



2026

Consolidated
Interim
Financial
Statements
AS OF
31.03.2026





Table of Contents

//// Description of the general development of the corporation's business

//// Board of Directors report

//// Consolidated Interim Financial Statements

//// Report on the effectiveness of internal control over financial reporting and disclosure



Description of the general
development of the corporation's
business

**Update to Chapter A (Description of the Partnership's Business)
of the Periodic Report for 2025
of NewMed Energy – Limited Partnership (the "Partnership")¹**

1. Section 4 of the Periodic Report – Distribution of Profits

On 18 May 2026, the board of directors of the Partnership's general partner, NewMed Energy Management Ltd. (the "GP" and the "Board", respectively), approved a profit distribution in the sum total of 60 million U.S. dollars ("\$\$"), the record date for which is 28 May 2026. Such distribution of profit will be carried out on 11 June 2026.

2. Section 6.8 of the Periodic Report – The Swords of Iron War and the Security Situation

As of the report approval date, the military conflict of the United States and Israel against Iran, which commenced on 28 February 2026, with a coordinated attack against Iran ("Operation Roaring Lion"), has not yet concluded. During such conflict, a temporary ceasefire was reached; concurrently, combat against the Hezbollah terrorist organization in Lebanon has continued along the northern border at varying levels of intensity. As of the report approval date, there is no certainty that the fighting on the Iranian front will not resume in the near or distant future. On 31 March 2026, the operator of the Leviathan project, Chevron Mediterranean Limited ("Chevron"), received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructure, whereby all preparations may be carried out for the reactivation of the Leviathan platform, following its shutdown at the start of Operation Roaring Lion. Accordingly, regular production from the reservoir was resumed on 2 April 2026. For further details, see the Partnership's immediate report of 3 April 2026 (Ref.: 2026-01-031585), the information in which is incorporated herein by reference.

For details on the additional budget approved for completion of a project carried out by Israel Natural Gas Lines Ltd. ("INGL") for the laying of a subsea pipeline in the offshore transmission section between Ashdod and Ashkelon (the "Combined Section"), to cover additional expenses incurred due to Operation Roaring Lion, see Section 8 below.

Against the backdrop of the conflict with Iran and Hezbollah, shortly before the taking effect of the ceasefire and resumption of production from the Leviathan reservoir as aforesaid, the credit rating agencies Maalot S&P and S&P Global Ratings released an update to the rating forecast for the bonds issued by Leviathan Bond Ltd., a wholly-owned subsidiary of the Partnership ("Leviathan Bond"), for accredited investors in and outside of Israel, which are listed for trade on TASE's TACT-Institutional (the "Bonds"). For details see the Partnership's immediate reports of 31 March 2026 (Refs. 2026-01-

¹ This chapter includes material developments or changes that occurred in the Partnership's business, in accordance with Section 39A of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, as well as other updates pertaining to the Partnership's business, which took place from the date of release of the 2025 Periodic Report, released on 16 March 2026 (Ref. no. 2026-01-022818 (the "Periodic Report"), until shortly before the report approval date on any matter required to be described in the Periodic Report. Unless stated otherwise, the update refers to section numbers in Chapter A (Description of the Partnership's Business) of the Periodic Report.

031000 and 2026-01-031002, respectively), the information in which is incorporated herein by reference.

Following the outbreak of the said conflict, Brent crude oil prices rose sharply during April 2026, driven, *inter alia*, by the de facto closure of the Strait of Hormuz, which led to significant disruptions in oil production and transportation in the Persian Gulf countries and a sharp decline in global oil inventories. In a review from May 2026, the U.S. Energy Information Administration (EIA) updated its average Brent price forecast for 2026 to approx. \$95 per barrel. The review further noted that this forecast is based, *inter alia*, on the assumption that the Strait of Hormuz will remain effectively closed until the end of May 2026, that traffic will begin to resume during June 2026, and that it will take time for most production and trade patterns to return to pre-conflict levels. It was also noted that some producers in the Persian Gulf region may not return to pre-conflict production levels during the forecast period². It is emphasized that this is an external forecast based on assumptions and estimates, the materialization of which is not certain.

In connection with such updated forecast, the 2026 revenue forecast for sales of natural gas and condensate from the Leviathan project (100%), in relation to 2P Reserves, as included in the Reserves, Contingent Resources, and Discounted Cash Flow Report released by the Partnership in an immediate report of 16 January 2026 (Ref.: 2026-01-006999) (the "DCF Report"), was calculated based, *inter alia*, on the assumption that the average Brent price in 2026 would be \$63 per barrel and accordingly, the total revenue forecast for that year was calculated as approx. \$2.55 billion. According to such calculation, considering the actual sales figures for January-April 2026, and based on an average Brent price of \$90 per barrel until the end of 2026 (without changes to any other assumptions), the updated 2026 revenue calculation totals approx. \$2.88 billion (i.e., additional revenue of approx. \$330 million compared with the original calculation).

It is hereby clarified that the aforesaid constitutes forward-looking information within the meaning thereof in the Securities Law, 5728-1968, based on various assumptions and estimates, including the assumption regarding the Brent crude oil price as aforesaid, the materialization of which is not certain. It is further clarified that actual revenues may differ materially from the aforesaid assessment due to, *inter alia*, changes in energy prices, actual selling prices, production and sales volumes, market conditions, regulatory conditions, geopolitical developments, and actual project performance.

3. Section 7.2.5 – Leviathan reservoir development plan

Further to Section 7.2.5(b) of the Periodic Report regarding the completion of the project for laying a third subsea transmission pipeline from the field to the Leviathan reservoir platform, as well as system upgrades on the platform, that enable the increase of the gas production capacity to approx. 14 BCM per year, upon completion of the project in March 2026, it was proven that the maximum gas production capacity, as of the report approval date, is approx. 1,530 MMSCF per day (approx. 15.8 BCM per year). Such updated gas production capacity was not taken into account in the DCF Report.

² [Link](#).

4. Section 7.3 of the Periodic Report – Interests in Cyprus

Further to Section 7.3.12 of the Periodic Report regarding negotiations taking place in connection with the export of natural gas from the Aphrodite reservoir in the area of Block 12 in the EEZ of the Republic of Cyprus to Egypt (the "**Aphrodite Reservoir**"), on 9 April 2026 a memorandum of understanding was initialed for the sale of all of the natural gas quantities recoverable from the Aphrodite Reservoir, between the holders of the interests in the Aphrodite Reservoir and the Cyprus Hydrocarbons Company ("**CHC**") and between the national Egyptian gas company, the Egyptian Natural Gas Holding Company ("**EGAS**" and the "**MOU**", respectively). Concurrently, a Host Government Agreement ("**HGA**") was also initialed between the holders of the interests in the Aphrodite Reservoir and AMC (as defined in the immediate report of 9 April 2026 as detailed below) and the Egyptian government, in connection with a project for the development of the gas transmission system offshore Egypt to EGAS (the "**Transmission Project**"), which arranges the regulatory framework for settlement of the rights and obligations for the construction, financing, operation and maintenance of the transmission infrastructures and the Transmission Project's related facilities. For further details, see the Partnership's immediate report of 9 April 2026 (ref. 2026-01-032446), the information in which is hereby incorporated by reference. In the Partnership's estimation, completion of authorization for the Egyptian and Cypriot governments' signature and completion of all signatures on the MOU and the HGA is expected in the coming weeks.

5. Section 7.8 of the Periodic Report – Block 1-21 Han Asparuh in the EEZ of the Republic of Bulgaria in the Black Sea (the "Bulgaria License")

Further to Section 7.8.8 of the Periodic Report, regarding the actual and planned work plan for the Bulgaria License, as the Partnership was informed by the operator of the Bulgaria License, OMV Offshore Bulgaria GmbH, the exploration drilling in the Krum prospect in the Bulgaria License reached its final depth of approx. 3,510 meters below sea level, finding insignificant signs of natural gas in the target layers, and it is therefore a Dry Hole. For further details, see the Partnership's immediate report of 1 April 2026 (ref. 2026-01-031522), the information in which is incorporated herein by reference, and Note 3B3 to the Consolidated Interim Financial Statements of the Partnership as of 31 March 2026 (Chapter C of this Report).

6. Section 7.9 of the Periodic Report – Discontinued Operations

Further to Section 7.9.1 of the Periodic Report regarding the discussions held by the Partnership and Ratio Energies – Limited Partnership ("**Ratio**") with the Tamar partners for the purpose of settling the economic rights due to the Partnership and Ratio as the holders of interests in the expired Eran license, in accordance with the principles agreed in the arrangement reached between the Tamar partners and the State in this matter, on 13 April 2026, the Partnership and Ratio entered into an agreement with the Tamar partners whereby, subject to the payment of a total amount of approx. \$9.1 million (the Partnership's share – approx. \$6.8 million), the Partnership and Ratio shall withdraw their objection to the Tamar partners' request to change the borders of the Tamar lease so as to include the Tamar SW reservoir, and shall conclusively and irrevocably waive their rights and claims in connection with the expired Eran license and the Tamar SW reservoir. Furthermore, in May 2026, an approval was received to change the borders of the Tamar reservoir so as to include all of the Tamar SW reservoir area.

7. **Section 7.12.3 of the Periodic Report – Engagements for the Supply of Natural Gas from the Leviathan project**

- a. In Q1/2026 and up to the report approval date, the Partnership signed several additional agreements for the sale of natural gas from the Leviathan project with various customers in the Israeli market, on a spot basis, and in volumes that are not material.
- b. As of the report approval date, the Partnership continues to conduct negotiations, at various stages, with additional prospective customers in the domestic market, among which are independent power producers, subject, *inter alia*, to the Leviathan project's supply capacity.

8. **Section 7.13.2 of the Periodic Report – Export**

Further to Section 7.13.2(B)(1) of the Periodic Report regarding the Combined Section project and regarding the delay in the completion of the work for construction thereof, on 18 May 2026, the GP's Board approved an additional budget of approx. \$4.4 million (100% Leviathan Partners, the Partnership's share – approx. \$2 million) for completion of the said work, such that as of the report approval date, the total approved budget is approx. \$143 million (100% Leviathan Partners, the Partnership's share – approx. \$65 million). It is clarified that, as estimated by the Leviathan project Operator, as of the report approval date, no further delay is expected in the completion of construction of the Combined Section and first gas, which is expected in Q3/2026.

9. **Section 7.21 of the Periodic Report – Financing**

a. **Bonds of Leviathan Bond**

- (1) On the Bonds' rating report, Released by Fitch Ratings, see the Partnership's immediate reports of 18 March 2026 and 26 March 2026 (refs 2026-01-023910 and 2026-01-027862), the information in which is hereby incorporated by reference.
- (2) Regarding the update to the Bonds' rating forecast released by Maalot S&P and S&P Global Ratings, see Section 2 above.
- (3) Further to Section 7.21.2 of the Periodic Report regarding the Bond buyback program, as approved by the Board on 15 October 2024, in the aggregate sum of up to \$100 million for a period of two years (the "**Buyback Program**"), until the report approval date, the Partnership made buybacks in accordance with the Buyback Program in the total amount of the full Buyback Program.

In addition, further to Section 7.21.2 of the Periodic Report regarding a Bond buyback program as approved by the Board on 6 January 2026 in the aggregate amount of up to \$100 million, for a period of two years (the "**Additional Buyback Program**"), until the report approval date, the Partnership made buybacks in accordance with the Additional Buyback Program in the sum of approx. \$46.7 million par value of Bonds.

For further details, see Section E in the first part of the Board Report (Chapter B of this Report), and Note 6C to the Consolidated Interim Financial Statements of the Partnership as of 31 March 2026 (Chapter C of this report).

b. Credit facilities

- (1) Further to Section 7.21.3(a) of the Periodic Report regarding agreements signed by the Partnership for the provision of credit facilities by two Israeli banks, which stipulate financial covenants with which the Partnership is required to comply, breach of which establishes an acceleration right for the lender, as detailed in Section 7.21.4(a) of the Periodic Report, following are details with respect to the said financial covenants, in accordance with the figures of the Partnership's Consolidated Interim Financial Statements as of 31 March 2026 (Chapter C of this report):

<u>Covenant</u>	<u>Value Calculated as of 31 March 2026</u>
The ratio between the value of the Partnership's assets and net financial debt shall be no less than the following ratios: Up to a net financial debt of \$2.5 billion – no less than 1.5; for any additional net financial debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and for any net financial debt exceeding \$2.75 billion – no less than 4.1, on two consecutive review dates.	The Partnership's net financial debt is less than \$2.5 billion and the said ratio is approx. 4.75
The Partnership's liquidity (on a standalone basis) shall be no less than \$20 million.	Approx. \$747 million
Total financial debt, apart from limited recourse loans other than the bonds of Leviathan Bond Ltd., shall not exceed \$3 billion.	Approx. \$1.5 billion
Surplus sources shall not be negative.	Not negative

- (2) Further to Section 7.21.3(b) of the Periodic Report regarding an agreement signed by the Partnership for the provision of credit facilities by an Israeli bank, which stipulates financial covenants with which the Partnership is required to comply, breach of which establishes an acceleration right for the lender, as detailed in Section 7.21.4(b) of the Periodic Report, following are details with respect to the said financial covenants, in accordance with the figures of the Partnership's Consolidated Interim Financial Statements as of 31 March 2026 (Chapter C of this report):

<u>Covenant</u>	<u>Value Calculated as of 31 March 2026</u>
The ratio between the value of the Partnership's assets and net financial debt shall be no less than the following ratios: Up to a net financial debt of \$2.5 billion – no less than 1.5; for any	The Partnership's net financial debt is less than \$2.5 billion and the said ratio is approx. 4.75

Covenant	Value Calculated as of 31 March 2026
additional net financial debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and for any net financial debt exceeding \$2.75 billion – no less than 4.1, on two consecutive review dates	
The Partnership's liquidity (on a standalone basis) shall be no less than \$20 million	Approx. \$747 million
Total financial debt, apart from limited recourse loans other than the bonds of Leviathan Bond Ltd., shall not exceed \$3 billion	Approx. \$1.5 billion
Surplus sources shall not be negative.	Not negative

- (3) Further to Section 7.21.3(c) of the Periodic Report regarding an agreement signed by the Partnership for the provision of credit facilities by Bank Leumi Le-Israel Ltd., which stipulates financial covenants with which the Partnership is required to comply, breach of which establishes an acceleration right for the lender, as detailed in Section 7.21.4(c) of the Periodic Report, following are details with respect to the said financial covenants, in accordance with the figures of the Partnership's Consolidated Interim Financial Statements as of 31 March 2026 (Chapter C of this report):

Covenant	Value Calculated as of 31 March 2026
The ratio between the value of the Partnership's assets and net financial debt shall be no less than the following ratios: Up to a net financial debt of \$2.5 billion – no less than 1.5; for any additional net financial debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and for any net financial debt exceeding \$2.75 billion – no less than 4.1, on two consecutive review dates	The Partnership's net financial debt is less than \$2.5 billion and the said ratio is approx. 4.75
The Partnership's liquidity (on a standalone basis) shall be no less than \$20 million	Approx. \$747 million
Total financial debt, apart from limited recourse loans other than the bonds of Leviathan Bond Ltd., shall not exceed \$3 billion	Approx. \$1.5 billion

<u>Covenant</u>	<u>Value Calculated as of 31 March 2026</u>
Surplus sources shall not be negative.	Not negative

10. **Section 7.22 – Taxation**

- a. Further to Sections 7.22.3, 7.22.4 and 7.22.5 of the Periodic Report, with respect to assessment orders that the Partnership received from the Tax Authority in view of disputes that had arisen between the Partnership and the Tax Authority and disagreements with respect to the amount of the Partnership's taxable income for 2016, 2017 and 2018, it is noted that in accordance with the court's decision, the parties are required to notify the court by 30 May 2026 on the manner of continuation of the proceedings.
- b. Further to Sections 7.22.6 and 7.22.7 of the Periodic Report regarding unagreed assessments received by the Partnership from the Tax Authority in view of disputes that had arisen between the Partnership and the Tax Authority and disagreements with respect to the amount of the Partnership's taxable income for 2019 and 2020, the Partnership is expected to file a reasoned administrative objection to all the rulings of the Assessing Officer in the tax assessment, by 31 May 2026.

11. **Section 7.24 of the Periodic Report – Restrictions and Supervision over the Partnership's Activity**

- a. Further to Section 7.24.5(b) of the Periodic Report, with respect to the Natural Gas Sector Regulations (Management of the Natural Gas Sector in Times of Emergency), 5777-2017 (the "**State of Emergency Regulations**"), it is noted that to the best of the Partnership's knowledge, the Government renewed its authorization of the Minister of Energy to announce a state of emergency in the natural gas sector, to the extent that there is need to exercise the powers specified in the State of Emergency Regulations, from 26 March 2026 to 15 April 2026, and the Minister of Energy exercised such power. On 2 April 2026 the Minister of Energy stopped the declaration of a state of emergency in the natural gas sector as of 3 April 2026 at 6:00.
- b. On 26 March 2026 a draft was released for public comment of the Natural Gas Sector Regulations (Management of the Natural Gas Sector in Times of Emergency) (Amendment no. 1), 5786-2026 (the "**Draft Regulations**"), which includes amendments to the existing regulations from 2017. It is proposed in the Draft Regulations, *inter alia*: (a) to cancel the arrangement applicable in a state where there is one significant gas field and apply a uniform and updated mechanism for management of the natural gas sector in times of emergency; (b) to determine that any natural gas supplier who is actually able to supply natural gas in times of emergency shall be required to offer natural gas for sale to consumers with which it does not have a binding agreement, up to its full production capacity, and to further determine that the price of the natural gas to be sold to such consumers shall not exceed the average price of natural gas in all the transactions for the sale of natural gas, as most recently released by the Natural Gas Authority, and for purposes of the

sale of LNG – the purchase price of the LNG plus up to 10%; (c) to determine a new order of allocation to consumers, in which absolute preference shall be given to consumers in the Israeli market, such that export shall be enabled only for the additional quantity remaining (if any), after allocation to the Israeli market; (d) to update the powers of the Minister of Energy in special situations, including the possibility of determining instructions regarding the prices at which the allocated quantities shall be offered for sale, and to extend the duration of the Minister's instructions from a period of up to five days to a period of up to 10 days, and the period after which government approval is required from 10 days to 20 days; (e) to add a reporting duty whereby license holders, natural gas suppliers, entities engaging in the sale, import or marketing of natural gas and consumers shall be required to deliver relevant information to the Director of the Natural Gas Authority within 45 minutes of his request; and (f) to determine that if any one of the relevant position holders, other than the Minister, is absent, the consultation shall be held with the relevant available senior official. As of the report approval date, the regulations have not been published with their binding language. In this context it is noted that Chevron filed a response to the Draft Regulations on behalf of the Leviathan project interest holders.

12. Section 7.27 of the Periodic Report – Legal Proceedings

Further to Section 7.27.1 of the Periodic Report regarding an appeal filed by the Partnership and Chevron (the "Plaintiffs") with the Supreme Court against the judgment of the Jerusalem District Court, dismissing their claim against the State of Israel through its representatives from the Ministry of Energy (the "Defendant"), which primarily includes a demand for the restitution of royalties paid by the Plaintiffs to the Defendant - in excess and under protest - for revenues generated by the Plaintiffs from gas supply agreements signed between consumers of natural gas and the Yam Tethys partners, part of which was actually supplied from the Tamar project (the "Judgment"), on 17 May 2026 a hearing on the appeal was held in the Supreme Court, in which the Court proposed that the Plaintiffs withdraw the appeal, subject to the Defendant declaring that, notwithstanding the Judgment, the market value for royalty purposes of gas produced from such lease under agreements made at arm's length, will be determined according to the contract price, and ruled that the Plaintiffs would give notice of their position on such proposal by 19 May 2026.

13. Regulation 21 and Regulations 26 and 26A of Chapter D of the Periodic Report – the directors of the GP and senior officers of the Partnership and/or the GP

- a. On 22 March 2026, Mr. Yitzhak Sharon (Tshuva) took office as a Director on the Board. For further details, see the Partnership's immediate report of 22 March 2026 (ref. 2026-01-025373), the information in which is hereby incorporated by reference.

In addition, on 30 March 2026, the Compensation Committee and Board approved the granting of letters of undertaking for exemption and indemnification to Mr. Tshuva, in the Partnership's standard language and on terms and conditions identical to the other directors, subject to approval by the general meeting of the Partnership's participation unit holders. At the same time, the Compensation Committee also approved the inclusion of Mr. Tshuva in the GP's and the Partnership's D&O insurance policy, as being from time to time and on terms and conditions identical to the other directors.

- b. On 31 March 2026, Mr. Gabriel Last stepped down as Chairman of the Board. For further details, see the Partnership's immediate report of 16 March 2026 (ref. 2026-01-022829), the information in which is incorporated herein by reference.
- c. On 31 April 2026 Mr. Nadav Perry stepped down as VP Regulatory and Public Affairs.
- d. On 4 May 2026, Mr. Yossi Abu gave notice that he was stepping down as CEO of the Partnership, effective as of 3 November 2026, in accordance with an advanced notice period of six months as determined in his terms and conditions of employment, or at such other time as shall be agreed at a later date. For further details, see the Partnership's immediate report of 4 May 2026 (ref. 2026-01-041023), the information in which is incorporated herein by reference.

In this context, it is noted that on 6 May 2026, the Board approved the establishment of a search committee which will work to locate candidates for the position of CEO of the Partnership, and for review of their qualifications and suitability for the position of CEO of the Partnership, and shall promptly submit its recommendations to the board for the adoption of a decision on the matter.

- e. On 18 May 2026, the Board approved the appointment of Mr. Niv Sarne as Executive Chairman of the Board on a full-time basis, effective as of 1 June 2026. In such context, his terms of office and employment were approved.

14. The following table includes data on natural gas and condensate production in the Leviathan project in the first quarter of 2026:^{3,4}

³ The figures presented in the table with respect to the share attributed to the holders of the Partnership's equity interests in the average price per output unit, in the royalties paid, in the production costs and in net revenues, was rounded off to two digits after the decimal point.

⁴ The figures presented in the table in relation to condensate production do not include additional quantities of condensate which were not sold. Costs and expenses in connection with such additional quantities of condensate were attributed to the costs of natural gas production.

	Q1	
	Natural gas	Condensate
Total output (attributed to the holders of the Partnership's equity interests) during the period (in MMCF for natural gas and in thousands of barrels for condensate, as applicable)	30,248.39	53.56
Average price per output unit (attributed to the holders of the Partnership's equity interests) (dollar per MCF and per barrel, as applicable)	5.29	69.44
Average royalties (any payment derived from the output of the producing asset including the gross income from the petroleum asset) paid per output unit (attributed to the holders of the Partnership's equity interests) (dollar per MCF and per barrel, as applicable)	The State	0.54
	Third parties	0.13
	Interested parties	0.07
Average production costs per output unit (attributed to the holders of the Partnership's equity interests) (dollar per MCF and per barrel, as applicable) ^{5,6}	1.07	8.07
Average net proceeds per output unit (attributed to the holders of the Partnership's equity interests) (dollar per MCF and per barrel, as applicable)	3.48	51.66

Date: 18 May 2026

NewMed Energy – Limited Partnership
by NewMed Energy Management Ltd., the General Partner

Signed by: Gabi Last, Director⁷

and Yossi Abu, CEO

⁵ The figures include current production costs only and do not include the reservoir's exploration and development costs and tax payments to be made by the Partnership in the future.

⁶ The average production costs per natural gas output unit include costs in respect of transmission of the natural gas via INGL's transmission system to EMG's terminal in Ashkelon, to the terminal on the Jordanian border, as well as costs of transmission via the regional transmission system to the point of delivery in Aqaba, Jordan, for the purpose of supplying the gas to Egypt, which totaled approx. \$23.1 million in Q1/2026 (100%). In addition, the average production costs per condensate output unit include costs in respect of transmission of the condensate via the pipeline of Europe Asia Pipeline (EAPC), which totaled approx. \$0.5 million in Q1/2026 (100%).

⁷ Mr. Gabi Last was authorized by the Board to sign this report on 18 May 2026, because as of the date of approval of the report, the GP's board has no chairman.



Board of Directors report

This report is a translation of NewMed Energy – Limited Partnership's Hebrew-language Board of Directors' Report of the General Partner. It is prepared solely for convenience purposes. Please note that the Hebrew version constitutes the binding version, and in any event of discrepancy, the Hebrew version shall prevail.

18 May 2026

NewMed Energy – Limited Partnership

Report of the Board of Directors of the General Partner **for the three-month period ended 31 March 2026**

The board of directors of NewMed Energy Management Ltd. (the "GP") hereby respectfully submits the board of directors' report for the three-month period ended 31 March 2026 (the "Report Period").

Part One – Explanations of the Board of Directors on the State of the Partnership's Business

1. Main changes that occurred in the Report Period

For a comprehensive description of the main changes in the Partnership's business in the Report Period, see an update to Chapter A (Description of the Partnership's Business) of the 2025 periodic report (the "Periodic Report") and the consolidated interim financial statements as of 31 March 2026 (the "Consolidated Interim Financial Statements"), attached below.

2. Results of operations

A. General

NewMed Energy – Limited Partnership, is a public limited partnership, which mainly operates in the exploration, development, production and marketing of natural gas, condensate and oil in Israel. Over the years, the Partnership's operations have also expanded into Cyprus, Morocco, and Bulgaria. The Partnership also promotes various natural gas-based projects, with the aim of increasing the volume of sales of the natural gas produced by the Partnership. At the same time, the Partnership is examining business opportunities for exploration, development, production and marketing of natural gas, condensate and oil in other countries, and is also considering and promoting possible investments in renewable energy projects, in the context of the collaboration with Enlight Renewable Energy Ltd.¹ The Partnership is further examining possible projects for the production of hydrogen, including blue hydrogen which is produced from natural gas and may constitute a low-carbon substitute for energy consumers².

In Q1/2026, the Partnership operated in accordance with its business strategy, focusing on the exploration, development, production, and marketing of natural gas, condensate and oil, primarily through the Leviathan reservoir which continued to serve as the Partnership's core asset, supplying natural gas and condensate to both domestic and export markets. The Partnership's activities throughout the quarter were characterized by financial stability, despite the impact of Operation Roaring Lion, as

¹ For details regarding the collaboration with Enlight, see Section 7.10 of the 2025 Description of the General Development of the Corporation's Business (Chapter A).

² For details regarding potential projects for hydrogen production, see Section 7.28 of the 2025 Description of the General Development of the Corporation's Business (Chapter A).

provided below, which led, *inter alia*, to suspension of production from the Leviathan reservoir for 33 days and a delay in completion of a project carried out by Israel Natural Gas Lines Ltd. ("**INGL**") for the laying of a subsea pipeline in the offshore transmission section between Ashdod and Ashkelon (the "**Combined Section**"). Concurrently, the Partnership continued to advance strategic initiatives, including the advancement of the first stage of the project for expansion of the Leviathan reservoir, a Final Investment Decision for which was adopted on 15 January 2026, the promotion of FEED for development of the Aphrodite reservoir in Cyprus, in accordance with the agreements governing Block 12, exploration activities in Bulgaria and Morocco, as well as evaluating investments in renewable energy and natural gas-based energy solutions. For details on the Partnership's goals and long-term operational strategy, see Section 7.28 of the 2025 Description of the General Development of the Corporation's Business (Chapter A).

As of the date of approval of the report, the military conflict of the United States and Israel against Iran, which commenced on 28 February 2026, with a coordinated attack against Iran ("**Operation Roaring Lion**"), has not yet come to an end. During such conflict, a temporary ceasefire was reached; concurrently, combat against the Hezbollah terrorist organization in Lebanon has continued along the northern border at varying levels of intensity. As of the date of approval of the report, there is no certainty that the fighting on the Iranian front will not resume in the near or distant future. On 31 March 2026, the operator of the Leviathan project, Chevron Mediterranean Limited ("**Chevron**"), received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructure, whereby all preparations may be carried out for the reactivation of the Leviathan platform, following its shutdown at the start of Operation Roaring Lion. Accordingly, regular production from the reservoir was resumed on 2 April 2026. For further details, see the Partnership's immediate report of 3 April 2026 (Ref: 2026-01-031585), the information in which is incorporated herein by reference. It is noted that the Partnership has applied for State compensation regarding the halt of gas production; however, at this stage, there is no certainty regarding the receipt or scope of such compensation.

For details regarding the impact of the military conflict and the suspension of production on the projected cash flow relative to the Partnership's discounted cash flow figures as of 31 December 2025, as released by the Partnership on 16 January 2026, see Section (G) below.

On 1 April 2026, the Partnership reported that, as it was informed by the drilling operator, the exploration drilling made at the Krum prospect, which is located in the exploration license in Block 1-21 Han Asparuh in the EEZ of the Republic of Bulgaria in the Black Sea (the "**Bulgaria License**"), revealed insignificant signs of natural gas and therefore, it is a dry hole. Total drilling expenses, and plugging and abandonment costs are estimated at approx. €77.6 million (approx. \$89.2 million on a 100% basis). Accordingly, the Partnership recognized a loss in its interim consolidated financial statements for Q1/2026 in respect of the share of NewMed Energy Balkan Limited (a subsidiary of the Partnership) in all the costs for the license, including the drilling, plugging and abandonment costs in the sum total of approx. \$74.4 million, which was recorded under the 'depreciation depletion and amortization' item. For further details regarding the Bulgaria License and the activity therein, see Section 7.8 of the Description of the General Development of the Corporation's Business (Chapter A) in the 2025 Periodic Report.

The Partnership's net income in Q1/2026 totaled approx. \$0.1 million, compared with

approx. \$116.4 million in the same quarter last year. The decrease in the net income mainly derived from an increase in depreciation, depletion and amortization expenses resulting from the depreciation of costs for the Krum well as aforesaid, from a decrease in net revenues from the sale of natural gas and condensate, resulting from the decrease in gas quantities sold, due to the gas production suspension as specified above, from the decrease in the average price per thermal unit (MMBTU), which mainly resulted from the decrease in the Brent barrel price in January and February 2026 compared with the same quarter last year, the decrease in net income was partially offset by a decrease in the costs of natural gas and condensate production and income tax expenses due to the non-production and an increase in financial income, net.

B. Analysis of statements of comprehensive income (loss)

Below are main figures with regards to the Partnership's statements of comprehensive income (loss), in dollars in millions:

	1-3/26	1-3/25	2025
Revenues			
From natural gas and condensate sales	163.9	287.6	1,012.7
Net of royalties	22.9	42.0	146.1
Net revenues	<u>141.0</u>	<u>245.6</u>	<u>866.6</u>
Expenses and costs:			
Cost of natural gas and condensate production	32.7	37.8	149.7
Depreciation, depletion and amortization expenses	93.0	22.6	171.5
Other direct expenses	3.4	3.1	11.8
G&A	7.3	3.2	17.6
Total expenses and costs	<u>136.4</u>	<u>66.7</u>	<u>350.6</u>
The Partnership's share in the losses of entities accounted for at equity	(0.3)	(0.7)	(3.6)
Operating income	<u>4.3</u>	<u>178.2</u>	<u>512.4</u>
Financial expenses	(20.6)	(31.9)	(90.8)
Financial income	35.2	6.2	57.9
Financial income (expenses), net	<u>14.6</u>	<u>(25.7)</u>	<u>(32.9)</u>
Profit before taxes on income	18.9	152.5	479.5
Taxes on income	(18.8)	(36.1)	(121.5)
Income from continuing operations	<u>0.1</u>	<u>116.4</u>	<u>358.0</u>
Loss from discontinued operations	-	-	(15.0)
Net profit	<u>0.1</u>	<u>116.4</u>	<u>343.0</u>
Other comprehensive profit (loss) (after tax effect):			
<u>Amounts that shall be or are reclassified to profit or loss upon fulfillment of specific conditions:</u>			
Adjustments from translation of foreign business financial statements	(0.8)	*)	1.2
Other comprehensive income (loss)	<u>(0.8)</u>	<u>*)</u>	<u>1.2</u>
Total comprehensive income (loss)	<u>(0.7)</u>	<u>116.4</u>	<u>344.2</u>

*) Lower than \$0.1 million.

Net revenues in the Report Period totaled approx. \$141.0 million, compared with approx. \$245.6 million in the same period last year, down approx. 42.6%. The decrease mainly derived from a decrease in the natural gas quantities sold from the Leviathan reservoir, following the production halt as aforesaid, from a quantity of approx. 2.95 BCM (100%) in the same period last year to a quantity of approx. 1.89 BCM (100%) in the Report Period, and from a decrease in the average price per thermal unit (MMBTU), from approx. \$85.5 per MMBTU in the same period last year to approx. \$5.19 per MMBTU in the Report Period. The drop in the average price per MMBTU resulted from the decrease in the Brent oil barrel price, to which some of the natural gas sales contracts are linked.

There was also a decrease in condensate sales, from approx. 237 thousand barrels of condensate in the sum of approx. \$13.5 million (100%, the Partnership's share – approx. \$6.1 million) in the same period last year, to approx. 118 thousand barrels of condensate in the sum of approx. \$8.2 million (100%, the Partnership's share – approx. \$3.7 million)

The table below specifies the gas quantities (100%) and the average price per MMBTU sold from the Leviathan reservoir in the Report Period and in the same period last year, according to the customers' geographic location:

	Israel	Jordan	Egypt	Total	Average price**
	BCM				Dollar
Q1/2026	0.2	0.6	1.1	1.9	5.19
Q1/2025	0.4	0.8	1.7	2.9	5.85

* Figures are rounded off to one tenth of a BCM.

** The price per MMBTU in dollars is rounded off to 2 digits after the decimal point.

*** The amounts in the table may not add up due to rounding-off differences.

Cost of natural gas and condensate production totaled approx. \$32.7 million, compared with approx. \$37.8 million in the same period last year, down approx. 13.5%, and includes expenses of management and operation of the Leviathan project, including, *inter alia*, expenses of haulage and transport, salaries, consulting, maintenance, environment, insurance and the cost of transmission of natural gas to Egypt. The decrease in the Report Period mainly derives from a decrease in the costs of natural gas transmission due to a decrease in the quantity of gas sold to Egypt compared with the same period last year.

Depreciation, depletion and amortization expenses totaled approx. \$93.0 million, compared with approx. \$22.6 million in the same period last year, up approx. 311.3%. The increase mainly derives from the amortization of all costs in respect of the Bulgaria License, as provided in Section (A) above, due to the Krum well being found to be a 'dry hole', including the drilling, plugging and abandonment costs in the sum total of approx. \$74.4 million, and from an update to the abandonment obligation in the Yam Tethys Project compared with the same period last year. The increase was offset by a decrease in the depreciation, depletion and amortization expenses in the Leviathan project, which derived from a decrease in the depletion rate following the decrease in the quantities of natural gas and condensate produced compared with the same period last year.

Other direct expenses totaled approx. \$3.4 million, compared with approx. \$3.1 million in the same period last year. The expenses include, *inter alia*, expenses of geologists, engineers and consulting as well as G&A expenses of various projects which are not at the production stage, including in the renewable energy sector.

G&A totaled approx. \$7.3 million, compared with approx. \$3.2 million in the same period last year. G&A include, *inter alia*, expenses for salary, professional services and D&O insurance. The increase derives mainly from an increase in salary expenses relative to the same quarter last year, *inter alia* in respect of annual bonuses which were recorded last year in Q2.

The Partnership's share in the losses of entities accounted for at equity totaled a loss of approx. \$0.3 million, compared with approx. \$0.7 million in the same period last year, mainly deriving from the company accounted for at equity, EMED Pipeline BV ("EMED"), which holds 39% of the shares of Eastern Mediterranean Gas Company S.A.E ("EMG").

Financial expenses totaled approx. \$20.6 million, compared with approx. \$31.9 million in the same period last year, down approx. 35.4%. Financial expenses in the Report Period mainly derived from interest on bonds issued by Leviathan Bond Ltd., a wholly owned subsidiary of the Partnership (the "Leviathan Bond Bonds"), in the sum of approx. \$20.1 million (same period last year approx. \$27.1 million), and from interest expenses for loans from banking corporations in the sum of approx. \$7.5 million (same period last year approx. \$0.6 million). Conversely, in the Report Period, the Partnership capitalized financial expenses to qualifying assets in a total of approx. \$8.6 million (same period last year approx. \$3.2 million). In the same period last year, a revaluation of royalties based on future production from the Karish and Tanin leases, in a total of approx. \$4.4 million, was recorded under financial expenses, whereas in the Report Period, a revaluation was recorded under financial income (see below).

Financial income totaled approx. \$35.2 million, compared with approx. \$6.2 million in the same period last year. The increase in financial income mainly derived from the revaluation of royalties based on future production from the Karish and Tanin leases that were recorded in the Report Period, of approx. \$30.2 million (a negative revaluation of approx. \$4.4 million was recorded in the same period last year under the 'Financial Expenses' item). For further details, see Note 6A to the Consolidated Interim Financial Statements attached below.

Taxes on income totaled approx. \$18.8 million, compared with approx. \$36.1 million in the same period last year. The decrease mainly derived from the decrease in pre-tax profit in the Report Period. In accordance with the accounting principles, the Partnership did not recognize deferred tax assets in respect of drilling expenses that were depreciated, as aforesaid, as tax losses.

3. Financial position, liquidity and financing sources

A. Financial position

The main changes in the items of the statement of financial position as of 31 March 2026, compared with the statement of financial position as of 31 December 2025, are specified below:

Total assets as of 31 March 2026 totaled approx. \$4,054.0 million, compared with approx. \$3,965.8 million as of 31 December 2025.

Current assets as of 31 March 2026 totaled approx. \$453.2 million, compared with approx. \$468.2 million as of 31 December 2025, as specified below:

(1) **Cash and cash equivalents** as of 31 March 2026 totaled approx. \$147.2 million, compared with approx. \$107.7 million as of 31 December 2025. The cash income mainly derived from income from Energean in respect of production-based royalties from the Karish lease (as specified in Note 6A to the Consolidated Interim Financial Statements attached below) and from receipt of loans from banking corporations. Conversely, the Partnership made payments in the Report Period, mainly in connection with profit distributions to the participation unitholders, investment in projects in Cyprus and Bulgaria, buyback of Leviathan Bond Bonds and income tax advances.

(2) **Short-term deposits** as of 31 March 2026 totaled approx. \$66.2 million, compared with approx. \$49.8 million as of 31 December 2025, and primarily include deposits in connection with the Leviathan Bond Bonds in the sum of approx. \$63.4 million, compared with approx. \$49.6 million as of 31 December 2025.

- (3) **Trade receivables** as of 31 March 2026 totaled approx. \$106.9 million, compared with approx. \$181.5 million as of 31 December 2025. The decrease mainly derived from a sales decrease following the production halt as stated in Section (A) above.
- (4) **Other receivables** as of 31 March 2026 totaled approx. \$115.2 million, compared with approx. \$125.3 million as of 31 December 2025. The decrease mainly derives from a decrease in the balance of the operator of the Leviathan joint venture, which was offset from an increase in receivables from future production-based royalties from the Karish lease and from the increase in trade and other receivables in respect of subsidiaries, derived from balance receivables from institutions for VAT refunds.
- (5) **Income tax receivables**, as of 31 March 2026, totaled approx. \$17.7 million, compared with approx. \$3.9 million as of 31 December 2025, and include mainly advance payments paid by the Partnership to the Income Tax Authority, offset by the estimated tax payment in respect of the Partnership's taxable income.

Non-current assets as of 31 March 2026 totaled approx. \$3,600.8 million, compared with approx. \$3,497.6 million on 31 December 2025, as specified below:

- (1) **Investments in oil and gas assets** as of 31 March 2026 totaled approx. \$2,851.3 million, compared with approx. \$2,848.3 million as of 31 December 2025. The movement in the Report Period derived from investments made by the Partnership in the Leviathan project, and from an update to a retirement asset in the Leviathan project in the sum total of approx. \$36.6 million, as well as from investments in the projects in Cyprus and Bulgaria in the sum of approx. \$56.4 million. Conversely, the Partnership recorded depreciation, depletion and amortization expenses in the Leviathan project in the sum of approx. \$15.6 million, and reduced the costs of the project in Bulgaria following the aforesaid dry hole, in the sum of approx. \$74.4 million.
- (2) **Investments in entities accounted for at equity** as of 31 March 2026 totaled approx. \$58.8 million compared with approx. \$59.0 million as of 31 December 2025, and is mainly due to the investment in EMED. The decrease mostly derived from a loss recorded in respect of the investment in the Report Period.
- (3) **Long-term deposits** as of 31 March 2026 totaled approx. \$100.7 million, compared with approx. \$0.8 million as of 31 December 2025, and mainly derive from a deposit to secure the principal of the Leviathan Bond Bonds, in accordance with the terms of the Leviathan Bond Bonds.
- (4) **Other long-term assets** as of 31 March 2026 totaled approx. \$590.0 million, compared with approx. \$589.5 million as of 31 December 2025.

Current liabilities as of 31 March 2026 totaled approx. \$213.5 million, compared with approx. \$201.8 million as of 31 December 2025, as specified below:

- (1) **Trade and other payables** as of 31 March 2026 totaled approx. \$213.5 million, compared with approx. \$201.8 million as of 31 December 2025. The increase derived mainly from an increase in other payables in NewMed Balkan, resulted from a provision in connection with payables regarding the Krum well in Bulgaria, and from interest payable due to Leviathan Bond Bonds, which was offset by a decrease in the balance of the operator in the Leviathan project.

Non-current liabilities as of 31 March 2026 totaled approx. \$2,019.0 million, compared with approx. \$1,872.4 million as of 31 December 2025, as specified below:

- (1) **Bonds** as of 31 March 2026 totaled approx. \$1,076.0 million, compared with approx. \$1,117.3 million as of 31 December 2025, and include the Leviathan Bond Bonds, net of issue expenses. The decrease derives mainly from bonds purchased as part of a buy-back as provided in Section 3E below.

- (2) **Deferred taxes** as of 31 March 2026 totaled approx. \$410.6 million, compared with approx. \$396.7 million as of 31 December 2025. The increase resulted primarily from a growth in temporary differences between the tax basis of oil and gas assets and other long-term assets, and their value in the financial statements.
- (3) **Long-term loans from banking corporations** as of 31 March 2026 totaled approx. \$450.0 million, compared with approx. \$275.0 million as of 31 December 2025. The increase derives from drawdowns on the Credit Facilities as provided in Section 3C below.
- (4) **Other long-term liabilities** as of 31 March 2026 totaled approx. \$82.4 million, compared with approx. \$83.4 million as of 31 December 2025, and they mainly include the oil and gas asset retirement obligation in the Leviathan and Yam Tethys projects.

The equity of the limited partnership as of 31 March 2026 totaled approx. \$1,821.5 million, compared with approx. \$1,891.6 million as of 31 December 2025. The change in equity mainly derived from the comprehensive loss recorded in the Report Period in the sum of approx. \$0.7 million, and from distributed profits in the sum of approx. \$70 million.

B. Cash flow

- (1) Net cash flows generated by the Partnership from operating activities in the Report Period totaled approx. \$158.7 million, compared with approx. \$172.3 million in the same period last year.
- (2) Net cash flows used for investment activities in the Report Period totaled approx. \$182.0 million, compared with approx. \$23.8 million in the same period last year. In the Report Period, cash flows were used primarily for investments in oil and gas assets and placements in long-term deposits. In the same period last year, cash flows were used primarily for investments in oil and gas assets.
- (3) Net cash flows generated from financing activities in the Report Period totaled approx. \$62.8 million, compared with approx. \$100.0 million used for financing activities in the same period last year. In the Report Period, cash flows resulted primarily from loans received from banking corporations, which were offset by cash used for profit distribution and the buyback of Leviathan Bond Bonds. In the same period last year, cash flows were used for profit distribution and the buyback of Leviathan Bond Bonds.

C. Financing

- (1) On 10 February 2026, the Partnership drew down Credit Facility B in full, in the amount of \$75 million, from the committed credit facility of an Israeli bank, where it was agreed that the loan under Credit Facility B would bear a fixed annual interest rate of 5.55% instead of a variable annual interest rate. In the event of prepayment by the Partnership, the loan will incur a prepayment fee at the rate applicable to Credit Facility A. For further details, see Note 10D to the 2025 financial statements (Chapter C).
- (2) On 16 February 2026, the Partnership signed an agreement with Bank Leumi Le-Israel Ltd. for the provision of two new credit facilities totaling \$500 million (in this section: the "**Signing Date**", the "**Agreement**", the "**Lender**" or the "**Bank**" and the "**Credit Facilities**", respectively). The Credit Facilities are intended to be used by the Partnership for its operating activities, including in connection with the first phase of the project for the expansion of the Leviathan reservoir.
According to the terms and conditions of the Agreement, the Partnership undertook to withdraw all of Credit Facility A, in the sum of \$100 million (in this section: "**Credit Facility A**"), by 2 March 2026, and may withdraw from Credit Facility B, from time to time and until one year from the Signing Date (in this section: the "**Availability Period**"), up to an additional \$400 million (in this section: "**Credit Facility B**"). On 26 February 2026, the Partnership has withdrawn the

sum of \$100 million from Credit Facility A.

Any loan that will be taken from Credit Facility B and is repaid during the Availability Period may be drawn down anew until the end of the Availability Period.

Loans that are taken from both of the Credit Facilities (in this section: the "Loans") shall be repaid in non-equal instalments: 5% on 31 December 2028; 10% on 31 December of each of the years 2029 through 2031 (inclusive); and 65% on 30 June 2032 (in this section: the "Final Maturity Date").

The Loans will bear interest payable semi-annually, with the first interest payment due on 30 June 2026, and the last payment on the Final Maturity Date. The loan from Credit Facility A will bear a fixed annual interest rate of 5.65%.

The loan from Credit Facility B will bear a variable annual interest rate based on Six-Month Term SOFR, plus a margin of between 2.3% and 2.4%.

On 2 March 2026, the Partnership paid the Lender a one-time commitment fee totaling 0.37% of the total Credit Facilities. The Partnership also paid the Lender a non-utilization fee on the undrawn portion of Credit Facility B, at the rate of 0.35%.

For further details, see Note 10D to the 2025 financial statements (Chapter C) attached below.

D. Profit distributions:

- (1) On 15 March 2026, the GP's board of directors approved a profit distribution in the sum total of \$70 million (\$0.05963 per participation unit), with the record date for the distribution being 24 March 2026. Such profit distribution was made on 31 March 2026.
- (2) On 18 May 2026, the GP's board of directors approved a profit distribution in the sum total of \$60 million (\$0.05112 per participation unit), with the record date for the distribution being 28 May 2026. Such profit distribution will be made on 11 June 2026.

E. Plan for buyback of Leviathan Bond Bonds:

In accordance with the purchase plans approved by the GP's board of directors as specified in Note 10C to the 2025 Financial Statements (Chapter C), by the date of approval of the Consolidated Interim Financial Statements, the Partnership performed buybacks in the sum of approx. \$54.6 million par value of Series 2027 Leviathan Bond Bonds in consideration for approx. \$56 million, as well as buybacks in the sum of approx. \$29.7 million par value of Series 2030 Leviathan Bond Bonds in consideration for approx. \$30.9 million. The consideration paid for the bonds includes the interest accrued as of the buyback date.

For further details regarding the Leviathan Bond Bonds, see Part Four below and Notes 10B and 10C to the 2025 financial statements (Chapter C).

- F. For details regarding primary risks and uncertainties related to the Partnership's operations, see Section 3F of the Board of Directors' Report (Chapter B) in the Periodic Report as of 31 December 2025.
- G. Further to the provisions regarding the war and the security situation, and their potential impact on the Partnership's business as detailed in Section 3G of the Board of Directors' Report (Chapter B) in the Periodic Report as of 31 December 2025, following the outbreak of the conflict as aforesaid, Brent crude oil prices rose sharply during April 2026, driven, *inter alia*, by the de facto closure of the Strait of Hormuz, which led to significant disruptions in oil production and transportation in the Persian Gulf countries and a sharp decline in global oil inventories. In a review from May 2026, the U.S. Energy Information Administration (EIA) updated its average Brent barrel price forecast for 2026 to approx. \$95 per barrel. The review further noted that this forecast is based, *inter alia*, on the assumption that the Strait of Hormuz will remain effectively closed until the end of May 2026, that traffic will begin to resume during June 2026, and that it will take time for most production and trade patterns to return to pre-conflict levels. It was further noted that some producers in the Persian Gulf region may not return to pre-conflict production levels during

the forecast period³. It is emphasized that this is an external forecast based on assumptions and estimates, the materialization of which is not certain.

In connection with such updated forecast, the 2026 revenue forecast for sales of natural gas and condensate from the Leviathan project (100%), in relation to 2P Reserves, as included in the Reserves, Contingent Resources, and Discounted Cash Flow Data Report released by the Partnership in an immediate report of 16 January 2026 (Ref.: 2026-01-006999) (the "**DCF Report**"), was calculated based, *inter alia*, on the assumption that the average Brent price in 2026 would be \$63 per barrel, and accordingly, the total revenue forecast for that year was calculated as approx. \$2.55 billion. According to the same calculation, considering actual sales figures for January–April 2026, based on an average Brent price of approx. \$90 per barrel until the end of 2026 (and without changes to any other assumptions), the updated revenue calculation for 2026 totals approx. \$2.88 billion (i.e., additional revenues of approx. \$330 million compared with the original calculation).

For details on the additional budget approved for completion of a project carried out by INGL for the laying of the Combined Section, to cover additional expenses incurred due to Operation Roaring Lion, see Section 8 of the update to Chapter A above.

It is hereby clarified that the aforesaid constitutes forward-looking information within the meaning thereof in the Securities Law, 5728-1968, based on various assumptions and estimates, including the assumption regarding the Brent crude oil price as aforesaid, the materialization of which is not certain. It is further clarified that actual revenues may differ materially from the aforesaid assessment due to, *inter alia*, changes in energy prices, actual selling prices, production and sales volumes, market conditions, regulatory conditions, geopolitical developments, and actual project performance.

- H. For details regarding inflation and the rise in the interest rate and their possible impact on the Partnership's business, see Section 3G of the Board of Directors' Report (Chapter B) in the Periodic Report as of 31 December 2025.

³ [Link](#).

Part Two – Exposure to and Management of Market Risks

Report on exposure to and management of market risks

1. Exchange rate risk

Further to Section 2A of Part Two of the Board of Directors' Report (Chapter B) in the periodic report as of 31 December 2025, regarding the impact of fluctuations in the ILS/USD exchange rate on the Partnership's results of operations, from the start of 2026 until the report date, the ILS appreciated by approx. 9% against the USD. This trend impacted revenues from gas agreements linked to the electricity tariff, the Partnership's ILS-denominated expenses, as well as the Partnership's tax liability, which is denominated in ILS, all in a manner that is not material.

2. Sensitivity tests -

In accordance with Amendment 5767 to the provisions of the Second Schedule to the Securities Regulations (Immediate and Periodic Reports), 5730-1970, the Partnership carried out tests of sensitivity to changes in the risk factors affecting the fair value of "sensitive instruments".

Description of parameters, assumptions and models

Parameters:

Parameter	Source/Manner of Treatment
ILS/Dollar exchange rate	Representative rate as of 31 March 2026
Dollar interest	Capitalization interest/SOFR interest

- a. Analysis of sensitivity for the value of future production-based royalties from the sale of the Karish and Tanin leases to changes in the cap rate when the other variables remain fixed (\$ in millions):

Sensitive instrument	Profit/(loss) from changes		Fair value as of 31.3.2026	Profit/(loss) from changes	
	2%	1%		-1%	-2%
Future production-based royalties from the Karish and Tanin leases	(23.9)	(12.5)	273.1	13.6	28.5

- b. Analysis of sensitivity for the value of future production-based royalties from the sale of the Karish and Tanin leases to changes in the price of natural gas and condensate when the other variables remain fixed (\$ in millions):

Sensitive instrument	Profit from changes in the natural gas prices				Fair value as of 31.3.2026	Loss from changes in the natural gas prices			
	30%	20%	10%	5%		-5%	-10%	-20%	-30%
Future production-based royalties from the Karish and Tanin leases	5.4	28.0	16.7	8.6	273.1	(8.5)	(17.3)	(31.7)	(47.5)

Sensitive instrument	Profit from changes in the condensate prices				Fair value as of 31.3.2026	Loss from changes in the condensate prices			
	30%	20%	10%	5%		-5%	-10%	-20%	-30%
Future production-based royalties from the Karish and Tanin leases	18.0	12.0	6.0	3.0	273.1	(3.1)	(9.7)	(15.8)	(21.9)

c. Analysis of sensitivity to changes in the Dollar/ILS exchange rate (\$ in millions):

Sensitive instrument	Profit/(Loss) from the Changes		Fair Value as of 31.3.2026	Profit/(Loss) from the Changes	
	10%	5%		-5%	-10%
	3.656	3.323	3.165	3.007	2.849
Cash and cash equivalents	(0.3)	(0.2)	3.4	0.2	0.3
Bank deposits	*	*	0.2	*	*
Trade and other payables	0.5	0.2	(5.0)	(0.2)	(0.5)
Total	0.2	*	(1.3)	(*)	(0.2)

* Balance lower than \$0.1 million

During the reported period, there was no change in the Partnership's exposures and market risks, as were reported in the Board of Directors' Report for 2025, except as stated below:

3. Report on linkage bases in Dollars in millions, as of 31 March 2026:

	Financial Balances			Total
	In foreign currency	In non-linked ILS	Non-financial balances	
Assets				
Cash and cash equivalents	143.8	3.4	-	147.2
Short-term deposits	66.0	0.2	-	66.2
Trade receivables	106.9	-	-	106.9
Other receivables	94.8	-	20.4	115.2
Taxes receivable	-	-	17.7	17.7
Investments in oil and gas assets	-	-	2,851.3	2,851.3
Investments in entities accounted for at equity	-	-	58.8	58.8
Long-term deposits	100.7	-	-	100.7
Other long-term assets	228.7	-	361.3	590.0
Total assets	740.9	3.6	3,309.5	4,054.0
Liabilities				
Trade and other payables	51.3	5.0	157.2	213.5
Bonds	1,076.0	-	-	1,076.0
Long-term loans from banking corporations	450.0	-	-	450.0
Deferred taxes	-	-	410.6	410.6
Other long-term liabilities	-	-	82.4	82.4
Total liabilities	1,577.3	5.0	650.2	2,232.5
Total net balance	(836.4)	(1.4)	2,659.3	1,821.5

4. Linkage bases in Dollars in millions, as of 31 December 2025:

	Financial Balances			
	In foreign currency	In non-linked ILS	Non-financial balances	Total
<u>Assets</u>				
Cash and cash equivalents	106.9	0.8	-	107.7
Short-term deposits	49.6	0.2	-	49.8
Trade receivables	181.5	-	-	181.5
Other receivables	107.4	-	17.9	125.3
Taxes receivable	-	-	3.9	3.9
Investments in entities accounted for at equity	-	-	59.0	59.0
Investments in oil and gas assets	-	-	2,848.3	2,848.3
Long-term deposits	0.8	-	-	0.8
Other long-term assets	223.4	-	366.1	589.5
Total assets	669.6	1.0	3,295.2	3,965.8
<u>Liabilities</u>				
Trade and other payables	1.8	6.2	193.8	201.8
Bonds	1,117.3	-	-	1,117.3
Long-term loan from banking corporation	275.0	-	-	275.0
Deferred taxes	-	-	396.7	396.7
Other long-term liabilities	-	-	83.4	83.4
Total liabilities	1,394.1	6.2	673.9	2,074.2
Total net balance	(724.5)	(5.2)	2,621.3	1,891.6

Part Three - Disclosure on the Corporation's Financial Reporting

1. Subsequent events after the Statement of Financial Position

For material events after the date of the statement of financial position, see Note 8 to the Consolidated Interim Financial Statements as of 31 March 2026, which are attached below.

2. Critical accounting estimates

No material change occurred in the Report Period compared with the report for 2025.

Part Four – Details of bonds issued by Leviathan Bond Ltd.

Leviathan Bond bond series	2027	2030
Par value on the issue date	600	550
Issue date	18 August 2020	18 August 2020
Par value as of 31.3.2026	600	550
Linked par value as of 31.3.2026	600	550
Value on the Partnership's books as of 31.3.2026 ⁴	570.2	524.8
TASE value as of 31.3.2026 ⁵	571.6	538.7
Fixed annual interest rate	6.500%	6.750%
Principal payment date	30 June 2027	30 June 2030
Interest payment dates	Semiannual interest payable on every June 30th and every December 30th from the issue date in 2020-2027	Semiannual interest payable on every June 30th and every December 30th from the issue date in 2020-2030
Linkage base: base index ⁶	None	
Conversion right	None	
Right to early redemption or mandatory conversion ⁷	Right to early redemption	
Guarantee for payment of the liability	See Note 10B to the 2025 financial statements (Chapter C)	
Name of the trustee	HSBC Bank USA, National Association	
Name of person in charge at the trust company	Asma Alghofailey	
Trustee's address and e-mail	HSBC Bank USA, National Association, as TRUSTEE 452 5th Avenue, 8E6 New York, NY 10018 asma.x.alghofailey@us.hsbc.com	
Rating as of the issue date ⁸	Fitch Rating: BB stable Moody's: Ba3 Stable S&P: BB- Stable Maalot: iIA+ Stable	
Rating as of the date of approval of the financial statements ⁹	Fitch Rating: BB stable Moody's: Ba3 stable S&P: BB- Negative Maalot: iIA+ Negative	
Has the Partnership fulfilled, by 31.3.2026 and during the Report Year, all of the conditions and obligations under the trust deed	Yes	

⁴ Net of principal and interest in respect of a buyback, see Section 3E of Part One above regarding the bond buyback plan that was adopted by the board.

⁵ The market value, net of the value of the bonds that were purchased under a buyback plan. The bonds are traded in Israel on the "TACT-institutional" system on TASE.

⁶ The bonds' principal and interest are stated in dollars.

⁷ The financing documents prescribe provisions regarding early redemption of the bonds, including (1) early redemption initiated by the issuer, subject to payment of an early redemption fee (make whole premium); and (2) mandatory early redemption in certain cases that were defined, including by way of a buyback of bonds and/or a tender offer to all of the bondholders, including upon a sale of all or some of the interests in the Leviathan project.

⁸ See the Partnership's immediate reports of 19 August 2020 (Ref.: 2020-01-090852 and 2020-01-091134) and 23 August 2020 (Ref. no. 2020-01-092247), the information in which is incorporated herein by reference.

⁹ See immediate reports of 31 March 2026, 31 March 2026, 26 March 2026, 21 December 2025, 17 December 2025, 20 October 2025, 20 October 2025, 24 June 2025, 24 June 2025 and 10 April 2025 (Ref.: 2026-01-031002, 2026-01-031000, 2026-01-027862, 2025-01-101391, 2025-01-100865, 2025-01-078063, 2025-01-078061, 2025-01-044980, 2025-01-044973 and 2025-01-027121, respectively), the information in which is incorporated herein by reference.

Leviathan Bond bond series	<u>2027</u>	<u>2030</u>
Is the bond series material ¹⁰	Yes	
Have any conditions establishing cause for acceleration of the bonds been fulfilled	No	
Pledges to secure the bonds	See Note 10B to the 2025 financial statements (Chapter C)	

¹⁰ A series of bond certificates will be deemed material if the total liabilities of the corporation thereunder as of the end of the report period, as presented in the financial statements, constitute five percent or more of the total liabilities of the corporation.

Additional information

1. On 22 March 2026, Mr. Yitzhak Sharon (Tshuva) took office as a director of the Board of the Partnership's GP.
2. On 4 May 2026, the Partnership's CEO, Mr. Yossi Abu ("**Mr. Abu**"), gave notice to the Partnership that he was stepping down from office on 3 November 2026, in accordance with the advance notice period as defined in his employment agreement. The date Mr. Abu actually steps down as the Partnership's CEO may occur on a different date, as shall be later agreed upon with Mr. Abu.
3. On 18 May 2026, the Board approved the appointment of Mr. Niv Sarne as Executive Chairman of the GP's Board on a full-time basis, effective from 1 June 2026.
4. The GP's board of directors expresses its appreciation for the GP's management, the officers and the entire team of employees for their dedicated work and their significant contribution to promotion of the Partnership's business.

Sincerely,

Yossi Abu
CEO

Gabi Last
Director
Authorized by the Board to sign also on
behalf of the Board

NewMed Energy Management Ltd.
On behalf of: NewMed Energy – Limited Partnership

Annex A to the Board of Directors' Report
Figures regarding Leviathan Bond Ltd.

Further to Note 10B to the 2025 financial statements (Chapter C) and to Part Four of the Board of Directors' Report, and following a tax ruling received by the Partnership immediately prior to the bond offering, below are financial figures which will be disclosed to the holders of the Leviathan Bond Bonds.

Statements of Financial Position (Expressed in US\$ Thousands)

	31.3.2026	31.3.2025	31.12.2025
	Unaudited		Audited
Assets:			
Current Assets:			
Short-term Bank deposits	1	260,595	1
Loans to shareholders	-	599,587	-
Interest Receivable	19,032	28,219	-
Related parties	-	*	99,555
	<u>19,033</u>	<u>888,401</u>	<u>99,556</u>
Noncurrent Assets:			
Loans to shareholders	1,148,380	1,148,812	1,148,369
Long-term bank deposits	100,247	-	55
	<u>1,248,627</u>	<u>1,148,812</u>	<u>1,148,424</u>
	<u>1,267,660</u>	<u>2,037,213</u>	<u>1,247,980</u>
Liabilities and Equity:			
Current Liabilities:			
Bonds	-	600,000	-
Interest payable	19,032	28,219	-
Related parties	250	160,595	-
	<u>19,282</u>	<u>788,814</u>	<u>-</u>
Noncurrent Liabilities:			
Bonds	1,150,000	1,150,000	1,150,000
Loans from shareholders	100,000	100,000	100,000
	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>
Equity (Deficit)	<u>(1,622)</u>	<u>(1,601)</u>	<u>(2,020)</u>
	<u>1,267,660</u>	<u>2,037,213</u>	<u>1,247,980</u>

* Less than \$1,000

Statements of Comprehensive Income (Expressed in US\$ Thousands)

	For the Three Month Ended		For the year Ended
	31.03.2026	31.03.2025	31.12.2025
	Unaudited		Audited
Financial expenses	19,648	31,766	100,359
Financial income	(20,046)	(31,755)	(99,929)
Total comprehensive expenses (income)	<u>(398)</u>	<u>11</u>	<u>430</u>

SPONSOR FINANCIAL DATA REPORT¹¹

		FOR THE THREE MONTHS ENDED 31.3.2026
ITEM		QUANTITY/ACTUAL AMOUNT (IN USD\$,000)
A.	Total Offtake (BCM)	1,9 ¹²
B.	Leviathan Revenues (100%)	361,422 ¹³
C.	Loss Proceeds, if any, paid to Revenue Account	-
D.	Sponsor Deposits, if any, into Revenue Account	-
E.	Gross Revenues (before Royalties)	241,821
F.	Overriding Royalties	
	(a) Statutory Royalties	(28,248)
	(b) Third Party Royalties	(11,300)
G.	Net Revenues	202,273
H.	<u>Costs and Expenses:</u>	
	(a) Fees Under the Financing Documents (Interest Income)	822
	(b) Taxes	(18,132)
	(c) Operation and Maintenance Expenses	(36,819)
	(d) Capital Expenditures	(23,124)
	(e) Insurance (income)	-
I.	Total Costs and Expenses (sum of Items H(a), (b), (c), (d) and (e))	(77,253)
J.	Total Cash Flows Available for Debt Service (Item G <i>minus</i> Item H)	125,020
K.	Total Cash Flow from operation (Item G minus Items H(c) and H(e))	165,454
L.	Total Debt Service	11,127 ¹⁴
M.	TOTAL DISTRIBUTION TO THE SPONSOR	-

¹¹ The aforesaid report is delivered to the trustee for the bonds on a quarterly and annual basis and represents the cash flow deriving for the Partnership from the Leviathan project relative to the amounts required for the debt service in such period.

¹² Gas quantities from 1.1.2026 until 31.3.2026 for 100% of the Leviathan partners on an accrual basis.

¹³ Gas sales from 1.1.2026 until 31.3.2026 for 100% of the Leviathan partners on an accrual basis.

¹⁴ Including buyback of bonds by the sponsor of approximately 11 Million dollars.

Annex B to the Board of Directors' Report
Summary of Data of a Valuation of Royalties from the
Karish and Tanin Leases

Following are details of a material valuation with respect to the profit from the revaluation of royalties from the sale of the Partnership's interests in the Karish and Tanin leases (for further details, see Note 6A to the Consolidated Interim Financial Statements attached below and the valuation attached below):

Identification of the object of the valuation:	Royalties in respect of the sale of all of the interests in the Karish and Tanin leases
Timing of the valuation:	31 March 2026.
Value of the object of the valuation shortly before the date of the valuation, if GAAP, including depreciation and amortization, did not warrant a change in its value according to the valuation:	Not applicable.
Value of the object of the valuation determined according to the valuation:	A sum of approx. \$273.1 million, which is included under other long-term assets of the Partnership and in the Partnership's trade and other receivables.
Identification of the valuator and his/its characteristics, including education, experience in the preparation of valuations for accounting purposes in reporting corporations and in scopes similar to or exceeding those of the reported valuation, and dependence on the party commissioning the valuation, including reference to indemnification agreements with the valuator:	The valuation was performed by a team headed by Mr. Shalom Sofer, CPA, a partner at PriceWaterhouseCoopers (PwC) Israel and an expert in finance and valuations. Mr. Sofer holds a B.A. in Accounting and Economics (magna cum laude) and an MBA (magna cum laude), both from Tel Aviv University.
The valuation model applied by the Valuator:	The Valuator has no personal interest in the Partnership's securities, other than the fees paid thereto for this engagement. The Valuator is independent of the Company with respect to the provision of the services, including in accordance with Israel Securities Authority Position 105-30, of 22 July 2015. Furthermore, the Valuator's fees are not contingent on the results of this work.
The assumptions based on which the Valuator prepared the valuation according to the valuation model:	PwC Israel has been granted indemnification, unless and insofar as it is conclusively determined that the damage resulted from gross negligence or willful misconduct on the part of PwC Israel in connection with such services and/or work product. The said indemnification duty shall apply solely to amounts in excess of three times the total fees.
The valuation model applied by the Valuator:	Discounting expected cash flows while adjusting the discount rates to the risks entailed by the cash flow forecasts.
The assumptions based on which the Valuator prepared the valuation according to the valuation model:	The key assumptions underlying the valuation: <ol style="list-style-type: none"> 1. Period of production from the Karish lease: until 2045; 2. Average annual rate of natural gas production from the Karish and Karish North lease: approx. 2.87 BCM; average annual rate of condensate production from the Karish

Identification of the object of the valuation:	Royalties in respect of the sale of all of the interests in the Karish and Tanin leases
	<p>lease: approx. 3.47 million barrels;</p> <ol style="list-style-type: none"> 3. Period of gas production from the Tanin reservoir: 2031 to 2042; 4. Average annual rate of natural gas production from the Tanin lease: approx. 2.16 BCM; average annual rate of condensate production from the Tanin lease: approx. 0.37 million barrels; 5. Cap rate: 9.0%; 6. Effective royalty rate to be paid to the State for the gas and the condensate: 11.06%; 7. Gas price formula: The natural gas price forecast (in USD per MMBtu) was based on the price forecast in the updated reserves and resources report for the leases as of 31 December 2025, released by Energean on 31 March 2026. 8. Condensate price: The condensate price forecast was estimated based on an oil price forecast average of the World Bank¹⁵ and the EIA¹⁶ and the forward prices of Brent according to Bloomberg data and based on the assumption that the condensate price will be derived from the Brent price with adjustments to oil quality differences; 9. In March 2026, Energean released an updated resources report by D&M (the "Updated Report"), a certified reserves and resources valuator, for the Karish and Tanin leases. According to the Updated Report, as of 31 December 2025, the gas quantity in the Karish reservoir is approx. 24.9 BCM and the quantity of hydrocarbon liquids is approx. 33.8 MMBBL; the gas quantity in the Karish North reservoir is approx. 32.5 BCM and the quantity of hydrocarbon liquids is approx. 35.6 MMBBL; and the gas quantity in the Tanin lease is approx. 25.9 BCM and the quantity of hydrocarbon liquids is approx. 4.4 MMBBL; 10. Petroleum profit levy: According to the Petroleum Profit Taxation Law, 5771-2011; 11. Corporate tax rate: 23%.

¹⁵ A World Bank quarterly report: Commodity Markets Outlook, October 2025.

¹⁶ U.S Energy Information Administration: Short-Term Energy Outlook, March 2026.



Consolidated Interim Financial Statements



18 May 2026

To

The Board of Directors of the General Partner of NewMed Energy Limited Partnership
(the "Partnership")

19 Abba Eban, Herzliya

Dear Sir/Madam,

**Re: Consent given simultaneously with the release of a periodic report in connection
with a shelf prospectus of the Partnership (the "Offering Document")**

We hereby notify you that we agree to the inclusion (including by way of reference) in the above-referenced Offering Document of our report as specified below:

Review report of 18 May 2026 on consolidated condensed financial information of the Partnership as of 31 March 2026 and for the three-month period then ended.

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Ziv Haft
Certified Public Accountants

NewMed Energy – Limited Partnership
Consolidated Interim Financial Statements as of 31 March 2026
in U.S. Dollars in Millions
Unaudited

This report is a translation of NewMed Energy - Limited Partnership's Hebrew-language Consolidated Interim Financial Statements as of 31 March 2026. It is prepared solely for convenience purposes. Please note that the Hebrew version is the binding version, and in any event of discrepancy, the Hebrew version shall prevail.

NewMed Energy – Limited Partnership
Consolidated Interim Financial Statements as of 31 March 2026
in U.S. Dollars in Millions
Unaudited

Contents

Issue	<u>Page</u>
Auditor's review report	2
<hr/>	
Consolidated Interim Financial statements:	
Consolidated Interim Statements of Financial Position	3
<hr/>	
Consolidated Interim Statements of Comprehensive Income (Loss)	4
<hr/>	
Consolidated Interim Statements of Changes in the Partnership's Equity	5
<hr/>	
Consolidated Interim Statements of Cash Flows	6
<hr/>	
Notes to the Consolidated Interim Financial Statements	7-20



Auditors' review report to the partners of NewMed Energy – Limited Partnership

Introduction

We have reviewed the accompanying financial information of NewMed Energy – Limited Partnership and consolidated companies (the "**Partnership**") which includes the Consolidated Interim Statement of Financial Position as of 31 March 2026 and the Consolidated Interim Statements of Comprehensive Income (Loss), Changes in the Partnership's Equity and Cash Flows for the three-month period then ended. The board of directors and management of the Partnership's General Partner are responsible for the preparation and presentation of financial information for such interim period in accordance with IAS 34 "Interim Financial Reporting", and they are responsible for the preparation of financial information for such interim period under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion on financial information for this interim period based on our review.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards in Israel, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

In addition to the statements in the previous paragraph, based on our review, nothing has come to our attention which causes us to believe that the aforementioned financial information does not meet, in all material respects, the disclosure provisions under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Tel Aviv, 18 May 2026

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Ziv Haft
Certified Public Accountants

NewMed Energy – Limited Partnership

Consolidated Interim Statements of Financial Position (Dollars in millions)

	31.3.2026	31.3.2025	31.12.2025
	Unaudited		Audited
Assets:			
Current assets:			
Cash and cash equivalents	147.2	99.7	107.7
Short-term deposits	66.2	337.7	49.8
Trade receivables	106.9	226.2	181.5
Trade and other receivables	115.2	124.6	125.3
Income taxes receivable	17.7	-	3.9
	<u>453.2</u>	<u>788.2</u>	<u>468.2</u>
Non-current assets:			
Investments in entities accounted for at equity	58.8	61.0	59.0
Investments in oil and gas assets	2,851.3	2,703.1	2,848.3
Long-term deposits	100.7	0.8	0.8
Other long-term assets	590.0	508.7	589.5
	<u>3,600.8</u>	<u>3,273.6</u>	<u>3,497.6</u>
	<u>4,054.0</u>	<u>4,061.8</u>	<u>3,965.8</u>
Liabilities and equity:			
Current liabilities:			
Current maturities of bonds	-	445.9	-
Income taxes payable	-	5.9	-
Trade and other payables	213.5	147.1	201.8
	<u>213.5</u>	<u>598.9</u>	<u>201.8</u>
Non-current liabilities:			
Bonds	1,076.0	1,140.6	1,117.3
Long-term loans from banking corporations	450.0	-	275.0
Deferred taxes	410.6	402.8	396.7
Other long-term liabilities	82.4	75.7	83.4
	<u>2,019.0</u>	<u>1,619.1</u>	<u>1,872.4</u>
The Partnership's Equity:			
Equity attributed to the holders of the Partnership's participation units:			
Partnership's equity	154.8	154.8	154.8
Capital reserves	(27.0)	(28.0)	(26.7)
Retained earnings	1,693.4	1,717.0	1,763.3
Total equity attributed to the holders of the Partnership's participation units	<u>1,821.2</u>	<u>1,843.8</u>	<u>1,891.4</u>
Non-controlling interests	<u>0.3</u>	(*)	<u>0.2</u>
Total equity of the Partnership	<u>1,821.5</u>	<u>1,843.8</u>	<u>1,891.6</u>
	<u>4,054.0</u>	<u>4,061.8</u>	<u>3,965.8</u>

*) Less than \$0.1 million.

The attached notes constitute an integral part of the Consolidated Interim Financial Statements.

18 May 2026

Date of approval of the
Financial Statements

Gabi Last
Director, authorized by
the Board to sign also on
behalf of the Board

Yossi Abu
CEO

Tzachi Habusha
VP Finance

NewMed Energy – Limited Partnership

Consolidated Interim Statements of Comprehensive Income (Loss) (Dollars in millions)

	For the three-month period ended		For the year ended
	31.3.2026	31.3.2025	31.12.2025
	Unaudited		Audited
Revenues:			
from sale of natural gas and condensate	163.9	287.6	1,012.7
net of royalties	22.9	42.0	146.1
Revenues, net	141.0	245.6	866.6
Expenses and costs:			
Cost of production of natural gas and condensate	32.7	37.8	149.7
Depreciation, depletion and amortization expenses	93.0	22.6	171.5
Other direct expenses	3.4	3.1	11.8
G&A	7.3	3.2	17.6
Total expenses and costs	136.4	66.7	350.6
The Partnership's share in the losses of entities accounted for at equity	(0.3)	(0.7)	(3.6)
Operating profit	4.3	178.2	512.4
Financial expenses	(20.6)	(31.9)	(90.8)
Financial income	35.2	6.2	57.9
Financial income (expenses), net	14.6	(25.7))32.9(
Profit before income taxes	18.9	152.5	479.5
Taxes on income	(18.8)	(36.1)	(121.5)
Profit from continuing operations	0.1	116.4	358.0
Loss from discontinued operations	-	-	(15.0)
Net income	0.1	116.4	343.0
Other comprehensive profit (loss) (after tax effects):			
<u>Amounts that shall be or are reclassified to profit or loss upon fulfillment of specific conditions:</u>			
Adjustments deriving from translation of financial statements of foreign business	(0.8)	(*)	1.2
Other comprehensive income (loss)	(0.8)	(*)	1.2
Total comprehensive income (loss)	(0.7)	116.4	344.2
Basic and diluted profit (loss) per participation unit attributed to the Partnership's participation unit holders (in Dollars):			
from continuing operations	0.000	0.099	0.305
from discontinued operations	-	-	(0.013)
Profit per participation unit	0.000	0.099	0.292
Number of participation units which is weighted for the purpose of the said calculation (in thousands)	1,173,815	1,173,815	1,173,815

*) Less than \$0.1 million.

The attached notes constitute an integral part of the Consolidated Interim Financial Statements.

NewMed Energy – Limited Partnership

Consolidated Interim Statements of Changes in the Partnership's Equity (Dollars in millions)

	The Partnership's equity	Capital reserve for equity-based financial instruments at fair value against other comprehensive income	Other capital reserves	Retained earnings	Total attributed to the holders of the Partnership's participation units	Non-controlling interests	The Partnership's total equity
Balance as of 31 December 2025 (audited)	154.8	(57.0)	30.3	1,763.3	1,891.4	0.2	1,891.6
For the three-month period ended 31 March 2026 (unaudited):							
Net income	-	-	-	0.1	0.1	-	0.1
Other comprehensive loss	-	-	(0.8)	-	(0.8)	-	(0.8)
Comprehensive income (loss)	-	-	(0.8)	0.1	(0.7)	-	(0.7)
Distributed profits	-	-	-	(70.0)	(70.0)	-	(70.0)
Participation unit-based payment	-	-	0.5	-	0.5	0.1	0.6
Balance as of 31 March 2026 (unaudited)	154.8	(57.0)	30.0	1,693.4	1,821.2	0.3	1,821.5
Balance as of 31 December 2024 (audited)	154.8	(57.0)	28.9	1,660.6	1,787.3	-	1,787.3
For the three-month period ended 31 March 2025 (unaudited):							
Net income	-	-	-	116.4	116.4	-	116.4
Other comprehensive loss	-	-	(*)	-	(*)	-	(*)
Comprehensive income	-	-	(*)	116.4	116.4	-	116.4
Distributed profits	-	-	-	(60.0)	(60.0)	-	(60.0)
Participation unit-based payment	-	-	0.1	-	0.1	(*)	0.1
Balance as of 31 March 2025 (unaudited)	154.8	(57.0)	29.0	1,717.0	1,843.8	(*)	1,843.8
Balance as of 31 December 2024 (audited)	154.8	(57.0)	28.9	1,660.6	1,787.3	-	1,787.3
Changes for the year ended 31 December 2025 (audited):							
Net income	-	-	-	343.0	343.0	-	343.0
Other comprehensive income	-	-	1.2	-	1.2	-	1.2
Total comprehensive income	-	-	1.2	343.0	344.2	-	344.2
Distributed profits	-	-	-	(240.3)	(240.3)	-	(240.3)
Participation unit-based payment	-	-	0.2	-	0.2	0.2	0.4
Balance as of 31 December 2025 (audited)	154.8	(57.0)	30.3	1,763.3	1,891.4	0.2	1,891.6

*) Less than \$0.1 million.

The attached notes constitute an integral part of the Consolidated Interim Financial Statements.

NewMed Energy – Limited Partnership
Consolidated Interim Statements of Cash Flows (Dollars in millions)

	For the three-month period ended		For the year ended
	31.3.2026	31.3.2025	31.12.2025
	Unaudited		Audited
Cash flows – operating activities:			
Net profit	0.1	116.4	343.0
Adjustments for:			
Depreciation, depletion and amortization	94.0	23.0	174.9
Taxes on income	(*)	6.3	(9.6)
Update of asset retirement obligations	1.3	1.8	4.9
Revaluation of short-term and long-term deposits	(0.1)	(0.7)	(0.4)
Participation unit-based payment	0.5	0.1	0.4
Revaluation of other long-term assets	(30.2)	2.6	(30.2)
Partnership's share in losses of entities accounted for at equity	0.3	0.7	3.6
Changes in assets and liabilities items:			
Decrease (increase) in trade receivables	74.6	(16.6)	28.1
Decrease (increase) in trade and other receivables (including operator in joint ventures)	21.2	8.5	(16.7)
Increase in other long-term assets	(1.4)	(0.2)	(4.6)
Increase (decrease) in trade and other payables (including operator in joint ventures)	(1.4)	30.4	(2.9)
Increase (decrease) in oil and gas profit levy	(0.2)	-	14.9
	158.6	55.9	162.4
Net cash generated by operating activities	158.7	172.3	505.4
Cash flows - investment activity:			
Investments in oil and gas assets	(72.3)	(28.9)	(223.9)
Investment in a partnership accounted for at equity	(0.1)	(*)	(0.9)
Investment recovery (investments) in other long-term assets	8.5	(4.0)	(89.1)
Royalties based on production from the Karish lease	13.2	14.4	52.6
Withdrawal from (deposits to) long-term deposits	(100.2)	(0.3)	283.8
Deposit to short-term deposits, net	(16.1)	(3.7)	(0.3)
Decrease (increase) in other receivables – due to operator in joint ventures	(15.0)	(1.3)	5.7
Net cash generated by (used for) investment activity	(182.0)	(23.8)	27.9
Cash flows - financing activity:			
Receipt of a short-term loan from a banking corporation	-	-	100.0
Repayment of a short-term loan from a banking corporation	-	-	(100.0)
Receipt of a long-term loan from a banking corporation	175.0	-	275.0
Profit distributed	(70.0)	(60.0)	(240.3)
Repayment of bonds and buybacks of bonds	(42.2)	(40.0)	(511.5)
Net cash generated by (used for) financing activity	62.8	(100.0)	(476.8)
Increase in cash and cash equivalents	39.5	48.5	56.5
Balance of cash and cash equivalents at beginning of period	107.7	51.2	51.2
Balance of cash and cash equivalents at end of period	147.2	99.7	107.7
Annex A – Non-cash flow investment and/or financing activities:			
Investments in oil and gas assets against liabilities	108.0	57.1	110.8
Investments in other long-term assets against liabilities	16.1	17.5	11.6
Annex B – Further details on cash flows:			
Interest paid (including capitalized interest)	0.8	0.4	100.9
Interest received	2.4	3.8	14.4
Taxes and levy paid	17.8	62.4	149.2

*) Less than \$0.1 million.

The attached notes constitute an integral part of the Consolidated Interim Financial Statements.



Note 1 – General (Cont.):

D. Operation "Roaring Lion" and the security situation and their impact on the Partnership's business:

Further to Note 1D to the Annual Financial Statements regarding Operation Roaring Lion and the security situation and their impact on the Partnership's business, as of the date of approval of the Consolidated Interim Financial Statements, the military conflict between the United States and Israel against Iran, which commenced on 28 February 2026, has not yet concluded. During such conflict, a temporary ceasefire was reached; concurrently, combat against the Hezbollah terrorist organization in Lebanon has continued along the northern border at varying levels of intensity. As of the date of approval of the Consolidated Interim Financial Statements, there is no certainty that the fighting on the Iranian front will not resume in the near or distant future. On 31 March 2026, the operator of the Leviathan project, received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructure, whereby all preparations may be carried out for the reactivation of the Leviathan platform, following its shutdown at the start of Operation Roaring Lion. Accordingly, regular production from the reservoir was resumed on 2 April 2026. For details on the additional budget approved for completion of a project being carried out by Israel Natural Gas Lines Ltd. ("**INGL**") for the laying of a subsea pipeline in the offshore transmission section between Ashdod and Ashkelon (the "**Combined Section**"), to cover additional expenses incurred due to Operation Roaring Lion, see Note 4B below.

In the Partnership's estimation, the shutdown of the production (33 days of non-production) and the delay in the completion of the combined section project, are expected to have no material effect on the results of the Partnership's operations in 2026, *inter alia*, as result of the increase of the Brent oil barrel price (see Note 21F3 to the Annual Financial Statements). The Partnership, together with the Leviathan Partners, has applied for State compensation regarding such halt of production; however, at this stage, there is no certainty regarding the receipt or scope of such compensation.

- E. These financial statements have been prepared in a condensed format as of 31 March 2026 and for the three-month period then ended (the "**Consolidated Interim Financial Statements**"). The reports of the Partnership should be read together with the Annual Financial Statements. Accordingly, notes regarding insignificant updates with respect to information already reported in the notes to the Annual Financial Statements were not included in these Consolidated Interim Financial Statements.
- F. The Consolidated Interim Financial Statements comply with the provisions of IAS 34, and fulfill the disclosure provisions pursuant to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.
- G. The financial figures of the joint ventures used by the Partnership in the preparation of its consolidated financial statements are based, *inter alia*, on documents and accounting data provided by the operators of the Leviathan and Block 12 reservoirs, and both Chevron and Chevron Cyprus Limited ("**Chevron Cyprus**"), respectively, are subsidiaries of a wholly-owned subsidiary of Chevron Corporation. The operator of the Bulgaria License is OMV Offshore Bulgaria GmbH ("**OMV Bulgaria**"), a subsidiary of OMV Petrom, which, to the best of the Partnership's knowledge, is a public company traded on the Bucharest Stock Exchange in Romania and is considered the largest energy corporation in Southeast Europe.

Notes to the Consolidated Interim Financial Statements as of 31 March 2026 (dollars in millions)

Note 1 – General (Cont.):

H. The Partnership's revenues in the report period from the sale of natural gas and condensate were mainly affected by Operation Roaring Lion as aforesaid in Note 1D, by the production capacity and scope of consumption of natural gas by the domestic market, Egypt and Jordan (in this section below, the "Regional Market"). Below is the Partnership's share in the income from sale of natural gas and condensate and quantities of natural gas sold to the domestic market and Regional Market in the report period from the Leviathan project.

	For the three-month period ended		For the year ended
	31.3.2026	31.3.2025	31.12.2025
	Unaudited		Audited
Revenues from sale of natural gas and condensate:			
Natural gas	160.2	281.5	992.2
Condensate	3.7	6.1	20.5
	<u>163.9</u>	<u>287.6</u>	<u>1,012.7</u>
Domestic market	22.6	42.9	170.5
Regional Market	141.3	244.7	842.2
	<u>163.9</u>	<u>287.6</u>	<u>1,012.7</u>
Quantities of natural gas (BCM):			
Domestic market	0.11	0.20	0.83
Regional Market	0.75	1.14	4.11
	<u>0.86</u>	<u>1.34</u>	<u>4.94</u>
Quantities of condensate (MMBBL)¹	<u>53.6</u>	<u>107.3</u>	<u>388.5</u>

¹ Do not include condensate sold under the agreement specified in Note 12C5 to the Annual Financial Statements.



Note 2 - Significant Accounting Policies:

Non-inclusion of a separate financial statement in the Consolidated Interim Financial Statements:

In accordance with the provisions of Regulation 38D and Schedule X to the Securities Regulations (Periodic and Immediate Reports), 5730-1970, the Partnership has not included in the interim financial statements a separate financial statement, following examination by the Partnership's GP's management, jointly with its legal counsel, of the need to attach a separate financial statement, on the grounds that the additional information that a separate financial statement attributed to the Partnership would provide, as compared with the information included in the consolidated financial statements, is negligible, and thus, under securities laws, not required to be attached.

The underlying parameters of the Partnership's decision are:

- 1) Total assets in the separate statement out of the total assets in the consolidated statement.
- 2) Total liabilities in the separate statement out of the total liabilities in the consolidated statement.
- 3) Cash flow from operating activities in the separate statement out of the cash flow from operating activities in the consolidated statement.
- 4) Total net profit² in the separate statement out of the total net profit in the consolidated statement.

The Partnership will continue to examine the future effect of inclusion of a separate financial statement in every reporting period.

² Profit net of one-time event arising from the amortization stated in Note 3B3 below.

Note 3 – Investments in Oil and Gas Assets:

A. Composition:

	31.3.2026	31.3.2025	31.12.2025
	Unaudited	Unaudited	Audited
Oil and gas assets:			
Ratio Yam (Leviathan project)	2,672.3	2,532.3	2,651.4
Appraisal and exploration assets:			
Block Han Asparuh (Bulgaria)	-	7.6	22.4
Block 12 Aphrodite (Cyprus)	179.0	163.2	174.5
	<u>179.0</u>	<u>170.8</u>	<u>196.9</u>
Total	<u>2,851.3</u>	<u>2,703.1</u>	<u>2,848.3</u>

B. Developments in investments in oil and gas assets:

1. Ratio-Yam Joint Venture:

Further to Note 7C1b(2) to the Annual Financial Statements regarding the completion of the project for laying a third subsea transmission pipeline from the field to the Leviathan reservoir platform, as well as system upgrades on the platform, that enable the increase of the gas production capacity to approx. 14 BCM per year, upon completion of the project in March 2026, it was proven that the maximum gas production capacity, as of the date of approval of the Consolidated Interim Financial Statements, is approx. 1,530 MMSCF per day (approx. 15.8 BCM per year).

2. Block 12 in Cyprus:

Further to Note 7C2(d) to the Annual Financial Statements regarding a non-binding memorandum of understanding that outlines the framework for the continued negotiations in connection with the export of natural gas from the reservoir to Egypt, including construction of the required transmission infrastructure for the setting up of a direct pipeline to Egypt, and sale arrangements. The Partnership reported that on 9 April 2026, a memorandum of understanding (see Section (a) below) was initialed for the sale of all of the natural gas quantities recoverable from the Aphrodite reservoir, which is in the area of Block 12 in Cyprus (the "**Aphrodite Reservoir**" or the "**Reservoir**"), by the holders of the interests in the Aphrodite Reservoir and the Cyprus Hydrocarbons Company ("**CHC**") (collectively: the "**Sellers**") and the national Egyptian gas company, the Egyptian Natural Gas Holding Company ("**EGAS**" or the "**Buyer**") (the "**MOU**"). Concurrently, a Host Government Agreement ("**HGA**") was also initialed by the holders of the interests in the Aphrodite Reservoir and AMC (as defined below) and the Egyptian government, in connection with a project for the development of the gas transmission system offshore Egypt to EGAS (the "**Transmission Project**"), which arranges the regulatory framework for settlement of the rights and obligations for the construction, financing, operation and maintenance of the transmission infrastructures and the Transmission Project's related facilities, all as specified below. It is clarified that the said agreements are subject to authorization for the Egyptian and Cypriot governments' signature and the full signatures of all of the parties.



Note 3 – Investments in Oil and Gas Assets:

B. Developments in investments in oil and gas assets: (Cont.)

2. Block 12 in Cyprus: (Cont.)

a. MOU for the sale of natural gas from the Aphrodite Reservoir

In the MOU, the parties confirmed the commercial principles and conditions that will serve as a basis for the signing of a binding agreement for the supply of natural gas from the Aphrodite Reservoir to the Buyer (the "**Binding Agreement**") in relation to all of the gas quantities recoverable from the Reservoir. The Binding Agreement (if and insofar as signed) will be subject to several conditions precedent, as shall be agreed between the parties. The term of the Binding Agreement shall begin from the date of fulfillment of the conditions precedent, as shall be determined in the Binding Agreement, until the earlier of: (1) the end of 15 years from the date of commencement of the commercial supply; or (2) the end of the commercial production from the Reservoir, with the Sellers being entitled to extend the term of the Binding Agreement once for an additional 5-year term, by notice to be delivered no later than six months before the end of the term. The supply will begin on the date of commencement of transmission of the gas from the Reservoir, and shall comprise three main periods: (1) The first period: from commencement of transmission of the gas from the Reservoir until the end of the running-in stage, and in any event no later than 365 days from the transmission commencement date; (2) The second period: at least 6 years from the date of commencement of the commercial supply (the end of the running-in stage); and (3) The third period: from the end of the second period until the end of the term of the agreement, as specified below, with the parties being entitled to agree on an extension of the Second Period according to the Reservoir's production profile. In the first period, the Sellers will make reasonable efforts to supply the quantities required by the Buyer, and the Buyer will also make reasonable efforts to purchase the quantities required thereby; in the second period, the daily contract quantity will be 700 MMscf per day; and in the third period, the daily contract quantity will be determined by the Sellers, which shall deliver to the Buyer two-year advance notices regarding the applicable daily contract quantity for each two-year period. The Sellers shall be entitled to increase or reduce the said quantities by up to 15% by prior notice to the Buyer.

The final delivery point shall be determined at the metering station at the onshore terminal in Port Said, Egypt (the "**Final Delivery Point**"), while the offshore delivery point shall be defined as the Cyprus-Egypt maritime border crossing point (the "**Offshore Delivery Point**"). The transmission company AMC, as defined below, shall be responsible for transmission of the gas from the Offshore Delivery Point to the Final Delivery Point. The Buyer shall take or pay for a minimum annual quantity of gas in such volume and according to such mechanism as shall be determined in the Binding Agreement. The gas price shall be linked to the Brent oil barrel price, and shall include a 'floor price' and a 'ceiling price'. Upon the signing of the MOU, it shall remain in effect until the signing of the Binding Agreement or for 12 months, whichever is earlier.

Note 3 – Investments in Oil and Gas Assets:

B. Developments in investments in oil and gas assets: (Cont.)

2. Block 12 in Cyprus: (Cont.)

b. Host Government Agreement (HGA):

In the HGA, it was agreed that the parties will conduct negotiations in a period of 12 months from the date of the signing of the HGA, for the signing of additional agreements that are required in order to enable the construction of the pipeline for transmission of the gas from the Aphrodite Reservoir to EGAS (the “Additional Agreements”), including the Binding Agreement, a pipeline laying and operation agreement, a transmission agreement, a land settlement agreement, connection agreements, and additional agreements required for implementation of the Transmission Project. A final investment decision (FID) for development of the Reservoir will be required to be adopted within additional 12 months from the date of signing of the Additional Agreements, while non-signing thereof within 12 months from the date of signing of the HGA, as well as non-adoption of a final investment decision at such time shall constitute grounds for termination of the HGA. The HGA further provides that for purposes of implementation of the Transmission Project, a special purpose company (SPC) to be incorporated in Egypt – Aphrodite Midstream Company (“AMC”), shall be founded, and shall be held by the Aphrodite partners and by an entity to be appointed by the Egyptian government, with each one of the shareholders financing its share according to its pro-rata holdings (yet to be determined) and under the same conditions. The term of the HGA shall end on the earlier of: (1) 25 years from the date of signing thereof; (2) 20 years from the date of first gas transmission from the Reservoir via the transmission system; or (3) the date of conclusion of the commercial production of gas from the Reservoir, unless the HGA is terminated prior thereto on the grounds specified in the HGA, including expiration of the Binding Agreement or the transmission agreement. According to the provisions of the HGA, at the end of the relevant period, AMC shall be obligated to decommission the transmission pipeline or transfer it to the Egyptian government, at the discretion of the Egyptian government, on the later of: (1) expiration of the Binding Agreement; or (2) 17 years from the date of commencement of transmission of the gas from the Reservoir. The parties are holding discussions in connection with an agreement for regulation of fiscal terms and conditions – Fiscal Regime Agreement (“FRA”), which, *inter alia*, shall determine fiscal arrangements relevant to the Transmission Project, which shall be subject to signing and approval by the Egyptian parliament within a period of 6 months from the date of signing of the HGA, while non-approval thereof at such time confers on the holders of the interests in the Reservoir and on AMC a right to terminate the HGA. In the HGA, the Egyptian government confirmed its full commitment to support the Transmission Project, and undertook that the State’s authorities will work on taking all of the actions required for execution of the Transmission Project. In the Partnership’s estimation, completion of authorization for the Egyptian and Cypriot governments’ signature and completion of all signatures on the MOU and the HGA is expected in the coming weeks.

3. Block 1-21 Han Asparuh, located in the Exclusive Economic Zone (EEZ) of the Republic of Bulgaria in the Black Sea (the “Bulgaria License”):

Further to Note 7C6 to the Annual Financial Statements regarding, *inter alia*, the exploration well in the Krum prospect in the Bulgaria License (the “Well”), in April 2026 the Partnership reported that in its estimation and as it was informed by OMV Bulgaria, non-significant signs of natural gas were discovered in the target layers of the Well, and therefore the Well has been found to be a “dry hole”. Accordingly, the Partnership recognized a loss in its Consolidated Interim Financial Statements for the share of NewMed Energy Balkan Limited (a subsidiary of the Partnership) in all of the costs in respect of the license, including the drilling, plugging and abandonment costs, in the sum total of approx. \$74.4 million, which was recorded under the ‘Depreciation, depletion and amortization’ item, including the share of Mr. Yossi Abu, to whom equity compensation was granted at the rate of 5% of the capital in NewMed Balkan, and in connection with which the Partnership is discussing the significance related thereto.

Note 3 – Investments in Oil and Gas Assets:**B. Developments in investments in oil and gas assets: (Cont.)****4. Eran license:**

Further to Note 7C8 to the Annual Financial Statements regarding the discussions held by the Partnership and Ratio Energies with the Tamar partners for the purpose of settling the economic rights due to the Partnership and Ratio Energies as the holders of interests in the expired Eran license, in accordance with the principles agreed in the arrangement reached between the Tamar partners and the State in this matter, on 13 April 2026, the Partnership and Ratio Energies entered into an agreement with the Tamar partners whereby, subject to the payment of a total amount of approx. \$9.1 million (the Partnership's share – approx. \$6.8 million), the Partnership and Ratio Energies shall withdraw their objection to the Tamar partners' request to change the borders of the Tamar Lease so as to include the Tamar SW reservoir, and shall conclusively and irrevocably waive their rights and claims in connection with the expired Eran license and the Tamar SW reservoir. In May 2026, the approval was received to change the borders of the Tamar reservoir, such that they will include the entire area of the Tamar SW reservoir. As of the date of approval of the Consolidated Interim Financial Statements, the said payment has not yet been received.

Note 4 – Contingent Liabilities and Engagements:**A. Legal proceedings:**

Further to Note 12J1 to the Annual Financial Statements regarding an appeal filed by the Partnership and Chevron (the "**Plaintiffs**") with the Supreme Court against the judgment of the Jerusalem District Court dismissing their claim against the State of Israel through its representatives from the Ministry of Energy (the "**Defendant**"), which primarily includes a demand for the restitution of royalties paid by the Plaintiffs to the Defendant - in excess and under protest - for revenues generated by the Plaintiffs from gas supply agreements signed between consumers of natural gas and the Yam Tethys partners, part of which was actually supplied from the Tamar project (the "**Judgment**"), on 17 May 2026, a hearing on the appeal was held at the Supreme Court, in which the Court proposed that the Plaintiffs withdraw the appeal, subject to the Defendant declaring that, notwithstanding the Judgment, the market value for royalty purposes of gas produced from such lease under agreements made at arm's length, will be determined according to the contract price, and ruled that the Plaintiffs would give notice of their position on such proposal by 19 May 2026.

B. Agreements for the transmission of natural gas for export to Egypt:

Further to Note 12G4 to the Annual Financial Statements regarding the Combined Section project and regarding the delay in the completion of the work for construction thereof, on 18 May 2026, the GP's Board approved an additional budget of approx. \$4.4 million (100% Leviathan Partners, the Partnership's share – approx. \$2 million) for completion of the said work, such that as of the date of approval of the Consolidated Interim Financial Statements, the total approved budget is approx. \$143 million (100% Leviathan Partners, the Partnership's share – approx. \$65 million). It is clarified that in Chevron's estimation, as of the date of approval of the Consolidated Interim Financial Statements, no further delay is expected in the completion of construction of the Combined Section and first gas, which is expected in Q3/2026.

Note 5 – Taxation:

- A. Further to Notes 19B2, 19B3 and 19B4 to the Annual Financial Statements regarding assessment orders that the Partnership received from the Tax Authority in the context of the disputes that emerged between the Partnership and the Tax Authority and disagreements on the amount of the Partnerships' taxable income for 2016, 2017 and 2018, according to the court's decision, the parties are required to update the court by 30 May 2026 regarding the manner of continuation of the proceedings.
- B. Further to Notes 19B6 and 19B7 to the Annual Financial Statements regarding non-agreed assessment that the Partnership received from the Tax Authority in the context of the disputes that emerged between the Partnership and the Tax Authority and disagreements on the amount of the Partnerships' taxable income for 2019 and 2020, the Partnership is expected to file by 31 May 2026 a reasoned administrative objection to all of the assessing officer's determinations in the tax assessments.

Note 6 – Additional Information:

- A. Further to Note 8B to the Annual Financial Statements regarding an agreement between the Partnership and Ocean Energiean Oil and Gas Ltd. ("**Energiean**") for the sale of interests in the 1/17 Karish and 1/16 Tanin leases (jointly: the "**Leases**"), the Partnership has engaged an Independent third party evaluator to assess the fair value of the royalties based on future production from the Karish and Tanin leases as of 31 March 2026. On 19 March 2026, Energiean released an updated reserves and resources report for the Leases as of 31 December 2025 (the "**Reserves and Resources Report**") for the Karish, Karish North and Tanin reservoirs. According to this report, the natural gas reserves in the 2P category total approx. 83.3 BCM and the hydrocarbon liquids total approx. 73.8 BCM. Based on Energiean's financial statements as of 31 December 2025, on the royalties actually received from Energiean, and on the conversion ratio between the quantity of natural gas and the quantity of hydrocarbon liquids as released in the Reserves and Resources Report, it is assumed that the quantity of natural gas and hydrocarbon liquids sold by Energiean in Q1/2026 is estimated at approx. 0.9 BCM and approx. 1.0 MMBBL, respectively, and that the quantity of natural gas and hydrocarbon liquids to be sold by Energiean in 2026 is estimated at approx. 4.7 BCM and approx. 5.2 MMBBL, respectively.
- The main parameters used to measure the fair value under the valuations were as follows: The pre-tax cap rate (WACC) for the royalty component was estimated at 9.0% (2025: 9.5%); the rate of the value of State royalties at the wellhead was 11.06%; gas production from the Karish lease: from 2022 until 2045; forecasted average annual rate of production of natural gas from the Karish lease: approx. 2.87 BCM; average annual rate of production of condensate from the Karish lease of approx. 3.47 MMBBL; time of gas production from the Tanin lease: from 2031 until 2042; forecasted average annual rate of production of natural gas from the Tanin lease: approx. 2.16 BCM; average annual rate of production of condensate from the Tanin lease of approx. 0.37 MMBBL; the total reserves and resources of natural gas and hydrocarbon liquids used in the valuation is in line with the Reserves and Resources Report. The gas price formula is according to the price forecast in the Reserves and Resources Report. The price of hydrocarbon liquids: The hydrocarbon liquids price forecast was assessed based on the average long-term oil price forecast of the World Bank and the EIA and the Brent forward prices according to Bloomberg data, and assuming the price of hydrocarbon liquids will be derived from the Brent price, with adjustments for oil quality differences. The update to the valuation compared with the valuation as of 31 December 2025, primarily derives from the cap rates, adjustment to the actual quantity produced in Q1/2026 and the production forecast in 2026 according to the Reserves and Resources Report, from update of the sale prices of natural gas and hydrocarbon liquids and the lapse of time. Financial income in the report period includes revaluation in the sum of approx. \$30.2 million.

Notes to the Consolidated Interim Financial Statements as of 31 March 2026 (dollars in millions)
Note 6 – Additional Information (Cont.)

B. On 15 March 2026, the GP's Board approved a profit distribution in the sum of \$70 million (\$0.05963 per participation unit of the Partnership), with the record date for the distribution being 24 March 2026. The said profit distribution was performed on 31 March 2026.

On 18 May 2026, the GP's Board approved a profit distribution in the sum of \$60 million (\$0.05112 per participation unit of the Partnership), with the record date for the distribution being 28 May 2026. The said profit distribution will be performed on 11 June 2026.

On 18 May 2026, the GP's Board approved a distribution to the LP in the sum of approx. ILS 0.5 million (approx. \$0.2 million), designated for the payment of the Supervisor's fees and the trustee's fees and expenses, in accordance with the provisions of the Trust Agreement.

C. Further to Note 10C to the Annual Financial Statements regarding the approval of the Board of the Partnership's GP to adopt plans for the purchase of bonds of Leviathan Bond, below are the relevant plans for the report period:

Date of approval of purchase plan	Period	Plan Amount	Leviathan Bond Series	Amount Used	Balance as of Reports Approval Date
15.10.2024	15.10.2024-15.10.2026	100	2025-2027-2030	100	-
6.1.2026	6.1.2026-6.1.2028	100	2027-2030	46.7	53.3

As of the date of approval of the Consolidated Interim Financial Statements, the Partnership performed buybacks in the sum of approx. \$54.6 million par value (approx. \$12.5 million par value in the three-month period ended 31 March 2026) of the bond series maturing on 30 June 2027, for approx. \$56.0 million (approx. \$12.6 million in the three-month period ended 31 March 2026), which includes the interest accrued as of the buyback date. In addition, the Partnership performed buybacks in the sum of approx. \$29.7 million par value (approx. \$29.6 million par value in the three-month period ended 31 March 2026) of the bond series maturing on 30 June 2030, for approx. \$30.9 million (approx. \$30.9 million in the three-month period ended 31 March 2026) which includes the interest accrued as of the buyback date.

Note 6 – Additional Information (Cont.)

D. Further to Note 10D to the Annual Financial Statements regarding credit facilities and loans provided to the Partnership from two Israeli banks and from Bank Leumi, below are details on the financial covenants with which the Partnership is required to comply and which gives rise to the lender's acceleration right, and the calculated value thereof as of the date of the Consolidated Interim Statements of Financial Position –

- 1) The ratio between the value of the Partnership's assets and the net financial debt shall, on two consecutive examination dates, be no less than the ratios stated below: up to the net financial debt of \$2.5 billion – no less than 1.5; due to any additional net financial debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and due to any additional net financial debt exceeding \$2.75 billion – no less than 4.1. According to the Partnership's financial statements as of 31 March 2026, the Partnership's net financial debt is less than \$2.5 billion and the ratio between the value of the Partnership's assets to net financial debt is approx. 4.75.
- 2) The Partnership (standalone) shall maintain minimal liquidity of \$20 million. As of 31 March 2026, this amount is approx. \$747 million.
- 3) At all times, the total financial debt shall not exceed \$3 billion. According to the Partnership's financial statements as of 31 December 2026, the total financial debt is approx. \$1.5 billion.
- 4) Surplus sources shall not be negative. As of 31 March 2026, the surplus sources is not negative.

For details regarding drawdowns from the credit facilities in the period of the Consolidated Interim Financial Statements, see Notes 10D3c and 10D4a to the Annual Financial Statements. As of the date of approval of the Consolidated Interim Financial Statements, the Partnership has unutilized credit facilities from an Israeli bank and from Bank Leumi in an amount of approx. \$200 million and approx. \$400 million, respectively.

- E. On 4 May 2026, the Partnership's CEO, Mr. Yossi Abu ("**Mr. Abu**"), notified the Partnership of the end of his tenure on 3 November 2026 according to the end of the advance notice period defined in his employment agreement. The actual end of tenure of Mr. Abu as the CEO of the Partnership may occur on another date, as will be subsequently agreed with Mr. Abu.
- F. On 22 March 2026, Mr. Yitzhak Sharon (Tshuva) ("**Mr. Tshuva**") took office as a director of the GP's Board. In addition, on 30 March 2026, the Compensation Committee and the Board approved the granting of letters of undertaking for exemption and indemnification to Mr. Tshuva, in the Partnership's standard language and on terms and conditions identical to the other directors, subject to approval by the general meeting of the Partnership's participation unit holders. At the same time, the Compensation Committee also approved the inclusion of Mr. Tshuva in the GP's and the Partnership's D&O liability insurance policy, as being from time to time and on terms and conditions identical to the other directors.
- G. On 18 May 2026, the Board approved the appointment of Mr. Niv Sarne as Executive Chairman of the Board on a full-time basis, effective as of 1 June 2026. In this context, his terms of office and employment were approved.

Notes to the Consolidated Interim Financial Statements as of 31 March 2026 (dollars in millions)

Note 7 – Financial Instruments:

Fair value of financial instruments:

- A. The fair value of the financial instruments presented in the Consolidated Interim Financial Statements matches or is close to their book value, with the exception of the Leviathan Bond bonds (Level 1) issued as stated in Note 10B to the Annual Financial Statements:

	Fair value	Book value
As of 31 March 2026 (Unaudited)	1,110.4	1,095.0
As of 31 March 2025 (Unaudited)	1,601.9	1,612.4
As of 31 December 2025 (Audited)	1,139.3	1,117.3

- B. Figures on the fair value hierarchy of the financial instruments that are measured in fair value that were recognized in the Consolidated Interim Statements of Financial Position:

	31.3.2026			
	Level 1	Level 2	Level 3	Total
	Unaudited			
Financial assets at fair value through profit or loss:				
Investment in a joint project with Airovation Technologies (see Note 12F1 to the Annual Financial Statements)	-	-	2.0	2.0
Royalties based on future production from the Karish and Tanin leases (see Note 8B to the Annual Financial Statements)	-	-	273.1	273.1
Total financial assets at fair value through profit or loss	-	-	275.1	275.1

	31.3.2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
Financial assets at fair value through profit or loss:				
Investment in a joint project with Airovation Technologies (see Note 12F1 to the Annual Financial Statements)	-	-	1.0	1.0
Royalties based on future production from the Karish and Tanin leases (see Note 8B to the Annual Financial Statements)	-	-	262.1	262.1
Total financial assets at fair value through profit or loss	-	-	263.1	263.1

Notes to the Consolidated Interim Financial Statements as of 31 March 2026 (dollars in millions)

Note 7 – Financial Instruments: (Cont.)
 Fair value of financial instruments: (Cont.)
 B. (Cont.)

	31.12.2025			
	Level 1	Level 2	Level 3	Total
	Audited			
Financial assets at fair value through profit or loss:				
Investment in a joint project with Airovation Technologies (see Note 12G2 to the Annual Financial Statements)	-	-	2.0	2.0
Royalties based on future production from the Karish and Tanin leases (see Note 8B to the Annual Financial Statements)	-	-	251.1	251.1
Total financial assets at fair value through profit or loss	-	-	253.1	253.1

C. An adjustment due to fair value measurements classified at level 3 in the fair value scale of royalties based on future production from the Karish and Tanin leases:

	For the three month period ended	
	31 March	
	2026	2025
	Unaudited	
Balance as of 1 January	251.1	278.0
Revenues	(13.2)	(14.4)
Changes in revenues receivable	5.0	2.9
Remeasurement recognized in profit or loss	30.2	(4.4)
Balance as of 31 March	273.1	262.1

	For the year ended
	31 December 2025
	Audited
Balance as of 31 December 2024	278.0
Revenues	(52.6)
Changes in revenues receivable	(0.1)
Remeasurement recognized in profit or loss	25.8
Balance as of 31 December 2025	251.1



Note 8 – Material Events Subsequent to the Date of the Consolidated Interim Statements of Financial Position:

- A. See Note 6B for details regarding the approval of the Board of the Partnership's GP of distribution of profits in the sum of \$60 million.
- B. See Note 1D for details regarding the resumption of operations of the Leviathan platform.
- C. See Note 3B2 for details regarding the MOU for the sale of natural gas from the Aphrodite Reservoir to Egypt and an agreement regarding the Transmission Project.
- D. See Note 3B3 for details regarding results of the exploration well in the Krum prospect within the Bulgaria License.
- E. See Note 3B4 for details regarding the settlement of the economic rights in the expired Eran license.
- F. See Note 6E for details regarding notice of the end of tenure of Mr. Abu, the CEO of the Partnership.
- G. See Note 6G for details regarding the appointment of an Executive Chairman of the Board.



Report on the effectiveness of internal control over financial reporting and disclosure

This report is a convenience translation of NewMed Energy – Limited Partnership's Hebrew-language Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure pursuant to Regulation 38C(a) of the Securities Regulations (Immediate and Periodic Reports), 5730-1970. The original Hebrew-language version is the only binding version and shall prevail in any event of discrepancy.

Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure pursuant to Regulation 38C(a) of the Securities Regulations (Immediate and Periodic Reports), 5730-1970

The management of NewMed Energy - Limited Partnership (the "**Partnership**"), under the supervision of the board of directors of NewMed Energy Management Ltd., the general partner at the Partnership (the "**GP**"), is responsible for setting and maintaining proper internal control over financial reporting and disclosure at the Partnership.

For this purpose, the members of management are:

1. Gabi Last, a member of the board of directors of the GP;
2. Yossi Abu, CEO of the Partnership;
3. Tzachi Habusha, VP Finance and Market Risk Manager of the Partnership.

Internal control over financial reporting and disclosure consists of controls and procedures existing at the Partnership, designed by, or under the supervision of, the CEO and the most senior financial officer, or by anyone actually performing such functions, under the supervision of the board of directors of the GP, and which are designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the reports according to the provisions of the law, and to ensure that information which the Partnership is required to disclose in reports released thereby according to the law is gathered, processed, summarized and reported within the time frames and in the format set forth by the law.

Internal control includes, *inter alia*, controls and procedures designed to ensure that information which the Partnership is thus required to disclose, is gathered and transferred to the management of the Partnership, including the CEO and the most senior financial officer or anyone actually performing such functions, in order to enable the timely decision making in reference to the disclosure requirements.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misrepresentation or omission of information in the reports will be avoided or discovered.

In the annual report on the effectiveness of the internal control over financial reporting and disclosure, which was attached to the periodic report for the period ended 31 December 2025 (the "**Latest Annual Report on Internal Control**"), the board of directors of the GP and the management of the Partnership evaluated the internal control in the Partnership. Based on such evaluation, the board of directors of the GP and the management of the Partnership reached the conclusion that such internal control, as of 31 December 2025, was effective.

Until the date of the report, no occurrence or issue were brought to the attention of the board of directors of the GP and the management of the Partnership, which may change the evaluation of the effectiveness of the internal control, as was presented in the Latest Annual Report on Internal Control.

As of the date of the report, based on the evaluation of the effectiveness of internal control in the Latest Annual Report on Internal Control, and based on information which was brought to the attention of the management of the Partnership and the board of directors of the GP as aforesaid, the internal control is effective.

Statement of CEO pursuant to Regulation 38C(d)(1):

Statement of Managers

Statement of CEO

I, Yossi Abu, state that:

- (1) I have reviewed the quarterly report of NewMed Energy - Limited Partnership (the "Partnership") for Q1/2026 (the "Reports");
- (2) To my knowledge, the Reports do not contain any misrepresentation nor an omission of a material fact required for the representations included therein, given the circumstances under which such representations were included, not to be misleading with regard to the period of the Reports;
- (3) To my knowledge, the financial statements and other financial information included in the Reports adequately reflect, in all material respects, the financial position, operating results and cash flows of the Partnership for the periods and as of the dates covered by the Reports;
- (4) I have disclosed to the Partnership's auditors, the board of directors and the audit and financial statements review committees of the GP in the Partnership, based on my most current evaluation of internal control over financial reporting and disclosure:
 - (a) Any and all significant flaws and material weaknesses in the setting or maintaining internal control over financial reporting and disclosure which may reasonably adversely affect the Partnership's ability to gather, process, summarize or report financial information in a manner which casts a doubt on the reliability of the financial reporting and preparation of the financial statements in conformity with the provisions of the law; and –
 - (b) Any fraud, either material or immaterial, which involves the CEO or anyone reporting to him directly or which involves other employees who play a significant role in internal control over financial reporting and disclosure.
- (5) I, myself or jointly with others in the Partnership:
 - (a) Have set controls and procedures, or confirmed, under my supervision, the setting and maintaining of controls and procedures, which are designed to ensure that material information in reference to the Partnership, including consolidated companies thereof, as defined in the Securities Regulations (Annual Financial Statements), 5770-2010, is brought to my attention by others at the Partnership and the consolidated companies, particularly during the preparation of the Reports; and -
 - (b) Have set controls and procedures, or confirmed, under my supervision, the setting and maintaining of controls and procedures, which are designed to reasonably ensure reliability of financial reporting and preparation of the financial statements in conformity with the provisions of the law, including in conformity with GAAP;
 - (c) No occurrence or issue have been brought to my attention that occurred during the period between the date of the latest report (the periodic report as of 31 December 2025) and the date hereof, which can change the conclusion of the board of directors of the GP in the Partnership and management of the Partnership with regard to the effectiveness of internal control over the Partnership's financial reporting and disclosure.

The aforesaid does not derogate from my responsibility or from the responsibility of any other person, pursuant to any law.

18 May 2026

Yossi Abu, CEO


Statement of the most senior financial officer pursuant to Regulation 38C(d)(2):

Statement of Managers

Statement of the Most Senior Financial Officer

I, Tzachi Habusha, state that:

- (1) I have reviewed the interim financial statements and the other financial information included in the interim reports of NewMed Energy - Limited Partnership (the "**Partnership**") for Q1/2026 (the "**Reports**" or the "**Interim Reports**");
- (2) To my knowledge, the interim financial statements and the other financial information included in the Interim Reports do not contain any misrepresentation nor omission of a material fact required for the representations included therein, given the circumstances under which such representations were included, not to be misleading with regard to the period of the Reports;
- (3) To my knowledge, the interim financial statements and the other financial information included in the Interim Reports adequately reflect, in all material respects, the financial position, operating results of operations and cash flows of the Partnership for the periods and as of the dates covered by the Reports;
- (4) I have disclosed to the Partnership's auditors and to the board of directors and the audit and financial statement review committees of the GP in the Partnership, based on my most current evaluation of internal control over financial reporting and disclosure:
 - (a) Any and all significant flaws and material weaknesses in the setting or maintaining internal control over financial reporting and disclosure, insofar as it relates to the interim financial statements and the other financial information included in the Interim Reports, which may reasonably adversely affect the Partnership's ability to gather, process, summarize or report financial information in a manner which casts doubt on the reliability of the financial reporting and preparation of the financial statements in conformity with the provisions of the law; and
 - (b) Any fraud, either material or immaterial, which involves the CEO or anyone reporting to him directly or which involves other employees who play a significant role in internal control over financial reporting and disclosure.
- (5) I, myself or jointly with others in the Partnership:
 - (a) Have set controls and procedures, or confirmed, under our supervision, the setting and maintaining of controls and procedures, which are designed to ensure that material information in reference to the Partnership, including consolidated companies thereof, as defined in the Securities Regulations (Annual Financial Statements), 5770-2010, is brought to my attention by others at the Partnership and the consolidated companies, particularly during the preparation of the Reports; and
 - (b) Have set controls and procedures, or confirmed, under my supervision, the setting and maintaining of controls and procedures, which are designed to reasonably ensure reliability of financial reporting and preparation of the financial statements in conformity with the provisions of the law, including in conformity with GAAP;

- 
- (c) No occurrence or issue have been brought to my attention, that occurred during the period between the date of the latest report (the quarterly report as of 31 December 2025) and the date hereof, pertaining to the interim financial statements and any other financial information included in the Interim Reports, which could, in my opinion, change the conclusion of the board of directors of the GP in the Partnership and management of the Partnership with regard to the effectiveness of internal control over the Partnership's financial reporting and disclosure.

The aforesaid does not derogate from my responsibility or from the responsibility of any other person, pursuant to any law.

18 May 2026

Tzachi Habusha, CPA
VP Finance