

Navitas Petroleum, Limited Partnership

Consolidated Financial Statements as of December 31, 2025

In USD thousand

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Report of the Independent Auditor to the Partners of Navitas Petroleum - Limited Partnership

Opinion

We have audited the consolidated financial statements of Navitas Petroleum, Limited Partnership (hereinafter - the "**Partnership**"), which include the consolidated statement of financial position as of December 31, 2025 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including significant accounting policies.

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

Basis of opinion

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Certified Public Accountants (Modus Operandi of Certified Public Accountant) Regulations, 1973. Our obligations under those standards are described in the Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section in this report. We are independent of the Partnership and its consolidated companies in accordance with the statutory provisions applicable in Israel regarding the independent auditor's independence and prevention of conflict of interest in Israel. In addition, we fulfilled our other ethical responsibilities in accordance with the Auditors Law, 1955 and the regulations promulgated thereunder. We believe that the audit evidence we obtained is appropriate and sufficient to provide a basis for our opinion.

Key audit matters

The key audit matters listed below are those matters which were communicated or should have communicated to the Partnership's Board of Directors, and which in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters include, among other things, any matter that: (1) Relates, or may relate to material items or disclosures on the Consolidated Financial Statements; and (2) our judgment in connection therewith was particularly challenging, subjective or complex. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; communicating these matters, as follows, does not alter our opinion on the consolidated financial statements as a whole, and we do not use their communication to provide a separate opinion on these matters, nor on the items or disclosures to which they relate.

Estimation of the oil and gas reserves and retirement liability for oil and gas assets

As described in Note 2F and Note 7 to the Partnership's Consolidated Financial Statements, the balance of investments in oil and gas assets as of December 31, 2025 is USD 1,946,098 thousand, and the depletion expenses in respect of the investments in oil and gas assets for the year ended December 31, 2025 amount to USD 90,685 thousand. An asset decommissioning liability as of December 31, 2025 amounts to approx. USD 45,376 thousand.

In accordance with the Partnership's accounting policies, oil and gas assets are depreciated using the depletion method, which is based on the estimated quantity of the proved and probable reserves from those assets (2P); when calculating the depreciation of oil and gas assets, the Group also takes into account the future amount of the investments required to produce those quantities.

An appraisal of the oil and gas reserves and the decommissioning liability a subjective process involving significant judgments, which are based on management's estimates and assumptions, using the expertise of external experts with knowledge and understanding in the field, in connection with geological data, future production costs, expected production rate, future development costs, if any, asset decommissioning liability, and an appropriate discount rate.

Due to the extent of the effect of the estimation of the oil and gas reserves on the financial statements and due to the judgments involved in such an estimate and its subjectivity, we identified the matter as a key audit matter. Investments in oil and gas assets, the estimation of the reserves, the depletion expenses, and the commitment to retirement of oil and gas assets as described in Note 7 to the financial statements.

Following are the key audit procedures implemented to address the key audit matter as part of our audit:

- Obtaining an understanding of the Partnership's processes and procedures with regard to the estimation of oil and gas reserves, the estimation of the expected investments in the relevant reservoirs, the estimated cost of decommissioning of those assets, and an audit of the planning and implementation of in-process controls.
- Assessing the qualifications of the experts acting on behalf of the Partnership, including their objectiveness and ability to estimate the oil and gas assets, and checking whether they have the professional capabilities required to estimate the reserves in oil and gas reservoirs.
- Testing the integrity of the data used to estimate the reserves, including, among other things, by analyzing the key changes in 2025, and comparing the reserves estimated by the Partnership and adjusting them to the information included in the oil and gas reserves report which prepared by the external experts on behalf of the Partnership.

- Ensuring that the revised estimated oil and gas reserves were included appropriately in the accounting treatment applied to determining the depletion rate of the oil and gas assets and the liability to retirement of oil and gas assets.
- Checking the completeness of the calculations and the appropriateness of the disclosures in the Partnership's financial statements.

Initial recognition of deferred tax asset

During 2025, the Partnership initially recognized a deferred tax asset in respect of tax losses and timing differentials totaling approx. USD 183 million derived from its investments in exploration, development and production activities as part of its oil and gas operations in the Falkland Islands, subsequent to a final investment decision (FID) in the oil and gas assets in the Falkland Islands. Recognition of a deferred tax asset depends to a significant extent on management estimates regarding the probability of generating future taxable profits, which rely, among other things, on estimates for production schedules, production forecasts, commodity prices, investment amounts required in the development of oil and gas assets and current production costs. The decision as to whether the terms of recognition of a deferred tax asset are met under IAS 12, depends, as aforesaid, on estimates and requires discretion and supporting evidence that the carryforward losses are expected to be utilized in the future.

Due to the extent of the effect of the initial recognition of the estimated deferred tax asset on the financial statements and due to the judgments involved in such an estimate and its subjectivity, we identified the matter as a key audit matter.

Following are the key audit procedures implemented to address the key audit matter as part of our audit:

- We examined the Partnership calculations of the tax asset balance including the carryforward loss balance and the temporary difference balance, also with the assistance of international taxation experts.
- We examined the Partnership forecasts and the ability to realize the carryforward losses, as well as the main working assumptions taken into account in the Partnership's management estimates, among other things (production schedules, production forecasts, commodity prices, investment amounts required in the development of oil and gas assets and current production costs).
- We examined the sensitivity analyses for various scenarios, including fluctuations in commodity prices and changes in the rate of production, as well as their effect on eligibility for tax asset recognition.
- We have examined the appropriateness of the disclosure in the Financial Statements with regard to the tax asset recognition.

Responsibilities of the Board of Directors and Management of the Partnership's General Partner for the Consolidated Financial Statements

The Board of Directors and management of the Partnership's General Partner are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and the provisions of the Securities Regulations (Annual Financial Statements), 2010; they are also responsible for such internal control deemed necessary by the Board of Directors and management of the Partnership's General Partner to enable the preparation of consolidated financial statements which are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors and management of the Partnership's General Partner are responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters pertaining to going concern and implementing the going concern basis of accounting unless the Board of Directors and management of the Partnership's General Partner either intend to liquidate the Partnership or to cease its operations, or have no realistic alternative but to do so.

Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In an audit conducted in accordance with generally accepted auditing standards in Israel, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore, we:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement arising from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, malicious misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures which are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and management of the Partnership's General Partner.

- Reach a conclusion regarding the appropriateness of the use, by the Board of Directors' and management of the Partnership's General Partner, of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists regarding events or conditions which may cast significant doubts on the Partnership's ability to continue as a going concern. If we concluded that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the relevant disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained through the date of our independent auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner which achieves fair presentation.

We communicate to the Board of Directors and management of the Partnership's General Partner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during the audit. In addition, we provide the Board of Directors and management of the Partnership's General Partner a statement to the effect that we have complied with relevant ethical requirements regarding our independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the safeguards implemented to eliminate identified threats to our independence.

From the matters communicated to the Board of Directors and management of the Partnership's General Partner, we determined those matters which were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our independent auditor's report unless law or regulation precludes public disclosure of the matter.

Linking paragraph

We also audited, in accordance with Auditing Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel - Audit of the Components of the Internal Controls Over Financial Reporting - the Partnership's components of internal controls over financial reporting as of December 31, 2025, and our report, of March 17, 2026 included an unqualified opinion on the effectiveness of these components.

The engagement partner of the audit which is the subject matter of the independent auditor's report is Ran Shir Az.

Tel Aviv,
March 17, 2026

Kost Forer Gabbay & Kasierer
Certified Public Accountants

**Report of the Independent Auditor to the Partners of Navitas Petroleum, Limited Partnership
on the Audit of the Components of the Internal Control over Financial Reporting, in
accordance with Section 9B(c) to the Securities Regulations
(Periodic and Immediate Reports), 1970**

We have audited components of internal control over financial reporting of Navitas Petroleum, Limited Partnership (hereinafter - the "**Partnership**") as of December 31, 2025. These control components were set as explained in the following paragraph. The Partnership's Board of Directors and management are responsible for maintaining effective internal control over financial reporting, and for assessing the effectiveness of the components of internal control over financial reporting included in the accompanying periodic report for the said date. Our responsibility is to express an opinion on the components of internal control over financial reporting of the Partnership based on our audit.

Components of internal control over financial reporting were audited by us according to Auditing Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel "Audit of the Components of the Internal Control over Financial Reporting" (hereinafter - "**Auditing Standard (Israel) 911**"). These components are: (1) entity-level controls, including close-end period control process of the financial reporting and information technology general controls (ITGCs); (2) controls over the revenues process; (3) controls over the process of debt and cash management; (4) controls over the netting process with the projects' operators (hereinafter, jointly - the "**Audited Control Components**").

We conducted our audits in accordance with Auditing Standard (Israel) 911. This standard requires that we plan and perform the audit to identify the audited control components and to obtain reasonable assurance whether these control components have been maintained effectively in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, identifying the Audited Control Components, assessing the risk that a material weakness exists in the Audited Control Components, as well as reviewing and evaluating the effectiveness of the planning and maintenance of these control components based on the assessed risk. Our audit of these control components included performing such other procedures as we considered necessary under the circumstances. Our audit focused only on the audited control components, unlike internal control of all material processes relating to financial reporting, and therefore our opinion refers only to the Audited Control Components. In addition, our audit did not take into account the mutual effects between the Audited Control Components and those which are not audited, and therefore our opinion does not take into account such possible effects. We believe that our audit provides a reasonable basis for our opinion in the above context.

Due to inherent limitations, internal control over financial reporting in general, and components of internal controls in particular, may not prevent or detect a misstatement. In addition, making projections on the basis of any evaluation of effectiveness is subject to the risk that controls may become inadequate due to changes in circumstances, or that the degree of compliance with the policies or procedures may be adversely affected.



In our opinion, the Partnership effectively maintained, in all material respects, the Audited Control Components as of December 31, 2025.

We have also audited, in accordance with generally accepted auditing standards in Israel, the Consolidated Financial Statements of the Partnership as of December 31, 2025 and for the year then ended, and our report dated March 17, 2026 includes an opinion on the abovementioned financial statements, with no departures from the standard wording.

Tel Aviv,
March 17, 2026

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Consolidated Statements of Financial Position

	Note	As of December 31	
		2025	2024
		USD thousand	
<u>Current assets</u>			
Cash and cash equivalents	5	591,906	118,829
Short-term investments	6	53,377	28,297
Trade receivables	19E	84,917	9,940
Receivables and debit balances		24,253	16,139
Financial derivatives	19C	68,097	1,126
		<u>822,550</u>	<u>174,331</u>
<u>Non-current assets</u>			
Investments in oil and gas assets, net	7	1,946,098	1,369,917
Restricted amounts	8	1,680	22,124
Deferred debt raising costs	10B, 10F	45,663	6,519
Financial derivatives	19C	727	507
Deferred taxes	17	183,000	-
Right-of-use assets		3,498	2,737
Property, plant, and equipment, net		384	314
		<u>2,181,050</u>	<u>1,402,118</u>
		<u>3,003,600</u>	<u>1,576,449</u>

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

Consolidated Statements of Financial Position (cont.)

	Note	As of December 31	
		2025	2024
		USD thousand	
<u>Current liabilities</u>			
Trade payables		19,231	5,392
Other payables and credit balances	9	198,047	28,431
Interest payable for debentures and long-term loans		9,164	10,176
Financial derivatives	19C	-	106
Current maturity of long-term loans from banking corporations and financial institutions	10	189,869	70,746
Current maturity of debentures, net	11	105,078	-
Current maturity of lease liabilities		997	1,277
		<u>522,386</u>	<u>116,128</u>
<u>Non-current liabilities</u>			
Long-term loans from banking corporations and financial institutions, net	10	345,590	401,685
Debentures, net	11	979,033	511,206
Provision for a commitment to dispose of oil and gas assets	12	45,376	22,858
Deferred taxes	17	41,619	16,524
Lease liabilities		2,983	1,945
Other liabilities	7D1b	9,268	38,247
		<u>1,423,869</u>	<u>992,465</u>
<u>Partnership's equity capital</u>			
Capital of participation units		767,868	379,158
Conversion component of debentures		2,321	3,156
Reserve for share-based payment		14,500	11,721
Reserve for transactions with a controlling shareholder		8,004	8,004
Reserve for hedging transactions		4,985	(1,576)
Options		16,805	3,135
Retained earnings (loss)		152,071	(15,735)
		<u>966,554</u>	<u>387,863</u>
<u>Non-controlling interests</u>			
		<u>90,791</u>	<u>79,993</u>
Total equity		<u>1,057,345</u>	<u>467,856</u>
		<u>3,003,600</u>	<u>1,576,449</u>

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

March 17, 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

	Note	For the year ended December 31		
		2025	2024	2023
		USD thousand		
Revenue from oil and gas sales, net of royalties	16A	365,203	78,039	93,791
Cost of oil and gas production	16B	(84,456)	(28,611)	(30,872)
Depreciation and depletion expenses	7	(90,685)	(12,598)	(14,954)
Gross profit		190,062	36,830	47,965
Expenses for oil and gas exploration and project development		(3,731)	(1,889)	(1,319)
Derecognition of exploration and evaluation assets		-	-	(5,510)
General and administrative expenses	16C	(19,965)	(15,601)	(14,483)
Other expenses, net		(2,886)	(2,765)	(197)
Operating profit		163,480	16,575	26,456
Finance income	16D	16,480	7,857	4,049
Finance expenses	16E	(66,327)	(11,876)	(4,791)
Revenue (expenses) from exchange rate differences, net		(89,508)	3,369	5,863
Profit before taxes on income		24,125	15,925	31,577
Tax benefit (taxes on income)	17	154,479	(3,646)	(6,073)
Net profit		178,604	12,279	25,504

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

Consolidated Statements of Comprehensive Income (cont.)

	For the year ended December 31		
	2025	2024	2023
	USD thousand		
	(excluding net earnings per participation unit)		
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, net	4,187	(2,392)	(1,673)
Transfer to profit or loss for cash flow hedges	2,374	2,926	3,202
Total other comprehensive income	6,561	534	1,529
Total comprehensive income	185,165	12,813	27,033
Net profit attributable to:			
Owners of the Partnership's participation units	167,806	1,418	14,674
Non-controlling interests	10,798	10,861	10,830
	178,604	12,279	25,504
Total comprehensive income attributed to:			
Owners of the Partnership's participation units	174,367	1,952	16,203
Non-controlling interests	10,798	10,861	10,830
	185,165	12,813	27,033
<u>Net earnings per participation unit attributable to owners of the Partnership's participation units (in USD) (see Note 21)</u>			
Basic earnings	1.569	0.014	0.156
Diluted earnings	1.455	0.014	0.156

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

Consolidated Statements of Changes in Equity of the Partnership

	Attributable to owners of the Partnership's participation units									
	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	Non-con- trolling interests	Total equity
	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 and appendix are an integral part of the consolidated financial statements.

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

	Attributable to owners of the Partnership's participation units									
	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	Non-con- trolling interests	Total equity
<u>Balance as of January 1, 2024</u>	<u>311,830</u>	<u>-</u>	<u>3,318</u>	<u>8,004</u>	<u>7,807</u>	<u>(2,110)</u>	<u>(17,153)</u>	<u>311,696</u>	<u>69,132</u>	<u>380,828</u>
Net profit	-	-	-	-	-	-	1,418	1,418	10,861	12,279
Other comprehensive income	-	-	-	-	-	534	-	534	-	534
Total comprehensive income	-	-	-	-	-	534	1,418	1,952	10,861	12,813
Share-based payment	-	-	-	-	4,071	-	-	4,071	-	4,071
Deferred taxes for share-based payment	-	-	-	-	1,674	-	-	1,674	-	1,674
Issuance of participation units and options	62,709	3,135	-	-	-	-	-	65,844	-	65,844
Issue of participation units from vesting of RSUs	1,815	-	-	-	(1,815)	-	-	-	-	-
Exercise of non-marketable options awarded to employees	51	-	-	-	(16)	-	-	35	-	35
Conversion of debentures into participation units	<u>2,753</u>	<u>-</u>	<u>(162)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,591</u>	<u>-</u>	<u>2,591</u>
<u>Balance as of December 31, 2024</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>

The accompanying notes and appendix are an integral part of the consolidated 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	Conversion component of debentures	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Reserve for hedging transactions	Retained loss			Total
	USD thousand								
<u>Balance as of January 1, 2023</u>	<u>309,957</u>	<u>3,318</u>	<u>8,004</u>	<u>5,271</u>	<u>(3,639)</u>	<u>(31,827)</u>	<u>291,084</u>	<u>58,302</u>	<u>349,386</u>
Net profit	-	-	-	-	-	14,674	14,674	10,830	25,504
Other comprehensive income	-	-	-	-	1,529	-	1,529	-	1,529
Total comprehensive income	-	-	-	-	1,529	14,674	16,203	10,830	27,033
Share-based payment	-	-	-	4,409	-	-	4,409	-	4,409
Issue of participation units from vesting of RSUs	<u>1,873</u>	-	-	<u>(1,873)</u>	-	-	-	-	-
<u>Balance as of December 31, 2023</u>	<u>311,830</u>	<u>3,318</u>	<u>8,004</u>	<u>7,807</u>	<u>(2,110)</u>	<u>(17,153)</u>	<u>311,696</u>	<u>69,132</u>	<u>380,828</u>

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

Consolidated Statements of Cash Flows

	For the year ended December 31		
	2025	2024	2023
	USD thousand		
<u>Cash flows from operating activities</u>			
Net profit	178,604	12,279	25,504
Adjustments to reconcile cash flows from operating activities:			
Adjustments to profit or loss:			
Depletion, depreciation and amortization	91,380	13,233	15,539
Derecognition of oil and gas assets and exploration and evaluation assets	-	745	5,510
Impairment of oil and gas assets	6,522	-	-
Share-based payment	5,026	4,078	4,169
Deferred taxes, net	(158,891)	701	5,892
Finance expenses (income), net	140,442	(9,224)	(6,200)
Exchange rate differences for cash balances, net	(11,146)	5,773	3,789
	<u>73,333</u>	<u>15,306</u>	<u>28,699</u>
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(74,977)	(1,501)	173
Decrease (increase) in receivables and debit balances	(17,920)	552	(828)
Cash flow hedges	(6,446)	2,989	(8,351)
Increase (decrease) in trade payables and other payables	44,189	3,415	(1,116)
	<u>(55,154)</u>	<u>5,455</u>	<u>(10,122)</u>
Interest received	14,868	7,250	4,048
Interest paid	(45,476)	(4,585)	(93)
Taxes paid	(7,234)	(180)	(137)
Net cash provided by operating activities	<u>158,941</u>	<u>35,525</u>	<u>47,899</u>
<u>Cash flows from investing activities</u>			
Investment in oil and gas assets	(505,499)	(339,225)	(269,417)
Interest paid and capitalized to oil and gas assets, net	(68,394)	(62,702)	(37,265)
Movements in restricted amounts	3,570	33,498	56,580
Movements in deposits, net	5,427	(2,737)	(5,834)
Investments in marketable securities	-	(2,749)	(5,184)
Purchase of property, plant and equipment, net	(196)	(146)	(220)
Net cash used for investing activities	<u>(565,092)</u>	<u>(374,061)</u>	<u>(261,340)</u>

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

Consolidated Statements of Cash Flows (cont.)

	For the year ended December 31		
	2025	2024	2023
	USD thousand		
<u>Cash flow from financing activities</u>			
Receipt of loans from banks and financial institutions	147,038	243,421	202,547
Repayment of loans from banks and financial institutions	(96,025)	(9,703)	(54,853)
Repayment of lease liabilities	(1,425)	(1,335)	(951)
Issue of debentures	479,390	279,565	100,473
Costs of raising loans and debentures	(48,024)	(10,807)	(9,566)
Repayment of debentures	-	(190,168)	-
Exercise of non-marketable options awarded to employees into participation units	1,172	35	-
Exercise of marketable options into participation units	22,956	-	-
Issuance of participation units and options	368,366	68,272	-
Costs of raising participation units and options	(5,366)	(2,428)	-
Net cash from financing activities	<u>868,082</u>	<u>376,852</u>	<u>237,650</u>
Effect of changes in exchange rates on cash balances held in foreign currency	<u>11,146</u>	<u>(5,773)</u>	<u>(3,789)</u>
<u>Increase in cash and cash equivalents</u>	<u>473,077</u>	<u>32,543</u>	<u>20,420</u>
<u>Balance of cash and cash equivalents at the beginning of the year</u>	<u>118,829</u>	<u>86,286</u>	<u>65,866</u>
<u>Balance of cash and cash equivalents at the end of the year</u>	<u><u>591,906</u></u>	<u><u>118,829</u></u>	<u><u>86,286</u></u>
<u>Significant non-cash activities</u>			
Investment in oil and gas assets against trade payables and other payables (including capitalized interest expenses)	<u>118,803</u>	<u>65,365</u>	<u>9,473</u>
Conversion of debentures into participation units	<u>11,579</u>	<u>2,591</u>	<u>-</u>
Increase in long-term loan from banking corporations and financial institutions against other receivables.	<u>-</u>	<u>11,183</u>	<u>-</u>

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

Notes to the Consolidated Financial Statements

NOTE 1 - GENERAL

- A. 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.

As of the approval date of the financial statements, the Partnership, through investees, held a number of oil and gas assets that are producing and under various stages of development and a number of leases for oil and gas exploration.

- B. The ongoing management of the Partnership is carried out by FLR Oil and Gas Management Ltd. (hereinafter - the "**General Partner**"). The address of the registered office of the Partnership is 12 Abba Eban Ave., Herzliya.
- C. The Partnership's operations involve significant financial investments and a relatively high level of financial risk and uncertainty. For details about the raising of financing sources, see Notes 8, 11, and 13.
- D. In October 2023, the Iron Swords War broke out (hereinafter - the "**War**") in the State of Israel. The prolongation of the War led to a slowdown in business activities in Israel, including, among other things, due to the closure of factories in the south and north of Israel, damage to infrastructures, mobilization of reservists for an unknown period, and disruption to the economic activity in Israel. In June 2025, the State of Israel conducted a large-scale military operation against Iran known as Operation Rising Lion, and in October 2025, a ceasefire agreement was signed between the State of Israel and Hamas. After the statement of financial position date, on February 28, 2026, a combined offensive, named Operation Lion's Roar, was launched by the State of Israel and the United States 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. As of the report publication date, the Partnership is unable to assess the scope of the possible consequences of this event on its operations and results.

Notes to the Consolidated Financial Statements

NOTE 1 - GENERAL (cont.)

E. Definitions in these financial statements

- The Partnership - Navitas Petroleum, Limited Partnership.
 The Group - The Partnership and its consolidated companies.
- Consolidated companies - Entities in which the Partnership has control (as defined in IFRS 10) and their financial statements are consolidated with the financial statements of the Partnership.
- See also the appendix to the financial statements listing the principal consolidated companies.
- Controlling shareholder - Gideon Tadmor.
- Interested parties and controlling shareholders - As defined in the Israel Securities Regulations (Annual Financial Statements), 2010.
- Related parties - As defined in IAS 24 (amended)
- USD - US dollar.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently in the financial statements for all periods presented, unless otherwise stated.

A. Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter - "IFRS"). Furthermore, the financial statements have been prepared in accordance with the provisions of the Israeli Securities Regulations (Annual Financial Statements), 2010.

The financial statements have been prepared on a cost basis, other than for certain financial assets and liabilities (including derivative instruments and investment in marketable securities) at fair value through profit and loss.

The Partnership has elected to present the items of profit or loss using the function of expense method.

B. Operating cycle

The operating cycle of the Group is one year.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. Consolidated financial statements

The consolidated financial statements include the statements of entities in which the Partnership has control (subsidiaries). Control exists when the Partnership has the power to affect the investee, is exposed, or has rights, to variable returns from its involvement with the investing entity, and it has the ability to affect those returns arising from the investee. When testing for control, all potential voting rights are taken into account only if they are exercisable. The financial statements are consolidated from the date that control is obtained and ends when such control ceases.

Non-controlling interests for subsidiaries represent the equity capital of the subsidiaries that cannot be attributed, directly or indirectly, to the Partnership. The non-controlling interests are presented in equity separately from the equity attributable to the Partnership. Profit or loss and any part of other comprehensive income are attributed to the Partnership and the non-controlling interests (see also Note 13A).

The financial statements of the Partnership and its consolidated companies are prepared at the same dates and for the same periods. The accounting policies in the financial statements of the consolidated companies is applied uniformly and consistently with the accounting policy in the Partnership's financial statements.

D. Joint ventures

1. A joint venture is a contractual arrangement where two or more parties undertake an economic activity of oil and gas exploration in a jointly-owned asset. Certain joint ventures often involve joint ownership in one or more assets.
According to IFRS 11, joint control only exists when there is a formal requirement for unanimous agreement of the joint venture partners. However, a review of the joint ventures in which the Partnership is involved demonstrates that the ventures themselves have no rights in the assets and have no binding commitments on behalf of the participants. Any participant may pledge its rights in the assets and is entitled to the economic benefits arising from the venture. As a result, the participants have a proportionate share in the assets and liabilities attributable to the joint venture. For the Partnership's rights in the joint venture operations, the Partnership recognized in its consolidated financial statements its relative share of assets under joint ownership, the liabilities it assumed and which were assumed jointly in connection with activity involving the assets under jointly-owned assets, and in revenues and expenses of the joint venture.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Joint ventures (cont.)

2. The Partnership presents its share in the payments transferred to the joint ventures' operators, and which have not yet been used, under other receivables, since such amounts do not meet the definition of cash and cash equivalents.
3. The Partnership presents its share in the liabilities of the joint ventures to a third party under trade payables and other payables.

E. Functional currency and presentation currency

The Partnership's functional currency is the US dollar. The presentation currency for the financial statements is the US dollar. The Partnership assesses the functional currency of all Group entities separately.

F. Oil and gas exploration, evaluation, and development assets and investments in proved reservoirs1. Exploration and evaluation assets

IFRS 6, Exploration for and Evaluation of Mineral Resources (hereinafter - "IFRS 6") sets out the accounting treatment for investments in oil and gas exploration. The Group measures oil and gas assets at cost at recognition. Accordingly, the accounting treatment used by the Group is as follows:

- a) Investments in exploration and evaluation assets include the cost of leases, geological and seismic surveys, exploration drilling, and engineering planning. Expenses incurred before acquiring the lease are recognized in the statement of comprehensive income.
- b) Participation expenses for geological and seismic tests are defined as exploration and evaluation assets and are recognized in the statement of financial position at cost under exploration and evaluation assets.
- b) Investments in oil and gas drillings that are in the drilling stage for reservoirs that are not yet proven to produce oil or gas or that are yet to be classified as being non-commercial, are defined as exploration and evaluation assets and are not systematically amortized.
- d) Investments in oil and gas drillings, for reservoirs proved to be dry and were abandoned, or which were classified as non-commercial or for which development plans for the near future were not determined, are written off from investment in exploration and evaluation assets in the statement of comprehensive income.
- e) Investments for reservoirs that have technical feasibility and commercial viability of oil or gas production, which are included in a range of events and circumstances, are reclassified, subject to impairment testing, from exploration and evaluation assets to oil and gas assets.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

F. Oil and gas exploration, evaluation, and development assets and investments in proved reservoirs (cont.)2. Oil and gas assets

The oil and gas assets item in the balance sheet includes costs accumulated for the Group's proved oil and gas assets. These costs include mainly costs for acquisition of rights, exploration drillings, engineering planning, development drillings and costs of development, acquisition and construction of production facilities and pipelines for the transmission of the oil and gas, and the estimated costs for disposing of the assets (see Section 6 below), as well as capitalized credit costs (see Section N below). The costs in this section are amortized to the statement of income according to the units of production method, based on the actual production volume in the period compared to the total proved and probable reserves, as appraised by an external expert. When calculating the amortization of oil and gas assets on the basis of total proved and probable reserves, the Group takes into account the future amount (in undiscounted values) of the investments required to produce the same amounts.

3. Farm-in agreements

Farm-in is the acquisition of part of the right in an oil and/or gas field in consideration for an agreement with the owner (hereinafter - the "**Farmor**") to sell part of the rights to the transferee (hereinafter - the "**Farmee**"). In farm-in transactions where the acquired asset does not constitute a business, the accounting treatment is as follows:

As the costs are incurred, the Farmee recognizes the expense or asset, as the case may be, for its share in the oil and gas assets and for the Farmor's remaining rights, in compliance with the accounting policy for exploration and evaluation assets.

The Farmee accounts for the farm-out arrangement as follows:

- The Farmee recognizes its share in the expenses in accordance with the farm-out agreement, including expenses arising from the part that the Farmor imposed on the Farmee under the farm-out agreement.
- The Farmor recognizes expenses in accordance with the farm-out agreement in the same way that it accounts for exploration and evaluation costs that it bears directly.

4. Farm-out agreements

Farm-out is the transfer of part of the rights in an oil and/or gas field in consideration for an agreement by the transferee (hereinafter - the "**Farmee**") to meet, absolutely, certain expenses that would otherwise have to be undertaken by the owner (hereinafter - "the "**Farmor**").

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

F. Oil and gas exploration, evaluation, and development assets and investments in proved reservoirs (cont.)4. Farm-out agreements (cont.)

The Farmor accounts for the farm-out arrangement as follows:

- The Farmor does not record any expense made by the Farmee on its behalf.
- The Farmor will derecognize the part of the gas and oil rights sold to the Farmee.
- The Farmor recognizes the farm-out arrangement in the statement of income in the amount of the difference between the consideration received or due and the carrying amount of the derecognized rights.

5. Carried interest

In a carried interest agreement, one party (the carrying party) agrees to bear some or all of the other party's pre-production costs, under a license jointly held by both parties. Effectively, the carried party (for whom the costs are borne by the carrying party) waives part of its share of the gas and oil to be produced in consideration of the other party bearing its share of the costs during some of the exploration/drilling stages. If the project is unsuccessful, the carrying party will not be compensated by the other party. If the project is successful, the carrying party will then be compensated in cash from the other party's share of the gas and oil to be sold or will be entitled to a larger share of the original gas and oil to be produced.

In this context, and as part of the arrangement for the acquisition of the rights in the project, the Partnership entered into an agreement with the other partner in the Sea Lion project, according to which the Partnership will also bear most of the development and evaluation costs of the other partner. The recovery in respect of the carried interest is expected to be made from future revenues from the sale of oil and gas, in accordance with the agreements signed by the parties.

6. Carried interest (cont.)

Depending on the economic nature of the transaction, the Partnership classified the extra financing as an investment in an exploration and evaluation asset or as an oil and gas asset, rather than as a financial asset.

7. Testing for impairment of exploration and evaluation assets and oil and gas assets

Oil and gas exploration and evaluation assets are tested for impairment when the facts and circumstances indicate that the carrying amount of the exploration and evaluation asset and the oil and gas asset exceeds its recoverable amount in accordance with IFRS 6 and/or IAS 36 (see Section I).

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

F. Oil and gas exploration, evaluation, and development assets and investments in proved reservoirs (cont.)8. Costs for undertaking to dispose of assets

The Group recognizes a liability for its share in the obligation to dispose of assets and at the same time an asset for the Group's share in the obligation to dispose of assets. The liability is first measured at present value and the expenses arising from the passage of time are recognized in the statement of income. Changes in timing and in the amount of economic resources that are required for settling the obligation, and changes in the discount rate are added or deducted from the asset in the current period together with a change in the liability.

G. Revenue recognition

Revenue from contracts with customers is recognized in the statement of income when control of the asset or service is transferred to the customer. The transaction price is the consideration amount expected to be received in accordance with the terms of the contract, less the amounts collected for third parties (such as taxes and royalties).

The Partnership operates as a principal and therefore recognizes gross revenues in respect of the proceeds.

Revenue from the sale of oil and gas is recognized in the statement of income at a point in time when the goods sold are transferred to the customer. Generally, control is transferred when the goods are delivered to the customer.

H. Taxes on income

The tax results for current or deferred taxes are recognized in profit or loss, except to the extent that the tax arises from items which are recognized in other comprehensive income or equity.

1. Current taxes

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date as well as adjustments required in connection with the tax liability for previous years.

2. Deferred taxes

Deferred taxes are computed for temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes.

Deferred tax balances are calculated according to the tax rate that is expected to apply when the asset is disposed of or the liability is settled, based on tax laws that have been enacted or substantively enacted by the reporting date.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

H. Taxes on income (cont.)2. Deferred taxes (cont.)

At each reporting date, deferred tax assets are assessed in accordance with their expected use. Carryforward losses and deductible temporary differences for which deferred tax assets were not recognized are tested at each reporting date and the relevant deferred tax asset is recognized if it is expected to be utilized.

Deferred taxes are offset in the statement of financial position if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

The calculation of deferred taxes does not take into account the taxes that would be applicable in the case of disposal of investments in investees, provided that the sale of these investments is not likely in the foreseeable future. In addition, deferred taxes incurred due to the distribution of earnings as dividends by investees were not taken into account, as long as this dividend distribution does not entail an additional tax liability, or due to the Partnership's policy to refrain from distributing dividends by the consolidated partnership that involve an additional tax liability.

I. Impairment of non-financial assets

The Group reviews the need for impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not likely to be recovered. When, in view of the impairment testing, the carrying amount of the non-financial assets exceeds their recoverable amount, the assets are written down to their recoverable amount. Any net impairment losses are recognized in profit or loss.

An impairment loss of an asset is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

For assets classified as exploration and evaluation assets (see Section 2F above), the unique criteria for impairment testing set out in IFRS 6 are applied.

These assets are tested for impairment when facts and circumstances may indicate that their carrying amount exceeds the recoverable amount attributed to them. Such facts and circumstances may include:

1. The period for which an entity holds an exploration right for specific area expires in the period or will expire in the foreseeable future, and it is not expected to be renewed.
2. There are no budgeted or planned substantive expenditures on further exploration for and evaluation of mineral resources in the specific area.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

I. Impairment of non-financial assets (cont.)

3. The exploration for and evaluation of mineral resources in the specific area did not result in the discovery of proved commercially viable quantities of mineral resources and the entity decided to discontinue these operations in the specific area.
4. Although a development in the specific area is likely to proceed, there is sufficient information indicating that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

J. Financial instruments1. Financial assets

As of the initial recognition date, financial assets are measured at fair value plus transaction costs that are directly attributable to acquisition of the financial asset, except in the case of a financial asset measured at fair value through profit or loss, when transaction costs are recognized in profit or loss.

The Partnership measures debt instruments at amortized cost when

The Partnership's business model is the holding of financial assets with the objective of collecting contractual cash flows and their contractual terms give rise on specific dates to cash flows representing solely payments of principal and interest for the amount of the unpaid principle.

Subsequent to initial recognition, instruments in this class will be presented according to their terms at amortized cost plus direct transaction costs, using the effective interest method and less a provision for impairment.

2. Financial liabilities

At the initial recognition date, the Partnership measures the financial liabilities under the scope of the standard at fair value less transaction costs directly attributable to the issuance of the financial liability.

Subsequent to initial recognition, the Partnership measures financial liabilities at amortized cost in their entirety.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

J. Financial instruments (cont.)3. Derecognition of financial liabilities

The Partnership recognizes costs and commissions paid for securing unutilized long-term credit as deferred debt raising costs, provided that the Partnership expects to utilize such credit facilities. When utilizing the credit facilities which were provided, the Partnership offsets a proportionate share of the deferred costs against the loan taken, which impacts the effective interest rate of the loans taken. If the Partnership does not expect to utilize any credit facility, the deferred costs recognized with respect that credit facility are charged to the statement of comprehensive income.

The Partnership derecognizes a financial liability when, and only when, it is settled - that is, when the obligation defined in the contract expires or when it is discharged or canceled.

A financial liability is extinguished when the debtor pays the liability by a cash payment, other financial assets, goods or services, or is legally discharged of the liability.

In the event of a change in the terms of an existing financial liability, the Partnership examines whether the terms of the liability are materially different from the existing conditions.

When there is a material change in the terms of an existing financial liability, the change is accounted for as derecognition of the original liability and recognition of a new liability. The difference between these two financial liabilities in the financial statements is recognized in profit or loss.

In the case of an immaterial change, the Partnership is required to adjust the amount of the liability, meaning to discount the new cash flows at the original effective interest rate, with the differences being recognized in profit or loss. When assessing whether there is a significant change in the terms of an existing liability, the Partnership takes into account qualitative and quantitative considerations.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

J. Financial instruments (cont.)4. Compound financial instruments

Convertible debentures, which include an equity conversion component and a liability component, are disaggregated into two components. This disaggregation is performed by first determining the carrying amount of the liability component based on the fair value of a similar non-convertible liability, and the carrying amount of the equity conversion component is the residual value. Direct transaction costs are apportioned between the equity component and the liability component based on the allocation of proceeds to the equity and liability components.

5. Issuance of a parcel of securities

When issuing a parcel of securities, the consideration received (before issuance expenses) is attributable to the securities issued in the parcel based on the following allocation hierarchy: Financial derivatives and other financial instruments are presented at fair value in each period. Subsequently, the fair value for financial liabilities measured at amortized cost is determined when the consideration attributed to equity instruments are determined as the residual value. Issuance costs are attributed to each component based on the ratio of the amounts determined for each component of the parcel.

6. Derivative financial instruments for hedge accounting

The Group designates certain derivative financial instruments as hedging instruments to hedge the risks associated with fluctuations in oil prices and in the USD-NIS exchange rate.

Any profits or losses arising from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized directly in the statement of income.

Hedge transactions qualify as hedge accounting when, at the inception of the hedge, there is formal designation and documentation of the hedging relationships and the risk management objectives and strategy of the Group for hedging. The hedge is tested on an ongoing basis and determined in practice when it is highly effective throughout the financial reporting period to which the hedge is assigned. Hedging transactions are accounted for as follows:

Cash flow hedges

The effective portion of the changes in the fair value of the hedging instrument is recognized in other comprehensive income (loss), while any ineffective portion is recognized immediately in profit or loss.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

J. Financial instruments (cont.)6. Derivative financial instruments for hedge accounting (cont.)Cash flow hedges (cont.)

Other comprehensive income (loss) is transferred to profit or loss when the hedged transaction results are recognized in profit or loss, such as in periods when the interest income or interest expense is recognized or when a forecast sale occurs. Where the hedged item is a non-financial asset or liability, this cost also includes the amount of the profit (loss) from the hedged instrument.

The Partnership discontinues hedge accounting prospectively only when the hedging relationships or part of them no longer comply with the qualifying criteria (after taking into account any rebalancing of hedge relationships, if relevant) including cases where the hedging instrument expires, is sold, canceled or exercised. When the Partnership discontinues hedge accounting, the amount accrued in the hedge fund will remain in the hedge fund until the cash flow occurs or is classified in profit or loss, if the hedged future cash flows are no longer expected to occur.

K. Fair value measurement

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement assumes a transaction taking place in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market.

The Group uses valuation techniques that are appropriate to the circumstances and for which sufficient information is available to measure fair value, while maximizing the use of relevant observable data and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value, or for which there was fair value disclosure, are categorized within the fair value hierarchy, based on the lowest level of the data, which is significant to fair value measurement of a whole:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3: Inputs that are not based on observable market data (assessment without using observable market inputs).

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

L. Earnings (loss) per participation unit

Earnings (loss) per participation unit are calculated in accordance with IAS 33, which determines, among other things, that the Partnership will calculate the basic earnings per participation unit for profit or loss, attributable to the owners of the participation units and will also calculate the basic earnings per participation unit for profit or loss from continuing operations, attributable to the Partnership's participation units, if such earnings are recognized.

Potential ordinary participation units are included in the calculation of diluted earnings per participation unit if their effect dilutes the earnings per participation unit from continuing operations. Potential participation units which were converted in the period are included in diluted earnings per participation unit only until the conversion date and from that date, in basic earnings per participation unit. The Partnership's share of earnings of investees is based on the earnings per share of the investees multiplied by the number of shares held by the Partnership.

M. Share-based payment transactions

The Group's employees are entitled to benefits by way of share-based payment settled in the Partnership's equity instruments (participation units).

The cost of equity-settled transactions with employees is measured at the fair value of the equity instruments at the award date. The fair value is determined using a standard pricing model.

The cost of equity-settled transactions is recognized in profit or loss, together with a corresponding increase in equity, during the period which the service conditions are to be satisfied, ending on the date on which the relevant employees become fully entitled to the award (hereinafter - the "**Vesting Period**"). The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will eventually vest.

No expense is recognized for awards that do not eventually vest, except where vesting is subject to market conditions accounted for as vested awards irrespective of the existence of the market conditions, assuming that all the other vesting conditions are satisfied.

If the Partnership modifies the terms on which equity-instruments were allotted, an additional expense is recognized for any modification that increases the total fair value of the share-based payment compensation or is otherwise beneficial to the employee according to the fair value at the modification date.

If an award of an equity instrument is canceled, it is accounted for as if it had vested on the cancellation date, and any expense not yet recognized for the award is recognized immediately. However, if a new award replaces the canceled award and is identified as an alternative award on the award date, the canceled and new award are accounted for as a modification of the original award, as described above.

Notes to the Consolidated Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

N. Borrowing costs

The Group capitalizes borrowing costs related to the development of oil and gas assets, for which a significant period of time is required for their development, intended use, or sale.

Capitalization of borrowing costs begins when the costs for the assets itself are expended, the activities attributable to preparation of the qualifying asset are in progress and borrowing costs are incurred, and ceases when substantially all the activities attributable to preparation of the qualifying asset for its intended use or sale are complete. The amount of discounted credit costs in the Reporting Period includes specific credit costs and non-specific credit costs at a weighted discount rate. Other borrowing costs are carried as incurred to finance expenses in profit or loss.

NOTE 3 - DISCLOSURE OF NEW IFRSS IN THE PERIOD PRIOR TO THEIR ADOPTION

A. IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) published IFRS 18 - Presentation and Disclosure in Financial Statements (hereinafter - the “**New Standard**”), which supersedes IAS 1 - Presentation of Financial Statements (hereinafter - “**IAS 1**”).

The purpose of the New Standard is to enhance comparability and transparency in the financial statements.

The New Standard retains existing IAS 1 requirements and adds new requirements regarding presentation in the statement of income, including presentation of amounts and subtotals, which are required under the New Standard, disclosure of management-defined performance measures, and new requirements regarding aggregation and disaggregation of financial information.

The New Standard does not change the provisions regarding recognition and measurement of financial statement items. However, since income statement items will have to be classified into one of five categories (operating activity, investing activities, financing activities, income tax, and a discontinued operation), it may change the entity’s operating profit. In addition, the publication of the New Standard triggered limited amendments to other accounting standards, including IAS 7 - Statement of Cash Flows and IAS 34 - Interim Financial Reporting.

The New Standard will be applied retrospectively for annual periods beginning on or after January 1, 2027. Early application is permitted with disclosure provided.

The Partnership is studying the effects of the New Standard - including the effect of the amendments on other accounting standards as a result of the New Standard - on the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

NOTE 4 - SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Below are the key assumptions made in the financial statements concerning uncertainties as of the reporting date and the critical estimates calculated by the Partnership; a material change in the assumptions and estimates may result in a material adjustment to the carrying amounts of assets and liabilities in the financial statements in the subsequent year:

A. Amortization of oil and gas assets

Investments in oil and gas assets are amortized to the statement of income according to the units of production method, based on the actual production volume in the period compared to the total proved and probable reserves as appraised by an external expert. When calculating the amortization of oil and gas assets on the basis of total proved and probable reserves, the Group takes into account the future amount (in undiscounted values) of the investments required to produce the same amounts. The estimate of the proved and prospective oil and gas reserves are used to determine the amortization rate of the assets used in the operations over the reporting period. Depreciation of investments (also taking into account expected future costs for production of the proved and prospective resources) associated with discovery and production of proved and probable oil and gas reserves is based on the depletion method; according to this method, in each accounting period the assets are depreciated at a rate determined by the number of units of oil and gas actually produced, divided by the proved and prospective oil and gas reserves remaining according to estimates. The estimated oil and gas reserves in the producing reservoirs in the reporting period, and the future anticipated costs are calculated each year based partially on assessments of oil and gas reserves by external experts.

The estimated proved and prospective reserves and the future anticipated costs according to these principles is subjective, based on different assumptions and the estimates of experts and may differ significantly at times. Given the significant amounts of the depreciation expenses, the changes described above can have a material effect on the operating results and the financial position of the Partnership (including in respect of testing for impairment of oil and gas assets).

B. Testing for impairment of exploration and evaluation assets and oil and gas assets

Exploration, evaluation, and development assets are not systematically depreciated; these assets are tested for impairment when facts and circumstances may indicate that the carrying amount exceeds the recoverable amount attributed to them.

The recoverable amount of exploration and evaluation assets and oil and gas assets is determined by discounting future cash flows, and includes various assumptions and estimates regarding anticipated selling prices, the number of wells used for production, production costs, and the determination of capitalization rates. A change in the assumptions and estimates may affect the recoverable amount of the exploration, evaluation, and development assets.

Notes to the Consolidated Financial Statements

NOTE 4 - SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (cont.)

C. Liability in respect of decommissioning of assets

The Partnership recognizes an asset, and concurrently it recognizes a liability in respect of its obligation for decommissioning of oil and gas assets when they are no longer used. The timing and amount of the economic resources required to settling the obligation is assessed periodically in order to test their appropriateness.

D. Deferred tax assets

Deferred tax assets are recognized in respect of carryforward losses for tax purposes and in respect of deductible temporary differences that have not yet been utilized, if a future taxable income is expected against which they can be utilized. A management estimate by is required in order to determine the amount of the recognizable deferred tax asset based on the timing, the amount of the expected taxable income against which it will be possible to utilize the carryforward losses, its source and the tax planning strategy. In accordance with the changes in these assumptions, the Partnership facilitates either the recognition or derecognition of a deferred tax asset.

NOTE 5 - CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
	USD thousand	
Cash balances available for immediate withdrawal	83,528	85,583
Cash equivalents - short-term deposits (1)	508,378	33,246
Total	<u>591,906</u>	<u>118,829</u>

(1) The deposits are held in banking corporations. As of December 31, 2025 bear interest at an annual rate of approx. 4.0% (as of December 31, 2024 - 4.1%).

NOTE 6 - SHORT-TERM INVESTMENTS

	December 31	
	2025	2024
	USD thousand	
A. <u>Bank deposits</u>		
Short-term deposits from banking corporations (*)	-	1,252
Restricted deposits and cash (**)	42,515	18,116
Total deposits with banking corporations	<u>42,515</u>	<u>19,368</u>
B. <u>Financial assets measured at fair value through profit or loss</u>		
Mutual funds (debentures in Israel)	10,862	8,929
Total	<u>53,377</u>	<u>28,297</u>

(*) Deposits with banking corporations. As of December 31, 2024 bore interest at an annual rate of approx. 4.0%.

(**) Cash and restricted bank deposits with banking corporations. As of December 31, 2025, the deposits bear interest at an annual rate of approx. 4.25% (as of December 31, 2024 - 5.3%).

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS

A. Composition

		December 31	
		2025	2024
		USD thousand	
<u>Oil and gas assets</u>			
Shenandoah project	7D1	1,427,214	1,090,005
Sea Lion project	7D2	132,967	-
Sea Lion Project (loans to RKH)	13B	77,440	-
Buckskin project	7D3	91,510	79,176
Monument Project	7D4	94,757	31,424
Denbury project	7D5	88,271	94,001
Neches Project	7D6	21,974	17,763
Shenandoah South Project (formerly Yucatan)	7D7	4,064	1,098
		<u>1,938,197</u>	<u>1,313,467</u>
<u>Exploration and evaluation assets</u>			
Sea Lion project	7D2	-	33,421
Sea Lion Project (loans to RKH)	12B	-	17,914
Others	7D10, 7D8	7,901	5,115
		<u>7,901</u>	<u>56,450</u>
		<u>1,946,098</u>	<u>1,369,917</u>

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

B. Movement

	Oil and gas assets	Exploration and evaluation assets	Total
	USD thousand		
<u>Cost</u>			
Balance as of January 1, 2024	949,252	23,568	972,820
Investment in existing assets	351,060	40,292	391,352
Revision of the provision for a commitment to dispose of oil and gas assets	(2,926)	(7,410)	(10,336)
Capitalized credit costs	82,249	-	82,249
Derecognition	<u>(1,239)</u>	-	<u>(1,239)</u>
Balance as of December 31, 2024	<u>1,378,396</u>	<u>56,450</u>	<u>1,434,846</u>
Investment in existing assets	488,707	82,261	570,968
Revision of the provision for a commitment to dispose of oil and gas assets	21,038	-	21,038
Capitalized credit costs	81,481	-	81,481
Derecognition	-	(99)	(99)
Classification of oil and gas assets (Sea Lion)	<u>130,711</u>	<u>(130,711)</u>	-
Balance as of December 31, 2025	<u>2,100,333</u>	<u>7,901</u>	<u>2,108,234</u>
<u>Accumulated depreciation, depletion and amortization</u>			
Balance as of January 1, 2024	(52,825)	-	(52,825)
Depletion	(12,598)	-	(12,598)
Derecognition	<u>494</u>	-	<u>494</u>
Balance as of December 31, 2024	(64,929)	-	(64,929)
Depletion	(90,685)	-	(90,685)
Impairment (see Note 7D5)	<u>(6,522)</u>	-	<u>(6,522)</u>
Balance as of December 31, 2025	<u>(162,136)</u>	-	<u>(162,136)</u>
<u>Depreciated cost as of December 31, 2024</u>	<u>1,313,467</u>	<u>56,450</u>	<u>1,369,917</u>
<u>Amortized cost as of December 31, 2025</u>	<u>1,938,197</u>	<u>7,901</u>	<u>1,946,098</u>

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

C. Information about the Partnership's rights in oil and gas assets

	<u>Class</u>	<u>Right valid until</u>	<u>The Partnership's share</u>	<u>Royalties to the State</u>	<u>Royalties to others (1)</u>
<u>Gulf of America</u>					
Shenandoah	Offshore	HBP (2)	49%	12.5%-16.67%	2%-3%
Buckskin	Offshore	HBP (2)	7.5%	12.5%	1%
Monument	Offshore	SOP (3)	28.57%	18.75%	Approx. 2.7%
Denbury	Onshore	HBP (2)	Approx. 50%	-	Approx. 18
Neches	Onshore	HBP (2)	Approx. 98%	-	Approx. 15%
Shenandoah South	Offshore	June 30, 2028	41.85%	18.75%	-
<u>Southwest Atlantic Ocean</u>					
Sea Lion	Offshore	Entry into a 35-year production consent period	65%	9%	-

- (1) Not including 6% in overriding royalties for the shareholders in the General Partner. For further details see Note 18D.
- (2) Since production began, all leases in the area of the oil asset are held by production (HBP) and will continue to be valid throughout production. Areas of oil assets with a right of ownership in minerals are not subject to production, and will remain in force.
- (3) SOP - Suspension of production, in the event that oil production from the Lease during the Lease period (original or extended) did not commence, SOP approval may be obtained. When granting SOP, a binding work schedule will be set, that includes milestones for the development of the asset, from the award date until first oil. Leases are extended based on SOP for fixed periods only - usually of a year at a time. As long as the Lease holders comply with the work schedule, the SOP will be extended for a further fixed period until first oil.

D. The Partnership's operations in oil and gas assets1. Shenandoah

- A. The Shenandoah oil asset is located approx. 390 km south of New Orleans, USA, in the deep waters of the Gulf of America. Its overall area is estimated at approx. 116.9 sq. km. During 2018 and 2019, the Group completed a transaction to acquire 49% of the rights in the Shenandoah Project.

On August 25, 2021, the partners to the Shenandoah oil asset made a final investment decision to develop the Shenandoah Project at a total budget of approx. USD 1.8 billion (for 100% of the rights to the project).

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. The Partnership's operations in oil and gas assets (cont.)1. Shenandoah (cont.)

A. (cont.)

On July 25, 2025, commercial oil and gas production in the project has commenced.

First oil in the project was done gradually ramped up, in a controlled manner, which included controlled opening of the producing wells, cleaning of the wells, and system calibration. At the beginning of October 2025, the ramp-up process of the four producing wells drilled as part of the development of Phase A of the project, was successfully completed upon reaching a production rate of 100,000 barrels of oil per day (BOPD) / 117,000 barrels of oil equivalent per day (BOEPD).

In accordance with the update provided by the project operator, the actual performance of the producing wells, the project's floating production system (FPS) and the other production, handling and transmission systems match its expectations.

The project's Phase A development works included the drilling and completion of four development and producing wells - SA008, SA009, SA010 and SA007, installation of subsea equipment and a pipeline for transmission, control of the oil and gas from the producing wells to the Floating Production System, construction of a Floating Production System (hereinafter - "FPS") (which has a production and handling capacity of approx. 120,000 barrels of oil per day, 140 million cubic feet of natural gas per day and 40 thousand barrels of water production per day), as well as the installation of oil and gas export pipelines from the FPS and their connection to an existing main transmission pipeline to the shore.

The operator and project partners are working to implement Phase B of the project's development plan, which includes, among other things, the advancement of future execution stages with the aim of maximizing the project's value while optimizing the use of the FPS. Stage B in the project's development includes the following main components:

1. Increasing the FPS capacity from 120,000 barrels per day, to approx. 140,000 barrels per day, which will enable the additional volume of production from Shenandoah and the Monument and Shenandoah South oil assets to be met. Increasing the FPS capacity as stated is due to be completed towards the end of 2026.
2. Two more development and producing wells are being drilled, with the fifth expected to be drilled in the first quarter of 2027 and the sixth expected to be drilled in the third quarter of 2028.

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. The Partnership's operations in oil and gas assets (cont.)1. Shenandoah (cont.)

A. (cont.)

3. Installation of a subsea pump, which from 2028 will facilitate an increase in the rate of oil flow from the producing wells to the FPS, as well as an extension of the expected production time from them.

The budget of Phase B of the Development Plan, which is expected to be used for CapEx by the end of 2028, totals approx. USD 753 million (the Partnership's share is approx. USD 369 million), of which approx. USD 319 million was approved on the approval date of Phase B of the Development Plan (the Partnership's share is approx. USD 156 million) and the remaining balance will require additional approval by the Project Partners.

B. As of December 31, 2025, investments in the project include a total of approx. USD 36 million (before interest) to be paid to suppliers in 2026-2027.

C. According to the resources report prepared by an independent reserves assessor as of December 31, 2025, the proved reserves (1P) in the Shenandoah Project (100%) are estimated at approx. 158.0 MMBBL of oil and approx. 174.2 BCF of natural gas. The proved and projected reserves (2P) are estimated at approx. 335.1 MMBBL of oil and approx. 376.1 BCF of natural gas.

2. Sea Lion project

The Sea Lion oil asset is located approx. 220 km north of the Falkland Islands, in the Southwestern Atlantic Ocean. The total area of the oil asset (the Sea Lion discovery and the adjacent licenses) is estimated at approx. 4,947 sq. km. During 2022, the Group completed a transaction to acquire 65% of the rights in the project and is the project operator.

The Sea Lion oil asset includes several reservoirs whose development is planned to be carried out in stages according to three development areas (Northern, Central and Southern Development Areas). The initial development will be of the North Development Area (NDA). The operator, Navitas Petroleum Development and Production Ltd., a wholly owned indirect subsidiary of the Partnership (hereinafter - "NPDP") has formulated a gradual development plan enabling a reduction in construction costs until first oil and currently includes five stages of development and drilling of 64 wells.

For further details regarding the oil asset acquisition transaction, see Note 13B below.

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. The Partnership's operations in oil and gas assets (cont.)2. Sea Lion project (cont.)

On December 10, 2025, the partners to the Project made a final investment decision (FID) to develop Phase A at a total budget of approx. USD 1.8 billion (for 100% of the rights to the Project).

The Final Investment Decision (FID) was made further to the Falkland Islands Government's final approval of the Field Development Plan (FDP) (a development plan that includes only the first two development stages (23 wells out of 64 wells in total)) and the signing of an Investment Protection Agreement (IPA).

According to the development plan, production from Phase A of the project is expected to be carried out using a Floating Production Storage and Offloading facility (FPSO) with a production capacity of approx. 55,000 barrels per day (100%). The Partnership is pursuing alternatives to the development of the remaining resources in the oil asset, which are not included in the development plan, as the production during the subsequent development stages may be carried out in combination with other FPSOs, which will allow the production volume to increase to up to 200,000 barrels of oil per day.

See Note 13C regarding key agreements with respect to the project's development.

According to the Partnership's assessment, and based on the bank model, the construction costs of Stage A in the development of the project will amount to approx. USD 1.8 billion (these costs also include a deposit with respect to safety cushions for interest payments and budget overruns, if any). Further to the Loans Agreement signed with RKH subsidiaries, as stated in Note 13B below, the Partnership is required to provide a USD loan at zero interest for 2/3 of the share of the license holder on behalf of RKH in the capital needed to develop Phase A, which will be repaid using 85% the free cash flow of the borrower on behalf of RKH from Phase A of the Project. The total equity provided by the Partnership for its share in the Project's development is expected to amount to approx. USD 743 million (including the component of the loan to RKH), in accordance with the revised bank model and subsequent to the signing of the commercial agreements.

In September 2025, the General Meeting of the participation unit holders approved raising part of the equity required for the project by way of non-uniform bids for institutional offerees (with the possibility of making uniform bids available to the public) - in addition to further sources of existing and planned capital and financing, which will be at its disposal for the purpose of investing in the project.

Further to the approval by the said meeting, the Partnership completed - on September 9, 2025 - an issuance of 12,600,000 participation units and 4,284,000 Options (Series 6) for immediate (gross) proceeds of approx. NIS 1,228.5 million (approx. USD 368.4 million) (for further details regarding the said issuance, see Note 14D below).

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. The Partnership's operations in oil and gas assets (cont.)2. Sea Lion project (cont.)

The FID was made subsequent to fulfillment of all the preconditions for financial closing of Project Financing Agreements for financing the development of Phase A of the project, which were signed in December 2025, between NPDP and RKH and the lenders. Therefore, the investments were classified as oil and gas assets rather than as exploration and evaluation assets. For details regarding the project financing agreement, see Note 10B.

According to the resources report prepared by an independent reserves assessor as of December 31, 2025, the proved reserves (1P) of the Sea Lion Project (100%) are estimated at approx. 230.7 MMBBL of oil and approx. 73.1 BCF of natural gas. The proved and projected reserves (2P) of the reservoir (100%) are estimated at approx. 313.8 MMBBL of oil and approx. 107.4 BCF of natural gas. An addition, the best estimate of contingent resources (2C) in the Sea Lion Project (100%) is estimated at approx. 603.2 MMBBL of oil and 1949.1 BCF of natural gas.

3. Buckskin project

The Buckskin oil field located approx. 267 miles southwest of New Orleans, USA, in the deep waters of the Gulf of America. Its overall area is estimated at approx. 151.5 sq. km. In 2017, the Group completed two transactions for the acquisition of 7.5% of the rights in the Buckskin project, an oil and gas discovery.

In June 2019, Phase 1A development was completed and oil production from two wells in the northern reservoir began.

The project operator has formulated an integrated development plan for the northern and southern reservoirs of the oil asset, based on connection to the existing transmission and treatment infrastructure on the Lucius FPS and the transmission pipeline from the platform to the coast, making full use of available treatment capacity.

From 2022 to 2025, 5 additional drillings were carried out in the project (including 3 development and production drillings and 2 evaluation and verification drillings); the completion works in the last drilling (the fifth development drilling in the northern reservoir) ended subsequent to the statement of financial position date in January 2026. Production from this drilling is due to begin in April, 2026.

According to the resources report prepared by an independent reserves assessor as of December 31, 2025, the proved reserves (1P) in the Buckskin Project (100%) are estimated at approx. 175.6 MMBBL of oil and approx. 39.6 BCF of natural gas. The proved and projected reserves (2P) are estimated at approx. 280.1 MMBBL of oil and approx. 62.9 BCF of natural gas.

An addition, the best estimate of contingent resources (2C) in Buckskin (100%) is estimated at approx. 69.2 MMBBL of oil and 24.7 BCF of natural gas.

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. The Partnership's operations in oil and gas assets (cont.)4. Monument Project

The Monument oil asset is located approx. 415 km southwest of New Orleans, USA, in the deep waters of the Gulf of America, approx. 27 km south of the Shenandoah Project (hereinafter - "**Monument**" or the "**Oil Asset**"). Its overall area is estimated at approx. 93 sq. km. During 2023 and 2024, the Group completed a transaction to acquire 28.57% of the rights in the Monument Project.

The Monument oil asset is a proved discovery located approx. 27 km south of the Shenandoah project (hereinafter - "**Monument**" or the "**Oil Asset**").

On July 15, 2023, the Partnership, through wholly owned subsidiary ShenHai LLC. (hereinafter - "**ShenHai**") - together with the other Shenandoah partners - engaged (through ShenHai) in a binding agreement for the provision of production and handling services in respect of the oil and natural gas that will be produced from Monument; those services are to be provided through the floating production system (hereinafter - "**FPS**") of the Shenandoah project (hereinafter - the "**Production and Handling Services**"). The Production and Handling Services will be provided over the life of the oil asset.

For further information about the acquisition transaction and the agreement for production and handling services, see Note 12E below.

On March 1, 2024, the final investment decision (FID) for the development of the Monument project was made. As part of the FID, the Project's preliminary development budget was approved; production will be made using the floating production system (FPS) of the Shenandoah project totaling approx. USD 259 million (the Partnership's share is approx. USD 74 million). The total project development budget is approx. USD 855 million (the Partnership's share amounts to approx. USD 244 million).

According to the project operator, drilling of both development and production drills in the project is expected to begin in April 2026, with production from the first drilling expected by the end of 2026.

For details regarding the Project Financing Agreement, see Note 8D.

According to the resources report prepared by an independent reserves assessor as of December 31, 2025, the proved reserves (1P) in the Monument Project (100%) are estimated at approx. 62.5 MMBBL of oil and approx. 34.6 BCF of natural gas. The proved and projected reserves (2P) in the reservoir are estimated at approx. 103.7 MMBBL of oil and approx. 59.1 BCF of natural gas.

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. The Partnership's operations in oil and gas assets (cont.)5. Denbury project

The Denbury Fields include 4 producing onshore oil fields: Thompson, Manvel, East Hastings, and Webster, in Texas, United States (hereinafter - the "**Denbury Assets**"). In March, 2020, the Partnership completed a transaction to acquire 50% of the rights in Denbury Assets.

In 2025, the Partnership recorded an impairment in respect of Manvel and East Hastings assets totaling approx. USD 6.5 million.

According to the resources report prepared by an independent reserves assessor as of December 31, 2025, the proved reserves (1P) of the Denbury Project (100%) are estimated at approx. 15.2 MMBBL of oil and approx. 11.5 BCF of natural gas. The proved and projected reserves (2P) of the Denbury Project (100%) are estimated at approx. 19.3 MMBBL of oil and approx. 13.4 BCF of natural gas.

6. Neches

The Neches oil field is an onshore producing field, covering an area of approx. 38 sq. km in East Texas (hereinafter - the "**Neches Project**"). In July 2019, the Partnership acquired the seller's entire rights in the Neches Project, as well as the connected facilities in the project area, including the production facilities and pipeline. The Partnership's average holding rate in the Project's licenses is approx. 98%; it serves as the oil asset's operator.

According to the resources report prepared by an independent reserves assessor as of December 31, 2025, the proved reserves (1P) of the Neches Project (100%) are estimated at approx. 2.5 MMBBL of oil and 2.2 BCF of natural gas. The proved and projected reserves (2P) of the Neches Project (100%) are estimated at approx. 3.8 MMBBL of oil and approx. 3.1 BCF of natural gas.

7. Shenandoah South

The Shenandoah South oil asset includes one license, located near the Shenandoah oil asset, southwest of New Orleans, USA, in the deep waters of the Gulf of America, and it covers a total area of approx. 23.3 sq. km. During 2018 and 2019, the Group completed two transactions to acquire 41.85% of the rights in the project.

Between 2012 and 2014, an oil was discovered in the lease area. The Partnership intends to develop the oil asset as a future Shenandoah Project phase, as part of which the Shenandoah South partners will receive handling and transmission services from the platform that will serve the Shenandoah oil asset.

On July 25, 2025, a final investment decision (hereinafter – the "**FID**") was made by the partners to the Project to develop the Shenandoah South Project.

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. The Partnership's operations in oil and gas assets (cont.)7. Shenandoah South (Yucatan) (cont.)

As part of the FID, the Project's preliminary development budget was approved, at the total amount of approx. USD 184 million (the Partnership's share is approx. USD 77 million). The estimated total project development budget is approx. USD 713 million (the Partnership's share amounts to approx. 299 million). Furthermore, a production and handling services agreement was signed, whereunder such services will be rendered over the project's life through Shenandoah Project's FPS. Following the FID the conditions pertaining to reclassification to reserves of contingent resources in the project were met. The estimated total project development budget is approx. USD 713 million (the Partnership's share amounts to approx. USD 299 million). The project's development will include the drilling of two development and producing wells, which will be connected to the Shenandoah Project's FPS. The first drilling is due to begin in the first quarter of 2028 and the second drilling is due to begin in the first quarter of 2029. The project's operator - BOE Exploration & Production, LLC - believes that production from the first project well is expected to commence in the third quarter of 2028.

According to the resources report prepared by an independent reserves evaluator as of December 31, 2025, the proved reserves (1P) of the Shenandoah South Project (100%) are estimated at approx. 19.6 MMBBL of oil and approx. 13.4 BCF of natural gas. The proved and projected reserves (2P) of the Shenandoah South Project (100%) are estimated at approx. 41.7 MMBBL of oil and approx. 28.3 BCF of natural gas.

8. Block 7 (Canada)

In November 2016, the Partnership, together with Delek Group Ltd. (hereinafter - the "**Delek Group**"), won a tender for an offshore exploration lease in the area east of Newfoundland in Canada. The partners in the drilling undertook to invest a total of CAD 48 million (approx. USD 36 million); the Partnership's share in the investment undertaking was USD 10.8 million (30%), of which the Partnership undertook to provide a guarantee in the amount of approx. CAD 3.6 million (approx. USD 2.7 million). The guarantee will be released in the amount of up to 33% of the actual investments as defined in the lease. The lease was granted for six years, with an option for an extension of three more years. At the end of the period, the lease will expire and the lease areas will be returned, with the exception of areas in which a discovery is declared, if any, and a discovery or development lease will be received for these areas. In December 2023, the Partnership paid a total amount of approx. CAD 2.5 million (approx. USD 1.8 million) for a commitment to invest in drilling in 2023.

Notes to the Consolidated Financial Statements

NOTE 7 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

D. The Partnership's operations in oil and gas assets (cont.)8. Block 7 (Canada) (cont.)

In January 2024, the lease expired and accordingly, in 2023, the Partnership recognized a loss of approx. USD 5.5 million in respect of the entire investments incurred in respect of this asset. The loss is included under the line item derecognition of exploration and evaluation assets in the statement of comprehensive income.

9. PL001 near the Sea Lion discovery in the Falkland Islands

Subsequent to the statement of financial position date, 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 discovery (hereinafter - the "License"); the Partnership serves as the license operator.

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 pipeline and the Floating Production Storage and Offloading facilities (FPSO), which will be used during the various stages of the Sea Lion project.

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 JHIF'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 JHIF.

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, JHIF shall be entitled to receive back the acquired rights, free of charge.

10. Exploration and evaluation assets

In 2024 and 2025, the Partnership invested - through a subsidiary - approx. USD 3.6 million in an offshore exploration license in the Philippines.

Notes to the Consolidated Financial Statements
NOTE 8 - RESTRICTED AMOUNTS

	Note	December 31	
		2025	2024
		USD thousand	
Amounts raised for providing a loan for the Shenandoah project (*)	10C	-	13,697
Amounts for servicing loans for the financing of Denbury Project's debt (**)	10D	-	6,802
Cushions in favor of the trustee for the debenture holders		<u>1,680</u>	<u>1,625</u>
Total		<u>1,680</u>	<u>22,124</u>

(*) Mostly deposits with a bank and as of December 31, 2024, which bears interest at an annual average rate of approx. 4.9%.

(**) A deposit with a bank and as of December 31, 2024, which bears interest at an annual average rate of approx. 4.5%.

NOTE 9 - OTHER PAYABLES AND CREDIT BALANCES

	December 31	
	2025	2024
	USD thousand	
Interested parties (including overriding royalties)	3,375	1,353
Royalties to the State and others	15,285	454
Liabilities to project operators	95,832	15,898
Accrued expenses	15,113	6,565
Other payables	8,443	898
Premiums for hedges	52,548	-
Taxes payable	<u>7,451</u>	<u>3,263</u>
Total	<u>198,047</u>	<u>28,431</u>

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS

Currency	Current liabilities as of		Non-current liabilities as		
	December 31		of December 31		
	2025	2024	2025	2024	
USD thousand					
<u>Project financing</u>					
Loans for funding the Denbury project (D)	USD	29,109	9,703	-	28,631
Loans for funding the Shenandoah Project (c)	USD	160,760	61,043	247,932	334,154
<u>Credit from a financial institution (e)</u>					
	USD	-	-	97,658	38,900
		<u>189,869</u>	<u>70,746</u>	<u>345,590</u>	<u>401,685</u>

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

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

Subsequent to the statement of financial position date, 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 10C below), as well as the Partnership's Debentures (Series C) totaling NIS 274,989,000 in p.v. (approx. USD 88 million) (see Note 11A below); (2) The Partnership's Debentures (Series E) totaling NIS 500,000,000 in p.v. (approx. USD 160 million) (see Note 11A 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 12A below); and (4) A credit facility of USD 100 million taken out by a subsidiary of the Partnership (see Note 10E 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 Financial Statements

NOTE 10 - 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.

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:

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

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

(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.

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 production.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

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

3. With respect to up to the third year (on a rolling basis) - hedging at least 25% of the expected 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 the report approval date, the borrower has complied with the undertaking to conduct the abovementioned hedging transactions.

B. Loans for funding the Sea Lion project

In order to finance the development of Phase A of the Sea Lion project, all members of the Sea Lion Partnership signed two separate Project Financing Agreements with a foreign bank and other banks and financial institutions (hereinafter - the "**Lenders**"), with the foreign bank leading the project financing framework and its syndication (hereinafter - the "**Project Financing**").

On December 19, 2025, the financial closing was completed following the fulfillment of the conditions precedent specified in the Project Financing Agreement.

According to the Project Financing Agreement of the Partnership's share in the project, NPDP will be granted loans totaling approx. USD 650 million. The first loan will be withdrawn only subsequent to the required equity investment and this is due to be made at the end of the first quarter of 2027, with a base capital amount totaling approx. USD 539.5 million (excluding the RKH carry) for the Project Company's Agreement, which will be used to finance the project costs (from which a total of approx. USD 83.7 million was invested until December 31, 2025), and a conditional capital contribution arrangement of approx. USD 56 million for the Project Company's Agreement, which will be used to finance, among other things, deviations in the project budget.

Furthermore, according to the Project Financing Agreement signed by RKH pertaining to its share in the project, RKH's Project Company will be granted loans totaling an additional USD 350 million.

The Financing Facility is of the revolving borrowing base facility type, such that as of the date on which the first withdrawal conditions have been met and up to one month prior to the final repayment date (as described below), the Project Company 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.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

B. Loans for funding the Sea Lion project (cont.)

The final repayment date of all loans under the Agreement shall be the earlier of the following dates:

(a) The Financing Facility Reduction Date occurring immediately prior to the first calculation period in which, according to the current banking model, the remaining project reserves are expected to be less than 25% of the reserves taken into consideration in the original banking model;

Or

(b) The date at the end of 7 years from the earlier of: (1) the closing date (as defined in the Agreement, which is the date on which the Consortium's organizing bank confirmed in writing that the conditions precedent for the Financial Closing were met (hereinafter - the "**Closing Date**"); and (2) February 9, 2026.

The overall liabilities will be gradually reduced, from April 1, 2029, until the final repayment date.

The outstanding balance of the loan withdrawn by the Project Company and has not yet been repaid, may not, at any time, exceed the lesser of the total aggregate commitments of the Lenders and the borrowing base amount (which is the lesser of: (a) the amount obtained from dividing the NPV (over the project's life) relevant to the calculation period by 1.5; and (b) the amount obtained from dividing the NPV (over the loan term) relevant to the calculation period by 1.3). As of the financial closing date, the borrowing base amount totals approx. USD 698 million. At any time that the outstanding loan balance exceeds the aforementioned ceiling (hereinafter - the "**Borrowing Base Deficiency**") the Project Company will be required to repay part of the loan balance, such that there shall be no Borrowing Base Deficiency (subject, under certain circumstances, to a cure period).

The loan that will continue under the Agreement is a USD loan and bears interest to be paid on the last day of each interest period, calculated based on the cumulative amount of SOFR interest (for periods of one, three and six months (as applicable)) plus a margin to be determined according to the stages of the project's progress, as follows: (a) by the project completion date (inclusive), the interest margin will be 5.25%; (b) from the project completion date to two years after the completion of the project, the interest margin will be 4.25%; (c) from the project completion date to 36 months after the completion of the project (inclusive), the interest margin will be 4.5% per annum; (d) subsequently, the interest margin will be 4.75% per annum.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

B. Loans for funding the Sea Lion project (cont.)

As part of the Agreement, the Project Company gave undertakings to the Lenders, subject to certain exceptions in the Agreement, and among other things, as follows:

- Payment of a semi-annual non-utilization fee at an annual rate of 30% of the interest margin relevant to that date for the unutilized part of the total Financing Facility.
- Financial covenants: the financial-debt-to-EBITDA-ratio on the test date should not exceed 1 to 3.5, while the projected Debt-Service Coverage Ratio (DSCR) should not be lower than 1.1 on any reduction date.
- Undertakings not to create pledges on any of its assets.
- Undertakings not to transfer in any manner all or part of its assets, including its holdings in the project or in the project infrastructure.
- Undertakings not to incur any additional financial debt.
- Obligation to perform hedging transactions for oil prices at the amounts specified in the Agreement.

To secure repayment of the loans, the Project Company pledged, among other things, its share in the project and all the rights and assets related to the project (including its rights in the project facilities, project agreements, insurance policies and project accounts) subject to certain exceptions. Furthermore, the Agreement is also secured by a pledge of the Project Company's entire equity capital and assignment of all rights by virtue of all intra-Group loans granted to the Project Company by the Project Company shareholder, the Partnership or a related party.

Execution of a distribution by the Project Company will be possible from the project completion date, subject to compliance with terms and conditions. The key terms and conditions include: non- occurrence of any of the default events or potential default events specified in the Agreement; the expected DSCR for a period of six months in which a distribution is to be made and for a period of six months immediately thereafter (except for such a period in which the final repayment date occurs or any subsequent period), shall not be less than 1.3:1; debt service reserve account amounts are not lower than principal and interest payments for a period of six months; and the debt service accrual account amount shall not be less than the required debt service accrual balance.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

C. Loans for funding the Shenandoah Project

On August 1, 2021, the Project Financing Agreements were signed between the partners in the Shenandoah oil asset and a consortium of local and international banks and financial institutions, to finance the share of each of the Partners in the Shenandoah oil asset in the project development costs. Under the Project Financing Agreement signed between ShenHai and the lending consortium (hereinafter - the "**Project Financing Agreement**"), ShenHai received loans totaling approx. USD 544 million. It is noted that after the Partnership completed a public offering of Debentures (Series C) (see Note 11B), the net proceeds of the issuance, totaling approx. USD 100 million, were advanced as a loan in favor of Navitas ShenHai Financing Ltd. (hereinafter - "**ShenHai Financing**"). ShenHai Financing is a special-purpose company (SPC), wholly-owned by the Partnership, which was incorporated in Israel and established by the Partnership to raise financial resources for ShenHai by way of joining the consortium as an additional party to the Project Financing Agreement.

In December 2024, once the Lenders' approval for the Expanded Development Plan was given, as stated in Note 7D1 above, the existing project financing for the development of the Project was also approved totaling approx. USD 150 million (100%) (ShenHai's share is approx. USD 73.5 million) (hereinafter - the "**Financing Increase**"). Some of the existing Lenders participated in the Financing Increase and so did new international lenders, with the project financing amount of ShenHai Financing's remaining without change.

As a result, the project financing amount increased to a total of approx. USD 617 million, and by May 2025, the entire amount of the said financing continued (out of this amount, a total of approx. USD 99.5 million was provided by the subsidiary, ShenHai Financing). As of December 31, 2025, the outstanding loan principal amounted to approx. USD 514.5 million (of which approx. USD 82.9 million is attributed to ShenHai Financing).

The loans withdrawn bore annual interest of Term SOFR, plus an adjustment to the LIBOR interest rate of 0.11% to 0.43%, and an additional margin of 3.25% to 5.25%, which is determined in accordance with a number of parameters related to the progress of the project. As from January 2024 to December 2025, the margin stood at 5.25%. As from December 2025, the margin stands at 3.75%.

The effective interest rate for the loan as of December 31, 2025 is approx. 14%.

The loan principal is repayable in six equal semi-annual installments from December 31, 2025 to December 31, 2027, and a final payment in August 2028.

Subsequent to the statement of financial position date, 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 10A above. As a result of the repayment of the loan as stated above, in the first quarter of 2026, the Partnership will recognize an expense of approx. USD 22 million in respect of the amortization of the balance of the loan raising costs.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

C. Loans for funding the Shenandoah project (cont.)

Under the Project Financing Agreement, ShenHai undertook various obligations, the main ones being as follows:

- Non-utilization commission - payment of a commission at the rate of 1.5% of the balance of the financing framework which was not withdrawn.
- Financial covenants: compliance with a ratio of financial debt to EBITDA that does not exceed 1 to 3.5, as well as compliance with a debt service coverage ratio (DSCR) that is not lower than 1.1.
As of December 31, 2025, the Partnership was in compliance with these financial covenants.
- Executing hedging transactions for oil prices at the amounts specified in the Project Financing Agreement.
See Note 19C(1)(c) with respect to hedges carried out during the reporting period and through the approval date of the financial statements.

Main collateral

To secure repayment of the loan, ShenHai took out a first-rank fixed pledge on its share in the project and project-related assets (including its rights in the project facilities, project agreements, insurance policies, project account, all as defined in the Project Financing Agreement). In addition, the loan is also secured by way of a pledge on the shares in ShenHai.

ShenHai will be able to make a distribution as of the project completion date, subject to compliance with the terms and conditions, the main ones being: non-occurrence of any of the breach events specified in the Project Financing Agreement; expected DSCR for the coming year will not be less than 1.3; the first principal payment is according to the above amortization schedule; the debt service reserve amounts, as defined in the Project Financing Agreement, will be at least in the amount of principal and interest payments for a period of eight months.

D. Loans for funding the Denbury project

Further to Note 7D5 regarding acquisition of the Denbury project, on February 27, 2020, NPO entered into a financing agreement with a bank and an institutional entity in Israel (which is revised from time to time) (hereinafter - the "**Loans Agreement**").

As of December 31, 2025, the loan principal amounted to approx. USD 29 million for repayment in semi-annual installments by December 31, 2028.

The project loans bore annual interest of Term SOFR plus a 5.11% spread (as of December 31, 2025, the interest rate is approx. 10.3%). The loans' principal and interest are payable in semi-annual installments until December 31, 2028. The effective interest rate for the loan as of December 31, 2025 is approx. 11.4%.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

D. Loans for funding the Denbury project (cont.)

In December 2025, the Partnership made a decision to make a full early repayment of the outstanding loan balance and the accrued interest, as permitted under the loan agreement. Furthermore, subsequent to the statement of financial position date, in January 2026, the Partnership executed an early repayment of the outstanding loan amount and accrued interest in respect thereof for a total 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.

Except in exceptional cases, obligations to refrain from taking out collateral on any of its assets, from executing transactions for the sale, leasing or otherwise transferring all or part of its rights in the project and the project infrastructure or to undertake additional financial debt.

E. Credit from a financial institution

On October 30, 2024, the Partnership and Navitas Financing US, LLC - a wholly-owned subsidiary of the Partnership, which was incorporated in Delaware, United States (hereinafter - the "**Borrower**") - entered into an agreement for the provision of a credit facility of up to USD 100 million by Trafigura Trading LLC.

As of December 31, 2025, the entire credit facility, totaling USD 100 million (a total of approx. USD 98 million, net of discount costs) was withdrawn. The effective interest rate for the loan as of December 31, 2025 is approx. 10.4%.

The Loans bore variable annual interest based on 3-month Term SOFR, plus a spread of 4.5% in the first year and 4% from the second year and through the final repayment of the Loans.

The loan principal is repayable in equal quarterly installments as from December 31, 2026, and the final repayment date is October 30, 2029. Interest on the loans was paid quarterly as from the date on which they were advanced.

Subsequent to the statement of financial position date, 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 will recognize an expense of approx. USD 2 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.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

E. Credit from a financial institution (cont.)Financial covenants

Under the agreement, the Borrower undertook, among other things, that the ratio between net debt and the Partnership's consolidated EBITDA (excluding Navitas Petroleum Limited and its subsidiaries) would not exceed 3.5 (compliance with this financial covenant is required as from the earlier of: 1. The quarter ending on June 30, 2026. 2. The end of the first quarter following the date, which is six months after first oil from the Shenandoah project (other than production for testing purposes). The net debt of the Partnership (excluding Navitas Petroleum Limited and its subsidiaries) will not exceed the product of the proved and probable reserves (based on barrels of oil equivalent per day) multiplied by USD 4.75 (as of the report date, it is approx. USD 3.2).

As of December 31, 2025, the Borrower is in compliance with the set covenants.

F. Loans for funding the Monument Project

On February 20, 2025, wholly-owned subsidiaries of the Partnership, in which the Partnership has an indirect stake, and which hold the rights in the Monument Project (hereinafter – the “**Project**” and the “**Borrower**”) entered into a Project Financing Agreement for the provision of a credit facility, totaling USD 150 million for the purpose of financing the Partnership's share in the Project development. The financing will be provided by a consortium of banks and local and foreign financial institutions (hereinafter - the “**Agreement**”, the “**Lenders**” and the “**Credit Facility**”, respectively). The loans by virtue of the Credit Facility are non-recourse loans as far as the Partnership is concerned. The Agreement came into force when it was signed, after all the conditions required for its coming into force had been completed.

According to the Project Finance Agreement, the Partnership must invest approx. USD 100 million in equity and provide a Contingent Equity Reserve Account (CERA) totaling USD 20 million (as of the report approval date, the full equity was invested), and in light of this, the first withdrawal from the project was made in the amount of approx. USD 7 million (out of a total of approx. USD 150 million).

As from their provision date, the loans will bear variable annual interest based on the term SOFR interest rate plus a margin of: (1) 6% through the project development completion date; and (2) 4.75% as from the development completion date. The Agreement also stipulates interest on arrears due to failure to make timely payment under generally accepted terms.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

F. Loans for funding the Monument Project (cont.)

On the provision date of any loan, the Borrower may set an interest period in respect thereof. The Borrower may opt for a period of one month, three months or six months (or another period at the Lenders' consent), at the end of which the interest will be paid with respect of that loan, provided that the interest period does not end after the final repayment date of the Credit Facility, as described below. If the interest period exceeds six months, the interest shall be paid every six months. On the payment date of a loan's principal and interest, the Borrower may refinance the loan principal by taking a new loan under the facility.

The Borrower will be able to withdraw loans from the Credit Facility up to one month before the final repayment date. The loan's final repayment date is the earlier of the date on which the volume of remaining reserves in the project falls below 25% of the initial volume of the reserves as stipulated in the Agreement or December 31, 2031.

Subsequent to first oil from the Project, the Borrower has the right to execute early repayment of the loans, in whole or in part, on interest payment dates, without paying an early repayment fee or other payment.

Under the Project Financing Agreement, the Lender undertook various obligations, the main ones being as follows:

- Non-utilization fee - a 3% fee until the end of the availability period, paid every six months.
- Financial covenants: Compliance with a financial debt to EBITDA ratio that will not exceed 1 to 3.5 (this ratio will be reviewed every six months, on June 30 and December 31, on the earlier of the two dates that occurs at least six months after the completion date) and compliance with a projected debt service coverage ratio (DSCR) that will not fall below 1.1 (this ratio will be reviewed every six months after each loan principal reduction date).
- Executing hedging transactions for oil prices at the amounts specified in the Project Financing Agreement.
- The Borrower undertook not to place a pledge on its directly-held assets, in addition to any pledges already in place on the Financial Closing Date, except for exclusions set forth in the Agreement.

Main collateral

To secure repayment of the loan, the borrower took out, inter alia, a first-rank fixed pledge on its share in the project and project-related assets (including its rights in the project facilities, project agreements, insurance policies, and project account, all as defined in the Agreement). In addition, the loan will also be secured by a pledge on the Borrower's shares held indirectly by the Partnership and intercompany loans extended to the Borrower.

Notes to the Consolidated Financial Statements

NOTE 10 - LOANS FROM BANKING CORPORATIONS AND FINANCIAL INSTITUTIONS (cont.)

F. Loans for funding the Monument Project (cont.)Main collateral (cont.)

Execution of distributions by the Borrower will be possible only after the project development completion date and subject to compliance with the following conditions, among other things: (a) there is no breach event or a potential breach event of the Agreement; (b) the expected debt service coverage ratio is at least 1.3 for the current and subsequent calculation period; (c) full debt service reserve accounts as required; (d) the distribution was included in the up-to-date financing forecast and there is no shortage of sources of financing; and (e) maximum withdrawal amount is not exceeded.

- G. For further details regarding the expected repayment dates of the loans, under the contractual terms in non-discounted amounts (including interest payments), see Note 19F.

NOTE 11 - DEBENTURES, NET

	Original par value (NIS)	Linkage basis	Nominal interest %	Effective interest rate %	Carrying amount as of December 31 (*)	
					2025	2024
					USD thousand	
<u>Debentures</u>						
<u>issued by the</u>						
<u>Partnership</u>						
Series C (a)	330,000,000	NIS	5.25	5.63	103,038	89,879
Series D (b)	155,000,000	USD	5.00	7.92	34,609	44,898
Series E (c)	500,000,000	NIS	6.50	8.49	149,743	128,593
Series F (d)	910,000,000	NIS	6.70	7.00	283,678	247,836
Series G (e)	1,000,000,000	NIS	6.00	6.48	308,987	-
Series H (f)	670,000,000	USD	7.95	8.22	204,056	-
					<u>1,084,111</u>	<u>511,206</u>
<u>Less current maturities</u>						
Series C (a)					34,261	-
Series D (b)					34,609	-
Series E (c)					<u>36,208</u>	-
					<u>105,078</u>	-
					<u>979,033</u>	<u>511,206</u>

(*) Net of discount.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

A. Debentures (Series C)

On November 8, 2021, the Partnership completed a public placement of NIS 330,000,000 p.v. in Debentures (Series C) of the Partnership at a yearly interest rate of 5.25%, with the immediate gross proceeds received by the Partnership in the public placement totaling NIS 330,000 thousand (approx. USD 106.3 million).

The Debentures (Series C) are repayable in six unequal installments as follows: four payments, each constituting 16.67% of the total par value of Debentures (Series C) will be paid on January 15 and July 15 of each of the years 2026 and 2027; the fifth payment - payable on January 15 2028 - shall constitute 16.67% of the total par value of Debentures (Series C); and the sixth and last payment, to be paid on October 15, 2028 shall constitute 16.65% of total par value of Debentures (Series C).

The interest on the outstanding balance of the principal will be paid twice a year, on January 15 in each of the years from 2022 to 2028, on July 15 in each of the years from 2022 to 2028, for the six months ended on the payment date. Payment for the last interest period will be made for the period beginning on July 15, 2028 and ending on the day before the payment date.

As of December 31, 2025, the Debentures are rated ilA- by Standard & Poor's Maalot.

The net proceeds of the issuance were extended as a loan in favor of ShenHai Financing Ltd., for details see Note 10C.

Subsequent to the statement of financial position date, on January 15, 2026, 16.67% of the par value of Debentures (Series C) was repaid. After repayment, the outstanding par value is approx. NIS 274,989 thousand.

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 will recognize a loss of approx. USD 1.4 million in respect of the early redemption, which will be included under the finance expenses line item in the statement of comprehensive income.

Collateral and other liabilities

Under the deed of trust deed, the Partnership assumed the following main obligations:

- The Partnership's economic capital, as defined in the deed of trust, will fall below USD 1,100 million for two consecutive quarters.
- The net financial debt to net CAP ratio, as defined in the deed of trust, will not exceed a rate of 75% for two consecutive quarters.
- The Partnership's equity will not fall below USD 70 million for two consecutive quarters.

As of December 31, 2025, the Partnership was in compliance with these financial covenants.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

B. Convertible Debentures (Series D)

On November 9, 2021, the Partnership completed a public offering of NIS 155,000,000 p.v. Debentures (Series D) convertible into the participation units of the Partnership. The convertible Debentures (Series D) were offered by way of a tender on the unit price, with the composition of each unit being NIS 1,000 p.v.; the unit price set in the tender is NIS 986 per unit. The immediate gross consideration received by the Partnership as part of the public offering amounts to approx. NIS 152,830 thousand (approx. USD 50 million). The total costs for the issuance amounted to approx. NIS 1,656 thousand (approx. USD 0.5 million).

The outstanding principal of the Debentures (Series D) is convertible into the Partnership's participation units as from the date of their listing on the TASE and up to December 31, 2026, as detailed below: (a) Up to June 30, 2023, each NIS 23 p.v. of Debentures (Series D) is convertible into one participation unit of the Partnership; (b) In the period from July 1, 2023 to December 31, 2026, each NIS 27 p.v. of Debentures (Series D) is convertible into one participation unit of the Partnership.

The principal and interest of convertible Debentures (Series D) are linked to the representative USD exchange rate as of November 8, 2021 (NIS 3.103 per USD 1) and bear annual interest of 5%.

The interest on the outstanding balance of the principal will be paid twice a year, on June 30 in each of the years from 2022 to 2026 and on December 31 of each of the years 2022 to 2026, for the six months ended on the payment date.

In 2024, NIS 8,297,000 p.v. of Debentures (Series D) were converted into 307,297 participation units of the Partnership, and consequently, the equity attributable to the owners of the Partnership's participation units increased by approx. USD 2.6 million.

In 2025, NIS 35,968,163 p.v. of Debentures (Series D) were converted into 1,332,154 participation units of the Partnership, and consequently, the equity attributable to the owners of the Partnership's participation units increased by approx. USD 11.6 million.

The outstanding par value of the Debentures (Series D) as of December 31, 2025 (subsequent to the said conversions), is NIS 110,734,837 p.v. (as of December 31, 2024 - NIS 146,703,000 p.v.)

Subsequent to the statement of financial position date, NIS 35,267,753 p.v. of Debentures (Series D) were converted into 1,306,213 participation units of the Partnership.

The convertible Debentures (Series D) are repayable in one payment on December 31, 2026.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

B. Convertible Debentures (Series D) (cont.)Other liabilities

Under the deed of trust deed, the Partnership assumed the following main obligations:

- The Partnership's economic capital, as defined in the deed of trust, will fall below USD 1,100 million for two consecutive quarters.
- The net financial debt to net CAP ratio, as defined in the deed of trust, will not exceed a rate of 75% for two consecutive quarters.
- The Partnership's equity will not fall below USD 70 million for two consecutive quarters.
- The amount of the Partnership's restricted debts (on a standalone basis) will not exceed 35% of the total assets of the Partnership

As of December 31, 2025, the Partnership was in compliance with these financial covenants.

- The Partnership will not make any distribution that is one of the following: 1) a distribution that is contrary to the provisions of the Partnership Ordinance; 2) a distribution that will result in the Partnership's economic capital falling below USD 1,300 million; 3) a distribution that will result in the net financial debt to net CAP ratio increasing beyond a rate of 65%; 4) a distribution that will result in the Partnership's equity falling below USD 80 million.

C. Debentures (Series E)

On July 13, 2023, the Partnership completed a public placement of NIS 395,000,000 p.v. in Debentures (Series E) of the Partnership at a yearly interest rate of 6.5%, with the immediate gross proceeds totaling approx. NIS 362,610 thousand (approx. USD 100 million). The effective interest rate in the said issuance is 9.2%.

On January 10, 2024, the Partnership issued NIS 105,000,000 p.v. in Debentures (Series E) by way of a series expansion, in a private placement, with the issuance proceeds totaling NIS 101,955 thousand (approx. USD 27.4 million), the issuance expenses totaled approx. USD 138 thousand. The effective interest rate in the said series expansion is approx. 7.64%.

The debentures are not linked to the CPI or any currency.

Debentures (Series E) were repayable in three unequal annual installments on December 31 of each of the years 2026 to 2028.

The interest on the outstanding balance of the debentures' principal will be paid in semi-annual installments, on June 30 and December 31 of each of the years from 2024 to 2028.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

C. Debentures (Series E) (cont.)

As of December 31, 2025, the Debentures are rated ilA- by Standard & Poor's Maalot. Debentures (Series E) are secured by a second-degree collateral, placed on the Partnership's rights in the oil assets of Buckskin North, Denbury, and Neches. The pledges were removed subsequent to the early redemption as stated below.

Subsequent to the statement of financial position date, 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 will recognize a loss of approx. USD 13 million in respect of the early redemption, which will be included under the finance expenses line item in the statement of comprehensive income.

Collateral and other liabilities

Under the deed of trust deed, the Partnership assumed the following main obligations:

- The Partnership's economic capital, as defined in the deed of trust, will fall below USD 1,100 million for two consecutive quarters.
- The net financial debt to net cap ratio, as defined in the deed of trust, will not exceed a rate of 70% for two consecutive quarters.
- The Partnership's equity will not fall below USD 130 million for two consecutive quarters.
- The loan to value ratio, as defined in the deed of trust, will not exceed 75% for two consecutive quarters.

As of December 31, 2025, the Partnership was in compliance with these financial covenants.

D. Debentures (Series F)

On March 10, 2024, the Partnership completed a public offering of NIS 910,000,000 p.v. Debentures (Series F) of the Partnership. The Debentures (Series F) were offered by way of non-uniform offering to institutional investors. The offering was made as follows: 910,000 debt units (Series F), with each unit comprising NIS 1,000 p.v. of Debentures (Series F) at a uniform unit price of NIS 1,000. The debentures' annual interest rate is 6.7%. The immediate gross proceeds received by the Partnership as part of the public offering amounted to NIS 910,000 thousand (approx. USD 252 million). The proceeds of the issuance were used, among other things, to repay Debentures (Series B) of the Partnership. The debentures are not linked to the CPI or any currency.

Issuance expenses amounted to approx. USD 2 million. The effective interest rate in the said issuance is approx. 7.0%.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

D. Debentures (Series F) (cont.)

The Debentures (Series F), of NIS 1 p.v. each, are repayable in three unequal annual installments, as follows: two payments on September 30 of each of the years 2028 and 2027, such that each of the two payments will constitute 25% of the total par value of the Debentures (Series F), and the third and final payment, to be paid on September 30, 2029, will constitute 50% of the total par value of the Debentures (Series F).

The interest on the outstanding balance of the debentures' principal will be paid in semi-annual installments, on March 31 and September 30 of each of the years from 2025 to 2029, except for payments in respect of the first interest period. Payment for the first interest period was made on September 30, 2024 for the period beginning on March 12, 2024 and ending on September 29, 2024.

Subsequent to the statement of financial position date, on February 13, 2026, the General Partner's Board of Directors decided to make a partial early redemption 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) to be made on March 31, 2026. As a result of the repayment of the Debentures (Series F), in the first quarter of 2026 the Partnership will recognize a loss of approx. USD 8 million in respect of the early redemption, which will be included under the finance expenses line item in the statement of comprehensive income.

The Debentures are rated ilA- by Standard & Poor's Maalot.

Collateral and other liabilities

The Debentures (Series F) are secured by a pledge on the Partnership's interests in the Buckskin oil asset and the project accounts under the pledge agreement.

Under the deed of trust deed, the Partnership assumed the following main obligations:

- The Partnership's economic capital, as defined in the deed of trust, will not fall below USD 1,400 million for two consecutive quarters.
- The net financial debt to net cap ratio, as defined in the deed of trust, will not exceed a rate of 70% for two consecutive quarters.
- The Partnership's equity capital as per the financial statements (excluding non-controlling interests) will not fall below USD 140 million for two consecutive quarters.
- The loan to collateral ratio, as defined in the deed of trust, will not exceed 73% for two consecutive quarters.

As of December 31, 2025, the Partnership was in compliance with these financial covenants.

- The Partnership undertook not to pledge all of its existing or future assets and property (held directly) in a general floating charge, without the prior consent of the general meeting of holders of Debentures (Series F) by special resolution.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

D. Debentures (Series F) (cont.)Collateral and other liabilities (cont.)

- The Partnership has undertaken, as far as it is under its control, to ensure that Debentures (Series F) are rated by at least one rating agency approved by the Commissioner of the Capital Market, until the date of full, final and accurate repayment of the debt.
- The Partnership will not make any distribution that is one of the following: 1) a distribution that is contrary to the provisions of the Partnership Ordinance; 2) a distribution that will result in the Partnership's economic capital falling below USD 1,600 million; 3) a distribution that will result in the net financial debt to net cap ratio increasing beyond a rate of 63%; 4) a distribution that will result in the Partnership's equity capital (excluding non-controlling interests) falling below USD 185 million; 5) on the date on which the Board of Directors passes the distribution decision there are warnings signs as defined in Section 10(b)(14)(a) to the Securities Regulations (Periodic and Immediate Reports), 1970.

E. Debentures (Series G)

On January 13, 2025, the Partnership completed a public offering of NIS 400,000,000 p.v. in Debentures (Series G) of the Partnership. Debentures (Series G) were offered by way of a tender on the annual interest rate on Debentures (Series G), with the annual interest rate set at 6%. The immediate gross proceeds received by the Partnership as part of the public offering amounted to NIS 400 million (approx. USD 109 million). The debentures are not linked to the CPI or any currency. Issuance expenses amounted to approx. USD 1 million. The effective interest rate in the said issuance is approx. 6.3%. Debentures (Series G) are repayable in two unequal annual installments, to be paid on June 30 of each of the years 2029 and 2030.

The interest on the outstanding balance of the debentures' principal shall be paid in semi-annual installments on December 31, 2025 and on June 30 and December 31 of each of the years 2026 through 2029, except for payment in respect of the first interest period paid on June 30, 2025 in respect of the period beginning on January 14, 2025 and ended on June 29, 2025 and for payment of the last interest payment on June 30, 2030.

On April 22, 2025, the Partnership issued NIS 403,000,000 p.v. in Debentures (Series G) by way of series expansion, as part of a private placement for investors specified in the First Addendum to the Securities Law, at a price of NIS 0.994 agorot per each NIS 1 p.v. of Debentures (Series G); the overall issuance proceeds amounted to approx. NIS 400.6 million (approx. USD 107.7 million). Issuance expenses amounted to approx. USD 0.4 million. The effective interest rate in the said issuance is approx. 6.7%.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

E. Debentures (Series G) (cont.)

On July 31, 2025, the Partnership issued NIS 197,000,000 p.v. in Debentures (Series G) by way of series expansion, as part of a private placement for investors specified in the First Addendum to the Securities Law, at a price of NIS 1 agorot per each NIS 1 p.v. of Debentures (Series G); the overall issuance proceeds amounted to NIS 197 million (approx. USD 58.1 million). Issuance expenses amounted to approx. USD 0.2 million. The effective interest rate in the said issuance is approx. 6.3%.

Collateral and other liabilities

Debentures (Series G) are not secured and are rated iBBB+ by Standard & Poor's Maalot.

Under the deed of trust deed, the Partnership assumed the following main obligations:

- The Partnership's economic capital, as defined in the deed of trust, will not fall below USD 1,400 million for two consecutive quarters.
- The net financial debt to net cap ratio, as defined in the deed of trust, will not exceed a rate of 70% for two consecutive quarters.
- The Partnership's equity capital as per the financial statements (excluding non-controlling interests) will not fall below USD 160 million for two consecutive quarters.

As of December 31, 2025, the Partnership was in compliance with these financial covenants.

- The Partnership undertook not to pledge all of its existing or future assets and property (held directly) in a general floating charge, without the prior consent of the general meeting of holders of Debentures (Series G) by special resolution.
- The Partnership has undertaken, as far as it is under its control, to ensure that Debentures (Series G) are rated by at least one rating agency approved by the Commissioner of the Capital Market, until the date of full, final and accurate repayment of the debt.
- The Partnership will not make any distribution that is one of the following: 1) a distribution that is contrary to the provisions of the Partnership Ordinance; 2) a distribution that will result in the Partnership's economic capital falling below USD 1,600 million; 3) a distribution that will result in the net financial debt to net cap ratio increasing beyond a rate of 63%; 4) a distribution that will result in the Partnership's equity capital (excluding non-controlling interests) falling below USD 200 million; 5) on the date on which the Board of Directors passes the distribution decision there are warnings signs as defined in Section 10(b)(14)(a) to the Securities Regulations (Periodic and Immediate Reports), 1970.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

F. Debentures (Series H)

On November 19, 2025, the Partnership completed a public offering of NIS 670,000,000 p.v. in Debentures (Series H) of the Partnership, at an annual interest rate of 7.95%. The immediate gross proceeds received by the Partnership as part of the public offering amounted to NIS 670,000 thousand (approx. USD 205 million).

The issuance expenses totaled approx. USD 1.1 million. The effective interest rate in the said issuance is approx. 8.2%.

Subsequent to the statement of financial position date, 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 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%.

Debentures (Series H) were repayable in two equal annual installments on December 31 of each of the years 2030 to 2031.

The interest on the outstanding balance of the debentures' principal will be paid in semi-annual installments, on June 30 and December 31 of each of the years from 2026 to 2031.

The principal and interest of Debentures (Series D) are linked to the representative USD exchange rate as of November 19, 2025 (NIS 3.266 per USD 1).

The debentures are not secured and are rated iBBB+ by Standard & Poor's Maalot.

Under the deed of trust deed, the Partnership assumed the following main obligations:

- The Partnership's economic capital, as defined in the deed of trust, will not fall below USD 1,400 million for two consecutive quarters.
- The net financial debt to net cap ratio, as defined in the deed of trust, will not exceed a rate of 70% for two consecutive quarters.
- The Partnership's equity will not fall below USD 160 million for two consecutive quarters.

As of December 31, 2025, the Partnership was in compliance with these financial covenants.

- The Partnership undertook not to pledge all of its existing or future assets and property (held directly) in a general floating charge, without the prior consent of the general meeting of holders of Debentures (Series H) by special resolution.
- The Partnership has undertaken to ensure that Debentures (Series H) are rated by at least one rating agency approved by the Commissioner of the Capital Markets, until the date of full, final and accurate repayment of the debt.

Notes to the Consolidated Financial Statements

NOTE 11 - DEBENTURES, NET (cont.)

F. Debentures (Series H) (cont.)

- The Partnership will not make any distribution that is one of the following: 1) a distribution that is contrary to the provisions of the Partnership Ordinance; 2) a distribution that will result in the Partnership's economic capital falling below USD 1,600 million; 3) a distribution that will result in the net financial debt to net cap ratio increasing beyond a rate of 63%; 4) a distribution that will result in the Partnership's equity capital (excluding non-controlling interests) falling below USD 200 million; 5) on the date on which the Board of Directors passes the distribution decision there are warnings signs as defined in Section 10(b)(14)(a) to the Securities Regulations (Periodic and Immediate Reports), 1970.
- G. The terms and conditions of the debentures set a "cross-default" event, whereby if a (non-recourse) loan of over NIS 50 million (relevant to Debentures (Series C, D, E and F) and over USD 25 million (Debentures (Series G)) will be put up for immediate repayment, or if a series of debentures will be put up for immediate repayment, the remaining holders of the above debentures will have grounds for immediate repayment in respect of the debentures they hold.
- H. For further details regarding the expected repayment dates of the debentures issued by the Partnership, under the contractual terms in non-discounted amounts (including interest payments), see Note 19F.

Notes to the Consolidated Financial Statements

NOTE 12 - PROVISION FOR AN OBLIGATION TO DECOMMISSION OIL AND GAS ASSETS

Composition:

	December 31	
	2025	2024
	USD thousand	
Shenandoah project	29,995	12,315
Buckskin project	5,063	2,807
Sea Lion project	2,141	3,315
Denbury project	6,823	3,562
Neches project	1,354	859
Total	<u>45,376</u>	<u>22,858</u>

The average weighted discount rate used to discount the obligation in respect of decommissioning of oil and gas assets is 4.8% (2024: 6.5%).

Movement:

	USD thousand
Balance as of January 1, 2024	32,049
Net liabilities recognized in the reporting period against oil and gas assets	(10,336)
Effect of passage of time	<u>1,145</u>
Balance as of December 31, 2024	22,858
Net liabilities recognized in the reporting period against oil and gas assets	9,230
Revision of the discount rate	11,808
Effect of passage of time	<u>1,480</u>
Balance as of December 31, 2025	<u>45,376</u>

Notes to the Consolidated Financial Statements

NOTE 13 - AGREEMENTS, PLEDGES, AND OTHER LIABILITIES

A. Issuance of preferred shares by a subsidiary

On August 12, 2021, an agreement was signed with an Israeli institutional entity (hereinafter - the "**Investor**"), to invest in preferred shares available for early redemption in Navitas Holdings totaling USD 45 million.

In accordance with the signed agreement, the allotment of the preferred shares (as defined below) was carried out in two stages:

- 1) At the time of signing the agreement, the investor transferred to Navitas Holdings a total of approximately USD 30 million in exchange for the allotment of the preferred shares;
- 2) On November 16, 2021, after compliance with several of the conditions, including the provision of the capital required to finance the Shenandoah Project, completion of a financial closing for the Project and maintaining the holding of Navitas Holdings (through ShenHai) of no less than 49% of the rights in the Project, the investor transferred an additional amount of USD 15 million against the allotment of additional Preferred Shares.

The proceeds from the foregoing issues, were assigned and included under non-controlling interests.

The preferred shares have been allotted to the Investor in a number of redeemable series, without voting rights, and will accrue preferred dividend of 19% per annum.

The preferred dividend will be paid on the dates on which Navitas Holdings distributes dividends to its shareholders, at its sole discretion, in which case the payments will be made as agreed.

The accrued preferred dividend is included in the profit attributable to holders of non-controlling interests in the consolidated statements of comprehensive income.

The preferred shares will be redeemable by Navitas Holdings, as of July 1, 2025, over subsequent periods at the dates set for each series. After these dates, Navitas Holdings may redeem the preferred shares, at its sole discretion, subject to the Investor's IRR for each redeemed series reflecting 19% per annum for a minimum period of 5 years.

The decisions of Navitas Holdings on a limited number of issues will require the Investor's approval, including:

- Voluntary liquidation;
- Transactions with related parties;
- Amendments to the shareholders' agreement of Navitas Holdings which infringe on the Investor's rights;
- Deviation from leverage ratios set at the Navitas Holdings level;
- Allocation of new shares in Navitas Holdings with preferred rights to the preferred shares;

Notes to the Consolidated Financial Statements

NOTE 13 - AGREEMENTS, PLEDGES, AND OTHER LIABILITIES (cont.)

A. Issuance of preferred shares by a subsidiary (cont.)

The Investor will not be entitled to demand repayment of the preferred shares, except under special circumstances, inter alia, in the event of liquidation or a public offering of Navitas Holdings.

The total proceeds of the offering were used for depositing a portion of the total capital required for the development budget of the Shenandoah oil asset in a dedicated account in favor of the project operator.

Subsequent to the statement of financial position date, on January 22, 2026, a full redemption was made at the Partnership's initiative, of the full balance of the preferred shares issued, for 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 20 million and will be credited to a (negative) reserve from transactions with non-controlling interests.

B. Acquisition transaction - the Sea Lion discovery

On April 15, 2022, binding transaction agreements were signed with Premier Oil (hereinafter "**Premier**") and RKH to acquire 65% of the rights to the oil asset and to appoint the Partnership as the operator. On September 22, 2022, the transaction was completed as follows:

- An agreement was signed to purchase all shares of NPDP (hereinafter - the "**Agreement**") (formerly Premier Oil Exploration and Production Limited) between Navitas Petroleum Limited, a wholly-owned English subsidiary of the Partnership (hereinafter - "**Navitas England**") and Harbour Energy plc (hereinafter - "**HBR**" or the "**Seller**") which held the entire equity capital of NPDP. Upon completion of the transaction, Navitas UK became the project operator (through NPDP).
- The agreement also stipulates that the Partnership will enter into the shoes of HBR in terms of the ownership (through NPDP) of the temporary dock facility (hereinafter - the "**Temporary Dock Facility**"), which was built as part of the drilling activities previously carried out in the Oil Asset (hereinafter - the "**Temporary Dock**"), including liabilities related to its maintenance and future dismantling. The Temporary Dock may be used in the development of the Project and Navitas UK provided the Falkland Islands Government a company guarantee to secure the abovementioned liabilities.
- As part of the terms of the Agreement, Navitas UK received approx. USD 6 million from the Seller on the Transaction Completion Date.
- The acquired company, NPDP, has past investments in the Oil Asset for tax purposes in the total amount of approx. USD 700 million, that can be utilized in the future against a taxable income from the Oil Asset. See Note 17D below in connection with the recognition of deferred taxes in respect of these amounts.

Notes to the Consolidated Financial Statements

NOTE 13 - AGREEMENTS, PLEDGES, AND OTHER LIABILITIES (cont.)

B. Acquisition transaction - the Sea Lion discovery (cont.)

- The Partnership and HBR will provide a company guarantee to each other to ensure fulfillment of the related parties' obligations under the NPDP share purchase agreement.

The Farm Out agreement (hereinafter - the "FOA")

- An agreement between companies owned by RKH and Navitas UK, to transfer - to PMO - parts of the rights to the Oil Asset's leases owned by RKH (held through a subsidiary) on the Transaction Completion Date, such that immediately after completing the Transaction, Navitas holds 100% of NPDP's shares, and NPDP holds 65% of the oil asset and has been appointed the Project's operator.
- The agreement further stipulates that if NPDP does not reach a final investment decision (hereinafter - "FID") to develop the Project within 5 years from the Transaction Completion Date (with an option for an 18-month extension, depending on the conditions stated in the agreement), RKH will be entitled to receive Navitas UK's participation rights in the Project, on the condition that all loans extended to it by that date by the Partnership are repaid.
- On the Transaction Completion Date, the Oil Asset Leases holders signed a joint operating agreement (hereinafter - "JOA").
- The Partnership and RKH will provide a company guarantee to each other to ensure fulfillment of the related parties' obligations under the FOA and the Agreement for the loans (as the term is defined below).

The Loans Agreement

- As part of the RKH's terms, Navitas UK has undertaken that as part of the financing of Phase A of the Sea Lion discovery, NPDP (or the Partnership or another company owned by the Partnership) will extend loans to RKH (through subsidiaries through which RKH holds the leases), the key terms of which (hereinafter - the "**Loans Agreement**") are as follows:
 1. "Pre-FID" loan - a USD-denominated loan, which will bear annual interest of 8%, for RKH's share in all costs of Phase A of the Sea Lion discovery from the moment the Transaction is completed until a Final Investment Decision (FID) is made for the development of Phase A of the Sea Lion discovery (hereinafter and above - "FID").
 2. The "Post-FID" Loan – a USD-denominated zero-interest loan for 2/3 of RKH's share of the capital required to develop the Sea Lion discovery from the FID date to the earliest of: (a) 12 months from first oil (as defined in the agreement); (b) the completion of the development of the Sea Lion discovery, as defined in future Financing Agreements; (c) the agreement's termination.
- RKH's voting rights over operations pertaining to Phase A of the development of the Sea Lion discovery will be fully assigned to Navitas UK by the FID, and at the rate of 2/3 after the FID, until the entire loan is repaid or until the loan agreement is terminated, except regarding the issues excluded specifically.

Notes to the Consolidated Financial Statements

NOTE 13 - AGREEMENTS, PLEDGES, AND OTHER LIABILITIES (cont.)

B. Acquisition transaction - the Sea Lion discovery (cont.)The Loans Agreement (cont.)

- Both loans shall be repaid from 85% of RKH's free cash flow from Phase A of the development of the Sea Lion discovery. Moreover, RKH will be limited in its ability to raise capital for objectives that do not serve development of the Oil Asset and/or that impede its financial capability.
- Collateral in connection with the loans:
 1. A second pledge on RKH's rights in Phase A of the development of the Sea Lion discovery, after the pledge made to the project's lenders.
 2. A first-degree pledge in favor of Navitas UK on RKH's available cash flow from the development of Phase A of the Sea Lion discovery.

As part of the completion of the transaction, the license period was extended by two additional years, until November 2024.

In October 2024, the Falkland Islands Government approved the extension of the term of the Oil Asset Leases until December 31, 2026 and after the FID, the license for which the development was made will be extended by 35 years.

For further details regarding the Sea Lion project, see Note 7D2.

C. Key agreements with respect to the development of the Sea Lion Project

As part of the preparations for the development of the project, NPDP entered into binding agreements with key suppliers as detailed below.

FPSO Agreements (floating production, storage and offloading)

NPDP entered into a package of binding agreements regarding the lease, upgrade and operation, and maintenance of the Floating Production Storage and Offloading facility (FPSO) in the project (hereinafter - "**FPSO**"). The agreement package includes a lease agreement of the FPSO for up to 20 years, an engineering, procurement and construction (EPC) agreement for upgrading and adapting the FPSO to the needs of the project, as well as an operating and maintenance (O&M) agreement & for the entire lease period (hereinafter - the "**Lease Agreement**", the "**EPC Agreement**" and the "**O&M Agreement**", respectively).

In accordance with the Lease Agreement, upon delivery of the FPSO to NPDP, NPDP shall gain possession and exclusive use of the FPSO under a bareboat charter. From the date of delivery, the legal right to use and operate the FPSO will be maintained by NPDP.

Notes to the Consolidated Financial Statements

NOTE 13 - AGREEMENTS, PLEDGES, AND OTHER LIABILITIES (cont.)

C. Key agreements with respect to the development of the Sea Lion Project (cont.)

The lease payments consist of a fixed component of daily payment for the right to use the FPSO (subject to reduction mechanisms in certain cases of poor performance), as well as a variable component calculated based on actual production, the price of a barrel of oil and the FPSO's operational availability level. In the Partnership's estimation, the total fixed component of the lease payments for the full lease period of approx. 12 years will total approx. USD 330 million.

As part of the Lease Agreement, the Partnership provided the Lessor with a limited corporate guarantee, for the payment of the Early Termination Fees alone, in a maximum amount of approx. USD 109 million, reduced by a fixed daily amount commencing from the first oil date, in accordance with the mechanism set forth in the Agreement. Furthermore, the Lessor Group's parent company grants NPDP an unlimited company guarantee in an amount securing the Group's companies' undertakings under the lease, EPC and O&M agreements.

The FPSO lease and upgrade agreements will be displayed in the Partnership's books of accounts, commencing from the date of receipt of the FPSO for its expected use by the Partnership during 2026, as a leases. From the date of receipt for its use, the Partnership shall recognize a right-of-use asset and a lease liability in respect of them.

EPC Agreement

The EPC agreement was signed with a company from the Lessor group (hereinafter - the "**Contractor**"), and includes the design, upgrade, adaptation and FPSO's life extension to meet the project's needs, as well as the design and manufacture of a new docking system, which will remain under NPDP ownership. The estimated costs of the aforementioned works total approx. USD 428 million.

Additional agreements

Furthermore, NPDP entered into several additional agreements required for the development of the project, including, among other things, an agreement for the supply and operation of a drilling rig; a master agreement for the supply of services associated with drilling and completions, an agreement for the engineering, procurement, construction, installation and trial-running of subsea systems, as well as agreements for the supply of subsea structures, umbilicals, risers and flowlines (SURF). The aforementioned agreements include, among other things, mechanisms for payment, liability, indemnification and insurance of the type existing in maritime development and production projects.

Notes to the Consolidated Financial Statements

NOTE 13 - AGREEMENTS, PLEDGES, AND OTHER LIABILITIES (cont.)

D. The Monument Transaction1. Purchase of rights in the Monument Project

An offshore asset in the Gulf of America, about 400 miles southwest of New Orleans, Louisiana, USA, at a water depth of approximately 1,930 meters. In February 2023, Beacon Offshore Energy Exploration LLC (hereinafter - "**Beacon**") acquired from Equinor Gulf of Mexico LLC all of its rights in the Monument Oil Asset (hereinafter - "**Equinor**" and the "**Beacon and Equinor Agreement**"), which constitutes 50% of the rights in the Oil Asset, and an affiliate of Beacon was appointed as the Oil Asset operator (hereinafter - "**Monument's Operator**").

The Partnership, through Navitas Monument, and Beacon entered into an agreement for the purchase of 40% of Beacon's rights in the Oil Asset, such that after the completion of the transaction, Beacon will hold 30% and Navitas Monument 20% of the rights in the Oil Asset (hereinafter - the "**Acquired Rights**" and the "**Acquisition Agreement**", respectively).

The Acquisition Agreement stipulates that the acquisition will become effective on January 1, 2023 (hereinafter - the "**Acquisition Effective Date**"), and accordingly, after the finalization of the transaction, Navitas Monument will assume all liabilities relating to the Acquired Rights created as from the Acquisition Effective Date. It should be clarified that Navitas Monument will not cover any liability prior to the Acquisition Effective Date.

On the date of signing of the Acquisition Agreement and finalization of the Acquisition Transaction, no consideration was paid to Beacon in respect of the purchase of the Acquired Rights. The future amounts that Navitas Monument undertook to pay under the Acquisition Transaction as detailed below, are amounts determined according to Navitas Monument's relative share (40%) of Beacon's undertakings under the Beacon-Equinor Agreement.

- FID payment - Navitas Monument paid a total of USD 2 million on the date of the final investment decision (FID) in the Monument Project.
- First oil payment - Navitas Monument will pay Beacon USD 10 million on the date on which commercial production from the Monument Project commences.

For details regarding the increase in the holdings in Monument at a rate of 8.57%, see Note 7D(4).

Notes to the Consolidated Financial Statements

NOTE 13 - AGREEMENTS, PLEDGES, AND OTHER LIABILITIES (cont.)

D. The Monument Transaction (cont.)2. Binding agreement for the provision of production and handling services

On July 15, 2023, the Partnership - together with the other Shenandoah partners - engaged (through ShenHai) in a binding agreement for the provision of production and handling services in respect of the oil and natural gas that will be produced from Monument; those services are to be provided through the floating production system (hereinafter - "**FPS**") of the Shenandoah project (hereinafter - the "**Production and Handling Services**") at a scope of approx. 20,000 barrels per day.

The Production and Handling Services will be provided over the life of the oil asset, for the consideration and under the terms detailed below.

For the purpose of providing the production and handling services, additional equipment and adjustments to Shenandoah's FPS will be required (hereinafter - the "**Upgrade Works**"), which will increase the total planned production and handling capacity from approx. 100,000 barrels of oil per day to approx. 120,000 barrels per day. The Monument Partners shall bear all the costs of the Upgrade Works. As of December 31, 2025 and 2024, the long-term liabilities include a total of approx. USD 1.5 million, which represents an advance received from the other Monument partners to Shenhai for the provision of the abovementioned services.

The Upgrade Works will be carried out as part of the FPS construction process, which ended as stated in Note 7D1b above, and did not cause delays in the schedules for the completion of the construction and installation of the FPS in the Shenandoah project. It shall be clarified that the Upgrade Works shall not generate any additional liabilities and costs for the Shenandoah partners beyond the costs budgeted for the FPS for the Shenandoah project. All other facilities to be installed on the FPS as part of the Upgrade Works will be wholly owned by the Shenandoah partners.

The Monument Partners shall pay the Shenandoah partners a one-off payment for the Production and Handling Services, as well as a monthly amount that will be set in accordance with the oil and natural gas quantities that will be piped in effect from the Monument Project to be handled in the FPS, and contingent upon a minimum monthly amount. In addition, the Monument Partners shall bear their pro-rata share in the monthly expenses of the FPS activation.

Notes to the Consolidated Financial Statements

NOTE 13 - AGREEMENTS, PLEDGES, AND OTHER LIABILITIES (cont.)

E. Shenandoah South - Binding agreement for the provision of production and handling services

In July 2025, the Shenandoah South partners entered into an agreement with the Shenandoah partners to provide production and handling services for oil and natural gas to be produced from Shenandoah South via Shenandoah's FPS, over the life of the project, for a consideration and under the terms and conditions as detailed below.

For providing the production and handling services, additional equipment and adjustments to Shenandoah's FPS will be required, which will increase the total production and handling capacity in the FPS from approx. 120,000 barrels per day to approx. 140,000 barrels per day.

The Shenandoah South Partners shall pay the Shenandoah partners a one-off payment for the Production and Handling Services, as well as a monthly amount that will be set in accordance with the oil and natural gas quantities that will be piped in effect from the Monument Project to be handled in the FPS, and contingent upon a minimum monthly amount. In addition, the Shenandoah South Partners shall bear their pro-rata share in the monthly expenses of the FPS activation.

F. As of December 31, 2025, the Group has guarantees totaling approx. 4,458 thousand to insurance companies in the United States to secure the Group's obligations to provide equivalent guarantees by the insurance company in favor of the local authorities in the United States and providers of oil and gas treatment and transmission infrastructure (as of December 31, 2024: USD 4,908 thousand).

As of December 31, 2025, there is a USD 20 million Partnership guarantee with respect to an agreement to supply a drilling rig for the Sea Lion project.

G. With regard to the provision of guarantees by the Partnership to secure the undertakings of subsidiaries under the financing agreements, see Note 8A and Note 8C above.

H. With regard to the pledge on the rights in the Group's oil and gas assets, see Notes 8 and 11.

I. For information about guarantees provided by the Partnership with respect to the FPSO agreements, see Section C.

Notes to the Consolidated Financial Statements

NOTE 14 - THE PARTNERSHIP'S EQUITY

A. Composition of capital

	<u>Issued and paid up</u>	
	<u>2025</u>	<u>2024</u>
	<u>No. of participation units</u>	
Participation units (without par value)	<u>117,011,010</u>	<u>100,546,588</u>

Under the Partnership Agreement, the share of the General Partner in the Partnership's equity capital will be 0.2% and the share of all the limited partners will be 99.8%. Accordingly, the General Partner is entitled to 0.2% of the rights in the Partnership.

B. Movement in issued participation units

	<u>Note</u>	<u>No. of participation units</u>
<u>Balance as of January 1, 2024</u>		94,273,113
Vesting of RSUs into participation units	14F	400,994
Exercise of employee options for participation units under the 2018 plan	14E	9,684
Conversion of debentures into participation units	14G	307,297
Issuance of participation units to the public	14C	<u>5,555,500</u>
<u>Balance as of December 31, 2024</u>		100,546,588
Vesting of RSUs into participation units	14F	518,280
Exercise of employee options for participation units under the 2018 plan	14E	180,939
Conversion of debentures into participation units	14G	1,332,153
Issuance of participation units to the public	14D	3,600,000
Issuance of participation units to institutionals	14D	9,000,000
Exercise of Options (Series 5) for participation units	14C	<u>1,833,050</u>
<u>Balance as of December 31, 2025</u>		<u>117,011,010</u>

- C. On March 12, 2024, the Partnership completed the issuance of 55,555 bundles at NIS 4,500 per unit, with each unit composed of 100 participation units and 33 Options (Series 5), which are exercisable into participation units. As part of the issuance, 5,555,500 participation units and 1,833,315 Options (Series 5) were issued. The immediate gross proceeds (without the option exercise assumption) received by the Partnership as part of the public offering amounted to NIS 250 million (approx. USD 68.3 million). The total costs for the issuance amounted to approx. USD 2.4 million.

Each Option (Series 5) is exercisable into one participation unit for an exercise price of NIS 45.20 per participation unit, linked to the USD exchange rate as of March 11, 2024 (NIS 3.608 per USD 1), on each trading day as from the date of their listing on the TASE, until March 31, 2025.

Notes to the Consolidated Financial Statements

NOTE 14 - THE PARTNERSHIP'S EQUITY (cont.)

C. (cont.)

The Partnership allocated the proceeds of the issuance between the participation units and the option at their fair value on the first trading day on the TASE.

In the first quarter of 2025, 1,833,050 Options (Series 5) were exercised into 1,833,050 participation units of the Partnership for a total of approx. NIS 84.4 million (approx. USD 23 million). 265 Options (Series 5) expired on March 31, 2025.

- D. On September 9, 2025, the Partnership completed the issuance of 126,000 bundles at a uniform price of NIS 9,750 per unit, with each unit being composed of 100 participation units and 34 Options (Series 6), which are exercisable into participation units. As part of the issuance, 12,600,000 participation units and 4,284,000 Options (Series 6) were issued. The immediate gross proceeds (without the option exercise assumption) received by the Partnership as part of the public offering amounted to approx. NIS 1,228.5 million (approx. USD 368.4 million). The total issuance costs amounted to approx. USD 5 million.

Each Option (Series 6) is exercisable into one participation unit for an exercise price of NIS 120 per participation unit, linked to the USD exchange rate as of September 5, 2025 (NIS 3.343 per USD 1), on each trading day as from the date of their listing on the TASE, until August 31, 2026.

The Partnership allocated the proceeds of the issuance between the participation units and the option at their fair value on the first trading day on the TASE.

- E. In 2024, 9,684 non-marketable options, which were awarded to employees, were exercised into 9,684 participation units of the Partnership in consideration for approx. USD 35 thousand.

In January 2025, 175,029 non-marketable options awarded to a former officer were exercised to 175,029 participation units of the Partnership for approx. USD 1,148 thousand.

In April 2025, 5,910 non-marketable options, which were awarded to employees, were exercised into 5,910 participation units of the Partnership in consideration for approx. USD 17 thousand.

As of December 31, 2025, the Partnership has 3,677,214 options.

Subsequent to the statement of financial position date, in February 2026, 1,521 non-marketable options awarded to employees, were exercised into 1,521 participation units of the Partnership in consideration for approx. USD 8 thousand.

For details regarding the allocation of non-marketable options to each of the Officers on Behalf of the General Partner, see Note 18C1 above. During the reporting period, the Partnership recognized expenses in respect of the said options to Officers on Behalf of the General Partner for a total of approx. USD 2,141 thousand.

Notes to the Consolidated Financial Statements

NOTE 14 - THE PARTNERSHIP'S EQUITY (cont.)

E. (cont.)

For details regarding the allocation of non-marketable options to the CEO of the General Partner, see Note 18E above. During the reporting period, the Partnership recognized expenses in respect of the said options to Officers on Behalf of the General Partner for a total of approx. USD 130 thousand.

The total number of non-marketable options as of the approval date of the financial statements is 3,675,693.

- F. In 2024, 400,994 RSUs vested into 400,994 participation units of the Partnership, and in 2025, 518,280 RSUs vested into 518,280 participation units of the Partnership, after the offerees had met the vesting conditions set out in the Plan (for further details see Note 15).

As of December 31, 2025 the Partnership has 703,643 RSUs.

Subsequent to the date of the statement of financial position, 167,998 RSUs vested into 167,998 participation units.

The total number of RSUs as of the financial statements approval date is 535,645.

- G. In 2024, NIS 8,297,000 p.v. of Debentures (Series D) were converted into 307,297 participation units of the Partnership.

In 2025, NIS 35,968,163 p.v. of Debentures (Series D) were converted into 1,332,154 participation units of the Partnership.

As of December 31, 2025, the balance of the principal of Debentures (Series D) (after the said conversions) convertible into the Partnership's participation units, amounts to NIS 110,734,837 p.v.

Subsequent to the statement of financial position date, NIS 35,811,125 p.v. of Debentures (Series D) was converted into 1,326,338 participation units of the Partnership.

For further details regarding the Debentures (Series D) of the Partnership, see Note 11C above.

- H. The balance of participation units as of the approval date of the financial statements, after the abovementioned conversions, the exercise of the options and the vesting of RSUs, is 118,506,654.

- I. For further details regarding the RSUs, employee and officer options and officers' options on behalf of the General Partner, see Note 15.

Notes to the Consolidated Financial Statements

NOTE 14 - THE PARTNERSHIP'S EQUITY (cont.)

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

K. Dormant participation units in equity

	December 31	
	2025	2024
	No. of participation units	
Participation units held by the Partnership *)	<u>117,372</u>	<u>117,372</u>

*) Under the terms of the plan, restricted participation units for the Partnership's employees.

NOTE 15 - SHARE-BASED PAYMENTS (PARTICIPATION UNITS)

The plan	Instruments allotted	Quantity allotted	Award date	Balance as of December 31, 2025	Fair value of the security at the award date	Further details
					USD	
2018 plan	Options	68,210	2018-2019	13,670	1.69-2.28	
2018 plan	RSUs	967,288	2021-2022	195,665	4.79-5.11	
2018 plan	Options	2,450,524	2022	2,100,467	2-2.3	Note 18C(2)
2018 plan	RSUs	642,538	2023-2024	381,618	4.19-10.7	(b), (c)
2018 plan	RSUs	134,611	2025	126,362	21.5-25.87	(d) Note 18C(2)
2018 plan	Options	<u>1,563,077</u>	2025	<u>1,563,077</u>	8.14-8.96	and 18E
Total		<u>5,826,248</u>		<u>4,380,859</u>		

A. 2018 plan

On July 18, 2018, the general meeting of the holders of the Partnerships participation units approved, for the first time, an outline for a private placement to officers, employees, and service providers in the Partnership or a subsidiary, who are not controlling shareholders in the General Partner and the Partnership. On the basis of the outline, the board of directors of the General Partner adopted an equity compensation plan (hereinafter - the "**Plan**").

Notes to the Consolidated Financial Statements

NOTE 15 - SHARE-BASED PAYMENTS (PARTICIPATION UNITS) (cont.)

A. 2018 plan (cont.)

- Options

Non-marketable options exercisable for one participation unit of the Partnership. The options will vest in three tranches over the employment period of the offeree (18-42 months from the effective date).

The exercise price is based on a weighted average of the closing prices of the participation units in the Partnership, in the 30 trading days preceding the effective date plus a premium of 10%-30%, according to the vesting period of each tranche.

The options will be exercisable for up to two years from their vesting date against a cash payment of the exercise price or according to a net exercise mechanism, as elected by the offeree.

- RSUs

Non-marketable RSUs, each conferring the right to one participation unit of the Partnership without consideration.

The RSUs will vest in three tranches once two cumulative conditions have been fulfilled: (a) the duration of the offeree's employment period (18-42 months from the effective date); (b) compliance with a target price of the participation unit on the stock exchange - based on a weighted average of the closing prices of the participation units, in the 30 trading days preceding the effective date plus a 10% - 30% premium).

The duration of the RSUs will be up to two years from the minimum employment period set for each tranche. If the terms and conditions are not fulfilled by the date set for each tranche, the RSUs for that tranche will expire without consideration.

B. Allotments in 2023

On April 9, 2023, the Partnership allotted 105,000 RSUs under a private placement to an officer on behalf of the General Partner, further to approval by the general meeting on March 23, 2023. The fair value of the allotted equity instruments was estimated at approx. USD 448 thousand at the allotment date.

On April 20, 2023, the Partnership allocated - as part of a private placement - 105,740 RSUs to non-executive employees. The fair value of the allotted equity instruments was estimated at approx. USD 408 thousand at the allotment date.

On August 31, 2023, the Partnership allocated - as part of a private placement - 198,300 RSUs to an officer and to non-executive employees. The fair value of the allotted equity instruments was estimated at approx. USD 1.1 million at the allotment date.

Notes to the Consolidated Financial Statements

NOTE 15 - SHARE-BASED PAYMENTS (PARTICIPATION UNITS) (cont.)

C. Allotments in 2024

In February 2024, the directors of the General Partner of the Partnership were granted 32,700 RSUs, in accordance with the approval of the general meeting of February 6, 2024. The fair value of the allotted equity instruments was estimated at approx. USD 232 thousand at the allotment date.

On March 31, 2024, the Partnership allocated 200,798 RSUs under a private placement to non-executive and executive employees of the Partnership and its wholly owned subsidiaries. The fair value of the allotted equity instruments was estimated at approx. USD 2,164 thousand at the allotment date.

D. Allotments in 2025

In April 2025, the Partnership allotted 127,018 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 2.7 million at the allotment date.

In August 2025, the Partnership allocated 7,593 RSUs by way of a private placement to non-executive employees of wholly-owned subsidiaries thereof. The fair value of the allotted equity instruments was estimated at approx. USD 200 thousand at the allotment date.

E. Expiration of RSUs

During 2023, 79,020 RSUs which were awarded to offerees whose employment ended, expired.

During 2025, 39,801 RSUs which were awarded to an offeree whose employment ended, expired.

F. Exercise of non-marketable options

In 2024, 175,028 non-marketable options which were awarded to an officer whose employment was terminated prior to the fulfillment of their vesting conditions expired. For details regarding non-marketable options exercised in 2025, Note 14E above.

G. For details regarding the vesting of RSUs and awarded to officers and employees, see Note 14F above.

H. Expense recognized in the financial statements

In 2025, the Partnership recognized expenses for share-based payment plans in the amount of approx. USD 5,026 thousand (2024: approx. USD 3,915 thousand, 2023: approx. USD 4,169 thousand). In addition, in 2023, the Partnership capitalized an amount of approx. USD 240 thousand.

Notes to the Consolidated Financial Statements

NOTE 16 - ADDITIONAL ITEMS IN PROFIT OR LOSS

A. Revenue from oil and gas sales, net of royalties

	For the year ended December 31		
	2025	2024	2023
	USD thousand		
Revenue from oil and gas sales	466,590	98,291	118,495
Royalties	(101,387)	(20,252)	(24,704)
Total	<u>365,203</u>	<u>78,039</u>	<u>93,791</u>

B. Cost of oil and gas production

Operating costs	49,609	22,496	24,355
Transmission	32,175	3,483	3,854
Local taxes	1,878	2,541	2,458
Insurance	794	91	205
Total	<u>84,456</u>	<u>28,611</u>	<u>30,872</u>

C. General and administrative expenses

Salaries and related expenses	9,187	7,307	6,889
Management fees, salaries and benefits for interested parties (see Note 18C)	3,099	2,451	3,186
Professional services	3,395	2,727	1,926
Travel abroad	366	293	154
Depreciation expenses	709	645	518
Office and other maintenance	3,209	2,178	1,810
Total	<u>19,965</u>	<u>15,601</u>	<u>14,483</u>

D. Finance income

	For the year ended December 31		
	2025	2024	2023
Note	USD thousand		
Interest income from deposits	16,258	9,220	8,306
Others	603	539	-
	<u>16,861</u>	<u>9,759</u>	<u>8,306</u>
Capitalization of credit for qualifying assets	(381)	(1,902)	(4,257)
Total finance income	<u>16,480</u>	<u>7,857</u>	<u>4,049</u>

Notes to the Consolidated Financial Statements

NOTE 16 - ADDITIONAL ITEMS IN PROFIT OR LOSS (cont.)

E. Finance expenses

Interest expenses for debentures	11	(55,860)	(36,252)	(25,508)
Finance expenses for loans from banking corporations and financial institutions	10	(79,896)	(45,524)	(23,152)
Finance expenses for financial derivatives, net		(7,620)	(4,614)	(2,648)
Loss on early repayment	10D	(1,266)	(5,219)	(779)
Others		(3,166)	(1,670)	(1,848)
		<u>(147,808)</u>	<u>(93,279)</u>	<u>(53,935)</u>
Capitalization of borrowing costs for qualifying assets		<u>81,481</u>	<u>81,403</u>	<u>49,144</u>
Total finance expenses		<u>(66,327)</u>	<u>(11,876)</u>	<u>(4,791)</u>

NOTE 17 - TAXES ON INCOME

A. Taxation in Israel1. Information about income tax regulations and the main arrangements

On January 1, 2017, the Income Tax Ordinance (Types of Partnerships to be Regarded as a Company), 2017, was published in the Official Gazette ("the Ordinance"), setting out conditions that the Partnership is required to meet to be considered a company for tax purposes. On registration of the participation units on the TASE, the Partnership meets the conditions set out in the Ordinance, therefore the tax regime applicable to the Partnership after the issuance and listing of the participation units is the same as if it were a company for all intents and purposes. Accordingly, the Partnership's expenses and revenues will be ascertained in the Partnership, and the Partnership will report its taxable income and bear corporate tax for its taxable income, as if it were a company, according to the tax rates applicable to a company.

The provisions of the Income Tax Regulations (Rules for Calculation of Tax on the Holding and Sale of Participation Units in an Oil Exploration Partnership), 1988 (hereinafter - the "**Regulations**"), which regulate the attribution of the income and expenses of a listed partnership to holders of participation units that are "eligible holders", will not apply to the Partnership.

2. Applicable tax rate for Group companies in Israel

The corporate tax rate in Israel in 2023-2025 is 23%.

Notes to the Consolidated Financial Statements

NOTE 17 - TAXES ON INCOME (cont.)

A. Taxation in Israel (cont.)3. Taxes on income from dividends from subsidiaries

In accordance with Section 126(B) of the Income Tax Ordinance (hereinafter - the "**Ordinance**"), calculation of the Partnership's taxable income will not include income from the distribution of profits or from a dividend arising from income produced in Israel, which is received directly or indirectly from another body of persons subject to corporate tax in Israel.

In accordance with Section 126(B) of the Ordinance, a dividend received by the Partnership from a foreign company will be taxed in Israel at the corporate tax rate, as set out above, while providing a credit for the tax withheld from the dividend abroad (direct credit). Surplus direct credit may be carried forward up to the end of the next 5 tax years.

At the same time, at the request of the Partnership and on fulfillment of certain terms and conditions, the Partnership may choose an alternative, according to which tax will be imposed at the corporate tax rate as set out above, for the gross profit from which the dividend is distributed (the amount of the dividend distributed plus the withholding tax and the foreign corporate tax paid for it), while receiving a credit for both the foreign tax paid on the revenue from which they dividend is distributed in the foreign company (indirect credit), and for the tax withheld abroad for that dividend. It is noted that indirect credit is granted up to only two levels below the Partnership and under certain conditions, including holding stakes at the first and second levels. Surplus indirect credits cannot be carried forward to future years.

4. In 2024, the Israel Tax Authority's approval was received and the Partnership completed a restructuring, according to which the shares of Navitas Petroleum Holdings LLC, a company incorporated in the US, which was wholly-owned by Navitas Petroleum Limited (an English company wholly-owned by the Partnership) are directly by the Partnership.
5. In September 2021, the Income Tax Regulations (Rules for Calculation of Tax on the Holding and Sale of Participation Units in an Oil Exploration Partnership) (Amendment) were published. These regulations prescribe, among other things, that as from the 2022 tax year, a partnership whose units are listed on the Stock Exchange will be taxed as a company, i.e., in accordance with the two-stage taxation method as from the tax year in which the oil partnership generated a taxable income or distributed profits. It is clarified that as long as the Ordinance applies to the Partnership and it is taxed as a company, the provisions of the regulations, which regulate the manner in which the income and expenses of a listed partnership are allocated to holders of participation units who are "eligible holders," do not apply to the Partnership.

Notes to the Consolidated Financial Statements

NOTE 17 - TAXES ON INCOME (cont.)

B. The main tax rates applicable to the consolidated companies that are incorporated outside of Israel are:1. Companies incorporated in the United StatesA. The applicable US tax rate

The US federal corporate tax rate in 2023-2025 is 21%.

The following taxes, among others, apply in those US states in which the Group operates:

- Texas - In 2023-2025, the Texas Franchise Tax applied to the Group at a rate of 0.75%.
- Louisiana - Between 2023 and 2024, a graduated corporate tax was applied at rates between 3.5% and 7.5%; commencing in 2025, a uniform tax rate of 5.5% was applied.

B. US Federal Tax Legislation

On December 22, 2017, legislation was signed in the United States that included extensive changes to the federal tax system (hereinafter – the “**Reform**”). The Reform framework, as well as later legislative amendments, set out various provisions that may affect the tax liability of the Group's activities in the United States. Following are the main provisions applicable to the Group:

1. Reduction in the federal corporate tax rate - the federal corporate tax rate in the United States was reduced from 35% to 21%, effective January 1, 2018.
2. Taxable losses and minimum tax - the Reform revoked the previously existing Corporate Alternative Minimum Tax (Corporate AMT) applying to US companies; however, as of tax years beginning subsequent to 2022, Corporate Alternative Minimum Tax (CAMT) may apply to certain companies. Furthermore, net operating losses (NOLs) are subject, as a rule, to a limit of 80% of the taxable income, and such losses may, as a rule, be carried forward to the subsequent years without a time limit, subject to statutory provisions.
3. Limitation of interest expense deduction - pursuant to US law, deduction of business interest expenses is generally subject to a limit of 30% of the adjusted taxable income (ATI). In the tax years 2018-2021, the ATI was calculated on a basis similar to EBITDA; in the tax years 2022-2024, the ATI was calculated on a basis similar to EBIT; and commencing from 2025, the ATI was calculated on a basis similar to EBITDA. As a rule, disallowed interest expenses are carried forward to subsequent years without a time limit.

Notes to the Consolidated Financial Statements

NOTE 17 - TAXES ON INCOME (cont.)

B. The main tax rates applicable to the consolidated companies that are incorporated outside of Israel are: (cont.)1. Companies incorporated in the United States (cont.)B. US Federal Tax Legislation (cont.)

4. Bonus Depreciation - US federal law allows, under certain conditions, accelerated depreciation of qualifying assets. The rate of accelerated reduction has changed over the years due to various legislative changes, and with respect to certain qualifying assets acquired and put to use after January 19, 2025, accelerated depreciation has been returned at a rate of 100%, subject to the relevant legal provisions.

C. Withholding tax for dividends from US companies

For the distribution of a dividend from the United States to the Partnership, tax is withheld at a reduced rate of 12.5%, in accordance with the Tax Treaty between Israel and the United States. Additionally, for the distribution of a dividend from the United States to a UK company, tax is withheld at the rate of 30%, and under certain conditions, 0%-5% in accordance with the tax treaty between the United States and the UK.

2. Companies incorporated in the UK

The corporate tax rate in 2022 and until March 2023 is 19%. As from April 2023, the corporate tax rate is 25%. There is no withholding tax for the distribution of a dividend from the UK to the Partnership.

3. Revenues of the affiliated incorporated in the Falkland Islands

The corporate tax rate in 2023-2025 is 26%.

4. Withholding tax for interest from subsidiaries

As a rule, interest payable in respect of loans granted by the Partnership to companies in the United States is subject to tax withheld at source in the United States at a rate of 30%, which under internal law is withheld at a reduced rate of 17.5% in accordance with the Tax Treaty between Israel and the United States.

As a rule, interest payable in respect of loans granted by the Partnership to companies in England is subject to tax withheld at source in England at a rate of 20%, and this is reduced to 10% in accordance with the Tax Treaty between England and Israel. As a rule, interest payable on loans issued as debentures listed on a recognized stock exchange may be exempt from withholding tax at source in England under the Quoted Eurobond Exemption rules.

Notes to the Consolidated Financial Statements

NOTE 17 - TAXES ON INCOME (cont.)

C. Income taxes in the statements of income

	For the year ended December 31		
	2025	2024	2023
	USD thousand		
Deferred taxes	158,835	(646)	(5,892)
Current taxes	(4,356)	(3,000)	(181)
Total tax benefit (taxes on income)	<u>154,479</u>	<u>(3,646)</u>	<u>(6,073)</u>

Carryforward losses for tax purposes

For companies incorporated in the United States, carryforward tax losses for subsequent years, as of December 31, 2025 and December 31, 2024, totaling approx. USD 407 million, for which a tax asset was recognized due to the expected utilization of carryforward losses in the United States in the coming years, and due to the timing differences in respect of which reserves were created.

In respect of the Partnership's total tax losses, approx. NIS 450 million (approx. USD 133 million) no deferred tax assets were recognized for the Partnership, since it is not expected that it will be possible to utilize them in the foreseeable future.

In addition to the aforesaid, NPDP has tax losses of approx. USD 765 million in respect of its operations in the Falkland Islands (of which losses of approx. USD 700 million were incurred in respect of past investments in the Sea Lion oil asset invested in the period prior to the acquisition of NPDP), which in general can be utilized in the future against taxable income in the Falkland Islands. Further to making an FID in the project (for details see Note 7D2), including the classification of contingent resources as proved and probable reserves, receipt of project financing, engagement in binding agreements with subcontractors and the commencement of development work, and in light of the anticipated profitability from the Sea Lion project, the degree of certainty has increased and there is an expectation of utilizing the said losses in the future (over a period of approx. 7 years). In light of the above, as of December 31, 2025, the Group recognized a deferred tax asset in respect of these losses (offset by timing differences) against tax revenues in the Statement of Comprehensive Income totaling approx. USD 183 million. For further details, see Note 13B.

The Partnership has self-assessments in respect of tax years through 2018, which are considered to be final.

Notes to the Consolidated Financial Statements

NOTE 17 - TAXES ON INCOME (cont.)

D. Deferred taxesComposition

	December 31	
	2025	2024
	USD thousand	
<u>Deferred tax liabilities</u>		
Timing differences for oil and gas assets	(142,377)	(100,853)
Conversion component of Debentures (Series D)	(74)	(385)
Financial assets measured at fair value through other comprehensive income	(1,325)	-
Other differences	(11,949)	(7,238)
	<u>(155,725)</u>	<u>(108,476)</u>
<u>Deferred tax assets</u>		
Carryforward losses for tax purposes	284,393	89,480
Share-based payment	2,218	2,061
Financial assets measured at fair value through other comprehensive income	-	411
Other differences	10,495	-
	<u>297,106</u>	<u>91,952</u>
Total	<u>141,381</u>	<u>(16,524)</u>
Carried to long-term assets	<u>183,000</u>	<u>-</u>
Carried to long-term liabilities	<u>(41,619)</u>	<u>(16,524)</u>

E. Theoretical tax

	For the year ended December 31		
	2025	2024	2023
	USD thousand		
Profit before taxes on income	<u>24,125</u>	<u>15,925</u>	<u>31,577</u>
Statutory tax rate in Israel	<u>23%</u>	<u>23%</u>	<u>23%</u>
Taxes on income calculated according to the statutory tax rate	(5,549)	(3,663)	(7,263)
Income taxable at other tax rates	4,407	167	219
Deferred taxes in respect of past investments in Sea Lion (see Note C).	183,000	-	-
Profits (losses) for which deferred taxes were not recognized, net	<u>(27,379)</u>	<u>(150)</u>	<u>971</u>
	<u>154,479</u>	<u>(3,646)</u>	<u>(6,073)</u>

Notes to the Consolidated Financial Statements

NOTE 18 - TRANSACTIONS AND BALANCES WITH INTERESTED PARTIES, RELATED PARTIES, AND CONTROLLING SHAREHOLDERS

A. Balances

	December 31	
	2025	2024
	USD thousand	
Payables and credit balances - current balances	3,375	1,353

B. Transactions with interested and related parties

	Note	For the year ended December 31		
		2025	2024	2023
		USD thousand		
<u>Revenue from oil and gas sales, net of royalties</u>				
Royalties for interested parties	18D	14,934	4,093	5,339
<u>Expenses</u>				
General and administrative expenses - management fees and salaries for interested parties	18C	3,099	2,451	3,186
Expenses for relocating an interested party in the Partnership to Houston		-	-	50
<u>Benefits for employment of key management personnel employed in the Partnership</u>				
Total short-term benefits		4,842	1,962	1,831
Share-based payment		670	749	1,134
Number of individuals to which the benefit refers		3	3	3
<u>Directors' compensation</u>				
Compensation for directors not employed by the Partnership		356	230	147
No. of individuals to which the benefit applies		5	5	4

C. Management fees and granting of options

- On November 14, 2022, the general meeting of the Partnership approved that the Partnership will directly engage with the Officers on Behalf of the General Partner, under an agreement to provide management services in exchange for a salary or fixed annual management fees and equity compensation, as detailed below:

The officers on behalf of the General Partner provided management services, consultation services, business development services, and other services to the Partnership, as was required to manage the Partnership's business, and served as Chairman of the Board (Mr. Gideon Tadmor), Deputy Chairman of the Board and senior business development manager (Koby Katz) and Deputy CEO and director in the General Partner, full time (100%).

Notes to the Consolidated Financial Statements

NOTE 18 - TRANSACTIONS AND BALANCES WITH INTERESTED PARTIES, RELATED PARTIES, AND CONTROLLING SHAREHOLDERS (cont.)

C. Management fees and granting of options (cont.)

1. (cont.)

The engagement period with each Officer on Behalf of the General Partner commenced on September 12, 2022 and ended when three years elapsed from the date of approval by the general meeting, as outlined above.

In exchange for the officers on behalf of the General Partner providing management services, the Partnership paid each of the officers on behalf of the General Partner a salary or management fee equal to NIS 138 thousand a month, in terms of cost (plus VAT).

In February 2023, the shareholders in the General Partner signed an amendment to the agreement between them, such that the shares of one of the shareholders in the General Partner will be converted into Ordinary Shares A of the General Partner, which confer upon him only financial rights, and accordingly, he announced the termination of his term in office as director and Deputy CEO in the General Partner.

On October 30, 2025, the Partnership's General Meeting (hereinafter – the “**Meeting's Approval**”) (following approval by the Board of Directors) approved a revised compensation package, as detailed below:

The Officers on Behalf of the General Partner will continue to provide the Partnership with management services, consultation services, business development services, and other services, as required to manage the Partnership's business, and will serve as Chairman of the Board (Gideon Tadmor) and Deputy Chairman of the Board and senior business development manager (Koby Katz), full time (100%).

The engagement period with each Officer on Behalf of the General Partner will commence on October 30, 2025, and will end when three years will have elapsed from the approval by the general meeting, as outlined above.

In exchange for the Officers on Behalf of the General Partner providing management services, the Partnership will pay the Deputy Chairman of the Board a salary or management fees totaling NIS 138 thousand per month, in terms of cost (plus VAT), linked to increases in the consumer price index. In the first year, no salary or management fees will be paid to the Chairman of the Board of Directors whatsoever, and in each of the following two years, salaries or management fees will be paid for a total of NIS 184 thousand per month in terms of cost (plus VAT), such that the average for the three years will be approx. NIS 123 thousand (plus VAT). The Partnership will recognize expenses in the statements of comprehensive income in accordance with the average cost in each period.

In addition to the management fees, each of the Officers on Behalf of the General Partner is entitled to additional customary benefits, including: coverage of communication expenses (cell phone, internet, newspapers, etc.), fuel costs and all reasonable business expenses incurred in the context of the position thereof (such as: flights, accommodation, etc.).

Notes to the Consolidated Financial Statements

NOTE 18 - TRANSACTIONS AND BALANCES WITH INTERESTED PARTIES, RELATED PARTIES, AND CONTROLLING SHAREHOLDERS (cont.)

C. Management fees and granting of options (cont.)

2. Award of options - In addition to that which is stated in Section 1 above, each of the officers on behalf of the General Partner were allotted non-marketable options in November 2022, without consideration (each exercisable into one participation unit), equal to 1,750,410 units to the Chairman of the Board (the value of the average annual economic benefit on the award date is approx. NIS 2,933 thousand), and at a number equal to 350,057 units for each of the other two officers on behalf of the General Partner (the value of the annual average economic benefit on the award date is approx. NIS 586 thousand for each).

The options will vest in 3 annual tranches over 4 years, from September 15, 2022, such that 50% (hereinafter - the "**First Tranche**") will vest two years after the award date, 35% (hereinafter - the "**Second Tranche**") will vest after 3 years, and 15% (hereinafter - the "**Third Tranche**") will vest after 4 years.

The exercise price of the options is as follows: First Tranche - NIS 23.23; Second and Third Tranche - NIS 24.159.

The fair value of the option at the approval date by the meeting is estimated according to the Black and Scholes valuation model based on: (a) an exercise price of NIS 23.230 for the First Tranche and NIS 24.159 for the Second and Third Tranches; (b) the First Tranche will expire at the end of 4.25 years from the award date and the Second and Third Tranches will expire at the end of 5 years from the award date; (c) full adjustment to dividend was assumed; (d) standard deviations of 56.18% for the First Tranche, 54.59% for the Second Tranche and 53.96% for the Third Tranche; (e) and a risk-free interest rate based on the publications of the Bank of Israel.

On November 2, 2025, each of the Officers on Behalf of the General Partner was allocated non-marketable options, without consideration (each exercisable into one participation unit), equal to 1,114,020 units to the Chairman of the Board (with the value of the annual economic benefit being approx. NIS 8,132 thousand) (approx. USD 2,497 thousand), and at a quantity equal to 222,804 units for the Deputy Chairman of the Board (with the value of the annual economic benefit being approx. NIS 1,626 thousand) (approx. USD 499 thousand).

The options will vest in 3 annual tranches over 4 years, from the award date (September 2, 2025), such that 50% will vest two years after the award date, 35% will vest after 3 years, and 15% will vest after 4 years.

Notes to the Consolidated Financial Statements

NOTE 18 - TRANSACTIONS AND BALANCES WITH INTERESTED PARTIES, RELATED PARTIES, AND CONTROLLING SHAREHOLDERS (cont.)

C. Management fees and granting of options (cont.)

2. (cont.)

The exercise price of the options is as follows: First Tranche - NIS 132.39 per option; Second and Third Tranches - NIS 137.68.

The fair value of the option at the approval date by the meeting is estimated according to the Black and Scholes valuation model based on: (a) The abovementioned exercise prices; (b) the First Tranche will expire at the end of 4.25 years from the award date and the Second and Third Tranches will expire at the end of 5 years from the award date; (c) full adjustment to dividend was assumed; (d) Standard deviation of the First Tranche is 35.01%, of the Second and Third Tranches - 36.18% (e) Risk-free interest rate based on yield to maturity of unlinked fixed-interest bonds.

In 2025, the Partnership recognized expenses in respect of options to officers on behalf of the General Partner totaling approx. USD 2,141 thousand (approx. NIS 7,080 thousand).

In 2024, the Partnership recognized expenses in respect of options to officers on behalf of the General Partner totaling approx. USD 1,559 thousand (approx. NIS 5,361 thousand).

In 2023, the Partnership recognized expenses in respect of options to officers on behalf of the General Partner totaling approx. USD 2,165 thousand (approx. NIS 7,444 thousand). In addition, in 2023, the Partnership capitalized an amount of approx. USD 240 thousand.

D. Overriding royalty

Under the Partnership Agreement, the Partnership will pay the General Partner and/or interest parties in the General Partner 6% of the Partnership's share of oil or other material of value that will be produced and utilized from the oil assets in which the Partnership has or will have an interest, directly or indirectly, including through companies, partnerships, or corporations in which the Partnership will hold rights.

E. Terms of the CEO's tenure

On November 16, 2025, the General Partner's Board of Directors approved the update of the terms of office and employment of Mr. Amit Kornhauser as CEO of the General Partner. On December 28, 2025, the General Meeting of holders of participation units approved the terms of office and employment of Mr. Kornhauser.

Notes to the Consolidated Financial Statements

NOTE 18 - TRANSACTIONS AND BALANCES WITH INTERESTED PARTIES, RELATED PARTIES, AND CONTROLLING SHAREHOLDERS (cont.)

E. Terms of the CEO's tenure (cont.)Salary and appointment percentage

Mr. Kornhauser shall be entitled to a gross monthly salary totaling NIS 150 thousand (linked to the increase in the Consumer Price Index), for a full-time position (100% appointment percentage). Mr. Kornhauser shall not be entitled to additional compensation from the Partnership and/or its subsidiaries for his role as a director.

Benefits and related benefits

Mr. Kornhauser shall be entitled to social benefits in accordance with the law and to related benefits customary among executives in the Israeli economy, including: provisions to a pension fund and/or executive insurance; provisions to a study fund; disability insurance; a vehicle (including gross-up of tax in respect thereof and vehicle maintenance at the expense of the Partnership); payment of communications expenses (mobile phone, internet, newspapers, etc.); participation in Continuing Professional Development (CPD) courses; annual vacation; convalescence pay; sick leave; indemnity exemption and D&O (directors and officers) liability insurance, etc.

Equity compensation

Mr. Kornhauser was allocated non-marketable options, each of which is exercisable into one ordinary participation unit of the Partnership (hereinafter - the "**Options**"). The total securities allocated to Mr. Kornhauser (hereinafter - the "**Offeree**") is 226,253 options, granting the right to receive 226,253 participation units of the Partnership (constituting approx. 0.19% of the issued and paid-up equity capital assuming full exercise).

The options will vest in three equal annual tranches, over 3 years, starting from November 16, 2025. The exercise price in the First Tranche - NIS 131.31; Second Tranche - NIS 137.02, Third Tranche - 142.73. The Options' vesting periods are as detailed above; all the remaining Options that are not exercised by the Offeree until the expiration date, will expire, and the Options will not be exercisable as of that date, all subject to the terms and conditions of the Partnership's equity compensation plan.

The economic value at the meeting approval date is NIS 21.43 per option for the First Tranche, NIS 25.58 per option for the Second Tranche and NIS 30.78 per option for the Third Tranche, calculated according to the Black and Scholes valuation model based on: a) an exercise price of NIS 131.31 for the First Tranche, NIS 137.02 for the Second Tranche and NIS 142.73 for the Third Tranche; b) the First Tranche will expire at the end of 3 years from the award date, the Second Tranche will expire at the end of 4 years from the award date and the Third Tranche will expire at the end of 5 years from the award date; c) full adjustment to dividend was assumed; d) standard deviations of 36.37% for the First Tranche, 34.82% for the Second Tranche and 36.17% for the Third Tranche; (e) as well as a risk-free interest rate based on the Bank of Israel publications.

Notes to the Consolidated Financial Statements

NOTE 19 - FINANCIAL INSTRUMENTS

A. Classes of financial instruments

	December 31	
	2025	2024
	USD thousand	
<u>Financial assets at fair value</u>		
Mutual funds (debentures in Israel)	10,862	8,929
Financial derivatives	68,824	1,633
	<u>79,686</u>	<u>10,562</u>
<u>Financial assets at amortized cost</u>		
Cash and cash equivalents	591,906	118,829
Short-term deposits	42,515	19,368
Trade receivables	84,917	9,940
Receivables and debit balances	15,571	14,241
Restricted amounts	1,679	22,124
	<u>736,588</u>	<u>184,502</u>
Total financial assets	<u>816,274</u>	<u>195,064</u>
<u>Financial liabilities at fair value</u>		
Financial derivatives	-	106
<u>Financial liabilities at amortized cost</u>		
Trade payables	19,231	5,392
Payables and credit balances	198,047	28,431
Lease liabilities	3,980	3,222
Other long-term liabilities	7,736	36,715
Long-term loans from banking corporations and financial institutions (including interest payable)	535,459	476,285
Debentures (including interest payable)	1,093,275	517,528
	<u>1,857,728</u>	<u>1,067,573</u>
Total financial liabilities	<u>1,857,728</u>	<u>1,067,679</u>

B. Risk management policy

The Partnership's activities expose it to various financial risk, such as market risk (including foreign currency risk, CPI risk, fair value risk for interest rate, and price risk), credit risk, and liquidity risk. The Partnership's comprehensive risk management plan focuses on measures to minimize possible adverse effects on the financial performance of the Partnership.

Notes to the Consolidated Financial Statements

NOTE 19 - FINANCIAL INSTRUMENTS (cont.)

C. Hedging and derivatives

1. The Group is exposed to changes in the oil prices in respect of its future sales. In order to hedge the said exposure, the Group enters into hedge transactions for oil prices, pertaining to some of its future production. Information about open transactions as of December 31, 2025:

- a) As of December 31, 2025, Navitas Buckskin has open-ended put options to hedge WTI oil prices in the period spanning from January 2026 to December 2026, for a total volume of approx. 410 thousand barrels of oil at a minimum average price of approx. USD 59.15 per barrel. The abovementioned transactions are accounted for as an accounting hedge.

The fair value of the asset in respect of the foregoing hedging transactions as of December 31, 2025 was approx. USD 2.254 thousand.

Subsequent to the statement of financial position date, in January and February 2026, Navitas Buckskin entered into additional put option hedge transactions to hedge WTI oil prices as detailed below:

- In January 2027 to March 2027 - amounting to approx. 105 thousand barrels of oil at an average minimum price of approx. USD 55 per barrel.
- In April 2027 to May 2027, amounting to approx. 70 thousand barrels of oil at an average minimum price of approx. USD 60 per barrel.

- b) As of December 31, 2025 NPO has open-ended put option hedge transactions to hedge WTI oil prices, which are accounted for as accounting hedges, totaling approx. 302 thousand barrels of oil for the period spanning from January 2026 to September 2027, at a minimum average price of approx. USD 55 per barrel.

The fair value of the asset in respect of the foregoing hedging transactions as of December 31, 2025 was approx. USD 1,270 thousand.

Subsequent to the statement of financial position date, NPO's aforementioned hedge transactions were assigned to the Partnership.

- c) As of December 31, 2025, ShenHai LLC has open-ended put options for hedging WTI oil prices, amounting to approx. 7,231 thousand barrels of oil for 2026 at an average minimum price of approx. USD 64.2 per barrel.

The fair value of the asset in respect of the foregoing hedging transaction as of December 31, 2025 was approx. USD 65.300 thousand.

Subsequent to the statement of financial position date, some of the hedge transactions of ShenHai LLC were assigned to Navitas Petroleum Holdings LLC.

Notes to the Consolidated Financial Statements

NOTE 19 - FINANCIAL INSTRUMENTS (cont.)

C. Hedging and derivatives (cont.)

1. (cont.)

c) (cont.)

Subsequent to the statement of financial position date - for the period between March 2026 and June 2029 - Navitas Petroleum Holdings LLC entered into transactions to hedge WTI oil prices as follows:

- Put options to hedge WTI oil for approx. 2,308 thousand barrels of oil in the period from March 2026 to May 2027, at a minimum average price per barrel of approx. USD 60.2.
- Swap WTI oil price hedges totaling 4,577 thousand barrels of oil during the period from March 2028 to June 2029, at an average minimum price of approx. USD 60.5 per barrel.
- The 3-way collar strategy, totaling approx. 3,414 thousand barrels of oil in the period from November 2026 until February 2028. As part of this strategy, the Partnership entered into put options purchase transactions while also engaging in call option sale transactions at an average exercise price of approx. USD 55 per barrel, and in addition to call option purchase transactions at an average exercise price of approx. USD 68.2.

D. Fair value

The table below compares the carrying amount with the fair value of the Group's financial instruments, which are not presented in the financial statements at fair value (other than those with an amortized cost that is not materially different from their fair value):

	Carrying amount		Fair value (*)	
	December 31		December 31	
	2025	2024	2025	2024
	USD thousand			
<u>Financial liabilities</u>				
Debentures (Series C)	105,552	92,079	106,479	92,087
Debentures (Series D)	(**) 36,930	(**) 48,054	150,828	118,424
Debentures (Series E)	149,743	128,593	162,476	140,828
Debentures (Series F)	288,496	251,958	305,321	265,040
Debentures (Series G)	308,987	-	318,433	-
Debentures (Series H)	205,888	-	216,395	-
Total	<u>1,095,596</u>	<u>520,684</u>	<u>1,259,932</u>	<u>616,379</u>

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

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

It should be noted that financial derivatives are measured at fair value. For details, see Note 19C.

Notes to the Consolidated Financial Statements

NOTE 19 - FINANCIAL INSTRUMENTS (cont.)

E. Market risks

Market risks arise from the risk that the fair value or future cash flows of a financial instrument will change due to changes in market prices. Market risks include three types of risks: Currency risk, other price risk, and fair value risk for interest rate as follows:

1. Currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument is unstable due to exchange rate fluctuations.

The Group is mainly exposed to foreign currency risks arising from exchange rate fluctuations of the NIS against the USD (the functional currency).

As of December 31, 2025, the financial liability surplus denominated in NIS over financial assets in NIS amounted to approx. USD 853,419 thousand (as of December 31, 2024 - approx. USD 476,819 thousand).

	Sensitivity test to changes in the NIS rate against the USD	
	Profit (loss) from the change	
	Increase of 5%	Decrease of 5%
	USD thousand	
2024	(23,421)	23,513
2025	(41,771)	41,771

2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will change due to changes in market interest rates. The financial instruments bearing variable interest expose the Partnership to a cash flow risk and fair value risk due to a change in the interest rate.

	Sensitivity test to changes in the SOFR interest rate	
	Profit (loss) from the change	
	Rise in interest of 0.5%	Drop in interest of 0.5%
	USD thousand	
2024	(386)	386
2025	(2,677)	2,677

As of first oil from the Shenandoah Project in July 2025, credit costs have not been capitalized in respect of the development of the asset; thus, the potential exposure of profit or loss to a change in the SOFR interest rate increased.

Notes to the Consolidated Financial Statements

NOTE 19 - FINANCIAL INSTRUMENTS (cont.)

E. Market risks (cont.)3. Trade receivables

Credit risk management for trade receivables is managed by the Group in accordance with its credit risk management policy. Unpaid trade receivables are reviewed regularly and impairment is tested on each reporting date on a specific basis for major customers. As of December 31, 2025, the Group has no customers in arrears.

F. Liquidity risk

Liquidity risks arising from management of the Partnership's working capital and from finance expenses and principal repayments of the Partnership's debt instruments. Liquidity risk is the risk that the Partnership will find it difficult to fulfill obligations related to financial liabilities.

Below are the contractual repayment dates of the financial liabilities (according to their fixed nominal value for settlement that are different from their par value), based, where relevant, on the interest rates and exchange rates as of the report date.

	Liabilities as of December 31, 2025						Total
	Up to a year	Second year	Third year	Fourth year	Fifth year	Sixth year and onwards	
	USD thousand						
Trade payables and other payables	217,278	-	-	-	-	-	217,278
Lease liabilities	997	678	645	591	533	1,283	4,727
Other long-term liabilities	31,988	8,187	-	-	-	-	40,175
Loans from banking corporations and financial institutions	250,740	228,592	126,078	32,341	-	-	637,751
Debentures	182,307	210,031	240,287	339,345	280,323	110,726	1,363,019
Total	683,310	447,488	367,010	372,277	280,856	112,009	2,262,950

	Liabilities as of December 31, 2024						Total
	Up to a year	Second year	Third year	Fourth year	Fifth year	Sixth year	
	USD thousand						
Trade payables and other payables	33,823	-	-	-	-	-	33,823
Lease liabilities	1,289	858	537	472	184	127	3,467
Other long-term liabilities	7,750	31,988	8,187	-	-	-	47,925
Loans from banking corporations and financial institutions	135,411	194,595	187,969	99,910	12,950	-	630,835
Debentures	32,744	144,068	152,994	164,194	148,384	-	642,384
Total	211,017	371,509	349,687	264,576	161,518	127	1,358,434

Notes to the Consolidated Financial Statements

NOTE 20 - GEOGRAPHICAL SEGMENTS

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 operating 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
<u>As of December 31, 2025</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
<u>As of December 31, 2024</u>					
Segment assets	1,459,761	56,645	5,115	54,927	1,576,449
Segment liabilities	518,115	12,035	-	578,442	1,108,593

Notes to the Consolidated Financial Statements

NOTE 20 - GEOGRAPHICAL SEGMENTS (cont.)

B. Geographical segment reporting (cont.)

	Oil and Gas Exploration, Development and Production in the US Segment	Exploration, Development and Production in the Southwest Atlantic Segment	Other operations	Total
<u>Capital expenditures</u>				
For the year ended December 31, 2025	489,563	160,250	2,636	652,449
For the year ended December 31, 2024	433,309	36,674	3,798	473,781

- 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.

Notes to the Consolidated Financial Statements

NOTE 21 - NET EARNINGS PER PARTICIPATION UNIT

A breakdown of the number of participation units and the earnings used to calculate the net earnings per participation unit

	For the year ended December 31					
	2025		2024		2023	
	Weighted number of shares <u>Thousands</u>	Net earnings attributable to participation units holders <u>USD thousand</u>	Weighted number of shares <u>Thousands</u>	Net earnings attributable to participation units holders <u>USD thousand</u>	Weighted number of shares <u>Thousands</u>	Net earnings attributable to participation units holders <u>USD thousand</u>
Number of shares for calculation of basic net earnings	<u>106,893</u>	<u>167,806</u>	<u>98,904</u>	<u>1,418</u>	<u>93,883</u>	<u>14,674</u>
Effect of RSUs and non-marketable options	2,189	-	1,967	-	236	-
Effect of marketable options	4,284	-	1,833	-	-	-
Effect of convertible debentures	<u>4,101</u>	<u>3,187</u>	-	-	-	-
For calculation of diluted net earnings	<u>117,467</u>	<u>170,993</u>	<u>102,704</u>	<u>1,418</u>	<u>94,119</u>	<u>14,674</u>
Basic earnings per participation unit	<u>1.569</u>		<u>0.014</u>		<u>0.156</u>	
Diluted earnings per participation unit	<u>1.455</u>		<u>0.014</u>		<u>0.156</u>	

The calculation of diluted net earnings per share in 2024 and 2023 excluded convertible Debentures (Series D) as their inclusion increases basic earnings per share (anti-dilutive effect).

Appendix to the Consolidated Financial Statements

List of Main Consolidated Companies as of December 31, 2025

Name of holding company/partnership	Company	Ownership rates and control of the holding company/partnership %
Navitas Petroleum, Limited Partnership	Navitas Petroleum Limited	100
	Navitas Petroleum Holdings LLC	100
	Navitas ShenHai Financing Ltd.	100
	Philippines Limited (UK) Navitas Petroleum	100
	Navitas Financing US LLC	100
Navitas Petroleum Limited	Navitas Petroleum Development and Production Limited	100
	Navitas Petroleum Atlantic Limited	100
Navitas Petroleum Holdings LLC	Navitas Petroleum US LLC	100
	Navitas Buckskin US, LLC	100
	ShenHai LLC	100
	Peles LLC	100
	Navitas Petroleum Onshore LLC	100
	Navitas Monument US LLC	100
	Navitas Monument II US LLC	100
Navitas Petroleum Exploration LLC	100	
