



Delek Group



FINANCIAL STATEMENTS

UNAUDITED

AS OF JUNE 30, 2025

IMPORTANT

This document is an unofficial translation for convenience only of the Hebrew original of the June 30, 2025, financial report of Delek Group Ltd. that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on August 20, 2025.

The Hebrew version submitted to the TASE and the Israeli Securities Authority shall be the sole legally binding version.

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TABLE OF CONTENTS

Chapter A

Corporate Description

Chapter B

Board of Directors Report on the State of the Company's Affairs

Chapter C

Financial Statements

Chapter D

Report on the Effectiveness of Internal Controls for
Financial Reporting and Disclosure



Delek Group

Chapter

A

Corporate Description



Revised Chapter A (Description of the Corporation's Business) **of the 2024 Periodic Report of Delek Group Ltd.¹** **(hereinafter - the "Company")**

Part One – Description of the General Development of the Company's Business:

A. Referring to Section 1.2 to the Periodic Report, the Group's Areas of Activity – Investment Agreement in Isracard Ltd.

- (1) On July 9, 2025, the Bank of Israel's permit was received for Mr. Yitzhak (Sharon) Tshuva, the Company's controlling shareholder, to control and hold means of control in Isracard Ltd. (hereinafter - **"Isracard"**), at a rate that will not fall below 30% of any type of means of control in Isracard (hereinafter - the **"Control Permit"**). The Control Permit stipulates several conditions and restrictions related to the holding of the means of control in Isracard, and is effective as from the transaction completion date. Upon receipt of the aforementioned Control Permit, all of the transaction's conditions precedent were met, and on July 24, 2025, all the actions required for the completion of the Isracard acquisition transaction were completed. Under its completion actions, the Company invested approx. NIS 1,358,252,880, and in return it was allocated NIS 120,544,305 ordinary Isracard shares of no p.v., which constitute approx. 37.05% of Isracard's issued and paid-up share capital. Subsequent to the completion of the transaction, the Company holds approx. 40.07% of Isracard's issued and paid-up share capital. In accordance with the Control Permit, as of the transaction completion date, the Company is expected to consolidate Isracard's financial statements with the Company's as from the third quarter of 2025. For further details, see the Company's immediate reports dated July 9, 2025 (Ref. No. 2025-01-050647) and July 24, 2025 (Ref. No. 2025-01-055099), the details of which are included herein by way of reference, and Note 3D to the financial statements.
- (2) On July 27, 2025, the Company received an urgent petition and a motion for an order nisi and an interim injunction (hereinafter - the **"Petition"** and the **"Motion"**), filed by the Movement for Quality Government in Israel (hereinafter - the **"Petitioner"**) to the Supreme Court in its capacity as the High Court of Justice against the Governor of the Bank of Israel, the Banking Supervision Department, the Competition Commissioner (hereinafter jointly - the **"Government's Representatives"**), Isracard, the Company and its controlling shareholder, with respect to the resolution to award to the Company's controlling shareholder a control permit in Isracard. On July 28, 2025, the Petitioner filed a "motion for clarification", in which the Court was moved to issue an ordinance, according to which "the respondents must refrain from advancing any step leading to the completion of the transaction, until a resolution is handed down regarding the interim injunction motion. On August 3, 2025, the Company, its controlling shareholder and the other respondents filed their response to the interim injunction motion, in which they argued that the Motion should be dismissed, due to, among other things, the delay in filing the Motion and the Petition, and the fact that the investment transaction is a fait accompli; the respondents also argued that the Motion and the Petition should be dismissed, among other things, since the Petitioner's allegations are essentially unfounded. On August 3, 2025, the Court dismissed the Petitioner's interim injunction motion under the Petition, and stipulated that the Petitioner must notify by August 10, 2025 whether it maintains its Petition. On August 10, 2025, the Petitioner filed to the High Court of Justice a notice in which it stated that it maintains that the petition be heard, and for that purpose filed a response to the respondents' abovementioned responses. In the opinion of the Company's legal counsel, the allegations raised under the Petition have no legal basis, and it is reasonable to assume that the Petition will be dismissed.

The abovementioned information regarding the assessment of the Company's legal counsel whereby the Petitioner's allegations have no legal basis and the Petition will be dismissed, constitutes "forward-looking information", as defined in the Securities Law, 1968 (hereinafter - the "Securities Law").

¹ The update contains material changes or developments in the Company's business in the second quarter of 2025 and up to immediately prior to the date of this report, in any matter requiring disclosure in the Periodic Report and which was not updated in the quarterly report for the first quarter of 2025, as published on May 21, 2025 (Ref. No. 2025-01-035637) (hereinafter - the **"First Quarter 2025 Report"**). The update refers to the section numbers in Chapter A (Description of the Corporation's Business) in the 2024 Periodic Report, as published on March 26, 2025 (Ref. No. 2025-01-020565) (hereinafter - the **"Periodic Report"**) and supplements the content disclosed therein.

B. Referring to Section 1.3 to the Periodic Report - Equity Investments in the Company

- (1) On May 21, 2025, the Company published a shelf prospectus. For details see the Company's publication dated May 21, 2025 (Ref. No.: 2025-01-035791).
- (2) Regarding changes in the holdings of interested parties in the Company, see the Company's immediate reports dated July 6, 2025 (Ref. No.: 2025-01-048793); (Ref. No.: 2025-01-048785); (Ref. No.: 2025-01-048787); (Ref. No.: 2025-01-048788); (Ref. No.: 2025-01-048791), the details of which included herein by way of reference.

C. Referring to Section 1.4 to the Periodic Report - Dividends

On May 21, 2025, the Company declared a dividend distribution totaling NIS 250 million, which was paid in June 2025. For further details, see the Company's immediate report dated May 21, 2025 (Ref. No. 2025-01-035642), the details of which are included herein by way of reference.

Part Two – Other Information:

A. Referring to Section 1.6.6 to the Periodic Report - General environment and impact of external factors; and referring to Section 1.7.2(g) to the Periodic Report – Iron Swords War (hereinafter - the “War”)

- (1) During the second quarter of 2025, military operation Rising Lion was conducted to eliminate the Iranian nuclear threat (hereinafter – the “**Operation**”). The Operation began on June 13, 2025, and ended on June 24, 2025, with the entry into force of a bilateral ceasefire. In addition, during the second quarter of 2025, the fighting in Gaza continued against the Hamas terrorist organization and against the Houthi terror organization in Yemen.

At the outset of the Operation, the Leviathan Project's operator, Chevron Mediterranean Limited (hereinafter - **Chevron**[™]) received a notice from the Minister of Energy and Infrastructure (hereinafter – the “**Minister of Energy**”), stating that, due to the security situation, it was required to cease operations at the Leviathan Rig until further notice. Accordingly, natural gas and condensate production from the Leviathan Reservoir was discontinued. To the best of the knowledge of NewMed Energy - Limited Partnership (hereinafter - the “**Partnership**”), a similar directive was issued with respect to the suspension of Karish rig's operations. Further to this, the Minister of Energy exercised his authority in the government resolution, as detailed in Section A8A to the revised Part Three of Chapter A (Description of the Corporation's Business) to the report of the first quarter of 2025, and ordered the execution of Natural Gas Sector Regulations (Management of the Natural Gas Sector in an Emergency Situation), 2017 (hereinafter - the “**Emergency Regulations**”). Upon the conclusion of the Operation, on June 24, 2025, Chevron received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructures (hereinafter - the “**Petroleum Commissioner**” and the “**Ministry of Energy**,” respectively), stating that all preparations for the reactivation of the Leviathan Rig may be carried out. Accordingly, Chevron proceeded with the reactivation of the rig and resumed regular production from the reservoir on June 25, 2025. For further details see the immediate reports issued by the Company on June 25, 2025 (Ref. No.: 2025-01-045167), where the information appearing in said report is included herein by way of reference.

In May and July 2025, the credit rating agencies S&P Global Ratings and Moody's reiterated Israel's credit rating (“A”), with a negative outlook. In its announcement, S&P Global Ratings expressed grave concern about the expansion of the War and its adverse effect on the local economy. However, the agency noted that the rating outlook may change from negative to positive, if the likelihood of a military escalation and broader security risks will diminish. Moody's noted the Israeli economy's impressive resilience even in the face of protracted conflicts, and the continued growth of and investment in the economy, even at the height of a direct conflict with Iran; on the other hand, it cited several substantial challenges, primarily the government deficit.

Against the backdrop of the conflict with Iran, immediately prior to the ceasefire's coming into force and the resumption of production from the Leviathan Reservoir, the credit rating agencies S&P Maalot and S&P Global Ratings revised the rating of the debentures issued - to foreign and Israeli qualified investors - by Leviathan Bond Ltd., a wholly-owned subsidiary of the Partnership (hereinafter - “**Leviathan Bond**”), and listed on the TACT (Tel-Aviv Continuous Trading) Institutional System (hereinafter - the “**Debentures**”), such that S&P Maalot placed the debentures' iA+ credit rating and ‘1’ recovery rating

on its CreditWatch list with negative implications, and S&P Global Ratings placed the BB- credit rating and the '1' recovery rating on its CreditWatch list with negative implications.

As of the report approval date, it is impossible to assess how the war will develop, including the possibility of a development in the conflict with Iran, the impact it will have on the Company, the Partnership, their assets and businesses, including the possibility of the risk factors resulting from the war materializing and their possible impact, including the risk factors listed in section 1.7.31(a) of the Periodic Report, whose realization may have a material adverse effect on the Company, the Partnership, its assets and its businesses.

Based, among other things, on the expected production from the Leviathan Reservoir and the Karish lease, and according to the Partnership's estimates, the suspension of production during the War caused the Partnership a loss of income of approx. USD 33 million from natural gas and condensate sales (gross, before royalties) and from overriding royalties in the Karish lease.

Part Three – Description of the Corporation's Business by Operating Segment:

A. The Energy in Israel Segment

(1) Referring to Section 1.7.1(a) to the Periodic Report - The Company's Holdings in NewMed Energy - Limited Partnership (hereinafter - the "Partnership")

On August 7, 2025, the Partnership announced a profit distribution totaling USD 60 million (hereinafter - "USD"); the record date for the distribution is August 19, 2025. The profits will be distributed on August 28, 2025. The Company's share of the distribution is approx. USD 32.5 million.

(2) Referring to Section 1.7.4(d) to the Periodic Report - Actual and Planned Work Plan for the Leviathan Project

Over 11 days during the second quarter of 2025, planned work was carried out as part of the Third Pipeline Project - which is expected to be completed in early 2026 (for details regarding the Third Pipeline Project, see Section 1.7.4(e)(2)a to the Periodic Report), as well as routine maintenance work, during which natural gas production from the Leviathan reservoir was suspended. It should be noted that, as of the report approval date, the laying the Third Pipeline have resumed; in order to complete the Third Pipeline Project, additional work is expected, which will involve several days of production shutdowns from the Leviathan reservoir.

(3) Referring to Section 1.7.10(f) of the Periodic Report - Actual and Planned Work Plan for Block 1-21 Han Asparuh located in the territory of the Republic of Bulgaria's EEZ fields in the Black Sea (hereinafter - the "Bulgaria License")

On June 10, 2025, the Bulgaria license partners decided to drill a further exploration well at the area of the Bulgaria license, in the Krum prospect. For further details, see the Company's immediate report dated June 11, 2025 (Ref. No. 2025-01-041985), the details of which are included herein by way of reference.

(4) Referring to Section 1.7.11(a) to the Periodic Report - Eran License

Further to the provisions of Section 1.7.11(a) to the Periodic Report, regarding negotiations held between the Tamar Partners and the State of Israel on the manner in which the State's rights and the rights the Eran Reservoir license holders in the Tamar SW Reservoir will be addressed, in accordance with the mediation agreement on the issue, it should be noted that, according to the public reports of some of the Tamar Partners, in August 2025, an agreement was signed between the Tamar Partners and the State addressing the aforementioned issue. The Partnership intends to study the details of the said agreement and exercise its rights thereunder.

(5) Referring to Section 1.7.11(c) to the Periodic Report - Ofek Hadash License

Further to the provisions of Section A4 to the revision to Part Three of Chapter A (Description of the Corporation's Business) to the report for the first quarter of 2025 regarding letters received by the partners in the land license 405/"New Horizon" (hereinafter in this section - the "License" and the "Partners", respectively) from the Petroleum Commissioner with respect to the decommissioning of the well at the license's area and the option of forfeiture of the guarantees extended by the partners in favor of the Ministry of Energy if the decommissioning is not completed on time, it is noted that in June 2025, the license's operator informed the partners that the decommissioning of the well was completed, and that it has filed to

the Petroleum Commissioner and the Ministry of Environmental Protection concluding reports in order to obtain their approval to that effect.

(6) Referring to Section 1.7.14(c) to the Periodic Report - Agreements for the Supply of Natural Gas from the Leviathan Project

- (a) Further to the provisions of Section 1.7.14(C)(2) regarding the natural gas supply agreement signed between NBL Jordan Marketing Limited (hereinafter - the **"Marketing Company"**) and the Jordanian Transmission Company, it is noted that in July 2025, all conditions precedent for the coming into force of this agreement were met, and that as of this report's approval date, the gas supply under the agreement has commenced.
- (b) Further to the provisions of Section 1.7.14(C)(3) to the Periodic Report regarding an agreement to export gas from the Leviathan Reservoir to Blue Ocean Energy in Egypt (hereinafter - **"Blue Ocean"** or the **"Acquirer"**) and regarding negotiations conducted by the Leviathan Partners (hereinafter - the **"Sellers"**) and Blue Ocean with respect to additional gas quantities to be sold to Blue Ocean, it is noted that on August 7, 2025, the Sellers and the Acquirer entered into an amendment to the abovementioned export agreement whereunder the total export volume will be increased by 130 BCM, provided, among other things, that a Final Investment Decision (FID) is reached by the Sellers. For further details, see the Company's immediate report dated August 7, 2025 (Ref. No.: 2025-01-058586), the details of which are included herein by way of reference.
- (c) In May 2025, the Leviathan Partners and ICL Group Ltd. signed an agreement for the supply of approx. 0.75 BCM in natural gas for a period of approx. 5 years.
- (d) In July 2025, the Leviathan Partners and Jordanian industrial plants signed an agreement for the supply of up to approx. 2 BCM in natural gas for a period of approx. 15 years. It is noted that the gas will be supplied through a system of Israel Natural Gas Lines Ltd. (hereinafter - **"INGL"**) in the Dead Sea area, and that the gas price formula set in this agreement is based on linkage to Brent prices and includes a "floor price". It is also noted that the coming into force of the agreement is contingent upon several conditions precedent. As of the report approval date, the export approval for this agreement has been received.
- (e) During the second quarter of 2025 and up to the report approval date, the Partnership signed several more agreements with various customers in the Israeli market for the sale of natural gas from the Leviathan Project on a spot basis, at immaterial quantities.

(7) Referring to Section 1.7.15(b) to the Periodic Report - Export

Further to the provisions of Section 1.7.15(b)(2)(e) to the Periodic Report and Section A6a to the Revised Part Three of Chapter A (Description of the Corporation's Business) to the report of the first quarter of 2025, regarding the offshore connection between the Israeli transmission system and the Egyptian transmission system in the Nitzana area, which includes a pipeline and construction of a compressor station in the Ramat Hovav area, and further to previous letters of the Natural Gas Authority (hereinafter- the **"Natural Gas Authority"**) in connection with capacity allocation in the Ramat Hovav-Nitzana line, it is noted that, in its letter to the Leviathan Partners of June 17, 2025, the Natural Gas Authority informed the Leviathan Partners again that their allocation in the Ramat Hovav-Nitzana pipeline stands at 33.33%. It was further noted in the said letter that the Leviathan Partners are required to sign a transmission agreement with INGL by August 17, 2025, according to the conditions set forth by the Natural Gas Authority, and that an exporter who does not sign a transmission agreement with INGL by then, will be deemed an exporter who waived its allocation in the pipeline, and the vacated allocation will be offered to the other exporters. In a letter dated August 18, 2025, the Natural Gas Authority notified the Leviathan Partners that since no transmission agreements have been signed between any of the exporters and INGL by August 17, 2025, each of the exporters' allocations will be renewed, which will allow exporters to sign transmission agreements over further two months from the date of the allocations' coming into force. In accordance with the abovementioned letter, the Leviathan Partners must notify the Natural Gas Authority of their reallocation request by August 21, 2025; it is further stated in the letter that after receiving the new allocation requests, the Natural Gas Authority will inform all exporters of the reallocation, and the date for signing the transmission agreement will be two months from the reallocation date. As of the report approval date, the Leviathan Partners are continuing negotiations with INGL for the purpose of executing such an agreement.

(8) Referring to Section 1.7.23 to the Periodic Report - Financing

(a) General

On June 30, 2025, Midroog Ltd. (hereinafter - "**Midroog**") published an initial rating report for the Partnership and assigned an A1.il issuer rating with a stable rating outlook.

(b) Debentures of Leviathan Bond

- (1) With regard to the revision to the rating of the Debentures, published by S&P Maalot and S&P Global Ratings, see Section A1 above to the revision to Part Two to the Periodic Report.
- (2) Further to the provisions of Section 7(A)(3) to the revision to Part Three of Chapter A (Description of the Corporation's Business) to the report for the first quarter of 2025, regarding partial early repayment - by Leviathan Bond - of the second series of Debentures, whose original repayment date was June 30, 2025, it is noted that, on June 30, 2025 Leviathan Bond repaid the outstanding balance of the second series as detailed above.

(c) Credit facilities

- (1) Further to the provisions of Section 1.7.23(C) to the Periodic Report and Section 7B to the revision to Part Three of Chapter A (Description of the Corporation's Business) to the report for the first quarter of 2025 regarding an agreement for the provision of a USD 200 million credit facility by an Israeli Bank, signed by the Partnership on October 8, 2024 (hereinafter - the "**Credit Facility**"), it is noted that, as of the report approval date, a total of USD 100 million out of the Credit Facility, which had been withdrawn in June 2025, was repaid in full.

The Credit Facility establishes financial covenants for the Partnership, noncompliance of which gives the lender the right to immediate repayment, as detailed in Section 1.7.23(b)(c) to the Periodic Report. Following are details regarding these financial covenants, according to the data of the Partnership's Consolidated Interim Financial Statements as of June 30, 2025:

Covenant	Calculated value as of June 30, 2025
The ratio between the value of the Partnership's assets and the net financial debt will not fall below 1.5 on two consecutive test dates	Approx. 4.91
The Partnership's (separate) liquidity shall not fall below USD 20 million	Approx. USD 555.7 million
The total financial debt, excluding limited recourse loans other than debentures of Leviathan Bond Ltd., shall not exceed USD 3 billion	Approx. USD 1.5 billion
The ratio between the excess sources and the credit facilities amount in each bank shall not fall below 1	Approx. 5.34

- (2) Further to the provisions of Section 7C to the revision to Part Three of Chapter A (Description of the Corporation's Business) to the report for the first quarter of 2025 regarding the Partnership's assessment of various financing alternatives in order to facilitate, among other things, a Final Investment Decision (FID) for the development of the first phase of Phase 1 - Second Stage of the Leviathan Project development plan, it is noted that on June 16, 2025, the Partnership and an Israeli bank signed an agreement for the provision of two new credit facilities totaling USD 350 million, which the Partnership intends to use in its operating activities, including with respect to Phase 1 - Second Stage of the Leviathan Reservoir development plan as detailed above (hereinafter - the "**New Credit Facilities**"). It is clarified that the New Credit Facilities replace a USD 200 million credit facility, which was advanced to the Partnership by this bank on October 8, 2024, and that they are added to the Credit Facility, as detailed in Section 8(C)(1) above. For further details see the immediate reports issued by the Company on June 17, 2025 (Ref. No.: 2025-01-042977), where the information appearing in said report is included herein by way of reference.

The New Credit Facilities set financial covenants, with which the Partnership is required to comply on every assessment date; failure to comply with the financial covenants establishes to the lender the right to call for immediate repayment, as detailed in the abovementioned immediate report. Following are details regarding these financial covenants, according to the data of the Partnership's Consolidated Interim Financial Statements as of June 30, 2025:

Covenant	Calculated value as of June 30, 2025
The ratio between the Partnership's asset value and its net financial debt must not fall below the following ratios: for net financial debt of up to USD 2.5 billion – no less than 1.5; for any additional net financial debt exceeding USD 2.5 billion and not exceeding USD 2.75 billion – no less than 2.5; and for any additional net financial debt exceeding USD 2.75 billion – no less than 4.1, on two consecutive specified dates	The Partnership's net financial debt is lower than USD 2.5 billion, and the said ratio stands at approx. 4.9
The Partnership's (separate) liquidity shall not fall below USD 20 million	Approx. USD 555.7 million
The total financial debt, excluding limited recourse loans other than debentures of Leviathan Bond Ltd., shall not exceed USD 3 billion	Approx. USD 1.5 billion
The excess sources ratio will not be negative	Not negative

(9) Referring to Section 1.7.26 to the Periodic Report - Restrictions on and supervision of the Company and/or the Partnership's operations in the area of activity

- (a) Further to the provisions of Section 1.7.26(e)(2) to the Periodic Report and Section A8A to Part Three of Chapter A (Description of the Corporation's Business) to the report of the first quarter of 2025, Emergency Regulations, it is noted that, to the best of the Company's knowledge, the government renewed the approval granted by the Minister of Energy to declare a state of emergency in the natural gas sector, insofar as there is a need to exercise the powers set forth in the Emergency Regulations, commencing from July 14, 2025, until September 14, 2025.²
- (b) On June 29, 2025, the Ministry of Energy and Infrastructures published a report for public comment with respect to formulation of critical mineral policies in Israel for a net-zero future.³ According to the report, in 2024 electricity generation in Israel stood at approx. 80 TWh, of which only approx. 11 TWh (approx. 14%) were generated using renewable sources. By 2050 these values are expected to grow substantially, and the percentage of electricity generated using renewable energy is expected to reach approx. 55%. In accordance with the government's targets for 2030, coal-generated electricity is expected to account for approx. 3% of total electricity generation in Israel, natural gas is expected to account for approx. 76%, and renewables are expected to account for approx. 20%.
- (c) On August 28, 2025, the Ministry of Energy and Infrastructures published the Natural Gas Sector Review Report - 2024 Summary.⁴ In accordance with the report, in recent years the growth rate was lower than its levels in the years following first oil from the Tamar Reservoir; however, demand for natural gas in the domestic market is expected to continue growing in the coming decade due to the expected increase in demand for electricity, including the transition to electric vehicles, the conversion of coal-fired power plants to natural gas and the continued transition in industry to natural gas at the expense of other fossil fuels. Moreover, it is expected that demand for natural gas will continue to grow despite a substantial growth in the use of renewable energies. It was further noted in the report that in 2024 approx. 78% of the natural gas consumed in the domestic market (approx. 10.9 BCM) was used to generate electricity (excluding electricity generated in cogeneration facilities), approx. 11% of the natural gas was used by transmission and distribution consumers in the industrial sector (approx. 1.5 BCM), and the rest (11%) was used by cogeneration consumers. It is clarified that the majority of the increase in demand for Israeli natural gas in 2024 stemmed from quantities intended for export to Egypt and Jordan. Meanwhile, total exports in 2024 stood at approx. 13.2 BCM, which accounted for approx. 49% of total natural gas supply,

² <https://www.gov.il/he/pages/dec3233-2025>

³ <https://www.gov.il/BlobFolder/reports/policy-planning-290625/he/critical-minerals-290625.pdf>

⁴ <https://www.gov.il/he/pages/ng-2024>

compared to approx. 11.6 BCM for exports in 2023 which accounted for approx. 47% of total natural gas supply in this year. While natural gas prices have fallen sharply in the international market in 2024, due to substantial price increases in 2023, the Israeli market has hardly been affected by global price rises and declines and the level of gas prices remained stable.

The report also noted natural gas supply and consumption data in 2024, as follows: Leviathan Rig - 11.3 BCM; Tamar rig - 10.1 BCM; Karish rig - 5.8 BCM; the domestic market - 13.9 BCM; Jordan North export pipeline - 7.3 BCM; EMG export pipeline - 5.7 BCM; and Jordan South export pipeline - 0.2 BCM.

- (d) On June 4, 2025, the Competition Commissioner published a call for proposals regarding natural gas sale contracts under an assessment conducted by the Israel Competition Authority. Under the call for proposals, the Competition Commissioner seeks the positions of natural gas customers and other stakeholders regarding the effect of various stipulations set in contracts between gas suppliers in Israel (Karish, Tanin, Leviathan and Tamar) and various natural gas consumers on the competition in the Israeli natural gas market and in industries affected thereby.⁵

(10) Referring to Section 1.7.28 to the Periodic Report - Legal Proceedings

Further to the provisions of Section 1.7.28(H) to the Periodic Report and Section A9 of Part Three to Chapter A (Description of the Corporation's Business) to the report for the first quarter of 2025, regarding a statement of claim in the arbitration filed by Chevron against INGL with respect to the breach of the Transmission Agreement with INGL of January 18, 2021, and regarding the mediation proceeding in which the parties engaged and the agreements reached under this proceeding, it is noted that, on August 5, 2025, the parties signed a settlement agreement based on the principles agreed upon as detailed above.

⁵ <https://www.gov.il/he/pages/invint-naturalgas>

(11) Natural gas and condensate production data from the Leviathan Project for the first and second quarters of 2025:^{6 7}

		Q1		Q2	
		Natural gas	Condensate	Natural gas	Condensate
Total output (attributable to the equity holders of the Company) in the period (in MMCF for natural gas and MBBL for condensate, as the case may be)		25,793	58.66	17,863	41.76
Average price per output unit attributable to equity holders of the Company (USD per MCF and bbl, as the case may be)		5.96	57.11	5.75	51.91
Average royalties (any payment derived from the output of the producing asset, including the gross income arising from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per MCF and bbl, as the case may be)	The State	0.64	6.14	0.61	5.51
	Third parties	0.15	1.47	0.15	1.32
	Interested parties	0.08	0.74	0.07	0.66
Average proceeds for royalties (all compensation arising from the output of the producing asset, including from the gross income from the oil asset) received per output unit (attributable to the Company's share) (USD per MCF and bbl, as the case may be)		0.14	1.35	0.13	1.21
Average production costs per output unit (attributable to equity holders of the Company) (USD per MCF and BBL, as the case may be) ^{8,9}		0.79	6.25	0.87	6.69
Average net proceeds per output unit (attributable to equity holders of the Company) (USD per MCF and BBL, as the case may be)		4.44	43.86	4.18	38.94

B. The Foreign Energy Segment

Referring to Section 1.8.1 to the Periodic Report - The Company's Holdings in Ithaca Energy Plc (hereinafter - "Ithaca")

(1) In August 2025, Ithaca approved a profit distribution of USD 167 million, which will be carried out in September 2025. The Company's share of the distribution is approx. USD 87.2 million.

(2) Referring to Section 1.8.4 to the Periodic Report - Ithaca's Oil Assets on the UK Continental Shelf:

(a) Referring to Section 1.8.1(h) to the Periodic Report - General and Section 1.8.4(k) to the Periodic Report - Ithaca's Group of Other Non-Operated Assets Group:

Further to the provisions of Section 1.8.1(H) to the Periodic Report regarding a transaction for the acquisition of the share capital (100%) of JAPEX UK E&P Limited, which holds 15% of the rights in the Seagull reservoir (hereinafter in this Subsection - the "**Transaction**"), on July 7, 2025, the transaction was completed. Following the completion of the transaction, Ithaca holds 50% of the rights in the Seagull Reservoir. For further details, see the Company's immediate reports dated March 25, 2025 (Ref. No.: 2025-01-020065) and

⁶ The data in the table concerning the percentage attributable to the Company's equity interests in the average cost per output unit, royalty payments, production costs and net proceeds have been rounded to two decimal digits.

⁷ The data in the table regarding condensate production do not include additional unsold quantities of condensate. The costs and expenses associated with the said additional quantities of condensate were attributed to natural gas production costs.

⁸ The figures include current production costs only and exclude reservoir exploration and development costs or the Partnership's future tax payments.

⁹ It is noted that the average production costs per output unit of natural gas include natural gas transmission costs using INGL's pipeline to EMG's connection point in Ashkelon, to the connection point at the border with Jordan, as well as the transmission costs using the regional transmission to the delivery point in Aqaba, Jordan, for supplying gas to Egypt; in the first quarter of 2025, these costs totaled approx. USD 34.3 million and approx. USD 28.7 million in the second quarter of 2025 (100%). In addition, the average production costs per output unit of condensate include condensate transmission costs using the Europe Asia Pipeline (EAPC) totaled approx. USD 0.2 million in the first quarter of 2025 and a total of approx. USD 0.7 million in the second quarter of 2025 (100%).

July 7, 2025 (Ref. No.: 2025-01-049559), the details of which are included herein by way of reference.

(b) Referring to Section 1.8.4(l) to the Periodic Report - The Rosebank Reservoir:

Ithaca reports that the development of the Rosebank reservoir is progressing, and confirms an expected commencement of production in 2026/2027.

(c) Referring to Section 1.8.4(m) to the Periodic Report - The Cambo Reservoir:

Ithaca reports that the license of the Cambo reservoir has been extended by 18 months; therefore, the Cambo licenses (P1028 and P1189) will expire on September 30, 2027. Ithaca utilizes ENI's technical capabilities in order to optimize and advance the reservoir's development plans.

(3) Referring to Section 1.8.17(b) to the Periodic Report - Financing - Financial Covenants for an RBL:

As of June 30, 2025 and the approval date of the report, Ithaca is in compliance with the financial covenants and operational conditions set out in the reserve-based lending (RBL) agreements, as detailed in Section 1.8.17(b)(4) to the Periodic Report.

(4) Production data for Ithaca's producing oil assets:¹⁰

(a) Production data attributable to the Company's share in the Captain reservoir for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	985,844 BBL	-	-	1,002,517 BBL	-	-
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	77.9	-	-	68.8	-	-
Average production costs per output unit (USD per BOE)	18.3	-	-	21.2	-	-
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	-	-	-	-	-	-
Net proceeds per output unit (USD per BOE)	59.6	-	-	47.6	-	-

¹⁰ The total output figures in the tables are adjusted to the Company's holding stake in Ithaca - approx. 52.22%.

- (b) Production data attributable to the Company's share in the Elgin-Franklin Area for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	251,986 BBL	3,406 MMCF	108,196 BBL	232,713 BBL	3,034 MMCF	92,508 BBL
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	85.8	84.7	55.0	66.2	65.2	43.0
Average production costs per output unit (USD per BOE)	10.6	10.6	10.6	10.1	10.1	10.1
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	-	-	-	-	-	-
Net proceeds per output unit (USD per BOE)	75.2	74.1	44.4	56.1	55.1	32.9

- (c) Production data attributable to the Company's share in the J Area for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	494,516 BBL	2,096 MMCF	86,281 BBL	377,480 BBL	1,948 MMCF	68,286 BBL
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	72.3	85.0	51.5	65.4	60.2	41.4
Average production costs per output unit (USD per BOE)	13.1	13.1	13.1	16.1	16.1	16.1
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	-	-	-	-	-	-
Net proceeds per output unit (USD per BOE)	59.2	71.9	38.4	49.3	44.1	25.3

- (d) Production data attributable to the Company's share in the Schiehallion reservoir for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	314,166 BBL	132 MMCF	-	283,281 BBL	140 MMCF	-
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	80.2	71.0	-	71.5	54.3	-
Average production costs per output unit (USD per BOE)	8.6	8.6	-	12.3	12.3	-
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	-	-	-	-	-	-
Net proceeds per output unit (USD per BOE)	71.6	62.4	-	59.2	42.0	-

(e) Production data attributable to the Company's share in the MonArb Area for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	85,256 BBL	280 MMCF	3,849 BBL	201,787 BBL	540 MMCF	6,586 BBL
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	84.5	78.8	57.4	62.1	63.7	50.5
Average production costs per output unit (USD per BOE)	48.8	48.8	48.8	25.4	25.4	25.4
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	-	-	-	-	-	-
Net proceeds per output unit (USD per BOE)	35.7	30.0	8.6	36.7	38.3	25.1

- (f) Production data attributable to the Company's share in the GBA Area for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	136,904 BBL	1,399 MMCF	21,829 BBL	116,376 BBL	1,583 MMCF	28,987 BBL
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	86.7	76.4	42.7	61.9	59.2	25.0
Average production costs per output unit (USD per BOE)	18.3	18.3	18.3	14.6	14.6	14.6
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	-	-	-	-	-	-
Net proceeds per output unit (USD per BOE)	68.4	58.1	24.4	47.3	44.6	10.4

(g) Production data attributable to the Company's share in the Mariner Area for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	140,622 BBL	-	-	111,549 BBL	-	-
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	69.0	-	-	62.5	-	-
Average production costs per output unit (USD per BOE)	18.5	-	-	25.5	-	-
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	-	-	-	-	-	-
Net proceeds per output unit (USD per BOE)	50.5	-	-	37.0	-	-

- (h) Production data attributable to the Company's share in (including the Other Non-Operated Assets group, and the Other Operated Assets group) for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	386,319 BBL	4,904 MMCF	49,545 BBL	355,145 BBL	4,465 MMCF	41,427 BBL
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	75.7	74.5	52.4	66.1	57.1	43.9
Average production costs per output unit (USD per BOE)	20.7	20.7	20.7	26.4	26.4	26.4
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	0.7	0.7	0.7	0.4	0.4	0.4
Net proceeds per output unit (USD per BOE)	54.3	53.1	31.0	39.3	30.3	17.1

- (i) Production data attributable to the Company's share in the Group of Other Non-Operated Assets for the first and second quarters of 2025:

	Q1			Q2		
	Oil	Natural gas	Condensate	Oil	Natural gas	Condensate
Total output in the period	441,931 BBL	846 MMCF	22,434 BBL	369,176 BBL	805 MMCF	33,545 BBL
Average price per output unit (attributable to equity holders of the Company) (USD per BOE)	81.2	86.1	46.7	69.1	63.8	41.2
Average production costs per output unit (USD per BOE)	15.9	15.9	15.9	19.3	19.3	19.3
Average royalties to third parties (every payment derived from the output of the producing asset, including from the gross income from the oil asset) paid per output unit (attributable to equity holders of the Company) (USD per BOE)	-	-	-	-	-	-
Net proceeds per output unit (USD per BOE)	65.3	70.2	30.8	49.8	44.5	21.9

Referring to Section 1.8.4(O) to the Periodic Report – Negligible Oil Assets

- (5) Entering into an agreement for the acquisition of shares in InPlay Oil Corp.

On August 4, the Company entered into an agreement with a third party to acquire approx. 32.7% of the share capital of InPlay Oil Corp., a publicly-traded company engaged in the energy sector and listed on the Toronto Stock Exchange (TSX), in consideration for approx. USD 67 million in cash. The transaction was completed on August 10, 2025. For further details, see the Company's immediate report dated August 4, 2025 (Ref. No.: 2025-01-057722) and the immediate report dated August 10, 2025 (Ref. No.: 2025-01-058941), the details of which are included herein by way of reference.

C. Additional Activities

- (1) **Referring to Section 1.9.2B To the periodic report – Delek Israel Properties (D.P.) Ltd. (hereinafter - "Delek Properties")**

Further to the provisions of Section 1.9.2B regarding the assessment of an initial public offering of shares by Delek Properties, on July 16, 2025, Delek Properties completed an initial public offering of shares and their listing on the Tel Aviv Stock Exchange Ltd. (hereinafter - the "TASE"). Following the abovementioned IPO, the Company holds approx. 19.1% of Delek Properties' shares.

Part Four – Matters Relating to the Company as a Whole

A. Referring to Section 1.11.3 to the Periodic Report - Officers and Senior Management Employees in the Group

On June 26, 2025, the Company's General Meeting resolved, among other things, to reappoint Ms. Heelee Kriesler as an independent director in the Company. For further details, see the Company's immediate report dated June 26, 2025 (Ref. No.: 2025-01-045850), the details of which are included herein by way of reference.

B. Referring to Section 1.13.3 to the Periodic Report - Debentures

On June 3, 2025, the Company's Board of Directors approved a private placement - to investors listed in the First Addendum to the Securities Law - of NIS 501,645,000 p.v. of Company Debentures (Series B40) by expanding the series of Debentures (Series B40) listed on the TASE (hereinafter - the "**Private Placement**"). The full consideration received by the Company under the Private Placement totaled approx. NIS 500.1 million and was used for partial early redemption of the Company's Debentures (Series B37) carried out on June 22, 2025. For further details, see the Company's immediate reports dated June 4, 2025 (Ref. No.: 2025-01-040028); and (Ref. No.: 2025-01-040030); an immediate report dated June 9, 2025 (Ref. No.: 2025-01-041183); immediate reports dated June 10, 2025 (Ref. No.: 2025-01-041444); and (Ref. No.: 2025-01-041577); and an immediate report dated June 22, 2025 (Ref. No.: 2025-01-044045), the details of which are included herein by way of reference.

C. Referring to Section 1.13.4 to the Periodic Report - Liens

The tables below detail the number of the Partnership's participation units, and the number of Ithaca shares pledged shortly before the report publication date.

- (1) Following are details of the number of participation units in the Partnership, pledged as of immediately prior to the report publication date:

Participation units pledged to the holders of Debentures (Series B37)	75,854,634
Participation units pledged to the holders of Debentures (Series B38)	124,315,287
No of participation units pledged in favor of an Israeli bank	31,446,541
Number of non-pledged participation units (held directly and indirectly) ¹¹	410,041,549

- (2) Following are details of Ithaca shares pledged shortly before the report publication date:

Number of shares pledged to the holders of Debentures (Series B37)	160,166,805
Number of shares pledged to the holders of Debentures (Series B39)	339,650,582
Unencumbered shares (held indirectly by a wholly-owned (100%) investee of the Company)	363,727,946

D. Referring to Section 1.13.6 to the Periodic Report - Credit rating

- (1) On June 9, 2025, Midroog assigned a A3.il rating with a stable outlook to debentures of up to NIS 502 million p.v. issued by the Company. On July 24, 2025, Midroog announced the upgrading of the Company's rating and the rating of the Debentures (Series B37, B38, B39 and B40) issued by the Company, from A3.il to A2.il with a stable rating outlook. For further details, see the Company's immediate report dated June 9, 2025 (Ref. No.: 2025-01-041158) and Midroog's immediate report dated July 24, 2025 (Ref. No.: 2025-15-055-107).

¹¹ Including participation units in the Partnership held by Delek Energy Systems Ltd. (hereinafter - "**Delek Energy**"), a subsidiary of the Company (100%), and participation units in the Partnership held by Avner Oil and Gas Ltd., which is 50% held by Delek Energy.

- (2) On June 5, 2025, S&P Global Ratings Maalot Ltd. (hereinafter – “**Maalot**”) Maalot assigned an iIA rating to the Debentures (Series B37, B38, B39 and B40) issued by the Company, and on July 28, 2025, it reiterated the Company’s ‘iIA’ rating with a stable rating outlook. For further details, see the Company’s immediate report dated June 5, 2025 (Ref. No.: 2025-15-040565) and the immediate report of Maalot dated July 28, 2025 (Ref. No.: 2025-15-055893).

E. Referring to Section 1.18 to the Periodic Report - Legal Proceedings

Further to Note 6B to the financial statements in the report of the first quarter of 2025, regarding approval of the settlement agreement in a class action approved by the District Court and its certification as judgment, on June 26, 2025, a third party, which does not form part of the represented class, filed an appeal against the judgment after the District Court rejected its objection to the settlement.

Delek Group Ltd.

Date: August 19, 2025

Names and titles of the signatories:

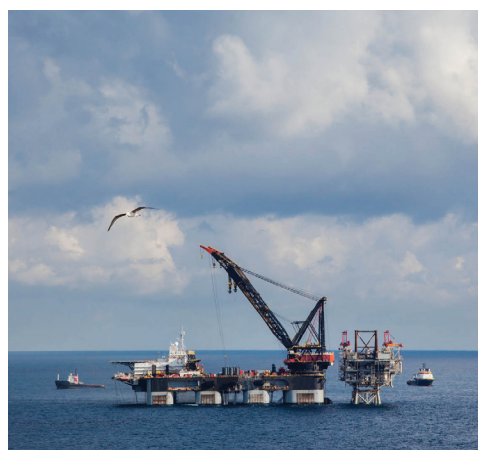
Ehud Erez, Chairman of the Board of Directors

Idan Wallace, Chief Executive Officer

Chapter

B

Board of Directors Report on the State of the Company's Affairs



August 19, 2025

Delek Group Ltd.

Report of the Board of Directors on the State of the Company's Affairs **For the three-and six-month period ended June 30, 2025**

The Board of Directors of the Delek Group Ltd. (hereinafter - the "**Company**" and/or the "**Group**"), hereby presents the Company's Report of the Board of Directors for the six- and three-month periods ended June 30, 2025.

A. The Board of Directors' Explanations on the State of the Corporation's Business

1. Description of the Company and its business environment

- A. The Company operates mainly through investees engaged in oil and gas exploration and production in Israel and abroad. Subsequent to the reporting date, in July 2025, the transaction whereby the Company acquired a controlling interest in Isracard Ltd. was completed; following the completion of the transaction, the Group holds approx. 40.07% of Isracard's share capital. In addition, as of the approval date of this report, the Company holds 100% of Delek Leviathan Overriding Royalty, approx. 25% in Delek Israel and approx. 19% in Delek Israel Properties, which operate in the gas stations, convenience stores and real estate properties segment, as well as approx. 61% of Mehadrin Ltd, which operates mostly in agriculture and holds rights to various real estate properties.

The Company's key strategy is to continue developing its core assets in the field of gas and oil exploration and production (Upstream Energy), by, among other things, improving the Group's assets in the Mediterranean Sea (East Med) and in the North Sea, and maximizing their potential, as well as by assessing business opportunities that may unlock value in the Company's activity and constitute a growth engine for the Company's continued activity. In accordance with the aforementioned strategy, the Company acquired the controlling interest in Isracard, as detailed below, and in light of the Transaction Completion Date - which took place in the third quarter of 2025 - the Company will begin to consolidate Isracard's results as of the third quarter, as stated.

Since the Group has considerable operations in the energy industry, oil and natural gas prices (as well as the USD-NIS exchange rate and interest rates) have a material impact (positive or negative) on the Group's operating results, the value of its assets (both marketable and non-marketable), its equity, operating cash flows. In addition, the volatility of gas and oil prices affects the ability of the Company and its Staff Companies to receive dividends from investee companies and partnerships or the amount of the dividends.

For information about trends and events that have, or may have, an effect on the above parameters, see Section 6 to the Report of the Board of Directors for the year ended December 31, 2024.

2. Principal operations

Gas and Oil in and around Israel Segment

- The Group's Gas and Oil in Israel Segment is carried out mainly through NewMed Energy - Limited Partnership (hereinafter - "**NewMed Energy**" or the "Partnership"). As of report approval date, the Partnership engages mainly in exploration, development, and production of natural gas, condensate, and oil in Israel, Cyprus, Morocco and Bulgaria, and in the development of various natural gas-based projects, with the aim of increasing sales of natural gas produced by the Partnership. At the same time, the Partnership is assessing business opportunities for exploration, development, production, and marketing of natural gas, condensate, and oil in other countries, assessing and promoting options for investments in renewable energy project as part of the collaboration with Enlight Renewable Energy Ltd., and is exploring options to generate hydrogen, which is produced from natural gas, as a low-carbon alternative for energy consumers.
- Subsequent to the balance sheet date, on August 7, 2025, the Partnership announced that the Leviathan Partners and Blue Ocean entered into an amendment to the Export Agreement to Egypt, which was signed between the Sellers and the Acquirer on September 26, 2019, as amended from time to time. Under the amendment, the Total Contractual Quantity under the Export Agreement shall be increased by a total of 130 BCM in two increments, as detailed below: (a) An additional quantity of approx. 20 BCM starting upon the amendment's coming into force (hereinafter - the "**First Increment**"); and (b) an additional quantity of approx. 110 BCM subject to the fulfillment of the conditions (hereinafter - the "**Second Increment**"). For further details regarding the agreement, see Note 4Dvto the Consolidated Interim Financial Statements.
- On March 26, 2025, the General Partner's Board approved a budget for assessing the construction of a transmission infrastructure from the Aphrodite Reservoir in the area of Block 12 in the exclusive economic zone of the Republic of Cyprus, as part of the Reservoir's Revised Development Plan, which was approved on February 14, 2025 by the Cypriot government, totaling approx. USD 20 million (100%, the Partnership's share - approx. USD 6 million), which mainly includes conducting seismic surveys of the seabed.
- On March 27, 2025, and June 11, 2025, the Partnership announced that the partners in the Bulgaria license had decided to conduct exploration drillings in the Vinekh and Krum prospects (hereinafter – the "**Vinekh Drilling**" and the "**Krum Drilling**," respectively, and together, the "**Drillings**"). The execution of the Drillings is conditional upon the receipt of all the required approvals from the Bulgarian government and the signing of agreements for the provision of services in connection with the execution of the Drillings. The Vinekh Drilling is expected to begin in the fourth quarter of 2025 and last about two months. The Krum Drilling is expected to commence upon completion of the Vinekh Drilling, during the first quarter of 2026, and is anticipated to last about two months.
- As of March 9, 2025, NewMed Energy declared a profit distribution of USD 60 million, which was distributed in April 2025. The Group's share in said profit distribution is approx. USD 33 million (approx. NIS 122 million).
- On May 11, 2025, NewMed Energy declared a profit distribution in the amount of USD 60 million, which was distributed in June 2025. The Group's share in said profit distribution is approx. USD 33 million (approx. NIS 122 million).
- Subsequent to the balance sheet date, on August 6, 2025, NewMed Energy declared a profit distribution of USD 60 million, which will be distributed in August 2025. The Group's share in said profit distribution is approx. USD 33 million (approx. NIS 112 million).

North Sea Oil and Gas Segment

- The Group's operations in this segment are carried out through Ithaca Energy Plc (hereinafter - "**Ithaca**"), a subsidiary in which the Group holds approx. 52.22% (indirectly), dealing in oil and gas exploration, production and sale in the North Sea, and holding the rights to oil assets located in the North Sea in territorial waters off the coast of the UK; furthermore, Ithaca serves as the operator in some of its assets.
- On March 25, 2025, Ithaca entered into an agreement to acquire the entire share capital (100%) of Japex UK E&P Limited, for approx. USD 193 million, subject to adjustments. The Seller holds 15% of the interests in the Seagull Reservoir, a producing reservoir in which Ithaca holds 35% of the interests prior to the completion of the transaction. The transaction was completed subsequent to the reporting date, in July 2025, and the consideration, after adjustments, totaled approx. USD 136 million.
- On May 19, 2025, Ithaca entered into an agreement to acquire 46.25% of the rights in producing oil asset Cygnus for approx. USD 154 million. Prior to the transaction's completion, Ithaca holds 38.75% of the rights to producing reservoir Cygnus and, subsequent to the completion of the transaction, it will hold 85% of said reservoir. After the completion of the transaction, approx. 23 MMBOE (as of January 1, 2025) are expected to be added to Ithaca's total reserves (P2) and Ithaca's daily output is expected to increase in the range of 12.5-13.5 Mbbl of oil per day (kboe/d) in 2025. The completion of the Transaction depends, among other things, on the fulfillment of the conditions precedent set in the Acquisition Agreement, which include - among other things - obtaining accepted regulatory approvals, including those of the UK Oil and Gas Authority.
- In March 2025, Ithaca declared an additional dividend in respect of 2024 totaling USD 200 million (such that after the distribution of this dividend the total dividends distributed by Ithaca in respect of 2024 stands at USD 500 million). The said dividend was distributed by Ithaca in April 2025. The Company's share of this distribution is approx. USD 104 million (approx. NIS 390 million).
- Subsequent to the balance sheet date, in August 2025, Ithaca's board of directors approved the distribution of a first interim dividend for 2025, totaling approx. USD 167 million (the Company's share is approx. USD 87 million (approx. NIS 296 million). The said dividend will be distributed in September 2025.

Additional activities**Isracard Ltd. acquisition transaction**

On July 23, 2025, subsequent to the balance sheet date and to the fulfillment of all conditions precedent (including obtaining the Competition Commissioner's approval and a control permit from the Bank of Israel), a transaction was completed in which the Company invested approx. NIS 1,358 million in the share capital of Isracard Ltd. (hereinafter - "**Isracard**") against the allocation of Isracard shares, which constitute approx. 37.05% of its issued and paid-up share capital on the completion date. Subsequent to the completion of the transaction, and together with Isracard's shares held by the Company prior to its completion, the Company holds approx. 40.07% of Isracard's share capital and is the controlling shareholder thereof. Isracard's financial statements will be consolidated into the Company's financial statements as of the third quarter this year.

As part of the investment agreement between the Company and Isracard, prior to the transaction's completion date but after all the conditions precedent had been met, on July 15, 2025, Isracard's board of directors approved a special dividend distribution of approx. NIS 1.2 billion, which was made in August 2025. The

Company's share in the abovementioned dividend by virtue of its ownership stake in Isracard prior to the completion date is approx. NIS 60 million.

For further details regarding the agreement, see Note 3D to the Interim Financial Statements.

Isracard is a publicly-traded company, whose shares are listed on the Tel Aviv Stock Exchange; the company is mainly engaged in the issuance, processing and acquiring of credit cards and provision of credit to private and commercial customers.

- **Mehadrin Ltd.**

In April 2024, the Group completed a tender offer, in which it acquired an additional approx. 7.9% of the share capital of Mehadrin, in consideration for approx. NIS 64.6 million. Accordingly, the Group's holding stake in Mehadrin increased to approx. 61.36% (the holding stake prior to the completion of the acquisition stood at approx. 53.5%).

On January 16, 2025, a subsidiary of Mehadrin entered into a set of agreements with a company of the Yuka Park Group for the sale of an unspecified 40% (in a partnership in land) out of all of the subsidiary's rights and undertakings in the property in Netanya at a land value of NIS 206 million; the parties also entered into a partnership and joint venture agreement regarding a project, which they intend to jointly develop and construct on the land, in consideration for a total of NIS 82.4 million. As of the approval date of the Financial Statements, the transaction has not yet been completed.

- **InPlay Oil Corp**

Subsequent to the balance sheet date, on August 10, 2025, the Group completed a transaction under which it acquired approx. 32.7% of the share capital of InPlay Oil Corp. (hereinafter - "InPlay"), in consideration for approx. USD 67 million in cash.

InPlay is a publicly-traded company whose shares are listed on the Toronto Stock Exchange in Canada (TSX). InPlay is active in the energy sector in the province of Alberta, Canada. InPlay's operations include drilling, production, operation, and sale of oil and natural gas from multiple onshore wells.

Debentures

- On February 11, 2025, the Company completed the issuance of NIS 1,062,080,000 par value of a new series of debentures (Series B40). The Debentures are not linked to the CPI and bear annual interest at rate of 5.69%. The Debentures' principal will be repaid in five (non-equal) annual payments on June 30, 2028, and of each of the years 2030-2033. The interest is paid in semi-annual payments on June 30 and December 31, starting on June 30, 2025. The debentures are not secured by a lien on any asset. The net issuance consideration of the Debentures (net of issuance costs) amounted to approx. NIS 1,050 million, with approx. NIS 562 million of the amount being used for partial early repayment of Debentures (Series B38).

In addition, on June 3, 2025, the Company completed a private placement of an additional NIS 501,645,000 par value of Debentures (Series B40) by way of a series expansion, for total consideration of approx. NIS 500 million. The proceeds of the issuance were used for the partial early repayment of Debentures (Series B37).

For further details regarding the debentures issued by the Company see Note 5 to the Consolidated Interim Financial Statements.

- Subsequent to the balance sheet date, on July 24, 2025, Midroog upgraded the rating of the debentures issued by the Company from A3.il to A2.il, with a stable outlook. It is noted that Maalot reiterated the Group's issuer rating at "il.A-", with a stable outlook.

Dividend

- On March 26, 2025, the Company's Board of Directors decided to distribute a dividend to the Company's shareholders in the amount of NIS 260 million. The dividend was paid in April 2025.
- On May 20, 2025, the Company's Board of Directors decided to distribute a dividend to the shareholders in the amount of NIS 250 million. The dividend was paid in June 2025.
- Subsequent to the balance sheet date, on August 19, 2025, the Company's Board of Directors decided to distribute a dividend to the shareholders in the amount of NIS 250 million. The dividend will be paid in September 2025.

The Company's share buyback plan

On March 25, 2025, the Company's Board of Directors approved a buyback plan for the Company's shares (hereinafter - the "**Buyback Plan**") in an amount of up to NIS 105 million until the end of 2025. The Buyback Plan continues the Company's share buyback plan dated June 16, 2024, totaling NIS 200 million (hereinafter - the "**Previous Buyback Plan**") and the total cost of the Buyback Plan constitutes the unutilized balance of the Previous Buyback Plan.

Under the abovementioned Buyback Plan, through the approval date of the Consolidated Interim Financial Statements, the Group acquired 62,750 p.v. in shares in consideration for approx. NIS 34 million.

3. Operating results

- a) The net income attributable to the Company's shareholders (net of non-recurring accounting provisions, arising from adjustments to deferred taxes in the North Sea, as detailed below), totaled approx. NIS 491 million in the first half of 2025, compared to approx. NIS 651 million in the corresponding period last year. It is noted that the Group's operating results without deducting the abovementioned adjustments to deferred taxes totaled to a profit of approx. NIS 186 million in the first half of 2025. In the second quarter of 2025, net income amounted to approx. NIS 176 million compared to approx. NIS 382 million in the corresponding quarter last year.

The decrease in income in the first half of 2025 (in addition to the accounting adjustment for deferred taxes) and in the current quarter, compared to the corresponding periods last year, stems mainly from the suspension of gas production from the Leviathan Reservoir during the second quarter of 2025 (as a result of the Reservoir's shutdown during Operation Rising Lion and planned shutdown for the construction of the Third Pipeline), a decrease in oil prices compared to the corresponding periods, revenue from revaluation of financial instruments in Ithaca and NewMed, which were recorded in the corresponding periods, while amounting to expenses in the reporting period, as well as a change in the Group's holding stake in Ithaca relative to the corresponding periods.

Contribution to net income attributable to the Company's shareholders from principal operations (NIS million):

	Q1 2025	Q2 2025	H1 2025		Q1 2024	Q2 2024	H1 2024		2024
Oil and Gas Exploration and Production in and around Israel ¹⁾	245	155	400		211	259	470		974
Oil and gas exploration and production in the North Sea ¹⁾	131	110	(* 241		142	270	(* 412		854
<u>Contribution of continuing operations before discontinued operations and capital and other gains</u>	376	265	641		353	529	882		1,828
Other profits, net, in the oil and gas sector ²⁾	(312)	(31)	(343)		29	(35)	(6)		(204)
Finance, tax, and other income (expenses) ³⁾	(54)	(58)	(112)		(113)	(112)	(225)		(220)
Net income attributable to the Company's shareholders	<u>10</u>	<u>176</u>	<u>186</u>		<u>269</u>	<u>382</u>	<u>651</u>		<u>1,404</u>
Net income attributable to the Company's shareholders, net of adjustments for deferred taxes in the North Sea	<u>315</u>	<u>176</u>	<u>491</u>		<u>269</u>	<u>382</u>	<u>651</u>		<u>1,404</u>

*) It is noted that in the reporting period, the contribution of the North Sea Gas and Oil Segment to the Group's net income is in respect of the Group's 52.22% holding stake in Ithaca, compared to a holding stake of 88.55% in the corresponding period last year. Had the Group held 52.22% of the rights in Ithaca in the corresponding period, its contribution to net income in the first half of 2024 (before non-recurring revenue/expenses) would have totaled approx. NIS 243 million, which is similar to the approx. NIS 241 million income in the current period.

- 1) Not including profits or losses from impairment of assets, revaluation of royalty rights, and other non-recurring profits and losses, as detailed in Section 2 below.
- 2) The six-month period primarily includes expenses related to the adjustment of deferred taxes in the North Sea in the amount of NIS 305 million and an impairment of oil and gas assets in the North Sea, mainly as a result of an updated decommissioning liability for non-producing assets totaling approx. NIS 33 million. while in the corresponding period, mainly revaluation of rights to royalties from the Karish and Tanin leases in the amount of approx. NIS 61 million and impairment of the gas and oil assets in the North Sea, mainly as a result of a revision of a decommissioning liability in respect of the assets which are no longer producing totaling approx. NIS 67 million. In 2024, the Report mainly includes revaluation income from revaluation of rights to royalties from the Karish and Tanin leases totaling approx. NIS 95 million and deductions due to impairment of gas and oil assets in the North Sea, a revision of a decommissioning liability in respect of the assets which were fully depreciated, as well as exploration and evaluation costs totaling approx. NIS 280 million.
- 3) In the reporting period, includes, among other things, the Group's share in Mehadrin's operating results totaling approx. NIS 24 million, compared to a loss of approx. NIS 28 million in the corresponding period last year.

b) **EBITDAX** (NIS million) *)

The Group's EBITDAX in the reporting period totaled approx. NIS 5,282 million, as compared to approx. NIS 3,403 million in the same period last year, as detailed in the table below (NIS million):

	1-6/2025	1-6/2024	4-6/2025	4-6/2024		2024
Oil and Gas Exploration and Production in and around Israel	1,220	1,464	469	790		3,006
North Sea Oil and Gas Asset Development and Production Segment	4,020	1,964	1,661	722		5,191
Other revenues (expenses)	42	(25)	4	(44)		(30)
Total EBITDAX	5,282	3,403	2,134	1,468		8,167

*) Profit before financing, taxes, depreciation and amortization, exploration and evaluation expenses and before non-recurring expenses and revenues. It is noted that EBITDAX includes the Company's share in the results of operating associates, and profits (losses) arising from hedging transactions constituting economic hedges (even if they were not defined as accounting hedges), without premiums.

c) **Revenue** (NIS million):

The Group's revenues in the reporting period totaled approx. NIS 7,358 million, as compared to approx. NIS 5,479 million in the same period last year, as detailed in the table below (NIS million):

	1-6/2025	1-6/2024	4-6/2025	4-6/2024		2024
Oil and Gas Exploration and Production in and around Israel	1,497	1,802	596	962		3,661
North Sea Oil and Gas Asset Development and Production Segment	5,229	3,106	2,673	1,347		7,326
Other segments including adjustments	632	571	238	214		974
Total revenues	7,358	5,479	3,507	2,523		11,961

See also Note 9 to the Consolidated Interim Financial Statements - Information Regarding Operating Segments.

d) **Operating income (loss)** (NIS million):

	1-6/2025	1-6/2024	4-6/2025	4-6/2024		2024
Oil and Gas Exploration and Production in and around Israel	1,024	1,273	386	693		2,595
North Sea Oil and Gas Asset Development and Production Segment	2,301	891	745	202		1,843
Other segments including adjustments	37	(62)	(15)	(64)		(102)
Total operating income	3,362	2,102	1,116	831		4,336

See also Note 9 to the Consolidated Interim Financial Statements - Information Regarding Operating Segments.

e) Highlights from the Company's consolidated income statements (NIS million):

	1-6/2025	1-6/2024	4-6/2025	4-6/2024		2024
Revenues	7,358	5,479	3,507	2,523		11,961
Cost of sales	3,758	3,093	2,197	1,484		6,260
Gross income	3,600	2,386	1,310	1,039		5,701
General and administrative expenses	158	151	88	86		306
Group's share in profits of operating associates, net	14	19	3	8		54
Other expenses, net	(94)	(152)	(109)	(130)		(1,113)
Operating income	3,362	2,102	1,116	831		4,336
Finance income	213	365	131	241		812
Finance expenses	(939)	(824)	(438)	(388)		(1,723)
Profit before taxes on income	2,636	1,643	809	684		3,425
						3,814
Income tax	2,206	602	435	123		1,109
Profit from continuing operations	430	1,041	374	561		2,316
Profit from discontinued operations, net	-	54	-	47		54
Net income	430	1,095	374	608		2,370
Attributable to -						
Company shareholders	186	651	176	382		1,404
Non-controlling interests	244	444	198	226		966
	430	1,095	374	608		2,370

f) Movement in comprehensive income (NIS million):

	1-6/2025	1-6/2024	4-6/2025	4-6/2024		2024
Net income	430	1,095	374	608		2,370
Other comprehensive income (loss) from continuing operations (post-tax):						
Gain (loss) from cash flow hedges	318	(50)	182	(46)		(131)
Transfer to profit or loss for cash flow hedges	(20)	(91)	(28)	(24)		(128)
Adjustments from translation of foreign operations' financial statements (*)	(1,440)	590	(1,820)	350		17
Total other comprehensive income (loss) from continuing operations	(1,142)	449	(1,666)	280		(242)
Total comprehensive income (loss)	(712)	1,544	(1,292)	888		2,128
Attributable to:						
Company shareholders	(396)	937	(676)	562		1,320
Non-controlling interests	(316)	607	(616)	326		808
	(712)	1,544	(1,292)	888		2,128

- (*) The Group has material investments in investee companies and an investee partnership whose functional currency is NIS the USD; thus, changes in currency exchange rates materially affect the Group's other comprehensive income or loss and the equity attributable to the Company's shareholders. In the reporting period, the USD devalued by approx. 7.5% against the NIS, as compared to a gain of approx. 3.6% in the same period last year.

4. Financial Position

Principal changes in assets and liabilities as of June 30, 2025, compared with December 31, 2024:

The Group's total assets as of June 30, 2025, amounted to approx. NIS 48.9 billion compared with approx. NIS 52.4 billion as of December 31, 2024. The decrease stems mainly from a decrease in the USD exchange rate during the reporting period, as a result of which there was a decrease in the NIS value of Ithaca's and NewMed's assets.

Cash and cash equivalents and short-term investments

As of June 30, 2025, the Group had cash and short-term investment balances of approx. NIS 4.8 billion, consisting mainly of balances of approx. NIS 1.8 billion in the Company and staff companies, approx. NIS 1.5 billion in Ithaca, and approx. NIS 1.3 billion in NewMed Energy.

Current and non-current assets

Total current assets (other than cash and short-term investments), amounted to approx. NIS 4.3 billion as of June 30, 2025, compared with a total of approx. NIS 4.8 billion as of December 31, 2024, a decrease of approx. NIS 0.5 billion. The decrease is mainly due to a decrease in the USD exchange rate in the reporting period, which was partially offset by an increase in oil inventory in the North Sea as a result of timing differences in inventory withdrawal and an increase in the financial derivatives balance.

As of June 30, 2025, the Group's non-current assets totaled approx. NIS 39.8 billion, compared to total non-current assets as of December 31, 2024, of approx. NIS 43.6 billion, a decrease of approx. NIS 3.8 billion. The decrease arises mainly from a decrease in deferred tax assets from approx. NIS 3.9 billion as of December 31, 2024 to approx. NIS 1.8 billion, mainly as a result of adjustments to deferred taxes in the North Sea Gas and Oil Segment in the reporting period, as well as from a depreciation in the USD exchange rate, which caused an impairment in the NIS value of NewMed Energy's and Ithaca's long-term assets.

Short- and long-term liabilities

As of June 30, 2025, the Group's current and non-current liabilities amounted to approx. NIS 32.2 billion compared with approx. NIS 33.8 billion as of December 31, 2024. A decrease of approx. USD 1.6 billion, which is mainly due to a decrease in the USD exchange rate, which led to a decrease in the NIS value of NewMed and Ithaca's short and long-term liabilities. This decrease was partially offset by an increase of approx. USD 0.3 billion (approx. NIS 1 billion) in Ithaca's payable taxes balance.

Total financial liabilities (to banks and others and to debenture holders) in the consolidated balance sheet, as of June 30, 2025, amounted to approx. NIS 14.3 billion, compared with approx. NIS 14.8 billion as of December 31, 2024, a decrease of approx. ILS 0.5 billion, which is mainly due to a decrease in the USD exchange rate.

Contingent claims

In their opinion on the financial statements, the Company's independent auditors draw attention to legal actions brought against Group companies; For details, see Note 6 to the Consolidated Interim Financial Statements.

5. Sources of Financing and Liquidity

The net financial debt of the Company and the staff companies as of June 30, 2025:⁽¹⁾

	NIS million
<u>Liabilities</u>	
Debentures	4,475
<u>Assets</u>	
Cash and investment in financial assets	1,883
Deposits in the accounts of the debentures trustees	58
Total assets	1,941
Net financial debt	2,534

⁽¹⁾ Staff companies: Delek Group, Delek Petroleum, Delek Financial Investments (2012) Limited Partnership, Delek Power Plants Limited Partnership, DKL Energy, DKL Investments, Delek Infrastructure, Delek Hungary Holdings Limited, and Delek Energy.

6. Analysis of Operations by Operating Segment

a) Oil and gas production in and around Israel

As aforesaid, oil and gas exploration and production in and around Israel are carried out mainly through NewMed Energy.

Operating results of oil and gas exploration and production in and around Israel, as included in the Group's results (NIS million):

	1-6/2025	1-6/2024	4-6/2025	4-6/2024		2024
Revenues from gas sales net of royalties	1,497	1,802	596	962		3,661
Operating income	1,024	1,273	386	693		2,595
EBITDAX	1,220	1,464	469	790		3,006
Finance expenses, net	(129)	(24)	(42)	(18)		(88)
Income tax	(188)	(296)	(59)	(162)		(569)
Net income attributable to Group's shareholders	395	530	157	286		1,080

(*) The data relate to sales of natural gas (100%), rounded to one tenth of one BCM.

The following table presents gas quantities (100%) sold in the reporting period and the corresponding period last year, from the Leviathan Reservoir, by customer location:

2025. 1-6 - (BCM)					
	<u>Israel</u>	<u>Jordan</u>	<u>Egypt</u>	<u>Total</u>	
Q1	0.4	0.8	1.7	2.9	
Q2	0.2	0.5	1.3	2.0	
Total	0.7	1.3	3.0	5.0	

2024. 1-6 - (BCM)					
	<u>Israel</u>	<u>Jordan</u>	<u>Egypt</u>	<u>Total</u>	
Q1	0.2	0.6	1.8	2.6	
Q2	0.4	0.6	1.8	2.8	
Total	0.6	1.2	3.6	5.4	

Analysis of the Operating Results of Oil and Gas Exploration and Production in and around Israel

It is noted that, during the second quarter of 2025, military operation Rising Lion was launched to eliminate the Iranian nuclear threat (hereinafter – the “Operation”). The Operation began on June 13, 2025, and ended on June 24, 2025, with the entry into force of a bilateral ceasefire. At the outset of the Operation, the operator of the Leviathan Project received a notice from the Minister of Energy, stating that, due to the security situation, it was required to cease operations at the Leviathan Rig until further notice. Upon the conclusion of the Operation, on June 24, 2025, Chevron received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructures, stating that all preparations for the reactivation of the Leviathan Rig could be carried out. Accordingly, Chevron proceeded with the reactivation of the rig and resumed regular production from the reservoir on June 25, 2025. The abovementioned suspension of production resulted, according to the Partnership's estimate, in the loss of income from the sale of natural gas and condensate (gross before royalties) and revenues from royalties with respect of the Karish Reservoir totaling approx. USD 33 million and a decrease of approx. USD 20 million in the Partnership's net income.

It is also noted that, over 11 days during the second quarter of 2025, planned work was carried out as part of the Third Pipeline Project - which is expected to be completed in early 2026, in conjunction with routine maintenance work, during

which natural gas production from the Leviathan reservoir was suspended. It is noted that, in order to complete the Third Pipeline Project, additional work is expected, which will involve several days of production shutdowns from the reservoir.

In the reporting period, the operating results of oil and gas exploration in and around Israel amounted to a net income of approx. NIS 395 million compared with a net income of approx. NIS 530 million in the corresponding period last year.

In the second quarter of 2025, the operating results of oil and gas exploration in and around Israel amounted to a net income of approx. NIS 157 million, compared with a net income of approx. NIS 286 million in the corresponding quarter last year.

The lower income in the reporting period and in the second quarter of 2025, compared to the corresponding periods last year, arose mainly from the decrease in gas quantities produced due to the abovementioned production suspensions, and from the decrease in the average selling price due to the drop in oil prices. Furthermore, during the reporting period and in the second quarter of 2025, there was a decrease in finance income from revaluation of royalties based on future production from the Karish and Tanin Leases, which also caused a decrease in net income.

Revenues from gas and oil sales, net of royalties

In the reporting period, revenues from the sale of gas and oil, net of royalties, amounted to approx. NIS 1,497 million compared with an amount of approx. NIS 1,802 million in the corresponding period last year, which constitutes a decrease of approx. 17%.

The decrease was primarily attributable to a reduction in the volume of natural gas sold from the Leviathan Reservoir – approx. 4.99 BCM (100%) during the reporting period compared to approx. 5.41 BCM (100%) in the corresponding period last year, as well as a decline in the average price per heat unit (MMBTU), which was approx. USD 5.76 per MMBTU during the reporting period compared to approx. USD 6.23 per MMBTU in the corresponding period last year. The decrease in the volume of natural gas sold from the Leviathan Reservoir during the second quarter was primarily due to a planned shutdown of natural gas and condensate production, as noted above. The decrease in the average price per thermal unit was due to a decline in the price of Brent crude, to which certain natural gas sale contracts are linked.

In the second quarter of 2025, revenues from gas and oil sales net of royalties amounted to approx. NIS 596 million, compared to approx. NIS 962 million in the corresponding quarter last year. The decrease was primarily due to a reduction in the volume of natural gas sold from the Leviathan Reservoir - approx. 2.04 BCM in the second quarter of 2025, compared to approx. 2.81 BCM in the second quarter of 2024 – a decline in the average price per thermal unit (MMBTU), which was approx. USD 5.63 per MMBTU in the second quarter of 2025 compared to approx. USD 6.29 per MMBTU in the second quarter of 2024, and lower revenues from condensate sales. The decrease in the quantities of natural gas and condensate sold from the Leviathan Reservoir, as well as in selling prices during the second quarter compared to the corresponding quarter last year, was primarily due to the reasons mentioned above.

Operating income

In the reporting period, operating income amounted to approx. NIS 1,024 million compared with approx. NIS 1,273 million in the corresponding period last year.

In the second quarter of 2025, the operating income amounted to approx. NIS 386 million compared to approx. NIS 693 million in the corresponding quarter last year.

The decrease in operating income was primarily due to a decline in revenues from the Leviathan Project, as described above.

Finance expenses, net

In the reporting period, net finance expenses amounted to approx. NIS 129 million, compared with approx. NIS 24 million in the corresponding period last year. The increase arose mainly from a decrease in the revaluation of royalties receivable, which - as of the corresponding period last year - amounted to a revaluation income of approx. USD 38.9 million compared to expenses due to a negative revaluation of approx. USD 3.1 million in the reporting period.

In the second quarter of 2025, net finance expenses amounted to approx. NIS 42 million, compared with approx. NIS 18 million in the corresponding quarter last year. The decrease in net finance expenses is mainly due to revaluation of royalties receivable from the Karish and Tanin leases, as described above.

Income tax

Income tax in the reporting period amounted to approx. NIS 188 million, compared to approx. NIS 296 million in the same period last year. The decrease was primarily due to the decrease in profit before tax during the Reporting Period compared to the corresponding period last year.

Income tax, net, in the second quarter of 2025, amounted to approx. NIS 59 million, compared to approx. NIS 162 million in the corresponding quarter last year. The decrease was primarily due to the decrease in profit before tax in the quarter compared to the corresponding quarter last year, and the impact of the change in the exchange rate on the deferred tax liability.

Adjustment of the Partnership's results to the Group's share in oil and gas exploration and production in and around Israel (NIS million):

	1-6/2025	1-6/2024	4-6/2025	4-6/2024		2024
Net income from [NewMed Energy's financial statements]	711	954	291	510		1,942
Indirect holdings (%)	54.7%	54.7%	54.7%	54.7%		54.7%
Group's share	389	522	159	279		1,062
Income tax	1	(2)	1	1		1
Revenues from overriding royalties	22	26	9	14		62
Amortization of excess costs *)	(15)	(15)	(6)	(7)		(34)
General and administrative expenses	(4)	(4)	(3)	(2)		(8)
Finance income (expenses), net	2	3	(3)	1		(3)
Contribution to net income from oil and gas exploration and production operations	395	530	157	286		1,080

*) Current amortization of the surplus cost attributable to the Leviathan Project.

For further details on oil and gas exploration and production in and around Israel, see Notes 3B and 4 to the Consolidated Interim Financial Statements.

b) Oil and gas exploration and production in the North Sea

Ithaca is an independent oil and gas operator in the North Sea, holding both producing and development assets.

Ithaca's financial data as included in the consolidated financial statements (including attribution of excess acquisition costs incurred upon assuming control):

Balance sheet (in USD million):

(in USD million)	June 30, 2025	December 31, 2024
Cash and cash equivalents	439	165
Other current assets	1,019	811
Investments in oil and gas exploration and production	4,573	4,600
Other assets, net (mainly deferred taxes)	1,119	1,412
Goodwill	1,184	1,175
Total assets	8,334	8,163
Current liabilities (trade payables, payables, derivatives and other)	1,626	1,443
Loans from banks and debentures	1,087	1,012
Other long-term liabilities (mainly in respect of an asset decommissioning liability)	2,866	2,787
Equity attributable to Ithaca's shareholders	2,755	2,921
Total liabilities and equity	8,334	8,163
Part of Ithaca's equity attributable to Group shareholders	1,429	1,515

Income Statement (in USD million)

(in USD million)	1-6/2025	1-6/2024	4-6/2025	4-6/2024	2024
Revenues	1,454	842	746	362	1,982
Cost of sales (excluding depreciation expenses and inventory movements)	(422)	(283)	(218)	(150)	(620)
Depreciation expenses	(440)	(254)	(217)	(109)	(602)
Change in oil and gas inventory	99	(5)	(62)	(4)	81
Gross income	691	300	249	99	841
Impairment of gas and oil assets	(30)	(37)	(29)	(32)	(286)
General and administrative expenses	(22)	(20)	(12)	(12)	(41)
Other revenues, net	-	-	-	-	(16)
Revaluation of contingent considerations	(15)	27	(11)	31	27
Other finance expenses, net	(111)	(81)	(51)	(33)	(191)
Profit before tax	513	189	146	53	334
Tax expenses (income)	565	83	106	(10)	149
Net income (loss) attributable to Ithaca's shareholders	(52)	106	40	63	185
Net income attributable to Ithaca's shareholders, net of adjustments for deferred taxes	110	106	40	63	185
Net income (loss) attributable to Group shareholders *)	(27)	93	21	55	145
Net income attributable to the Group's shareholders, net of adjustments for deferred taxes *)	57	93	21	55	145
Output in the reporting period (in millions) (MMBOE)	22.4	9.6	10.9	4.3	25.4
Average daily output (Kboe/d)	123.6	53.0	119.8	47.0	(** 80.2)

*) It is noted that the Group's holding stake in Ithaca in the reporting period is approx. 52.22%, compared to 88.55% in the corresponding period last year.

**) Represents the average daily output in 2024, considering Eni UK's contribution, starting from July 1, 2024 (the effective date of the merger). The average daily output, considering Eni UK's contribution as from October 2, 2024 (the transaction completion date) is 69.4 mbbbl/day.

EBITDAX (in USD million)

USD million	1-6/2025	1-6/2024	4-6/2025	4-6/2024	2024
Revenues from the sale of gas and oil *)	1,437	832	740	357	1,957
Movement in gas and oil inventories, royalties and oil tanker costs	87	(16)	(68)	(10)	64
Revenues, net from production during the period	1,524	816	672	347	2,021
Operating expenses (OPEX)	(391)	(263)	(202)	(141)	(570)
Current general and administrative expenses and exchange rate differences	(16)	(20)	(6)	(12)	(46)
EBITDAX	1,117	533	464	194	1,405

*) Not including Ithaca's revenues other than from the sale of gas and oil.

Additional data concerning Ithaca's results

Ithaca's EBITDAX increased in the reporting period to approx. USD 1,117 million compared to USD 533 million in the corresponding period last year; the increase arises mainly from a substantial increase in production volumes as a result of the merger with Eni UK, which was partially offset by a decrease in oil prices in the reporting period compared to the corresponding period last year, as detailed below.

Revenues

Ithaca's revenues in the reporting period totaled approx. USD 1,454 million, as compared to revenues of approx. USD 842 million in the same period last year. Revenues during the second quarter of 2025 was approx. USD 746 million, compared to approx. USD 362 million in the corresponding quarter.

The increase in revenues arises mainly from an increase in the volume of production, mainly as a result of the merger with Eni UK, which was completed during the last quarter of 2024. Average daily production output in the current quarter reached 119.8 BOE compared to 47.0 BOE in the corresponding quarter last year.

The average gas selling price (prior to the hedging) was up in the first half of 2025, reaching 94 pence/therm compared to 69 pence/therm last year, and the average selling prices for oil (prior to the hedging) stood at approx. USD 71 bbl in the first half of 2025, compared to USD 87 per barrel in the corresponding period last year.

The effect of price changes was partially offset by the results of Ithaca's hedging transactions, which are entered into under Ithaca's risk management policy. The effect of these transactions on Ithaca's revenues increased revenues in the reporting period by approx. USD 23 million, compared to an increase in income of approx. USD 98 million in the corresponding period last year. Gas selling price after hedging amounted in the reporting period to approx. 92 pence/therm, and oil selling price after hedging amounted to approx. USD 73 bbl.

It is noted that, as of June 30, 2025, Ithaca had open hedging transactions on oil prices amounting to approx. 18.4 MMBBL at an average hedged price of approx. USD 69 bbl, and open hedging transactions on gas prices amounting to approx. 20.6 MMboe oil at an average hedged price of approx. 87 pence/therm. As of June 30, 2025, the value of these hedges reflects an asset of approx. USD 183 million (approx. NIS 616 million).

Cost of sales

Cost of sales (excluding depreciation expenses and inventory movements) in the reporting period totaled approx. USD 422 million, as compared to approx. USD 283 million in the same period last year, mainly due to the merger with Eni UK, as outlined above. The average operating production expenses (OPEX) per barrel in the reporting period was approx. USD 17.5 (compared to approx. USD 27.3 bbl in the corresponding period last year). The decrease in unit cost arose mainly from the addition of Eni UK's assets, which have a lower production cost per unit.

Depreciation and amortization in the reporting period totaled approx. USD 440 million compared to approx. USD 254 million; the increase is due to the inclusion of Eni UK's assets. However, per barrel depreciation costs stood at approx. USD 20 in the reporting period, compared to approx. USD 26 in the corresponding period.

Revaluation of contingent considerations

It is noted that Ithaca's net income in the reporting period was affected by revaluations of contingent considerations in respect of business combinations, which reflected a loss of approx. USD 15 million in the reporting period compared to an income of approx. USD 27 million in the corresponding period last year (and Ithaca's net income was affected by the same amount). In the current quarter, the abovementioned revaluation reflected a loss of approx. USD 11 million compared to an income of approx. USD 31 million in the corresponding quarter.

Other finance expenses, net

Other net finance expenses in the reporting period totaled approx. USD 111 million, compared to approx. USD 81 million in the corresponding period last year. In the current quarter, other net finance expenses totaled approx. USD 51 million, compared to approx. USD 33 million in the corresponding quarter. The increase in finance expenses in the reporting period and in the current quarter arises mainly from an increase in expenses in respect of the time value of decommissioning liabilities, which increased as a result of the business combination with Eni UK.

Income tax

During the reporting period, on March 5, 2025, the UK government effectively completed the legislation under which it extended the period of the energy profit levy (EPL) by further two years through March 31, 2030. As a result of the completion of the said legislation, Ithaca recognized, in the first quarter of 2025, a one-time accounting expense in respect of revision of deferred taxes of approx. USD 327.6 million (approx. NIS 1.2 billion).

It is noted that the Group's share in the abovementioned revision of deferred taxes, net during the reporting period is approx. USD 85 million (approx. NIS 305 million). Tax expenses in the reporting period totaled approx. USD 565 million, compared to approx. USD 83 million in the corresponding period last year. The increase in tax expenses arises mainly from the abovementioned revision to deferred taxes in the first quarter of 2025, and from an increase in the scope of activity as a result of the merger with Eni UK.

Tax expenses in the second quarter of 2025 totaled approx. USD 106 million, compared to USD 10 million in tax income in the corresponding quarter. The increase in tax expenses in the quarter arises mainly from an increase in the scope of activity as a result of the merger with Eni UK.

For further details on oil and gas exploration and production operations in the North Sea, see Notes 3A and 4 to the Consolidated Interim Financial Statements.

B. Disclosure relating to the Corporation's financial reporting**1. Critical accounting estimates**

There were no changes to critical accounting estimates in the reporting period.

2. Events subsequent to the balance sheet date

For information on significant events subsequent to the balance sheet date, see Chapter A to the Report of the Board of Directors.

C. Dedicated disclosure for debenture holders

1. Information on debentures issued by the Company as of June 30, 2025:

Series	Issue date (including expansions)	Original p.v.	Balance of p.v. as of June 30, 2025	Nominal interest rate	Linkage	Carrying amount as of June 30, 2025	Interest accrued in books as of June 30, 2025	Repayment dates (principal/ interest)	Market cap as of June 30, 2025	Trustee
B37	2/2023	1,750	1,075	6.75%	Non-linked	1,075	30	Interest payments on July 31 and January 31 (first payment - July 31, 2023) and principal payments on January 31 in each of the years 2025-2029	1,150	Hermetic Trust (1975) Ltd. 113 Hayarkon St. Tel Aviv. Tel: +972-3-5274867, Dan Avnon
B38	9/2023 1/2024	1,332	798	6.52%	Non-linked	798	9	Interest payments on April 30 and October 31 (first payment - April 30, 2024) and principal payments on October 31 of 2025, 2026, 2028, 2030 and 2031	845	Mishmeret Trust Company Ltd., 48 Menahem Begin St., Tel Aviv, Tel: 03-6374335/4, Atty. Rami Katzav, CPA.
B39	4/2024	1,000	1,000	6.38%	Non-linked	1,000	-	Interest payments on June 30 and December 31 (first payment - June 30, 2024) and principal payments on December 31 of 2027, 2030, 2031, and 2032.	1,053	Hermetic Trust (1975) Ltd. 113 Hayarkon St. Tel Aviv. Tel: +972-3-5274867, Dan Avnon
B40	2/2025 6/2025	1,564	1,564	5.69%	Non-linked	1,564	-	Interest payments on June 30 and December 31 (first payment - June 30, 2025) and principal payments on December 31 of 2028, 2030, 2031, 2032 and 2033.	1,578	Reznick Paz Nevo Trustee Company Ltd., 14 Yad Harutzim St., Tel Aviv. Tel: 03-6389200, Michal Avtalion-Rishoni, Adv.

*) On July 24, 2025, rating agency Midroog Ltd. announced it was upgrading the rating of the Debentures (Series B37, B38, B39 and B40) issued by the Company to A2.il, with a stable outlook. For further details, see the Company's immediate report dated July 24, 2025 (Ref. No. 2025-15-055107), the details of which are included herein by way of reference.

In addition, the Company's Debentures (Series B37, B38, B39 and B40) are rated '-ilA' with a stable outlook by Maalot. For further details, see the immediate reports issued by the Company on November 27, 2025 (Ref. No.: 2024-15-619559) and July 28, 2025 (Ref. No.: 2025-15-055893), the details of which included herein by way of reference.

2. Conditions and financial covenants of the debentures as of June 30, 2025

Under the deeds of trust for the debentures, the Company undertook as follows:

As long as the Company's debentures are not repaid in full, the Company will not create a floating charges on any of its assets and rights, existing or future, in favor of any third party, to secure any debt or liability, unless in accordance with the terms and conditions set out in the deeds of trust.

The Company undertook to comply with the following financial covenants:

The Company's equity, according to its audited or reviewed Consolidated Financial Statements, as the case may be, will not fall below a minimum amount set out in the deeds of trust, for two consecutive quarters, with the higher amount being NIS 3,250 million.

The Company's equity, according to its audited or reviewed separate financial statements, as the case may be, will not fall below a rate of the total assets set out in the deeds of trust, for two consecutive quarters, with the higher rate being 18%.

The Company has undertaken not to make any distribution (as this term is defined in the Companies Law), including not to declare, pay, or distribute any dividend (as the terms are defined in the Companies Law), unless all the terms listed below are met (before and after deduction of the distribution amount): 1) Following the distribution, the equity will not fall under the amount set in each of the deeds, with the highest being NIS 3,500 million; 2) The separate equity to asset ratio shall not fall, subsequent to the distribution, below the 22% ratio; 3) The Company is not in breach of one or more of its material obligations under this deed of trust and under the terms of the debentures; 4) There are no grounds for immediate repayment; 5) The Company is not in breach of one of the financial covenants nor will it be in breach thereof subsequent to the distribution.

The deeds of trust set out grounds for immediate repayment of debentures, which include the Company's failure to comply with its obligations, as set out above; cross-default (in case of repayment of other debts to the extent set out in the deed of trust); the downgrade of debentures below BBB- or an equivalent rating; a substantial deterioration in the Company's business; events related to a change in the Company's business or a change in control, as set out in the deed of trust; and other events.

In addition, the debentures' deeds of trust prescribe events, which, if they occur, the interest rate on the debentures will be adjusted, as follows: 1) A downgrade below the base rating of "Baa1" for Debentures (Series B37) and "A3" for Debentures (Series B38, B39 and B40) will result in a cumulative increase of the interest rate of up to 1% above the base interest rate; 2) If the Company's equity falls below NIS 3,150 million for Series B37 and NIS 3,350 million for Series B38, B39 and B40 according to its audited or reviewed Consolidated Financial Statements, as the case may be, or the (separate) equity to total assets ratio falls below 20% for the debentures, the interest rate will increase by 0.25% for each breached covenant.

Debentures (Series B37, B38 and B39) are secured by some of the participation units of NewMed Energy and Ithaca shares. Debentures (Series B40) are not secured by a lien on any asset.

As of the reporting date, the Company is in compliance with all the covenants set forth in the deeds of trust. In this regard, it is noted that equity as of June 30, 2025, amounted to approx. NIS 7,789 million, and the equity to total assets ratio under the Company's separate financial statements is approx. 61%.

D. Additional information**1. Company employees**

The Company's management and the employees are dedicated to the national efforts, mourning together with the families of the fallen and murdered, hoping for the safe return of the kidnapped and missing, and send wishes of full recovery to all of those wounded.

The Board of Directors would like to thank the Company's management, the management of the Company's investees, and to all the employees for their dedicated work and their contribution to the advancement of the Company.

Respectfully,

Ehud Erez
Chairman of the Board

Idan Wallace
CEO

Signature date: August 19, 2025

Appendix A to the Report of the Board of Directors**Breakdown of outstanding principal and interest payments on the Company's debentures and bank and other loans as of June 30, 2025 (in NIS million):**

		2025	2026	2027	2028	2029	2030 onwards	Total
Debentures	Principal	120	299	379	495	537	2,606	4,436
	Interest	139	263	244	214	175	356	1,391
Total		259	562	623	709	712	2,962	5,827

Chapter

C

Financial Statements



Delek Group Ltd.

Consolidated Interim Financial Statements as of June 30, 2025

Unaudited

Contents

	<u>Page</u>
Consolidated Balance Sheets	2-3
Consolidated Statements of Income	4
Consolidated Statements of Comprehensive Income	5
Consolidated Statements of Changes in Equity	6-10
Consolidated Statements of Cash Flows	11-14
Notes to the Consolidated Interim Financial Statements	15-30

Consolidated Balance Sheets

	As of June 30		As of
	2025	2024	December 31
	Unaudited		Audited
	NIS million		
<u>Current assets</u>			
Cash and cash equivalents	4,705	2,315	2,260
Short-term investments	143	1,067	1,758
Trade receivables	1,188	1,647	1,994
Receivables and debit balances	1,354	1,465	1,409
Current tax assets	3	10	10
Financial derivatives	418	188	127
Inventory	1,326	576	1,221
	<u>9,137</u>	<u>7,268</u>	<u>8,779</u>
<u>Non-current assets</u>			
Long-term loans, deposits, and receivables	2,646	2,777	2,508
Investments in associates	671	659	676
Investment property	584	547	583
Right-of-use assets	1,079	708	945
Financial derivatives	556	12	-
Investments in exploration and production of oil and gas assets, net	27,654	27,377	29,841
Property, plant and equipment, net	445	470	450
Goodwill	4,342	3,498	4,661
Deferred taxes	1,809	1,930	3,910
	<u>39,786</u>	<u>37,978</u>	<u>43,574</u>
	<u>48,923</u>	<u>45,246</u>	<u>52,353</u>

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

Consolidated Balance Sheets (cont.)

	As of June 30		As of
	2025	2024	December 31
	Unaudited		Audited
	NIS million		
<u>Current liabilities</u>			
Short-term credit and current maturities of loans from banks and others	343	209	3
Current maturities of debentures	299	2,400	2,151
Payables and credit balances	3,857	3,309	4,597
Current maturities of lease liabilities	92	52	87
Current tax liabilities	1,875	1,200	989
Financial derivatives	18	97	495
	<u>6,484</u>	<u>7,267</u>	<u>8,322</u>
<u>Non-current liabilities</u>			
Loans from banks and others	2,832	1,433	1,788
Debentures	10,786	10,538	10,890
Lease liability	102	119	138
Financial derivatives	39	18	82
Provisions and other liabilities	9,895	7,954	10,301
Deferred taxes	2,091	2,203	2,292
	<u>25,745</u>	<u>22,265</u>	<u>25,491</u>
<u>Equity</u>			
Share capital	20	20	20
Share premium	2,381	2,381	2,381
Retained earnings	7,659	7,700	7,983
Adjustments from translation of financial statements of foreign operations	(708)	585	29
Capital reserve from transactions with non-controlling interests	(1,550)	(672)	(1,554)
Other reserves	116	30	(39)
Treasury shares	(129)	(22)	(95)
	<u>7,789</u>	<u>10,022</u>	<u>8,725</u>
<u>Total equity attributable to the Company's shareholders</u>			
	<u>8,905</u>	<u>5,692</u>	<u>9,815</u>
<u>Non-controlling interests</u>			
	<u>16,694</u>	<u>15,714</u>	<u>18,540</u>
<u>Total equity</u>			
	<u>48,923</u>	<u>45,246</u>	<u>52,353</u>

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

August 19, 2025			
Approval date of the financial statements	Ehud Erez Chairman of the Board	Idan Wallace CEO	Tamir Polikar Executive VP & CFO

Consolidated Statements of Income

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million (excluding net earnings per share)				
Revenues	7,358	5,479	3,507	2,523	11,961
Cost of sales	<u>3,758</u>	<u>3,093</u>	<u>2,197</u>	<u>1,484</u>	<u>6,260</u>
Gross income	3,600	2,386	1,310	1,039	5,701
General and administrative expenses	158	151	88	86	306
Group's share in profits of operating associates, net	14	19	3	8	54
Other expenses, net	<u>(94)</u>	<u>(152)</u>	<u>(109)</u>	<u>(130)</u>	<u>(1,113)</u>
Operating income	3,362	2,102	1,116	831	4,336
Finance income	213	365	131	241	812
Finance expenses	<u>(939)</u>	<u>(824)</u>	<u>(438)</u>	<u>(388)</u>	<u>(1,723)</u>
Profit before taxes on income	2,636	1,643	809	684	3,425
Income tax	<u>2,206</u>	<u>602</u>	<u>435</u>	<u>123</u>	<u>1,109</u>
Profit from continuing operations	430	1,041	374	561	2,316
Profit from discontinued operations, net	<u>-</u>	<u>54</u>	<u>-</u>	<u>47</u>	<u>54</u>
Net income	<u>430</u>	<u>1,095</u>	<u>374</u>	<u>608</u>	<u>2,370</u>
Attributable to:					
Shareholders of the Company	186	651	176	382	1,404
Non-controlling interests	<u>244</u>	<u>444</u>	<u>198</u>	<u>226</u>	<u>966</u>
	<u>430</u>	<u>1,095</u>	<u>374</u>	<u>608</u>	<u>2,370</u>
<u>Net earnings per share attributable to the Company's shareholders</u> <u>(in NIS)</u>					
Basic and diluted earnings from continuing operations	10.2	32.2	9.6	18.0	73.1
Basic and diluted earnings from discontinued operations	<u>-</u>	<u>2.9</u>	<u>-</u>	<u>2.5</u>	<u>2.9</u>
Basic and diluted earnings	<u>10.2</u>	<u>35.1</u>	<u>9.6</u>	<u>20.5</u>	<u>76.0</u>

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

Consolidated Statements of Comprehensive Income

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
Net income	430	1,095	374	608	2,370
Other comprehensive income (loss) (net of tax effect):					
<u>Amounts classified or reclassified to profit or loss under specific conditions:</u>					
Gain (loss) from cash flow hedges	318	(50)	182	(46)	(131)
Transfer to profit or loss for cash flow hedges	(20)	(91)	(28)	(24)	(128)
Adjustments from translation of financial statements of foreign operations	(1,440)	590	(1,820)	350	17
Total other comprehensive income (loss)	(1,142)	449	(1,666)	280	(242)
Total comprehensive income (loss)	(712)	1,544	(1,292)	888	2,128
Attributable to:					
Shareholders of the Company	(396)	937	(676)	562	1,320
Non-controlling interests	(316)	607	(616)	326	808
	(712)	1,544	(1,292)	888	2,128

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

Consolidated Statements of Changes in Equity

	Attributable to shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Adjustments from translation of financial statements of foreign operations	Reserve for transactions with non-controlling interests	Other reserves *)	Treasury shares		
	Unaudited								
	NIS million								
Balance as of January 1, 2025 (audited)	20	2,381	7,983	29	(1,554)	(39)	(95)	8,725	18,540
Net income	-	-	186	-	-	-	-	186	430
Other comprehensive income (loss)	-	-	-	(737)	-	155	-	(582)	(1,142)
Total comprehensive income (loss)	-	-	186	(737)	-	155	-	(396)	(712)
Transactions with non-controlling interests	-	-	-	-	4	-	-	4	(59)
Share-based payment	-	-	-	-	-	-	-	11	11
Acquisition of treasury shares	-	-	-	-	-	-	(34)	-	(34)
Dividend to the Company's shareholders	-	-	(510)	-	-	-	-	(510)	(510)
Dividend to non-controlling interests	-	-	-	-	-	-	-	(542)	(542)
Balance as of June 30, 2025	20	2,381	7,659	(708)	(1,550)	116	(129)	8,905	16,694

*) Mainly capital reserve for cash flow hedges.

**) Composition of comprehensive income of non-controlling interests:

Net income attributable to non-controlling interests	244
Adjustments arising from cash flow hedges	143
Adjustments from translation of financial statements of foreign operations	(703)
Total comprehensive income attributable to non-controlling interests	(316)

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

Consolidated Statements of Changes in Equity (cont.)

	Attributable to shareholders of the Company										
	Share capital	Share premium	Proceeds for conversion options and warrants	Retained earnings	Adjustments from translation of financial statements of foreign operations	Reserve for transactions with non-controlling interests	Other reserves *)	Treasury shares	Total	Non-controlling interests	Total equity
	Unaudited										
	NIS million										
Balance as of January 1, 2024 (audited)	20	2,353	5	7,519	174	(702)	155	-	9,524	5,411	14,935
Net income	-	-	-	651	-	-	-	-	651	444	1,095
Other comprehensive income (loss)	-	-	-	-	411	-	(125)	-	286	163	449
Total comprehensive income (loss)	-	-	-	651	411	-	(125)	-	937	(** 607	1,544
Exercise of share options	-	28	(5)	-	-	-	-	-	23	-	23
Transactions with non-controlling interests	-	-	-	-	-	30	-	-	30	(85)	(55)
Share-based payment	-	-	-	-	-	-	-	-	-	14	14
Acquisition of treasury shares	-	-	-	-	-	-	-	(22)	(22)	-	(22)
Dividend to the Company's shareholders	-	-	-	(470)	-	-	-	-	(470)	-	(470)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(255)	(255)
									10,02		
Balance as of June 30, 2024	20	2,381	-	7,700	585	(672)	30	(22)	2	5,692	15,714

*) Mainly capital reserve for cash flow hedges.

**) Composition of comprehensive income of non-controlling interests:

Net income attributable to non-controlling interests	444
Adjustments arising from cash flow hedges	(16)
Adjustments from translation of financial statements of foreign operations	179
Total comprehensive income attributable to non-controlling interests	607

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

Consolidated Statements of Changes in Equity (cont.)

	Share capital	Share premium	Retained earnings	Adjustments from translation of financial statements of foreign operations	Reserve for transactions with non- controlling interests	Other reserves *)	Treasury shares	Total	Non- controlling interests	Total equity
	Unaudited									
	NIS million									
Balance as of April 1, 2025	20	2,381	7,733	224	(1,553)	36	(95)	8,746	10,025	18,771
Net income	-	-	176	-	-	-	-	176	198	374
Other comprehensive income (loss)	-	-	-	(932)	-	80	-	(852)	(814)	(1,666)
Total comprehensive income (loss)	-	-	176	(932)	-	80	-	(676)	(616)	(1,292)
Transactions with non-controlling interests	-	-	-	-	3	-	-	3	(67)	(64)
Share-based payment	-	-	-	-	-	-	-	-	6	6
Treasury shares	-	-	-	-	-	-	(34)	(34)	-	(34)
Dividend to the Company's shareholders	-	-	(250)	-	-	-	-	(250)	-	(250)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(443)	(443)
Balance as of June 30, 2025	20	2,381	7,659	(708)	(1,550)	116	(129)	7,789	8,905	16,694

*) Mainly capital reserve for cash flow hedges.

**) Composition of comprehensive income of non-controlling interests:

Net income attributable to non-controlling interests	198
Adjustments arising from cash flow hedges	74
Adjustments from translation of financial statements of foreign operations	(888)
Total comprehensive income attributable to non-controlling interests	(616)

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

*) Mainly capital reserve for cash flow hedges.

Net income attributable to non-controlling interests	226
Adjustments arising from cash flow hedges	(8)
Adjustments from translation of financial statements of foreign operations	<u>108</u>
Total comprehensive income attributable to non-controlling interests	<u>326</u>

- 9 -

Consolidated Statements of Changes in Equity (cont.)

	Attributable to shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Proceeds for options and conversion option	Retained earnings	Adjustments from translation of financial statements of foreign operations	Reserve for transactions with non-controlling interests	Other reserves *)	Treasury shares	Total			
Audited												
NIS million												
Balance as of January 1, 2024	20	2,353	5	7,519	174	(702)	155	-	9,524	5,411	14,935	
Net income	-	-	-	1,404		-	-	-	1,404	966	2,370	
Other comprehensive income (loss)	-	-	-	-	94	-	(178)	-	(84)	(158)	(242)	
Total comprehensive income (loss)	-	-	-	1,404	94	-	(178)	-	1,320	** 808	2,128	
Exercise of share options	-	28	(5)	-	-	-	-	-	23	-	23	
Transactions with non-controlling interests	-	-	-	-	(239)	(852)	(16)	-	(1,107)	4,441	3,334	
Share-based payment	-	-	-	-	-	-	-	-	-	23	23	
Acquisition of treasury shares	-	-	-	-	-	-	-	(95)	(95)	-	(95)	
Dividend to the Company's shareholders	-	-	-	(940)	-	-	-	-	(940)	-	(940)	
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(868)	(868)	
Balance as of December 31, 2024	20	2,381	-	7,983	29	(1,554)	(39)	(95)	8,725	9,815	18,540	

*) As of December 31, 2024, mainly due to cash flow hedges.

**) Composition of comprehensive income of non-controlling interests:

Net income attributable to non-controlling interests	966
Adjustments arising from cash flow hedges	(81)
Adjustments from translation of financial statements of foreign operations	(77)
Total comprehensive income attributable to non-controlling interests	808

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

Consolidated Statements of Cash Flows

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
<u>Cash flows from operating activities</u>					
Net income	430	1,095	374	608	2,370
Adjustments to reconcile cash flows from operating activities (a)	4,022	1,415	1,923	424	2,045
Net cash provided by operating activities	4,452	2,510	2,297	1,032	4,415
<u>Cash flows from investing activities</u>					
Purchase of property, plant and equipment, investment property and intangible assets	(15)	(6)	(5)	(2)	(42)
Prepaid income on account of sale of property, plant and equipment	13	-	4	-	-
Proceeds from disposal of property, plant and equipment and investment property	13	3	7	3	5
Loans to associates, net	(3)	-	(1)	-	(5)
Advance payments in respect of the acquisition of operations	(145)	-	-	-	-
Change in short-term investments, net	1,348	131	1,100	(56)	(866)
Disposal of (investment in) long-term bank deposits, net	2	78	83	74	743
Investment in oil and gas exploration and assets	(1,642)	(985)	(872)	(425)	(2,249)
Cash added for acquisition of control over the Company and its activities (b)	-	-	-	-	400
Investment in associates	(3)	-	(3)	-	(2)
Amounts and royalties received in respect of the sale of rights in the Karish and Tanin Reservoirs	90	269	38	101	380
Net cash provided by (used for) investing activities	(342)	(510)	351	(305)	(1,636)

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

Consolidated Statements of Cash Flows (cont.)

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
<u>Cash flows from financing activities</u>					
Receipt (repayment) of short-term credit from banks	358	(386)	358	(82)	(562)
Receipt of long-term loans	1,204	4	1,203	2	448
Repayment of long-term loans	(1)	(424)	-	(245)	(835)
Dividend paid to non-controlling interests (including payments made on account of tax)	(542)	(252)	(542)	(252)	(868)
Dividend paid	(510)	(470)	(510)	(470)	(940)
Exercise of share options	-	23	-	22	23
Transactions with non-controlling interests	(60)	(55)	(65)	(1)	125
Repayment of lease liabilities	(49)	(84)	(22)	(26)	(119)
Payment of deferred and contingent considerations	(476)	(70)	-	(9)	(85)
Acquisition of treasury shares	(34)	(22)	(34)	(22)	(95)
Issuance of debentures (net of issuance costs)	1,549	1,522	498	990	4,595
Repayment of debentures	(2,952)	(1,115)	(2,098)	(577)	(3,817)
Net cash used for financing activities	(1,513)	(1,329)	(1,212)	(670)	(2,130)
<u>Translation differences on cash balances</u>	(151)	47	(186)	35	14
<u>Increase (decrease) in cash and cash equivalents</u>	2,446	718	1,250	92	663
<u>Cash and cash equivalents as of the beginning of the period</u>	2,260	1,597	3,456	2,223	1,597
<u>Cash and cash equivalents as of the end of the period</u>	4,706	2,315	4,706	2,315	2,260

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

Consolidated Statements of Cash Flows (cont.)

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
(a) <u>Adjustments for presentation of statement of cash flows from operating activities</u>					
Adjustments to profit and loss line items:					
Depreciation, depletion, amortization, and impairment of assets, net	1,894	1,295	967	640	3,758
Deferred taxes, net	898	350	27	254	39
Impairment (appreciation) of loans granted, net	-	(50)	-	(42)	(52)
Depreciation (appreciation) of contingent considerations for business combinations	52	(104)	37	(116)	(102)
Finance expenses for the time value of the asset decommissioning liability	258	149	135	60	312
The Group's share in results of associates, net (1)	(9)	(19)	(1)	(8)	(38)
Profit from the sale of property, plant and equipment, real estate and investments, net	(17)	(4)	-	(4)	(19)
Retirement and recovery costs	(209)	(128)	(105)	(73)	(334)
Cost of share-based payment	11	14	6	7	26
Change in fair value of financial assets and financial derivatives, net	(94)	(168)	(69)	(26)	(403)
Appreciation (impairment) of long-term liabilities, net	47	35	(65)	88	(3)
Change in value of investment property, net	-	-	-	-	(20)
Changes in operating assets and operating liabilities:					
Decrease (increase) in trade receivables	334	56	482	117	(297)
Decrease (increase) in receivables and debit balances	7	46	22	(21)	641
Decrease (increase) in inventory	(206)	124	229	131	(363)
Decrease (increase) in other assets, net	(10)	(14)	(9)	(7)	(28)
Decrease in trade payables, other payables and credit balances	1,066	(167)	267	(576)	(1,072)
	<u>4,022</u>	<u>1,415</u>	<u>1,923</u>	<u>424</u>	<u>2,045</u>
(1) Net of dividends received	<u>5</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>16</u>

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

Consolidated Statements of Cash Flows (cont.)

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
(b) <u>Cash flows used for acquiring control in companies and operations, net</u>					
Working capital (excluding cash and cash equivalents), net	-	-	-	-	154
Investments in exploration and production of oil and gas assets	-	-	-	-	(3,962)
Non-current liabilities	-	-	-	-	212
Deferred tax assets, net					(1,106)
Goodwill					(1,286)
Asset decommissioning liabilities					2,423
Deferred and contingent consideration	-	-	-	-	760
Issuance of shares to non-controlling interests	-	-	-	-	3,205
	-	-	-	-	400
(c) <u>Significant non-cash activities</u>					
Investment in oil and gas assets against liability	353	480	259	296	918
Investment in shares against repayment of a granted loan	-	-	-	-	250
(d) <u>Additional information on cash flows</u>					
Cash received during the period for:					
Interest	598	611	462	399	1,218
Taxes	89	156	-	3	1,373
Cash received by the Company during the period for:					
Interest	73	83	41	49	167
Dividends	3	-	3	-	33
Taxes	2	2	2	-	5

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

Notes to the Consolidated Interim Financial Statements

NOTE 1 - GENERAL

- A. Delek Group Ltd. (hereinafter - the **"Company"**) invests mostly in and manages companies and partnerships operating in oil and gas exploration and production in Israel and other countries. Subsequent to the balance sheet date, in July 2025, the transaction whereby the Company acquired a controlling interest in Isracard Ltd. was completed (see Note 3D below). In addition, the Group has several holdings in other sectors, including operation of gas stations and convenience stores, real estate, and agriculture. The controlling shareholder of the Company is Yitzhak (Sharon) Tshuva, who, shortly before the approval date of the financial statements, holds - through its wholly-owned companies - approx. 50.44% of the Company's share capital and voting interests.
- B. These financial statements were prepared in condensed format as of June 30, 2025 and for the six- and three-months periods then ended (hereinafter - the **"Consolidated Interim Financial Statements"**). The financial statements should be read in the context of the Company's annual financial statements as of December 31, 2024 for the year then ended, and their accompanying notes (hereinafter - the **"Annual Financial Statements"**).
- C. Since the Group has considerable operations in the energy industry, oil and natural gas prices (as well as the USD-NIS exchange rate and interest rates) have a material impact (positive or negative) on the Group's operating results, the value of its assets (both marketable and non-marketable), its equity, operating cash flows. In addition, the volatility of oil and gas prices affects the ability of the Company and its Staff Companies to receive dividends from investee companies and partnerships or the amount of the dividends.
- D. Iron Swords War (hereinafter - the **"War"**) and Operation Rising Lion and their effect on the Group's operations

Further to Note 1D to the Annual Financial Statements regarding the Iron Swords War and specifically regarding its potential effects on the Gas and Oil in Israel Segment, it is noted that during the second quarter of 2025, Operation Rising Lion, was conducted to remove the Iranian nuclear threat (hereinafter - the **"Operation"**). The Operation began on June 13, 2025, and ended on June 24, 2025, with the entry into force of a bilateral ceasefire. In addition, during the period of the Financial Statements, the fighting in Gaza continued against the Hamas terrorist organization and against the Houthi terror organization in Yemen. At the outset of the Operation, Chevron received a notice from the Minister of Energy and Infrastructure (hereinafter - the **"Minister of Energy"**), stating that, due to the security situation, it was required to cease operations at the Leviathan Rig until further notice. Accordingly, natural gas and condensate production from the Leviathan Reservoir was discontinued. Upon the conclusion of the Operation, on June 24, 2025, Chevron received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructures, stating that all preparations for the reactivation of the Leviathan Rig could be carried out. Accordingly, Chevron proceeded with the reactivation of the platform and resumed regular production from the reservoir on June 25, 2025. As a result of the abovementioned rig shutdown for a 12-day period, in the second quarter of 2025, revenue from natural gas production from the Leviathan Reservoir decreased.

As of the approval date of the Consolidated Interim Financial Statements, it is impossible to predict how the War will develop, including the possibility of a further development of the conflict with Iran, or what its ramifications will be on the consolidated Partnership, its assets and businesses.

Notes to the Consolidated Interim Financial Statements

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. Preparation format of the Consolidated Interim Financial Statements

The Consolidated Interim Financial Statements have been prepared in accordance with generally accepted accounting principles for the preparation of interim financial statements as prescribed in IAS 34, *Interim Financial Reporting* and in accordance with the disclosure provisions of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

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

B. Income taxes in interim financial statements

Tax expenses (income) for the presented periods include total current taxes, and the total change in deferred taxes, other than deferred taxes arising from transactions recognized directly in equity and business combinations.

Current tax expenses (revenue) in interim periods are accumulated using the effective average annual income tax rate. To calculate the effective income tax rate, losses for tax purposes for which deferred tax assets were not recognized are amortized, which are expected to reduce the tax liability in the reporting year.

NOTE 3 - INVESTMENTS IN INVESTEE COMPANIES AND PARTNERSHIPS

A. Ithaca Energy Holdings Plc. (hereinafter - "Ithaca")

- (1) On March 26, 2025, Ithaca declared a dividend of approx. USD 200 million (the Company's share is approx. USD 104 million (approx. NIS 390 million)). The said dividend was distributed in April 2025.
- (2) Subsequent to the balance sheet date, in August 2025, Ithaca's board of directors approved the distribution of a first interim dividend for 2025, totaling approx. USD 167 million (the Company's share is approx. USD 87 million (approx. NIS 296 million)). The said dividend will be distributed in September 2025.
- (3) On March 25, 2025, Ithaca entered into an agreement to acquire the entire share capital (100%) of Japex UK E&P Limited, for approx. USD 193 million, subject to adjustments. The Seller holds 15% of the interests in the Seagull Reservoir, a producing reservoir in which Ithaca holds 35% of the interests prior to the completion of the transaction. The completion of the Transaction depends, among other things, on the fulfillment of the conditions precedent set in the Acquisition Agreement, which include - among other things - obtaining accepted regulatory approvals, including those of the UK Oil and Gas Authority. Subsequent to the balance sheet date, on July 7, 2025, the transaction was completed; the consideration, after adjustments, totaled approx. USD 136 million.

B. NewMed Energy Limited Partnership (hereinafter - "NewMed Energy" or the "Partnership")

1. On March 9, 2025, NewMed Energy declared a profit distribution of USD 60 million, which was distributed in April 2025. The Group's share in said profit distribution is approx. USD 33 million (approx. NIS 122 million).
2. On May 11, 2025, NewMed Energy declared a profit distribution in the amount of USD 60 million, was distributed in June 2025. The Group's share in said profit distribution is approx. USD 33 million (approx. NIS 122 million).
3. Subsequent to the balance sheet date, on August 6, 2025, NewMed Energy declared a profit distribution of USD 60 million, which will be distributed in August 2025. The Group's share in said profit distribution is approx. USD 33 million (approx. NIS 112 million).

NOTE 3 - INVESTMENTS IN INVESTEE COMPANIES AND PARTNERSHIPS (cont.)

B. NewMed Energy Limited Partnership (hereinafter - "NewMed Energy" or the "Partnership")
(cont.)

4. As stated in Note 9A(d)(2), on March 9, 2025, the Compensation Committee and Board of the Partnership's General Partner approved the award of equity compensation to the Partnership's CEO, which includes, among other things, the allocation of 5% of the issued share capital of NewMed Balkan, such that after such allocation, the Partnership will hold 95% of the issued share capital of NewMed Balkan, as well as bear its relative share of the initial investment cost, which includes the first two drillings to be carried out in the Bulgarian license area, according to the mechanism prescribed.

C. Mehadrin Ltd.

- (1) In April 2024, the Group completed a tender offer, in which it acquired an additional approx. 7.9% of the share capital of Mehadrin, in consideration for approx. NIS 64.6 million. Accordingly, the Group's holding stake in Mehadrin increased to approx. 61.36% (the holding stake prior to the acquisition stood at approx. 53.5%).
- (2) On January 16, 2025, a subsidiary of Mehadrin entered into a set of agreements with a company of the Yuka Park Group for the sale of an unspecified 40% (in a partnership in land) out of all of the subsidiary's rights and undertakings in the property in Netanya (which serves as a packing house) at a land value of NIS 206 million; the parties also entered into a partnership and joint venture agreement regarding a project, which they intend to jointly develop and construct on the land, in consideration for a total of NIS 82.4 million. It is noted that the abovementioned asset is pledged in favor of Debentures (Series A) issued by Mehadrin and that as part of the transaction, Mehadrin will be required to partially repay the Debentures (Series A) in order to remove the pledge.

As of the approval date of the Consolidated Interim Financial Statements, the transaction has not yet been completed.

D. Transaction to acquire Isracard Ltd.'s shares

As stated in Note 9A(4) to the Annual Financial Statements, on January 5, 2025, an investment agreement (hereinafter - the "**Agreement**") was signed with Isracard Ltd. (hereinafter - "**Isracard**"). In accordance with the Agreement, on the Transaction Completion Date, the Company will invest in Isracard on the basis of a total company value of NIS 3.56 billion, an estimated total of approx. NIS 1.3 billion after adjustments, including in respect of the distribution of the special dividend as detailed below, against the allocation of Isracard's ordinary shares that will grant the Company, on the Transaction Completion Date, 37.05% of Isracard's issued share capital as of that date.

According to the Agreement, immediately after the complete fulfillment of the conditions precedent specified therein, and prior to the Transaction Completion Date, a special cash dividend of no less than NIS 1.2 billion and no more than NIS 1.3 billion will be distributed (subject to the law) to Isracard shareholders immediately prior to completion of the transaction.

On February 20, 2025, the general meeting of Isracard's shareholders approved the Agreement.

Furthermore, during the first quarter of 2025, the transaction was approved by Competition Commissioner and the Capital Market, Insurance and Savings Authority.

Subsequent to the balance sheet date, on July 9, 2025, the Bank of Israel's permit was received for Mr. Yitzhak (Sharon) Tshuva, the Group's controlling shareholder, to control and hold means of control in Isracard, through the Company, at a rate that will not fall below 30% of any type of means of control in Isracard.

The permit also includes authorization to control and hold means of control in other corporations controlled by Isracard the control over which is subject to such permit.

The permit is effective as from the transaction completion date.

The control permit stipulates several terms and restrictions relating to the holding of the means of control in Isracard, the principal of which are as follows:

- (1) Restrictions regarding the ratio of equity to total assets on the separate balance sheet (solo) and the consolidated balance sheet of the Group.
- (2) Restrictions regarding competition in Isracard's business imposed on the controlling shareholder, his relatives or corporations under their control.

NOTE 3 - INVESTMENTS IN INVESTEE COMPANIES AND PARTNERSHIPS (cont.)

D. Transaction to acquire Isracard Ltd.'s shares (cont.)

- (3) Customary restrictions on the transfer and pledge of the means of control in Isracard, and in any event, at least 20% of the means of control in Isracard will be free of any pledge.

Accordingly, and after all the conditions precedent for the transaction were met, on July 15, 2025, Isracard's Board of Directors approved the distribution of a special dividend totaling NIS 1,246,600,000, the distribution of which was conditioned on completing the agreement. On July 23, 2025, a transaction was completed, under which the Group invested NIS 1,358,252,880 in Isracard in exchange for an allocation of 120,544,305 ordinary shares of Isracard.

Subsequent to completing the transaction, and taking into account the Company's previous holding in Isracard shares prior to the transaction's completion, the Group holds approx. 40.07% of Isracard's issued and paid-up share capital. The Company concluded that after completing the transaction it had achieved effective control over Isracard, due to, among other things, the Company's holding stake in Isracard's shares (the Company is the largest shareholder), the distribution of other shareholders, patterns of participation in general meetings of Isracard's shareholders, and a regulatory restriction limiting the other shareholders' ability to increase their holding stakes in Isracard above 5% due to the requirement that a holding permit be obtained from the Bank of Israel. In view of the above and after the date on which the transaction was completed, subsequent to the balance sheet date, the Company is expected to consolidate Isracard's financial statements as from the third quarter of 2025. It should also be noted that in the six-month period ended June 30, 2025, Isracard's revenues from credit card transactions and interest totaled approx. NIS 850 million, and its results – to a loss of approx. NIS 150 million.

The abovementioned special dividend was distributed by Isracard on August 8, 2025, and the Company received approx. NIS 60 million as its share, by virtue of its previous holdings in Isracard shares.

It is noted that subsequent to the balance sheet date, on July 27, 2025, the Company received an urgent petition and a motion for an order nisi and an interim injunction (hereinafter - the "**Petition**" and the "**Motion**"), filed by the Movement for Quality Government in Israel (hereinafter - the "**Petitioner**") to the Supreme Court in its capacity as the High Court of Justice against the Governor of the Bank of Israel, the Banking Supervision Department, the Competition Commissioner (hereinafter jointly - the "**Government's Representatives**"), Isracard, the Company and its controlling shareholder, with respect to the resolution to award to the Company's controlling shareholder a control permit in Isracard. On July 28, 2025, the Petitioner filed a "motion for clarification", in which the Court was moved to issue an ordinance, according to which "the respondents must refrain from advancing any step leading to the completion of the transaction, until a resolution is handed down regarding the interim injunction motion. On August 3, 2025, the Company, its controlling shareholder and the other respondents filed their response to the interim injunction motion, in which they argued that the Motion should be dismissed, due to, among other things, the delay in filing the Motion and the Petition, and the fact that the investment transaction is a fait accompli; the respondents also argued that the Motion and the Petition should be dismissed, among other things, since the Petitioner's allegations are essentially unfounded. On August 3, 2025, the Court dismissed the Petitioner's interim injunction motion under the Petition, and stipulated that the Petitioner must notify by August 10, 2025 whether it maintains its Petition. On August 10, 2025, the Petitioner filed to the High Court of Justice a notice in which it stated that it maintains that the petition be heard, and for that purpose filed a response to the respondents' abovementioned responses.

In the Company's assessment, based on the opinion of its legal counsel, there is no legal basis for the allegations raised in the petition, and in its assessment it is more likely than not that the petition will be dismissed.

- E. Subsequent to the balance sheet date, on August 10, 2025, the Group completed a transaction under which it acquired from a third party (hereinafter - the "**Seller**") approx. 32.7% of the share capital of InPlay Oil Corp. (hereinafter - "**InPlay**"), a publicly-traded company listed on the Toronto Stock Exchange (TSX) in consideration for approx. USD 67 million in cash. InPlay is active in the energy sector in the province of Alberta, Canada. InPlay's operations include drilling, production, operation, and sale of oil and natural gas from multiple onshore wells.

NOTE 4 - INVESTMENTS IN OIL AND GAS EXPLORATION AND PRODUCTION

A. Ratio Yam joint venture

Further to Note 11C1 to the Annual Financial Statements regarding the laying of a third transmission pipeline from the field to the platform (hereinafter - the "**Third Pipeline**"), it is noted that during the second quarter of 2025, planned work was carried out over 11 days as part of the Third Pipeline Project - which is expected to be completed in early 2026, in conjunction with routine maintenance work, during which natural gas production from the Leviathan reservoir was suspended. It should be noted that, as of the approval date of the Consolidated Interim Financial Statements, the laying the Third Pipeline have resumed; in order to complete the Third Pipeline Project, additional work is expected, which will involve several days of production shutdowns from the reservoir.

B. Block 12, Cyprus

Further to Note 11D to the Annual Financial Statements regarding the Revised Development Plan of the Aphrodite Reservoir, on March 26, 2025, the General Partner's Board approved a budget for assessing the construction of a transmission infrastructure from the Aphrodite Reservoir in the area of Block 12 in the exclusive economic zone of the Republic of Cyprus, as part of the Reservoir's Revised Development Plan, which was approved on February 14, 2025 by the Cypriot government, totaling approx. USD 20 million (100%, the Partnership's share - approx. USD 6 million), which mainly includes conducting seismic surveys of the seabed.

C. Block Han Asparuh 1-21 in Bulgaria

1. Further to Note 11G to the Annual Financial Statements regarding the Bulgaria license, on March 27, 2025 and June 11, 2025, the Partnership announced that the partners in the Bulgaria license had decided to conduct exploration drillings in the Vinekh and Krum prospects (hereinafter – the "**Vinekh Drilling**" and the "**Krum Drilling**," respectively, and together, the "**Drillings**"). The execution of the Drillings is conditional upon the receipt of all the required approvals from the Bulgarian government and the signing of agreements for the provision of services in connection with the execution of the Drillings. The Vinekh Drilling is expected to begin in the fourth quarter of 2025 and last about two months. The AFE, including production tests (if required), is approx. EUR 109 million (approx. USD 128 million), the Partnership's share is approx. EUR 80 million (approx. USD 94 million). The Krum Drilling is expected to commence upon completion of the Vinekh Drilling, during the first quarter of 2026, and is anticipated to last about two months. The AFE, including production tests (if required), is approx. EUR 86 million (approx. USD 101 million), the Partnership's share is approx. EUR 68 million (approx. USD 80 million).
2. According to the resources report prepared by an independent reserves evaluator as of November 30, 2024, the best estimate of the prospective resources (2U) (100%) in the Vinekh prospect is approx. 3,347.6 BCF of natural gas.
According to the resources report prepared by an independent reserves evaluator as of May 31, 2025, the best estimate of the prospective resources (2U) (100%) in the Krum prospect is approx. 7,505.6 BCF of natural gas.

NOTE 4 - INVESTMENTS IN OIL AND GAS EXPLORATION AND PRODUCTION (cont.)

- D. Further to Note 1111c to the Annual Financial Statements, regarding negotiations for the sale of additional natural gas quantities to Blue Ocean (hereinafter in this section – the “**Acquirer**”), subsequent to the balance sheet date, the Partnership announced that on August 7, 2025, the Leviathan Partners (hereinafter in this section – the “**Sellers**”) entered into an amendment to the Export Agreement to Egypt executed between the Sellers and the Acquirer on September 26, 2019, and as amended from time to time (hereinafter – the “**Export Agreement**” and the “**Amendment to the Export Agreement**” or the “**Amendment**”, respectively).

Following are the principal Amendments to the Export Agreement:

Under the Amendment, the total contractual quantity under the Export Agreement will increase in two tranches, totaling approx. 130 BCM (hereinafter jointly – the “**Additional Quantities**”), as detailed below: (a) an additional gas quantity of approx. 20 BCM commencing upon the Amendment’s effective date (hereinafter – the “**First Tranche**”); and (b) an additional gas quantity of approx. 110 BCM subject to the fulfillment of the conditions set forth in Section 2 below (hereinafter – the “**Second Tranche**”).

1. First Tranche – The daily gas quantity that the Sellers are obligated to supply to the Acquirer under the Export Agreement will increase from 450 MMSCF per day (approx. 4.7 BCM per year) to 650 MMSCF (approx. 6.7 BCM per year), commencing on the date on which Israel Natural Gas Lines Ltd. (hereinafter – “**INGL**”) completes the construction of the Ashdod–Ashkelon offshore segment and the Sellers complete the construction of the Third Pipeline Project.
2. Second Tranche – The Sellers’ obligation to supply the Second Tranche is subject to the materialization of the following conditions: (a) the Sellers’ final investment decision (Final Investment Decision – FID) with respect to the first phase of the Expansion Project under the Leviathan Reservoir Revised Development Plan (hereinafter – the “**Expansion Project**”); and (b) the Sellers (or their designee) entering into a transmission agreement with INGL for the Nitzana Pipeline (hereinafter – the “**Second Tranche Conditions**”) for the purpose of supplying the gas to the Acquirer at the delivery point on the Israel–Egypt border. Insofar as the Second Tranche Conditions do not materialize by September 30, 2025, with a possible extension of up to an additional 6 months at the Sellers’ discretion, the provisions of the Export Agreement Amendment with respect to the Second Tranche will not become effective.

Subject to the materialization of the Second Tranche Conditions, the daily gas quantity that the Sellers are obligated to supply to the Acquirer will increase to 1,150–1,250 MMSCF (approx. 11.9–12.9 BCM per year). It is noted that this quantity was determined taking into account, *inter alia*, the expected demand and supply of natural gas in the Israeli domestic market; the purpose is to ensure supply for the needs of the domestic market.

The Export Agreement Amendment stipulates a mechanism for the timing of the commencement date of the abovementioned increased daily quantity (hereinafter – the “**Increase Date**”), which is based primarily on the Sellers’ assessment with respect to the progress of the projects required for increasing the daily supply quantity, in particular the completion of the first phase of the Expansion Project and the completion of the project for the construction of the Nitzana Pipeline. In the Sellers’ assessment, as of the approval date of the Consolidated Interim Financial Statements, completion of the abovementioned projects is expected to occur during 2029.

3. According to the Export Agreement Amendment, upon completion of the Ashdod–Ashkelon offshore segment and the Third Pipeline Project, the supply period will be extended until the earlier of 10 years from such date or the date on which the Acquirer consumes the Total Contractual Quantity (i.e., including the First Tranche). In addition, on the Increase Date, the Supply Period will be extended until December 31, 2040, or until the date on which the Acquirer consumes the Total Contractual Quantity (i.e., including the Second Tranche), whichever is earlier. If, at the end of the Supply Period, the Acquirer has not consumed the Total Contractual Quantity, the supply period will automatically be extended until the date on which the Acquirer consumes the Total Contractual Quantity; however, such extension period will not exceed an additional two years.

NOTE 4 - INVESTMENTS IN OIL AND GAS EXPLORATION AND PRODUCTION (cont.)

D. (cont.)

4. The Export Agreement Amendment includes, *inter alia*, the following additional changes:
 - (a) The Acquirer undertook to purchase or pay (Take or Pay – TOP) for the Additional Quantities, in accordance with the mechanisms that were set in the Export Agreement Amendment.
 - (b) The Acquirer's right to reduce the TOP rate in a year in which the average Brent price (as defined in the Export Agreement) falls below USD 50/BBL was cancelled (for details, see Note 1111c to the Annual Financial Statements);
 - (c) Provisions were set with respect to the gas price to be supplied to the Acquirer under the Export Agreement, as well as a pricing mechanism for the gas quantities to be supplied under the Second Tranche, based on a formula linked to the Brent crude oil barrel price and including a "floor price."
 - (d) The existing price adjustment mechanism (as defined in Note 1111c to the Annual Financial Statements) will apply with respect to the quantities remaining to be supplied under the original Total Contractual Quantity of the Export Agreement, as well as with respect to the quantities to be supplied under the First Tranche. With respect to the quantities to be supplied under the Second Tranche, a similar price adjustment mechanism will apply at a rate of up to 10% (increase or decrease) after the fifth year (in the Sellers' assessment, in 2035) and after the tenth year from the Increase Date (in the Sellers' assessment, in 2040); insofar as the parties do not reach agreement with respect to the price adjustment as detailed above, each party will have the right to reduce the remaining daily gas quantity to be supplied under the Export Agreement Amendment, as detailed in Section 3 above, by up to 30% at the first adjustment date and by up to 30% at the second adjustment date;
 - (e) The Acquirer's right to terminate the Export Agreement in the event of termination of the export agreement between the Acquirer and the Tamar Project interest holders was cancelled.
5. The effectiveness of the Export Agreement Amendment is subject to the materialization of conditions precedent, including, *inter alia*, obtaining the required approvals from the competent corporate organs of the parties, obtaining the regulatory approvals required for the supply of the Additional Quantities to the Acquirer, including an export approval and a ruling in favor of the Sellers from the Israel Tax Authority (insofar as required), the Sellers entering into arrangements with transmission service providers with respect to the transmission of the Additional Quantities to the Acquirer, and the Acquirer entering into an arrangement for the transmission of the Additional Quantities through the EMG pipeline. Insofar as the conditions precedent are not met by September 30, 2025, the Sellers will be entitled to extend such date by an additional 30 days. Insofar as the conditions precedent are not fulfilled by the end of this period, each party will be entitled to terminate the Export Agreement Amendment with 7 days' prior notice.

Following the execution of the Export Agreement Amendment, the Sellers intend to advance the process of obtaining the export permit for the Additional Quantities and to work toward reaching a final investment decision (Final Investment Decision – FID) with respect to the Expansion Project during the fourth quarter of 2025. It is noted that the Sellers applied to the Commissioner for an export permit in accordance with the terms of the Export Agreement Amendment. As of the approval date of the Consolidated Interim Financial Statements, such permit had not yet been obtained.

It is emphasized that, as of the approval date of the Consolidated Interim Financial Statements, the materialization of the conditions for the transaction is uncertain; therefore, there is no assurance that the Total Contractual Quantity and the daily gas quantity will in practice be increased in accordance with the Export Agreement Amendment, as detailed above, and even if the conditions for the transaction are fulfilled, there is no assurance regarding the timing and date on which the production quantities will be increased (if at all).

NOTE 4 - INVESTMENTS IN OIL AND GAS EXPLORATION AND PRODUCTION (cont.)

- E. Further to Note 11L5 to the Annual Financial Statements, regarding the offshore connection between the Israeli transmission system and the Egyptian transmission system in the Nitzana area, which includes a pipeline and construction of a compressor station in the Ramat Hovav area, and further to previous letters of the Natural Gas Authority (hereinafter- the **"Natural Gas Authority"**) in connection with capacity allocation in the Ramat Hovav-Nitzana line, it is noted that, in its letter to the Leviathan Partners of June 17, 2025, the Natural Gas Authority informed the Leviathan Partners again that their allocation in the Ramat Hovav-Nitzana pipeline stands at 33.33%. It was further noted in the said letter that the Leviathan Partners are required to sign a transmission agreement with INGL by August 17, 2025, according to the conditions set forth by the Natural Gas Authority, and that an exporter who does not sign a transmission agreement with INGL by then, will be deemed an exporter who waived its allocation in the pipeline, and the vacated allocation will be offered to the other exporters. In a letter dated August 18, 2025, the Natural Gas Authority notified the Leviathan Partners that since no transmission agreements have been signed between any of the exporters and INGL by August 17, 2025, each of the exporters' allocations will be renewed, which will allow exporters to sign transmission agreements over further two months from the date of the allocations' coming into force. In accordance with the abovementioned letter, the Leviathan Partners must notify the Natural Gas Authority of their reallocation request by August 21, 2025; it is further stated in the letter that after receiving the new allocation requests, the Natural Gas Authority will inform all exporters of the reallocation, and the date for signing the transmission agreement will be two months from the reallocation date. As of the report approval date, the Leviathan Partners are continuing negotiations with INGL for the purpose of executing such an agreement.
- F. Further to Note 8C to the Annual Financial Statements regarding an agreement between the Partnership and Ocean Energean Oil and Gas Ltd. (hereinafter - **"Energean"**) for the sale of rights in the I/17 Karish and I/16 Tanin leases, the Partnership engaged an independent external appraiser to estimate the fair value of the royalties, which are based on future production from the leases (hereinafter in this section - the **"Royalties"**). Following are the main parameters of the valuations as of June 30, 2025, used to measure the royalties: The capitalization rate for the royalties is estimated at approx. 10.1%; the total quantity of contingent resources of natural gas and hydrocarbon liquids (condensate and natural gas) used in the valuation to measure the royalties as of December 31, 2024, was estimated at approx. 88.8 BCM and approx. 86.5 MMbbl, respectively; average annual production rate from the Karish lease: approx. 3.07 BCM of natural gas; average annual production rate of condensate from the Karish lease: approx. 4.04 million barrels of condensate; average annual production rate from the Tanin lease: approx. 2.36 BCM of natural gas; average annual production rate of condensate from the Tanin lease: approx. 0.4 MMbbl of condensate. The finance expenses recorded in the reporting period include a negative revaluation of approx. USD 3.1 million.
- G. As of the approval date of the Consolidated Interim Financial Statements, the Partnership is assessing various financing alternatives, including financing by way of loans from banking and finance corporations, debentures, various equity instruments and other alternatives, if any, in order to promote, among other things, a final investment decision (FID) for the development of the first phase of Phase 1 - Second Stage of the Leviathan Project development plan in the coming months, as detailed in Note 11C1 to the Annual Financial Statements, and for the purpose of continuing the execution of the investments and the actions required for this purpose, as detailed in Note 11L to the Annual Financial Statements.
- H. Further to Note 15E(1) to the annual financial statements regarding agreements for the provision of credit facilities from two Israeli banks, on June 16, 2025, the Partnership entered into an agreement with one of the two Israeli banks for the provision of two new credit facilities for a total amount of USD 350 million. The Credit Facilities replace a USD 200 million credit facility the Partnership had received from the Bank on October 8, 2024. The Credit Facilities are designated to be used by the Partnership in its operating activities, including in connection with the Phase 1 - Second Stage of the Leviathan Reservoir's development plan. As of the balance sheet date, the first credit facility (hereinafter - **"Credit Facility A"**), totaling USD 275 million, had been fully withdrawn, and second credit facility (hereinafter - **"Credit Facility B"**), totaling up to USD 75 million, had not yet been withdrawn.

NOTE 4 - INVESTMENTS IN OIL AND GAS EXPLORATION AND PRODUCTION (cont.)

H. (cont.)

Loans drawn under the two Credit Facilities will bear a 5.99% interest for Facility A and variable, SOFR-based interest with an added 2.35% for Facility B, and will be repaid in unequal installments, 5% on December 31, 2027, 10% on December 31 of each of the years 2028 through 2030 (inclusive), and 65% on June 30, 2031 (the final repayment date). On the date the loan under Facility A was provided, the Partnership paid the Lender a one-off commitment fee totaling USD 1.3 million. The agreement includes restrictions on pledging the Partnership's assets to a third party without the Bank's consent, as well as certain restrictions on incurring additional financial debt without the Bank's approval.

The Partnership undertook to comply with the following financial covenants:

- The ratio between the Partnership's asset value and its net financial debt must not fall, in two consecutive dates, below the following ratios: for net financial debt of up to USD 2.5 billion – no less than 1.5; for any additional net financial debt exceeding USD 2.5 billion and not exceeding USD 2.75 billion – no less than 2.5; and for any additional net financial debt exceeding USD 2.75 billion – no less than 4.1.
- The Partnership (solo) will maintain minimum liquidity (as defined in the Agreement) of USD 20 million.
- At any time, the total financial debt shall not exceed USD 3 billion.
- The excess sources ratio will not be negative.

As of the approval date of the Consolidated Interim Financial Statements, the Partnership complies with the financial covenants set forth in the Credit Facilities.

Certain representations of the Partnership and additional undertakings and conditions as is generally acceptable in financing agreements of this type were included in the credit facility documents, including certain default events, upon the occurrence of which the Lender will be conferred the right to call for immediate repayment of the loans or any part thereof, which include, among other things, failure to comply with financial covenants, complete or prolonged suspension of production to the extent that this has a material adverse effect on the state of the Partnership, change of control, revocation of the licenses for the Leviathan Reservoir, call for immediate repayment of other financial liabilities, etc.

- I. Further to Note 28A(2)(b) to the Annual Financial Statements, on March 5, 2025, the UK government effectively completed the legislation under which it extended the period of the energy profit levy (EPL) by further two years through March 31, 2030. As a result of the completion of the said legislation, Ithaca recognized in the financial statements for the first quarter of 2025, a loss of approx. USD 327.6 million (approx. NIS 1.2 billion) in respect of revision of deferred taxes. It is noted that the Group's share in the abovementioned revision of deferred taxes, net during the first quarter of 2025 amounted to tax expenses totaling approx. USD 85 million (approx. NIS 305 million).
- J. On May 19, 2025, Ithaca entered into an agreement to acquire 46.25% of the rights in producing oil asset Cygnus for approx. USD 154 million. Prior to the transaction's completion, Ithaca holds 38.75% of the rights to producing reservoir Cygnus and, subsequent to the completion of the transaction, it will hold 85% of said reservoir. After the completion of the transaction, approx. 23 MMBOE (as of January 1, 2025) are expected to be added to Ithaca's total reserves (2P) and Ithaca's daily output is expected to increase in the range of 12.5-13.5 thousand barrels of oil per day (kboe/d) in 2025. The completion of the Transaction depends, among other things, on the fulfillment of the conditions precedent set in the Acquisition Agreement, which include - among other things - obtaining accepted regulatory approvals, including those of the UK Oil and Gas Authority.

NOTE 5 - DEBENTURES

- A. As stated in Note 16C(3) to the Annual Financial Statements, on February 11, 2025, the Company completed the issuance of NIS 1,062,080,000 par value of a new series of debentures (Series B40). The Debentures are not linked to the CPI and bear annual interest at rate of 5.69%. The Debentures' principal will be repaid in five (non-equal) annual payments on June 30 of 2028 and of each of the years 2030-2033. The interest is paid in semi-annual payments on June 30 and December 31, starting on June 30, 2025. The debentures are not secured by a lien on any asset.

The net issuance consideration of the Debentures (net of issuance costs) amounted to approx. NIS 1,050 million, with approx. NIS 562 million of the amount being used for partial early repayment of Debentures (Series B38).

In addition, on June 3, 2025, the Company completed a private placement of an additional NIS 501,645,000 par value of Debentures (Series B40) by way of a series expansion, for total consideration of approx. NIS 500 million. The proceeds of the issuance were used for the partial early repayment of Debentures (Series B37), with the total repayment amount being approx. NIS 524 million.

Under the deed of trust of Debentures (Series B40), the Company undertook financial covenants and other restrictions, which are identical to those of Debentures (Series B39 and B40). For details regarding the restrictions and the covenants, see Note 16D to the Annual Financial Statements.

- B. Further to Note 16E(2) to the Annual Financial Statements regarding the Leviathan Bond debentures, on June 30, 2025, the final full repayment of the second debenture series was completed, after on May 29, 2025, USD 400 million, together with accrued interest of approx. USD 10.1 million, had been repaid by way of partial early repayment out of the total series amount of USD 600 million. It is noted that, in accordance with the terms and conditions of the debentures, the repayment of the series in the quarter preceding the original repayment date (i.e., June 30, 2025) was not subject to early repayment fees to the debenture holders.

NOTE 6 - CONTINGENT LIABILITIES

There are contingent claims against the Company and certain investees for significant amounts, including certification for class actions; in some cases, it is not possible to assess their outcome at this stage, and therefore no provision was recorded for them in the financial statements (see Note 21A to the Annual Financial Statements). In and subsequent to the reporting period (up to the approval date of the financial statements), there were no material developments in the status of the contingent claims, other than the following:

- A. Further to Note 21A1(4) to the Annual Financial Statements, regarding the statement of claim in the arbitration filed by Chevron against Israel Natural Gas Lines Ltd. (hereinafter - "INGL") with respect to the breach of the Transmission Agreement with INGL, it is noted that on April 2, 2025 a preliminary hearing was held, during which dates were set for the mutual disclosure of documents between the parties as well as for the filing of affidavits of evidence-in-chief. At the same time, two dates were set for evidence hearings in November-December 2025. It is also noted that on May 6, 2025, a third mediation session was held with respect to the proceeding, at the end of which the parties reached an agreement in principle, which is subject to the final approval of INGL and the Leviathan and Tamar Partners, regarding a settlement agreement, under which, among other things, INGL will credit Chevron (and consequently - the Leviathan and Tamar Partners) for some of the transmission fees paid to INGL for the transmission to the EMG receiving terminal in Ashkelon; the agreement in principle also covers several changes to the Transmission Agreement, including the transmission fees, which Chevron will pay in 2025-2026, and the extension of the Transmission Agreement by two years. It is noted that, on August 5, 2025, the parties executed a settlement agreement based on the principles on which they had agreed as abovementioned. The amount of the refund, which the Partnership is expected to receive, is immaterial.
- B. Further to Note 21A2(3) to the Company's Annual Financial Statements, regarding a class action lawsuit approved by the Court on November 15, 2022, and further to the settlement agreement approval motion filed with the Court in November 2023, on April 10, 2025, the settlement was approved by the Court and validated as a judgment. On June 26, 2025, a third party, which does not form part of the represented class, filed an appeal against the judgment after the District Court rejected its objection to the settlement.

Notes to the Consolidated Interim Financial Statements

NOTE 7 - EQUITY

- A. On March 25, 2025, the Company's Board of Directors approved a buyback plan for the Company's shares (hereinafter - the "**Buyback Plan**") in an amount of up to NIS 105 million until the end of 2025. The Buyback Plan continues the Company's share buyback plan dated June 16, 2024 totaling NIS 200 million (hereinafter - the "**Previous Buyback Plan**") and the total cost of the Buyback Plan constitutes the unutilized balance of the Previous Buyback Plan.

Under the abovementioned Buyback Plan, through the approval date of the financial statements, the Group acquired 62,750 p.v. in shares in consideration for approx. NIS 34 million.

- B. On March 25, 2025, the Company's Board of Directors decided to distribute a dividend to the shareholders of NIS 260 million (NIS 14.1682 per share). The dividend was paid in April 2025.
- C. On May 20, 2025, the Company's Board of Directors decided to distribute a dividend to the shareholders in the amount of NIS 250 million (NIS 13.6701 per share). The dividend was paid in June 2025.
- D. Subsequent to the balance sheet date, on August 19, 2025, the Company's Board of Directors decided to distribute a dividend to the shareholders in the amount of NIS 250 million. The dividend will be paid in September 2025.

NOTE 8 - FINANCIAL INSTRUMENTS

Main changes in the Group's financial instruments and its exposure to market risks in the reporting period:

A. Fair value

Balance in the financial statements and fair value of the debentures issued by the Group companies:

	Balance		Fair value	
	June 30 2025 Unaudited	December 31 2024 Audited	June 30 2025 Unaudited	December 31 2024 Audited
	NIS million			
Debentures	11,123	13,103	11,427	13,216

The fair value of the debentures is classified to level 1 in the fair value hierarchy.

The carrying amount of financial instruments such as cash and cash equivalents, short-term investments, trade receivables, receivables and debit balances, short and long-term loans from banks and others, and liabilities to trade payables, other payables and credit balances is equal to or approximates their fair value.

Notes to the Consolidated Interim Financial Statements

NOTE 8 - FINANCIAL INSTRUMENTS (cont.)

B. Classification of financial instruments according to the fair value hierarchy1. As of June 30, 2025:Financial assets measured at fair value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		Unaudited	
		NIS million	
<u>Financial assets at fair value through profit or loss</u>			
Shares	185	-	3
Royalties receivable for the sale of the Karish and Tanin leases	-	-	853
Financial derivatives	-	17	-

Financial assets at fair value through other comprehensive income

Cash flow hedging transactions	-	957	-
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Financial liabilities measured at fair value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		Unaudited	
		NIS million	
<u>Financial liabilities at fair value through profit or loss</u>			
Contingent consideration	-	-	867
Financial derivatives	-	2	-

Financial liabilities at fair value through other comprehensive income

Cash flow hedging transactions	-	55	-
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2. As of June 30, 2024:Financial assets measured at fair value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		Unaudited	
		NIS million	
<u>Financial assets at fair value through profit or loss</u>			
Shares	160	-	-
Seller's loan to the acquirers of Phoenix	-	-	250
Royalties receivable for the sale of the Karish and Tanin leases	-	-	1,071
Loan provided for the sale of the Karish and Tanin leases	-	-	-
Financial derivatives		1	

Financial assets at fair value through other comprehensive income

Cash flow hedging transactions	-	198	-
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Notes to the Consolidated Interim Financial Statements

NOTE 8 - FINANCIAL INSTRUMENTS (cont.)

B. Classification of financial instruments according to the fair value hierarchy (cont.)2. As of June 30, 2024: (cont.)Financial liabilities measured at fair value

	Level 1	Level 2	Level 3
		Unaudited	
		NIS million	
<u>Financial liabilities at fair value through profit or loss</u>			
Contingent consideration	-	81	843
Financial derivatives	-	26	-
<u>Financial liabilities at fair value through other comprehensive income</u>			
Cash flow hedging transactions	-	90	-

3. As of December 31, 2024

	Level 1	Level 2	Level 3
		Audited	
		NIS million	
<u>Financial assets at fair value through profit or loss</u>			
Shares	173	-	4
Royalties receivable for the sale of the Karish and Tanin leases	-	-	1,014
Financial derivatives	-	7	-
<u>Financial assets at fair value through other comprehensive income</u>			
Cash flow hedging transactions	-	120	-
	Level 1	Level 2	Level 3
		Audited	
		NIS million	
<u>Financial liabilities at fair value through profit or loss</u>			
Financial derivatives	-	28	-
Contingent considerations	-	4	873
<u>Financial liabilities at fair value through other comprehensive income</u>			
Cash flow hedging transactions	-	549	-

In the first half of 2025 and 2024, there were no transfers between the different fair value hierarchy levels.

C. Price risk(1) Risk associated with commodity prices

Ithaca is exposed to changes in oil and gas prices for its future sales. To hedge the exposure, Ithaca has hedge transactions on oil and gas prices for part of its future output. Information about open transactions as of June 30, 2025:

Notes to the Consolidated Interim Financial Statements

NOTE 8 - FINANCIAL INSTRUMENTS (cont.)

C. Price risk (cont.)(1) Risk associated with commodity prices (cont.)Transactions on the price of oil

	July to December 2025	2026	2027
Volume (MMbbl of oil)	8.1	7.2	3.1
Average floor price (USD/barrel)	71	67	66

- Transactions on the price of gas

	July to December 2025	2026	2027
Volume (MMboe of oil)	7.4	11.8	1.4
Average floor price (pence/therm)	88	86	85

Most of the transactions are accounted for as hedge accounting. As of June 30, 2025, the net fair value of the hedge transactions amounted to an asset of approx. USD 183 million (approx. NIS 616 million).

NOTE 9 - OPERATING SEGMENTS

A. General

In accordance with IFRS 8, the Group's operating segments are determined on the basis of management reports, which are mainly based on the investments in each investee.

The operating segments are as follows:

- Oil and Gas Exploration and Production in and around Israel Segment - The main activity during the reporting period takes place as part of the Leviathan Project joint venture through NewMed Energy.
- Segment of development and production of gas and oil assets in the North Sea: The activity is carried out by Ithaca, which owns rights in oil and gas assets in the North Sea region. The activity includes mainly production and marketing of oil and gas from the producing reservoirs and the development of additional reservoirs.
- Others - other segments include mainly the operations of Delek Israel and Delek Israel Properties, the investment in which is accounted for in accordance with the equity method, as well as Mehadrin's activity.

Notes to the Consolidated Interim Financial Statements

NOTE 9 - OPERATING SEGMENTS (cont.)

B. Operating segment reporting1) Revenues

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
<u>Revenue from external sources</u>					
Oil and Gas Exploration and Production in and around Israel Segment	1,497	1,802	596	962	3,661
Development and Production of Gas and Oil Assets in the North Sea Segment	5,229	3,106	2,673	1,347	7,326
Other segments	632	571	238	214	974
Total in statement of income	<u>7,358</u>	<u>5,479</u>	<u>3,507</u>	<u>2,523</u>	<u>11,961</u>

2) Cost of sales

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
<u>Cost of sales</u>					
Oil and Gas Exploration and Production in and around Israel Segment	436	508	191	256	1,038
Development and Production of Gas and Oil Assets in the North Sea Segment	2,741	2,002	1,781	978	4,222
Other segments	581	583	225	250	1,000
Total in statement of income	<u>3,758</u>	<u>3,093</u>	<u>2,197</u>	<u>1,484</u>	<u>6,260</u>

3) Segment results – operating income (loss)

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
Oil and Gas Exploration and Production in and around Israel Segment	1,024	1,273	386	693	2,595
Development and Production of Gas and Oil Assets in the North Sea Segment	2,301	891	745	202	1,843
Other segments	62	(37)	(1)	(51)	(56)
Adjustments *)	(25)	(25)	(14)	(13)	(46)
Operating income	<u>3,362</u>	<u>2,102</u>	<u>1,116</u>	<u>831</u>	<u>4,336</u>

*) Mainly administrative and general expenses attributable to the Staff Companies.

Notes to the Consolidated Interim Financial Statements

NOTE 9 - OPERATING SEGMENTS (cont.)

B. Operating segment reporting (cont.)4) Contribution to net income from continuing operations attributable to the Company's shareholders

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
Oil and Gas Exploration and Production in and around Israel Segment	395	530	157	286	1,080
Development and Production of Gas and Oil Assets in the North Sea Segment	(98)	345	77	207	541
Other segments	33	(27)	2	(31)	(12)
Adjustments *)	(144)	(251)	(60)	(127)	(259)
Profit (loss) from continuing operations attributable to the Company's shareholders	<u>186</u>	<u>597</u>	<u>176</u>	<u>335</u>	<u>1,350</u>

*) Mainly administrative and general expenses, finance expenses and taxes attributable to the Staff Companies.

Delek Group Ltd.

**Financial Data from the Consolidated Interim Financial
Statements Attributable to the Company**

As of June 30, 2025

Unaudited

Special Report in accordance with Regulation 38D

Financial Data and Financial Information from the Consolidated Interim Financial Statements Attributable to the Company

Following are financial data and separate financial information attributable to the Company out of the Group's consolidated interim financial statements as of June 30, 2025, published as part of the periodic reports (hereinafter - the "**Consolidated Financial Statements**"), presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Financial data from the consolidated balance sheets attributable to the Company

	As of June 30		As of
	2025	2024	December 31
	Unaudited		2024
			Audited
	NIS million		
<u>Current assets</u>			
Cash and cash equivalents	1,697	362	1,301
Short-term investments	17	177	375
Receivables and debit balances	16	57	18
Total current assets	1,730	596	1,694
<u>Non-current assets</u>			
Investments in investee companies and partnerships	9,552	11,711	10,058
Loans and capital notes to investees	898	2,244	1,334
Long term loans and debit balances	255	264	15
Investment property	272	271	272
Property, plant and equipment, net	41	42	41
Total non-current assets	11,018	14,532	11,720
	12,748	15,128	13,414

The attached additional information is an integral part of the financial data and separate financial information.

Financial data from the consolidated balance sheets attributable to the Company (cont.)

	As of June 30		As of
	2025	2024	December 31
	Unaudited		Audited
	NIS million		
<u>Current liabilities</u>			
Current maturities of debentures	299	180	380
Payables and credit balances	115	120	171
Total current liabilities	414	300	551
<u>Non-current liabilities</u>			
Debentures	4,117	3,914	3,712
Loans from subsidiaries	419	883	417
Other liabilities (primarily for an obligation for decommissioning of long-term assets)	9	9	9
Total non-current liabilities	4,545	4,806	4,138
<u>Equity attributable to the Company's shareholders</u>			
Share capital	20	20	20
Share premium	2,381	2,381	2,381
Retained earnings	7,659	7,700	7,983
Adjustments arising from foreign currency translation of foreign operations' financial statements	(708)	585	29
Reserve from transactions with non-controlling interests	(1,550)	(672)	(1,554)
Other reserves	116	30	(39)
Treasury shares	(129)	(22)	(95)
Total equity	7,789	10,022	8,725
	12,748	15,128	13,414

The attached additional information is an integral part of the financial data and separate financial information.

August 19, 2025

Approval date of the
financial statements

Ehud Erez
Chairman of the Board

Idan Wallace
CEO

Tamir Polikar
Executive VP & CFO

Financial data from the consolidated income statements attributable to the Company

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
Revenues from overriding royalties	-	1	-	1	2
Rent	5	5	3	3	10
Company's share in earnings of investee companies and partnerships, net	355	854	248	461	1,620
Total income	360	860	251	465	1,632
Cost of sales	-	-	-	-	1
General and administrative expenses	22	22	11	12	43
Other revenues (expenses)	-	(5)	-	-	(20)
Operating profit	338	833	240	453	1,568
Net finance expenses with respect to loans to investees and others	(29)	(42)	(13)	(19)	(80)
Finance income (expenses) (mainly for financial investments), net	40	(2)	27	(9)	187
Finance expenses (mainly for debentures)	(163)	(192)	(78)	(90)	(325)
Profit before taxes on income	186	597	176	335	1,350
Income tax	-	-	-	-	-
Profit from continuing operations	186	597	176	335	1,350
Profit from discontinued operations, net	-	54	-	47	54
Net income attributable to the Company's shareholders	186	651	176	382	1,404

The attached additional information is an integral part of the financial data and separate financial information.

Financial data from the consolidated statements of comprehensive income attributable to the Company

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
Net income attributable to the Company's shareholders	186	651	176	382	1,404
Other comprehensive income (loss):					
<u>Amounts classified or reclassified to profit or loss under specific conditions:</u>					
Adjustments arising from foreign currency translation of foreign operation's financial statements	(17)	64	(28)	36	34
Other comprehensive income attributable to the Partnership and investees (post-tax)	(565)	222	(824)	144	(118)
Total other comprehensive income (loss) from continuing operations	(582)	286	(852)	180	(84)
Total comprehensive income (loss) attributable to the Company's shareholders	(396)	937	(676)	562	1,320

The attached additional information is an integral part of the financial data and separate financial information.

Financial data from the consolidated statements of cash flows attributable to the Company

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
<u>Cash flows from the Company's operating activities</u>					
Net income attributable to the Company's shareholders	186	651	176	382	1,404
Adjustments required for presentation of statement of cash flows from the Company's operating activities (a)	(47)	(763)	(131)	(392)	(1,285)
Net cash provided by (used for) the Company's operating activities	139	(112)	45	(10)	119
<u>Cash flows from the Company's investing activities</u>					
Investment made for property, plant and equipment and investment property	(1)	(1)	(1)	(1)	(2)
Investment in an investee	(65)	(59)	(65)	-	(59)
Change in investments, net	200	(34)	44	41	170
Repayment of long-term deposit	2	69	82	69	69
Advance payment in respect of the acquisition of operation	(72)	-	-	-	-
Repayment of loans and equity investments in investees, net	385	434	386	438	1,302
Net cash provided by the Company's investing activities	449	409	446	547	1,480
<u>Cash flows from the Company's financing activities</u>					
Acquisition of treasury shares	(34)	-	(34)	-	(43)
Proceeds from exercise of options for shares of the Company	-	23	-	22	23
Dividend paid to shareholders	(510)	(470)	(510)	(470)	(940)
Change in balances with subsidiaries, net	(1)	(225)	(1)	(63)	(83)
Issue of debentures (less issuance expenses)	1,549	1,522	498	990	1,522
Repayment of loans from banks and others	-	(398)	-	(234)	(398)
Repayment of debentures	(1,209)	(1,086)	(500)	(577)	(1,086)
Net cash used for (provided by) the Company's financing activities	(205)	(634)	(547)	(332)	(1,005)
<u>Exchange rate differences for cash and cash equivalent balances</u>	13	3	13	3	11
<u>Increase (decrease) in cash and cash equivalents</u>	396	(334)	(43)	208	605
<u>Balance of cash and cash equivalents at the beginning of the period</u>	1,301	696	1,740	154	696
<u>Balance of cash and cash equivalents at the end of the period</u>	1,697	362	1,697	362	1,301

The attached additional information is an integral part of the financial data and separate financial information.

Financial data from the consolidated statements of cash flows attributable to the Company (cont.)

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
(a) <u>Adjustments required for presentation of statement of cash flows from the Company's operating activities</u>					
<u>Adjustments for profit and loss line items of the Company:</u>					
Depreciation, depletion and amortization	-	-	-	-	1
Appreciation of loans granted, net	-	(50)	-	(42)	(51)
Impairment (appreciation) of investments in financial assets, net	(14)	22	(22)	22	(130)
Company's share in the expenses of investee companies and partnerships *)	10	(742)	(74)	(349)	(1,140)
Increase in value of liabilities, net	10	50	1	27	71
Exchange rate differences for balance of cash and cash equivalents, net	(13)	(3)	(13)	(3)	(11)
<u>Changes in the Company's assets and liabilities line items:</u>					
Decrease in receivables and debit balances	2	5	1	96	3
Decrease in other payables and credit balances	(42)	(45)	(24)	(143)	(28)
	<u>(47)</u>	<u>(763)</u>	<u>(131)</u>	<u>(392)</u>	<u>(1,285)</u>
*) Net of dividends received.	<u>366</u>	<u>112</u>	<u>175</u>	<u>112</u>	<u>480</u>
(b) <u>Company's significant non-cash activities</u>					
Dividend against repayment of a loan from a subsidiary	-	-	-	-	544
Investment in marketable securities against repayment of a granted loan	-	-	-	-	250
(c) <u>Additional information on cash flows</u>					
Cash paid during the year in the Company for:					
Interest	<u>204</u>	<u>194</u>	<u>117</u>	<u>97</u>	<u>328</u>
Cash received during the year in the Company for:					
Dividend	<u>369</u>	<u>112</u>	<u>175</u>	<u>112</u>	<u>497</u>
Interest	<u>33</u>	<u>18</u>	<u>21</u>	<u>8</u>	<u>27</u>

The attached additional information is an integral part of the financial data and separate financial information.

Additional information

NOTE 1 - GENERAL

- A. This separate financial information was drafted in a condensed format pursuant to the provisions of Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970. This separate financial information should be reviewed in conjunction with the separate financial information on the Annual Financial Statements as of December 31, 2024, and for the year then ended and their accompanying notes, and in conjunction with the consolidated interim financial statements as of June 30, 2025 (hereinafter - the "**Consolidated Interim Financial Statements**").
- B. Since the bulk of the Group's operations are in the energy industry, oil and natural gas prices (as well as the USD-NIS exchange rate and interest rates) have a material (positive or negative) impact on the Group's operating results, the value of its assets (both marketable and non-marketable), its equity, operating cash flows. In addition, the volatility of oil and gas prices affects the ability of the Company and its Staff Companies to receive dividends from investee companies and partnerships or the amount of the dividends.
- C. Further to Note 1D to the Annual Financial Statements regarding the Iron Swords War and specifically regarding its potential effects on the Gas and Oil in Israel Segment, it is noted that during the reporting period a military operation, Operation Rising Lion, was conducted to remove the Iranian nuclear threat (hereinafter - the "**Operation**"). The Operation began on June 13, 2025, and ended on June 24, 2025, with the entry into force of a bilateral ceasefire. In addition, during the period of the Financial Statements, the fighting in Gaza continued against the Hamas terrorist organization and against the Houthis terror organization in Yemen. At the outset of the Operation, Chevron received a notice from the Minister of Energy (hereinafter – the "**Minister of Energy**"), stating that, due to the security situation, it was required to cease operations at the Leviathan Rig until further notice. Accordingly, natural gas and condensate production from the Leviathan Reservoir was discontinued. Upon the conclusion of the Operation, on June 24, 2025, Chevron received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructure, stating that all preparations for the reactivation of the Leviathan Rig could be carried out. Accordingly, Chevron proceeded with the reactivation of the platform and resumed regular production from the reservoir on June 25, 2025. As a result of the abovementioned rig shutdown for a 12-day period, in the second quarter of 2025, revenue from natural gas production from the Leviathan Reservoir decreased.
- As of the approval date of the Consolidated Interim Financial Statements, it is impossible to predict how the War will develop, including the possibility of a further development of the conflict with Iran, or what its ramifications will be on the consolidated Partnership, its assets and businesses.

NOTE 2 - CONTINGENT LIABILITIES

There are contingent claims against the Company and some of the investees for significant amounts, including motions for class actions; in some cases, it is not possible to assess their outcome at this stage, and therefore no provision was recorded in the financial statements. See also Note 6 to the Consolidated Interim Financial Statements.

NOTE 3 - EQUITY

- A. On March 25, 2025, the Company's Board of Directors approved a buyback plan for the Company's shares (hereinafter - the "**Buyback Plan**") in an amount of up to NIS 105 million until the end of 2025. The Buyback Plan continues the Company's share buyback plan dated June 16, 2024 totaling NIS 200 million (hereinafter - the "**Previous Buyback Plan**") and the total cost of the Buyback Plan constitutes the unutilized balance of the Previous Buyback Plan. Under the abovementioned Buyback Plan, through the approval date of the financial statements, the Company acquired 62,750 p.v. in shares in consideration for approx. NIS 34 million.
- B. On March 25, 2025, the Company's Board of Directors decided to distribute a dividend to the shareholders of NIS 260 million. The dividend was paid in April 2025.
- C. On May 20, 2025, the Company's Board of Directors decided to distribute a dividend to the shareholders in the amount of NIS 250 million. The dividend was paid in June 2025.

Additional information

NOTE 3 - EQUITY (cont.)

- D. Subsequent to the balance sheet date, on August 19, 2025, the Company's Board of Directors decided to distribute a dividend to the shareholders in the amount of NIS 250 million. The dividend will be paid in September 2025.

NOTE 4 - DEBENTURES

For further details regarding the issuance of Debentures (Series B40) and partial early repayment of Debentures (Series B38 and Series B37), see Note 5 to the Consolidated Interim Financial Statements.

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Delek Group Ltd.

Report of the Board of Directors on the State of the Company's Affairs - Pro Forma **For the period ended June 30, 2025**

Chapter A – General

1. The Company's Board of Directors hereby files the Company's Pro Forma Consolidated Financial Statements for the six- and three-month periods ended June 30, 2025 (hereinafter - the **"Pro forma Statements"**) as well as additional data regarding the Pro forma Statements. This report should be read in conjunction with the Report of the Board of Directors and the Company's Consolidated Financial Statements for said periods.
2. On October 3, 2024, a business combination transaction was completed between Ithaca and Eni UK Limited and Neptune Energy Group Limited - subsidiaries of Eni S.p.A (hereinafter jointly - **"Eni UK"**). Under the transaction, Ithaca acquired from Eni UK significant oil assets in the UK Continental Shelf (which are incorporated under several legal entities, following - the **"Acquired Companies"**), in consideration for allocation of Ithaca shares constituting 38.5% of its capital on the Transaction Completion Date (hereinafter - the **"Consideration Shares"**).

Furthermore, to ensure Ithaca's compliance with the listing rules of the London Stock Exchange, which require, among other things, that at least 10% of its shares will be held by the public, immediately prior to the Transaction Completion Date and as part of the agreement between the parties, the Group and Eni UK sold some of their holdings in Ithaca (constituting approx. 3% of Ithaca's capital after the business combination). The Group's share in the sale's proceeds is approx. GBP 35.4 million.

Subsequent to the completion of the business combination transaction and the adjustment to the public's holdings, the Group holds approx. 52.2% of Ithaca capital, while maintaining a control stake therein, and Eni UK holds approx. 37.2%. It is noted that prior to the Transaction Completion Date, the Group held approx. 88.55% of Ithaca's capital.

The main oil assets of Eni UK Companies include 33% of the rights in J-Area, approx. 21.87% of the rights in the Elgin-Franklin fields, 38.75% of the rights in the Cygnus asset, and 35% of the rights in the Seagull asset.

In its Consolidated Financial Statements, the Group consolidates the financial statements of the Acquired Companies as from the transaction completion date (October 3, 2024).

4. The said business combination constitutes a pro forma event as defined in the Securities Regulations (Periodic and Immediate Reports), 1970.

The Pro Forma Statements were prepared in order to reflect the effect of the pro forma event on the Company's (consolidated) operating results under the assumption that the financial statements of the Acquired Companies would have been consolidated with the Company's financial statements in reporting periods preceding the acquisition, in accordance with Notes 2 and 3 to the Pro Forma Consolidated Financial Statements.

5. The Pro Forma Statements were prepared on the basis of the Company's Consolidated Financial Statements and a retroactive consolidation of the financial statements of the Acquired Companies for all the relevant reporting periods, in accordance with the assumptions set forth in Note 3 to the Pro Forma Consolidated Financial Statements.

6. **Analysis of the Pro Forma Operating Results for the Six- and Three-Month Periods Ended June 30, 2024, Compared to the Six- and Three-Month Periods Ended June 30, 2025:**

It is noted that since the pro forma adjustments pertain to the development and production of oil and gas assets in the North Sea segment, the following analysis will only cover this segment. For an analysis of other segments, and for further details regarding the development and production of oil and gas assets in the North Sea segment, see the Company's Report of the Board of Directors as of June 30, 2025 and for the six- and three-month periods then ended.

Revenues

Pro forma revenues of the development and production of oil and gas assets in the North Sea segment totaled approx. NIS 4,786 million in the first half of 2024 compared to revenues of approx. NIS 5,229 million in the first half of 2025. Revenues in the second quarter of 2024 totaled approx. NIS 2,431 million compared to NIS 2,673 million in the second quarter of 2025. The increase in the first half and second quarter of 2025 relative to the pro forma data for the corresponding periods is mainly due to an increase in the production volume.

Operating income

Pro forma operating income of the development and Production of Oil and Gas Assets in the North Sea Segment totaled approx. NIS 2,040 million in the first half of 2024 compared to operating income of approx. NIS 2,301 million in the first half of 2025. The increase in operating income in the first half of 2025 is attributed mainly to the increase in production volumes, as stated above. Operating income in the second quarter of 2024 amounted to approx. NIS 746 million, similar to the operating income in the second quarter of 2025, which totaled approx. NIS 745 million.

Net income attributable to the Company's shareholders

The Group's share in the pro forma operating income of the development and Production of Oil and Gas Assets in the North Sea Segment totaled approx. NIS 445 million in the first half of 2024 compared to a loss of approx. NIS 98 million in the first half of 2025. The decrease in profitability in the first half of 2025 compared to the pro forma profitability in the corresponding period is mainly due to adjustments to deferred taxes recorded in the first quarter of 2025, as a result of the decrease in the Group's holding stake in Ithaca in 2025 compared to the corresponding period and of revaluations and non-recurring revenues recorded in the corresponding period.

Due to the fact that pro forma data, in essence, are based on various assessments and estimates and due to changes which have occurred and which may occur in the Acquired Companies' activity, and specifically due to changes which have occurred in oil and gas prices and expected changes in the scope of production from the acquired reservoirs, the reported pro forma data should not be considered as a necessary indication of the Acquired Companies' contribution to the Company's presented and/or future results subsequent to the operations' acquisition.

Respectfully,

Respectfully,

Ehud Erez

Chairman of the Board

Idan Wallace

CEO

Signature date: August 19, 2025

Delek Group Ltd.

Consolidated Pro Forma Interim Financial Statements as of June 30, 2025

Unaudited

Contents

	Page
Pro Forma Consolidated Statements of Income	<hr/> 2-4
Pro Forma Consolidated Statements of Comprehensive Income	5-7
Notes to the Pro Forma Consolidated Interim Financial Statements	8-11

Pro Forma Consolidated Statements of Income

	For the 6 months ended June 30, 2024		
	Actual data	Pro forma adjustments	Pro forma data
	NIS million (excluding net earnings per share)		
Revenues	5,479	1,680	7,159
Cost of sales	3,093	600	3,693
Gross income	2,386	1,080	3,466
General and administrative expenses	151	55	206
Group's share in profits of operating associates, net	19	-	19
Other income (expenses), net	(152)	124	(28)
Operating income	2,102	1,149	3,251
Finance income	365	44	409
Finance expenses	(824)	(44)	(868)
Profit before taxes on income	1,643	1,149	2,792
Income tax	602	685	1,287
Profit from continuing operations	1,041	464	1,505
Profit from discontinued operations, net	54	-	54
Net income	1,095	464	1,559
Attributable to:			
Shareholders of the Company	651	100	751
Non-controlling interests	444	364	808
	1,095	464	1,559
<u>Net earnings per share attributable to the Company's shareholders (in NIS)</u>			
Basic and diluted earnings from continuing operations	32.2	5.5	37.7
Basic and diluted earnings from discontinued operations	2.9	-	2.9
Basic and diluted earnings	35.1	5.5	40.6

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

August 19, 2025
Approval date of the
financial statements

Ehud Erez
Chairman of the Board

Idan Wallace
CEO

Tamir Polikar
Executive VP & CFO

Pro Forma Consolidated Statements of Income (cont.)

For the 3 months ended June 30, 2024

	Actual data	Pro forma adjustments	Pro forma data
	NIS million (excluding net earnings per share)		
Revenues	2,523	1,084	3,607
Cost of sales	<u>1,484</u>	<u>559</u>	<u>2,043</u>
Gross income	1,039	525	1,564
General and administrative expenses	86	29	115
Group's share in profits of operating associates, net	8	-	8
Other income (expenses), net	<u>(130)</u>	<u>48</u>	<u>(82)</u>
Operating income	831	544	1,375
Finance income	241	27	268
Finance expenses	<u>(388)</u>	<u>(21)</u>	<u>(409)</u>
Profit before taxes on income	684	550	1,234
Income tax	<u>123</u>	<u>328</u>	<u>451</u>
Profit from continuing operations	561	222	783
Profit from discontinued operations, net	<u>47</u>	<u>-</u>	<u>47</u>
Net income	<u><u>608</u></u>	<u><u>222</u></u>	<u><u>830</u></u>
Attributable to:			
Shareholders of the Company	382	30	412
Non-controlling interests	<u>226</u>	<u>192</u>	<u>418</u>
	<u><u>608</u></u>	<u><u>222</u></u>	<u><u>830</u></u>
<u>Net earnings per share attributable to the Company's shareholders (in NIS)</u>			
Basic and diluted earnings from continuing operations	18.0	1.8	19.8
Basic and diluted earnings from discontinued operations	<u>2.5</u>	<u>-</u>	<u>2.5</u>
Basic and diluted earnings	<u><u>20.5</u></u>	<u><u>1.8</u></u>	<u><u>22.3</u></u>

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

Pro Forma Consolidated Statements of Income (cont.)

	For the year ended December 31, 2024		
	Actual data	Pro forma adjustments	Pro forma data
	NIS million (excluding net earnings per share)		
Revenues	11,961	2,679	14,640
Cost of sales	6,260	1,226	7,486
Gross income	5,701	1,453	7,154
General and administrative expenses	306	71	377
Group's share in profits of operating associates, net	54	-	54
Other income (expenses), net	(1,113)	186	(927)
Operating income	4,336	1,568	5,904
Finance income	812	50	862
Finance expenses	(1,723)	(65)	(1,788)
Profit before taxes on income	3,425	1,553	4,978
Income tax	1,109	937	2,046
Profit from continuing operations	2,316	616	2,932
Profit from discontinued operations, net	54	-	54
Net income	2,370	616	2,986
Attributable to:			
Shareholders of the Company	1,404	141	1,545
Non-controlling interests	966	475	1,441
	2,370	616	2,986
<u>Net earnings per share attributable to the Company's shareholders (in NIS)</u>			
Basic and diluted earnings from continuing operations	73.1	10.5	83.6
Basic and diluted earnings from discontinued operations	2.9	-	2.9
Basic and diluted earnings	76.0	10.5	86.5

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

Pro Forma Consolidated Statements of Comprehensive Income

	For the 6 months ended June 30, 2024		
	Actual data	Pro forma adjustments	Pro forma data
	NIS million		
Net income	1,095	463	1,558
Other comprehensive income (loss) (net of tax effect):			
<u>Amounts classified or reclassified to profit or loss under specific conditions:</u>			
Income for cash flow hedges	(50)	-	(50)
Transfer to profit or loss for cash flow hedges	(91)	(19)	(110)
Adjustments arising from foreign currency translation of foreign operations' financial statements	590	291	881
Total other comprehensive income	449	272	721
Total comprehensive income	1,544	735	2,279
Attributable to:			
Shareholders of the Company	937	294	1,231
Non-controlling interests	607	441	1,048
	1,544	735	2,279

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

Pro Forma Consolidated Statements of Comprehensive Income (cont.)

	For the 3 months ended June 30, 2024		
	Actual data	Pro forma adjustments	Pro forma data
	NIS million		
Net income	608	221	829
Other comprehensive income (loss) (net of tax effect):			
<u>Amounts classified or reclassified to profit or loss under specific conditions:</u>			
Income for cash flow hedges	(46)	-	(46)
Transfer to profit or loss for cash flow hedges	(24)	-	(24)
Adjustments arising from foreign currency translation of foreign operations' financial statements	350	182	532
Total other comprehensive income	280	182	462
Total comprehensive income	888	403	1,291
Attributable to:			
Shareholders of the Company	562	151	713
Non-controlling interests	326	252	578
	888	403	1,291

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

Pro Forma Consolidated Statements of Comprehensive Income (cont.)

	For the year ended December 31, 2024		
	Actual data	Pro forma adjustments	Pro forma data
		NIS million	
Net income	2,370	616	2,986
Other comprehensive income (loss) (net of tax effect):			
<u>Amounts classified or reclassified to profit or loss under specific conditions:</u>			
Gain (loss) from cash flow hedges	(131)	-	(131)
Transfer to profit or loss for cash flow hedges	(128)	(19)	(147)
Adjustments arising from foreign currency translation of foreign operations' financial statements	17	178	195
Total other comprehensive income (loss)	(242)	159	(83)
Total comprehensive income	2,128	775	2,903
Attributable to:			
Shareholders of the Company	1,320	196	1,516
Non-controlling interests	808	579	1,387
	2,128	775	2,903

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

NOTE 1 - GENERAL

- A. As stated in Note 9A(1)(c) to the Consolidated Financial Statements as of December 31, 2024 and the year then ended (hereinafter - the “**Annual Financial Statements**”), on October 2, 2024, a business combination transaction was completed between Ithaca and Eni UK Limited and Neptune Energy Group Limited - subsidiaries of Eni S.p.A (hereinafter jointly - “**Eni UK**”). Under the transaction, Ithaca acquired from Eni UK significant oil assets in the UK Continental Shelf (which are incorporated under several legal entities, following - the “**Acquired Companies**”), in consideration for allocation of Ithaca shares constituting 38.5% of its capital on the Transaction Completion Date (hereinafter - the “**Consideration Shares**”).

Furthermore, to ensure Ithaca's compliance with the listing rules of the London Stock Exchange, which require, among other things, that at least 10% of its shares will be held by the public, immediately prior to the Transaction Completion Date and as part of the agreement between the parties, the Group and Eni UK sold some of their holdings in Ithaca (constituting approx. 3% of Ithaca's capital after the business combination). The Group's share in the sale's proceeds is approx. GBP 35.4 million.

Subsequent to the completion of the business combination transaction and the adjustment to the public's holdings, the Group holds approx. 52.2% of Ithaca capital, while maintaining a control stake therein, and Eni UK holds approx. 37.2%. It is noted that prior to the Transaction Completion Date, the Group held approx. 88.55% of Ithaca's capital.

The main oil assets of Eni UK Companies include 33% of the rights in J-Area, approx. 21.87% of the rights in the Elgin-Franklin fields, 38.75% of the rights in the Cygnus asset, and 35% of the rights in the Seagull asset.

In its Consolidated Financial Statements, the Group consolidates the financial statements of the Acquired Companies as from the Transaction Completion Date (October 3, 2024).

- B. The abovementioned business combination constitutes a Pro Forma Event as defined in the Securities Regulations (Periodic and Immediate Reports), 1970.

The Pro Forma Consolidated Financial Statements were prepared in order to reflect the effect of the Pro Forma Event on the Company's (consolidated) operating results under the assumption that the financial statements of the Acquired Companies would have been consolidated with the Company's financial statements as from January 1, 2022, in accordance with Notes 2 and 3 below.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied to the Pro Forma Consolidated Interim Financial Statements are consistent with those applied to the Company's Consolidated Financial Statements as of June 30, 2025 and for the six- and three-month periods then ended (hereinafter - the “**Consolidated Interim Financial Statements**”). These Pro Forma Consolidated Interim Financial Statements were prepared in accordance with Regulation 9A to the Securities Regulations (Periodic and Immediate Reports), 1970. Please peruse the Pro Forma Consolidated Interim Financial Statements in conjunction with the Consolidated Interim Financial Statements.

NOTE 3 - ASSUMPTIONS USED IN THE PREPARATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

1. The Pro Forma Consolidated Financial Statements are based on the Company's Consolidated Financial Statements and the financial statements of the Acquired Companies for the relevant reporting periods, which were prepared in accordance with International Financial Reporting Standards (IFRS).
2. The Pro Forma Consolidated Statements of Income and the Pro Forma Consolidated Statements of Comprehensive Income for the year ended December 31, 2024 and for the six- and three-month periods ended on June 30, 2024, were prepared under the assumption that the Acquired Companies were acquired on January 1, 2022.
3. Pro forma adjustments for the year ended December 31, 2024 include data of the Acquired Companies for the period from January 1, 2024 through the acquisition date (October 3, 2024). The data of the Acquired Companies for the period from the acquisition date through December 31, 2024 are included in the actual data.
3. The effect of the loss from costs associated with the transaction totaling approx. USD 16.3 million (approx. NIS 60 million) was deducted from the pro forma profit or loss data for the year ended December 31, 2024.
4. The Pro Forma Statements of Income for the reporting periods included amortization of excess costs which arose from the acquisition, in accordance with a provisional measurement of the fair value of the assets and liabilities of the Acquired Companies, as detailed in Note 9A to the Annual Financial Statements. Due to the abovementioned amortization, a tax effect was recognized in accordance with the tax rate applicable to the Acquired Companies in each of the relevant periods (an effective rate of 75% in 2024). It is noted that the pro forma adjustments to the cost of sales line item include expenses with respect to the amortization of excess costs as stated above, totaling approx. NIS 7 million for the year ended December 31, 2024 (approx. NIS 2 million after the tax effect) and a total of approx. NIS 25 million and approx. NIS 21 million for the six- and three-month period ended June 30, 2024, respectively (approx. NIS 6 million and approx. NIS 5 million post-tax, respectively).
5. As stated in Note 9A to the Annual Financial Statements, the consideration for the acquisition in the business combination included a consideration paid by issuance of Ithaca shares totaling USD 861 million and consideration payable in cash with respect to adjustments to the working capital of the Acquired Companies totaling USD 215 million. Since the consideration payable in cash will be financed through the working capital of the Acquired Companies (rather than by raising foreign financing), the Pro Forma Reports did not include any adjustments with respect to the finance costs.
6. As part of the transaction, the Group's stake in Ithaca decreased from 88.55% to 52.2%. The net income and comprehensive income attributable to the Company's shareholders during each of the reporting periods were adjusted to reflect the abovementioned decline in the Group's stake.
7. Due to the fact that pro forma data, in essence, are based on various assessments and estimates and due to changes which have occurred and which may occur in the Acquired Companies' activity, and specifically due to changes which have occurred in oil and gas prices and expected changes in the scope of production from the acquired reservoirs, the reported pro forma data should not be considered as a necessary indication of the Acquired Companies' contribution to the Company's presented and/or future results subsequent to the operations' acquisition.

NOTE 4 - OPERATING SEGMENTS

A. General

In accordance with IFRS 8, the Group's operating segments are determined on the basis of management reports, which are mainly based on the investments in each investee.

The operating segments are as follows:

- Oil and Gas Exploration and Production in and around Israel Segment - The main activity during the reporting period takes place as part of the Leviathan Project joint venture, and other oil rights, mainly off the coast of Israel through NewMed Energy.
- Development and Production of Gas and Oil Assets in the North Sea Segment: The activity is carried out by Ithaca, which owns rights in oil and gas assets in the North Sea region. The activity includes mainly production and marketing of oil and gas from the producing reservoirs and the development of additional reservoirs.
- Others - other segments include mainly the operations of Delek Israel and Delek Israel Properties, the investment in which is accounted for in accordance with the equity method, as well as Mehadrin's activity.

The results of the acquired activity are included in full in the segment covering the Development and Production of Gas and Oil Assets in the North Sea Segment.

B. Pro forma operating segment reporting1) Revenues

	For the 6 months ended June 30, 2024	For the 3 months ended June 31, 2024	For the year ended December 31, 2024
	NIS million		
Oil and Gas Exploration and Production in and around Israel Segment	1,802	962	3,661
Development and Production of Gas and Oil Assets in the North Sea Segment	4,786	2,431	10,005
Other segments	571	214	974
Total in statement of income	<u>7,159</u>	<u>3,607</u>	<u>14,640</u>

2) Cost of sales

	For the 6 months ended June 30, 2024	For the 3 months ended June 30, 2024	For the year ended December 31, 2024
	NIS million		
Oil and Gas Exploration and Production in and around Israel Segment	508	256	1,038
Development and Production of Gas and Oil Assets in the North Sea Segment	2,602	1,537	5,448
Other segments	583	250	1,000
Total in statement of income	<u>3,693</u>	<u>2,043</u>	<u>7,486</u>

NOTE 4 - OPERATING SEGMENTS (cont.)

B. Pro forma operating segment reporting (cont.)3) Segment results – operating income (loss)

	For the 6 months ended June 30, 2024	For the 3 months ended June 30, 2024	For the year ended December 31, 2024
	NIS million		
Oil and Gas Exploration and Production in and around Israel Segment	1,273	693	2,595
Development and Production of Gas and Oil Assets in the North Sea Segment	2,040	746	3,412
Other segments	(37)	(51)	(56)
Adjustments *)	(25)	(13)	(47)
Total in statement of income	3,251	1,375	5,904

*) Mainly administrative and general expenses attributable to the Staff Companies.

4) Contribution to net profit from continuing operations attributable to the Company's shareholders

	For the 6 months ended June 30, 2024	For the 3 months ended June 30, 2024	For the year ended December 31, 2024
	NIS million		
Oil and Gas Exploration and Production in and around Israel Segment	530	286	1,080
Development and Production of Gas and Oil Assets in the North Sea Segment	445	237	682
Other segments	(27)	(31)	(12)
Adjustments *)	(251)	(127)	(259)
Total in statement of income	697	365	1,491

*) Mainly administrative, general and financing expenses attributable to the Staff Companies.

NOTE 5 - CONTINGENT LIABILITIES

Motions for class actions of significant amounts were filed against the Company and some of the investees; in some cases, it is impossible to assess their outcome at this stage, and therefore no provision was recorded in the financial statements, as detailed in Note 6 to the Consolidated Interim Financial Statements.

Date: August 19, 2025

To
The Board of Directors of Delek Group Ltd.

To whom it may concern,

Re: Shelf Offering Report in accordance with the Shelf Prospectus dated May 22, 2025 of the Delek Group Ltd. (hereinafter - the "Company")

We hereby inform you that we agree to the inclusion (including by way of reference) of our reports listed below in the shelf prospectus referred to above and in the shelf offering reports issued by virtue of the abovementioned shelf prospectus:

- The report of the independent auditor dated March 25, 2025 on the Company's consolidated financial statements as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024.
- The report of the independent auditor dated March 25, 2025 on the audit of components of internal control over the financial reporting of the Company as of December 31, 2024.
- The report of the independent auditor dated March 25, 2025 on the Company's separate financial information, in accordance with Regulation 9C to the Securities Regulations (Periodic and Immediate Reports), 1970 as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024.
- The report of the independent auditor dated March 25, 2025 on the Company's Pro Forma Consolidated Financial Statements, in accordance with Regulation 9C to the Securities Regulations (Periodic and Immediate Reports), 1970 as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024.
- The independent auditor's review report dated August 19, 2025 on the Company's Condensed Consolidated Financial Information as of June 30, 2025 and for the six- and three-month periods then ended.
- The independent auditor's review report dated August 19, 2025 on the Company's condensed separate financial information as of June 30, 2025 and for the six- and three-month periods then ended, in accordance with Regulation 38D to the Securities Regulations (Periodic and Immediate Reports), 1970.
- The independent auditor's review report dated August 19, 2025 on the Company's Condensed Consolidated Pro Forma Financial Information in accordance with Regulation 38B to the Securities Regulations (Periodic and Immediate Reports), 1970 for the six- and three-month periods ended June 30, 2024.

Respectfully,
Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

תל אביב - משרד ראשי

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Chapter

D

Report on the Effectiveness of Internal Controls for Financial Reporting and Disclosure



Delek Group Ltd.

Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure, Pursuant to Regulation 38C(a):

Management, under the supervision of the Board of Directors of Delek Group Ltd. (hereinafter - the "**Corporation**"), is responsible for setting and maintaining appropriate internal control over financial reporting and disclosure in the Corporation.

For this matter, the members of Management are:

1. Idan Wallace, CEO.
2. Tamir Polikar, Executive VP & CFO.
3. Leora Pratt Levin, Chief Legal Counsel.
4. Lena Berenshtein, Chief Controller.

Internal control over financial reporting and disclosure includes controls and procedures existing in the Corporation, which were planned or overseen by the CEO and the most senior financial officer or under their supervision, or by whoever fulfills these functions in practice, under the supervision of the Board of Directors of the Corporation, which were designed to provide reasonable assurance as to the reliability of the financial reporting and the preparation of the reports in accordance with the provisions of the law and to ensure that information that the Corporation is required to disclose in the reports it publishes in accordance with the provisions of the law is collected, processed, summarized and reported on the date and in the format laid down in law.

Internal control includes, inter alia, controls and procedures planned to ensure that the information that the Corporation is required to disclose as aforesaid, is accumulated and forwarded to the Management of the Corporation, including to the CEO and the most senior financial officer or to whoever fulfills these functions in practice, in order to enable decisions to be made at the appropriate time in relation to the disclosure requirements.

Due to its structural limitations, the internal control over financial reporting and disclosure is not intended to provide absolute assurance that misstatement in, or omission of, information from the reports will be prevented or will be discovered.

In the Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure, which was attached to the Quarterly Report for the period ended March 31, 2025 (hereinafter - the "**Most Recent Quarterly Report of Internal Control**"), the said internal controls were found to be effective.

As of the date of this report, no event or matter was brought to the attention of the Board of Directors and Management that leads them to change the assessment of the effectiveness of the internal control, as reported in the Most Recent Quarterly Report of Internal Control;

As of the report date, based on the above in the Most Recent Quarterly Report of Internal Control and based on information brought to the attention of Management and the Board of Directors as stated above, the internal control is effective.

Certification by the CEO in accordance with Regulation 38C(d)(1):

Certification by Officers

Certification by the CEO

I, Idan Wallace, declare that:

- (1) I have reviewed quarterly report of the Delek Group Ltd. (hereinafter - the "**Corporation**") for the second quarter of 2025 (hereinafter – the "**Reports**");
- (2) To my knowledge, the Reports do not contain any misrepresentation of a material fact, or omit a representation of a material fact that is necessary in order for the representations included therein - under the circumstances in which such representations were included - to be misleading as to the reporting period;
- (3) To the best of my knowledge, the financial statements and other financial information in the Reports present fairly, in all material respects, the financial position, the results of operations and the cash flows of the Corporation at the dates and for the periods covered by the Reports;
- (4) I disclosed to the independent auditor of the Corporation, to the Board of Directors, to the Audit and the Financial Statements Committees of the Board of Directors of the Corporation, based on my latest assessment of the internal control over the financial reporting and disclosure:
 - (a) all the significant flaws and material weaknesses in the determination or operation of the internal control over the financial reporting and disclosure that could reasonably have an adverse effect on the ability of the Corporation to collect, process, summarize or report on financial information in a way that could cast doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and -
 - (b) any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure;
- (5) I, alone or together with others in the Corporation:
 - (a) have established controls and procedures or ascertained the establishment and upholding of controls and procedures under my supervision, designed to ensure that material information relating to the Company, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my knowledge by others in the Corporation and in the subsidiaries, particularly during the period of preparation of the Reports; and -
 - (b) have established controls and procedures or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.
 - (c) no event or matter has been brought to my attention during the period between the most recent quarterly report date and the date of this Report that changes the conclusion of the Board of Directors and Management in respect of the effectiveness of the internal control over the Corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or that of anyone else under law.

August 19, 2025

Idan Wallace
CEO

Certification by the Most Senior Financial Officer pursuant to Regulation 38C(d)(2):

Certification by Officers

Certification by the Most Senior Financial Officer

I, Tamir Polikar, declare that:

- (1) I have reviewed the Interim Financial Statements and the other financial information included in the interim financial reports of Delek Group Ltd. (hereinafter - the "**Corporation**") for the second quarter of 2025 (hereinafter - the "**Reports**" or the "**Reports for the Interim Period**");
- (2) To the best of my knowledge, the Interim Financial Statements and other financial information included in the Reports for the Interim Period do not include any misrepresentation of a material fact and lack any representation of any vital, material fact, such that the representations included therein, under the circumstances in which the representations have been included, shall not be misleading in respect of the period covered by the Reports;
- (3) To the best of my knowledge, the Interim Financial Statements and other financial information included in the Reports for the Interim Period reflect fairly, in all material respects, the financial position, the results of operations and the cash flows of the Corporation at the dates and for the periods covered by the Reports;
- (4) I have disclosed to the independent auditor of the Corporation, to the Board of Directors, to the Audit and Financial Statements Committees of the Board of Directors of the Corporation, based on my latest assessment of the internal control over the financial reporting and disclosure:
 - (a) all the significant flaws and material weaknesses in the determination or operation of the internal control of the financial reporting and disclosure insofar as they related to the financial statements and other financial information included in the Reports for the Interim Period that could reasonably have an adverse effect on the ability of the Corporation to collect, process, summarize or report on financial information in a way that could cast doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and -
 - (b) any fraud, whether material or not, involving the chief executive officer or anyone directly reporting thereto or involving other employees who have a significant role in the internal control over financial reporting and disclosure.
- (5) I, alone or together with others in the Corporation -
 - (a) have established controls and procedures or ascertained the establishment and upholding of controls and procedures under our supervision, designed to ensure that material information relating to the Company, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my knowledge by others in the Corporation and in the subsidiaries, particularly during the period of preparation of the Reports; and -
 - (b) have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;
 - (c) no event or matter has been brought to my attention during the period between the most recent quarterly report date and the date of this Report that relates to the Interim Financial Statements and to any other financial information included in the Reports for the Interim Period that changes the conclusion of the Board of Directors and Management in respect of the effectiveness of the internal control over the Corporation's financial reporting and disclosure.

Nothing in the foregoing shall derogate from my responsibility or that of anyone else under law.

August 19, 2025

Tamir Polikar
Executive VP & CFO