

Navitas Petroleum, Limited Partnership

Consolidated Interim Financial Statements as of March 31, 2026

In USD thousand

Unaudited

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Independent Auditors' Review Report to the Partners of Navitas Petroleum - Limited Partnership

Introduction

We have reviewed the accompanying financial information of Navitas Petroleum - Limited Partnership (hereinafter - the "**Partnership**") and its consolidated companies, which includes the condensed consolidated statement of financial position as of March 31 2026, and the condensed consolidated statements of comprehensive income, changes in the Partnership's equity and cash flows for the three-month period then ended. The board of directors and management of the General Partner are responsible for the preparation and presentation of financial information for this interim period in accordance with IAS 34, "Interim Financial Reporting", and are also responsible for the preparation of financial information for this interim period in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express an opinion on the financial information for this interim period based on our review.

Scope of the Review

We performed our review pursuant to Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of inquiries, mostly of persons responsible for financial and accounting issues, and of applying analytical and other review procedures. A review is substantially smaller in scope than an audit performed pursuant to generally accepted auditing standards in Israel and, as a result, does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Consequently, we are not expressing an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the abovementioned financial information is not prepared, in all material respects, in accordance with IAS 34.

Additionally, based on our review, nothing has come to our attention that causes us to believe that this financial information is not prepared, in all material respects, in accordance with the disclosure provisions of Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv,
May 19, 2026

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Consolidated Statements of Financial Position

	As of March 31		As of
	2026	2025	December 31
	Unaudited		Audited
	USD thousand		
<u>Current assets</u>			
Cash and cash equivalents	811,834	183,780	591,906
Short-term investments	42,781	47,411	53,377
Trade receivables	114,701	8,007	84,917
Receivables and debit balances	12,285	4,001	24,253
Financial derivatives	26,770	1,878	68,097
	<u>1,008,371</u>	<u>245,077</u>	<u>822,550</u>
<u>Non-current assets</u>			
Investments in oil and gas assets, net	2,005,058	1,522,144	1,946,098
Restricted amounts	601	12,654	1,680
Long-term investments	66,891	-	-
Deferred debt raising costs	48,564	9,775	45,663
Financial derivatives	14,289	705	727
Deferred taxes	187,276	-	183,000
Right-of-use assets	7,176	2,505	3,498
Property, plant, and equipment, net	499	342	384
	<u>2,330,354</u>	<u>1,548,125</u>	<u>2,181,050</u>
	<u><u>3,338,725</u></u>	<u><u>1,793,202</u></u>	<u><u>3,003,600</u></u>

Consolidated Statements of Financial Position (cont.)

	As of March 31		As of
	2026	2025	December 31
	Unaudited		2025
	USD thousand		Audited
<u>Current liabilities</u>			
Current maturity of long-term loans from banking corporations and financial institutions, net	170,931	80,491	189,869
Current maturity of debentures, net	23,354	14,717	105,078
Trade payables	22,719	5,115	19,231
Payables and credit balances	113,343	32,697	190,596
Taxes payable	29,319	1,277	7,451
Interest payable for debentures and long-term loans	34,570	20,072	9,164
Financial derivatives	1,564	-	-
Dividend payable	147,820	-	-
Current maturity of lease liabilities	1,567	1,308	997
	<u>545,187</u>	<u>155,677</u>	<u>522,386</u>
<u>Non-current liabilities</u>			
Long-term loans from banking corporations and financial institutions, net	1,142,355	458,786	345,590
Debentures, net	766,555	594,046	979,033
Financial derivatives	48,668	-	-
Provision for an obligation to decommission oil and gas assets	45,994	28,605	45,376
Deferred taxes	38,185	16,536	41,619
Lease liabilities	6,010	1,630	2,983
Other liabilities	1,532	30,968	9,268
	<u>2,049,299</u>	<u>1,130,571</u>	<u>1,423,869</u>
<u>Partnership's equity capital</u>			
Capital of participation units	781,644	407,839	767,868
Conversion component of debentures	1,363	3,117	2,321
Reserve for share-based payment	15,415	11,538	14,500
Reserve for transactions with a controlling shareholder	8,004	8,004	8,004
Reserve for hedging transactions	(65,062)	(1,589)	4,985
Capital reserve for transactions with non-controlling interests	(19,200)	-	-
Options	16,803	-	16,805
Retained earnings (loss)	5,272	(4,618)	152,071
	<u>744,239</u>	<u>424,291</u>	<u>966,554</u>
<u>Non-controlling interests</u>	<u>-</u>	<u>82,663</u>	<u>90,791</u>
<u>Total equity</u>	<u>744,239</u>	<u>506,954</u>	<u>1,057,345</u>
	<u>3,338,725</u>	<u>1,793,202</u>	<u>3,003,600</u>

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

May 19, 2026			
Approval date of the financial statements	Gideon Tadmor Chairman of the Board FLR Oil and Gas Management Ltd. The General Partner	Amit Kornhauser CEO and Director FLR Oil and Gas Management Ltd. The General Partner	Tamar Rosenberg CFO FLR Oil and Gas Management Ltd. The General Partner

Consolidated Statements of Comprehensive Income

	For the 3 months ended March 31		For the year ended
	2026	2025	December 31
	Unaudited		Audited
	USD thousand (excluding net earnings per participation unit)		
Revenues from oil and gas sales, net of royalties	237,970	17,648	365,203
Cost of oil and gas production	(40,545)	(8,071)	(84,456)
Depreciation and depletion expenses	(53,600)	(2,982)	(90,685)
Gross profit	143,825	6,595	190,062
Expenses for oil and gas exploration and project development	(1,237)	(461)	(3,731)
General and administrative expenses	(9,961)	(4,705)	(19,965)
Other expenses, net	(623)	(99)	(2,886)
Operating profit	132,004	1,330	163,480
Finance income	7,654	2,262	16,480
Finance expenses	(98,055)	(1,159)	(66,327)
Revenues (expenses) from exchange rate differences, net	(10,465)	11,548	(89,508)
Profit before taxes on income	31,138	13,981	24,125
Tax benefit (taxes on income)	(27,297)	(194)	154,479
Net profit	3,841	13,787	178,604
Other comprehensive income (loss) (net of tax effect):			
<u>Amounts classified or reclassified to profit or loss under specific conditions:</u>			
Gain (loss) from cash flow hedges	(80,629)	(698)	4,187
Transfer to profit or loss for cash flow hedges	10,582	685	2,374
Total other comprehensive income (loss)	(70,047)	(13)	6,561
Total comprehensive income (loss)	(66,206)	13,774	185,165
Net profit attributable to:			
Owners of the Partnership's participation units	3,201	11,117	167,806
Non-controlling interests	640	2,670	10,798
	3,841	13,787	178,604
Total comprehensive income (loss) attributable to:			
Owners of the Partnership's participation units	(66,846)	11,104	174,367
Non-controlling interests	640	2,670	10,798
	(66,206)	13,774	185,165
<u>Net profit per participation unit (in USD):</u>			
Basic earnings	0.027	0.110	1.569
Diluted earnings	0.026	0.108	1.455

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Equity of the Partnership

Partnership's equity capital	Attributable to owners of the Partnership's participation units										
	Options	Conversion component of debentures	Capital reserve for transactions with non-controlling interests	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Reserve for hedging transactions	Retained earnings	Total	Non-controlling interests	Total equity	
	Unaudited										
USD thousand											
Balance as of January 1, 2026 (audited)	767,868	16,805	2,321	-	8,004	14,500	4,985	152,071	966,554	90,791	1,057,345
Net profit	-	-	-	-	-	-	-	3,201	3,201	640	3,841
Other comprehensive loss	-	-	-	-	-	-	(70,047)	-	(70,047)	-	(70,047)
Total comprehensive income (loss)	-	-	-	-	-	-	(70,047)	3,201	(66,846)	640	(66,206)
Share-based payment	-	-	-	-	-	2,007	-	-	2,007	-	2,007
Deferred taxes for share-based payment	-	-	-	-	-	241	-	-	241	-	241
Redemption of preferred shares	-	-	-	(19,200)	-	-	-	-	(19,200)	(91,431)	(110,631)
Profit distribution	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Issuance of participation units from exercise of marketable options	16	(2)	-	-	-	-	-	-	14	-	14
Issue of participation units from vesting of RSUs	1,323	-	-	-	-	(1,323)	-	-	-	-	-
Exercise of non-marketable options awarded to employees	49	-	-	-	-	(10)	-	-	39	-	39
Conversion of debentures into participation units	12,388	-	(958)	-	-	-	-	-	11,430	-	11,430
Balance as of March 31, 2026	781,644	16,803	1,363	(19,200)	8,004	15,415	(65,062)	5,272	744,239	-	744,239

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Equity of the Partnership (cont.)

	Attributable to owners of the Partnership's participation units								Non-controlling interests	Total equity
	Partnership's equity capital	Options	Conversion component of debentures	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Reserve for hedging transactions	Retained loss	Total		
	Unaudited									
	USD thousand									
<u>Balance as of January 1, 2025</u> (audited)	379,158	3,135	3,156	8,004	11,721	(1,576)	(15,735)	387,863	79,993	467,856
Net profit	-	-	-	-	-	-	11,117	11,117	2,670	13,787
Other comprehensive loss	-	-	-	-	-	(13)	-	(13)	-	(13)
Total comprehensive income (loss)	-	-	-	-	-	(13)	11,117	11,104	2,670	13,774
Share-based payment	-	-	-	-	699	-	-	699	-	699
Deferred taxes for share-based payment	-	-	-	-	121	-	-	121	-	121
Issuance of participation units from exercise of marketable options	25,757	(3,135)	-	-	-	-	-	22,622	-	22,622
Issue of participation units from vesting of RSUs	681	-	-	-	(681)	-	-	-	-	-
Exercise of non-marketable options awarded to employees	1,470	-	-	-	(322)	-	-	1,148	-	1,148
Conversion of debentures into participation units	773	-	(39)	-	-	-	-	734	-	734
<u>Balance as of March 31, 2025</u>	<u>407,839</u>	<u>-</u>	<u>3,117</u>	<u>8,004</u>	<u>11,538</u>	<u>(1,589)</u>	<u>(4,618)</u>	<u>424,291</u>	<u>82,663</u>	<u>506,954</u>

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Equity of the Partnership (cont.)

	Attributable to owners of the Partnership's participation units							Non-controlling interests	Total equity	
	Partnership's equity capital	Options	Conversion component of debentures	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Reserve for hedging transactions	Retained earnings (loss)			Total
	Audited									
	USD thousand									
<u>Balance as of January 1, 2025</u>	<u>379,158</u>	<u>3,135</u>	<u>3,156</u>	<u>8,004</u>	<u>11,721</u>	<u>(1,576)</u>	<u>(15,735)</u>	<u>387,863</u>	<u>79,993</u>	<u>467,856</u>
Net profit	-	-	-	-	-	-	167,806	167,806	10,798	178,604
Other comprehensive income	-	-	-	-	-	6,561	-	6,561	-	6,561
Total comprehensive income	-	-	-	-	-	6,561	167,806	174,367	10,798	185,165
Issuance of participation units and options, net	346,529	16,805	-	-	-	-	-	363,334	-	363,334
Share-based payment	-	-	-	-	5,026	-	-	5,026	-	5,026
Deferred taxes for share-based payment	-	-	-	-	591	-	-	591	-	591
Issuance of participation units from exercise of marketable options	25,757	(3,135)	-	-	-	-	-	22,622	-	22,622
Issue of participation units from vesting of RSUs	2,505	-	-	-	(2,505)	-	-	-	-	-
Exercise of non-marketable options awarded to employees	1,505	-	-	-	(333)	-	-	1,172	-	1,172
Conversion of debentures into participation units	12,414	-	(835)	-	-	-	-	11,579	-	11,579
<u>Balance as of December 31, 2025</u>	<u>767,868</u>	<u>16,805</u>	<u>2,321</u>	<u>8,004</u>	<u>14,500</u>	<u>4,985</u>	<u>152,071</u>	<u>966,554</u>	<u>90,791</u>	<u>1,057,345</u>

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Cash Flows

	For the 3 months ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	USD thousand		
<u>Cash flows from operating activities</u>			
Net profit	3,841	13,787	178,604
Adjustments to reconcile cash flows from operating activities:			
Adjustments to profit and loss line items:			
Depletion, depreciation and amortization	53,826	3,145	91,380
Impairment of oil and gas assets	-	-	6,522
Share-based payment	2,007	699	5,026
Deferred taxes, net	6,562	145	(158,891)
Finance expenses (income), net	83,105	(13,248)	140,442
Exchange rate differences for cash balances, net	1,376	(285)	(11,146)
	<u>146,876</u>	<u>(9,544)</u>	<u>73,333</u>
Changes in assets and liabilities line items:			
Decrease (increase) in trade receivables	(29,784)	1,933	(74,977)
Decrease (increase) in receivables and debit balances	9,410	973	(17,920)
Cash flow hedges	(44,802)	(1,073)	(6,446)
Increase (decrease) in trade payables and other payables	34,441	(5,045)	44,189
	<u>(30,735)</u>	<u>(3,212)</u>	<u>(55,154)</u>
Interest received	7,238	2,196	14,868
Interest paid	(24,320)	(21)	(45,476)
Taxes paid	(7,110)	(1,699)	(7,234)
Net cash provided by operating activities	<u>95,790</u>	<u>1,507</u>	<u>158,941</u>
<u>Cash flows from investing activities</u>			
Investment in oil and gas assets	(144,588)	(116,153)	(505,499)
Interest paid and capitalized to oil and gas assets, net	(7,731)	(12,463)	(68,394)
Movements in restricted amounts	33,756	20,652	3,570
Movements in deposits, net	4,610	(19,235)	5,427
Investments in marketable securities	(93,493)	-	-
Purchase of property, plant and equipment, net	(148)	(55)	(196)
Net cash used for investing activities	<u>(207,594)</u>	<u>(127,254)</u>	<u>(565,092)</u>

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Cash Flows (cont.)

	For the 3 months ended March 31		For the year ended December 31
	2026	2025	2025
	Unaudited		Audited
	USD thousand		
<u>Cash flow from financing activities</u>			
Receipt of loans from banks and a financial institution	1,310,858	65,105	147,038
Repayment of loans from banks and a financial institution	(560,718)	-	(96,025)
Repayment of lease liabilities	(442)	(304)	(1,425)
Issue of debentures	105,663	110,163	479,390
Costs of raising loans and debentures	(4,448)	(8,313)	(48,024)
Repayment of debentures	(407,227)	-	-
Exercise of non-marketable options awarded to employees into participation units	39	1,148	1,172
Exercise of marketable options into participation units	14	22,956	22,956
Issuance of participation units and options	-	-	368,366
Costs of raising capital and exercise of options	-	(342)	(5,366)
Repayment of preferred shares to non-controlling interests	(110,631)	-	-
Net cash from financing activities	<u>333,108</u>	<u>190,413</u>	<u>868,082</u>
Effect of changes in exchange rates on cash balances held in foreign currency	<u>(1,376)</u>	<u>285</u>	<u>11,146</u>
<u>Increase in cash and cash equivalents</u>	<u>219,928</u>	<u>64,951</u>	<u>473,077</u>
<u>Balance of cash and cash equivalents at the beginning of the period</u>	<u>591,906</u>	<u>118,829</u>	<u>118,829</u>
<u>Balance of cash and cash equivalents at the end of the period</u>	<u>811,834</u>	<u>183,780</u>	<u>591,906</u>
<u>Significant non-cash activities</u>			
Investment in oil and gas assets against trade payables and other payables (including capitalized interest expenses)	<u>41,420</u>	<u>43,734</u>	<u>118,803</u>
Dividend payable	<u>150,000</u>	<u>-</u>	<u>-</u>
Conversion of debentures into participation units	<u>11,430</u>	<u>734</u>	<u>11,579</u>
Decrease in other receivables against restricted amounts	<u>-</u>	<u>11,183</u>	<u>-</u>

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Notes to the Consolidated Interim Financial Statements

NOTE 1 - GENERAL

- A. These financial statements have been prepared in condensed format as of March 31, 2026 and for the three-month period then ended (hereinafter - the “**Consolidated Interim Financial Statements**”). The financial statements should be read in the context of the Partnership’s annual financial statements as of December 31, 2025 for the year then ended, and their accompanying notes (hereinafter - the “**Consolidated Annual Financial Statements**”).
- B. Navitas Petroleum - Limited Partnership (hereinafter - the “**Partnership**”) was established under a limited partnership agreement signed on August 30, 2015, amended from time to time. The Partnership was registered on September 8, 2015 under the Partnership Ordinance, 1975. The purpose of the Partnership is oil and gas exploration, development, and production.
- C. Further to that which is stated in Note 1D to the Consolidated Annual Financial Statements, on February 28, 2026, a combined offensive - named Operation Lion's Roar - was launched by the State of Israel and the US against Iranian regime targets. These events have led, among other things, to an increase in the volatility of oil and gas prices in international markets. The Partnership's activity is carried out mostly outside Israel and therefore there is no significant direct impact on the Partnership's operational activities. The increase in oil prices in the said period contributed to an improvement in the oil price environment and may positively affect the Partnership's revenues, cash flows and financial results, on the back of market trends. On the other hand, there has been a weakening of the USD-NIS exchange rate. The Partnership has currency exposure arising mainly from NIS-denominated debts. Therefore, the weakening of the USD exchange rate, as stated, adversely affects the Partnership’s finance expenses and financial results. See also Note 3B below.

As of the approval date of the Financial Statements, the Partnership is unable to assess the scope of the possible ramifications of these events on its operations and financial results.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Preparation format of the Interim Financial Statements

The Interim Financial Statements have been prepared in accordance with IAS 34, “Interim Financial Reporting”, as well as in accordance with the disclosure provisions outlined in Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970.

The accounting policies applied in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Consolidated Annual Financial Statements.

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Notes to the Consolidated Interim Financial Statements

NOTE 3 - INVESTMENTS IN OIL AND GAS ASSETS

A. Composition

	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	USD thousand		
<u>Oil and gas assets</u>			
Shenandoah project	1,395,746	1,210,271	1,427,214
Sea Lion project	191,145	-	142,663
Sea Lion Project (loans to RKH)	78,148	-	67,744
Buckskin project	93,670	85,048	91,510
Monument Project	121,173	40,503	94,757
Denbury project	88,135	93,560	88,271
Neches Project	21,868	18,154	21,974
Shenandoah South Project	4,138	2,005	4,064
	<u>1,994,023</u>	<u>1,449,541</u>	<u>1,938,197</u>
<u>Exploration and evaluation assets</u>			
Sea Lion project	-	43,184	-
Sea Lion Project (loans to RKH)	-	24,264	-
Other	11,035	5,155	7,901
	<u>11,035</u>	<u>72,603</u>	<u>7,901</u>
	<u>2,005,058</u>	<u>1,522,144</u>	<u>1,946,098</u>

B. Sea Lion project

Following the March 2026 war with Iran and its subsequent impacts, the Partnership chose to relocate the FPSO upgrade and modification works scheduled for the project's first phase, transferring them to a Southeast Asian shipyard rather than proceeding with the original Middle East plans. Following the change, an estimated total of approx. USD 45 million (100%) was added to the project budget. Therefore, the total equity to be made available for the project by the Partnership is approx. USD 773 million (including the loan component to Rockhopper Exploration (Hydrocarbons) Ltd., the partner to the project), to be funded by its existing sources until the first withdrawal date, which is expected at the end of the first quarter of 2027.

Construction work is progressing as planned and first oil from the project is expected in March 2028.

As part of the development of the project, Navitas Petroleum Development and Production Ltd. entered into binding agreements with major suppliers and contractors which include, inter alia, agreements with two marketing companies to market the oil barrels produced by the project.

C. Buckskin project

Further to Note 7D(3) to the Consolidated Annual Financial Statements, the completion of the fifth development drilling in the northern reservoir was successfully completed in January 2026. Production from this drilling is due to begin in the upcoming weeks.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. Monument Project

Further to Note 7D(4) to the Consolidated Annual Financial Statements, following the statement of financial position date, during April 2026, the project operator - Beacon Offshore Energy Production LLC - launched the first development and production drill in the project. First oil from this drilling is expected by the end of 2026. For details regarding the Project Financing Agreement, see Note 5E below.

E. License PL001 near the Sea Lion discovery in the Falkland Islands

Further to that which is stated in Note 7D(9) to the Annual Financial Statements, on February 27, 2026, the Partnership signed with JHI Associates Inc. (a privately-held company incorporated in Canada) (hereinafter - "JHI"), an agreement to acquire 65% of the rights to the PL001 license adjacent to the Sea Lion project and its appointment as the license's operator (hereinafter - the "License").

Similar to the additional adjacent licenses for the Sea Lion project held by the Partnership, this license, insofar as a discovery is found in it, may be developed, among other things, by way of a tie-back to the production facilities, which will be built during the various stages of the Sea Lion project - a plan which may reduce the projects' overall development and operating costs, creating a regional hub.

The Partnership will provide JHI with a loan for its share of costs with respect to possible licensed works (including, insofar as there shall be any, exploration drilling and in the case of discovery - evaluation drilling), as well as ancillary costs, up to a cumulative ceiling of USD 14 million. These amounts shall bear interest and shall be repaid to the Partnership from 85% of JHI's free cash flow from the production under the license, insofar as there shall be any. In addition, the Partnership will bear the reimbursement of past costs incurred by JHI.

The current expiration date of the license is December 31, 2026. The Acquisition Agreement stipulates that if the license is extended for a period of at least five years and the extension terms and conditions require execution of exploration drilling, and if the Partnership as an operator does not begin drilling operations or does not enter into a material agreement with a contractor for the purpose of drilling up to 18 months prior to the expiration of the extended license or the drilling deadline, under the terms and conditions of the license, JHI shall be entitled to receive back the acquired rights, free of charge.

F. Pursuant to the Partnership's strategy, which involves prospecting and limited investment in exploration assets - subsequent to the statement of financial position date, on May 19, 2026 - the Partnership exercised its option to contract, through Navitas Petroleum Africa Ltd. (hereinafter - "NPA") with Azinam South Africa Limited (a wholly-owned subsidiary of Eco (Atlantic) Oil & Gas Ltd.) (hereinafter - "Azinam"), for USD 4 million, to acquire interests in the Block 1 CBK exploration license in South Africa, such that once the transaction is completed, NPA will hold 37.5% of the asset and act as its operator.

NPA will assume Azinam's share of all costs, expenses, and liabilities related to work on the asset, up to a total cap of USD 7.5 million. The amounts to be borne by NPA with respect to that those of Azinam shall bear an annual interest rate of 8% and shall be repaid from 85% of Azinam's free cash flow from the production of the oil asset, insofar as it becomes a producing asset.

Notes to the Consolidated Interim Financial Statements

NOTE 3 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

F. (cont.)

Completion of the transaction is subject, among other things, to the approval of the South African regulator and of another partner to the License, in accordance with the existing JOA for the asset.

NOTE 4 - DEBENTURES, NET

A. Debentures (Series C)

Further to that which is stated in Note 11A to the Annual Financial Statements, on February 4, 2026 a full early redemption was executed, at the Partnership's initiative, of the full outstanding balance of the Debentures (Series C) in circulation (approx. NIS 274,989 thousand p.v.) for approx. NIS 279,661 million (approx. USD 91 million). As a result of the repayment of the Debentures (Series C), in the first quarter of 2026 the Partnership recognized a loss of approx. USD 1.6 million in respect of the early redemption, which was included under the finance expenses line item in the statement of comprehensive income.

B. Debentures (Series E)

Further to that which is stated in Note 11C to the Annual Financial Statements, on February 4, 2026 a full early redemption was executed, at the Partnership's initiative, of the full outstanding balance of the Debentures (Series E) in circulation for approx. NIS 523,353 million (approx. USD 170 million). As a result of the repayment of the Debentures (Series E), in the first quarter of 2026 the Partnership recognized a loss of approx. USD 13.5 million in respect of the early redemption, which was included under the finance expenses line item in the statement of comprehensive income.

C. Debentures (Series F)

Further to that which is stated in Note 11 to the Annual Financial Statements, on March 31, 2026, partial early redemption was carried out at the Partnership's initiative of NIS 440,000,000 p.v., of the outstanding Debentures (Series F) in consideration for approx. NIS 495 million (approx. USD 160 million) (including accrued interest). As a result of the repayment of the Debentures (Series F), in the first quarter of 2026 the Partnership recognized a loss of approx. USD 8.5 million in respect of the early redemption, which was included under the finance expenses line item in the statement of comprehensive income.

D. Debentures (Series H)

Further to Note 11F to the Annual Financial Statements, on February 15, 2026, the Partnership issued NIS 330,000,000 p.v. in Debentures (Series H) by way of a series expansion, as part of a private placement; the issuance proceeds totaled approx. NIS 325,545 thousand (approx. USD 106 million).

The issuance expenses totaled approx. USD 0.3 million. The effective interest rate in the said issuance is approx. 7.53%.

As of March 31, 2026, the Partnership meets the set covenants.

Notes to the Consolidated Interim Financial Statements

NOTE 5 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS

A. Entering into a reserve-based lending (hereinafter - "RBL") Agreement

On January 19, 2026, Navitas Petroleum Holdings, LLC - a wholly-owned subsidiary of the Partnership (hereinafter - the "**Borrower**") - entered into an RBL (reserves based lending) agreement for a revolving borrowing base facility totaling USD 1.35 billion. On January 21, 2026, the Agreement's financial closing was completed, and the Partnership withdrew the full financing facility amount. The financing was provided by a consortium of foreign and Israeli banks and local and foreign financial institutions (hereinafter - the "**Agreement**", the "**Lenders**" and the "**Financing Facility**", respectively).

The loan was used, among other things, to repay the following debts and financial instruments: (1) The project financing for the development of the Shenandoah Project (the balance of the principal and interest of which was approx. USD 433 million) (see Note 5B below), as well as the Partnership's Debentures (Series C) totaling NIS 274,989,000 in p.v. (approx. USD 88 million) (see Note 4A below); (2) The Partnership's Debentures (Series E) totaling NIS 500,000,000 in p.v. (approx. USD 160 million) (see Note 4B below); (3) Redemption of the Borrower's preferred stock allocated to an institutional entity in exchange for extending an equity loan to the Borrower for the development of the Shenandoah Project (see Note 7 below); and (4) A credit facility of USD 100 million taken out by a subsidiary of the Partnership (see Note 5D below).

The Financing Facility is of the revolving credit type, such that as of the financial closing date and up to one month prior to the final repayment date (as described below), the Borrower may once again withdraw a loan which has already been withdrawn and repaid, except for once again withdrawing amounts repaid due to an early repayment obligation and which cannot be withdrawn under the terms and conditions of the Agreement.

The total Financing Facility will be gradually reduced, at predetermined rates, every March 31 and September 30 (as of March 31, 2027) until the final repayment date on September 30, 2032 (or when the balance of the reserves expected in the pledged oil assets will fall below the threshold set forth in the Agreement, whichever is earlier) (hereinafter - the "**Financing Facility Reduction Date**").

The Agreement includes an accordion mechanism according to which the Borrower may, at any time during the 36-month period after the financial closing date, request an increase of up to USD 500 million in liabilities. Existing or new lenders may agree to the increase request, and the increase will be subject, inter alia, to the fact that at the increase date, no breach event has occurred and there is no potential breach event that may occur as a result of the increase, as well as maintaining compliance with the financial ratios.

Subject to compliance with the conditions precedent attached to withdrawals as detailed in the Agreement, the Borrower may withdraw loans from the Financing Facility (in the amount available at the withdrawal date) from the closing date until one month before the final repayment date (hereinafter - the "**Availability Period**" and the "**Loans**", respectively).

Notes to the Consolidated Interim Financial Statements

NOTE 5 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

A. Entering into a reserve-based lending (hereinafter - "RBL") Agreement (cont.)

The maximum amount, which the Borrower may effectively withdraw will be the lower of: (a) The total amount of the Lenders' undertaking at that time; and (b) the borrowing base amount as defined below (hereinafter - the "**Maximum Withdrawal Amount**").

In accordance with the terms of the Agreement, the Partnership will be allowed to pledge additional oil and gas assets it owns in the United States, such that they will be included under the Pledged Oil Assets and thereby increase the Maximum Withdrawal Amount, at the approval of a special majority of the Lenders.

The Borrowing Base Amount - will be revised from time to time and redetermined on September 30 and March 31 (as from September 30, 2026) until the final repayment date by the Lenders based on the banking model, which will be the lower of the NPV (Project Life) divided by 1.5 and NPV (Loan Life) divided by 1.3. The Borrowing Base Amount may also be revised on interim dates, by adopting a revised banking model, in circumstances defined in the Agreement (including, among other things, where there is an indication of a material reduction in the Borrowing Base Amount and/or a deviation from the Borrowing Base Amount, and with respect to changes in the loan's underlying assets), and on the interim date to be set for this purpose.

The Loans will bear, from the date they are advanced, variable annual interest based on the CME Term SOFR plus a tiered annual spread as follows: (1) 4.25% until the end of two years from the Agreement signing date; (2) 4.50% from the end of two years until the end of four years from the signing date; and (3) 4.75% from the end of four years from the signing date onwards.

The interest will be paid at the end of each interest period, which will be set to one, 3 or 6 months (as determined by the Borrower).

The Agreement also stipulates interest on arrears in respect of a payment default at a rate of 2% above the relevant interest rate.

On the date each Loan is advanced, the Borrower may set an interest period applicable to thereto, at the end of which both the principal and the interest in respect of that Loan shall be paid. The Borrower may opt for an interest period of one month, three months or six months (or another period at the Lenders' consent), provided that the interest period does not end after the final repayment date of the Credit Facility. On the payment date of a loan's principal and interest, the Borrower may refinance the loan by taking out a new loan under the facility.

In addition, insofar as on the Financing Facility Reduction Date, the total principal of the Loans withdrawn shall exceed the cap of the reduced Financing Facility at that time, the Borrower will be required to repay the difference, so as not to exceed the reduced facility.

Notes to the Consolidated Interim Financial Statements

NOTE 5 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

A. Entering into a reserve-based lending (hereinafter - "RBL") Agreement (cont.)Main collateral

To secure the repayment of the Loans and compliance with the existing undertakings under the Agreement, the following, among other things, will be pledged under a first-rank fixed pledge:

(1) The rights of the Borrower and the subsidiaries holding the Pledged Oil Assets (hereinafter - the "**Project Companies**" and the "**Pledged Oil Assets**", respectively), which include: (a) the Shenandoah oil asset; (b) the onshore oil fields in the Denbury project and the Neches onshore oil field (hereinafter - the "**Onshore Assets**"), and the assets associated with the Pledged Oil Assets (including rights in the projects' equipment and facilities and the projects' agreements, all as defined in the agreement);

(2) A pledge on all assets of the Borrower and the Project Companies, including their rights under material agreements, insurance policies and bank accounts, and on the Borrower's equity interests in each of the Project Companies all subject to generally accepted exceptions;

Furthermore, the Partnership will pledge in favor of the Lenders its entire equity interest in the Borrower.

In accordance with the provisions of the Agreement, if the total outstanding principal amount of the Loans exceeds the Maximum Withdrawal Amount, the Borrower is required to make a mandatory early repayment of the Loans up in an amount by which the Loans exceed the Maximum Withdrawal Amount within the period defined in the Agreement.

In addition, the Agreement stipulates a requirement to execute full or partial early repayment in the following circumstances: the sale of rights in all Pledged Oil Assets; a change of control; in the event that a sanction event has occurred (such as a Debtor's representation or statement regarding sanctions found to be incorrect, a Debtor's inclusion in the sanctions list or a breach of a Debtor's undertakings regarding sanctions); or where the continued advancement of the Credit Facility becomes unlawful for any Lender or any of its affiliates.

Financial covenants

The Agreement sets forth a financial covenant which the Borrower is required to comply with, and whose violation gives the Lenders the right to demand immediate repayment of the Loans (unless a remediation was carried out as described below), as detailed below:

Leverage ratio - the ratio between the debtors' total net debt and their adjusted EBITDAX (as defined in the agreement) shall not exceed 3.5 on the assessment date. The leverage ratio will be assessed on June 30 and December 31 of each year (with respect to the 12 months ended on that date); the above may be remediated by way of capital injection on the dates set in the Agreement and subject to restrictions detailed therein.

Notes to the Consolidated Interim Financial Statements

NOTE 5 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

A. Entering into a reserve-based lending (hereinafter - "RBL") Agreement (cont.)

The Agreement includes an obligation to perform hedging transactions for oil and gas prices (net of royalties), at the following amounts:

1. With respect to the first year (on a rolling basis) - hedging at least 50% of the expected oil and gas production.
2. With respect to the second year (on a rolling basis) - hedging at least 33.33% of the expected oil and gas production.
3. With respect to up to the third year (on a rolling basis) - hedging at least 25% of the expected oil and gas production.

However, the Agreement includes an expedient, according to which when the FPCR exceeds 2.5x, the abovementioned minimum hedging requirements cease to apply for the period of up to two years prior to the final repayment date. If the FPCR falls below 2.5x in one of the subsequent banking models, the minimum hedging requirements will be renewed and will apply in full. Furthermore, the Agreement includes a restriction regarding the maximum volume of oil and gas which may be hedged under certain circumstances.

As of March 31, 2026, the borrower has complied with the undertaking to conduct the abovementioned hedges.

B. Loans for funding the Shenandoah Project

Further to that which is stated in Note 10C to the Consolidated Annual Financial Statements regarding loans to the Shenandoah project, in January 2026, the Partnership executed an early repayment, as permitted under the Project Financing Agreement, of the outstanding loan amount and accrued interest in respect thereof for a total of approx. USD 433 million (net of the share of ShenHai Financing). The repayment was made from the RBL consideration as stated in Note 5A above. As a result of the repayment of the loan as stated above, in the first quarter of 2026, the Partnership recognized an expense of approx. USD 23.9 million in respect of the amortization of the balance of the loan raising costs.

C. Loans for funding the Denbury project

Further to Note 10D to the Annual Financial Statements, following a decision by the Partnership, in December 2025, to exercise full early repayment, as permitted in the Loan Agreement, of the outstanding loans and the accrued interest, in January 2026, the Partnership repaid - by way of early repayment - the outstanding balance of the loans and accrued interest thereon in the total amount of approx. USD 30 million. As a result of the repayment of the loans as stated above, in the fourth quarter of 2025, the Partnership recognized an expense of approx. USD 1 million in respect of the amortization of the balance of the loan raising costs and early repayment fees.

Notes to the Consolidated Interim Financial Statements

NOTE 5 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

D. Credit from a financial institution

Further to that which is stated in Note 10E to the Annual Financial Statements, in January 2026, the Partnership executed an early repayment, as permitted under the loan agreement, of the outstanding loan amount and accrued interest in respect thereof for a total of approx. USD 100.5 million. As a result of the repayment of the loan as stated above, in the first quarter of 2026, the Partnership recognized an expense of approx. USD 2.3 million in respect of the amortization of the balance of the loan raising costs, which will be included in the finance expenses line item in the Statement of Comprehensive Income.

E. Loans for funding the Monument Project

Further to that stated in Note 10F to the Consolidated Annual Financial Statements, up to the first quarter of 2026, all the equity required for the development of the project was invested and withdrawals from the project financing facility began.

Out of the project financing amount which the borrower is entitled to withdraw, totaling approx. USD 150 million, approx. USD 12.3 million was withdrawn by March 31, 2026, and by the approval date of the financial statements - a total of approx. USD 14.5 million was withdrawn.

NOTE 6 - THE PARTNERSHIP'S EQUITY

A. Further to Note 14D to the Consolidated Annual Financial Statements, in the first quarter of 2026, 400 Options (Series 6) were exercised into 400 participation units of the Partnership for a total of approx. NIS 44 thousand (approx. USD 14 thousand).

B. Further to Note 11C to the Consolidated Annual Financial Statements, during the reporting period, NIS 36,646,936 p.v. of Debentures (Series D) were converted into 1,346,183 participation units of the Partnership.

As of March 31, 2026, the balance of the principal of Debentures (Series D) convertible into the Partnership's participation units, amounts to NIS 74,387,901 p.v. Subsequent to the statement of financial position date, On April and May 2026, NIS 373,624 p.v. of Debentures (Series D) were converted into 14,269 participation units of the Partnership.

C. On March 17, 2026, the General Partner's Board of Directors approved a profit distribution totaling approx. NIS 468 million (approx. USD 150 million), with the effective date for the distribution set for April 3, 2026. The profit distribution was carried out subsequent to the statement of financial position date, on April 14, 2026. The earnings distribution per participation unit was USD 1.27 (NIS 3.95)

As part of the profit distribution as stated above, and further to that stated in Notes 11B and 14D to the Consolidated Annual Financial Statements, the adjusted conversion rate of a Debenture (Series D) will be NIS 26.18372 and the new exercise price of a Option (Series 6) will be NIS 116.37209 per participation unit.

Notes to the Consolidated Interim Financial Statements

NOTE 7 - REDEMPTION OF PREFERRED SHARES BY A SUBSIDIARY

Further to that which is stated in Note 13A to the Annual Financial Statements, on January 22, 2026, a full redemption was made at the Partnership's initiative, of the full balance of the preferred shares issued, totaling approx. USD 110.6 million. As a result of the initiated redemption of the Preferred Shares and in accordance with the Agreement, the amounts paid to the Preferred Shareholders include additional amounts beyond those recognized in the Financial Statements up to the Early Redemption Date.

The surplus of the said amounts totals approx. USD 19.2 million and was stated in the first quarter of 2026, under a (negative) reserve from transactions with non-controlling interests.

NOTE 8 - SHARE-BASED PAYMENTS

A. Further to Note 15 to the Consolidated Annual Financial Statements, subsequent to the statement of financial position date, in April 2026, the Partnership allotted 120,718 RSUs under a private placement to officers and employees of the Partnership and wholly-owned subsidiaries thereof. The fair value of the allotted equity instruments was estimated at approx. USD 4 million at the allotment date.

B. Further to that said in Note 14 to the Consolidated Annual Financial Statements:

- 1) During the reporting period, 237,998 RSUs vested into 237,998 participation units of the Partnership after the offerees had met the vesting conditions set out in the Plan.
- 2) Subsequent to the statement of financial position date, 54,728 RSUs vested into 54,728 participation units of the Partnership after the offerees had met the vesting conditions set out in the Plan.
- 3) During the reporting period, 8,923 awarded non-marketable options were exercised into 8,710 participation units of the Partnership in consideration for approx. USD 39 thousand.

NOTE 9 - FINANCIAL INSTRUMENTS

A. Fair value

Following are carrying amounts and fair values of financial instruments measured at amortized cost (excluding those whose amortized cost is not materially different from their fair value):

	March 31, 2026		March 31, 2025		December 31, 2025	
	Carrying amount	Fair value *)	Carrying amount	Fair value *)	Carrying amount	Fair value *)
	Unaudited				Audited	
	USD thousand					
<u>Financial liabilities</u>						
Debentures (Series C)	-	-	89,193	89,459	105,552	106,479
Debentures (Series D)	(** 25,016)	121,042	(** 48,145)	139,868	(**) 36,930	150,828
Debentures (Series E)	-	-	128,827	139,524	149,743	162,476
Debentures (Series F)	147,476	155,018	243,117	253,640	288,496	305,321
	316,314	323,633	107,650	107,821	308,987	318,433
Debentures (Series H)	316,193	327,488	-	-	205,888	216,395
	<u>804,999</u>	<u>927,181</u>	<u>616,932</u>	<u>730,312</u>	<u>1,095,596</u>	<u>1,259,932</u>

(*) According to quoted market price (Level 1) in the fair value hierarchy.

(**) Represents the outstanding par value (including the conversion component).

Notes to the Consolidated Interim Financial Statements

NOTE 9 - FINANCIAL INSTRUMENTS (cont.)

B. Hedging and derivatives

The Group is exposed to changes in the oil prices in respect of its future sales. To hedge the said exposure, the Group enters into oil prices hedges for some of its future production (put transactions, swaps transactions and capped swaps (a transaction that combines swap with the exposure capped at a specific price through the purchase of a call option)). Following are details regarding open-ended transactions as of March 31, 2026:

Hedging strategy	Term of hedge		Quantity (MBBL)	Average price (USD/barrel)			
	Year	Months		Put	Floor Price	Ceiling price	Swap
Put	2026	April to December	6,667	63	-	-	-
Capped Swap	2027	January to September	812	-	55	68	-
Put	2027	January to July	2,944	61	-	-	-
Put	2027	August to September	43	55	-	-	-
Capped Swap	2027	January to December	2,372	-	55	67	-
Swap	2028	March to December	3,856	-	-	-	61
Capped Swap	2028	January to February	550	-	55	69	-
Swap	2029	January to June	1,621	-	-	-	62

The fair value of the liability, net in respect of the foregoing hedging transactions as of March 31, 2026 was approx. USD 9,173 thousand.

Subsequent to the statement of financial position date, the Group entered into additional hedges, as detailed below:

- Put options to hedge WTI oil for approx. 575 thousand barrels of oil in the period from January 2027 to July 2027, at a minimum average price per barrel of approx. USD 69.
- Swaps to hedge WTI oil for approx. 50 thousand barrels of oil in the period from January 2029 to September 2029, at a minimum average price per barrel of approx. USD 65.

Notes to the Consolidated Interim Financial Statements

NOTE 10 - GEOGRAPHICAL SEGMENT REPORTING

A. General

In accordance with IFRS-8, the Partnership's operating segments are determined on the basis of management reports based on the geographic location of the Partnership's assets.

The operating segments are as follows:

- Oil and gas exploration, development and production in the United States - most of the activity during the reporting period has taken place in the following projects: Shenandoah, Buckskin, Monument and Shenandoah South in the waters of the Gulf of America south of the coast of Texas and Louisiana and in onshore oil fields in Texas, in the Denbury and Neches fields.
- Development and production of gas and oil assets in the northern part of Southwest Atlantic Ocean – as part of the Sea Lion discovery in the Falkland Islands.
- Other segments include rights to a negligible offshore exploration license in the Philippines and an option to join as a partner in another offshore oil asset located off the coast of Morocco.

B. Geographical segment reporting

	Oil and Gas Exploration, Development and Production in the US Segment	Exploration, Development and Production in the Southwest Atlantic Segment	Other operations	Not allocated	Total
	USD thousand				
<u>As of March 31, 2026 (unaudited)</u>					
Segment assets	2,357,618	480,151	7,872	492,059	3,337,700
Segment liabilities	1,543,922	54,148	-	995,391	2,593,461
<u>As of March 31, 2025 (unaudited)</u>					
Segment assets	1,570,573	73,752	5,228	143,649	1,793,202
Segment liabilities	602,223	10,600	-	673,425	1,286,248
<u>As of December 31, 2025 (audited)</u>					
Segment assets	2,155,346	456,355	7,560	384,399	3,003,600
Segment liabilities	666,099	38,387	-	1,241,769	1,946,255

Notes to the Consolidated Interim Financial Statements

NOTE 10 - GEOGRAPHICAL SEGMENT REPORTING (cont.)

B. Geographical segment reporting

	Oil and Gas Exploration, Development and Production in the US Segment	Exploration, Development and Production in the Southwest Atlantic Segment	Other operations	Total
	USD thousand			
<u>Capital expenditures</u>				
For the three-month period ended March 31, 2026 (unaudited)	117,714	64,921	158	182,793
For the three-month period ended March 31, 2025 (unaudited)	183,643	16,315	40	199,998
For the three-month period ended December 31, 2025 (audited)	489,563	160,250	2,636	652,449

- C. Since the oil and gas exploration, development and production activity in the Southwest Atlantic Ocean is at the development stage (the Sea Lion project), the effect of this segment on the Statement of Comprehensive Income is negligible and immaterial, and since the Partnership's revenues and operating profit are, at this stage, derived from the oil and gas exploration, development and production operations in the United States, no information regarding the operating results of the segments is presented.
