plan (the "2015 Plan") became effective upon the consummation of the Company's IPO and expired on March 25, 2025. The 2015 Plan provides for the grant of options, RSU, PSU, and other stock-based awards to directors, employees, officers, and non-employees of the Company and its subsidiaries. As of December 31, 2025, a total of 26,648,950 shares of common stock were reserved for issuance pursuant to stock awards under the 2015 Plan (the "Share Reserve"), an aggregate of 12,097,577 shares are still available for future grants.

Under its 2015 Plan, the Company granted PSU awards to certain employees and officers which vest upon the achievement of certain performance or market conditions subject to their continued employment with the Company.

The market condition for the PSUs is based on the Company's TSR compared to the TSR of companies listed in the S&P 500 index over a one to three year performance period. Additionally, the Company granted PSUs, based on the average trading price of the Company's common stock based on the 30-Day Price, over a three year performance period, which are expected to vest if certain 30-Day Price levels are met. The Company uses a Monte-Carlo simulation to determine the grant date fair value for these awards, which takes into consideration the market price of a share of the Company's common stock on the date of grant less the present value of dividends expected during the requisite service period, as well as the possible outcomes pertaining to the TSR market condition. The Company recognizes such compensation expenses on an accelerated vesting method.

The aggregate maximum number of shares of common stock that may be issued on the exercise of incentive stock options is 10,000,000. As of March 25, 2025, the tenth anniversary of our 2015 Plan, we are no longer able to grant incentive stock options.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

A summary of the activity in stock options and related information is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic Value
Outstanding as of December 31, 2022	339,029	\$ 50.64	4.86	\$ 79,414
Exercised	(21,613)	10.48	-	3,572
Outstanding as of December 31, 2023	317,416	\$ 53.38	4.05	\$ 17,366
Vested and expected to vest as of December 31, 2023	317,166	\$ 53.24	4.05	\$ 17,366
Exercisable as of December 31, 2023	307,719	\$ 47.70	3.97	\$ 17,366
Outstanding as of December 31, 2023	317,416	\$ 53.38	4.05	\$ 17,366
Exercised	(33,331)	5.18	-	750
Forfeited or expired	(666)	3.96	-	-
Outstanding as of December 31, 2024	283,419	\$ 59.16	3.42	\$ 17
Vested and expected to vest as of December 31, 2024	283,382	\$ 59.13	3.44	\$ 17
Exercisable as of December 31, 2024	282,196	\$ 58.07	3.43	\$ 17
Outstanding as of December 31, 2024	283,419	\$ 59.16	3.42	\$ 17
Exercised	(10,400)	21.23	-	25
Forfeited or expired	(81,832)	86.86	-	-
Outstanding as of December 31, 2025	191,187	\$ 49.37	1.40	\$ 950
Vested and expected to vest as of December 31, 2025	191,187	\$ 49.37	1.40	\$ 950
Exercisable as of December 31, 2025	191,187	\$ 49.37	1.40	\$ 950

The intrinsic value is the amount by which the closing price of the Company's common stock on December 31, 2025 or the price on the day of exercise exceeds the exercise price of the stock options multiplied by the number of in-the-money options.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

A summary of the activity in the RSUs and PSUs and related information is as follows:

	RSU		PSU	
	Number of Shares Outstanding	Weighted average grant date fair value	Number of Shares Outstanding	Weighted average grant date fair value
Unvested as of January 1, 2023	1,488,515	\$ 232.05	149,232	\$ 295.88
Granted	1,138,764	134.44	32,348	314.22
Vested	(661,967)	198.16	(107,165)	296.76
Forfeited	(105,026)	253.80	-	-
Unvested as of December 31, 2023	1,860,286	182.52	74,415	302.58
Granted	2,737,530	34.62	292,932	31.46
Vested	(749,031)	173.07	(14,543)	298.92
Forfeited	(453,438)	143.44	(18,550)	259.59
Unvested as of December 31, 2024	3,395,347	70.62	334,254	67.52
Granted	2,656,364	17.69	777,237	6.39
Vested	(1,327,121)	75.13	-	-
Forfeited	(899,816)	63.30	(270,004)	58.35
Unvested as of December 31, 2025	3,824,774	\$ 34.02	841,487	\$ 14.00

c. Employee Stock Purchase Plan:

The Company adopted an ESPP effective upon the consummation of the IPO. As of December 31, 2025, a total of 5,125,666 shares were reserved for issuance under this plan.

The ESPP is implemented through an offering every six months. According to the ESPP, eligible employees may use up to 15% of their salaries to purchase common stock up to an aggregate limit of \$15 per participant for every six months plan. The price of an ordinary share purchased under the ESPP is equal to 85% of the lower of the fair market value of the ordinary share on the subscription date of each offering period or on the purchase date.

As of December 31, 2025, 2,793,819 shares of common stock had been purchased under the ESPP.

As of December 31, 2025, 2,331,847 shares of common stock were available for future issuance under the ESPP.

In accordance with ASC No. 718, the ESPP is compensatory and, as such, results in recognition of compensation cost.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

d. Stock-based compensation expenses:

The Company recognized stock-based compensation expenses related to all stock-based awards in the consolidated statement of income (loss) for the years ended December 31, 2025, 2024 and 2023, as follows:

	Year ended December 31,		
	2025	2024	2023
Stock-based compensation expenses:			
Cost of revenues	\$ 16,022	\$ 21,952	\$ 23,200
Research and development	44,890	62,546	66,944
Sales and marketing	17,730	27,328	30,987
General and administrative	13,903	25,425	28,814
Total stock-based compensation expenses	<u>\$ 92,545</u>	<u>\$ 137,251</u>	<u>\$ 149,945</u>
Stock-based compensation capitalized:			
Inventory	\$ 1,693	\$ 3,100	\$ 2,460
Other long-term assets	1,356	1,926	1,666
Total stock-based compensation capitalized	<u>\$ 3,049</u>	<u>\$ 5,026</u>	<u>\$ 4,126</u>

For the years ended December 31, 2025 and 2024, no amounts were recorded in regard to tax benefits associated with share-based compensation.

The total tax benefits associated with share-based compensation for the year ended December 31, 2023 was \$27,551. The tax benefit realized from share-based compensation for the year ended December 31, 2023 was \$8,866.

As of December 31, 2025, there were total unrecognized compensation expenses in the amount of \$130,614 related to non-vested equity-based compensation arrangements granted. These expenses are expected to be recognized during the period from January 1, 2026 through December 31, 2029.

f. Repurchase of Common Stock:

On November 1, 2023, the Company announced that the Company's Board of Directors approved a share repurchase program which authorizes the repurchase of up to \$300,000 of the Company's common stock. Under the share repurchase program, repurchases can be made using a variety of methods, which may include open market purchases, block trades, privately negotiated transactions, accelerated share repurchase programs and/or a non-discretionary trading plan or other means, including through 10b5-1 trading plans, all in compliance with the rules of the SEC and other applicable legal requirements. The timing, manner, price and amount of any common share repurchases under the share repurchase program are determined by the Company in its discretion and depend on a variety of factors, including legal requirements, price and economic and market conditions.

During year ended December 31, 2024, the Company repurchased 753,364 shares of common stock from the open market at an average cost of \$66.63 per share for a total of \$50,194

The share repurchase program expired on December 31, 2024.

NOTE 20: COMMITMENTS AND CONTINGENT LIABILITIES

a. Guarantees:

As of December 31, 2025, contingent liabilities exist regarding guarantees in the amounts of \$50,496, \$35,895 and \$1,486 in respect of securing projects with customers and vendors, office rent lease agreements, and other transactions, respectively.

b. Contractual purchase obligations:

The Company has contractual obligations to purchase goods and raw materials. These contractual purchase obligations relate to inventories and other purchase orders, which cannot be canceled without penalty. In addition, the Company acquires raw materials or other goods and services, including product components, by issuing authorizations to its suppliers to purchase materials based on its projected demand and manufacturing needs.

As of December 31, 2025, the Company had non-cancelable purchase obligations totaling approximately \$513,202, out of which the Company recorded a provision for loss in the amount of \$24,324.

As of December 31, 2025, the Company had contractual obligations for capital expenditures totaling approximately \$23,451. These commitments reflect purchases of automated assembly lines and other machinery related to the Company's manufacturing process.

c. Legal claims:

From time to time, the Company may be involved in various claims and legal proceedings. The Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. These accruals are reviewed at least quarterly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter.

As of December 31, 2025, the Company recorded an accrual of \$13,199 for legal claims which was recorded under accrued expenses and other current liabilities.

On November 3, 2023, Daphne Shen, a purported stockholder of the Company, filed a proposed class action complaint for violation of federal securities laws, individually and putatively on behalf of all others similarly situated, in the U.S District Court of the Southern District of New York against the Company, the Company's CEO and the Company's CFO. The complaint alleges violations of Section 10(b) and Rule 10b-5 of the Exchange Act, as well as violations of Section 20(a) of the Exchange Act against the individual defendants. The complaint seeks class certification, damages, interest, attorneys' fees, and other relief. On December 13, 2023, Javier Cascallar filed a similar proposed class action. On January 2, 2024, six purported lead plaintiffs filed motions in the Shen litigation seeking to consolidate the Cascallar and Shen litigations and appoint lead plaintiffs and lead counsel pursuant to the procedures of the Private Securities Litigation Reform Act of 1995.

On February 7, 2024, the Court consolidated the two actions (the "Consolidated Securities Litigation"), and appointed co-lead plaintiffs (the "Plaintiffs") and lead counsel. On April 22, 2024, Plaintiffs filed an amended complaint adding two additional officers. The amended complaint made substantially similar allegations and claims. Defendants moved to dismiss the amended complaint on July 15, 2024 (the "Motion"), and the motion was fully briefed as of September 17, 2024. On December 4, 2024, the Court issued an order granting in part the Motion, dismissing all allegations except those relating to two purported misstatements, characterizing inventory levels as low. The Court allowed Plaintiffs to again amend their complaint, and they filed a Second Amended Complaint on January 3, 2025. On February 10, 2025, Defendants moved to dismiss the Second Amended Complaint insofar as it attempts to resurrect any of the allegations dismissed in the Court's December 4, 2024 order. On April 7, 2025, the Court issued an order granting in part the second motion to dismiss, dismissing all allegations except those characterizing inventory levels as "low" and those relating to demand in Europe. Lead Plaintiffs filed a motion for class certification on October 17, 2025, and Defendants filed their opposition on January 16, 2026. Plaintiffs' reply is due on February 20, 2026. Fact discovery is ongoing.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

On March 15, 2024, Abdul Hirani filed a purported derivative complaint in the U.S. District Court for the Southern District of New York against certain current and former SolarEdge executive officers and board members, including Zvi Lando, Ronen Faier, Nadav Zafrir, Betsy Atkins, Marcel Gani, Dana Gross, Dirk Hoke, Avery More, and Tal Payne. The Hirani complaint makes largely the same allegations as those in the Consolidated Securities Litigation. The Hirani complaint brings claims for (i) breach of fiduciary duty, (ii) aiding and abetting breach of fiduciary duty, (iii) unjust enrichment, (iv) waste of corporate assets, and (v) securities fraud under Section 10(b) of the Exchange Act. The complaint seeks compensatory and punitive damages, interest, attorneys' fees, and other relief.

On June 10, 2024, Jonathan Blaufarb filed a second purported derivative complaint in the U.S. District Court for the Southern District of New York against the same defendants as those named in the Hirani complaint as well as Lior Danziger and J.B. Lowe. The Blaufarb complaint makes largely the same allegations as those in the Consolidated Securities Litigation and seeks declaratory relief, corporate governance reforms, damages, restitution, attorneys' fees, and other relief. It also pleads the same counts as those in the Hirani complaint, as well as additional counts for abuse of control and gross mismanagement. Defendants accepted service of the Hirani and Blaufarb complaints via stipulation that was so-ordered on July 12, 2024, and the two cases were consolidated with the Hirani matter designated as the lead case (the "Consolidated Derivative Action"). On September 9, 2024 the parties agreed to stay the Hirani and Blaufarb actions pending a decision on the motion to dismiss in the Consolidated Securities Litigation. Following the decision granting in part and denying in part the motion to dismiss the Second Amended Complaint in the Consolidated Securities Litigation, the parties entered into a new stipulation on June 20, 2025, staying this consolidated derivative action through the close of fact discovery in the Consolidated Securities Litigation.

On August 7, 2024, Edwin Isaac filed a purported derivative complaint in the U.S. District Court for the District of Delaware against the same defendants as those named in the Consolidated Derivative Action. The Isaac complaint makes largely the same allegations as those in the Consolidated Securities Litigation. It also pleads the similar counts to the Consolidated Derivative Action, including (i) breach of fiduciary duty, (ii) contribution, (iii) violation of Section 14(a) of the Exchange Act and SEC Rule 14a-9, (iv) unjust enrichment, (v) waste of corporate assets, and (vi) aiding and abetting breach of fiduciary duty. The complaint seeks declaratory relief, damages, interest, unspecified equitable relief, attorneys' fees, and other relief. The parties filed a stipulation on June 30, 2025 agreeing to stay the Isaac matter through the close of fact discovery in the Consolidated Securities Litigation.

On May 22, 2025, Mike Maddox ("Maddox") filed a purported derivative complaint in the U.S. District Court for the Southern District of New York against the same defendants as those named in the earlier-filed derivative actions. The Maddox complaint makes largely the same allegations as those in the Consolidated Securities Litigation and the other derivative actions. It also pleads similar counts to those in the other derivative actions, including (i) breach of fiduciary duty, (ii) gross mismanagement, (iii) waste of corporate assets, (iv) unjust enrichment, and (v) violation of Section 14(a) of the Exchange Act. The parties filed a stipulation on July 21, 2025 agreeing to stay the Maddox matter through the close of fact discovery in the Consolidated Securities Litigation.

On September 9, 2025, Jerald Chauncey, Jr. ("Chauncey") filed a complaint in the Delaware Court of Chancery against the same defendants as those named in the other derivative actions. The Chauncey complaint makes largely the same allegations as those in the Consolidated Securities Litigation and the other derivative actions. It also pleads similar counts to those in the other derivative actions, including (i) breach of fiduciary duty, (ii) unjust enrichment, and (iii) waste of corporate assets. The parties filed a stipulation on October 7, 2025 agreeing to stay the Chauncey matter through the close of fact discovery in the Consolidated Securities Litigation.

On January 13, 2025, Stellantis Europe S.p.A. ("Stellantis") submitted an application for injunctive relief, to the Court of Turin, Italy, claiming that SolarEdge e-Mobility was allegedly in breach of contract. The application for injunctive relief is aimed at obtaining the following interim measures: i) order the Company to resume supply of spare parts and technical assistance activities in favor of Stellantis; and ii) to order the Company to pay a penalty of 100,000 Euro for each day of delay in fulfilling the order above. At a hearing on February 25, 2025 the parties discussed the case. On May 8, 2025, the court denied Stellantis' request for injunction and on July 2, 2025, Stellantis appealed, and the next hearing is scheduled for March 13, 2026. The Company disputes the allegations of wrongdoing. On February 11, 2026, the Company completed the sale of SolarEdge e-Mobility.

On September 15, 2025, Ampt, LLC ("Ampt") filed a lawsuit in the District of Delaware seeking to enforce an agreement between Ampt and the Company. The Company had invoked a force majeure clause in relation to its performance of the agreement, valued at \$54 million over a period of five years, in October 2023. The Company has filed an answer on December 1, 2025, and the court has ordered a disclosure schedule to begin January 2026. The case is scheduled for trial for November 1, 2027. On January 5, 2026, the parties met for mediation, which has been inconclusive. The Company disputes the allegations and intends to vigorously defend against them.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 21: ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Unrealized gains (losses) on available- for-sale marketable securities	Unrealized gains (losses) on cash flow hedges	Foreign currency translation adjustments on intra- entity transactions that are of a long-term investment in nature	Unrealized gains (losses) on foreign currency translation	Total
Beginning balance as of January 1, 2023	\$ (25,449)	\$ (1,761)	\$ (37,960)	\$ (7,939)	\$ (73,109)
Revaluation	25,898	(1,973)	(5,375)	5,409	23,959
Tax on revaluation	(5,487)	(17)	-	-	(5,504)
Other comprehensive income (loss) before reclassifications	20,411	(1,990)	(5,375)	5,409	18,455
Reclassification	107	8,325	-	-	8,432
Tax on reclassification	(29)	(634)	-	-	(663)
Losses reclassified from accumulated other comprehensive income	78	7,691	-	-	7,769
Net current period other comprehensive (income) loss	20,489	5,701	(5,375)	5,409	26,224
Ending balance as of December 31, 2023	\$ (4,960)	\$ 3,940	\$ (43,335)	\$ (2,530)	\$ (46,885)
Revaluation	8,782	(678)	(35,379)	3,890	(23,385)
Tax on revaluation	(1,995)	233	-	-	(1,762)
Other comprehensive income (loss) before reclassifications	6,787	(445)	(35,379)	3,890	(25,147)
Reclassification	(2,966)	(2,538)	-	-	(5,504)
Tax on reclassification	754	305	-	-	1,059
Losses reclassified from accumulated other comprehensive income	(2,212)	(2,233)	-	-	(4,445)
Net current period other comprehensive (income) loss	4,575	(2,678)	(35,379)	3,890	(29,592)
Ending balance as of December 31, 2024	\$ (385)	\$ 1,262	\$ (78,714)	\$ 1,360	\$ (76,477)
Revaluation	577	8,759	1,207	4,669	15,212
Tax on revaluation	-	(1,118)	-	-	(1,118)
Other comprehensive income (loss) before reclassifications	577	7,641	1,207	4,669	14,094
Reclassification	2	(9,316)	65,667	(6,751)	49,602
Tax on reclassification	-	1,118	-	-	1,118
Losses (gains) reclassified from accumulated other comprehensive income	2	(8,198)	65,667	(6,751)	50,720
Net current period other comprehensive income (loss)	579	(557)	66,874	(2,082)	64,814
Ending balance as of December 31, 2025	\$ 194	\$ 705	\$ (11,840)	\$ (722)	\$ (11,663)

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

The following table provides details about reclassifications out of accumulated other comprehensive income (loss) for the years ended December 31, 2025, 2024 and 2023:

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)			Affected Line Item in the Statement of Income (loss)
	2025	2024	2023	
Unrealized gains (losses) on available-for-sale marketable securities				
	\$ (2)	\$ 2,966	\$ (107)	Financial income (expenses), net
	-	(754)	29	Income taxes
	<u>\$ (2)</u>	<u>\$ 2,212</u>	<u>\$ (78)</u>	Total, net of income taxes
Unrealized gains (losses) on cash flow hedges				
	1,402	296	(964)	Cost of revenues
	5,133	1,487	(4,981)	Research and development
	1,128	327	(1,057)	Sales and marketing
	1,653	428	(1,323)	General and administrative
	<u>\$ 9,316</u>	<u>\$ 2,538</u>	<u>\$ (8,325)</u>	Total, before income taxes
	(1,118)	(305)	634	Income taxes
	<u>\$ 8,198</u>	<u>\$ 2,233</u>	<u>\$ (7,691)</u>	Total, net of income taxes
Adjustment for substantial completion of liquidation of certain foreign subsidiaries				
Foreign currency translation adjustments on intra-entity transactions that are of a long-term investment in nature	(65,667)	-	-	Financial income (expenses), net
Foreign currency translation adjustments, net	6,751	-	-	Financial income (expenses), net
	<u>(58,916)</u>	<u>-</u>	<u>-</u>	
Total reclassifications for the period	<u><u>\$ (50,720)</u></u>	<u><u>\$ 4,445</u></u>	<u><u>\$ (7,769)</u></u>	

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 22: EARNINGS (LOSS) PER SHARE

The following table presents the computation of basic and diluted earnings (loss) per share (“EPS”):

	Year ended December 31,		
	2025	2024	2023
Basic EPS:			
Numerator:			
Net income (loss)	\$ (405,448)	\$ (1,806,357)	\$ 34,329
Denominator:			
Shares used in computing net earnings (loss) per share of common stock, basic	58,954,380	57,082,182	56,557,106
Diluted EPS:			
Numerator:			
Net income (loss) attributable to common stock, diluted	\$ (405,448)	\$ (1,806,357)	\$ 34,329
Denominator:			
Shares used in computing net earnings (loss) per share of common stock, basic	58,954,380	57,082,182	56,557,106
Effect of stock-based awards	-	-	680,412
Shares used in computing net earnings (loss) per share of common stock, diluted	58,954,380	57,082,182	57,237,518
Earnings (loss) per share:			
Basic	\$ (6.88)	\$ (31.64)	\$ 0.61
Diluted	\$ (6.88)	\$ (31.64)	\$ 0.60

The following outstanding shares of common stock equivalents were excluded from the calculation due to their antidilutive nature:

	Year ended December 31,		
	2025	2024	2023
Stock-based awards	1,501,640	2,203,364	666,217
Notes 2025	878,174	2,056,978	2,276,818
Notes 2029 ¹	9,819,347	2,521,310	-
Total shares excluded	12,199,161	6,781,652	2,943,035

¹ In conjunction with the issuance of the Notes 2029 in June 2024, the Company used approximately \$25,230 of the net proceeds from this offering to pay the cost of the capped call transactions. In July 2024, following a subsequent issuance of the Notes 2029, \$3,111 of net proceeds were used to pay the cost of capped call transactions. In accordance with FASB ASC 260, antidilutive contracts, such as purchased call options are excluded from the computation of diluted net income (loss) per share. Accordingly, any potential impact resulting from capped call transaction is excluded from the Company's computation of diluted net income (loss) per share.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 23: OTHER OPERATING EXPENSES, NET

	Year ended December 31,		
	2025	2024	2023
Impairment of asset-held for sale	\$ 43,332	\$ -	\$ -
Loss from business disposition	17,982	-	-
Loss (gain) from sale of property, plant and equipment	(3,058)	1,524	541
Impairment of intangible assets and goodwill	-	24,674	5,622
Impairment and disposal by abandonment of property, plant and equipment	5,799	224,772	25,168
Other	(5,717)	8,557	(17)
Total other operating expense, net	\$ 58,338	\$ 259,527	\$ 31,314

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 24: RESTRUCTURING AND OTHER EXIT ACTIVITIES

On January 21, 2024, the Company announced the adoption of a restructuring plan in response to challenging industry conditions. Under this restructuring plan, the Company reduced its headcount by approximately 900 employees over the first half of 2024 in an involuntary workforce reduction. The adoption of this restructuring plan followed the Company's previous measures taken to align with current market conditions, including termination of our manufacturing in Mexico and China, and discontinuation of the Company's light commercial vehicle e-mobility activity. On July 15, 2024, the Company announced additional workforce reductions, resulting in the layoff of 400 employees.

On November 27, 2024, the Company announced the closure of its Energy Storage Division. In connection with the closure, the Company reduced its headcount by approximately 500 employees, primarily in manufacturing positions in South Korea. This closure and associated headcount reduction represented approximately 12% of the Company's overall employee population, at the time, almost all of whom were dismissed over the first half of 2025. In January 2025, the Company announced the adoption of a restructuring plan, in response to challenging industry conditions, which included an additional reduction in workforce. In April 2025, we divested from our PV tracker business, as part of our effort to focus on our core activities. On September 4, 2025, as part of the decision to close its Energy Storage Division, the Company, sold its last battery cell manufacturing facility in South Korea. The Company has determined that the discontinuation of its Energy Storage activity does not represent a strategic shift that will have a major effect on the Company's operations and financial results and therefore it did not meet the criteria for discontinued operations classification.

Restructuring and other exit charges for the year ended December 31, 2025 by type of cost were as follows:

	Employee termination costs	Contract termination and other	Total
Cost of revenues	\$ 816	\$ (14,433)	\$ (13,617)
Research and development	1,462	-	1,462
Sales and marketing	1,180	-	1,180
General and administrative	1,687	-	1,687
Other operating expenses, net	-	(3,137)	(3,137)
Total	\$ 5,145	\$ (17,570)	\$ (12,425)

Restructuring and other exit charges for the year ended December 31, 2024 by type of cost were as follows:

	Employee termination costs	Contract termination and other	Total
Cost of revenues	\$ 2,021	\$ 38,227	\$ 40,248
Research and development	4,120	248	4,368
Sales and marketing	1,228	-	1,228
General and administrative	830	118	948
Other operating expenses, net	-	2,356	2,356
Total	\$ 8,199	\$ 40,949	\$ 49,148

Restructuring and other exit charges for the year ended December 31, 2023 by type of cost were as follows:

	Employee termination costs	Contract termination and other	Total
Cost of revenues	\$ 2,561	\$ 57,241	\$ 59,802
Sales and marketing	4	-	4
General and administrative	297	87	384
Total	\$ 2,862	\$ 57,328	\$ 60,190

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

The Company's liability balance for the restructuring and other exit charges is as follows:

	Employee termination costs	Contract termination and other
Balance as of January 1, 2025	\$ 1,073	\$ 23,933
Charges	5,145	(17,570)
Cash payments	(6,218)	(6,315)
Non-cash utilization and other	-	(48)
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ -</u>

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 25: INCOME TAXES

a. Tax rates in the U.S:

The Company is subject to U.S. federal tax at the rate of 21%.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into law making significant changes to U.S. income tax law. These changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years 2018 onwards and created new taxes on certain foreign-sourced earnings and certain related-party payments - the Global Intangible Low Taxed Income ("GILTI"). Furthermore, changes introduced by the Tax Act to Section 174 of the Internal Revenue Code, that came into effect on January 1, 2022, require taxpayers to amortize research and development expenditures over five years (if incurred in the U.S.) or fifteen years (if incurred outside the U.S.), thereby increasing taxable income and payable tax.

The Tax Act required the Company to pay U.S. income taxes on accumulated foreign subsidiaries earnings not previously subject to U.S. income tax at a rate of 15.5% to the extent of foreign cash and certain other net current assets and 8% on the remaining earnings. The total tax liability was calculated to approximately \$8,500, which are paid over the eight-year period provided in the Tax Act (ended 2025).

b. Corporate tax in Israel:

The taxable income of Israeli companies is subject to corporate tax at the rate of 23%. The Israeli Subsidiary is also eligible for tax benefits as further described in note 25k.

c. Carryforward tax losses:

As of December 31, 2025, the Company has carryforward federal tax losses of \$261,521 and carryforward state tax losses of \$164,331. In addition, the foreign subsidiaries have carryforward tax losses of \$2,056,156 (out of which an amount of \$79,851 relates to carryforward capital losses of the Israeli Subsidiary). All carryforward tax losses do not have an expiration date.

d. Deferred taxes:

Deferred taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

Significant components of the Company's deferred tax liabilities and assets are as follows:

	December 31,	
	2025	2024
Deferred tax assets, net:		
Research and development carryforward expenses	\$ 19,698	\$ 15,857
Carryforward tax losses	341,977	219,341
Stock based compensation expenses	43,523	38,499
Deferred revenue	12,293	12,999
Lease liabilities	8,297	10,634
Inventory Impairment	9,012	10,833
Foreign currency translation	12,137	13,672
Property, plant and equipment	5,353	11,662
Allowance and other reserves	19,429	20,549
Total gross deferred tax assets	471,719	354,046
Less, valuation allowance	(455,884)	(331,816)
Total deferred tax assets, net	15,835	22,230
Deferred tax liabilities, net:		
Intercompany transactions	-	(4,200)
Right-of-use assets	(7,504)	(11,066)
Acquired intangible assets	(1,251)	(3,149)
Property, plant and equipment	(5,906)	(4,377)
Other	(1,359)	(549)
Total deferred tax liabilities	\$ (16,020)	\$ (23,341)
Recorded as:		
Deferred tax liabilities, net ¹	\$ (185)	\$ (1,111)

¹ Presented under other long-term liabilities

The Company's Israeli Subsidiary's tax-exempt profit from Benefited Enterprises (as defined in note 25k) is permanently reinvested, Therefore, deferred taxes have not been provided for such tax-exempt income.

The Company may incur additional tax liability in the event of intercompany dividend distributions by some of its subsidiaries. Such additional tax liability in respect of these subsidiaries has not been provided for in the Financial Statements as the Company's management and the Board of Directors has determined that the Company intends to reinvest earnings of its subsidiaries indefinitely.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

e. Uncertain tax positions are comprised as follows:

	December 31,		
	2025	2024	2023
Balance, at the beginning of the period	\$ 32,326	\$ 15,908	\$ 2,756
Decrease related to tax settlements	(24,845)	-	-
Increases related to current year tax positions	-	-	1,502
Increase for tax positions related to prior years	3,373	16,418	11,778
Decrease related to prior year tax positions	(2,209)	-	(128)
Balance, at end of the period	<u>\$ 8,645</u>	<u>\$ 32,326</u>	<u>\$ 15,908</u>

The total amount of gross unrecognized tax benefits above would affect the Company's effective tax rate, if recognized.

The Company accrues interest and penalties related to unrecognized tax benefits in its provision for income taxes.

As of December 31, 2025 and 2024, the Company accrued \$1,415 and \$9,165, respectively.

f. Income (loss) before income taxes are comprised as follows:

	Year ended December 31,		
	2025	2024	2023
Domestic	\$ 181,819	\$ (4,169)	\$ 49,758
Foreign	(572,925)	(1,704,142)	31,341
Income (loss) before income taxes	<u>\$ (391,106)</u>	<u>\$ (1,708,311)</u>	<u>\$ 81,099</u>

g. Income taxes are comprised as follows:

	Year ended December 31,		
	2025	2024	2023
Current taxes:			
Domestic	\$ 2,601	\$ 4,036	\$ 42,960
Foreign	11,542	12,905	46,531
Total current taxes	<u>14,143</u>	<u>16,941</u>	<u>89,491</u>
Deferred taxes:			
Domestic	-	18,163	(2,244)
Foreign	(761)	61,046	(40,827)
Total deferred taxes	<u>(761)</u>	<u>79,209</u>	<u>(43,071)</u>
Income taxes, net	<u>\$ 13,382</u>	<u>\$ 96,150</u>	<u>\$ 46,420</u>

h. Reconciliation of theoretical tax expense to actual tax expense:

The differences between the statutory tax rate of the Company and the effective tax rate are result of a variety of factors, including different effective tax rates applicable to non-US subsidiaries that have tax rates different than the Company tax rate; valuation allowance on deferred tax assets related to losses and other deferred tax assets, where the Company does not foresee the realization of the same; and tax-exempt IRA credits.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

A reconciliation of the provision for income taxes to the amount computed by applying the 21% statutory U.S. federal income tax rate to income (loss) before income taxes after the adoption of ASU 2023-09 is as follows:

	Year Ended December 31,	
	2025	
	Amount	Percent
US Federal statutory tax rate	\$ (82,132)	21.0%
State and local income taxes, net of federal income tax effect:		
State tax ⁽¹⁾	2,593	(0.7)%
Foreign Tax Effects:		
Israel		
Statutory tax rate difference between Israel and United States	(11,516)	2.9%
Changes in valuation allowances	68,509	(17.5)%
Preferred enterprise	58,877	(15.1)%
Other	5,225	(1.3)%
Netherlands		
Non-taxable income resulting from reversal of bad debt	6,168	(1.6)%
Other	(1,151)	0.3%
Changes in valuation allowances	12,610	(3.2)%
Non-taxable or Non-deductible items:		
Non-taxable and other (mainly government grants)	(73,734)	19.0%
Non-deductible capital loss	23,360	(6.0)%
Changes in unrecognized tax benefits	4,573	(1.2)%
	<u>\$ 13,382</u>	<u>(3.4)%</u>

(1) The state that contributes to the majority (greater than 50%) of the tax effect in this category is California.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

A reconciliation of the provision for income taxes to the amount computed by applying the 21% statutory U.S. federal income tax rate to income (loss) before income taxes for years prior to the adoption of ASU 2023-09 is as follows:

	Year Ended December 31,	
	2024	2023
Statutory tax rate	21.0%	21.0%
Effect of:		
Income tax at rate other than the U.S. statutory tax rate	(0.64)%	(37.3)%
Losses and timing differences for which valuation allowance was provided	(26.09)%	27.7%
Prior year income taxes (benefit)	(0.03)%	(1.0)%
R&D Capitalization and other effects of TCJA	-%	42.5%
Non-deductible expenses	(2.85)%	4.5%
IRA tax benefits	2.85%	-%
Other individually immaterial income tax items, net	0.13%	(0.2)%
Effective tax rate	(5.63)%	57.2%

i. Tax paid:

Cash paid for income taxes, net of refunds received, by jurisdiction pursuant to the disclosure requirements of ASU 2023-09 for the year ended December 31, 2025 is as follows:

	Year Ended December 31, 2025
US Federal	\$ (1,480)
US State and local:	
California	2,400
Other	(293)
Total US	627
Foreign:	
Israel	25,401
Korea	2,575
Other	3,185
Total tax paid	<u>\$ 31,788</u>

j. Tax assessments:

The Company's Israeli Subsidiary reached a settlement with the Israeli Tax Authority for tax years 2016-2018.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

As of December 31, 2025, the Company and certain of its subsidiaries filed U.S. federal and various state and foreign income tax returns. The statute of limitations relating to the consolidated U.S. federal income tax return is closed for all tax years up to and including 2020.

The statute of limitations related to tax returns of the Company's Israeli Subsidiary for all tax years up to and including 2020 has lapsed.

The statute of limitations related to tax returns of the Company's other subsidiaries has lapsed for part of the tax years, which differs between the different subsidiaries.

k. Tax benefits for Israeli companies under the Law for the Encouragement of Capital Investments, 1959 (the "Investments Law"):

The Israeli Subsidiary elected tax year 2012 as a "Year of Election" for "Benefited Enterprise" status under the Investments Law. According to the Investments Law, the Israeli Subsidiary elected to participate in the alternative benefits program which provides certain benefits, including tax exemptions and reduced tax rates (which depend on, inter alia, the geographic location in Israel). Income not eligible for Benefited Enterprise benefits is taxed at a regular corporate tax rate.

Upon meeting the requirements under the Investments Law, undistributed income derived from Benefited Enterprise from productive activity will be exempt from tax for two years from the year in which the Israeli Subsidiary first has taxable income ("exempt period"), provided that 12 years have not passed from the beginning of the year of election.

On October 24, 2018, the Company's Israeli Subsidiary received an approval from the Israeli Tax Authorities confirming the applicability of the two-year tax exemption as provided in the Investments Law until December 31, 2018. The Company has determined that tax-exempt income earned by the Israeli Subsidiary "Benefited Enterprises" during the exemption period of 2017 - 2018 will not be distributed as dividends and intends to reinvest the amount of its tax-exempt income earned by the Israeli Subsidiary. Accordingly, no provision for deferred income taxes has been provided on income attributable to the Israeli Subsidiary "Benefited Enterprises" as such income is essentially permanently reinvested.

If the Israeli Subsidiary's retained tax-exempt income is distributed, the income would be taxed at the applicable corporate tax rate which depends on the foreign ownership in each tax year.

Pursuant to amendment 73 to the Investments Law ("2017 Amendment"), a preferred enterprise located in development area A will be subject to a tax rate of 7.5% instead of 9% effective from January 1, 2017 and thereafter (the tax rate applicable to preferred enterprises located in other areas remains at 16%).

The 2017 Amendment also prescribes special tax tracks for preferred technological enterprises ("PTE"), which are subject to rules that were issued by the Ministry of Finance.

On June 14, 2017, the Encouragement of Capital Investments Regulations (Preferred Technological Income and Capital Gain for Technological Enterprise), 2017 ("Regulations") were published.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

The Regulations describe, inter alia, the mechanism used to determine the calculation of the benefits under the PTE regime. According to these regulations, a company that complies with the terms under the PTE regime may be entitled to certain tax benefits with respect to income generated during the company's regular course of business and derived from the preferred intangible asset, excluding income derived from intangible assets used for marketing and income attributed to production activity.

A PTE, which is located in the center of Israel will be subject to tax at a rate of 12% on profits deriving from intellectual property, or 6% if its annual revenues exceed NIS 10 billion ("Threshold"). The Israeli Subsidiary notified the ITA of its election to implement the PTE with effect from January 1, 2019, and its PTE income was subject to a 12% tax rate for the years 2019-2021, and in 2022-2023 to a 6% tax rate as the group surpassed the Threshold. In 2025 and 2024, the Company incurred losses for tax purposes.

Tax Benefits for Research and Development:

Israeli tax law (section 20A to the Israeli Tax Ordinance (New Version), 1961) allows a tax deduction for research and development expenses, including capital expenses, in the year in which they are paid. Such expenses must relate to scientific research in industry, agriculture, transportation or energy, and must be approved by the relevant Israeli government ministry, determined by the field of research. Expenses incurred in scientific research that are not approved by the relevant government ministry are amortized over a three-year period starting from the tax year in which they are paid. The Company's Israeli Subsidiary submitted a formal request to the relevant government ministry in order to obtain such approval for tax years 2019-2021 and intends to submit a similar request with respect to tax year 2023.

Tax benefits under the Law for the Encouragement of Industry (Taxes), 1969:

Some of the Company's Israeli Subsidiaries claim tax benefits as 'industrial companies' under the Law for the Encouragement of Industry (Taxes), 1969, Such benefits consist mainly of accelerated depreciation and amortization of patents and certain other intangible property and the ability to file consolidated tax returns.

- l. In July 2025, the OBBBA, or H.R.1 was enacted into law modifying clean energy tax credits contained in the IRA and imposing new eligibility criteria related thereto. The Company does not expect the H.R.1 to have a material effect on its financial position or results of operations. The Company will continue to monitor regulatory guidance and developments and will update its analysis as necessary. In addition, the H.R.1 makes permanent key elements of the Tax Cuts and Jobs Act, including 100 percent bonus depreciation, domestic research cost expensing, increases the AMIC credit rate to 35 percent from 25 percent for qualifying assets and makes modifications to the international tax framework. The H.R.1 includes multiple effective dates, with certain provisions effective in 2025 and others phased in through 2027. Given the Company's current loss position for income tax purposes, the provisions of H.R.1 did not have an impact on the current period. The Company continues to evaluate the provisions of H.R.1 that become effective in future years.
- m. On October 1, 2025, the Governor of California signed Senate Bill 302 ("SB 302") into law. SB 302 provides a gross income exclusion for taxpayers that either elect to receive direct payments from the Internal Revenue Service or receive payment from transfer of certain federal tax credits beginning tax years on or after January 1, 2026, and before January 1, 2031. The Company is currently evaluating the impact of SB 302 will have on its results of operations in future years.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

- n. As members of the OECD (Organization for Economic Co-operation and Development) over 140 countries have agreed in principle to a global minimum tax of 15% of reported profits (Pillar 2). The OECD have published model rules on Pillar 2. Many countries have now incorporated Pillar 2 model rule concepts into their domestic laws. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar 2 slightly differently than the model rules and on different timelines and may adjust domestic tax incentives in response to Pillar 2.

In January 2025, the U.S. issued an executive order announcing opposition to aspects of these rules. In June 2025, the G7 countries agreed that U.S. Multi-National Entities (MNEs) should be excluded from certain aspects of the Pillar 2 global minimum tax rules (the G7 Statement) in exchange for the U.S. not imposing retaliatory taxes. On January 5, 2026, the OECD/G20 announced the Side-by-Side (SbS) package, implemented as administrative guidance and modifying the operation of Pillar 2 rules. The package introduces simplifications and new safe harbors for U.S. and other multinational companies where domestic and international tax systems meet robust requirements to coexist with Pillar 2 which would fully exempt U.S.-parented groups from the application of two of the three Pillar 2 top up taxes. The SbS package also extends the current Transitional Country-by-Country Reporting (CbCR) Safe Harbor by one year, through the end of fiscal year of 2027.

In Israel, a law was enacted in December 2025 to implement the Qualified Domestic Minimum Top-Up Tax (the Israeli QDMTT), aligning with the OECD's Pillar 2 framework for a global minimum tax. This law ensures that profits of companies within multinational groups subject to these rules are taxed in Israel at a minimum Effective Tax Rate. The Israeli QDMTT law will impose a local top-up tax as necessary, with the legislation taking effect on January 1, 2026, and applying to income generated from that date onward.

For companies benefiting from tax incentives under the Encouragement of Capital Investments Law, 5719-1959, the Israeli QDMTT framework may affect how these incentives are utilized and presented in financial statements.

According to the Group's Pillar 2 assessment, the Pillar 2 rules did not materially impact the Group's consolidated financial statements for the year ended December 31, 2025.

We continue to refine the effective tax rate and cash tax impact for Pillar 2 in light of legislative changes in multiple countries.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 26: FINANCIAL INCOME (EXPENSE), NET

	Year ended December 31,		
	2025	2024	2023
Exchange rate (loss) gain, net	\$ (66,374)	\$ (13,513)	\$ 24,181
Interest income on marketable securities	5,660	17,893	25,668
Allowance for credit losses allocated to loan receivables	7,922	(17,528)	(144)
Convertible note	(10,321)	(6,926)	(2,930)
Hedging	(2,967)	802	2,337
Financing component expenses related to ASC 606	(14,522)	(11,805)	(9,773)
Interest income	10,777	16,427	7,494
Interest expense	(1,376)	(1,156)	(1,269)
Other	(798)	1,236	(4,352)
Total financial income (expenses), net	<u>\$ (71,999)</u>	<u>\$ (14,570)</u>	<u>\$ 41,212</u>

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 27: SEGMENT, GEOGRAPHIC AND PRODUCT INFORMATION

a. Segment Information:

Following the sale of Automation Machines and the discontinuation of the Company's Energy Storage activity in 2024, the Company operates as one operating segment that constitutes consolidated results. The Company recast its comparative numbers to conform to current period presentation.

The Company's Chief Executive Officer, who is the chief operating decision maker ("CODM"), makes resource allocation decisions and assesses performance based on financial information presented on a consolidated net loss, accompanied by disaggregated information about significant expenses.

The Company's CODM does not regularly review asset information and, therefore, the Company does not report asset information.

The segment includes the design, development, manufacturing, and sales of an intelligent inverter solution designed to maximize power generation at the individual PV module level and batteries. The segment solution consists mainly of the Company's power optimizers, inverters, batteries and cloud-based monitoring platform.

The following tables present information on reportable income (loss) for the period presented:

	Year ended December 31,		
	2025	2024	2023
Revenues	\$ 1,184,444	\$ 901,456	\$ 2,976,528
Less:			
Direct costs of goods	825,718	658,737	1,600,660
Salaries ¹	439,205	509,711	560,401
Inventory costs	28,027	785,616	61,861
Shipment and logistics	41,446	35,515	76,096
Warranty	32,448	68,442	310,186
Depreciation and amortization	30,511	59,865	57,196
Directly related overhead costs	60,013	54,252	50,795
Other ²	46,183	423,059	219,446
Financial (income) expense, net	71,999	14,570	(41,212)
Income taxes	13,382	96,150	46,420
Net loss from equity method investments	960	1,896	350
Net income (loss)	<u>\$ (405,448)</u>	<u>\$ (1,806,357)</u>	<u>\$ 34,329</u>

¹ Including stock-based compensation expenses.

² Represents indirect costs of goods, consultants and sub-contractors, marketing, bad debt and impairments and dispositions.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

b. Revenues by geographic, based on customers' location:

	Year ended December 31,		
	2025	2024	2023
United States	\$ 718,227	\$ 379,617	\$ 759,611
Europe	317,595	322,640	1,903,846
International markets	148,622	199,199	313,071
Total revenues	\$ 1,184,444	\$ 901,456	\$ 2,976,528

c. Revenues by type:

	Year ended December 31,		
	2025	2024	2023
Inverters	\$ 333,806	\$ 247,634	\$ 1,374,026
Optimizers	489,852	314,916	902,411
Batteries	285,399	190,460	378,275
Energy storage systems	16,411	49,913	83,717
e-Mobility components and telematics	167	2,398	68,425
Communication	6,031	5,423	32,945
Others	52,778	90,712	136,729
Total revenues	\$ 1,184,444	\$ 901,456	\$ 2,976,528

d. Long-lived assets by geographic location:

	As of December 31,	
	2025	2024
Israel	\$ 224,276	\$ 266,254
United States	76,510	87,715
Europe	11,114	19,741
Other	5,629	11,121
Total long-lived assets(*)	\$ 317,529	\$ 384,831

(*) Long-lived assets are comprised of property and equipment, net and Operating lease right-of-use assets, net.

SOLAREEDGE TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
(in thousands, except per share data)

NOTE 28: SUBSEQUENT EVENTS

On February 11, 2026, as part of the decision to discontinue its LCV e-Mobility activity, the Company completed the sale of its remaining e-Mobility activity for an amount of \$12,000.

ITEM 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 will be included under the captions “Directors and Corporate Governance”, “Board Committees”, “Code of Conduct and Ethical Business Conduct”, “Compensation Committee Report”, and “Delinquent Section 16(a) Reports” in our definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the year ending December 31, 2025 (the “2026 Proxy Statement”) and is incorporated herein by reference.

ITEM 11. Executive Compensation

The information required by Item 11 will be included under the captions “Board Committees”, “Director Compensation”, “Executive Compensation”, and “Compensation Risk” in our 2026 Proxy Statement and is incorporated herein by reference.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 will be included under the captions “Security Ownership of Certain Beneficial Owners and Management” in our 2026 Proxy Statement and is incorporated herein by reference.

Compensation Plan Information

The information required regarding securities authorized for issuance under our equity compensation plans is incorporated by reference from the information contained in the section entitled “Equity Compensation Plan Information” in our 2026 Proxy Statement.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 will be included under the captions “Transactions with Related Persons” and “Directors and Corporate Governance” in our 2026 Proxy Statement and is incorporated herein by reference.

ITEM 14. Principal Accountant Fees and Services

The information required by Item 13 will be included under the captions “Proposal No. 2 Ratification of Appointment of Independent Registered Public Accounting Firm for 2026” in our 2025 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

Our Consolidated Financial Statements and Notes thereto are included in Item 8 of this Annual Report on Form 10-K. See Index to Item 8 for more detail.

All financial schedules have been omitted either because they are not applicable or because the required information is provided in our Consolidated Financial Statements and Notes thereto, included in Item 8 of this Annual Report on Form 10-K.

Index to Exhibits

Exhibit No.	Description	Incorporation by Reference
3.1	Restated Certificate of Incorporation	Incorporated by reference to Exhibit 3.2 to Form 8-K filed with the SEC on June 2, 2023
3.2	Amended and Restated By-Laws	Incorporated by reference to Exhibit 3.1 to Form 8-K filed with the SEC on December 1, 2022
4.1	Description of Common Stock	Filed with this report
4.2	Specimen Common Stock Certificate of the Registrant	Incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Form S-1 (Registration No. 333-202159) filed with the SEC on March 11, 2015
4.3	Indenture, dated September 25, 2020, between the Company and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to Form 8-K filed with the SEC on September 25, 2020
4.4	Form of 0.000% Convertible Senior Note due 2025 (included in Exhibit 4.3)	Incorporated by reference to Exhibit 4.2 to Form 8-K filed with the SEC on September 25, 2020
4.5	Indenture, dated June 28, 2024, between the Company and U.S. Bank Trust Company, National Association, as trustee	Incorporated by reference to Exhibit 4.1 to Form 8-K filed with the SEC on June 28, 2024
4.6	Form of 2.250% Convertible Senior Note due 2029 (included in Exhibit 4.1)	Incorporated by reference to Exhibit 4.2 to Form 8-K filed with the SEC on June 28, 2024
4.7	Form of Capped Call Confirmation	Incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on June 28, 2024
10.1†	Employment Agreement, dated January 1, 2025 between SolarEdge Technologies, Ltd. and Daniel Huber	Incorporated by reference to Exhibit 10.1 to Form 10-Q filed with the SEC on August 7, 2025
10.2†	Amendment to Employment Agreement, dated January 1, 2025 between SolarEdge Technologies, Ltd. and Daniel Huber	Filed with this report.
10.3†	Employment Agreement, dated March 3, 2025 between SolarEdge Technologies, Ltd. and Asaf Alperovitz	Incorporated by reference to Exhibit 10.1 to Form 10-Q filed with the SEC on May 8, 2025
10.4†	Employment Agreement, dated August 20, 2019 between SolarEdge Technologies Ltd. and Uri Bechor	Incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on August 21, 2019
10.5†	Employment Agreement, dated June 13, 2024, between SolarEdge Technologies, Ltd. and Ariel Porat	Incorporated by reference to Exhibit 10.4 to Form 10-K filed with the SEC on February 25, 2025
10.6†	Employment Agreement, dated December 4, 2024, between SolarEdge Technologies, Ltd. and Shuki Nir	Incorporated by reference to Exhibit 10.5 to Form 10-K filed with the SEC on February 25, 2025
10.7†	SolarEdge Technologies, Inc. 2007 Global Incentive Plan.	Incorporated by reference to Exhibit 99.3 to Form S-8 (Registration No. 333-203193) filed with the SEC on April 2, 2015
10.8†	SolarEdge Technologies, Inc. Amended and Restated 2015 Global Incentive Plan	Incorporated by reference to Exhibit 10.1 to Form 10-Q filed with the SEC on May 10, 2017

10.9†	SolarEdge Technologies, Inc. 2015 Employee Stock Purchase Plan	Incorporated by reference to Exhibit 99.2 to Form S-8 (Registration No. 333-203193) filed with the SEC on April 2, 2015
10.10 †	Form of Non-Employee Director RSU Award Agreement	Incorporated by reference to Exhibit 10.11 to Form 10-K filed with the SEC on August 20, 2015
10.11 †	Form of Non-Employee Director Stock Option Award Agreement	Incorporated by reference to Exhibit 10.12 to Form 10-K filed with the SEC on August 20, 2015
10.12 †	Form of Employee RSU Award Agreement	Incorporated by reference to Exhibit 10.13 to Form 10-K filed with the SEC on August 20, 2015
10.13 †	Form of Employee Stock Option Award Agreement	Incorporated by reference to Exhibit 10.14 to Form 10-K filed with the SEC on August 20, 2015
10.14†	Form of Performance Award Agreement	Incorporated by reference to Exhibit 10.11 to Form 10-K filed with the SEC on February 22, 2023
10.15†	Form of Performance Award Agreement [Stock Price] (Adopted January 2026)	Filed with this report.
10.16†	Form of Performance Award Agreement [TSR] (Adopted January 2026)	Filed with this report.
10.17†	Form of Employee RSU Award Agreement (Adopted January 2026)	Filed with this report.
10.18	Form of Indemnification Agreement for Directors and Officers	Incorporated by reference to Exhibit 10.1 to form 8-K filed with the SEC on July 7, 2023
19	SolarEdge Technologies, Inc. Insider Trading Policy, adopted in March 2015, and amended and restated on March 14, 2023 and February 17, 2026.	Filed with this report.
21.1	List of Subsidiaries of the Registrant	Filed with this report.
23.1	Consent of Kost Forer Gabbay & Kasierer, independent registered public accounting firm	Filed with this report.
24.1	Power of Attorney (included in signature page)	Filed with this report.
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended	Filed with this report.
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended	Filed with this report.
32.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed with this report.
32.2	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed with this report.
97.1	Rule 10D-1 - Clawback Policy	Filed with this report.
101.INS	XBRL Instance Document - - embedded within the Inline XBRL document	Filed with this report.
101.SCH	XBRL Taxonomy Extension Schema Document	Filed with this report.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed with this report.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed with this report.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed with this report.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed with this report.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.	Filed with this report.

† Management contract or compensatory plan or arrangement.

ITEM 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Shuki Nir
Name: Shuki Nir
Title: Chief Executive Officer
Date: 3/23/2026

POWER OF ATTORNEY

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Shuki Nir, Asaf Alperovitz, and Dalia Litay, or any of them, as such person's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in such person's name, place, and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any of them or their or such person's substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated below.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/Shuki Nir	Chief Executive Officer and Director (<i>Principal Executive Officer</i>)	2/25/2026
/s/Asaf Alperovitz	Chief Financial Officer (<i>Principal Financial and Accounting Officer</i>)	2/25/2026
/s/Avery More	Chairman of the Board	2/25/2026
/s/Guy Gecht	Director	2/25/2026
/s/Betsy Atkins	Director	2/25/2026
/s/ Dana Gross	Director	2/25/2026
/s/Yoram Tietz	Director	2/25/2026
/s/Gilad Almogy	Director	2/25/2026

POWER OF ATTORNEY

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Shuki Nir, Asaf Alperovitz, and Dalia Litay, or any of them, as such person's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in such person's name, place, and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any of them or their or such person's substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated below.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/Shuki Nir	Chief Executive Officer and Director (<i>Principal Executive Officer</i>)	3/23/2026
/s/Asaf Alperovitz	Chief Financial Officer (<i>Principal Financial and Accounting Officer</i>)	3/23/2026
/s/Avery More	Chairman of the Board	3/23/2026
/s/Guy Gecht	Director	3/23/2026
/s/Betsy Atkins	Director	3/23/2026
/s/ Dana Gross	Director	3/23/2026
/s/Yoram Tietz	Director	3/23/2026
/s/Gilad Almogy	Director	3/23/2026

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

SolarEdge Technologies, Inc. ("SolarEdge" or the "Company") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, par value \$0.0001 per share (the "common stock").

DESCRIPTION OF COMMON STOCK

The following sets forth a summary of the material terms of SolarEdge's common stock, including certain provisions of the Delaware General Corporation Law (as the same exists or may hereafter be amended (the "DGCL")), the Restated Certificate of Incorporation of SolarEdge (the "certificate of incorporation") and the Amended and Restated Bylaws of SolarEdge (the "bylaws"). This summary is not intended to be a complete summary of the rights and preferences of such securities and is qualified entirely by reference to the certificate of incorporation and bylaws. You should refer to the certificate of incorporation and bylaws, which are incorporated by reference to our Annual Report on Form 10-K, for a complete description of the rights and preferences of our common stock. The summary below is also qualified by reference to the provisions of the DGCL, as applicable.

General

Under the certificate of incorporation, SolarEdge is authorized to issue up to 220,000,000 shares, of which 125,000,000 shares shall be designated as common stock, and 95,000,000 shall be designated as preferred stock, par value \$.0001 per share (the "preferred stock"). The shares of common stock currently outstanding are fully paid and non-assessable.

The certificate of incorporation provides that shares of preferred stock may be issued from time to time in one or more series. The board of directors of SolarEdge (the "board") is authorized to fix the voting rights, if any, designations, powers, preferences and relative participating, optional, special and other rights, if any, and any qualifications, limitations and restrictions thereof, applicable to the shares of each series of preferred stock. The board is able, without stockholder approval, to issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of shares of our common stock and could have anti-takeover effects. The ability of the board to issue preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control of SolarEdge or the removal of existing management. SolarEdge has no preferred stock outstanding as of the date hereof.

Voting Rights

Holders of shares of common stock have one vote per share in all elections of directors and on all other matters submitted to a vote of stockholders of SolarEdge. Holders of shares of common stock do not have cumulative voting rights.

Dividend Rights

Holders of shares of common stock are entitled to receive dividends, if, as and when declared by our board of directors, out of our legally available assets, in cash, property, shares of our common stock or other securities, after payments of dividends required to be paid on outstanding preferred stock, if any.

Distributions in Connection with Mergers or Other Business Combinations

Upon a merger, consolidation or substantially similar transaction, holders of each class of common stock are entitled to receive equal per share payments or distributions.

Liquidation, Dissolution or Similar Rights

Upon our liquidation, dissolution or winding up, any business combination or a sale or disposition of all or substantially all of our assets, the assets legally available for distribution to our stockholders will be distributable ratably among the holders of the common stock, subject to prior satisfaction of all outstanding debts and other liabilities and the payment of liquidation preferences, if any, on any outstanding preferred stock.

Preemptive or Other Rights

The certificate of incorporation does not provide for any preemptive rights. The rights of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that our board of directors may designate and issue in the future.

Forum Selection Provisions

Under our certificate of incorporation, unless SolarEdge, in writing, selects or consents to the selection of an alternative forum, the sole and exclusive forum for making certain types of claims shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). This provision applies to (a) any derivative action or proceeding brought on behalf of SolarEdge, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee or agent of SolarEdge to SolarEdge or our stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL or SolarEdge's certificate of incorporation or bylaws, or (d) any action asserting a claim governed by the internal affairs doctrine. In addition, our certificate of incorporation further provides, unless SolarEdge, in writing, selects or consents to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for any complainant asserting a cause of action arising under the Securities Act of 1933, to the fullest extent permitted by law, shall be the federal district courts of the United States of America. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of our forum selection provisions.

Certain Anti-Takeover Provisions of the DGCL, Our certificate of incorporation and Our Bylaws

Certain additional provisions of the DGCL, our certificate of incorporation and our bylaws could make the acquisition of the Company more difficult and could delay, defer or prevent a tender offer or other takeover attempt that a stockholder might consider to be in its best interest, including takeover attempts that might result in the payment of a premium to stockholders over the market price for their shares. These provisions also may promote the continuity of our management by making it more difficult for a person to remove or change the incumbent members of our board of directors. They include, among others, the following:

Board Classification. Our certificate of incorporation provides that our board of directors is divided into three classes of directors, with the directors serving three-year terms; provided that such division of directors into classes shall terminate upon the election of directors at SolarEdge's 2026 annual meeting of stockholders. As a result, each director elected by the stockholders at SolarEdge's 2024 annual meeting of stockholders and thereafter shall serve for a term expiring at the next succeeding annual meeting of stockholders. Until such time as our board is fully declassified, the classification of directors has the effect of making it more difficult for stockholders to change the composition of our board of directors. Our certificate of incorporation and bylaws provides that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors may be fixed from time to time exclusively pursuant to a resolution adopted by our board of directors.

No Cumulative Voting. Our certificate of incorporation provides that stockholders are not permitted to cumulate votes in the election of directors.

Special Meetings of Stockholders. Our bylaws provide that special meetings of our stockholders may be called only by our board of directors.

Stockholder Action by Written Consent. Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our certificate of incorporation provides otherwise. Our certificate of incorporation precludes stockholder action by written consent.

Advance Notice Requirements for Stockholder Proposals and Nomination of Directors. Our bylaws require stockholders seeking to bring business before an annual meeting of stockholders, or to nominate individuals for election as directors at an annual or special meeting of stockholders, to provide timely notice in writing. To be timely, a stockholder's notice needs to be sent to and received at our principal executive offices no later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the anniversary of the immediately preceding annual meeting of stockholders. However, in the event that the annual meeting is called for a date that is not within 30 days before or 70 days after the anniversary of the immediately preceding annual meeting of stockholders, such notice will be timely only if received no earlier than the close of business on the 120th day prior to the annual meeting and no later than the close of business on the later of the 90th day prior to such annual meeting and the tenth day following the date on which a public announcement of the date of the annual meeting was made by us. Our bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders. These provisions may also discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the potential acquiror's own slate of directors or otherwise attempting to obtain control of the Company.

Removal of Directors; Vacancies. Under the DGCL, unless otherwise provided in our certificate of incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our certificate of incorporation provides that, except for such additional directors, if any, as are elected by the holders of any series of preferred stock, any director may be removed by the affirmative vote of the holders of at least a majority of the voting power of the stock outstanding and entitled to vote thereon (i) until the election of directors at SolarEdge's 2026 annual meeting of stockholders, only for cause and (ii) from and after the election of directors at SolarEdge's 2026 annual meeting of stockholders, with or without cause.

Vacancies. Our certificate of incorporation also provides that any newly created directorship on our board of directors that result from an increase in the number of directors and any vacancy occurring in our board of directors shall only be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director (and not by the stockholders).

Section 203 of the Delaware General Corporation Law. We are subject to Section 203 of the DGCL, which provides that, subject to certain stated exceptions, a corporation may not engage in a business combination with any "interested stockholder" (as defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:

- prior to such time the board of directors of the corporation approved either the business combination or transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and also officers and employee stock plans in which participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

An "interested stockholder" is any person (other than the corporation and any direct or indirect majority-owned subsidiary) who owns 15% or more of the outstanding voting stock of the corporation or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date of determination, and the affiliates and associates of such person.



AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment to Employment Agreement dated January 1, 2025 (the “**Amendment**”) is entered into and effective as of January 1, 2026 (the “**Effective Date**”), by and among SolarEdge Technologies Ltd., (the “**Company**”) and **Daniel Huber**, I.D. Number _____ (the “**Employee**”) (Company and the Employee shall each be referred hereto as a “**Party**”, and collectively, as the “**Parties**”).

WHEREAS the Parties have agreed to add certain terms to the Employment Agreement, all in accordance with and subject to the terms set forth in this Amendment;

NOW, THEREFORE, the Parties hereby agree as follows:

1. It is hereby agreed that after Section 5(c), the following section shall be added to the Employment Agreement as “Section (d)”:

“(d) In the event that any termination of employment pursuant to the employment agreement occurs within twelve months following a Change of Control (as defined below) and is either: (i) by SolarEdge Technologies Inc. (“SolarEdge”) or the Company without Cause (as defined below) or (ii) by Employee for Justifiable Reason (as defined below), Employee will be entitled to receive full acceleration of any unvested equity awards (including shares, restricted stock, restricted stock units and/or stock options, as applicable), granted from January 1, 2026 and after the date hereof and held at the time of such termination. For purposes of this Section 5, “Change of Control” shall mean the occurrence of any of the following: (i) a merger or consolidation of SolarEdge or the Company, in which the stockholders of SolarEdge or the Company (as applicable) do not control fifty percent (50%) or more of the total voting power of the surviving entity (other than a mere reincorporation merger); or (ii) the sale, transfer or other dismissal of SolarEdge’s or the Company’s assets in liquidation or dissolution of SolarEdge or the Company or otherwise; or (iii) the sale or transfer of more than fifty percent (50%) of the outstanding voting stock of SolarEdge or the Company (excluding a transaction effected primarily for capital raising purposes). Also for purposes of this Section 5, “Justifiable Reason” shall mean any of the following: (a) any material change in any of the Salary and/or benefits set forth in this Agreement which was not approved by the Employee other than a decrease in Salary to all of the Company’s and/or SolarEdge’s management; (b) demand that the Employee will relocate; or (c) any material demotion in title, position, management duties, or responsibilities.” The term “Cause” shall mean (a) Employee’s conviction of a crime of moral turpitude, (b) a material breach of the Employee’s fiduciary duties towards the Company or its parent company, including theft, embezzlement, or self-dealing, (c) engagement in competing activities, or a material breach of the Employee’s confidentiality and non-disclosure obligations towards the Company or its parent company; (d) a material breach of this Agreement by the Employee which is not cured (if curable) within seven (7) days after receipt of written notice thereof; or (e) any other circumstances under which severance pay (or part of them) may be denied from the Employee upon termination of employment under the applicable Israeli law.

2. Except as specifically modified under this Amendment, the provisions, terms, conditions, and definitions in the Employment Agreement shall remain in full force and effect and shall apply to this Amendment.

3. This Amendment shall be deemed an integral part of the Employment Agreement as of the Effective Date.

4. This Amendment shall be in lieu of the notification regarding change in employment terms that is required under the Notice to Employee and Job Candidate Law (Employment Conditions and Candidate Screening and Selection), 5762- 2002.

In witness thereof, the Parties have signed this Amendment:

Company

Signature: /s/ Shuki Nir
Name: Shuki Nir
Title: CEO

Employee

Signature: /s/ Daniel Huber
Name: Daniel Huber
Title: CRO

SOLAREEDGE TECHNOLOGIES, INC.
2015 GLOBAL INCENTIVE PLAN
NOTICE OF GRANT OF AWARD OF PERFORMANCE-BASED RESTRICTED STOCK UNITS
(ISRAELI AWARD AGREEMENT)

Notice of Grant

SolarEdge Technologies, Inc. (the “Company”) hereby grants to the Participant named below the number of performance-based restricted stock units specified below (the “Award”). Each performance-based restricted stock unit represents the right to receive one share of the Company’s common stock, par value \$0.0001 (the “Common Stock”), upon the terms and subject to the conditions set forth in this Grant Notice, the SolarEdge Technologies, Inc. 2015 Global Incentive Plan (the “Plan”), any Appendix or Subplan to the Plan applicable to you (the “Appendix”) and the Israeli Performance-Based Restricted Stock Unit Award Agreement (the “Israeli Award Agreement”) promulgated under such Plan and Section 102 of the Israeli Income Tax Ordinance [NEW VERSION] 5721-1961 (the “Ordinance”), each as amended from time to time. Any applicable Appendix shall be treated as part of the Plan for purposes of this Award, and any references to the Plan in this Grant Notice or the Israeli Award Agreement shall include the Appendix. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Israeli Award Agreement and the Plan.

Participant Name: XX**Type of Award:** Performance-Based Restricted Stock Units (PRSUs) designated as Capital Gain Award (with Trustee) under Section 102 of the Ordinance and the rules and regulations promulgated thereunder.**Grant Date:** XX**Number of PRSUs:** XX**Performance Period:** January 1, XXXX to December 31, XXXX (“Performance Period”)**Entitlement to PRSUs:**

[]

Termination Prior to a Change in Control

Upon termination due to death or Disability prior to the completion of the Performance Period and prior to a Change in Control, Participant shall immediately vest in any unvested PRSUs.

If Participant ceases Continuous Service for any other reason prior to the end of the Performance Period, the unvested PRSUs (if any) will immediately terminate. However, notwithstanding anything herein to the contrary, the vesting of the PRSUs shall be subject to any vesting acceleration provisions applicable to PRSUs contained in the Plan and/or any employment or service agreement, offer letter, severance agreement, or any other agreement between Participant and the Company or any Affiliate or Subsidiary (such agreement, a “Separate Agreement”).

Change in Control

In the event that a Change in Control occurs prior to the completion of the Performance Period, (i) the Performance Period shall be truncated and end on the date of the Change in Control, (ii) if the Milestone was not achieved as of the date of such Change in Control, then the Milestone will be measured based on the per share value of the Common Stock realized in such Change in Control, (iii) if such Change in Control is prior to the Minimum Service Date, any PRSUs for which the Milestone has been achieved (after giving effect to the foregoing clause (ii)) shall vest on the Minimum Service Date, subject to Continuous Service through the Minimum Service Date, or on the date of Participant’s death or Disability, if sooner, and (iv) if the Successor Corporation does not agree to assume or substitute the Award, the PRSUs for which the Milestone has been achieved (after giving effect to the foregoing clause (ii)) shall vest immediately prior to the consummation of the Change in Control, subject to Continuous Service through such date.

In the event of a termination by the Company without Cause or termination by Participant for Good Reason (as such terms are defined in the Participant's Employment Agreement) on or within 12 months following the date of the Change in Control, any unvested PRSUs will fully vest on the date of such termination.

Agreements

By your signature and the Company's signature below, you and the Company agree that this Award is granted under and governed by the terms of the Plan, the Appendix and the Israeli Award Agreement, all of which are attached hereto and incorporated herein by this reference. Capitalized terms used but not defined herein shall have the meanings given to them in the Plan, the Appendix or the Israeli Award Agreement, as the case may be. You and the Company further agree that the Performance-Based Restricted Stock Units and the Shares underlying the same are granted under and governed by Section 102(b)(3) of the Ordinance and the rules and regulations promulgated in connection therewith and the trust agreement signed between the Company and its Affiliate the Trustee (the "Trust Agreement"), a copy of which has been provided to you or made available for your review.

You further acknowledge that your rights to any Performance-Based Restricted Stock Units will be earned and become vested only as you provide Continuous Service to the Company over time or as otherwise provided under the terms of this Award, that the grant of this Award is not consideration for service you rendered to the Company prior to the Grant Date, and that nothing herein or the attached documents confers upon you any right to continue your employment or other service relationship with the Company or any Affiliate or Subsidiary for any period of time, nor does it interfere in any way with your right or the Company's (or any Affiliate's or Subsidiary's) right to terminate that relationship at any time, for any reason or no reason, with or without Cause, and with or without advance notice, except as may be required by the terms of a Separate Agreement or in compliance with governing public law.

Furthermore, by executing this Notice, you agree that the Performance-Based Restricted Stock Units and to the extent applicable, the Shares, will be issued to the Trustee to be held by Trustee for your benefit, pursuant to the terms of Section 102 of the Ordinance and the Trust Agreement. You hereby confirm that you are familiar with the terms and provisions of Section 102 of the Ordinance, particularly the Capital Gain Track described in subsection (b) (3) thereof, and you agree that you will not require the Trustee to release the Performance-Based Restricted Stock Units or Shares to you, or to sell the Award or Shares to a third party, during the required Holding Period, unless permitted to do so by applicable law.

"COMPANY"

SolarEdge Technologies, Inc.

By: Name: _____

Title: Signature: _____

Date: _____

"PARTICIPANT"

Employee Name: _____

Employee Signature: _____

Date: _____

SOLAREEDGE TECHNOLOGIES, INC.
2015 GLOBAL INCENTIVE PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
(ISRAELI AWARD AGREEMENT)

This Israeli Award Agreement is made and entered into by and between SolarEdge Technologies, Inc., a Delaware corporation (“Company”), and the Participant identified in the Notice of Grant of Award of Performance-Based Restricted Stock Units (“Grant Notice”) which is attached hereto (“Participant”).

By signing this Agreement, the Participant : (a) represents that the Participant has received copies of, and has read and is familiar with the terms and conditions of, the Notice, the Plan, the Appendix and this Agreement, (b) accepts the PRSUs, the Shares issued upon the settlement thereof and/or any securities issued or distributed with respect thereto are subject to all of the terms and conditions of the Notice, the Plan, the Appendix, this Agreement, the Trust Agreement and any other documents ancillary hereto or thereto, and (c) agrees to accept as binding, conclusive and final all decisions and interpretations of the Board or the Committee upon any questions arising under the Notice, the Plan, the Appendix or this Agreement (whether before or after the issuance of Shares pursuant to the PRSUs). While certain terms and conditions are included in this Agreement, such terms and conditions shall not in any way derogate from the applicability of all other terms and conditions set forth in the Plan and the Appendix. The Participant acknowledges that the terms and conditions of the Plan and the Appendix may be amended from time to time as set forth therein, and therefore, any reference to the Plan and Appendix shall be deemed to refer to the Plan and Appendix as amended from time to time, including any amendments adopted after the Date of Grant. Further, the Participant is aware that the Company may in the future issue additional Shares and grant additional Awards to various entities and individuals, as the Company in its sole discretion shall determine. Unless otherwise stated, in the event of any inconsistency or contradiction between any of the terms of this Agreement and the provisions of the Plan and Appendix, the terms and provisions of this Agreement shall prevail, unless the provisions of this Agreement would result in a violation of the Securities Act or the Exchange Act (both of which terms are defined in the Plan) or other applicable law.

1. Grant of Performance-Based Restricted Stock Units. The Company hereby grants to the Participant named in the Grant Notice an award of Performance-Based Restricted Stock Units, subject to all of the terms and conditions in this Israeli Award Agreement and the Plan, which are incorporated herein by reference. Performance-Based Restricted Stock Units issued pursuant to a Grant Notice and this Israeli Award Agreement are referred to in this Agreement as “Performance-Based Restricted Stock Units” or “PRSUs.” The PRSUs are intended to qualify as a Capital Gain Award under Section 102.

2. Company’s Obligation to Pay. Each Performance-Based Restricted Stock Unit represents the right to receive payment on the date it vests in the form of one share of the Company’s Common Stock (each, a “Share” and collectively, the “Shares”). Participant will have no right to payment of any Shares on any Performance-Based Restricted Stock Units unless and until the Performance-Based Restricted Stock Units have vested in the manner set forth in the Grant Notice and this Israeli Award Agreement. Prior to actual payment of a Share on any vested Performance-Based Restricted Stock Unit, such Performance-Based Restricted Stock Unit will represent an unsecured obligation of the Company, for which there is no trust and no obligation other than to issue Shares as contemplated by this Israeli Award Agreement and the Plan.

3. Vesting of Award. The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and this Israeli Award Agreement. After the Grant Date, subject to termination or acceleration as provided in the Grant Notice, this Israeli Award Agreement or any Separate Agreement, the Award shall become vested as described in the Grant Notice with respect to that number of Performance-Based Restricted Stock Units as set forth in the Grant Notice. Performance-Based Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as “Vested PRSUs.” Performance-Based Restricted Stock Units awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as “Unvested PRSUs.” Notwithstanding anything contained in this Israeli Award Agreement to the contrary, upon a Participant’s termination of Continuous Service, any then Unvested PRSUs held by the Participant, after taking into account any applicable vesting acceleration provisions, shall be forfeited and canceled as of the date of such termination.

As soon as reasonably practicable following the date any Unvested PRSUs become Vested PRSUs, but in no event later than 60 days after such date, the Company shall cause to be delivered to the Trustee for the benefit of the Participant, in full settlement and satisfaction of such Vested PRSUs, the portion of Shares underlying such Vested PRSUs, subject to satisfaction of applicable tax withholding obligations with respect thereto in accordance with Section 8 of this Israeli Award Agreement.

4. Leave Of Absence. Except as set forth below in this Section 4 or as otherwise directed by the Board or a Committee (as the case may be), in the event of Participant leave of absence or unpaid leave, such Participant's PRSUs will not vest during the leave of absence or unpaid leave.

Notwithstanding the foregoing, if a Participant is on leave of absence due to maternity leave, sick leave, or other protected leave during which vesting on the original schedule must continue under applicable law, such Participant's PRSUs shall continue to vest on the original vesting schedule during the leave of absence which is protected by law. For avoidance of doubt, unless otherwise directed by the Board or a Committee (as the case may be), a Participant leave of absence or unpaid leave shall have no effect on the Award.

5. Change in Control. Unless otherwise provided in a Separate Agreement or the Grant Notice, upon the occurrence of a Change in Control, Sections 10(c) and 10(d) of the Plan shall control.

6. Restrictions on Resales. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued pursuant to Vested PRSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

7. Rights as a Stockholder. Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any PRSUs unless and until shares of Common Stock settled for such PRSUs shall have been issued by the Company to Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

8. Tax Matters and Consultation.

(a) THE PARTICIPANT IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING OR DISPOSING OR SELLING SHARES ISSUED UPON SETTLEMENT HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE PARTICIPANT ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE PARTICIPANT. Without derogating from Section 9 of the Plan, and notwithstanding anything to the contrary, including the indication under "Type of Award" above, the Company does not undertake, and shall be under no duty to ensure, and no representation or commitment is made, that the PRSUs qualifies or will qualify under, or that the Participant will benefit from, any particular tax treatment (such as Section 102 or any other treatment), nor shall the Company be required to take any action for the qualification of any PRSUs under such tax treatment and no indication in any document to the effect that any Award is intended to qualify for any tax treatment shall imply such an undertaking or representation. If the PRSUs do not qualify under any particular tax treatment it could result in adverse tax consequences to the Participant. By signing below, Participant agrees that the Company and its Affiliates, the Representative and the Trustee, as applicable, and their respective employees, directors, officers and stockholders shall not be liable for any tax, penalty, interest or cost incurred by Participant as a result of such determination, nor will any of them have any liability of any kind or nature in the event that, for any reason whatsoever, if PRSUs do not qualify for any particular tax treatment.

(b) To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the grant or vesting of the PRSUs. The Company shall not be required to issue Shares or to recognize the disposition of such Shares until such obligations are satisfied. Without derogating from the aforementioned, the Company, its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Participant hereby agrees to indemnify the Company, its Affiliates and/or the Trustee, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Participant. The Company, any of its Affiliates and the Trustee may, at the sole discretion of the Company without any obligation, make such provisions and take such steps as it/they may deem necessary or appropriate for the withholding of all taxes required by law to be withheld with respect to PRSUs granted under the Plan, including, but not limited, to (i) deducting the amount so required to be withheld from any other amount then or thereafter payable to a Participant, including by deducting any such amount from a Participant's salary or other amounts payable to the Participant, to the maximum extent permitted under law and/or (ii) requiring a Participant to pay to the Company or any of its Affiliates the amount so required to be withheld as a condition of the issuance, delivery, distribution or release of any Shares and/or (iii) by causing the vesting and settlement of any PRSUs or Shares held by or on behalf of the Participant to cover such liability up to the amount required to satisfy minimum statutory withholding requirements. Regardless of any action the Company or any Affiliate takes with respect to any or all tax or other compulsory payment withholding or deduction (including any social security contributions) obligations, the Participant acknowledges that the ultimate liability for all such taxes is and remains the Participant's responsibility, and that the Company does not: (i) make any representations or undertakings regarding the treatment of any tax withholding in connection with any aspect of the PRSUs, including the grant or vesting thereof, the subsequent sale of Shares and the receipt of any dividends; or (ii) commit to structure the terms of the PRSUs or any aspect of the PRSUs to reduce or eliminate the Participant's liability for such tax.

9. Section 102 Undertakings.

(a) Subject to applicable law, 102 Awards may only be granted to an "employee" within the meaning of Section 102(a) of the Ordinance (which as of the date hereof means (i) individuals employed by an Israeli company being the Company or any of its Affiliates, and (ii) individuals who are serving and are engaged personally (and not through an entity) as "office holders" by such an Israeli company), but may not be granted to a Controlling Stockholder ("**Eligible 102 Participants**"). Eligible 102 Participants may receive only 102 Awards, which may either be granted to a Trustee or granted under Section 102 of the Ordinance without a Trustee.

(b) Each 102 Award will be deemed granted on the date determined by the Committee, subject to Section 9(c) provided that (i) the Participant has signed all documents required by the Company or pursuant to applicable law, and (ii) with respect to Approved 102 Awards, the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA, and if this Agreement is not signed and delivered by the Participant within 90 days from the date determined by the Committee (subject to Section 9(c)), then such Approved 102 Award shall be deemed granted on such later date as this Agreement is signed and delivered and on which the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in the Notice or in any corporate resolution or any agreement.

(c) Unless otherwise permitted by the Ordinance, any grants of Approved 102 Awards that are made on or after the date of the adoption of the Plan and Appendix or an amendment to the Plan and Appendix, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of the Plan and Appendix or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall be conditional upon the expiration of such 30-day period, such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into this Agreement and any agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in the Notice or in any corporate resolution or any agreement.

(d) Subject to the provisions of Section 102, the Participant shall not sell or release from trust any Share received upon the vesting of an Approved 102 Award and/or any Share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 and to the extent applicable, under any tax ruling obtained by the ITA in connection with the PRSUs, shall apply to and shall be borne by such Participant.

(e) Subject to Section 7 above, the Participant acknowledges that in the event that dividends or any Dividend Equivalents are distributed in respect of the Shares, during the Holding Period, such dividends and/or Dividend Equivalents (as applicable) shall be held or controlled by the Trustee for the benefit of the Participant and shall be subject to income tax pursuant to Section 102, the rules and regulations promulgated thereunder and the tax ruling obtained by the Israeli Tax Authority in connection with the PRSUs.

(f) To the extent and with respect to Approved 102 Awards, the Participant acknowledges, undertakes and confirms that: (i) the Participant fully understands that Section 102 and the rules and regulations enacted thereunder apply to the PRSUs, and (ii) the Participant understands the provisions of Section 102, the tax track chosen thereunder and the implications thereof. If applicable, the terms of such PRSUs shall also be subject to the terms of the Trust Agreement made between the Company and the Trustee for the benefit of the Participant, and the Participant shall sign all documents requested by the Company or the Trustee, in accordance with and under the Trust Agreement. A copy of the Trust Agreement is available for the Participant's review, during normal working hours, at the Company's offices.

(g) Without derogating from the generality of the foregoing, to the extent and with respect to any PRSUs that are Capital Gain Awards, and as required by Section 102, the Participant acknowledges, undertakes and confirms in writing the following (which shall be apply and relate to all Awards granted to the Participant, whether under the Plan and Appendix or other plans maintained by the Company, and whether prior to or after the date hereof, if any):

(i) The Participant shall comply with all terms and conditions set forth in Section 102 with regard to the “Capital Gain Track” and the applicable rules and regulations promulgated thereunder, as amended from time to time;

(ii) The Participant hereby acknowledges and confirms that he/she (1) fully understand that Section 102 and the rules and regulations enacted thereunder apply to the PRSUs, and (2) is familiar with and understand the provisions of Section 102, the tax track chosen thereunder and the implications thereof, including without limitations the type of PRSUs granted hereunder and the tax implications applicable to such grant.

(iii) The Participant accepts the provisions of the Trust Agreement signed between the Company and the Trustee, and the related forms, and agrees to be bound by its terms as such terms relate to the Participant. A copy of the Trust Agreement is available for the Participant’s review, during normal working hours, at the Company’s offices.

(h) The Participant hereby confirms that he/she shall execute any and all documents which the Company or the Trustee may reasonably determine to be necessary in order to comply with Section 102 or any other provisions of the Ordinance.

10. Section 409A. To the extent Participant is or becomes subject to U.S. Federal income taxation, the PRSUs and payments made pursuant to this Agreement are intended to comply with or qualify for an exemption from the requirements of Section 409A (“Section 409A”) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and this Agreement shall be construed consistently therewith. Neither the Company nor the Participant shall have any right to accelerate or defer payment under this Agreement except to the extent specifically permitted or required by Section 409A. Terms defined in the Agreement shall have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A, including that references to “termination of employment” or any similar phrase shall be considered to be references to a “separation from service” as defined under Section 409A. Notwithstanding any other provision of this Agreement, the Company reserves the right, to the extent it deems necessary or advisable, in its sole discretion, unilaterally to amend the Plan and/or this Agreement to ensure that the Award qualifies for exemption from or otherwise complies with Section 409A; provided, however, that the Company makes no undertaking to preclude Section 409A from applying to this Award or to guarantee compliance therewith. Any payments described in this Section 10 that are due within the “short term deferral period” as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. If and to the extent any portion of any payment, compensation or other benefit provided to the Participant in connection with his or her employment termination pursuant to this Award is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A and the Participant is a specified employee as defined in Section 409A(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination the Participant hereby agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the earlier of Executive’s death or the day that is six months plus one day after the date of separation from service (as determined under Section 409A (the “New Payment Date”)), except as Section 409A may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on the New Payment Date, and any remaining payments will be paid on their original schedule. Notwithstanding the foregoing, the Company, its affiliates, directors, officers and agents shall have no liability to a Participant, or any other party, if the PRSU that is intended to be exempt from, or compliant with, Section 409A is not so exempt or compliant, or for any action taken by the Administrator or any delegate or agent of the Administrator.

11. Non-Transferability of Award. The Participant understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Board, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution.

12. Other Agreements Superseded. The Grant Notice, this Israeli Award Agreement, the Plan and any Separate Agreement, if applicable, constitute the entire understanding between the Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

13. Limitation of Interest in Shares Subject to Performance-Based Restricted Stock Units. Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or this Israeli Award Agreement except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, the Grant Notice, this Israeli Award Agreement or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company’s employ or service nor limit in any way the Company’s (or any Affiliate’s or Subsidiary’s) right to terminate the Participant’s employment or other service at any time for any reason or no reason, with or without Cause, and with or without advance notice.

14. No Liability of Company. The Company and any Affiliate or Subsidiary which is in existence or hereafter comes into existence shall not be liable to the Participant or any other person as to: (a) the non-issuance or sale of shares of Common Stock as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; and (b) any tax consequence expected, but not realized, by the Participant or other person due to the receipt or settlement of any Performance-Based Restricted Stock Units granted hereunder.

15. Clawback. The Award and any Shares issued pursuant to the Award are subject to recoupment in accordance with any recoupment policy that the Company may adopt from time to time as required by law, to the extent any such policy is applicable to the Participant and to such compensation, including the SolarEdge Technologies Inc. Rule 10D-1 Clawback Policy (as amended from time to time), designed to comply with the requirements of Rule 10D-1 promulgated under the Exchange Act, as well as any recoupment provisions required under applicable law. For purposes of the foregoing, the Participant expressly and explicitly authorizes (x) the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold Shares and other amounts acquired under the Award or the Plan to re-convey, transfer or otherwise return such shares and/or other amounts to the Company and (y) the Company's recovery of any covered compensation through any method of recovery that the Company deems appropriate, including by reducing any amount that is or may become payable to the Participant. The Participant further agrees to comply with any request or demand for repayment by any Affiliate or Subsidiary in order to comply with such policies or applicable law. To the extent that this Israeli Award Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail.

16. General.

(a) Governing Plan Document. The Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Award, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan.

(b) Governing Law. This Israeli Award Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to principles of conflicts of law. Any matters concerning Israeli tax shall be governed by Israeli law.

(c) Electronic Delivery. By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and its Affiliates or Subsidiaries, the Plan, the Award and the Common Stock via Company web site or other electronic delivery.

(d) Notices. Any notice required or permitted to be delivered under this Award Agreement shall be in writing (which shall include electronic transmission) and shall be deemed received (i) the business day following electronic verification of receipt if sent electronically, (ii) upon personal delivery to the party to whom the notice is directed, (iii) the business day following deposit with a reputable overnight courier (or the second business day following deposit in the case of an international delivery), or (iv) five days after deposit in the U.S. Mail, First Class with postage prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company. The recipient may acknowledge actual receipt at a time earlier than the deemed receipt set forth herein or by a means other than that set forth herein.

(e) Successors/Assigns. This Award Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(f) Severability. If one or more provisions of this Award Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Award Agreement, and the balance of the Award Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms. The parties agree to replace such illegal, void, invalid or unenforceable provision of this Award Agreement with a legal, valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such illegal, void, invalid or unenforceable provision.

END OF AWARD AGREEMENT

**SOLAREEDGE TECHNOLOGIES, INC.
2015 GLOBAL INCENTIVE PLAN
NOTICE OF GRANT OF AWARD OF PERFORMANCE-BASED RESTRICTED STOCK UNITS
(ISRAELI AWARD AGREEMENT)**

Notice of Grant

SolarEdge Technologies, Inc. (the “Company”) hereby grants to the Participant named below the number of performance-based restricted stock units specified below (the “Award”). Each performance-based restricted stock unit represents the right to receive one share of the Company’s common stock, par value \$0.0001 (the “Common Stock”), upon the terms and subject to the conditions set forth in this Grant Notice, the SolarEdge Technologies, Inc. 2015 Global Incentive Plan (the “Plan”), any Appendix or Subplan to the Plan applicable to you (the “Appendix”) and the Israeli Performance-Based Restricted Stock Unit Award Agreement (the “Israeli Award Agreement”) promulgated under such Plan and Section 102 of the Israeli Income Tax Ordinance [NEW VERSION] 5721-1961 (the “Ordinance”), each as amended from time to time. Any applicable Appendix shall be treated as part of the Plan for purposes of this Award, and any references to the Plan in this Grant Notice or the Israeli Award Agreement shall include the Appendix. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Israeli Award Agreement and the Plan.

Participant Name: XXX

Type of Award: Performance-Based Restricted Stock Units (PRSUs) designated as Capital Gain Award (with Trustee) under Section 102 of the Ordinance and the rules and regulations promulgated thereunder. The Award represents the right to receive shares of Common Stock in an amount from 0% to 200% of the Target PRSUs (as defined below).

Grant Date: XXX_____

Number of PRSUs: (the “Maximum PRSUs”)

Performance Period: January 1, XXXX to December 31, XXXX (“First Performance Period”)

January 1, XXXX to December 31, XXXX (“Second Performance Period”)

Entitlement to PRSUs:

[_____]

Vesting Schedule:

PRSUs, if any, will vest as of the date on which the Administrator certifies in writing the Company's TSR percentile rank relative to the Index Group, subject to Continuous Service through the end of the applicable Performance Period. This certification shall be made no later than fifty (50) days following the end of the applicable Performance Period and settlement of the PRSUs in Common Stock shall occur upon vesting and certification (but in no event later than 60 days following the end of the applicable Performance Period).

Termination Prior to a Change in Control

Upon termination due to death or Disability prior to the completion of a Performance Period and prior to a Change in Control, Participant shall immediately vest in the Target PRSUs allocable to such Performance Period.

If Participant ceases Continuous Service for any other reason during a Performance Period, the Target PRSUs allocable to such Performance Period will immediately terminate. However, notwithstanding anything herein to the contrary, the vesting of the PRSUs shall be subject to any vesting acceleration provisions applicable to PRSUs contained in the Plan and/or any employment or service agreement, offer letter, severance agreement, or any other agreement between Participant and the Company or any Affiliate or Subsidiary (such agreement, a "Separate Agreement").

Upon termination for any reason (other than a termination for Cause) following completion of a Performance Period but prior to certification of the Company's TSR percentile rank for such Performance Period, Participant shall vest in the number of PRSUs based on the Applicable Percentage determined by the Administrator on the date on which the Administrator certifies in writing the Company's TSR percentile rank notwithstanding Participant's termination of Continuous Service prior to such date.

Upon a termination for Cause following completion of a Performance Period but prior to certification of the Company's TSR percentile rank for such Performance Period, the Target PRSUs allocable to such Performance Period will immediately terminate.

Change in Control

In the event that a Change in Control occurs prior to the completion of the Performance Period, (i) performance shall be measured through truncated Performance Periods ending on the date of the Change in Control and (ii) the results PRSUs shall vest on the last day of the original Performance Period applicable to such PRSUs, subject to Continuous Service through such date, or on the date of Participant's death or Disability, if sooner.

In the event of a termination by the Company without Cause or termination by Participant for Good Reason (as such terms are defined in the Participant's Employment Agreement) on or within 12 months following the date of the Change in Control, any unvested PRSUs will fully vest on the date of such termination.

Notwithstanding any other provision of this Award, if the Successor Corporation does not agree to assume or substitute the Award, the PRSUs will vest immediately prior to the consummation of the Change in Control based on performance through the date of the Change in Control, subject to Continuous Service through such date.

Agreements

By your signature and the Company’s signature below, you and the Company agree that this Award is granted under and governed by the terms of the Plan, the Appendix and the Israeli Award Agreement, all of which are attached hereto and incorporated herein by this reference. Capitalized terms used but not defined herein shall have the meanings given to them in the Plan, the Appendix or the Israeli Award Agreement, as the case may be. You and the Company further agree that the Performance-Based Restricted Stock Units and the Shares underlying the same are granted under and governed by Section 102(b)(3) of the Ordinance and the rules and regulations promulgated in connection therewith and the trust agreement signed between the Company and its Affiliate the Trustee (the “Trust Agreement”), a copy of which has been provided to you or made available for your review.

You further acknowledge that your rights to any Performance-Based Restricted Stock Units will be earned and become vested only as you provide Continuous Service to the Company over time or as otherwise provided under the terms of this Award, that the grant of this Award is not consideration for service you rendered to the Company prior to the Grant Date, and that nothing herein or the attached documents confers upon you any right to continue your employment or other service relationship with the Company or any Affiliate or Subsidiary for any period of time, nor does it interfere in any way with your right or the Company’s (or any Affiliate’s or Subsidiary’s) right to terminate that relationship at any time, for any reason or no reason, with or without Cause, and with or without advance notice, except as may be required by the terms of a Separate Agreement or in compliance with governing public law.

Furthermore, by executing this Notice, you agree that the Performance-Based Restricted Stock Units and to the extent applicable, the Shares, will be issued to the Trustee to be held by Trustee for your benefit, pursuant to the terms of Section 102 of the Ordinance and the Trust Agreement. You hereby confirm that you are familiar with the terms and provisions of Section 102 of the Ordinance, particularly the Capital Gain Track described in subsection (b) (3) thereof, and you agree that you will not require the Trustee to release the Performance-Based Restricted Stock Units or Shares to you, or to sell the Award or Shares to a third party, during the required Holding Period, unless permitted to do so by applicable law.

“COMPANY”

SolarEdge Technologies, Inc.

By: Name:

Title: Signature: _____

Date: _____

“PARTICIPANT”

Employee Name: _____

Employee Signature: _____

Date: _____

SOLAREEDGE TECHNOLOGIES, INC.
2015 GLOBAL INCENTIVE PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
(ISRAELI AWARD AGREEMENT)

This Israeli Award Agreement is made and entered into by and between SolarEdge Technologies, Inc., a Delaware corporation (“Company”), and the Participant identified in the Notice of Grant of Award of Performance-Based Restricted Stock Units (“Grant Notice”) which is attached hereto (“Participant”).

By signing this Agreement, the Participant : (a) represents that the Participant has received copies of, and has read and is familiar with the terms and conditions of, the Notice, the Plan, the Appendix and this Agreement, (b) accepts the PRSUs, the Shares issued upon the settlement thereof and/or any securities issued or distributed with respect thereto are subject to all of the terms and conditions of the Notice, the Plan, the Appendix, this Agreement, the Trust Agreement and any other documents ancillary hereto or thereto, and (c) agrees to accept as binding, conclusive and final all decisions and interpretations of the Board or the Committee upon any questions arising under the Notice, the Plan, the Appendix or this Agreement (whether before or after the issuance of Shares pursuant to the PRSUs). While certain terms and conditions are included in this Agreement, such terms and conditions shall not in any way derogate from the applicability of all other terms and conditions set forth in the Plan and the Appendix. The Participant acknowledges that the terms and conditions of the Plan and the Appendix may be amended from time to time as set forth therein, and therefore, any reference to the Plan and Appendix shall be deemed to refer to the Plan and Appendix as amended from time to time, including any amendments adopted after the Date of Grant. Further, the Participant is aware that the Company may in the future issue additional Shares and grant additional Awards to various entities and individuals, as the Company in its sole discretion shall determine. Unless otherwise stated, in the event of any inconsistency or contradiction between any of the terms of this Agreement and the provisions of the Plan and Appendix, the terms and provisions of this Agreement shall prevail, unless the provisions of this Agreement would result in a violation of the Securities Act or the Exchange Act (both of which terms are defined in the Plan) or other applicable law.

1. Grant of Performance-Based Restricted Stock Units. The Company hereby grants to the Participant named in the Grant Notice an award of Performance-Based Restricted Stock Units, subject to all of the terms and conditions in this Israeli Award Agreement and the Plan, which are incorporated herein by reference. Performance-Based Restricted Stock Units issued pursuant to a Grant Notice and this Israeli Award Agreement are referred to in this Agreement as “Performance-Based Restricted Stock Units” or “PRSUs.” The PRSUs are intended to qualify as a Capital Gain Award under Section 102.

2. Company’s Obligation to Pay. Each Performance-Based Restricted Stock Unit represents the right to receive payment on the date it vests in the form of one share of the Company’s Common Stock (each, a “Share” and collectively, the “Shares”). Participant will have no right to payment of any Shares on any Performance-Based Restricted Stock Units unless and until the Performance-Based Restricted Stock Units have vested in the manner set forth in the Grant Notice and this Israeli Award Agreement. Prior to actual payment of a Share on any vested Performance-Based Restricted Stock Unit, such Performance-Based Restricted Stock Unit will represent an unsecured obligation of the Company, for which there is no trust and no obligation other than to issue Shares as contemplated by this Israeli Award Agreement and the Plan.

3. Vesting of Award. The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and this Israeli Award Agreement. After the Grant Date, subject to termination or acceleration as provided in the Grant Notice, this Israeli Award Agreement or any Separate Agreement, the Award shall become vested as described in the Grant Notice with respect to that number of Performance-Based Restricted Stock Units as set forth in the Grant Notice. Performance-Based Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as “Vested PRSUs.” Performance-Based Restricted Stock Units awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as “Unvested PRSUs.” Notwithstanding anything contained in this Israeli Award Agreement to the contrary, upon a Participant’s termination of Continuous Service, any then Unvested PRSUs held by the Participant, after taking into account any applicable vesting acceleration provisions, shall be forfeited and canceled as of the date of such termination.

As soon as reasonably practicable, following the date any Unvested PRSUs become Vested PRSUs but in no event later than two and one-half months following the end of the applicable Performance Period, the Company shall cause to be delivered to the Trustee for the benefit of the Participant, in full settlement and satisfaction of such Vested PRSUs, the portion of Shares underlying such Vested PRSUs, subject to satisfaction of applicable tax withholding obligations with respect thereto in accordance with Section 8 of this Israeli Award Agreement.

4. Leave Of Absence. Except as set forth below in this Section 4 or as otherwise directed by the Board or a Committee (as the case may be), in the event of Participant leave of absence or unpaid leave, such Participant's PRSUs will not vest during the leave of absence or unpaid leave.

Notwithstanding the foregoing, if a Participant is on leave of absence due to maternity leave, sick leave, or other protected leave during which vesting on the original schedule must continue under applicable law, such Participant's PRSUs shall continue to vest on the original vesting schedule during the leave of absence which is protected by law. For avoidance of doubt, unless otherwise directed by the Board or a Committee (as the case may be), a Participant leave of absence or unpaid leave shall have no effect on the Award.

5. Change in Control. Unless otherwise provided in a Separate Agreement or the Grant Notice, upon the occurrence of a Change in Control, Sections 10(c) and 10(d) of the Plan shall control.

6. Restrictions on Resales. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued pursuant to Vested PRSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

7. Rights as a Stockholder. Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any PRSUs unless and until shares of Common Stock settled for such PRSUs shall have been issued by the Company to Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

8. Tax Matters and Consultation.

(a) THE PARTICIPANT IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING OR DISPOSING OR SELLING SHARES ISSUED UPON SETTLEMENT HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE PARTICIPANT ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE PARTICIPANT. Without derogating from Section 9 of the Plan, and notwithstanding anything to the contrary, including the indication under "Type of Award" above, the Company does not undertake, and shall be under no duty to ensure, and no representation or commitment is made, that the PRSUs qualifies or will qualify under, or that the Participant will benefit from, any particular tax treatment (such as Section 102 or any other treatment), nor shall the Company be required to take any action for the qualification of any PRSUs under such tax treatment and no indication in any document to the effect that any Award is intended to qualify for any tax treatment shall imply such an undertaking or representation. If the PRSUs do not qualify under any particular tax treatment it could result in adverse tax consequences to the Participant. By signing below, Participant agrees that the Company and its Affiliates, the Representative and the Trustee, as applicable, and their respective employees, directors, officers and stockholders shall not be liable for any tax, penalty, interest or cost incurred by Participant as a result of such determination, nor will any of them have any liability of any kind or nature in the event that, for any reason whatsoever, if PRSUs do not qualify for any particular tax treatment.

(b) To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the grant or vesting of the PRSUs. The Company shall not be required to issue Shares or to recognize the disposition of such Shares until such obligations are satisfied. Without derogating from the aforementioned, the Company, its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Participant hereby agrees to indemnify the Company, its Affiliates and/or the Trustee, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Participant. The Company, any of its Affiliates and the Trustee may, at the sole discretion of the Company without any obligation, make such provisions and take such steps as it/they may deem necessary or appropriate for the withholding of all taxes required by law to be withheld with respect to PRSUs granted under the Plan, including, but not limited, to (i) deducting the amount so required to be withheld from any other amount then or thereafter payable to a Participant, including by deducting any such amount from a Participant's salary or other amounts payable to the Participant, to the maximum extent permitted under law and/or (ii) requiring a Participant to pay to the Company or any of its Affiliates the amount so required to be withheld as a condition of the issuance, delivery, distribution or release of any Shares and/or (iii) by causing the vesting and settlement of any PRSUs or Shares held by or on behalf of the Participant to cover such liability up to the amount required to satisfy minimum statutory withholding requirements. Regardless of any action the Company or any Affiliate takes with respect to any or all tax or other compulsory payment withholding or deduction (including any social security contributions) obligations, the Participant acknowledges that the ultimate liability for all such taxes is and remains the Participant's responsibility, and that the Company does not: (i) make any representations or undertakings regarding the treatment of any tax withholding in connection with any aspect of the PRSUs, including the grant or vesting thereof, the subsequent sale of Shares and the receipt of any dividends; or (ii) commit to structure the terms of the PRSUs or any aspect of the PRSUs to reduce or eliminate the Participant's liability for such tax.

9. Section 102 Undertakings.

(a) Subject to applicable law, 102 Awards may only be granted to an "employee" within the meaning of Section 102(a) of the Ordinance (which as of the date hereof means (i) individuals employed by an Israeli company being the Company or any of its Affiliates, and (ii) individuals who are serving and are engaged personally (and not through an entity) as "office holders" by such an Israeli company), but may not be granted to a Controlling Stockholder ("**Eligible 102 Participants**"). Eligible 102 Participants may receive only 102 Awards, which may either be granted to a Trustee or granted under Section 102 of the Ordinance without a Trustee.

(b) Each 102 Award will be deemed granted on the date determined by the Committee, subject to Section 9(c) provided that (i) the Participant has signed all documents required by the Company or pursuant to applicable law, and (ii) with respect to Approved 102 Awards, the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA, and if this Agreement is not signed and delivered by the Participant within 90 days from the date determined by the Committee (subject to Section 9(c)), then such Approved 102 Award shall be deemed granted on such later date as this Agreement is signed and delivered and on which the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in the Notice or in any corporate resolution or any agreement.

(c) Unless otherwise permitted by the Ordinance, any grants of Approved 102 Awards that are made on or after the date of the adoption of the Plan and Appendix or an amendment to the Plan and Appendix, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of the Plan and Appendix or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall be conditional upon the expiration of such 30-day period, such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into this Agreement and any agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in the Notice or in any corporate resolution or any agreement.

(d) Subject to the provisions of Section 102, the Participant shall not sell or release from trust any Share received upon the vesting of an Approved 102 Award and/or any Share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 and to the extent applicable, under any tax ruling obtained by the ITA in connection with the PRSUs, shall apply to and shall be borne by such Participant.

(e) Subject to Section 7 above, the Participant acknowledges that in the event that dividends or any Dividend Equivalents are distributed in respect of the Shares, during the Holding Period, such dividends and/or Dividend Equivalents (as applicable) shall be held or controlled by the Trustee for the benefit of the Participant and shall be subject to income tax pursuant to Section 102, the rules and regulations promulgated thereunder and the tax ruling obtained by the Israeli Tax Authority in connection with the PRSUs.

(f) To the extent and with respect to Approved 102 Awards, the Participant acknowledges, undertakes and confirms that: (i) the Participant fully understands that Section 102 and the rules and regulations enacted thereunder apply to the PRSUs, and (ii) the Participant understands the provisions of Section 102, the tax track chosen thereunder and the implications thereof. If applicable, the terms of such PRSUs shall also be subject to the terms of the Trust Agreement made between the Company and the Trustee for the benefit of the Participant, and the Participant shall sign all documents requested by the Company or the Trustee, in accordance with and under the Trust Agreement. A copy of the Trust Agreement is available for the Participant's review, during normal working hours, at the Company's offices.

(g) Without derogating from the generality of the foregoing, to the extent and with respect to any PRSUs that are Capital Gain Awards, and as required by Section 102, the Participant acknowledges, undertakes and confirms in writing the following (which shall be apply and relate to all Awards granted to the Participant, whether under the Plan and Appendix or other plans maintained by the Company, and whether prior to or after the date hereof, if any):

(i) The Participant shall comply with all terms and conditions set forth in Section 102 with regard to the “Capital Gain Track” and the applicable rules and regulations promulgated thereunder, as amended from time to time;

(ii) The Participant hereby acknowledges and confirms that he/she (1) fully understand that Section 102 and the rules and regulations enacted thereunder apply to the PRSUs, and (2) is familiar with and understand the provisions of Section 102, the tax track chosen thereunder and the implications thereof, including without limitations the type of PRSUs granted hereunder and the tax implications applicable to such grant.

(iii) The Participant accepts the provisions of the Trust Agreement signed between the Company and the Trustee, and the related forms, and agrees to be bound by its terms as such terms relate to the Participant. A copy of the Trust Agreement is available for the Participant’s review, during normal working hours, at the Company’s offices.

(h) The Participant hereby confirms that he/she shall execute any and all documents which the Company or the Trustee may reasonably determine to be necessary in order to comply with Section 102 or any other provisions of the Ordinance.

10. Section 409A. To the extent Participant is or becomes subject to U.S. Federal income taxation, the PRSUs and payments made pursuant to this Agreement are intended to comply with or qualify for an exemption from the requirements of Section 409A (“Section 409A”) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and this Agreement shall be construed consistently therewith. Neither the Company nor the Participant shall have any right to accelerate or defer payment under this Agreement except to the extent specifically permitted or required by Section 409A. Terms defined in the Agreement shall have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A, including that references to “termination of employment” or any similar phrase shall be considered to be references to a “separation from service” as defined under Section 409A. Notwithstanding any other provision of this Agreement, the Company reserves the right, to the extent it deems necessary or advisable, in its sole discretion, unilaterally to amend the Plan and/or this Agreement to ensure that the Award qualifies for exemption from or otherwise complies with Section 409A; provided, however, that the Company makes no undertaking to preclude Section 409A from applying to this Award or to guarantee compliance therewith. Any payments described in this Section 10 that are due within the “short term deferral period” as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. If and to the extent any portion of any payment, compensation or other benefit provided to the Participant in connection with his or her employment termination pursuant to this Award is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A and the Participant is a specified employee as defined in Section 409A(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination the Participant hereby agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the earlier of Executive’s death or the day that is six months plus one day after the date of separation from service (as determined under Section 409A (the “New Payment Date”)), except as Section 409A may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on the New Payment Date, and any remaining payments will be paid on their original schedule. Notwithstanding the foregoing, the Company, its affiliates, directors, officers and agents shall have no liability to a Participant, or any other party, if the PRSU that is intended to be exempt from, or compliant with, Section 409A is not so exempt or compliant, or for any action taken by the Administrator or any delegate or agent of the Administrator.

11. Non-Transferability of Award. The Participant understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Board, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution.

12. Other Agreements Superseded. The Grant Notice, this Israeli Award Agreement, the Plan and any Separate Agreement, if applicable, constitute the entire understanding between the Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

13. Limitation of Interest in Shares Subject to Performance-Based Restricted Stock Units. Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or this Israeli Award Agreement except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, the Grant Notice, this Israeli Award Agreement or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company’s employ or service nor limit in any way the Company’s (or any Affiliate’s or Subsidiary’s) right to terminate the Participant’s employment or other service at any time for any reason or no reason, with or without Cause, and with or without advance notice.

14. No Liability of Company. The Company and any Affiliate or Subsidiary which is in existence or hereafter comes into existence shall not be liable to the Participant or any other person as to: (a) the non-issuance or sale of shares of Common Stock as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; and (b) any tax consequence expected, but not realized, by the Participant or other person due to the receipt or settlement of any Performance-Based Restricted Stock Units granted hereunder.

15. Clawback. The Award and any Shares issued pursuant to the Award are subject to recoupment in accordance with any recoupment policy that the Company may adopt from time to time as required by law, to the extent any such policy is applicable to the Participant and to such compensation, including the SolarEdge Technologies Inc. Rule 10D-1 Clawback Policy (as amended from time to time), designed to comply with the requirements of Rule 10D-1 promulgated under the Exchange Act, as well as any recoupment provisions required under applicable law. For purposes of the foregoing, the Participant expressly and explicitly authorizes (x) the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold Shares and other amounts acquired under the Award or the Plan to re-convey, transfer or otherwise return such shares and/or other amounts to the Company and (y) the Company's recovery of any covered compensation through any method of recovery that the Company deems appropriate, including by reducing any amount that is or may become payable to the Participant. The Participant further agrees to comply with any request or demand for repayment by any Affiliate or Subsidiary in order to comply with such policies or applicable law. To the extent that this Israeli Award Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail.

16. General.

(a) Governing Plan Document. The Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Award, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan.

(b) Governing Law. This Israeli Award Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to principles of conflicts of law. Any matters concerning Israeli tax shall be governed by Israeli law.

(c) Electronic Delivery. By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and its Affiliates or Subsidiaries, the Plan, the Award and the Common Stock via Company web site or other electronic delivery.

(d) Notices. Any notice required or permitted to be delivered under this Award Agreement shall be in writing (which shall include electronic transmission) and shall be deemed received (i) the business day following electronic verification of receipt if sent electronically, (ii) upon personal delivery to the party to whom the notice is directed, (iii) the business day following deposit with a reputable overnight courier (or the second business day following deposit in the case of an international delivery), or (iv) five days after deposit in the U.S. Mail, First Class with postage prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company. The recipient may acknowledge actual receipt at a time earlier than the deemed receipt set forth herein or by a means other than that set forth herein.

(e) Successors/Assigns. This Award Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(f) Severability. If one or more provisions of this Award Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Award Agreement, and the balance of the Award Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms. The parties agree to replace such illegal, void, invalid or unenforceable provision of this Award Agreement with a legal, valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such illegal, void, invalid or unenforceable provision.

END OF AWARD AGREEMENT

**SOLAREEDGE TECHNOLOGIES, INC.
2015 GLOBAL INCENTIVE PLAN
NOTICE OF GRANT OF AWARD OF RESTRICTED STOCK UNITS
(ISRAELI AWARD AGREEMENT)**

Notice of Grant

SolarEdge Technologies, Inc. (the “Company”) hereby grants to the Participant named below the number of restricted stock units specified below (the “Award”). Each restricted stock unit represents the right to receive one share of the Company’s common stock, par value \$0.0001 (the “Common Stock”), upon the terms and subject to the conditions set forth in this Grant Notice, the SolarEdge Technologies, Inc. 2015 Global Incentive Plan (the “Plan”), any Appendix or Subplan to the Plan applicable to you (the “Appendix”) and the Israeli Restricted Stock Unit Award Agreement (the “Israeli Award Agreement”) promulgated under such Plan and Section 102 of the Israeli Income Tax Ordinance [NEW VERSION] 5721-1961 (the “Ordinance”), each as amended from time to time. Any applicable Appendix shall be treated as part of the Plan for purposes of this Award, and any references to the Plan in this Grant Notice or the Israeli Award Agreement shall include the Appendix. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Israeli Award Agreement:

Participant Name: XXXX

Type of Award: Restricted Stock Units designated as Capital Gain Award (with Trustee) under Section 102 of the Ordinance and the rules and regulations promulgated thereunder.

Grant Date: XXXXX

Vesting Commencement Date: XXXXX

Number of Restricted Stock Units: XXX

Vesting Schedule:

Date	Number
XXXXX	XX
Total	XXX

subject in each case to Continuous Service through each such date. Upon termination due to death or Disability, any unvested Restricted Stock Units granted hereunder shall immediately vest.

In the event of a termination by the Company without Cause or termination by Participant for Good Reason (as such terms are defined in the Participant's Employment Agreement) on or within 12 months following the date of a Change in Control, any unvested RSUs will fully vest on the date of such termination.

If Participant ceases Continuous Service for any other reason, before Participant vests in any portion of the Restricted Stock Units, the unvested Restricted Stock Units will immediately terminate. However, notwithstanding anything herein to the contrary, the vesting of the Restricted Stock Units shall also be subject to any vesting acceleration provisions applicable to the Restricted Stock Units contained in the Plan and/or any employment or service agreement, offer letter, severance agreement, or any other agreement between Participant and the Company or any Affiliate or Subsidiary (such agreement, a "Separate Agreement"), if any.

Agreements

By your signature and the Company's signature below, you and the Company agree that this Award is granted under and governed by the terms of the Plan, the Appendix and the Israeli Award Agreement, all of which are attached hereto and incorporated herein by this reference. Capitalized terms used but not defined herein shall have the meanings given to them in the Plan, the Appendix or the Israeli Award Agreement, as the case may be. You and the Company further agree that the Restricted Stock Units and the Shares underlying the same are granted under and governed by Section 102(b)(2) of the Ordinance and the rules and regulations promulgated in connection therewith and the trust agreement signed between the Company and its Affiliate the Trustee (the "Trust Agreement"), a copy of which has been provided to you or made available for your review.

You further acknowledge that your rights to any Restricted Stock Units will be earned and become vested only as you provide Continuous Service to the Company over time, that the grant of this Award is not consideration for service you rendered to the Company prior to the Grant Date, and that nothing herein or the attached documents confers upon you any right to continue your employment or other service relationship with the Company or any Affiliate or Subsidiary for any period of time, nor does it interfere in any way with your right or the Company's (or any Affiliate's or Subsidiary's) right to terminate that relationship at any time, for any reason or no reason, with or without Cause, and with or without advance notice, except as may be required by the terms of a Separate Agreement or in compliance with governing public law.

Furthermore, by executing this Notice, you agree that the Restricted Stock Units and to the extent applicable, the Shares, will be issued to the Trustee to be held by Trustee for your benefit, pursuant to the terms of Section 102 of the Ordinance and the Trust Agreement. You hereby confirm that you are familiar with the terms and provisions of Section 102 of the Ordinance, particularly the Capital Gain Track described in subsection (b)(2) thereof, and you agree that you will not require the Trustee to release the Restricted Stock Units or Shares to you, or to sell the Award or Shares to a third party, during the required Holding Period, unless permitted to do so by applicable law.

"COMPANY"

Manager Name:
Manager Title:
SolarEdge Technologies, Inc.
Manager Signature Date:

"PARTICIPANT"

Employee Name:
Employee signature Date:
Date Of Employee Signature:

SOLAREEDGE TECHNOLOGIES, INC.
2015 GLOBAL INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT
(ISRAELI AWARD AGREEMENT)

This Israeli Award Agreement is made and entered into by and between SolarEdge Technologies, Inc., a Delaware corporation (“Company”), and the Participant identified in the Notice of Grant of Award of Restricted Stock Units (“Grant Notice”) which is attached hereto (“Participant”). By signing this Agreement, the Participant : (a) represents that the Participant has received copies of, and has read and is familiar with the terms and conditions of, the Notice, the Plan, the Appendix and this Agreement, (b) accepts the RSUs, the Shares issued upon the settlement thereof and/or any securities issued or distributed with respect thereto are subject to all of the terms and conditions of the Notice, the Plan, the Appendix, this Agreement, the Trust Agreement and any other documents ancillary hereto or thereto, and (c) agrees to accept as binding, conclusive and final all decisions and interpretations of the Board or the Committee upon any questions arising under the Notice, the Plan, the Appendix or this Agreement (whether before or after the issuance of Shares pursuant to the RSUs). While certain terms and conditions are included in this Agreement, such terms and conditions shall not in any way derogate from the applicability of all other terms and conditions set forth in the Plan and the Appendix. The Participant acknowledges that the terms and conditions of the Plan and the Appendix may be amended from time to time as set forth therein, and therefore, any reference to the Plan and Appendix shall be deemed to refer to the Plan and Appendix as amended from time to time, including any amendments adopted after the Date of Grant. Further, the Participant is aware that the Company may in the future issue additional Shares and grant additional Awards to various entities and individuals, as the Company in its sole discretion shall determine. Unless otherwise stated, in the event of any inconsistency or contradiction between any of the terms of this Agreement and the provisions of the Plan and Appendix, the terms and provisions of this Agreement shall prevail, unless the provisions of this Agreement would result in a violation of the Securities Act or the Exchange Act (both of which terms are defined in the Plan) or other applicable law.

1. Grant of Restricted Stock Units. The Company hereby grants to the Participant named in the Grant Notice an award of Restricted Stock Units, subject to all of the terms and conditions in this Israeli Award Agreement and the Plan, which are incorporated herein by reference. Restricted Stock Units issued pursuant to a Grant Notice and this Israeli Award Agreement are referred to in this Agreement as “Restricted Stock Units” or “RSUs.” The RSUs are intended to qualify as a Capital Gain Award under Section 102.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive payment on the date it vests in the form of one share of the Company’s Common Stock (each, a “Share” and collectively, the “Shares”). Participant will have no right to payment of any Shares on any Restricted Stock Units unless and until the Restricted Stock Units have vested in the manner set forth in the Grant Notice and this Israeli Award Agreement. Prior to actual payment of a Share on any vested Restricted Stock Unit, such Restricted Stock Unit will represent an unsecured obligation of the Company, for which there is no trust and no obligation other than to issue Shares as contemplated by this Israeli Award Agreement and the Plan.

3. Vesting of Award. The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and this Israeli Award Agreement. After the Grant Date, subject to termination or acceleration as provided in this Israeli Award Agreement or any Separate Agreement, the Award shall become vested as described in the Grant Notice with respect to that number of Restricted Stock Units as set forth in the Grant Notice. Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as “Vested RSUs.” Restricted Stock Units awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as “Unvested RSUs.” Notwithstanding anything contained in this Israeli Award Agreement to the contrary, upon a Participant’s termination of Continuous Service, any then Unvested RSUs held by the Participant shall be forfeited and canceled as of the date of such termination.

As soon as reasonably practicable and subject to full payment by Participant of the par value of the portion of the then Vested RSUs, following the lapse of the applicable portion of the vesting period, but in no event later than 45 days following the date of such lapse, the Company shall cause to be delivered to the Trustee for the benefit of the Participant, in full settlement and satisfaction of the Vested RSUs, the portion of Shares underlying such Vested RSUs, subject to satisfaction of applicable tax withholding obligations with respect thereto in accordance with Section 7 of this Israeli Award Agreement.

4. Leave Of Absence. Except as set forth below in this Section 4 or as otherwise directed by the Board or a Committee (as the case may be), in the event of Participant leave of absence or unpaid leave, such Participant's RSUs will not vest during the leave of absence or unpaid leave.

Notwithstanding the foregoing, if a Participant is on leave of absence due to maternity leave, sick leave, or other protected leave during which vesting on the original schedule must continue under applicable law, such Participant's RSUs shall continue to vest on the original vesting schedule during the leave of absence which is protected by law.

5. Change in Control. Unless otherwise provided in a Separate Agreement, upon the occurrence of a Change in Control, Sections 10(c) and 10(d) of the Plan shall control

6. Restrictions on Resales. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued pursuant to Vested RSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

7. Rights as a Stockholder. Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any RSUs unless and until shares of Common Stock settled for such RSUs shall have been issued by the Company to Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

8. Tax Matters and Consultation.

(a) THE PARTICIPANT IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING OR DISPOSING OR SELLING SHARES ISSUED UPON SETTLEMENT HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE PARTICIPANT ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE PARTICIPANT. Without derogating from Section 9 of the Plan, and notwithstanding anything to the contrary, including the indication under "Type of Award" above, the Company does not undertake, and shall be under no duty to ensure, and no representation or commitment is made, that the RSUs qualifies or will qualify under, or that the Participant will benefit from, any particular tax treatment (such as Section 102 or any other treatment), nor shall the Company be required to take any action for the qualification of any RSUs under such tax treatment and no indication in any document to the effect that any Award is intended to qualify for any tax treatment shall imply such an undertaking or representation. If the RSUs do not qualify under any particular tax treatment it could result in adverse tax consequences to the Participant. By signing below, Participant agrees that the Company and its Affiliates, the Representative and the Trustee, as applicable, and their respective employees, directors, officers and stockholders shall not be liable for any tax, penalty, interest or cost incurred by Participant as a result of such determination, nor will any of them have any liability of any kind or nature in the event that, for any reason whatsoever, if RSUs do not qualify for any particular tax treatment.

(b) To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the grant or vesting of the RSUs. The Company shall not be required to issue Shares or to recognize the disposition of such Shares until such obligations are satisfied. Without derogating from the aforementioned, the Company, its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Participant hereby agrees to indemnify the Company, its Affiliates and/or the Trustee, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Participant. The Company, any of its Affiliates and the Trustee may, at the sole discretion of the Company without any obligation, make such provisions and take such steps as it/they may deem necessary or appropriate for the withholding of all taxes required by law to be withheld with respect to RSUs granted under the Plan, including, but not limited, to (i) deducting the amount so required to be withheld from any other amount then or thereafter payable to a Participant, including by deducting any such amount from a Participant's salary or other amounts payable to the Participant, to the maximum extent permitted under law and/or (ii) requiring a Participant to pay to the Company or any of its Affiliates the amount so required to be withheld as a condition of the issuance, delivery, distribution or release of any Shares and/or (iii) by causing the vesting and settlement of any RSUs or Shares held by or on behalf of the Participant to cover such liability up to the amount required to satisfy minimum statutory withholding requirements. Regardless of any action the Company or any Affiliate takes with respect to any or all tax or other compulsory payment withholding or deduction (including any social security contributions) obligations, the Participant acknowledges that the ultimate liability for all such taxes is and remains the Participant's responsibility, and that the Company does not: (i) make any representations or undertakings regarding the treatment of any tax withholding in connection with any aspect of the RSUs, including the grant or vesting thereof, the subsequent sale of Shares and the receipt of any dividends; or (ii) commit to structure the terms of the RSUs or any aspect of the RSUs to reduce or eliminate the Participant's liability for such tax.

9. Section 102 Undertakings.

(a) Subject to applicable law, 102 Awards may only be granted to an "employee" within the meaning of Section 102(a) of the Ordinance (which as of the date hereof means (i) individuals employed by an Israeli company being the Company or any of its Affiliates, and (ii) individuals who are serving and are engaged personally (and not through an entity) as "office holders" by such an Israeli company), but may not be granted to a Controlling Stockholder ("**Eligible 102 Participants**"). Eligible 102 Participants may receive only 102 Awards, which may either be granted to a Trustee or granted under Section 102 of the Ordinance without a Trustee.

(b) Each 102 Award will be deemed granted on the date determined by the Committee, subject to Section 8(c) provided that (i) the Participant has signed all documents required by the Company or pursuant to applicable law, and (ii) with respect to Approved 102 Awards, the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA, and if this Agreement is not signed and delivered by the Participant within 90 days from the date determined by the Committee (subject to Section 8(c)), then such Approved 102 Award shall be deemed granted on such later date as this Agreement is signed and delivered and on which the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in the Notice or in any corporate resolution or any agreement.

(c) Unless otherwise permitted by the Ordinance, any grants of Approved 102 Awards that are made on or after the date of the adoption of the Plan and Appendix or an amendment to the Plan and Appendix, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of the Plan and Appendix or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall be conditional upon the expiration of such 30-day period, such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into this Agreement and any agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in the Notice or in any corporate resolution or any agreement.

(d) Subject to the provisions of Section 102, the Participant shall not sell or release from trust any Share received upon the vesting of an Approved 102 Award and/or any Share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 and to the extent applicable, under any tax ruling obtained by the ITA in connection with the RSUs, shall apply to and shall be borne by such Participant.

(e) Subject to the Section 6 above, the Participant acknowledges that in the event that dividends or any Dividend Equivalents are distributed in respect of the Shares, during the Holding Period, such dividends and/or Dividend Equivalents (as applicable) shall be held or controlled by the Trustee for the benefit of the Participant and shall be subject to income tax pursuant to Section 102, the rules and regulations promulgated thereunder and the tax ruling obtained by the Israeli Tax Authority in connection with the RSUs.

(f) To the extent and with respect to Approved 102 Awards, the Participant acknowledges, undertakes and confirms that: (i) the Participant fully understands that Section 102 and the rules and regulations enacted thereunder apply to the RSUs, and (ii) the Participant understands the provisions of Section 102, the tax track chosen thereunder and the implications thereof. If applicable, the terms of such RSUs shall also be subject to the terms of the Trust Agreement made between the Company and the Trustee for the benefit of the Participant, and the Participant shall sign all documents requested by the Company or the Trustee, in accordance with and under the Trust Agreement. A copy of the Trust Agreement is available for the Participant's review, during normal working hours, at the Company's offices.

(g) Without derogating from the generality of the foregoing, to the extent and with respect to any RSUs that are Capital Gain Awards, and as required by Section 102, the Participant acknowledges, undertakes and confirms in writing the following (which shall be apply and relate to all Awards granted to the Participant, whether under the Plan and Appendix or other plans maintained by the Company, and whether prior to or after the date hereof, if any):

(i) The Participant shall comply with all terms and conditions set forth in Section 102 with regard to the "Capital Gain Track" and the applicable rules and regulations promulgated thereunder, as amended from time to time;

(ii) The Participant hereby acknowledges and confirms that he/she (1) fully understand that Section 102 and the rules and regulations enacted thereunder apply to the RSUs, and (2) is familiar with and understand the provisions of Section 102, the tax track chosen thereunder and the implications thereof, including without limitations the type of RSUs granted hereunder and the tax implications applicable to such grant.

(iii) The Participant accepts the provisions of the Trust Agreement signed between the Company and the Trustee, and the related forms, and agrees to be bound by its terms as such terms relate to the Participant. A copy of the Trust Agreement is available for the Participant's review, during normal working hours, at the Company's offices.

(h) The Participant hereby confirms that he/she shall execute any and all documents which the Company or the Trustee may reasonably determine to be necessary in order to comply with Section 102 or any other provisions of the Ordinance.

10. Non-Transferability of Award. The Participant understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Board, the Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution.

11. Other Agreements Superseded. The Grant Notice, this Israeli Award Agreement, the Plan and any Separate Agreement, if applicable, constitute the entire understanding between the Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

12. Limitation of Interest in Shares Subject to Restricted Stock Units. Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or this Israeli Award Agreement except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, the Grant Notice, this Israeli Award Agreement or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's (or any Affiliate's or Subsidiary's) right to terminate the Participant's employment or other service at any time for any reason or no reason, with or without Cause, and with or without advance notice.

13. No Liability of Company. The Company and any Affiliate or Subsidiary which is in existence or hereafter comes into existence shall not be liable to the Participant or any other person as to: (a) the non-issuance or sale of shares of Common Stock as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; and (b) any tax consequence expected, but not realized, by the Participant or other person due to the receipt or settlement of any Restricted Stock Units granted hereunder.

14. RESERVED

15. General.

(a) Governing Plan Document. The Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Award, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan.

(b) Governing Law. This Israeli Award Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to principles of conflicts of law. Any matters concerning Israeli tax shall be governed by Israeli law.

(c) Electronic Delivery. By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and its Affiliates or Subsidiaries, the Plan, the Award and the Common Stock via Company web site or other electronic delivery.

(d) Notices. Any notice required or permitted to be delivered under this Award Agreement shall be in writing (which shall include electronic transmission) and shall be deemed received (i) the business day following electronic verification of receipt if sent electronically, (ii) upon personal delivery to the party to whom the notice is directed, (iii) the business day following deposit with a reputable overnight courier (or the second business day following deposit in the case of an international delivery), or (iv) five days after deposit in the U.S. Mail, First Class with postage prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company. The recipient may acknowledge actual receipt at a time earlier than the deemed receipt set forth herein or by a means other than that set forth herein.

(e) Successors/Assigns. This Award Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(f) Severability. If one or more provisions of this Award Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Award Agreement, and the balance of the Award Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms. The parties agree to replace such illegal, void, invalid or unenforceable provision of this Award Agreement with a legal, valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such illegal, void, invalid or unenforceable provision.

**SOLAREEDGE TECHNOLOGIES, INC.
INSIDER TRADING POLICY
(revised and adopted by the Board of
Directors on February 17, 2026)**

Adopted by the Board of Directors, March 2015, amended and restated on March 14, 2023, and further amended and restated on February 17, 2026.

I. INTRODUCTION

Federal and state laws prohibit buying, selling, gifting, or making other transfers of securities by persons who have material information that is not generally known or available to the public. These laws also prohibit persons with such material nonpublic information from disclosing this information to others who trade. SolarEdge Technologies, Inc. (together with its subsidiaries, the “Company”) has adopted the following policy (this “Policy”) regarding trading in securities by Insiders (as defined below) who have Material Nonpublic Information (as defined below).

II. COVERED PARTIES

The persons covered by this Policy include the Company’s officers, directors, and all other employees of, or consultants or contractors to, the Company or its subsidiaries (together, “Company Personnel”), as well as their immediate families, other members of their households other than household employees, and any family members who do not live in their household but whose transactions in Company securities are directed by them or are subject to their influence or control (“Family Members”), as well as corporations or other business entities controlled or managed by them or their Family Members or other members of their household, and trusts for which they are a trustee or in which they have a beneficial or pecuniary interest (“Controlled Entities” and together with Company Personnel and Family Members, “Insider(s)”). You are responsible for seeing that you as well as your Family Members and Controlled Entities do not violate United States federal or state securities laws or this Policy. We designed this Policy to promote compliance with the federal securities laws and to protect the Company and you from the serious liabilities and penalties that can result from violations of these laws.

If you violate the insider trading laws, you may have to pay civil fines for up to three times the profit gained or loss avoided by such trading, as well as criminal fines. You may also have to serve a prison sentence of up to 20 years. In addition, the Company may face civil penalties as a result of your insider trading violations, as well as criminal fines.

The Securities and Exchange Commission (the “SEC”), The Nasdaq Global Select Market LLC (“Nasdaq”) and state regulators (as well as the Department of Justice) are very effective at detecting and pursuing insider trading cases. The SEC has successfully prosecuted cases against employees trading through foreign accounts, trading by family members and friends, and trading involving only a small number of shares. Therefore, it is important that you understand the breadth of activities that constitute illegal insider trading. This Policy sets out the Company’s policy in the area of insider trading and should be read carefully and complied with fully by all Insiders.

III. POLICIES AND PROCEDURES

A. “Material Nonpublic Information”

1. Material Information

Material information generally means information that a reasonable investor would consider important in making an investment decision to buy, hold or sell securities. Either positive or negative information may be material. Depending on the circumstances, common examples of information that may be material include:

- earnings, revenue, or similar financial information;
 - unexpected financial results;
 - unpublished financial reports or projections;
 - extraordinary borrowing or liquidity problems;
 - changes in control;
 - changes in directors, senior management or auditors;
 - information about current, proposed, or contemplated transactions, business plans, financial restructurings, acquisition targets or significant expansions or contractions of operations;
 - changes in dividend policies or the declaration of a stock split or the proposed or contemplated issuance, redemption, or repurchase of securities;
 - material defaults under agreements or actions by creditors, clients, or suppliers relating to a company’s credit rating;
 - information about major contracts;
 - significant new product developments or innovations;
 - delays in product shipments;
 - gain or loss of a significant customer or supplier;
 - purchase order information of major customers;
 - the establishment of a repurchase program for Company securities;
 - major product recall;
 - the interruption of production or other aspects of a company’s business as a result of an accident, fire, natural disaster, or breakdown of labor negotiations;
-

- significant actual or potential cybersecurity incidents or events or risks that affect the Company or third-party providers that support the Company's business operations, including computer system or network compromises, viruses or other destructive software, and data breach incidents that may disclose personal, business or other confidential information;
- major environmental incidents; and
- initiation of, or developments in, major litigation, investigations, or regulatory actions or proceedings.

United States federal and Nasdaq investigators will scrutinize a questionable trade after the fact with the benefit of hindsight, so you should always err on the side of deciding that the information is material and not trade. The mere fact that a person is aware of Material Nonpublic Information about the Company or its securities is a bar to trading. It is no excuse that such person's reasons for trading were not based on the Material Nonpublic Information. If you have questions regarding any specific transaction, please contact the Chief Legal Officer (or his or her designee).

2. Nonpublic information

Nonpublic information is information that is not generally known or available to the public. We consider information to be available to the public only when:

- it has been released to the public by the Company through appropriate channels (e.g., by means of a press release, a widely disseminated statement from a senior officer, or a filing with the SEC); and
- enough time has elapsed to permit the investment market to absorb and evaluate the information. As a general rule, for purposes of this Policy, you should consider information to be nonpublic until one full trading day has lapsed following public disclosure.

The fact that rumors, speculation, or statements attributed to unidentified sources are public is insufficient to be considered widely disseminated even when the information is accurate.

B. Trading Policy

1. Insider may not buy or sell a company's securities when an Insider is aware of Material Nonpublic Information about that company. This policy against "insider trading" applies to trading in Company securities, as well as to trading in the securities of other companies, such as the Company's customers and suppliers or a firm with which the Company is negotiating a major transaction, when Material Nonpublic Information about such other company is obtained as a result of your employment or relationship with the Company.
-

2. Insider may not convey Material Nonpublic Information about the Company or another company (when Material Nonpublic Information about such other company is obtained as a result of your employment or relationship with the Company) to others. Insider also may not suggest that anyone purchase or sell any company's securities while Insider is aware of Material Nonpublic Information about that company when Material Nonpublic Information about such other company is obtained as a result of your employment or relationship with the Company or otherwise in breach of duty of confidentiality. These practices, known as "tipping," also violate the U.S. securities laws and can result in the civil and criminal penalties that apply if Insider engages in insider trading directly, even if Insider does not receive any money or derive any benefit from trades made by persons to whom Insider passed Material Nonpublic Information about the Company or its securities.

This policy against "tipping" applies to information about the Company and its securities, as well as to information about other companies, such as the Company's customers and suppliers or a firm with which the Company is negotiating a major transaction, when an Insider obtains Material Nonpublic Information about such other company as a result of the Insider's employment or relationship with the Company. Persons with whom the Insider has a history, pattern or practice of sharing confidences—such as family members, close friends and financial and personal counselors—may be presumed to act on the basis of information known to the Insider; therefore, special care should be taken so that Material Nonpublic Information is not disclosed to such persons. This policy does not restrict legitimate business communications on a "need to know" basis. Material Nonpublic Information, however, should not be disclosed to persons outside the Company unless Company Personnel is specifically authorized to disclose such information and, if applicable and appropriate, the person receiving the information has agreed, in writing, to keep the information confidential.

3. From time to time, the Company may engage in transactions in its own securities. It is the Company's policy to comply with all applicable securities and state laws (including appropriate approvals by the Board of Directors or appropriate committee, if required) when engaging in transactions in Company securities (and/or to comply with terms of applicable equity plan agreements/plans/documents, as applicable).

The foregoing restrictions apply to all Insiders. There is no exception for small transactions or transactions that may seem necessary or justifiable for independent reasons, such as the need to raise money for an emergency expenditure. In light of these restrictions, if you expect a need to sell Company stock at a specific time in the future, you may wish to consider entering into a prearranged Rule 10b5-1 trading plan, as discussed below.

For purposes of this Policy, references to “trading” and “transactions” includes, among other things:

- purchases and sales of Company securities in public markets;
- sales of Company securities obtained through the vesting and settlement of restricted stock units or exercise of employee stock options granted by the Company;
- making gifts or charitable donations of Company securities; and
- using Company securities to secure a loan.

Conversely, references to “trading” and “transactions” do not include:

- the exercise of Company stock options into Company common stock if (1) no shares are to be sold to third parties or (2) there is only a “net exercise” (defined as Company withholding shares to satisfy your tax obligations or to cover the exercise price);
- the vesting of Company stock options or restricted stock units or other equity awards;
- the withholding of shares to satisfy a tax withholding obligation upon the vesting/ settlement of restricted stock, restricted stock units or other units for Company common stock; or
- the exchange of profits interests or other units into the Company’s common stock (without selling the common stock) or for cash.

This Policy does not apply to purchases of Company securities in the 2015 Employee Stock Purchase Plan (as the same may be amended and/or restated from time to time, “ESPP”) resulting from an Insider’s periodic or lump sum contribution of money to the ESPP pursuant to the election the Insider made at the time of your enrollment in the ESPP. This Policy does apply, however, to the Insider’s initial election to participate in the plan, and changes to the Insider’s election to participate in the plan for any enrollment period. In addition, if an Insider who is not a Section 16 Person (as defined below) wishes to sell Company securities purchased pursuant to the ESPP, any such election to sell must be made at a time when the Insider does not possess Material Nonpublic Information about the Company or its securities and, if applicable, subject to pre-clearance procedures and during an open Window Period (as defined below), as further discussed below. Insiders who are Section 16 Persons are not eligible to participate in the ESPP.

Finally, for purposes of this Policy, a sale of shares of common stock of the Company by the Insiders directed by the Company in its sole discretion, including those held by Restricted Persons (as defined below), in order to cover the Company’s or such Insider’s withholding tax obligations in accordance with the Company’s long-term incentive plan resulting, for example, from the vesting of restricted stock units under such plan or exercise of options shall not be considered “trading” or a “transaction” that is covered by this Policy. However, with respect to Restricted Persons, such sale during a closed Window Period (as defined below) shall be permitted, provided that (i) such Restricted Person confirms that he or she does not possess any Material Nonpublic Information and obtains pre-authorization from the Chief Legal Officer or his or her designee, and (ii) such sale occurs within three trading days of the relevant vesting or exercise date.

Insiders should consult the Office of the Chief Legal Officer if they have any questions.

C. Policy Regarding Speculative Transactions, Hedging, Pledging and Trading on Margin

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the Insiders engage in certain types of transactions. It therefore is the Company's policy that Section 16 Persons (as defined below) as well as their Family Members and their respective Controlled Entities may not engage in short-term trading as specified in sub-section 1 below and all Insiders, including Section 16 Persons as well as their Family Members and their respective Controlled Entities, may not engage in the transactions specified in sub-sections 2-4 below, or should otherwise consider the Company's preferences as described below:

1. Short-Term Trading

Short-term trading of Company Securities may unduly focus Company personnel on the Company's short-term stock market performance instead of the Company's long-term business objectives, and frequent trading in Company Securities can create an appearance of wrongdoing even if the decision to trade was based solely on public information such as stock price ranges and other market events. In addition, daily or frequent trading in any company's securities, which can be time-consuming and distracting, is strongly discouraged. Finally, Section 16 under the Securities Exchange Act of 1934, as amended requires disgorgement of profits for certain opposite-way transactions of Section 16 Persons. For all of these reasons, Section 16 Persons as well as their Family Members and their respective Controlled Entities may not sell any Company Securities of the same class during the six months following the purchase, and may not purchase any Company Securities of the same class during the six months following the sale, as applicable

2. Speculative Transactions

It is against Company policy for Insiders to engage in speculative transactions in Company securities. As such, it is against Company policy for Insiders to trade in puts or calls in Company securities, or sell Company securities short. Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and, therefore, signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance.

3. Hedging Transactions

Insiders are prohibited from hedging the Company's securities (including through the purchase of financial instruments, such as prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engaging in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's securities that Insiders hold directly or indirectly.

4. Pledging and Trading on Margin

Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan.

Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of Material Nonpublic Information about the Company or its securities or otherwise is not permitted to trade in Company securities, Insiders are prohibited from purchasing the Company securities on margin, or borrowing against any account in which the Company securities are held or otherwise pledging Company securities as collateral for a loan.

D. Unauthorized Disclosure

All Insiders must maintain the confidentiality of Company information for competitive, security and other business reasons, as well as to comply with securities laws. All information Insiders learn about the Company or its business plans is potentially nonpublic information until it is publicly disclosed. Insiders should treat this information as confidential and proprietary to the Company. Insiders may not disclose it to others, such as family members, other relatives, or business or social acquaintances.

Also, legal rules, such as Regulation FD ("Fair Disclosure") govern the timing and nature of our disclosure of material information to outsiders or the public. Violation of these rules could result in substantial liability for the Company Personnel, the Company and its management. For this reason, we permit only specifically designated representatives of the Company to discuss the Company with the news media, securities analysis, and investors. If you receive inquiries of this nature, refer them to the Chief Financial Officer or the Chief Legal Officer.

E. When and How to Trade Company Stock

1. Overview

The Board of Directors or its designated committee will review, at least annually, those individuals deemed to be "Designated Employees" for purposes of this Policy. Designated Employees shall include the Company's directors and officers, as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended ("Section 16 Officers," and together with directors, "Section 16 Persons") and such other persons as the Company's Chief Legal Officer deems to be Designated Employees as well as their Family Members and their respective Controlled Entities (together, "Designated Persons"). Generally, Designated Employees shall be any person who by virtue of his or her position is regularly in possession of Material Nonpublic Information about the Company and its securities. If you are a Designated Person, you shall be notified accordingly.

All Designated Persons are for purposes of this Policy required to comply with the restrictions set forth under Section III.E.2. below. In addition, directors, Section 16 Persons and certain other Insiders who are so designated from time to time (such directors, Section 16 Officers and designated Insiders as well as their respective Family Members and Controlled Entities, “Restricted Persons”) are for purposes of this Policy required to comply with both the restrictions set for the under Section III.E.2 (Window Periods) and III.E.3. (Pre-clearance), below.

2. Window Periods

Subject to the exception related to Rule 10b5-1 plans below, Designated Persons may only trade in Company securities from the date that is one full trading day after the Company’s earnings release to the end of business on the date that is two weeks prior to the end of each quarter (such period, the “Window Period”).

However, even if the Window Period is open, Designated Persons may not trade in Company securities if they are aware of Material Nonpublic Information about the Company or its securities. In addition, Restricted Persons who are subject to the Company’s pre-clearance policy (described below), must pre-clear transactions even if such transactions are initiated when the Window Period is open.

From time to time during the Window Period, the Company may close trading due to developments (such as a significant event or transaction) that involve Material Nonpublic Information. In such cases, the Chief Legal Officer (or his or her designee) may notify particular individuals that they should not engage in any transactions involving the purchase or sale of Company securities and should not disclose to others the fact that trading has been prohibited. Generally, all pending purchase and sale orders regarding Company securities that could be executed while the Window Period is open must be cancelled before it closes.

As mentioned above, in light of these restrictions, if you expect a need to sell Company stock at a specific time in the future, you may wish to consider entering into a prearranged Rule 10b5-1 trading plan, as discussed below.

3. Pre-clearance

The Company requires its Restricted Persons to contact the Chief Legal Officer (or the Chief Legal Officer’s designee) in advance of effecting any purchase, sale, gift, or other trading of Company securities, and to obtain prior approval of the transaction. All requests must be submitted to the Chief Legal Officer or his or her designee (or, in the case of the Chief Legal Officer, to the Chief Financial Officer) at least two business days in advance of the proposed transaction. The Chief Legal Officer or his or her designee will then determine whether the transaction may proceed. The pre-clearance policy applies to Restricted Persons even if they are initiating a transaction while the Window Period is open.

If a transaction is approved under the pre-clearance policy, the transaction must be executed by the end of the second full trading day after the approval is obtained and during an open Window Period but may not be executed if the Restricted Person acquires Material Nonpublic Information concerning the Company or its securities during that time. If a transaction is not completed within the period described above, the transaction must be approved again before it may be executed.

If a proposed transaction is not approved under the pre-clearance policy, the Restricted Person should refrain from initiating any transaction in Company stock and should not inform anyone within or outside of the Company of the restriction. Any transaction under a Rule 10b5-1 trading plan (discussed below) will not require pre-clearance at the time of the transaction but such Rule 10b5-1 trading plan is subject to the pre-clearance and other restrictions set forth below and Appendix A, "Guidelines for Rule 10b5-1 Trading Plans."

F. Rule 10b5-1 Trading Plans

Rule 10b5-1(c) under the Exchange Act provides a defense from insider trading liability if trades occur pursuant to a pre-arranged trading plan that meets specified conditions. It is possible to pre-arrange trades in Company securities by entering into a written trading plan. A plan (referred to here as "Rule 10b5-1 Trading Plan") must either specify the number of securities to be bought or sold, along with the price and the date, or provide a written formula for determining this information. Alternatively, a trading plan can delegate investment discretion to a third party, such as a broker, who then makes trading decisions without further input from the person implementing the plan. Because the SEC rules on trading plans are complex, you should consult with your broker and be sure you fully understand the limitations and conditions of the rules before you establish a trading plan. Under this Policy, the adoption, amendment or termination of a Rule 10b5-1 Trading Plan must meet the requirements set forth in Appendix A, "Guidelines for Rule 10b5-1 Trading Plans."

G. Noncompliance

Anyone who is subject to this Policy and fails to comply with this Policy will be subject to appropriate disciplinary action, up to and including termination of employment.

H. Certification

All Section 16 Persons will be required to certify their understanding of and intent to comply with this Policy periodically. All other Company Personnel will receive training and be made aware of the Insider Trading Policy on an annual basis.

I. Post-Termination Transactions

This Policy will continue to apply to your transactions in Company securities after and Insider's employment or service has terminated with the Company until such time as the former Insider is no longer aware of Material Nonpublic Information about the Company or its securities or until that information has been publicly disclosed or is no longer material. In addition, this Policy continues in effect for all Restricted Persons until the opening of the first Window Period after termination of employment or other relationship with the Company, except that, unless notified otherwise by the Company, the pre-clearance requirements set forth in Section III.E.3. (Window Periods) will not continue to apply to Restricted Persons.

Appendix A

Guidelines for Rule 10b5-1 Trading Plans

Rule 10b5-1 (“Rule 10b5-1”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides an affirmative defense from insider trading liability under Exchange Act Rule 10b-5. In order to be eligible to rely on this defense, Insiders must enter into a Rule 10b5-1 trading plan for transactions in Company securities that meets certain conditions specified in the rule (referred to in the Policy and in these guidelines, as a “Rule 10b5-1 Trading Plan”). *Capitalized terms used in these guidelines without definition have the meaning set forth in the Policy.*

These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. The Chief Legal Officer (or his or her designee) will interpret and administer these guidelines for compliance with Rule 10b5-1, the Policy and the requirements below. No personal legal or financial advice is being provided by the legal department regarding any Rule 10b5-1 Trading Plan or proposed trades. Insiders remain ultimately responsible for ensuring that their Rule 10b5-1 Trading Plans and contemplated transactions fully comply with applicable securities laws. It is recommended that Insiders consult with their own attorneys, brokers, or other advisors about any contemplated Rule 10b5-1 Trading Plan.

- 1. Pre-Clearance Requirement.** The Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Chief Legal Officer (or his or her designee) at least five trading days prior to the entry into the plan in accordance with the procedures set forth in the Insider Trading Policy and these guidelines. The Company may require that Insiders use a standardized form of Rule 10b5-1 trading plan.
- 2. Time of Adoption.** Subject to pre-clearance requirements described above, the Rule 10b5-1 Trading Plan must be adopted at a time:
 - When the Insider is not aware of any Material Nonpublic Information about the Company or its securities; and
 - The Window Period is open to the extent the Insider is subject to the Window Periods under the Policy.
- 3. Plan Instructions.** Any Rule 10b5-1 Trading Plan adopted by any Insider must be in writing, signed, and either:
 - specify the amount, price and date of the sales (or purchases) of Company securities to be effected;
 - provide a formula, algorithm or computer program for determining when to sell (or purchase) the Company’s securities, the quantity to sell (or purchase) and the price; or
 - delegate decision-making authority with regard to these transactions to a broker or other agent without any Material Nonpublic Information about the Company or its securities.

For the avoidance of doubt, Insiders may not subsequently influence how, when, or whether to effect purchases or sales with respect to the securities subject to an approved and adopted Rule 10b5-1 Trading Plan.

4. **No Hedging.** Insiders may not have entered into or altered a corresponding or hedging transaction or position with respect to the securities subject to the Rule 10b5-1 Trading Plan and must agree not to enter into any such transaction while the Rule 10b5-1 Trading Plan is in effect.
 5. **Good Faith Requirements.** Insiders must enter into the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. Insiders must act in good faith with respect to the Rule 10b5-1 Trading Plan for the entirety of its duration.
 6. **Certifications for Section 16 Persons.** Section 16 Persons and their Family Members and Controlled Entities that enter into Rule 10b5-1 Trading Plans must certify that they are: (1) not aware of any Material Nonpublic Information about the Company or the Company securities; and (2) adopting the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act.
 7. **Cooling Off Periods.** The first trade under the Rule 10b5-1 Trading Plan may not occur until the expiration of a cooling-off period as follows:
 - For Section 16 Persons (as well as their Family Members and Controlled Entities), the later of (1) two business days following the filing of the Form 10-Q or Form 10-K for the completed fiscal quarter in which the Rule 10b5-1 Trading Plan was adopted and (2) 90 calendar days after adoption of the Rule 10b5-1 Trading Plan; provided, however, that the required cooling-off period shall in no event exceed 120 days.
 - For other Insiders, 30 days after adoption of the Rule 10b5-1 Trading Plan.
 8. **No Overlapping Rule 10b5-1 Trading Plans.** An Insider may not enter into overlapping Rule 10b5-1 Trading Plans (subject to certain exceptions). Please consult the Chief Legal Officer (or his or her designee) with any questions regarding overlapping Rule 10b5-1 Trading Plans.
 9. **Single Transaction Plans.** An Insider may not enter into more than one Rule 10b5-1 Trading Plan designed to effect the open-market purchase or sale of the total amount of securities as a single transaction during any rolling 12-month period (subject to certain exceptions). A single-transaction plan is “designed to effect” the purchase or sale of securities as a single transaction when the terms of the plan would, for practical purposes, directly or indirectly require execution in a single transaction.
-

- 10. Modifications and Terminations.** Modifications/amendments and terminations of an existing Rule 10b5-1 Trading Plan are strongly discouraged due to legal risks, and can affect the validity of trades that have taken place under the plan prior to such modification/amendment or termination. Under Rule 10b5-1 and these guidelines, any modification/amendment to the amount, price, or timing of the purchase or sale of the securities underlying the Rule 10b5-1 Trading Plan will be deemed to be a termination of the current Rule 10b5-1 Trading Plan and creation of a new Rule 10b5-1 Trading Plan. If an Insider is considering administrative changes to a Rule 10b5-1 Trading Plan, such as changing the account information, the Insider should consult with the Chief Legal Officer (or his or her designee) to in advance to confirm that any such change does not constitute an effective termination of the plan.

As such, the modification/amendment of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Chief Legal Officer (or his or her designee) in accordance with pre-clearance procedures set forth in the Policy and these guidelines, and will be subject to all the other requirements set forth in Sections 2 -9 of these guidelines regarding the adoption of a new Rule 10b5-1 Trading Plan.

The termination (other than through an amendment or modification) of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Chief Legal Officer (or his or her designee) in accordance with pre-clearance procedures set forth in the Policy and these guidelines. The Chief Legal Officer (or his or her designee) will not approve the termination of a Rule 10b5-1 Trading Plan unless:

- The Insider is not aware of any Material Nonpublic Information about the Company and its securities; and
- The Window Period is open to the extent the Insider is subject to the Window Periods under the Policy.

Adopted by the Board of Directors: February 17, 2026

ACKNOWLEDGEMENT AND CERTIFICATION

I certify that:

I have read and understand the Company's Insider Trading Policy (the "Policy").

I understand that the Chief Legal Officer is available to answer any questions I have regarding the Policy.

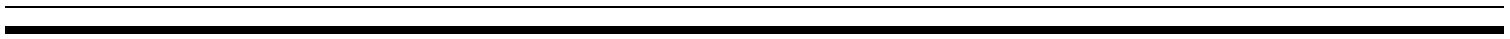
Since March 2015, or such shorter period of time that I have been with the Company, I have complied with the Policy (as has been amended from time to time).

I will continue to comply with the Policy for as long as I am subject to the Policy

Signature

Date: _____

Name (Please Print)



LIST OF SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of organization
SolarEdge Technologies Ltd.	Israel
SolarEdge Manufacturing Ltd.	Israel
SolarEdge Technologies GmbH	Germany
SolarEdge Technologies (China) Co., Ltd.	China
SolarEdge Technologies (Australia) Pty Ltd.	Australia
SolarEdge Technologies (Canada) Ltd.	Canada
SolarEdge Technologies (Holland) B.V.	The Netherlands
SolarEdge Technologies (Japan) Co., Ltd.	Japan
SolarEdge Technologies (France) SARL.	France
SolarEdge Technologies (UK) Ltd.	United Kingdom
SolarEdge Technologies Italy S.r.l	Italy
SolarEdge Technologies (Bulgaria) Ltd.	Bulgaria
Guangzhou SolarEdge Machinery Technical Consulting Co. Ltd.	China
SOLAREEDGE TEKNOLOJİ A.Ş.	Turkey
SolarEdge Technologies (Belgium) SPRL	Belgium
SolarEdge Technologies SRL.	Romania
SolarEdge Technologies (India) Private Limited	India
SolarEdge Technologies Taiwan Co., Ltd.	Taiwan
SolarEdge Technologies Korea Co., Ltd.	South Korea
SolarEdge Critical Power U.K. Limited	United Kingdom
Solaredge Do Brasil Comércio De Equipamentos Fotovoltaicos E Serviços De Marketing E Apoio Ao Cliente Ltda	Brazil
SolarEdge Technologies (Vietnam) Company Limited	Vietnam
SolarEdge Technologies (Hungary) Kft.	Hungary
SolarEdge Technologies (Poland) Sp. z o.o	Poland
SolarGik, Ltd.	Israel
SolarEdge Technologies Mexico S.DE R.L. DE C.V.	Mexico
SolarEdge Consulting Inc.	USA
SolarEdge Technologies Holding Inc.	USA
SolarEdge Technologies (Switzerland) GmbH	Switzerland
SolarEdge Technologies (Spain) Sociedad Limitada	Spain
Fonto Power Ltd.	Israel
SolarEdge Manufacturing Inc.	USA
Hark Systems Ltd.	United Kingdom
Wevo Energy Ltd.	Israel
Wevo Energy Inc.	USA
Wevo Energy UK Ltd.	United Kingdom
SolarEdge Technologies (Thailand) Ltd.	Thailand



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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements:

1. Registration Statement (Form S-3. No. 333-262892) of SolarEdge Technologies Inc.
2. Registration Statements (Form S-8. No. 333-285185, Form S-8. No. 333- 262891 and 333-203193) pertaining to the Amended and Restated 2015 Global Incentive Plan and 2015 Employee Stock Purchase Plan of SolarEdge Technologies Inc.

of our reports dated February 25, 2026, with respect to the consolidated financial statements of SolarEdge Technologies Inc., and the effectiveness of internal control over financial reporting of SolarEdge Technologies Inc. included in this amendment No.1 to the Annual Report (Form 10-K/A) of SolarEdge Technologies Inc. for the year ended December 31, 2025.

/s/ Kost Forer Gabbay & Kasierer
A Member of EY Global

Tel-Aviv, Israel

March 23, 2026

I, Shuki Nir, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of SolarEdge Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 23, 2026

/s/Shuki Nir
Chief Executive Officer
(Principal Executive Officer)

I, Asaf Alperovitz, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of SolarEdge Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 23, 2026

/s/ Asaf Alperovitz
Asaf Alperovitz
Chief Financial Officer
(Principal Financial Officer)

Certification of the Chief Executive Officer

Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Executive Officer of SolarEdge Technologies, Inc. (the “Company”), hereby certify, based on my knowledge, that the Annual Report on Form 10-K/A of the Company for the year ended December 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

Date: March 23, 2026

/s/Shuki Nir
Shuki Nir
Chief Executive Officer
(*Principal Executive Officer*)

Certification of the Chief Financial Officer

Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of SolarEdge Technologies, Inc. (the “Company”), hereby certify, based on my knowledge, that the Annual Report on Form 10-K/A of the Company for the year ended December 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

Date: March 23, 2026

/s/Asaf Alperovitz
Asaf Alperovitz
Chief Financial Officer
(Principal Financial Officer)

SolarEdge Technologies, Inc.
RULE 10D-1 CLAWBACK POLICY
(Effective Date: October 2, 2023)

Purpose

The purpose of this policy (this “Policy”), effective as of the Effective Date stated above, is to permit SolarEdge Technologies, Inc. (“SolarEdge” or the “Company”), in the event that SolarEdge is required to prepare an accounting restatement of SolarEdge’s financial statements due to material non-compliance with any financial reporting requirement under U.S. federal securities laws, to recover the amount of any incentive compensation received by a covered executive during the clawback period that is in excess of the amount that otherwise would have been received had it been determined based on the restated financial statements.

This Policy is intended to comply with and, as applicable, to be administered and interpreted consistent with, Listing Rule 5608 of the Nasdaq Stock Market LLC Rules, as adopted by Nasdaq to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended (collectively, “Rule 10D-1”).

Policy Administration and Definitions

This Policy is administered by the Board of Directors of the Company (the “Board”).
For purposes of this Policy:

“**Incentive-Based Compensation**” means any compensation granted, earned or vested based in whole or in part on the Company’s attainment of a Financial Reporting Measure that was Received by a person (i) on or after the Effective Date and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation.

A “**Financial Reporting Measure**” is (i) any measure that is determined and presented in accordance with the accounting principles used in preparing SolarEdge’s financial statements and any measure derived wholly or in part from such a measure, and (ii) any measure based in whole or in part on SolarEdge’s stock price or total shareholder return. Incentive-Based Compensation includes cash compensation and any equity awards to the extent based in whole or in part on such attainment.

Incentive-Based Compensation is deemed to be “Received” in the fiscal period during which the relevant Financial Reporting Measure is attained, regardless of when the compensation is actually paid or awarded.

“Covered Executive” means any officer of SolarEdge as defined under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.

“**Clawback Period**” means the three completed fiscal years immediately preceding the date that SolarEdge is required to prepare the accounting restatement described in this Policy and any “transition period” as prescribed under Rule 10D-1.

Determinations by the Board; Binding Effect

If the Board determines that the amount of Incentive-Based Compensation that is Received by a Covered Executive during the Clawback Period exceeds the amount that would have been Received if determined or calculated based on SolarEdge’s restated financial results, such excess amount of Incentive-Based Compensation will be subject to mandatory recoupment by the Company pursuant to this Policy.

For Incentive-Based Compensation based on stock price or total shareholder return, the Board will determine the amount based on a reasonable estimate of the effect of the accounting restatement on the relevant stock price or total shareholder return.

In all cases, the calculation of the excess amount of Incentive-Based Compensation to be recovered will be determined on a pre-tax basis. The Company will not indemnify any Covered Executive against any loss pursuant to this Policy, nor will the Company pay or agree to pay any insurance premium to cover any loss hereunder.

Any determinations made by the Board under this Policy shall be final, binding and conclusive on all affected individuals.

Methods of Clawback

The Company may implement a clawback pursuant to this Policy in any manner consistent with applicable law, including by requiring payment of such amount(s) to the Company, by set-off, by reducing future compensation, or by such other means or combination of means as the Board determines to be appropriate.

The Company need not recover the excess amount of Incentive-Based Compensation if and to the extent that the Board determines that such clawback is impracticable and not required under Rule 10D-1, including if the Board determines that the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered after making a reasonable attempt to recover such amounts.

The Company is authorized to take appropriate steps to implement this Policy with respect to Incentive-Based Compensation arrangements with Covered Executives.

Not Exclusive; No impairment of other remedies.

Any recoupment under this policy is in addition to any other remedies that may be available to the Company, including, without limitation, pursuant to the terms of any Company plan or policy or any agreement with the Covered Executive, disciplinary action up to and including termination, or any other legal remedies available to the Company. No recovery of compensation under this Policy will be an event giving rise to a right to resign for “good reason” or be deemed a “constructive termination” (or any similar term) as such terms are used in any agreement between any Covered Executive and the Company.

For the avoidance of doubt, this Policy shall be applied and interpreted independently of any other applicable forfeiture, clawback or recoupment policies or provisions in plans or agreements entered into or maintained by the Company. This Policy is also in addition to, and is not a substitute for, the requirements of Section 304 of the Sarbanes-Oxley Act of 2002.
