

Ashdod Refinery Ltd.

**Condensed Interim Financial Statements
As of September 30, 2025
(Unaudited)**

Translation from the Hebrew

Disclaimer

This document is a convenience translation from the Hebrew original of the financial statements dated November 26, 2025 (the "Statements") issued by Ashdod Refinery Ltd. (the "Company"). Only the Hebrew original of the Statements is legally binding. No reliance may be placed for any purpose whatsoever on the completeness, accuracy or fairness of information contained in this document. No warranty or representation, express or implied, is made or given by or on behalf of the Company or any of its directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information contained in this document and no responsibility or liability is accepted by any person for such information.

Financial Statements as of September 30, 2025

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**INDEPENDENT AUDITORS' REVIEW REPORT TO THE
SHAREHOLDERS OF
ASHDOD REFINERY LTD.**

Introduction

We have reviewed the accompanying financial information of Ashdod Refinery Ltd. (hereinafter - "the Company") comprising of the condensed interim statement of financial position as of September 30, 2025 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the nine and three month periods then ended. The Board of Directors and Management are responsible for the preparation and presentation of financial information for these interim periods in accordance with IAS 34 "Interim Financial Reporting", and are also responsible for the preparation of financial information for these interim periods in accordance with Section D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on the financial information for these interim periods based on our review.

Scope of Review


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

Conclusion

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

In addition to that mentioned in the previous paragraph, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

As explained in Note 2A the accompanying financial statements represent a translation into English from the original financial statements in Hebrew.


Somekh Chaikin
Certified Public Accountants (Isr.)
November 26, 2025

KPMG Somekh Chaikin, an Israeli partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

Condensed Interim Statements of Financial Position

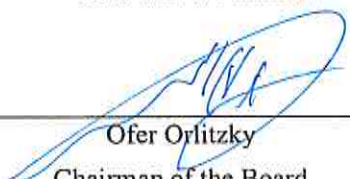
\$ millions	As of September 30, 2025	As of September 30, 2024	As of December 31, 2024
	(Unaudited)	(Unaudited)	(Audited)
Current assets			
Cash and cash equivalents	262	171	257
Trade receivables	128	71	134
Other receivables	30	38	24
Derivative instruments	3	5	3
Inventory	329	332	280
Total current assets	752	617	698
Non-current assets			
Deposit in trust	10	8	9
Long-term other receivables	4	3	3
Right-of-use assets	19	25	23
Fixed assets	627	665	656
Intangible assets	1	1	1
Deferred tax assets	27	-	-
Total non-current assets	688	702	692
Total assets	1,440	1,319	1,390

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Financial Position

\$ millions	As of September 30, 2025 (Unaudited)	As of September 30, 2024 (Unaudited)	As of December 31, 2024 (Audited)
<u>Current liabilities</u>			
Loans, short-term credit and current maturities	35	22	26
Trade payables	703	543	552
Derivative instruments	8	4	3
Other payables	25	29	18
Current maturities of lease liabilities	9	8	9
Total current liabilities	780	606	608
<u>Non-current liabilities</u>			
Debentures, net	220	173	228
Long-term loans	27	-	26
Long-term lease liabilities	14	20	19
Liability for authorization fees	18	15	15
Employee benefits	16	14	14
Deferred tax liabilities	-	7	4
Total non-current liabilities	295	229	306
Total liabilities	1,075	835	914
<u>Equity</u>			
Share capital	*	*	*
Share premium	322	322	322
Retained earnings (loss)	(14)	105	97
Reserve from translation differences	57	57	57
Total equity	365	484	476
Total liabilities and equity	1,440	1,319	1,390

* Less than \$ 1 million.


 Ofer Orlitzky
 Chairman of the Board


 Ronen Yehezkel
 CEO


 Ester Pinsler
 CFO

Date of approval of the financial statements: November 26, 2025

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Comprehensive Income

\$ millions	Note	Nine month period ended September 30,		Three month period ended September 30,		Year ended December 31,
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2024 (Audited)
Revenues	7	2,291	2,505	885	844	3,216
Cost of sales		(2,356)	(2,487)	(991)	(840)	(3,182)
Gross profit (loss)		(65)	18	(106)	4	34
Selling expenses		(7)	(10)	(2)	(2)	(15)
General and administrative expenses		(11)	(9)	(4)	(3)	(13)
Other income, net		*	(1)	*	(1)	(1)
Operating profit (loss)		(83)	(2)	(112)	(2)	5
Financing income		2	6	*	*	3
Financing expenses		(61)	(39)	(20)	(17)	(54)
Financing expenses, net		(59)	(33)	(20)	(17)	(51)
Loss before taxes on income		(142)	(35)	(132)	(19)	(46)
Tax saving		31	9	23	5	12
Loss for the period		<u>(111)</u>	<u>(26)</u>	<u>(109)</u>	<u>(14)</u>	<u>(34)</u>
Other comprehensive income (loss) items that will not be carried to profit and loss						
Re-measurement of a defined benefit program, net of tax		*	*	*	*	*
Total comprehensive loss for the period		<u>(111)</u>	<u>(26)</u>	<u>(109)</u>	<u>(14)</u>	<u>(34)</u>
Basic and diluted loss per share (\$)		<u>(8.9)</u>	<u>(2.1)</u>	<u>(8.7)</u>	<u>(1.1)</u>	<u>(2.7)</u>

* Less than \$ 1 million.

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Changes in Equity

\$ millions	Share capital	Share premium	Capital reserve from translation differences	Retained earnings (loss)	Total
For the nine month period ended September 30, 2025 (unaudited)					
Balance as of January 1, 2025	*	322	57	97	476
Loss for the period	-	-	-	(111)	(111)
Other comprehensive income for the period	-	-	-	*	*
Balance as of September 30, 2025	<u>*</u>	<u>322</u>	<u>57</u>	<u>(14)</u>	<u>365</u>
For the nine month period ended September 30, 2024 (unaudited)					
Balance as of January 1, 2024	*	322	57	186	565
Loss for the period	-	-	-	(26)	(26)
Dividend distribution	-	-	-	(55)	(55)
Other comprehensive income for the period	-	-	-	*	*
Balance as of September 30, 2024	<u>*</u>	<u>322</u>	<u>57</u>	<u>105</u>	<u>484</u>

* Less than \$ 1 million

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Changes in Equity

\$ millions	Share capital	Share premium	Capital reserve from translation differences	Retained earnings (loss)	Total
For the three month period ended September 30, 2025 (unaudited)					
Balance as of July 1, 2025	*	322	57	95	474
Loss for the period	-	-	-	(109)	(109)
Other comprehensive income for the period	-	-	-	*	*
Balance as of September 30, 2025	<u>*</u>	<u>322</u>	<u>57</u>	<u>(14)</u>	<u>365</u>
For the three month period ended September 30, 2024 (unaudited)					
Balance as of July 1, 2024	*	322	57	119	498
Loss for the period	-	-	-	(14)	(14)
Other comprehensive income for the period	-	-	-	*	*
Balance as of September 30, 2024	<u>*</u>	<u>322</u>	<u>57</u>	<u>105</u>	<u>484</u>
For the year ended December 31, 2024 (audited)					
Balance as of January 1, 2024	*	322	57	186	565
Loss for the year	-	-	-	(34)	(34)
Dividend distribution	-	-	-	(55)	(55)
Other comprehensive loss for the year	-	-	-	*	*
Balance as of December 31, 2024	<u>*</u>	<u>322</u>	<u>57</u>	<u>97</u>	<u>476</u>

* Less than \$ 1 million

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Cash Flows

\$ millions	Nine month period ended September 30,		Three month period ended September 30,		Year ended December 31,
	2025	2024	2025	2024	2024
	(Unaudited)		(Unaudited)		(Audited)
Cash flows from operating activities					
Loss for the period	(111)	(26)	(109)	(14)	(34)
Adjustments for:					
Depreciation and amortization	52	50	18	19	67
Financing expenses, net	59	33	20	17	51
Foreign exchange differences	(8)	(5)	(4)	(5)	(8)
Tax saving	(31)	(9)	(23)	(5)	(12)
Capital loss (gain) on de-recognition of fixed assets	*	-	*	-	-
	(39)	43	(98)	12	64
Change in derivatives	2	3	2	(5)	5
Change in inventory	(49)	(38)	8	34	14
Change in trade receivables	13	40	57	50	(21)
Change in other receivables	(8)	(22)	(7)	(17)	(8)
Change in trade payables	148	65	70	(46)	71
Change in other payables	4	(8)	(1)	7	(15)
Change in employee benefits	1	(1)	*	*	(1)
Current taxes paid	*	*	*	*	*
Net cash from operating activities	72	82	31	35	109

* Less than \$ 1 million.

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Interim Statements of Cash Flows

\$ millions	Nine month period ended September 30,		Three month period ended September 30,		Year ended December 31,
	2025	2024	2025	2024	2024
	(Unaudited)		(Unaudited)		(Audited)
Cash flows from investing activities					
Interest received	2	*	1	*	*
Repayment of long-term loans to employees	*	*	*	*	*
Acquisition of fixed assets	(17)	(21)	(8)	(10)	(25)
Proceeds from sale of fixed assets	*	-	*	-	-
Net cash used in investing activities	(15)	(21)	(7)	(10)	(25)
Cash flows from financing activities					
Dividend paid	-	(55)	-	-	(55)
Receipt (repayment) of loan and bank credit, net	(9)	-	(2)	-	(6)
Receipt of long-term loans	-	-	-	-	30
Repayment of long-term loans	(2)	-	-	-	-
Issuance of debentures, net, less issuance expenses	-	-	-	-	52
Repayment of debentures	(22)	(21)	-	-	(21)
Payment of principal of lease liabilities	(6)	(3)	(2)	(1)	(4)
Interest paid	(24)	(25)	(6)	(6)	(37)
Net cash used in financing activities	(63)	(104)	(10)	(7)	(41)
Net increase (decrease) in cash and cash equivalents	(6)	(43)	14	18	43
Cash and cash equivalents as at the beginning of the period	257	225	256	156	225
Effect of exchange rate fluctuations on cash and cash equivalents	11	(11)	(8)	(3)	(11)
Cash and cash equivalents as at the end of the period	262	171	262	171	257
Material non-cash transactions					
Acquisition of fixed assets on credit	5	3	5	3	5

* Less than \$ 1 million.

The accompanying notes are an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements as of September 30, 2025

Note 1 - General**The reporting entity**

Ashdod Refinery Ltd. (hereinafter – “**the Company**”) is an Israeli-resident company that was incorporated on January 4, 2006 and whose official address is HaNeft Street, North Industrial Zone Ashdod. The Company engages in import of crude oil, refining of crude oil into oil distillates, marketing and sale of such products and production and sale of electricity. Until August 28, 2023 the Company was a wholly owned subsidiary of Paz Retail and Energy Ltd. (hereinafter – “Paz”).

On December 30, 2021 the Company and Paz submitted to the Securities Authority an initial draft of a prospectus for the distribution of the Company's shares as a dividend in kind to the shareholders of Paz (hereinafter – “**the spin-off**”), and registration of the Company's shares on Tel Aviv Stock Exchange Ltd. On November 9, 2022 the Company, Paz and Shapir Energy Ltd. entered into an agreement, which was amended on June 21, 2023 and assigned to Shapir Energy Ashdod Ltd., a wholly owned subsidiary of Shapir Engineering & Industry Ltd. (hereinafter – “**Shapir**”) on August 3, 2023, by which on the date of completing the spin-off the Company will issue and sell shares and options to Shapir as set forth in the agreement. On August 28, 2023 (hereinafter – “**the spin-off date**”) the spin-off process was completed, and on August 30, 2023 the Company's shares were listed for trade on Tel Aviv Stock Exchange Ltd.

To the best of the Company's knowledge, and based on the information stated in Shapir's financial statements for the third quarter of 2025, in August 2025, as part of preliminary proceedings to examine the possibility of exercising one of the options granted to Shapir under the agreement, Shapir approached the relevant regulators with a request to hold means of control and to obtain a control permit in the Company, this in accordance with the Order of Interests - Government Companies Order (Declaration of Essential State Interests in Oil Refinery - Ashdod Ltd.), 2006.

As at September 30, 2025 the Company has a working capital deficit in the amount of \$ 28 million. On the date of approval of the financial statements for that date, the Company's Board of Directors decided, after examining its forecasted cash flow, that the aforesaid working capital deficit does not indicate a liquidity problem for the Company and that it is able to meet its liabilities and cash requirements, including the working capital deficit, in the foreseeable future, based on, inter alia, the following reasons:

- (1) The Company has unutilized credit facilities in banks in the amount of NIS 1.1 billion (\$ 326 million).
- (2) The Company has unutilized credit facilities in banks in the amount of NIS 369 million (\$ 111 million) for acquiring liabilities of certain customers (“factoring”).
- (3) The Company has signed framework agreements with several suppliers of raw materials that enable the Company to extend the credit period with the suppliers for interest at market rates.

Note 2 - Basis of Preparation**A. Statement of compliance with IFRS**

These condensed interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and do not include all of the information required for full annual financial statements. They should be read in conjunction with the financial statements as at and for the year ended December 31, 2024 (hereinafter – “the annual financial statements”).

Furthermore, these financial statements have been prepared in accordance with Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

These condensed interim financial statements were authorized for issue by the Company's Board of Directors on November 26, 2025.

The information contained in these financial statements constitutes an unofficial translation of the financial statements published by the Company in Hebrew. The Hebrew version is the binding version. This translation was prepared for convenience purposes only.

Notes to the Condensed Interim Financial Statements as of September 30, 2025

Note 2 - Basis of Preparation (cont'd)**B. Use of estimates and judgments**

The preparation of financial statements in conformity with IFRSs requires management to exercise judgment when making assessments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and judgments made by management in applying the Company's accounting policies and preparing the interim financial statements were consistent with those applied in preparing the financial statements as at December 31, 2024.

C. Functional currency and presentation currency

Until the date of the spin-off, the financial statements were presented in NIS millions which was the functional currency of the Company due to its operation being an integral part of the Paz Group, whose functional currency is NIS.

As from the date of the spin-off, the Company changed its functional currency into USD since the dollar is the currency that represents the economic environment of the Company when acting as an independent company in the refining industry.

Note 3 - Material Accounting Policies

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its annual financial statements.

Note 4 - Material Events In and Subsequent to the Reporting Period**1. Refinery malfunction**

At the beginning of July 2025, the Company announced a malfunction in the production processes following which the refinery facilities are operating on a partial basis. As a result of the malfunction, the Company had to shut down part of the refinery's facilities. The source of the malfunction is substandard raw material that was supplied to the Company by a large international supplier, and it is examining the options available to it and planning to act to fully exploit its rights with the supplier, including the possibility of being compensated in respect of the substandard raw material that was supplied to the Company, and with the carriers of the Company's property insurance and consequential loss insurance in order to reduce its damages.

During the period, the Company supplied all the needs of its customers, including by importing distillates.

As of October, subsequent to balance sheet date, the refinery has resumed producing standard products at nearly full capacity. As from the date of the malfunction up to the date of resuming almost full production, the Company's profitability declined significantly, which is reflected in the results for the third quarter of 2025.

Further to the actions the Company is taking to fully repair the malfunction, during the first quarter of 2026, the Company plans a regeneration of its facilities, as part of which various actions will be taken to resume full operations, which are expected to limit the utilization of the Company's facilities during that period.

As a result of receiving the substandard raw material the Company accumulated inventory of substandard oil and products. During the third quarter of 2025, the Company sold some of the substandard products.

As at September 30, 2025, the Company recorded an impairment provision for substandard inventory in the amount of \$ 82 million (approximately \$ 69 million after tax), based on indications of the inventory's realizable value. This amount reflects the discount the Company is required to give for the substandard inventory and excludes the effect of changes in barrel prices between the purchase date and September 30, 2025.

Note 4 - Material Events In and Subsequent to the Reporting Period (cont'd)**1. Refinery malfunction (cont'd)**

This provision may be adjusted in the future due to possible changes in the relevant estimates, considering the extent of substandard inventory held by the Company at the relevant dates. These impacts may be offset by compensation from the supplier and/or the Company's insurers following the Company's actions to fully exploit its rights with them.

As of September 30, 2025 the Company is in compliance with all the financial covenants with banks and the holders of debentures.

2. "Iron Swords" war

Further to that mentioned in Note 1.C.2 to the annual financial statements, according to examinations that were carried out by the Company, as at the date of issuing this report, there has been no significant change in the Company's assessments regarding the effects of the war on the Company's ability to meet its liabilities, on the measurement of assets and liabilities or on asset impairment or critical estimates and judgements.

3. Israel-Iran war (Operation Rising Lion)

Operation "Rising Lion" began on June 13, 2025, and in it there was a direct military confrontation between the State of Israel and Iran, which led to a state of emergency being declared on the Israeli home front. The war ended on June 24, 2025. During the war the Company acted to continuously supply its customers, including in accordance with orders and instructions that were received from the Fuel Administration from time to time.

Following an Iranian missile attack, Oil Refineries Ltd. (hereinafter: "ORL") advised that the Group's site had been directly hit, following which the facilities of ORL were shut down. As mentioned in Note 26.B.1 to the annual financial statements, the Company regularly sells Propylene to Carmel Olefins, a private wholly owned company of ORL. Following the hit and the operations of the ORL group being stopped, the transmission of Propylene to Carmel Olefins was discontinued. As a result, the Company had to vaporize the Propylene surpluses, impairing production optimization.

Furthermore, in the period of the war, messages were received from time to time from the Leviathan partnership, by which pursuant to the instruction of the Ministry of Energy, the transmission of natural gas and condensate to the refinery has been discontinued. These breaks did not have a material effect on the Company's operations, as it purchased natural gas from other available sources.

4. Military conflict in Europe

Further to that mentioned in Note 1.C.3 to the annual financial statements there has been no significant change in the Company's assessments regarding the war between Russia and Ukraine and its effect on the Company's activities.

Since this is an event that is not under the control of the Company, the Company is continuing to regularly monitor the global changes in oil prices and to examine the effects on its business results.

5. The marine buoys of the Israel Electric Company

Further to that mentioned in Note 1.C.2 to the annual financial statements, to the best of the Company's knowledge, the temporary license that was given to Israel Electric Company ("IEC") for the operation of the marine buoys has been extended until December 1, 2025.

On September 9, 2025, IEC filed a claim for monetary relief in the amount of NIS 15 million against the Company, as well as declaratory relief stating that the agreement signed between the parties on February 25, 2014 for the provision of mooring, unloading, and loading services for tankers at IEC's marine fuel buoys remains in force. IEC alleges that the Company committed a fundamental breach of the agreement by failing to pay the agreed minimum payment, despite continuing to receive services under the agreement, and therefore IEC is entitled to terminate it.

Notes to the Condensed Interim Financial Statements as of September 30, 2025**Note 4 - Material Events In and Subsequent to the Reporting Period (cont'd)****5. The marine buoys of the Israel Electric Company (cont'd)**

The Company will set forth its arguments in its statement of defense to be filed in due course. A pretrial hearing in this case has been scheduled for March 2026. Based on the advice of its legal counsel, it is too early at this stage to assess the Company's exposure in this claim.

6. Officers

Further to that mentioned in Note 1.C.5 to the annual financial statements, on April 24, 2025, the Company announced the appointment of Mr. Ronen Yehezkel as CEO of the Company in effect from May 1, 2025. On May 4, 2025 Mr. Jacky Berdugo ceased serving as the interim CEO and returned to his position as the Company's Deputy CEO, VP of Operation and Head of Production. In accordance with the Board of Directors' decision to perform an organizational restructuring of the Company, as from May 27, 2025 Mr. Jacky Berdugo serves as the Company's Deputy CEO and VP of Operation.

7. Agreements for the purchase of oil

Further to that mentioned in Note 26.B.9 to the annual financial statements, the Company extended agreements with two crude oil suppliers for another year, until the end of March 2026.

8. Agreement for the supply of natural gas

In May 2025 a natural gas supply agreement was signed between the Company and a supplier in the secondary market (hereinafter in this item: "the seller") by which the Company will purchase from the seller natural gas for the purpose of operating the Company's facilities (hereinafter in this item: "the agreement").

Pursuant to the agreement, the seller will supply the Company a total contractual quantity of about 27 million MMBTU throughout the life of the agreement (hereinafter: "the total contractual quantity"), at the terms set forth in the agreement. The agreement is for a period of five years beginning from July 1, 2025. The agreement includes, inter alia, a Take or Pay mechanism for a minimum annual quantity of natural gas at a volume and pursuant to a mechanism as set out in the agreement (hereinafter – the "minimum annual quantity"). According to the agreement the price of natural gas will be partly linked to the production component tariff as set from time to time by the Electricity Authority and partly to the US consumer price index. In the opinion of the Company, the overall monetary scope of the agreement throughout the entire period of the agreement (based on an assessment of the price and quantity of natural gas the Company will acquire throughout the period of the agreement), could amount to US\$ 120 million, assuming that the Company uses the total contractual quantity. It is clarified that the actual monetary scope will be derived from several matters, including the quantities of natural gas that are actually acquired by the Company and changes in the linkage as mentioned above.

9. Clean Air Law

Further to that stated in Note 26.A.1 to the annual financial statements, in October 2025, subsequent to balance sheet date, an update to the Company's emission permit (originally issued in June 2022) was published, reflecting a tightening of the Ministry of Environmental Protection's requirements compared to the existing permit, and requiring capital investments that are not material to the Company.

On April 7, 2025, the Company received a warning and summons to a hearing from the Ministry of Environmental Protection (hereinafter: "the Ministry") with respect to an alleged violation of the provisions of the Clean Air Law - 2008 and the Company's emission permit. Most of the alleged violations relate to deviations in emission values that were found in surprise tests the Ministry performed in the plant's stacks, deviation in the continuous monitoring at the stacks and visible emission of vapor. In the hearing that was held on May 14, 2025 the Company presented its arguments against the allegations and findings of the Ministry. On June 24, 2025, a summary of the hearing was received, according to which the Company was requested to submit additional material relating to its arguments. A decision on the matter will be made after reviewing the submitted material.

Notes to the Condensed Interim Financial Statements as of September 30, 2025

Note 5 - Inventory Impairment

As at September 30, 2025, December 31, 2024 and September 30, 2024, the balance of inventory includes a provision for inventory impairment in the amount of \$ 91 million, \$ 4 million and \$ 14 million, respectively. See also Note 4.1 above.

Note 6 - Documentary Credit

As at September 30, 2025 the Company has documentary credit in the amount of \$ 202 million (December 31, 2024 – \$ 107 million) in respect of the import of raw materials and equipment.

Note 7 - Revenues**A. Composition**

\$ millions	Nine month period ended September 30,		Three month period ended September 30,		Year ended December 31,
	2025	2024	2025	2024	2024
	(Unaudited)		(Unaudited)		(Audited)
Local market	1,871	1,946	719	703	2,499
Export	364	516	142	125	656
Electricity and other	56	43	24	16	61
Total revenues	2,291	2,505	885	844	3,216

Breakdown of the revenue from the
Company's major customers:

Customer A	1,113	1,219	407	430	1,556
Customer B	284	303	106	100	388

B. Composition of revenues according to distillates

\$ millions	Nine month period ended September 30,		Three month period ended September 30,		Year ended December 31,
	2025	2024	2025	2024	2024
	(Unaudited)		(Unaudited)		(Audited)
Gasoline	845	957	341	322	1,196
Diesel fuel	739	801	262	295	1,059
Kerosene	263	289	126	75	365
Fuel oil	89	86	28	37	100
Other (includes electricity and dispensing)	355	372	128	115	496
Total revenues	2,291	2,505	885	844	3,216

Notes to the Condensed Interim Financial Statements as of September 30, 2025**Note 8 - Debentures, Loans, and Short-Term Credit**

- A. Further to that mentioned in Note 20 to the annual financial statements regarding entering into customer factoring agreements, as of September 30, 2025, customer debts in the amount of approximately \$ 146 million have been derecognized in accordance with IFRS 9 (as of December 31, 2024, approximately \$ 107 million was derecognized).
- B. Further to that mentioned in Note 20 and Note 21 to the annual financial statements, as at September 30, 2025, the Company is in compliance with the financial covenants undertaken by it in order to raise bank credit and debentures.
- C. As at September 30, 2025, the rating of the debentures is A3.il with a negative outlook.

On November 18, 2025, the rating of the Company's debentures (Series 2) and debentures (Series 3) was downgraded from A3.il (negative outlook) to Baa1.il (stable outlook).

Following the downgrade, the annual interest rate applicable to the outstanding principal balances of the debentures (Series 2) and debentures (Series 3) will increase, for each series, by 0.25% above the current interest rate of the respective series, for the period commencing at the beginning of the next interest period following the interest period in which the rating change occurred, until full repayment of the outstanding principal balances of the debentures (Series 2) and debentures (Series 3), as applicable, or until the rating is upgraded, all in accordance with the provisions of the trust deed for the debentures (Series 2) and the provisions of the trust deed for the debentures (Series 3), as applicable.

Note 9 - Financial Instruments**(1) Financial instruments measured at fair value for disclosure purposes only**

The carrying amount of certain financial assets and liabilities, including cash and cash equivalents, trade receivables, other receivables, other long-term receivables, deposit in trust, derivatives, credit from banks, trade payables, other payables, long-term loans and lease liabilities, is equal to or approximates their fair value.

The fair values of the other financial assets and the carrying amounts shown in the statement of financial position, are as follows:

\$ millions	September 30, 2025		
	Adjusted balance of par value	Carrying amount *	Fair value Level 1**
Series 2 debentures	194	194	209
Series 3 debentures	57	57	59
<hr/>			
\$ millions	September 30, 2024		
	Adjusted balance of par value	Carrying amount *	Fair value Level 1**
Series 2 debentures	194	195	206
<hr/>			
\$ millions	December 31, 2024		
	Adjusted balance of par value	Carrying amount *	Fair value Level 1**
Series 2 debentures	197	198	210
Series 3 debentures	52	52	52

* The carrying amount of the debentures is presented at amortized cost (net of raising costs and with the addition of a premium).

** The fair value of the debentures is based on the quoted price on the stock exchange at the reporting date.

Notes to the Condensed Interim Financial Statements as of September 30, 2025

Note 9 - Financial Instruments (cont'd)

(2) The fair value hierarchy of financial instruments measured at fair value

The table below presents an analysis of financial instruments measured at fair value using valuation methodology. The various levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical instruments.
- Level 2: Observable (directly or indirectly) inputs, not included in level 1.
- Level 3: Inputs that are not based on observable market data.

As of September 30, 2025				
(Unaudited)				
\$ millions	Level 1	Level 2	Level 3	Total
Financial assets – derivative instruments	3	*	-	3
Financial liabilities – derivative instruments	2	5	1	8

As of September 30, 2024				
(Unaudited)				
\$ millions	Level 1	Level 2	Level 3	Total
Financial assets – derivative instruments	1	*	-	1
Financial liabilities – derivative instruments	3	3	4	10

As of December 31, 2024				
(Audited)				
\$ millions	Level 1	Level 2	Level 3	Total
Financial assets – derivative instruments	2	1	-	3
Financial liabilities – derivative instruments	1	-	2	3

* Less than \$ 1 million.

For information regarding valuation techniques for determination of fair value of financial instruments measured at level 2, see Note 25.F to the annual financial statements.