

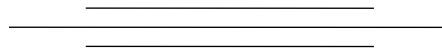
RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

2025 ANNUAL REPORT

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP
2025 ANNUAL REPORT

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Independent Auditors' Report

To the partners of Ratio Petroleum Energy - Limited Partnership

Opinion

We have audited the Consolidated Financial Statements of Ratio Petroleum Energy – Limited Partnership (hereinafter the “Partnership”), which include the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of profit or loss and other comprehensive loss, changes in partners’ equity, and cash flows for the year then ended, as well as the notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Partnership as of December 31, 2025, and its consolidated financial results and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and the provisions of the Securities Regulations (Annual Financial Statements), 5770-2010.

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards in Israel, including those prescribed by Accountants Regulations (Auditor's Mode of Performance), 5733-1973. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section of our report. We are independent of the Partnership and its consolidated entities in accordance with the applicable laws in Israel regarding auditor independence and preventing conflicts of interest. We have also fulfilled our other ethical responsibilities in accordance with the Accountants Law, 5715-1955, and regulations promulgated thereunder. We believe that the audit evidence obtained is sufficient and appropriate to serve a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that were communicated, or were required to be communicated, to the board of directors of the General Partner of the Partnership and which, in our professional judgment, were of most significance in the audit of the Consolidated Financial Statements for the current period. These matters include, among others, any matter which: (1) relates, or may relate, to material items or disclosures in the Consolidated Financial Statements; and (2) involved especially challenging, subjective, or complex auditor judgment. We have determined that there are no key audit matters to report.

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

The board of directors of the General Partner of the Partnership and the management are responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRS Accounting Standards and the Securities Regulations (Annual Financial Statements), 5770-2010. They are also responsible for such internal control as the board of directors of the General Partner of the Partnership and the management determine is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the board of directors of the General Partner in the Partnership and the management are responsible for assessing the Partnership's ability to continue as a going concern, and provide disclosing, as applicable, matters related to a going concern, and using the going concern basis of accounting unless the board of directors of the General Partner in the Partnership and the management intend to liquidate the Partnership or cease operations, or have no realistic alternative but to do so.

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

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

As part of an audit in accordance with generally accepted auditing standards in Israel, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement in the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the Partnership's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors of the General Partner and management.
- Conclude on the appropriateness of the board of directors of the General Partner in the Partnership and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures or, if such disclosures are inadequate, to include a change to the standard form of our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors of the General Partner in the Partnership and the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the board of directors of the General Partner in the Partnership and the management with a statement that we have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards applied in order to negate matters identified as threatening independence.

From the matters communicated, or required to be communicated, with the board of directors of the General Partner in the Partnership and the management, we determined those matters that were of most significance in the audit of the current period and therefore are the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

The engagement partner on the audit resulting in this independent auditor's report is Roy Hamo.

Tel Aviv,
March 18, 2026

Kesselman & Kesselman
Certified Public Accountants
A member of PricewaterhouseCoopers International
Limited

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<u>Note</u>	<u>December 31,</u>	
		<u>2025</u>	<u>2024</u>
		<u>US Dollars, Thousands</u>	
Assets			
Current assets:			
Cash and cash equivalents	4C	273	1,031
Financial assets at fair value through profit or loss	7	3,850	3,674
Receivables and debt balances:			
Ratio Petroleum Trusts Energy Ltd. - Trustee - current account	12	101	90
Joint venture receivables		250	219
Other receivables		93	75
Total current assets		<u>4,567</u>	<u>5,089</u>
Non-current assets:			
Fixed assets	3D	36	39
Right-of-use asset	3L, 8	123	153
Non - current assets		<u>159</u>	<u>192</u>
Total assets		<u>4,726</u>	<u>5,281</u>
Liabilities and Partners' Equity			
Current liabilities:			
Payables:			
Accrued payables - joint ventures		120	195
Ratio Petroleum Ltd. - General Partner - current account	12	1,490	746
Trade and other payables		198	132
Current maturities of lease liabilities	3L, 8	33	27
Total current liabilities		<u>1,841</u>	<u>1,100</u>
Non-current liabilities:			
Lease liabilities	3L, 8	117	131
Total liabilities		<u>1,958</u>	<u>1,231</u>
Commitments and contingencies	14		
Partners' Equity:	10	<u>2,768</u>	<u>4,050</u>
Total liabilities and partners' equity		<u>4,726</u>	<u>5,281</u>

Ratio Petroleum Ltd. – General Partner, by:

Ligad Rotlevy Chairman of the Board	Itay Raphael (Tabibzada)	Shiri Moskovich Chief Financial Officer
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**Chief Executive Officer and
Director**

Date of Financial Statements Approval by the Board of Directors of the General Partner: March 18, 2026.

The Accompanying Notes are an Integral Part of the Financial Statements

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
LOSS

	<u>Note</u>	<u>Year Ended December 31,</u>		
		<u>2025</u>	<u>2024</u>	<u>2023</u>
US Dollars, Thousands				
(Except for Loss Per Participation Unit)				
Oil and gas exploration expenses, net	13A	438	4,134	319
Impairment of investments in exploration and evaluation assets:	5	-	-	28,427
General and administrative expenses	13b	804	1,049	1,602
Other income		-	(797)	(605)
Loss from ordinary operations		1,242	4,386	29,743
Finance income	13c	(184)	(263)	(321)
Finance expenses	13d	224	57	78
Finance expenses (income), net		40	(206)	(243)
Total loss and comprehensive loss for the year		<u>1,282</u>	<u>4,180</u>	<u>29,500</u>
Loss per participation unit, basic and diluted (expressed in US Dollars)	11	<u>0.006</u>	<u>0.019</u>	<u>0.131</u>

The Accompanying Notes are an Integral Part of the Financial Statements

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' EQUITY

	<u>Partnersh ip Equity</u>	<u>Capital Reserve</u>	<u>Accumul ated Deficit</u>	<u>Total Equity</u>
	<u>US Dollars, Thousands</u>			
Balance as of January 1, 2023	76,417	1,350	(40,059)	37,708
Movement during 2023:				
Benefit component – options granted to officers and employees		22	-	22
Loss and comprehensive loss for the year	-	-	(29,500)	(29,500)
Balance as of December 31, 2023	<u>76,417</u>	<u>1,372</u>	<u>(69,559)</u>	<u>8,230</u>
Movement during 2024:				
Loss and comprehensive loss for the year	-	-	(4,180)	(4,180)
Balance as of December 31, 2024	<u>76,417</u>	<u>1,372</u>	<u>(73,739)</u>	<u>4,050</u>
Movement during 2025:				
Loss and comprehensive loss for the year	-	-	(1,282)	(1,282)
Balance as of December 31, 2025	<u><u>76,417</u></u>	<u><u>1,372</u></u>	<u><u>(75,021)</u></u>	<u><u>2,768</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

(Continued) - 1

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended December 31,		
	2025	2024	2023
	US Dollars, Thousands		
Cash flows from operating activity -			
Net cash used in operating activities - Appendix A	(715)	(4,233)	(1,043)
Interest received	9	9	88
Dividend received	-	-	3
Interest paid for lease	(11)	(13)	(1)
Net cash used in operating activities	<u>(717)</u>	<u>(4,237)</u>	<u>(953)</u>
Cash flows from investment activity:			
Purchase of fixed assets	(2)	(1)	(25)
Investment in exploration and evaluation assets	-	-	(13)
Sale (purchase) - financial instruments at fair value through profit or loss, net	-	3,423	(68)
Net cash provided by (used in) investing activities	<u>(2)</u>	<u>3,422</u>	<u>(106)</u>
Cash flows from financing activity:			
Lease principal payments	(28)	(24)	(36)
Net cash used in financing activities	<u>(28)</u>	<u>(24)</u>	<u>(36)</u>
Decrease in cash and cash equivalents	(747)	(839)	(1,095)
Cash and cash equivalents, beginning of the period	1,031	1,801	2,907
Gains (losses) from exchange rate differences on cash and cash equivalents	(11)	69	(11)
Balance of cash and cash equivalents at end of period	<u>273</u>	<u>1,031</u>	<u>1,801</u>

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(a) Appendix to consolidated statements of cash flows -	Year Ended December 31,		
	2025	2024	2023
Net cash derived from activities	US Dollars, Thousands		
Annual loss	(1,282)	(4,180)	(29,500)
Adjustments for:			
Interest and dividend income	(9)	(9)	(91)
Depreciation of fixed assets	5	7	8
Depreciation of right-of-use asset	30	31	32
Finance expenses (income) related to lease obligation	31	11	(2)
Benefit component – options granted to officers and employees	-	-	22
Impairment of investments in exploration and evaluation assets	-	-	28,427
Losses (gains) from exchange rate differences in respect of cash and cash equivalents	11	(69)	12
Gain from change in fair value of financial instruments at fair value through profit or loss	(176)	(174)	(186)
	(1,390)	(4,383)	(1,278)
Changes in operating assets and liabilities items:			
Decrease (increase) in other receivables:	(18)	105	(88)
Change in balance with joint venture receivables	(31)	(174)	43
Change in balance with Ratio Petroleum Ltd. – General Partner	744	209	159
Change in balance with Ratio Petroleum Trusts Energy Ltd.	(11)	(2)	9
Increase (decrease) in trade and other payables	66	(36)	25
Increase (decrease) in accrued expenses of a joint venture	(75)	48	87
	675	150	235
Net cash used for activities	(715)	(4,233)	(1,043)
(b) Information on non-cash operations:			
Right-of-use asset against a liability for lease	-	-	184

The Accompanying Notes are an Integral Part of the Financial Statements

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - GENERAL:

- A.** Ratio Petroleum Energy - Limited Partnership (hereinafter the "Partnership") is a public Limited Partnership established on the basis of the Partnership Agreement signed on May 16, 2016, as amended and to be amended from time to time (hereinafter the "Partnership Agreement") between Ratio Petroleum Ltd., as the General Partner (hereinafter the "General Partner") and Ratio Petroleum Trusts Energy Ltd., as Limited Partner (hereinafter the "Limited Partner" and/or "Trustee"). The Partnership was incorporated in Israel and is domiciled in Israel. The registered address of the Partnership is 85 Yehuda Halevy Street, Tel Aviv.

The General Partner and the Limited Partner hold 0.1% and 99.9% of the Partnership's equity, respectively. The Limited Partner serves as Trustee for the participation units.

The General Partner is a private company owned by D.L.I.N. Ltd. (hereinafter "Dalin") and Hiram Landau Ltd. (hereinafter "Hiram"), each holding 50% of the issued share capital of the General Partner.

As of January 26, 2017, the Partnership's participation units are traded on the Tel Aviv Stock Exchange Ltd. For further details regarding the public issue of the Partnership's securities, see Note 10.

The objective of the Partnership is to engage, by itself and/or through investees, in the exploration and/or development of hydrocarbons and/or their production outside the State of Israel, and to serve as the operator for hydrocarbon explorations and/or their development and/or their extraction. From the date of establishment of the Partnership and until the approval date of its Financial Statements, the Partnership holds rights in a number of oil assets through the Partnership's investee entities, and the activity therein is undertaken by the Partnership's investees. For details, see Note 6.

By its very nature, the Partnership's activities involve significant financial investments and a relatively high degree of financial risk and uncertainty; accordingly, the Partnership may be required to obtain additional sources of financing from time to time, in accordance with its work plans. As of the date of the Financial Statements, the Partnership has no future financial commitment requiring it to seek additional sources of financing, and the Partnership's expenses are fully funded by it.

- B.** As of the approval date of the Financial Statements, the Partnership is the controlling shareholder (100%) of Ratio Petroleum Limited (hereinafter "Ratio Gibraltar"). Ratio Gibraltar is a private company incorporated under the laws of Gibraltar on April 15, 2013.

Ratio Gibraltar holds 100% of the issued share capital and voting rights of Ratio Guyana Limited ("Ratio Guyana"). For more information see Note 6 below.

In addition, Ratio Gibraltar holds 100% of the issued share capital and voting rights of Ratio E&P Limited, a Gibraltar company established for business development operations, Ratio Malta Limited, Ratio Suriname Limited (hereinafter "Ration

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Suriname”), Ratio Philippines Limited and Ratio North Sea Limited. As of the date of the Statements of Financial Position, said companies are not active and have no effect on the Group's operating results.

The results, assets and liabilities of Ratio Gibraltar and its investees are consolidated in the Financial Statements of the Group from the date on which control of Ratio Gibraltar was acquired.

C. Impact of the “War of Revival” that Began in October 2023

1) General

On October 7, 2023, following a brutal and deadly surprise attack by the Hamas terrorist organization from the Gaza Strip on southern Israel, the Government of Israel declared the “Swords of Iron” war, which was later renamed the “War of Revival” (hereinafter the “War”). Following this attack, tensions escalated in additional arenas, and during the years 2023 through 2025, Israel was directly attacked several times by Iran and by various militias operating in the Middle East in cooperation with Iran (such as the Houthis operating from Yemen and the Hezbollah organization).

In light of the growing threat from Iran, and with the aim of delaying Iran’s nuclear program, the Israel Defense Forces launched “Operation Rising Lion” on June 13, 2025, which lasted approximately two weeks, targeting Iran’s main nuclear facilities as well as senior members of its defense establishment and nuclear scientists. In response, Iran launched thousands of UAVs and ballistic missiles toward Israel, causing civilian casualties and significant property damage. On June 22, 2025, the United States joined the campaign and attacked Iran’s nuclear facilities in Fordow, and two days later, a ceasefire between Israel and Iran was reached through U.S. mediation.

In November 2024, a ceasefire agreement was signed between Israel and Lebanon, and in January 2025, the State of Israel reached an arrangement with Hamas regarding a ceasefire in the Gaza Strip, which was intended to be implemented in stages, leading to the return of some of the hostages to Israel. On June 24, 2025, as noted above, a ceasefire agreement with Iran was reached, ending “Operation Rising Lion,” and on October 9, 2025, a ceasefire agreement with Hamas in the Gaza Strip was reached through U.S. mediation, under which all remaining living hostages were returned to Israel, along with most of the bodies of the deceased. Following these agreements, there was a gradual de-escalation in military activity in northern and southern Israel, as well as in other fronts. On February 28, 2026, “Operation Lion’s Roar” began, involving strikes by the Israel Defense Forces and the United States military against Iran after efforts to reach an agreement had failed. During the operation, Hezbollah also announced its participation in the fighting and began attacking Israel from the north. As of the date of the Financial Statements, the operation is still ongoing, and global energy prices have increased by tens of percent.

These military events led to a contraction and slowdown of business activity in Israel, due, among other factors, to business closures, labor shortages, and disruptions in supply chains. Additionally, due to the continuation of the war and its impact on the Israeli economy, international credit rating agencies

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

downgraded, several times, the credit ratings of the State of Israel and of major Israeli banks.

2) Implications of the Continued War

As of the approval date of the Financial Statements, the Partnership is unable to reasonably estimate the implications of the current War—including its duration and potential expansion to additional fronts, if any—on its scope of operations in Israel and in the other countries in which the Partnership operates.

In Israel, the Partnership's exposure is primarily related to the effects of the War on the Israeli economy and capital market, its ability to raise funds, and the erosion of the ILS-USD exchange rate. Since all of the Partnership's activities are located outside of Israel, the "War of Revival" and the current war against Iran and Hezbollah and its continuation may have an impact due to the Partnership's status as an Israeli partnership and the global sentiment regarding how Israel is perceived worldwide.

The Partnership continues to monitor the development of events on an ongoing basis and is considering the implications for its business activities and its steps accordingly.

As of the date of approval of the Financial Statements, the situation remains unchanged; therefore, the Partnership does not anticipate a material impact of the War on its financial stability or its ability to meet its liabilities in the foreseeable future.

In the Partnership's estimation, even in the event of a continued War and an economic slowdown in Israel, the Partnership will meet its existing liabilities as of December 31, 2025; consequently, it will be able to continue its operations in accordance with the strategy it has outlined.

D. The impact of rising inflation and interest rates

The rise in inflation rates during 2024 and 2025 in various countries worldwide has led central banks to implement significant monetary restraint, resulting in increased interest rates across most global economies.

During 2024 and 2025, some of the world's central banks began to lower interest rates to a certain extent.

During 2025 and 2024, the Partnership incurred gains from an increase in the value of financial assets, at fair value through profit or loss, in a total amount of approximately USD 176 thousand and USD 177 thousand, respectively, which were recognized under net financing expenses (income).

NOTE 2 - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS:

A. Compliance with IFRS Accounting Standards and presentation of the disclosure required under the Securities Regulations

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Group's financial statements (hereinafter the "Financial Statements" or "Consolidated Financial Statements") as of December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, comply with International Financial Reporting Standards (IFRS Accounting Standards), which are standards and interpretations published by the International Accounting Standards Board (IASB) and include the additional disclosure required by Securities Regulations (Annual Financial Statements), 5770-2010.

B. Basis of Presentation of the Financial Statements:

- 1) The significant accounting policies noted in Note 3 below have been consistently applied to all periods reported, unless noted otherwise.
- 2) The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of specific material accounting estimates. In addition, it requires the management of the General Partner to exercise discretion in the process of application of the Partnership's accounting policy. Note 2C provides disclosure regarding areas involving a high degree of judgment or complexity, or areas where assumptions and estimates have a material impact on the Financial Statements. Actual results may differ materially from the estimates and assumptions used by the Group's management.
- 3) The Group's operating cycle is 12 months.

C. Significant Accounting Estimates and Assumptions

Estimates and judgments are examined on an ongoing basis and are based on experience and other factors, including expectations of future events considered reasonable in light of the existing circumstances.

The Partnership formulates estimates and assumptions regarding the future. By their very nature, it is rare for said accounting estimates to match actual results. The estimates and assumptions for which there is a significant risk of material adjustments to the carrying amounts of assets and liabilities during any subsequent financial period or material considerations used in determining the accounting policies of the Partnership relate to the following issues:

Assessment of Impairment Indicators - Investments in Exploration and Evaluation Assets

In accordance with the provisions of IFRS 6 and IAS 36, the Partnership periodically assesses whether facts and circumstances have been met, which are specified in IFRS 6 (hereinafter "Impairment Significance," see also note 3F below), which indicate that it must examine for any impairment of investment in its exploration and evaluation assets. Furthermore, the Partnership is assessing whether a reversal of a previously recognized impairment loss is required.

An assessment of whether indications of impairment in the value of a particular investment may require significant judgment and some of the indications of impairment may also involve material estimates of certain matters. In the event that an indicator of impairment (or an indicator of impairment reversal) exists, the Partnership performs an impairment test in accordance with IAS 36.

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The discretion exercised by the Partnership and the assessment of its various estimates when determining whether or not there were indications of impairment may have a material effect on the results or financial position reported in its Financial Statements. In addition, if there is an indication of impairment (or an indicator of impairment reversal), and an impairment examination is undertaken as noted, an estimation of the refundable amount may have a material effect on the results or financial position in the Partnership's Financial Statements. For more information, see Notes 5 and 6 below.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES:

A. Translation of Balances and Transactions in Foreign Currency

1) Functional Currency and Presentation Currency

Items in the Financial Statements of each Group's companies are measured using the currency of the main economic environment in which the Partnership operates (hereinafter "Functional Currency"). The Consolidated Financial Statements are presented in US Dollars (hereinafter "Dollars"), which is the functional currency and the presentation currency of the Group.

2) Transactions and Balances

Transactions in a currency other than the functional currency (hereinafter "Foreign Currency") are translated into the functional currency using exchange rates that are valid as of the transactions. Exchange rate differences, resulting from the settlement of such transactions, and the translation of monetary assets and liabilities denominated in a foreign currency at exchange rates at the end of the period, are carried to profit or loss, under "financing expenses (income)."

B. Consolidated Financial Statements

A subsidiary is an entity controlled by the Partnership. A subsidiary is fully consolidated from the date that control is achieved by the Partnership. Its consolidation ceases when the control ceases.

C. Financial assets

Purchases and sales in the ordinary course of financial assets are recorded in the Group's records on the date of transaction settlement - the date on which the asset was delivered to the Group or delivered by the Group.

The Group classifies its financial assets under the following categories: financial assets at fair value through profit or loss and financial assets at amortized cost. The classification depends on the business model in which the financial assets are held and the contractual terms of the cash flow in respect thereof:

1) Financial Assets at Amortized Cost:

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Financial assets at amortized cost are financial assets held within the framework of a business model, whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual terms provide entitlement on defined dates to cash flows that are only principal and interest payments in respect of the principal amount that has not yet been repaid.

The Group's financial assets at amortized cost are included under "other receivables" and "cash and cash equivalents" in the Statement of Financial Position.

2) Financial Assets at Fair Value Through Profit or Loss:

Financial assets at fair value through profit or loss are financial assets that are not classified under one of the other categories specified by IFRS 9.

Profit or loss arising from changes in the fair value of financial assets at fair value through profit or loss are presented under profit or loss under "financial expense (income)" in the period in which they are incurred.

Regarding the manner of measuring the fair value of the Group's financial instruments – see Note 4.

D. Fixed assets

Items of fixed assets are measured using the cost model. Depreciation thereof is calculated using the straight-line method, to reduce cost to residual value over their estimated useful lives as follows:

Electronic equipment	3-7 years
Furniture	6-20 years

Fixed assets presented in the Statement of Financial Position are located in Israel.

E. Oil and Gas Explorations Investments and Costs

The provisions of International Financial Reporting Standard 6 regarding the exploration and evaluation of mineral resources (hereinafter "IFRS 6") determine the accounting treatment of oil and gas exploration costs. The Partnership applies the "successful efforts" method with regards to its investments and expenses relating to oil and gas exploration. Following are the main principles:

- 1) Expenses of participation in seismic and geological surveys and tests that occur in the preliminary stages of any exploration are recognized under profit or loss immediately when they are incurred, until the stage when due to these surveys and tests, a specific drilling plan is formulated.
- 2) Investments in oil and gas wells, which are in the drilling stages due to reservoirs that have not yet been proven whether they produce oil or gas, and that have not yet been determined as non-commercial, and the acquisition of exploration rights and activities in connection with the evaluation of the technical feasibility and commercial viability of the production of an oil and gas resource, are

RATIO PETROLEUM ENERGY - LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

recognized as exploration and evaluation assets and measured in the Statement of Financial Position using the cost model.

- 3) Investments in oil and gas wells, due to reservoirs that have been proven to be dry and abandoned, or which have been determined as non-commercial, are fully amortized under profit or loss.
- 4) Investments in oil and gas wells due to reservoirs for which technical feasibility and commercial viability of producing gas or oil has been determined (which are examined in a series of events and circumstances) will be recognized as oil and gas assets and will be reclassified from "investments in exploration and evaluation assets" to "investments in oil and gas assets," and shall be presented in the Statement of Financial Position using the cost model.

Oil and gas assets will be presented using the cost model and will also include the costs incurred in planning the development of the proven reservoir infrastructure required for the development and production of the oil and gas from the reservoir and the planning costs of the system used for gas transmission. These costs may include, inter alia, engineering planning, development drilling planning, purchase costs for the construction of production facilities and a gas pipeline, as well as the capitalization of borrowing costs during the construction period.

Investments in oil and gas assets as noted will be derecognized from the date of production, by an amortization method that reflects the pattern by which the Partnership is expected to consume the future economic benefits of the asset. Exploration and evaluation assets are not systematically amortized but are tested for impairment. Regarding consideration of the impairment in the value of exploration and evaluation assets, see also section F below, and Note 2C above.

F. Impairment of Non-Financial Assets

The Partnership examines the need for impairment of non-financial assets when there are indications, as a result of events or changes in circumstances, that indicate that the balance in the Financial Statements is not recoverable.

In cases where, in light of the impairment test examination, it becomes apparent that the balance in the Financial Statements of the non-financial assets exceeds their recoverable amount, the assets are written down to their recoverable amount. The recoverable amount is the higher of fair value net sale costs and usage value.

An impairment loss on an asset is reversed only when changes in the estimates used to determine the asset's recoverable amount from the date on which the impairment loss was last recognized.

As for assets classified as exploration and evaluation assets (see E above), unique criteria are applied that may indicate that their book value exceeds the recoverable amount attributed to them, as specified by IFRS 6. In accordance with this Standard, such facts and circumstances may include, inter alia:

- 1) The period when the entity has the right to explore in a particular area expires during the period or will expire in the near future and is not expected to be renewed.

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- 2) Substantive expenditures are neither budgeted nor planned for the continued exploration and evaluation of mineral resources in a particular area.
- 3) The exploration and evaluation of mineral resources in a particular area did not lead to the discovery of commercially viable quantities of mineral resources, and the entity decided to discontinue these activities in that particular area.
- 4) While it is likely that the development in the particular area will continue, there is sufficient information to indicate that the carrying amount of the exploration and evaluation assets is not fully accounted for by successful development or sale.

When such indications of impairment exist, an examination is held in accordance with the provisions of IAS 36 - "Impairment of Assets" (hereinafter "IAS 36").

G. Cash and cash equivalents

In the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand and short-term bank deposits whose deposit period does not exceed 3 months.

In cases where the Partnership has paid cash calls to the operator in a joint venture, and the operator of the joint venture has not yet used said funds, the Partnership recognizes its share in the payments that were transferred as receivables, since these funds do not comply with the definition of cash and cash equivalents.

H. Classification of Cash Flows from Interest and Dividends

Within the framework of the consolidated statements of cash flows, the Group presents interest paid, interest received, and dividends received under cash flows from operating activities.

I. Joint Operation Agreements

The Partnership engages in contractual arrangements under which two or more parties undertake economic activity of oil and gas exploration in a jointly owned asset. These arrangements are referred to in business terms as "joint ventures." Arrangements in which there is no requirement for the unanimous consent of the partnering parties do not meet the definition of "joint control" in accordance with the provisions of IFRS 11. Oil and gas explorations are carried out under joint operating agreements (hereinafter "JOA").

The main characteristics of a JOA are:

- 1) The JOA is a contractual arrangement whereby two or more parties undertake oil and gas exploration activities in a jointly owned asset;
- 2) The ownership of the oil asset remains with the parties to the JOA and is not transferred or assigned to any entity or joint venture;
- 3) Also, the products of the oil asset - the share of each party of the crude oil or natural gas produced, if found, less the State's share - are wholly owned by

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each of the parties to the JOA (each according to its share) and each party is entitled to market its share in said products, and to engage with customers in their respect.

- 4) On the other hand, each party to the JOA is required to bear its share of the joint operating costs of the oil asset (including the exploration, drilling, development, and production of oil/gas).

Accordingly, the JOA is treated as an undivided right in the oil asset.

Thus, the Partnership recognizes, in its Financial Statements, its share and/or the shares of its investees in the oil asset (after impairments in value, if any) and its share and/or shares of its investees in the output derived from the oil asset. In addition, and since the Partnership is required to bear its pro-rata share of the operating costs that were incurred, the Partnership also recognizes its share of costs as incurred (and as a result, also recognizes its share in the liabilities incurred regarding these costs).

J. Loss Per Participation Unit

The basic loss per participation unit is calculated by dividing the loss attributed to the holders of participation units by the weighted average of the number of participation units outstanding during the period.

The diluted loss per participation unit is calculated by adjusting the weighted average number of outstanding participation units in circulation to include potential participation units that have a dilutive effect. Potential participation units are considered only when their effect is dilutive (reduces income or increases loss per participation unit).

K. Share-based payment

The Partnership operates a share-based payment plan for officers and employees, which is settled through the issuance of equity instruments, whereby the Partnership receives services from officers and employees in exchange for equity instruments (options) of the Partnership.

The total amount recognized as an expense is determined while considering the fair value of the options granted on the grant date, without taking into account the effect of service terms and execution terms which are non-market vesting conditions. The expense is recognized against a capital reserve during the vesting period.

At each reporting date, the Partnership updates its estimates vis-à-vis the number of options expected to vest, based on non-market vesting conditions, and recognizes the effect of the change compared to the original estimates, if any, under profit or loss, and an equivalent amount under capital reserve.

Upon exercise of the options, the Partnership will issue new participation units. Receipts, less transaction costs that can be directly attributed, are charged to Partners' Equity.

L. Leases

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The Partnership leases buildings. At the commencement date of the lease, the Partnership recognizes a lease liability at the present value of the future lease payments. Concurrently, the Partnership recognizes a right-of-use asset. Lease payments include, inter alia, payments to be made during the period covered by an option to extend the lease if it is reasonably certain that the Group will exercise the option, as well as payments to be made during the period covered by an option to terminate the lease if it is reasonably certain that the Group will not exercise the option.

Since the interest rate embodied in the lease is not easily determined, the Partnership's incremental interest rate is used.

After the lease start, the Partnership measures the right-of-use asset using the cost model. The depreciation of the right-of-use asset is calculated according to the straight line method, according to an estimate of the number of useful years of life of the leased asset or the lease period, whichever is shorter. Interest on the lease liability is recognized in profit or loss for any period during the lease period, in an amount that creates a fixed periodic interest rate over the remaining balance of the lease liability.

For lease contracts containing non-lease components, such as maintenance services, that pertain to the lease component, the Partnership chose not to separate the component, instead treating any lease component and any non-lease components related thereto as a single lease component.

When a modification to the lease terms is performed which does not decrease the scope of the lease and is not accounted for as a separate lease, the Partnership remeasures the lease liability balance in accordance with the modified lease terms, based on the updated discount rate as of the date of the modification, and recognizes the total change in the lease liability balance against the right-of-use asset balance.

Payments on account of short-term leases of equipment and vehicles as well as payments on account of leases where the underlying asset is of low value, are recognized using the straight-line method over the lease period, as an expense under profit or loss. Short-term leases are leases where the lease period is 12 months or less.

M. New IFRS Accounting Standards; Amendments to IFRS Accounting Standards and New Interpretations:

- 1) New IFRS Accounting Standard not yet mandatorily effective and not early adopted by the Partnership:

International Financial Reporting Standard 18 – Presentation and Disclosure in Financial Statements (hereinafter “IFRS 18”)

IFRS 18 replaces International Accounting Standard 1 – Presentation of Financial Statements (hereinafter “IAS 1”), with many of the requirements of IAS 1 having been incorporated into IFRS 18, as well as into several other IFRS Accounting Standards. IFRS 18 is intended to improve how entities communicate information to investors through their financial statements, particularly by enhancing transparency and comparability between entities, with a focus on information about financial performance in the statement of

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profit or loss. In addition, IFRS 18 is accompanied by amendments to other IFRS Accounting Standards, including International Accounting Standard 7 – Statement of Cash Flows (IAS 7) (e.g., regarding the classification of cash flows from interest and dividends), International Accounting Standard 33 – Earnings per Share (IAS 33), and International Accounting Standard 34 – Interim Financial Reporting (IAS 34).

The main new principles under IFRS 18 relate to the following areas:

- (1) Structure of the statement of profit or loss – Under IFRS 18, items in the statement of profit or loss will be classified into one of five categories: operating, investing, financing, income taxes, and discontinued operations. The standard provides guidance on classification between these categories. In addition, according to IFRS 18, entities will be required to present certain specified subtotals in the statement of profit or loss, as set forth in the standard.
- (2) Disclosure of “Management-defined Performance Measures” (MPMs) – MPMs are subtotals of income and expenses that an entity uses in communications to the public outside the financial statements to convey management’s view of an aspect of the entity’s overall financial performance, subject to certain exceptions.
- (3) Principles for aggregation and disaggregation of information in primary financial statements and notes.

As part of the transition provisions, IFRS 18 requires that, in the annual report for the first year of application, an entity present a reconciliation for each line item in the statement of profit or loss for the comparative year preceding adoption, between the amounts restated in accordance with IFRS 18 and the amounts originally presented under IAS 1. A similar reconciliation is also required in interim financial statements during the year of initial application, for both the current comparative period and the year-to-date period preceding adoption.

In accordance with IFRS 18, the standard will be applied by the Partnership for annual reporting periods beginning on January 1, 2027, on a retrospective basis. The Partnership is currently assessing the impact of the adoption of IFRS 18 on its Consolidated Financial Statements; however, at this stage, the effect of initial adoption cannot yet be reasonably estimated.

NOTE 4 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT:

A. Financial Risk Management:

1) Financial Risk Factors

The Group's activities expose it to various financial risks, such as market risks, credit risks, and liquidity risks. The Group's overall risk management plan focuses on the fact that the behavior of the financial markets cannot be anticipated, and the attempt to minimize potential adverse effects on the Group's financial performance.

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Risk management is undertaken by the various committees of the General Partner, in accordance with the policy approved by the Board of Directors of the General Partner and its committees.

The Group's finance department identifies and assesses financial risks in close co-operation with the various committees of the General Partner.

a) Market risks:

(1) Exchange Rate Risks

An exchange rate risk results from future commercial transactions, assets, or liabilities denominated in a currency other than the functional currency. The Group's operations are exposed to exchange-rate risks deriving from exposure to New Israel Shekels.

Group management established a policy mandating the management of exchange-rate risk against its functional currency. From time to time, the Group examines the proper allocation between holding cash balances and investments in securities in its functional currency and investing in the New Israel Shekel, thereby reducing exchange-rate risk.

If the New Israel Shekel had strengthened or weakened by 5% against the US Dollar, and all other variables remained constant, the loss (gain) for the year and equity would have changed as follows:

	2025	2024	2023	2025	2024	2023
	US Dollars, Thousands					
	Increase of 5% in the ILS/USD Exchange Rate			Decrease of 5% in the ILS/USD Exchange Rate		
Impact on Partners' Equity	(75)	(31)	(161)	75	31	161
Impact on the Partnership's loss	75	31	161	(75)	(31)	(161)

(2) Price Risk

The Group is exposed to risk due to its holdings of marketable securities, classified in the Statement of Financial Position as financial instruments at fair value through profit or loss.

As part of the Group's marketable investments, it is not exposed to risk due to commodity prices. The Group diversifies its portfolio in order to manage the price risk arising from its investment in marketable securities. Diversification of the portfolio is in accordance with the restrictions prescribed by the General Partner's Investment Committee and subject to the investment policy restrictions prescribed by the Partnership Agreement.

The following table summarizes the effect of the increase/decrease in marketable security prices on the Group's loss for the year and its equity. The analysis assumes that the marketable securities' indices increased/decreased by 5%, all other variables remained constant, and all fluctuations in the prices of the Group's marketable securities were in sync

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with the index's fluctuations:

	2025	2024	2023	2025	2024	2023
	US Dollars, Thousands					
	Increase of 5% in the Index of Marketable Securities			Decrease of 5% in the Index of Marketable Securities		
Impact on equity	192	184	346	(192)	(184)	(346)
Impact on the Partnership's loss	(192)	(184)	(346)	192	184	346

b) Credit risk

Credit risk is treated at the Partnership level. Credit risks arise from cash and cash equivalents, financial instruments, which includes credit exposures concerning outstanding receivables not yet paid, including receivable balances in respect of joint oil and gas exploration transactions.

The Group deposits its cash and cash equivalent balances with large and recognized banks, which it believes to have low credit risk.

c) Liquidity risk

A cash flow forecast is made by the Group's finance department. The Group's finance department reviews current forecasts of Group liquidity requirements. These forecasts consider several factors, such as the Group's plans to use debt to finance its operations and to finance the activities of the investees.

Excess cash balances held by the Group are invested in interest-bearing investment tracks, such as current accounts, term deposits, shares, and other solid investments, all in accordance with the Group's investment policy. These investments are chosen according to the desired repayment period or according to their liquidity level so that the Group has sufficient cash balances in accordance with said forecasts. For a breakdown of investments as of December 31, 2025, see Note 7.

As of the date of the Statements of Financial Position, most Partnership financial liabilities are due to be repaid within one year of the date of the Statements of Financial Position. This excludes a long-term lease liability in the amount of approximately USD 117 thousand, which will be due for repayment in the years 2027, 2028, and 2029 in the amounts of approximately USD 36 thousand, USD 39 thousand, and USD 42 thousand, respectively.

2) Fair Value Estimates

Following is an analysis of financial instruments measured at fair value using valuation methods. The various levels were defined as follows:

- Quoted prices (unadjusted) in active markets where identical assets or liabilities are traded (Level 1).
- Data other than quoted prices included in Level 1, observable for the asset or liability, either directly (that is, as prices) or indirectly (that is,

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- as price derivatives) (Level 2).
- Data on the asset or liability that is not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on the quoted market price as of the date of the Statements of Financial Position. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis (for example, a stock exchange).

All Partnership financial assets measured at fair value are included at level 1. During the report years, there were no transfers between the fair value levels.

B. Financial Instruments, by Groups

The accounting policy for the treatment of financial instruments has been applied for the following items:

The Partnership's financial instruments, as of the date of the statements of financial position, are classified as financial assets at fair value through profit or loss, financial assets measured at amortized cost, or as financial liabilities measured at amortized cost. The carrying amount of financial instruments of the Partnership measured at amortized cost does not materially differ from their fair value.

December 31, 2025:	Financial Assets Measured at Amortized Cost	Assets at fair value through profit or loss (FVTPL)	Total
US Dollars, Thousands			
Assets:			
Ratio Petroleum Trusts Energy Ltd. - Trustee			
- current account	101		101
Joint venture receivables	250		250
Other receivables	72		72
Financial assets at fair value through profit or loss (FVTPL)		3,850	3,850
Cash and cash equivalents	273		273
Total	696	3,850	4,546
Financial liabilities measured at amortized cost			
US Dollars, Thousands			
Liabilities:			
Ratio Petroleum Ltd. - General			
Partner - current account		1,490	
Trade and other payables		198	

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Accrued payables - joint venture	120
Lease liability	150
	1,958

	Financial Assets Measured at Amortized Cost	Assets at fair value through profit or loss (FVTPL)	Total
US Dollars, Thousands			
Assets:			
Ratio Petroleum Trusts Energy Ltd. - Trustee - current account	90		90
Joint venture receivables	219		219
Other receivables	55		55
Financial assets at fair value through profit or loss (FVTPL)		3,674	3,674
Cash and cash equivalents	1,031		1,031
Total	1,395	3,674	5,069

	Financial liabilities measured at amortized cost
US Dollars, Thousands	
Liabilities:	
Ratio Petroleum Ltd. - General Partner - current account	746
Trade and other payables	132
Accrued payables - joint venture	195
Lease liability	158
	1,231

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C. Linkage Terms of Monetary Balances:

	December 31, 2025		
	In US Dollars	In New Israel Shekels, Unlinked	Total
	US Dollars, Thousands		
Current assets:			
Cash and cash equivalents *	257	16	273
Financial assets at fair value through profit or loss (FVTPL)	3,850	-	3,850
Other receivables	261	183	444
Total current assets	4,368	199	4,567
Current liabilities:			
Ratio Petroleum Ltd. – General Partner Current Account			
Accrued payables - joint venture	120	-	120
Lease liability	-	150	150
Trade and other payables	57	141	198
Total current liabilities	177	1,781	1,958

* Cash and cash equivalents as of December 31, 2025, include ILS bank deposits for a deposit period not exceeding three months of approximately USD 2000.

	December 31, 2024		
	In US Dollars	In New Israel Shekels, Unlinked	Total
	US Dollars, Thousands		
Current assets:			
Cash and cash equivalents *	940	91	1,031
Financial assets at fair value through profit or loss (FVTPL)	3,674	-	3,674
Other receivables	226	158	384
Total current assets	4,840	249	5,089
Current liabilities:			
Ratio Petroleum Ltd. – General Partner Current Account			
Accrued payables - joint venture	195	-	195
Lease liability	-	27	27
Trade and other payables	35	97	132
Total current liabilities	230	870	1,100

* Cash and cash equivalents as of December 31, 2024, include US Dollar bank deposits for a deposit period not exceeding three months of USD 501 thousand and Shekel bank deposits for a deposit period not exceeding three months of approximately USD 2000.

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NOTE 5 - INVESTMENTS IN EXPLORATION AND EVALUATION ASSETS:

Changes in the Balance of Investment in Exploration and Evaluation Assets:

	2025	2024	2023
	US Dollars, Thousands		
Balance, beginning of the year	-	-	28,414
Exploratory drilling costs Ratio Guyana (See Note 6A below)	-	-	13
Impairment of investments in exploration and evaluation assets - Ratio Guyana - Kaieteur Block (see Note 6A below)	-	-	(28,427)
Balance, end of the year	-	-	-

NOTE 6 - GROUP OPERATIONS - EXPLORATION AND EVALUATION RIGHTS:

A. Kaieteur Block - Ratio Guyana

Ratio Guyana is a private company which was incorporated under the laws of Gibraltar on April 15, 2013, to participate in oil and gas explorations in Guyana.

On April 28, 2015, Ratio Guyana, together with Cataleya Energy Limited (hereinafter "Cataleya"), signed a Petroleum Agreement with the Government of Guyana whereby the Government of Guyana granted Ratio Guyana and Cataleya rights to explore for oil in the maritime waters off the continental shelf of Guyana, known as the Kaieteur Block (hereinafter the "Guyana Agreement," "Guyana Permit," or "Kaieteur Block," respectively).

On July 25, 2016, a Farmout Agreement (hereinafter the "Farmout Agreement") was signed in connection with the Kaieteur Block between Ratio Guyana and Cataleya (jointly or severally referred to as – "Transferors" or "Transferor") and Esso Exploration and Production Guyana Limited (a subsidiary of ExxonMobil) (hereinafter "Exxon"), whereby the Transferors transferred to Exxon 50% of the rights in the Kaieteur Block (so that Ratio Guyana will hold 25% of the rights in the block). Alongside the Farmout Agreement, the parties signed a Joint Operating Agreement (JOA) for the Kaieteur Block, which took effect on the date of the transfer of rights. Exxon was appointed operator at the Kaieteur Block, undertaking all rights and liabilities of an operator.

In 2017, a 3D seismic survey was conducted within the block area.

In April 2018, Exxon transferred part of its rights to Hess Corporation through a controlled company, Hess Guyana (Block B) Exploration Limited (hereinafter Hess).

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During the second half of 2020, an exploration well was drilled within the Kaieteur Block at a prospect located in the southern part of the block - the "Tanager" prospect. Based on the drilling results, the Partnership declared a discovery of oil in the Maastrichtian reservoir. However, it was estimated that the quantities of oil in the discovery do not justify the development of the Tanager Discovery as an independent reservoir (standalone), but might be, together with additional reservoir(s) (if and to the extent developed).

In accordance with the rights transfer agreement and excluding the costs of Ratio Guyana's relative share in the aforementioned drilling, which Ratio Guyana paid itself, from its entry into the block until its exit from the block as described below, Exxon bore, in addition to its relative share, Ratio Guyana's relative share of the joint expenses as well. Any amount paid by Exxon in respect of the relative share of Ratio Guyana was credited to Exxon for the purpose of reimbursing recognized expenses (in accordance with the formula provided by the Guyana Agreement).

On February 14, 2021, the Partnership published a contingent and prospective oil resources estimation report (hereinafter the "Resources Report") in relation to Ratio Guyana's share in the block. The Resources Report was prepared by NSAI and according to the principles of the Petroleum Resource Management System (SPE-PRMS).

The Resources Report is based, inter alia, on information obtained from the well and is limited to an area covered by data from the 3D seismic survey conducted by the partners in part of the block area in 2017. The report consists of a contingent resources assessment report regarding the discovery in the "Tanager" well, as well as a prospective resources assessment report regarding 11 additional prospects within the block area.

Under the terms of the rights transfer agreement, Exxon was required to notify Ratio Guyana and Cataleya whether it intended to carry out an additional drilling within the block area. Following several extensions of the deadline by which Exxon was required to notify of its decision, on September 26, 2023, Exxon notified Ratio Guyana that it cannot currently commit to performing an additional drilling within the block area. In light of the above and in accordance with the rights transfer agreement, Exxon and Hess exited the block and returned the interests they held in the block to Ratio Guyana and Cataleya.

In addition, Exxon transferred the role of operator to Ratio Guyana, effective as of November 2023.

The parties applied to the Government of Guyana to update the aforementioned transfer of rights, such that following said transfer, each of Ratio Guyana and Cataleya will hold 50% of the rights in the block, as well as to change the identity of the operator in accordance with the provisions of the Guyana Agreement. As of the date of the report, the State's approval for the aforementioned transfer of rights has not yet been obtained; however, de facto, the Government of Guyana treats Ratio Guyana as the operator of the license and Ratio Guyana and Cataleya as the sole holders of the block.

In accordance with the terms of the Guyana Agreement, Ratio Guyana and Cataleya submitted a request to proceed to the second extension period. During

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the second extension period of the Guyana Agreement, the partners in the block are required to notify the State whether they intend to perform an additional drilling in the block.

Expenses incurred in connection with the activity in Guyana, from when the rights in the block were transferred to Exxon and until December 31, 2023, which include, inter alia, expenses for a 3D seismic survey, processing and interpretation of the survey data and exploration drilling expenses, totaled USD 162 million (in terms of 100%). USD 27 millions of said amount is attributed to Ratio Guyana's share and USD 13 millions of said amount was paid by Exxon for the relative share of Ratio Guyana.

Exploration costs, including Ratio Guyana's geological expenses for the years 2025, 2024, and 2023, totaled approximately USD 123 thousand, USD 143 thousand, and USD 25 thousand, respectively, which were recognized in profit or loss and other comprehensive loss under the item "Oil and gas exploration expenses, net."

In accordance with the provisions of IFRS 6 regarding the assessment of existence of indicators for impairment of exploration and evaluation rights, and considering Exxon's exit from the block and the absence of a significant alternative operator, and given that the Partnership's annual budget contains current expenses only in connection with Ratio Guyana, the Partnership concluded that there were indicators of impairment for the asset in Guyana as of the date of the Financial Statements dated December 31, 2023. In accordance with IAS 36 for the purpose of impairment testing, the Partnership was assisted by an external appraiser to perform a valuation of the exploration and evaluation asset, whose carrying amount as of the valuation date is approximately USD 28 million, based on the higher of the asset's fair value less costs of disposal and its value in use.

Based on the aforementioned testing conducted as of December 31, 2023, and as detailed in the valuation performed for that date, the fair value of the exploration and evaluation asset was estimated at zero, in accordance with the analysis of the Partnership's market value, the value reflected in the Partnership's reports, and the transaction history of the Partnership's participation units. Furthermore, as mentioned above and as detailed in the valuation, the value in use of the exploration and evaluation asset was estimated at zero, in accordance with the following circumstances: the Partnership's lack of independent development capabilities for the exploration and evaluation asset, the absence of a significant replacement operator, and the low probability that economic benefits will flow from the asset without the development of the exploration and evaluation asset. In light of the above, the Partnership recognized an impairment loss in respect of the full drilling costs and related costs capitalized to the asset, in a total amount of approximately USD 28 million, which were charged to the statement of profit or loss and other comprehensive loss under the "Impairment of investment in exploration and evaluation rights" item.

On November 13, 2024, the Partnership announced that further to Exxon's request to the Guyanese Ministry of Energy

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

in early July 2020 to examine the possibility of extending the Guyana Agreement period due to the COVID-19 pandemic, Ratio Guyana submitted an additional request to the Guyanese Ministry of Energy to extend the Guyana Agreement period by one year due to the COVID-19 pandemic.

On November 17, 2024, the Partnership announced that the Guyanese Ministry of Energy approved the aforementioned request. Accordingly, the deadline for the partners in the block to notify the State of their intention to perform an additional drilling in the block or to abandon it was also extended by one year, until February 2026 (whereas in practice, the notification deadline is November 2025).

On December 1, 2025, the Partnership updated that further to its announcement that in November 2025, the partners in the Kaieteur Block in Guyana were required to notify the State whether they intended to carry out an additional drilling in the block or to relinquish the block. As of the date of the report, Ratio Guyana Limited is conducting discussions with the Guyanese Ministry of Energy to update the work program and the drilling deadlines, so that the validity of the agreement with the State will also be extended. Provided that no extension to the current deadline is granted, the State may demand the relinquishment of the block.

On February 3, 2026, the Partnership published a contingent resources assessment report for the Tanager reservoir and an updated prospective resources assessment report (hereinafter the "Resources Report") regarding Ratio Guyana's share in the block. The Resources Report was prepared by NSAI and according to the principles of the Petroleum Resource Management System (SPE-PRMS).

The Resources Report is based, inter alia, on information obtained from the drilling performed at the Tanager prospect and is limited to an area covered by data from the 3D seismic survey conducted by the partners in part of the block area in 2017. The report consists of a contingent resources assessment report regarding the discovery in the "Tanager" well, as well as a prospective resources assessment report regarding 11 additional prospects within the block area.

Beyond the change in the quantities attributed to Ratio Guyana due to the increase in the holding rate in the asset (from 25% to 50%), there is no further change in the report data compared to the previous one, according to which the Tanager-1 reservoir is located in deep waters where development and production costs are exceptionally high. Therefore, in the opinion of the partners in the block, the oil quantities discovered in the Tanager-1 drilling do not justify, at this stage, the production of the oil as a standalone reservoir, but rather in conjunction with additional reservoir(s) (if and to the extent developed).

Therefore, the development decision is contingent upon the determination of whether an additional reservoir exists that is suitable and appropriate for joint development with the discovery in the block. As of the date of the Resources Report's publication, and until such a decision is made (if at all), the Partnership estimates that the timelines and costs of the conditions required for the contingent resources in the Tanager reservoir to be classified as reserves are not relevant, nor are the development and production costs of the reservoir or the minimum estimated oil quantity required to classify the reservoir as economic. However, to the extent that there is a change in the Partnership's aforementioned assessment, the Partnership will provide updates as required by law.

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It should further be noted that under the terms of the Guyana Agreement, the partners in the block are required to relinquish 20% of the block area. As of the date of the report, Ratio Guyana is examining, based on the information in its possession, which area of the block it intends to relinquish. The Partnership will report in accordance with the law upon the State's approval of the decision.

B. Service Contract 76–Philippines (Ratio Gibraltar)

In June 2015, Ratio Gibraltar submitted a tender bid for oil and gas exploration rights in the economic waters of the Republic of the Philippines.

Following Ratio Gibraltar's successful tender bid, Ratio Gibraltar signed an exploration and production agreement (hereinafter in this section the "Agreement") with the Government of the Philippines and the Philippine Ministry of Energy, and Ratio Gibraltar was granted oil and gas exploration rights in said area, known as Service Contract 76 (hereinafter "SC76") for a 7-year period (the "Initial Period"). The Initial Period is extendable for an additional three-year period (the "Extension Period"), provided that the right-holder is not in any breach of its obligations under the Philippines Agreement and that it has a planned work program and budget for the Extension Period. If no hydrocarbons are found in SC76 at the end of the Extension Period, the agreement will terminate automatically. If hydrocarbons are found, the Rights Holder will have an additional year to decide whether this is a commercial discovery or not.

Ratio Gibraltar owns 100% of the rights in SC76 and serves as its operator.

In July 2019, Ratio Gibraltar addressed the Philippine Minister of Energy with a request to change the boundaries of SC76 by adding an area south of SC76. In December 2019, the Minister approved said request. As a result, the SC76 area has increased by more than 50%, and as of approval date of the Financial Statements, its area is approximately 6,480 square kilometers. At the same time, the work plan has been updated, based on the existing plan and in accordance with the additional SC76 area.

On February 15, 2022, Ratio Gibraltar announced that it had received approval from the Philippine Department of Energy regarding the existence of a "Force Majeure" event due to the COVID-19 pandemic. Originally, it was determined that "Force Majeure" would apply from August 10, 2021, for a period of one year, or until the termination of the state of emergency declared in the country due to the COVID-19 pandemic, whichever is later.

However, following Ratio Gibraltar's request to the Philippine Department of Energy to amend the commencement date of the Force Majeure period, on November 7, 2022, the Philippine Department of Energy approved that the said period would commence on October 18, 2020, and end on November 7, 2022. The Department of Energy further announced that in light of the above, the second sub-phase of the exploration period under the SC76 Agreement, which includes a commitment to perform a 3D seismic survey, and which commenced on October 18, 2020, will be extended until November 27, 2024.

Following is a description of the key provisions of the exploration and production agreement:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 1) The agreement grants the Rights Holder the right to carry out oil and/or natural gas explorations in the SC76 area for 7 years with an extension option for an additional period of 3 years, subject to terms of the Agreement. If no hydrocarbons are found in SC76 at the end of the Extension Period, the agreement will terminate automatically. If hydrocarbons are found, the Rights Holder will have an additional year to decide whether this is a commercial discovery or not. Should it be decided that the discovery is commercial and subject to the approval of the Philippine Department of Energy of a proposed work plan for an appraisal drilling, the agreement will be extended for an additional 25 years. The production period may be extended for three additional periods of 5 years each, according to the terms of the agreement.
- 2) Work plan - the Agreement establishes minimum work commitments which the Rights Holder must meet during each of the periods of the Agreement, as well as the relevant budget. The Rights Holder must notify the Ministry of Energy, at least thirty days before the end of each sub-period, whether it chooses to continue with the work plan, and in the event of a discovery (if any) – whether it wishes to conduct evaluation activities in the area of the discovery, or if it wishes to terminate the Agreement. If the Rights Holder chooses to terminate the Agreement prior to the end of the sub-period, and insofar as the planned work budget for that sub-period has not been fully expended, the Rights Holder will pay the balance of the budget to the Philippine Ministry of Energy.
- 3) Annual work plan and implementation guarantee – the Rights Holder must submit to the Philippine Ministry of Energy's approval an annual work plan and an annual budget for the coming year. The Rights Holder must provide a performance guarantee for the planned work plan at a minimum amount equal to the planned annual budget.
- 4) Taxes and other payments - the Rights Holder will be subject to Philippine income tax laws applicable to companies (at a rate of 30% of net profit), but these will be paid, if any, out of the State's share. It is noted that as of the date of approval of the Financial Statements there are disagreements between the Philippine Ministry of Energy and the Philippine Comptroller's Office regarding the method of collecting the corporate tax on profits, if any. While the Philippine Ministry of Energy supports the above, according to the Comptroller's Office, corporate tax should be collected from the Rights Holder. As of this date, a legal proceeding is pending vis-à-vis this issue. The decision of the Philippine Supreme Court on the matter, if any, will also apply to Ratio Gibraltar. As of this date, it is not possible to assess how the Philippine Supreme Court will decide, or the impact of such decision on Ratio Gibraltar's operations. Moreover, the Agreement provides for grants and payments which the Rights Holder must pay to the Philippine Ministry of Energy during the various periods of the Agreement.
- 5) The State's share - The Philippines Agreement provides that the State's share shall be 60% of the produced natural gas and/or oil, whereas the Rights Holder will receive the remaining 40%.

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On June 16, 2022, Ratio Gibraltar entered into an agreement with Navitas Petroleum Limited, a wholly owned subsidiary of Navitas Petroleum, Limited Partnership (hereinafter "Navitas"), for the transfer of rights and cooperation in the energy sector in the Philippines. Navitas will acquire 30% (out of 100%) of Ratio Gibraltar's rights in SC76 in consideration for the reimbursement of Ratio's proportionate share of past costs, and in consideration for its participation in its proportionate share of the total future costs in the block. The date of the transfer of rights is subject to the approval of the Philippine Department of Energy.

On May 16, 2023, approval was received from the Philippine Department of Energy for the transfer of 30% of Ratio Gibraltar's rights to Navitas. In accordance with this approval, Ratio Gibraltar and Navitas signed the Joint Operating Agreement (JOA). Ratio Gibraltar will remain the operator of SC76.

Pursuant to the terms of the agreement, in consideration for the transfer of rights as aforesaid, Navitas paid Ratio Gibraltar its share of past costs through March 31, 2023, in a total amount of approximately USD 605 thousand, which were recognized in the statement of profit or loss under the "Other income" item.

On September 26, 2023, the Partnership announced that it had entered into an agreement with the Philippine energy company Prime Oil and Gas, Inc. (hereinafter "Prime"), in an agreement for the transfer of rights in SC76. Pursuant to the terms of the agreement, Ratio, which holds 70% (out of 100%) of the rights in SC76, will transfer 35% (out of 100%) of the rights in SC76 to Prime in consideration for the reimbursement of Prime's proportionate share of past costs in SC76, in a total amount of approximately USD 797 thousand.

In addition, in the event of a commercial discovery justifying an appraisal well in SC76, Prime shall pay Ratio a one-time sum of approximately USD 5.83 million.

The parties agreed that insofar as Prime in the future requests the role of operator from Ratio, which serves as the operator in SC76, then Ratio shall transfer the said role to Prime in consideration for a total sum of USD 3 million.

On February 28, 2024, the Philippine Department of Energy approved the said transfer. Prime's share of past costs, totaling USD 797 thousand as aforesaid, was recognized in the statement of profit or loss under the "Other income" item.

On February 25, 2024, the Partnership announced that Ratio Gibraltar had entered into an agreement with a contractor for the performance of a seismic survey within the SC76 area.

On March 26, 2024, the Partnership announced the commencement of the said survey after all relevant regulatory approvals in the Philippines had been obtained. The survey was completed in May 2024. The survey covered an area of over 1,500 square kilometers, and its total cost (100%) amounted to approximately USD 10.25 million.

The main stage of data processing was completed in Q3 of 2025, and the Partnership's technical team has commenced the interpretation of the post-processed data. On February 27, 2026, the Partnership published an update regarding its activities, in which it noted that in light of the accumulation of results from various analyses, the interpretation of the processed 3D seismic survey data is ongoing and is expected to be completed during the Q2 of 2026. Regarding the

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

aforesaid in connection with the examination of the merger transaction between the Partnership and Ratio Energies – Limited Partnership, see Section 12C8 below.

On October 1, 2024, the Partnership announced that after Ratio Gibraltar applied to the Philippine Department of Energy for a suspension of the SC76 Agreement timelines on “Force Majeure” grounds due to the ongoing war, in accordance with the terms of the SC76 Agreement (“Iron Swords War” (“War of Revival”)), the Philippine Department of Energy approved the existence of such Force Majeure. The Force Majeure shall apply as aforesaid from October 23, 2023, and shall continue until the cessation of the circumstances constituting the Force Majeure and will effectively extend the second sub-phase of the exploration period under the agreement. As of the date of the report, SC76 remains under a state of Force Majeure.

In light of the foregoing, as of the date of the Financial Statements, the Partnership is unable to provide an exact date for the end of the period.

In late November 2018, the Philippine Department of Energy presented 14 pre-defined areas as part of a tender it published for the acquisition of petroleum rights. The Partnership sought to acquire one of these areas with the aim of increasing

its footprint in the East Palawan Basin, and Ratio Gibraltar submitted an application for the acquisition of rights in an offshore asset known as “Area 3” off the coast of the Philippines.

On July 23, 2024, the Partnership announced that the Philippine Department of Energy had notified Ratio Gibraltar that it had met the necessary conditions for signing an exploration and production agreement for Area 3 with the government of the Republic of the Philippines (the “Area 3 Agreement”) and that a date would be coordinated for the signing of the said agreement.

In light of the foregoing, on July 23, 2024, the Board of Directors of the General Partner (following the approval of the General Partner’s audit committee on July 10, 2024) approved Ratio Gibraltar’s entry into the Area 3 Agreement and its addition to the Partnership’s assets.

On October 8, 2025, the Partnership reported that the President of the Philippines signed an agreement between the Government of the Republic of the Philippines and Ratio Gibraltar, for exploration and production in Area 3, titled Service Contract No. 87 (hereinafter “SC87”). In light of the above, an amendment to the Partnership Agreement was executed, under which SC87 was added to the Partnership's assets. Shortly after the aforementioned signing, Ratio Gibraltar approached the Philippine Department of Energy with a request to suspend the timelines in the SC87 agreement on the grounds of “Force Majeure,” similar to the situation in SC76. As of the date of the report, the Department of Energy’s response has yet to be received.

Ratio Gibraltar’s net exploration expenses, including geological expenses, for SC76 for the years 2025, 2024, and 2023, in the total amounts of approximately USD 59, USD 3,877, and USD 61 thousand, respectively, were charged to the statement of profit or loss under oil and gas exploration expenses.

The investment in the project, net from the date of Ratio Gibraltar's entry into SC76 and until the date of the Statement of Financial Position, after deducting transfer

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fees received in the amount of USD 797 thousand, totaled approximately USD 5 million.

Ratio Gibraltar's exploration expenses, including geological expenses, for SC87 for 2025, in the total amount of USD 124 thousand for the signature bonus, were charged to the Statement of Profit or Loss under oil and gas exploration expenses.

C. Dakhla Atlantique Block - Morocco (Ratio Gibraltar)

On September 24, 2021, Ratio Gibraltar signed a reconnaissance contract (hereinafter "Reconnaissance Contract") with the Moroccan National Office of Hydrocarbons and Mines (Office National des Hydrocarbures et des Mines) (hereinafter "ONHYM"). On October 11, 2021, after obtaining the approval of the Moroccan Minister of Energy and Mines, the Partnership's audit committee and board of directors approved the Reconnaissance Contract.

The Reconnaissance Contract grants Ratio Gibraltar the exclusive right to study and research the Dakhla Atlantique Block, located in Morocco along the Atlantic coast, with an area starting from the shoreline and including shallow and deep water areas up to a water depth of approximately 3,000 meters. The total area of the block is approximately 109,000 square kilometers, and during the term of the agreement, Ratio Gibraltar shall hold 100% of the rights therein.

The Reconnaissance Agreement grants Ratio Gibraltar an exclusive right to perform study and reconnaissance activities within the block area for a period of one year, which may be extended for additional one-year periods in accordance with applicable law, provided that Ratio Gibraltar has not breached any of its obligations under the Reconnaissance Agreement. The parties agreed in advance that, at the end of the first year, a request will be submitted to extend the Reconnaissance Agreement for an additional year.

The Reconnaissance Agreement establishes minimum work commitments for the period of the agreement, as follows:

- 1) First year: Reprocessing of 2D seismic data and preliminary interpretation – estimated budget of approximately USD 600 thousand.
- 2) Second year: Interpretation of the existing data findings, mapping of leads and prospects, and petroleum system modeling within the block area – estimated budget of approximately USD 200 thousand.
- 3) Third and fourth years (optional): A choice between:
 - Option 1: Acquisition of 2,000 km of 2D seismic data, processing and interpretation thereof, including mapping of leads and prospects.
 - Option 2: Reprocessing of 3D seismic data and interpretation thereof, including mapping of leads and prospects.Estimated budget for each option: approximately USD 1,000 thousand.

The description in section (3) above will be relevant only if Ratio Gibraltar decides to proceed with the work program. Alternatively, it may abandon the block area or skip this stage and request to transition to an exploration license in the block area.

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The Partnership will provide Ratio Gibraltar with a parent company guarantee for the planned work program in an amount equal to the planned work budget for each period of the agreement. Ratio Gibraltar is not required to adhere to the above-mentioned estimated budget, provided that it complies with the terms of the work program. However, in the event that Ratio Gibraltar does not meet or complete the work program, it will be obligated to pay the planned budget for the relevant period to ONHYM. It is clarified that the above data and the forecasts regarding the work program, activities, costs, and timelines for performing the various activities constitute estimates of the Partnership, based on information available to the General Partner as of the date of approval of the financial statements. These estimates may change due to modifications in the work program, new findings obtained, progress in the study of the area, additional circumstances typical of oil and natural gas exploration projects, as well as numerous external constraints and/or influences, such as delays in obtaining required approvals, dependency on contractors, changes in costs due to fluctuations in service and supplier prices, etc. Accordingly, the actual activities performed, and their costs may differ materially from the Partnership's estimates as of the date of approval of the Financial Statements.

On June 16, 2022, Ratio Gibraltar entered into an agreement with Navitas, for the transfer of rights and cooperation in the energy sector in Morocco (hereinafter the "Transfer of Rights Agreement"). Under the Transfer of Rights Agreement, it was stipulated that Navitas and Ratio Gibraltar would undertake a joint evaluation of the investment potential in exploration assets in Morocco for a period of approximately one and a half years, including in connection with the Dakhla Atlantique Block. Navitas shall bear 30% of the total past expenses in connection with the cooperation in the block, as well as 30% of the total future expenses. Total past expenses for the period between the execution date of the Reconnaissance Contract and the date the Transfer of Rights Agreement is signed, as stipulated in the Transfer of Rights Agreement, amounted to approximately USD 124 thousand (100%), with Navitas' share totaling USD 37 thousand.

On October 16, 2023, the Moroccan Minister of Energy and Mines' approval was obtained for the extension of the Reconnaissance Contract by an additional year until September 30, 2024, at the request of Ratio Gibraltar and ONHYM.

In accordance with the terms of the Reconnaissance Contract, in August 2024, Ratio Gibraltar and ONHYM submitted an application to the Moroccan Minister of Energy for the extension of the Reconnaissance Contract by an additional year until September 30, 2025.

On October 23, 2025, the Moroccan Minister of Energy and Mines' approval was obtained for the extension of the Reconnaissance Contract as stated.

On September 30, 2025, the Partnership reported that Ratio Gibraltar and ONHYM had commenced discussions regarding the transition to a license and the signing of an agreement for the acquisition of exploration and production rights in the Dakhla Atlantique Block. The Partnership estimates that the aforementioned discussions are expected to take several months. As of the date of the report, the discussions are still ongoing.

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Ratio Gibraltar continues to operate in the block in accordance with the work program, which includes the reprocessing and interpretation of 3D seismic data, including the mapping of targets and prospects.

Ratio Gibraltar's net exploration expenses, including geological expenses, for the Dakhla Atlantique Block for the years 2025, 2024, and 2023, in the total amounts of approximately USD 117, USD 102, and USD 338 thousand, respectively, were charged to the Statement of Profit or Loss under oil and gas exploration expenses.

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NOTE 7 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:

Marketable securities -	31 December	
	2025	2024
	US Dollars, Thousands	
Investments in corporate bonds abroad	3,850	3,674
Total, reported under current assets	3,850	3,674

The expected exercise date of the securities held by the Partnership is up to 12 months from the date of the Statements of Financial Position. The securities are reported under current assets.

Changes in the fair value of financial assets at fair value through profit or loss are credited to financial expenses (income) in the State of Profit or Loss or Other Comprehensive Loss.

NOTE 8 - RIGHT-OF-USE ASSET AND LEASE LIABILITY

On November 22, 2023, the Partnership signed an addendum to the previous lease agreement (which was for a 5-year term), for a period of 36 months ending on December 31, 2026, including an option period for an additional 36-month extension ending on December 31, 2029, provided that the Partnership fulfills all its obligations under the lease agreement, unless the Partnership notifies the lessor in writing 4 months in advance of its desire not to extend the initial lease term.

The incremental borrowing rate applied to discount the lease liability recognized in the Statement of Financial Position as of December 31, 2025, is 7.78%.

The following are the carrying amounts of the right-of-use asset and the lease liability:

	2025	2024	2023
	US Dollars, Thousands		
Right-of-use assets - Buildings:			
Opening net book value	153	184	32
Additions for the year	-	-	184
Depreciation for the year	(30)	(31)	(32)
Closing net book value	123	153	184
Lease liability:			
Balance at beginning of year	158	184	39
Additions for the year	-	-	184
Lease interest payments	(11)	(13)	(1)
Finance expenses (income) on lease liabilities	31	11	(2)
Lease principal payments	(28)	(24)	(36)

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	2025	2024	2023
	US Dollars, Thousands		
Balance at end of year	150	158	184
Current lease liabilities	33	27	25
Liability for long-term lease	117	131	159
Balance at end of year	150	158	184

NOTE 9 - TAXES ON INCOME:

A. Taxation in Israel

Section 63 (d) of the Income Tax Ordinance [New Version], 5721-1961 (hereinafter the "Ordinance") provides that the Minister of Finance may prescribe the types of partnerships that shall be deemed, for the purpose of the Ordinance, a company. If the Minister of Finance does so, the Partnership will be deemed a company for the purposes of the Ordinance, and amounts distributed by the Partnership to the partners will be deemed a dividend.

On January 1, 2017, the Income Tax Order (Types of Partnerships Deemed a Company), 5777-2017, was published in the Official Gazette (hereinafter the "Order"), stipulating the conditions that a partnership must meet to be considered a company for tax purposes. The two main conditions are that the activities of the partnership, in whole or in part, include the exploration, development, or production of oil, directly and indirectly, in Israel or abroad, and that the partnership not be a partnership as defined by Income Tax Regulations (Rules for Calculating Tax for the Holding and Sale of Participation Units in an Oil Exploration Partnership), 5749-1988, (hereinafter the "Regulations"). Since the Partnership complies with said conditions, the provisions of the Order apply to it. Therefore, in accordance with the provisions of the Order, the tax regime applicable to the Partnership is as if it were a company for all intents and purposes, even though partnerships are not usually considered taxpayers, and their income and expenses are attributed to their partners.

Accordingly, the Partnership's expenses and income will not be attributed to the unit holders. As long as said Order applies to it, the Partnership will report its taxable income and will bear the applicable tax in respect of its taxable income, as if it were a company.

The tax rate applicable to companies from the 2018 tax year and onward is 23%.

As of December 31, 2025, and 2024, losses carried forward for tax purposes totaled USD 17 million (approximately ILS 55 million) and USD 5.4 million (approximately ILS 18.9 million), respectively. The Partnership did not recognize deferred taxes in respect of carryforward losses, as there is no expectation that these losses will be utilized in the foreseeable future.

The difference between the theoretical tax expenses and the actual taxes is due to deferred tax assets that were not recognized.

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The provisions of the regulations, which regulate the manner by which income and expenses of a traded partnership are attributed to the holders of the participation units who are "eligible holders," do not apply to the Partnership.

Tax assessments

The Partnership has tax assessments that are considered final up to and including the 2020 tax year.

NOTE 10 – PARTNERS' EQUITY:

- A. At the time of the Partnership's establishment, the General Partner invested ILS 1 in the Partnership's capital, and the Limited Partner invested ILS 999 in the Partnership's capital. The General Partner and the Limited Partner shall be entitled to and will receive 0.1% and 99.9% of income and will bear 0.1% and 99.9% of losses, respectively, of the Partnership's expenses and losses. The Limited Partner issued registered participation units of ILS 1 par value each, warrants (Series 1) that expired on July 15, 2019, and warrants (Series 2) that expired on January 14, 2021. The units confer the right to participate in the rights of the Limited Partner in the Partnership, which are operated and held by the Limited Partner in favor of the unitholders in trust, under the supervision of Shimon Avnaim CPA (hereinafter the "Supervisor"). The Limited Partner will not be liable for the Partnership's obligations beyond the amounts it invests in the Partnership's equity, as noted above. On November 11, 2019, the general meeting of participation unitholders of the Partnership approved annulling the par value of the Partnership's participation units.

On November 28, 2019, the Partnership published a shelf prospectus whereby it may issue various securities to the public. The aforementioned prospectus was extended by one year and remained in effect until November 27, 2022.

On January 29, 2023, the Partnership published a shelf prospectus whereby it may issue various securities to the public for a two-year duration until January 29, 2025. On February 13, 2025, the Partnership announced that the validity of the shelf prospectus was extended until January 29, 2026. On February 4, 2026, the Partnership published a shelf prospectus whereby it may issue various securities to the public for a two-year duration until February 5, 2028.

B. Issuance of Securities

On January 23, 2017, the Partnership issued to the public, entrepreneurs and interested parties 114,682,236 participation units, 57,341,118 warrants (Series 1) and 57,341,118 warrants (Series 2). The total immediate (gross) proceeds from the issuance received totaled ILS 117.2 million (approximately USD 31 million). The issuance expenses totaled ILS 5.7 million (approximately USD 1.5 million).

Trading in the Partnership's securities began on January 26, 2017. 304 unexercised warrants (Series 1) expired on July 15, 2019, and 4,540,008 unexercised warrants (Series 2) expired on January 14, 2021.

As of December 31, 2025, 2024, and 2023, the total number of outstanding participation units is 224,824,160.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

C. Share-Based Payment

In July 2018, the Board of Directors of the General Partner of the Partnership approved the adoption of the "Options Plan - Officers and Employees 2018" (hereinafter the "2018 Plan"), whereby at the time compensation is granted, the total amount of participation units to be issued shall not exceed 5% of the Partnership's issued capital (while also taking into account the dilution rate deriving from the allocation of the compensation), each of which is exercisable into one Partnership participation unit. The ordinary participation units allocated following the exercise of the options will be equal in all rights to the participation units of the Partnership immediately upon their allocation. The options to be granted are exercisable, subject to the terms of the plan, at the end of the vesting periods as follows: (a) 1/3 of the quantity of the options as of the end of 12 months from the grant date; (b) 2/3 of the quantity of options in 8 equal quarterly portions over a period of two years from the end of 15 months as of the grant date (i.e., in each quarter 1/12 of the quantity of options will vest). If the options are not exercised beforehand, the options will expire on the earlier of (1) the end of five years from the grant date; (2) up to 120 days after the termination of the employment relationship between the Partnership and the recipients.

In August 2018, the General Meeting of the holders of the Partnership's participation units approved, after approval by the General Partner's Remuneration Committee and the Board of Directors in July 2018, a private placement of 3,019,765 non-tradable options exercisable into participation units of the Partnership, to the Chief Executive Officer, officers and employees of the Partnership, and a framework of 3,016,142 non-tradable options for future private placements.

In October 2018, an additional 3,019,765 options were granted under the aforementioned 2018 Plan, the vesting period of which concluded at the end of 3 years from the grant date. The options' exercise price is ILS 1.609. The theoretical economic value of each option as of grant date is calculated according to the B & S formula, reaching a price per option of ILS 1.22.

On January 20, 2021, the General Partner's board of directors, after approval by the General Partner's remuneration committee, approved a private placement of non-tradable options to the Partnership CEO, to officers and to other employees of the Partnership. On the same day, 1,200,286 options were granted to officers and other employees of the Partnership (the grant to the officer and the Partnership's employees was made in accordance with the aforementioned warrants framework). The theoretical economic value of each option as of grant date is calculated according to the B & S formula.

The value of the options is based on the following assumptions: the value of a participation unit at the calculation date (ILS 0.778), the exercise price (ILS 1.403), expected life (five years), expected standard deviation (73.5%), and risk-free interest rate (0.34%).

On February 24, 2021, the General Meeting of the holders of the Partnership's participation units approved the allocation of 277,370 options to the Partnership's CEO. The theoretical economic value of each option as of grant date is calculated according to the B & S formula.

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The value of the options is based on the following assumptions: the value of a participation unit at the calculation date (ILS 0.684), the exercise price (ILS 1.403), expected life (five years), expected standard deviation (72.7%), and risk-free interest rate (0.56%).

The benefit component was fully amortized by Q1 of 2024. The expense recognized in the Partnership's Statements of Profit or Loss for 2023 in respect of the bonus component of the grant of options to officers and employees totaled USD 22 thousand.

According to the track chosen by the Partnership, and subject to the provisions of section 102 of the Ordinance, the Partnership is not entitled to claim as an expense for tax purposes amounts credited to the recipients of the options as a benefit, including any amounts presented as salary benefits in the Partnership's bookkeeping accounts, in respect of the options granted under the plan, except for the yield component of the benefit, if any, as provided at the time of grant.

On February 21, 2026, all options granted to officers and employees of the Partnership expired.

D. Profit Distributions:

- 1) As provided by the Partnership agreement, all profits of the Partnership, which are legally distributable by the Partnership as profits, net of amounts (not considered for purposes of determining profits) required by the Partnership at the discretion of the General Partner for the purpose or in connection with the Partnership's existing or future commitments, known or estimated, including amounts required to repay loans, (if any), and including amounts required in the opinion of the General Partner for compliance with unforeseen expenses (the amount of which shall not exceed USD 250,000) (hereinafter the "Profits") shall be distributed to the partners, in accordance with their rights, as noted above and subject to the provisions of Companies Law, in the following manner - once a year, immediately prior to the end of the year, the General Partner shall prepare an estimate of the Partnership's annual taxable income. Based on this assessment, the General Partner will determine the amount of the first distribution while taking into account, inter alia, that which is necessary according to the assessment for the purpose of complying with the Partnership's liability under a tax collection agreement that will be signed (if signed) between the Partnership on the one hand, and the tax authorities on the other hand, or compliance with the terms provided by the tax authorities in the approvals granted thereby to the Partnership for issues of units or other securities or otherwise (hereinafter the "Amount for the First Distribution"). The Amount for the First Distribution will be published by the General Partner before the end of the year and will be distributed thereafter to the partners in accordance with their rights, as noted above.
- 2) The balance of profits available for distribution (if any) for that year shall be determined by the General Partner and shall be published shortly after approval of the audited Financial Statements of the Partnership for that year and distributed thereafter to the partners in accordance with their rights as noted (hereinafter the "Amount for the Second Distribution").

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 3) If following the second distribution, and following a change in circumstances, it becomes clear that additional amounts may be distributed in respect of that year, the General Partner may make further distributions in respect of that year (hereinafter "Additional Distributions"), and the General Partner will be required to do so if the additional distributable amounts shall be in excess of USD 3 million.
- 4) The calculation of profits shall always be made for the year ending December 31.
- 5) It is hereby clarified that no profits shall be distributed if their acceptance by the Limited Partner shall be considered a withdrawal of investments or part thereof, as defined by section 63(b) of the Ordinance.
- 6) Amounts held by the Partnership which are not distributed to the partners in accordance with the above (including those deriving from the Partnership's equity and its undistributed profits), may be invested by the General Partner, if it deems such appropriate based on its sole discretion, until they are exercised for their intended purpose, in a manner deemed appropriate, provided that such investments be made for the purpose of preserving, as much as possible, the real value of the funds and the availability of the funds for the purpose of carrying out the objectives of the Partnership.
- 7) Notwithstanding the foregoing, the General Partner shall be entitled to refrain from distributing profits or to delay the distribution of profits for the purpose of participating in exploration, development and production activities in the areas of the oil assets which the Partnership, including its investee companies, has interests therein, or for financing activities the plans thereof were included in any prospectus, shelf prospectus, or shelf offering report, pursuant to which other units or securities will be issued, including securities conferring the right to purchase units or for other operations approved by the Supervisor.

Notwithstanding the above, the General Partner may not - without the approval of the General Meeting of the unitholders or the approval of the Supervisor ratified by the Court - refrain from distributing profits or delay the distribution of profits for development and production work and in order to participate in additional exploration operations, if the Partnership and/or its investees have no interests in oil assets.

- 8) In the event of an incorrect assessment of the profits, or in the event that following the provisions of section 63(b) of the Ordinance, and the provisions set out above in its regard, a deterrence is created, or is discovered to have been created, for any distribution, all or some, even after the distribution amount was made public, the General Partner shall be exempt from any liability unless it acted in breach of its fiduciary duty towards the Partnership and/or in breach of its duty of care in the distribution.
- 9) Without derogating from the foregoing, the General Partner may, at its discretion, make use of the proceeds of the profits and for this purpose

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

refrain from distributing them, and assume on behalf of the Partnership, for the purpose of obtaining credit, undertakings regarding restrictions on the distribution of profits, as well as liens on the Partnership's assets that include undertakings as noted, all for financing (whether immediate financing needs or future financing needs, or whether known financing needs or possible financing needs) activities and expenses which the General Partner will decide on in any area of the Partnership where it believes there was a discovery or in any other area, to finance activities the plans of which were included in a prospectus, a shelf prospectus, or a shelf offering report as said, or for financing other activities for which the Supervisor has approved for this purpose.

- 10) Notwithstanding that said, no distribution of any kind shall be made, including as noted in section E above, unless the General Partner's board of directors was granted a proper opportunity to determine, prior to its execution, that the distribution is not a Prohibited Distribution as defined in section 301 of the Companies Law. Moreover, no profits shall be distributed if, in the opinion of the Supervisor, there is doubt that their acceptance by the Limited Partner will be considered a withdrawal of his investment or part thereof, as defined in section 63(b) of the Ordinance. Whenever such doubt exists, the distribution shall not be effected except with the consent of the Supervisor or with the approval of the Court. **Once the Court confirms that the distribution does not impose a charge on the holders of the units, the profits will be distributed according to the terms of the approval.**

NOTE 11 - LOSS PER PARTICIPATION UNIT:

Basic

The basic loss per participation unit is calculated by dividing the loss attributed to the participation unitholders by the weighted average number of participation units issued.

	2025	2024	2023
Loss attributable to participation unitholders (expressed in US Dollars, Thousands)	1,282	4,180	29,500
Weighted average number of participation units issued	224,824,160	224,824,160	224,824,160
Basic loss per participation unit (expressed in US Dollars)	0.006	0.019	0.131

In the calculation of diluted loss per share for the reported years, warrants and options to officers and employees were not taken into account, as their effect is anti-dilutive.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 - TRANSACTIONS AND BALANCES WITH INTERESTED AND RELATED PARTIES:

A. Transactions with Interested and Related Parties:

	Year Ended December 31,		
	2025	2024	2023
	US Dollars, Thousands		
Amounts charged to management and general expenses:			
Management fees to the General Partner (see Note C1 below)	-	480	480
CEO remuneration	287	257	261
Remuneration and expenses to the Limited Partner, the Trustee (see C3 below)	2	2	2
Benefit component – option grants to officers and employees	-	-	22

“Interested parties” - as defined by the Securities Regulations (Annual Financial Statements), 5770-2010.

“Related Party” - as defined by International Accounting Standard 24 (Amended) - “Related Party Disclosures.”

B. Balances with interested and related parties:

	December 31	
	2025	2024
	US Dollars, Thousands	
General Partner - current account:		
Payable balance as of the date of the Statement of Financial Position	(1,490)	(746)
Trustee - current account:		
Receivable balance as of the date of the Statement of Financial Position	101	90

C. Commitments with Interested and Related Parties:

- 1) Commitments with interested and related parties deriving from the Partnership Agreement:

Partnership Management and Operator Fees (Operation and Management):

In accordance with the Partnership Agreement, the General Partner will manage the Partnership, and it or anyone acting on its behalf will be responsible for the management and execution of all oil exploration activities, including development and/or production within the framework of the oil assets in which the Partnership and/or its investees have an interest, and will have an interest in the future.

As consideration for said services, the Partnership Agreement set forth that the General Partner or anyone acting on its behalf, will be entitled, vis-à-vis all oil assets which the Partnership and/or its investees have and/or will have an interest therein, even where there is another

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operator, to a royalty of 7.5% (plus Value Added Tax) of the total exploration costs and the amounts attributed to their pro-rata share of the expenses of the operations of the joint ventures during the period of exploration (expended thereby or by the investees), however no less than USD 40 thousand per month (plus Value Added Tax) during the exploration and/or development and/ production period.

The calculation of operator fees shall be made once every quarter, on a Dollar basis, and shall be paid once every quarter. The General Partner will be entitled to receive an operator's fees subject to said rates also from other participants, if any.

The General Partner shall bear, from said operator's fee, the remuneration paid to the directors of the General Partner who are the controlling shareholders of the General Partner or their relatives, for their service as directors and for services they provide as part of the General Partner's regular operations, due to their position. The remaining Partnership expenses will be paid by the Partnership.

The Partnership is entitled to directly employ employees and/or officers who will provide services to the Partnership, and in such case, the Partnership will bear the full cost of their salaries.

On January 20, 2022, the general meeting of the participation unit holders approved a management services arrangement between the General Partner and the Partnership, whereby, in consideration for providing the Partnership with management services (including chairman of the board services), consulting services, business development services, consulting and support in the fields of finance, strategy, collaborations, crisis management, and other services required for the management of the Partnership's business—which shall be provided through officers of the General Partner who are among the controlling shareholders of the General Partner and their relatives—the General Partner shall be entitled to receive from the Partnership monthly management fees in a total amount of USD 40,000, plus VAT, in lieu of the operator fee arrangement that was in effect until that date, as described above. All other Partnership and General Partner management expenses, of any kind or nature, shall be borne by the Partnership. Furthermore, and in accordance with the provisions of section 65(51)(g)(1) of the Partnerships Ordinance, the Partnership shall reimburse the General Partner for all Partnership management expenses actually incurred by the General Partner, excluding such expenses paid, directly or indirectly, to the controlling shareholders of the General Partner and expenses in which the controlling shareholders of the General Partner have a personal interest in their payment; provided that such expenses paid for the purpose of an engagement with a director regarding their terms of office and employment shall be in accordance with the law. The said management services arrangement commenced on January 20, 2022, and remained in effect for a period of three years. The General Partner shall not be entitled to receive management fees or other payments from the Partnership, except for royalties to the controlling shareholders of the General Partner (as described in section 2 below) and except for payments that may be approved from time to time in accordance with the provisions of the Partnerships Ordinance.

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As stated, the said management services arrangement was approved by the general meeting of the Partnership's participation unit holders on January 20, 2022, and was in effect for a period of three years. Under the terms of the tender offer, as stated in Note 12 (7) below, the controlling shareholders of the General Partner of the Partnership, who are also the controlling shareholders of the General Partner of Ratio Energies, announced that should the tender offer be accepted, the General Partner will continue to manage the Partnership's business, but the management fees will be canceled. The tender offer was not accepted.

However, in light of receiving the offer for a merger transaction and the decision of the Partnership's General Partner's board of directors to examine said offer, as stated in Note 12 (8) below, the General Partner announced that, similarly to the arrangement proposed within the framework of the tender offer as detailed above, the General Partner does not intend to renew the management services arrangement at this time. In light of the above, the aforementioned arrangement was not renewed.

- 2) Commitment to pay overriding royalties:
- a) The Partnership undertook, through an irrevocable undertaking, to cause it and any entity held and/or to be held thereby that is the owner of oil rights, as applicable, to grant, on the date of receiving the oil right, the right to receive an overriding royalty at a total rate of 8.5% (hereinafter the "Overriding Royalty").
 - b) In the Kaieteur Block in Guyana, in SC76 in the Philippines, and in the Dakhla Atlantique Block in Morocco, the Partnership's investees undertook the following obligation toward the persons and/or entities detailed below (hereinafter in this section the "Royalty Beneficiaries" including anyone to whom the right to the Overriding Royalty may be assigned and/or transferred, to the extent assigned and/or transferred):

Party Entitled to an Overriding Royalty	Overriding Royalty Percentage	Remarks
DALIN	2%	One of the controlling shareholders of the General Partner. The royalty was awarded as part of an Overriding Royalty Agreement between the Partnership and DALIN.
Hiram	2%	One of the controlling shareholders of the General Partner. The royalty was awarded as part of an Overriding Royalty Agreement between the Partnership and Hiram.
Eitan (Gibraltar) Ltd.	4% (*)	A company wholly owned by Eitan Eisenberg, who was a geological consultant of the Partnership and one of the initiators of the Partnership's operations. The royalty was awarded as part of an Overriding Royalty Agreement between the Partnership and Eitan (Gibraltar) Ltd. Upon reaching the age of 88, in 2024, Mr. Eisenberg announced his retirement and

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Party Entitled to an Overriding Royalty	Overriding Royalty Percentage	Remarks
		ceased providing services to the Partnership.
Itay Raphael (Tabibzada)	0.5%	Chief Executive Officer of the Partnership as of October 2, 2016, and one of the initiators of the operations and establishment of the Partnership. Appointed director effective December 7, 2025. In addition to his service as Chief Executive Officer, he is employed by private companies controlled by the controlling shareholders of the General Partner. The royalty was awarded as part of an Overriding Royalty Agreement between the Partnership and Itay Raphael (Tabibzada). To clarify, the source of said royalty is in the obligation given by the investees as of the date of their establishment as one of the ventures and the establishment of the Partnership and is not part of the terms of employment as CEO.

(*) Eitan (Gibraltar) Ltd. is a private foreign company controlled by Mr. Eitan Eisenberg (hereinafter "Eitan Gibraltar"). Eitan Gibraltar notified the Partnership that it has assigned to Dr. Gal Hartman (hereinafter "Gal"), who provides geophysical consulting services to the Partnership and its investees, portions of the Overriding Royalty to which it is entitled as aforementioned, under the terms detailed below, and issued an instruction to directly pay Gal the royalty due to him as aforementioned:

- a. From any existing or future asset of the Partnership and any current and/or future investees thereof, in respect of which Eitan Gibraltar is entitled to a 4% royalty (out of 100% of the asset), except for Area 5 in Malta and the Kaieteur Block in Guyana (in respect of which Gal shall not be entitled to a royalty), an Overriding Royalty at a rate of 0.5% shall be assigned to Gal, such that in respect of such an asset Eitan Gibraltar shall be entitled to an Overriding Royalty at a rate of 3.5%.
- b. Gal shall be entitled to the aforementioned royalty only in respect of assets in which the Partnership and/or its investees received rights (the granting of the right and/or signing of an agreement granting the right and/or for the acquisition of the right, etc.) during the period in which Gal provided or will provide geophysical consulting services to the Partnership and its aforementioned investees. For the avoidance of doubt, it is clarified that in respect of assets in which the Partnership and/or its investees received rights after the termination of the provision of services as aforementioned by Gal, Gal shall not be entitled to any royalty.
- c. In the event that for any reason the rate of the Overriding Royalty to which Eitan Gibraltar is entitled in respect of a

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specific asset of the Partnership and/or its investees is reduced to less than 4% (out of 100% of the asset), the royalty rate for Gal in respect of that asset shall be reduced, such that in any event, Eitan Gibraltar's overriding royalty rate shall not be less than 3.5% as a result of the assignment of the Overriding Royalty to Gal.

- d. In the event that for any reason the rate of the Overriding Royalty to which Eitan Gibraltar is entitled in respect of a specific asset of the Partnership and/or its investees exceeds 4% (out of 100% of the asset), the royalty rate for Gal in respect of that asset shall be increased by the difference between 3.5% and the royalty rate to which Eitan Gibraltar is entitled in respect of that asset, even if as a result, Gal's royalty rate exceeds 0.5%.
- c) Those entitled to the royalties will be entitled to receive the Overriding Royalties from the quantities or value as detailed below of the oil and/or gas and/or other valuable materials produced and utilized from the oil asset and/or oil assets which the Partnership and any of its current and/or future investees have an interest therein, before deduction of royalties and/or levies and/or any other payment liability of any kind, however, after the reduction for any oil used for the production itself (hereinafter the "Oil Output").
- d) Those entitled to royalties will be entitled, subject to obtaining the approvals required by law, to assign and transfer their rights to the Overriding Royalty, in whole or in part, and to use said rights in transactions without limitation, without requiring the consent of the Partnership or the investees.
- e) The Overriding Royalty shall be paid by the entity which has an interest in the oil asset, as noted.
- f) Said entities will undertake to pay to those entitled to the royalty Overriding Royalties in accordance with the provisions of this section, and the Partnership will be responsible for the execution of said payment by all investees.
- g) The right to Overriding Royalties as noted above, will be valid as long as the oil asset, including any oil asset granted by virtue thereof, is valid.
- h) The right to Overriding Royalties as noted above will be linked to the Partnership's or its investee's share, as applicable, in each of the oil assets where they were granted an interest and at the rate granted. If the Partnership and/or its investee should transfer their rights in an oil asset wherein the parties entitled to a royalty are entitled to Overriding Royalties, they will be transferred provided that the transferee assumes all undertakings to pay the Overriding Royalties as noted above.

The parties entitled to the royalties will receive said Overriding Royalties or part of said, in kind, that is, to receive part of the oil output in kind (up to the rate noted above). If the parties entitled to the

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

royalties choose to receive said Overriding Royalties, or part thereof, in kind, the manner and dates on which the Overriding Royalty will be received in kind shall be arranged so that oil or gas included in the Overriding Royalties will be delivered to those entitled to the royalties at the wellhead.

- i) If the parties entitled to the Overriding Royalties choose not to receive the Overriding Royalties in kind, those entitled to the royalties will be paid the wellhead value of said Overriding Royalties.
 - j) In the event of oil production, the payment will be made according to the oil wellhead price.
 - k) To the Partnership's understanding, the right to the aforementioned Overriding Royalty applies to the Partnership's and/or its investees' existing petroleum assets, as well as to future petroleum assets in the territory defined in the Overriding Royalty Agreement (Guyana, Malta, and Ireland).
- 3) The Supervisor's fee, as determined in the Trust Agreement signed on January 2, 2017, as amended from time to time (hereinafter the "Trust Agreement"), including his remuneration for his additional work vis-à-vis the issuance of securities to the public pursuant to a prospectus, and any reimbursement of expenses incurred for the purpose of fulfilling his duties as determined in accordance with provisions of the Ordinance.
- 4) The Trustee will be entitled to receive remuneration from the trust assets for each year he serves as Trustee under the Trust Agreement (or a pro-rata share of this amount in respect of part of the year). This amount will be paid to the Trustee on the last day of the year for which it is paid. In addition, the Trustee will be entitled to reimbursement of expenses expressly permitted in the Trust Agreement or approved in writing by the Supervisor. If the Trustee and the Supervisor are the same people, the approval of the General Meeting of the holders of the participation units will be required.
- 5) The Partnership entered into agreements with Ratio Gibraltar, Ratio Malta, and Ratio Guyana (effective from the closing date of the Partnership's issuance), Ratio Suriname (effective January 1, 2018), and Ratio Philippines (effective January 1, 2019), according to which it will grant each of the said, consultation and assistance services in all matters relating to the exploration and development of its oil assets, and in any other matter as to be agreed upon by the parties, from time to time, against a consideration of USD 3 thousand per month, which each of said companies will pay to the Partnership. Said consideration is paid on a quarterly basis. The Agreement with Ratio Malta was terminated on June 30, 2019. The agreement with Ratio Suriname terminated on December 31, 2022. The agreement with Ratio Philippines terminated on December 31, 2023, as the expenses in respect of the Partnership's activity in the Philippine asset were included in Ratio Gibraltar.
- On January 1, 2022, and 2023, the Partnership entered into agreements for the provision of support and consulting services for Ratio Gibraltar, in consideration determined in accordance with the Group's policy and

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according to transfer pricing rules and market conditions, which may change from time to time. Transactions between the Partnership and the subsidiaries are not reflected in the Partnership's Consolidated Financial Statements.

- 6) On February 24, 2021, the general meeting of the Partnership's participation unit holders approved an update to the monthly payment of the CEO of the General Partner and the Partnership, Itay Raphael (Tabibzada) (hereinafter the "Manager"), effective as of January 1, 2021, such that in consideration for performing the role and fulfilling all his obligations, the Partnership shall pay the Manager a monthly sum of ILS 70,000 plus VAT as required by law, and he shall also be entitled to reimbursement of expenses.
- 7) On November 10, 2024, the general meeting of the participation unit holders of Ratio Energies Limited Partnership (hereinafter "Ratio Energies") approved the execution of a full tender offer for the participation units of the Partnership, the validity of which is contingent upon the purchase of all of the Partnership's participation units (excluding the Partnership's participation units held by Ratio Energies) (hereinafter the "Tender Offer"), at a price of up to ILS 0.35 per participation unit, and to approve that, subject to the completion of the Tender Offer, ancillary actions required as a result thereof shall be carried out.

In accordance with the resolution of Ratio Energies' general meeting, on November 13, 2024, the Partnership announced that it had received a full tender offer specification from Ratio Energies for the purchase of 179,859,328 of the Partnership's participation units held by the offerees (as defined in the tender offer specification), in consideration for 35 agorot per participation unit. It should be noted that, as of the date of this report, the offeror holds 20% of the Partnership's participation units. In the event the tender offer is accepted and the offeror purchases all of the participation units held by the offerees, the Partnership will become a non-public limited partnership, and the Partnership's participation units will be delisted from trading on the Tel Aviv Stock Exchange. The last acceptance date according to the tender offer was December 1, 2024. On November 27, 2024, the Partnership announced the extension of the acceptance date until December 3, 2024.

On December 3, 2024, the Partnership announced that the tender offer by Ratio for the purchase of the Partnership's participation units was not accepted.

- 8) On January 12, 2025, the Partnership announced that it had received an inquiry from Ratio Energies regarding a merger transaction of the Partnership into Ratio Energies (the "Merger Transaction"), based on the principles approved by Ratio Energies' general meeting on November 10, 2024. The Partnership updated that it intends to examine the merger proposal. On January 19, 2025, the Partnership announced that the General Partner's board of directors had decided to examine the said merger proposal and updated Ratio Energies accordingly. Following this, the General Partner's board of directors decided to establish an independent committee to examine the proposal for the Merger Transaction. The committee appointed advisors and, to the best of the Partnership's knowledge, it

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

discussed and considered response to Ratio Energies together with its advisors.

On August 11, 2025, the Partnership announced that the Partnership and Ratio Energies had decided—further to the Partnership’s reports and its assessment that the recently commenced interpretation of the processed 3D seismic survey data conducted in block SC76 in the Philippines (the “Seismic Survey”) is expected to be completed by the end of 2025—that due to the proximity of dates, it is justified to await the results of the Seismic Survey interpretation currently being performed and their publication in accordance with the law, prior to advancing the merger transaction. Shortly after the publication of the Seismic Survey results, discussions regarding a transaction between the partnerships shall resume.

As stated in Note 6B above, the Partnership expects that the publication of the Resources Report for block SC76 will be carried out during Q2 of 2026. At this time, it is not possible to estimate whether the said transaction will be completed.

- 9) On December 7, 2025, the Partnership reported the appointment of the CEO of the Partnership and the General Partner, Itay Raphael (Tabibzada), as a director of the General Partner.

NOTE 13 - ADDITIONAL DETAILS - ITEMS IN THE STATEMENTS OF COMPREHENSIVE LOSS:

	Year Ended December 31,		
	2025	2024	2023
	US Dollars, Thousands		
A. Oil and gas exploration expenses:			
Exploration costs – various assets	408	4,077	76
Geological consultation	30	57	256
Capitalization of exploration costs – investments in exploration and evaluation assets	-	-	(13)
	438	4,134	319

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Year Ended December 31,		
	2025	2024	2023
	US Dollars, Thousands		
B. Management and general expenses:			
Management services of the General Partner, see Note 12 (c)	-	480	480
Office expenses	60	25	60
Directors' fees and related expenses	119	96	127
Salary and related	304	264	573
Professional services	236	107	210
Benefit component – options granted to officers and employees	-	-	22
Trustee fees and expenses	2	2	2
Levies	19	14	22
Travel abroad	24	29	32
Public relations	-	11	11
Other	40	21	63
	804	1,049	1,602
C. Financing revenue:			
Deposit interest	8	12	17
Exchange rate differences	-	74	-
Gain - fair value changes of financial assets at fair value through profit or loss, net	176	177	304
	184	263	321
D. Financing costs:			
Bank expenses	39	46	40
Interest expenses on lease liabilities	11	11	1
	-	-	-
Exchange rate differences	174	-	37
	224	57	78

NOTE 14 - ENGAGEMENTS:

- A. Partnership's commitments - vis-à-vis investments in exploration and evaluation assets, see Note 6.
- B. Partnership's commitments - vis-à-vis interested and other related parties, see Note 12.

NOTE 15 - EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL REPORT

- A. The impact of the “War of Revival” - Operation “Lion’s Roar”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For developments after the reporting date, see Note 1C.

B. Kaieteur Block - Ratio Guyana (Ratio Gibraltar)

For developments after the reporting date, see Note 6A.

C. Service Contract 76–Philippines Block (Ratio Gibraltar)

For developments after the reporting date, see Note 6B.

D. Partners' equity

For developments after the reporting date, see Notes 10A and 10C.
