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This unofficial translation does not constitute an offer, advice or invitation to make any transaction in the Company's securities.

**Re: Hadera Power Plant Expansion Project – Engagement in a Construction Finance Agreement
and EPC Agreement**

Further to that which is stated in the Company's Report of the Board of Directors for the first quarter of 2026¹ and in the Company's reports dated March 2, 2026 and May 20, 2026 (Ref. Nos.: 2026-01-018899 and 2026-01-047135), the details of which are included herein by way of reference, regarding the Hadera Expansion Project, a combined-cycle natural gas-fired power plant, with an estimated capacity of approx. 850 MW,² designated for construction on land adjacent to the Company's Hadera Power Plant (hereinafter - the "**Project**") - the Company hereby updates that on June 2, 2026, the Project company, OPC Hadera Expansion Ltd.³ (hereinafter - the "**Borrower**" or "**Hadera Power Plant**") entered into an agreement to finance the Project's construction (hereinafter - the "**Finance Agreement**") and in the EPC Agreement for the Project's construction - hereinafter the "**Construction Agreement**").

Once having entered into the Project agreements and obtaining the relevant permits, as stated in the above reports and in this report, the Company intends to pursue a tariff approval from the Israeli Electricity Authority, according to the relevant regulatory framework applicable to the Project,⁴ shortly after which the Company intends to issue a notice to proceed (NTP) to the Construction Contractor. At the same time, the Company is pursuing additional agreements for the Project, as detailed in this report.

¹ See Section 5A2 to the Company's Report of the Board of Directors for the first quarter of 2026, published on May 20, 2026 (Ref. No.: 2026-01-046508) (hereinafter - the "**Interim Report**"), the details of which are presented herein by way of reference. For further details regarding the Project, see also Section 7.3.12.1 in Chapter A (Description of the Corporation's Business) in the Company's Periodic Report for 2025, as published on March 12, 2025 (Ref. No. 2026-01-021904) (hereinafter - the "**Periodic Report for 2025**"), the details of which are presented herein by way of reference.

The expected generating capacity is subject to a grid export limit of approx. 670 MW expected until mid-2035 (hereinafter - the "**Grid Export Limit**").

³ Hadera Expansion is wholly-owned by OPC Power Plants Ltd., which is held (indirectly) at 80% by the Company (following the completed transfer of the Project's holdings from OPC Power Israel Ltd. (hereinafter - "**OPC Israel**"), held at 80% by the Company, to OPC Power Plants Ltd.).

⁴ For details regarding the planned regulation to apply to the Project (Resolution No. 70804 – Regulation of Conventional Generation Units) and the tariff set therein, subject to obtaining tariff approval by June 30, 2026, see Sections 7.2.10 and 7.3.2 to the Periodic Report for 2025, and Section 5A2 to the Interim Report. As of the report date, there is no certainty that the planned regulatory framework for the Project will be finalized. It should be noted that on May 24, 2026 a conditional production license was obtained for the Project, signed by the Minister of Energy.

Following are details regarding the Finance Agreement and Construction Agreement:

1. **Details regarding the Finance Agreement**

As stated above, on June 2 2026, the Borrower entered into an agreement with Bank Leumi le-Israel B.M.⁵ (hereinafter - the "Lender") to finance the Project's construction, in accordance with the principal terms set out below:

Loan Facility amount	A facility of approx. USD 1.7 billion (approx. NIS 4.85 billion) (hereinafter - the "Loan Facility"). ⁶ The loan will be granted in NIS, such that a total of approx. 25% of the Loan Facility is linked to the CPI. The Loan Facility amount includes unexpected expenses and the estimated accrued interest amount as from the construction completion date until the first repayment date, as stated below. It is noted that the total senior debt is expected to comprise approx.. 80% of the following expected construction cost.
Additional committed credit facilities⁷	A VAT facility totaling approx. USD 41 million (approx. NIS 115 million).
Drawdown conditions under the Finance Agreement	Drawdowns under the Finance Agreement are contingent upon conditions precedent, as is customary in similar senior debt finance agreements. These conditions include - under various drawdown stages (as the case may be): Obtaining the permits and approvals necessary for the Project's construction commencement, including receipt of tariff approval from the Israeli Electricity Authority; providing equity (in installments, as detailed below); certain insurance coverage; meeting certain coverage ratios; executing certain Project agreements; issuing an NTP to the Construction Contractor; providing collateral (as stated below); and absence of default events.

⁵ As noted in the Interim Report, the Lender has the right, as is customary in finance agreements of this nature and at its sole discretion, to introduce additional lenders through a syndication arrangement, including Israeli banks (see Regulation 22 in Chapter D to the Company's Periodic Report for 2025 in this respect).

⁶ The Loan Facility includes LC facilities in favor of the Project's key equipment supplier.

⁷ In addition, a non-committed hedging facility estimated at approx. USD 60 million was extended.

<p>Repayment dates principal and interest</p>	<p><u>Loan term:</u></p> <p>The Loan will be provided for an initial term of six (6) years from the first drawdown date; during the construction period, the Borrower may repay the Loan subject to payment of financial damage costs (if any), with added penalty as is customary for agreements of this nature; in the period following the commercial operation date - without payment of financial damage or early repayment penalty.</p> <p>If the Borrower elects not to repay the Loan (including accrued interest thereon) after 6 years will have elapsed from the first drawdown date, the Loan will remain outstanding for an additional period of up to 4 years (hereinafter - the “Additional Period”), with final repayment to occur no later than the end of the 10th year from the drawdown date.</p> <p><u>Interest and principal payment dates:</u></p> <p>Principal: The principal amount of the Loan shall be repaid in unequal quarterly installments, commencing at the end of 6 years from the date of the first drawdown until the final repayment of the Loan, as follows:</p> <p>In the second half of 2032: approx. 1.3%, in 2033: approx. 2.4%, in 2034: approx. 2.4%, in 2035: approx. 3.6%, in the first half of 2036: approx. 2.3%, and on the final repayment date, in 2036 - repayment of the outstanding Loan principal: approx. 88%.</p> <p>Interest: The interest payments are payable in quarterly installments after 6 years from the drawdown date (until which date, the interest shall accrue to the principal) until the final repayment date of the Loan principal.</p>
<p>Interest rate (annual)</p>	<p>The interest on the Loan is equal to the Prime interest rate, plus an interest spread ranging from 0% to 0.7% (variable, within this range), depending on the Loan term, and the Additional Period.</p>
<p>Guarantees and collateral</p>	<p>The Loan will be fully backed by a shareholders' guarantee of OPC Israel (a subsidiary of the Company (80%), which indirectly holds the Borrower), with respect to the Borrower's undertakings under the Finance Agreement including (without limitation) in connection with the undertaking to provide the equity for the Project (with the equity to be disbursed in installments, according to the senior debt drawdown) and other undertakings.</p> <p>In addition, the Borrower shall provide collateral as is customary in Israel for such senior debt, including pledging, in favor of the senior debt lenders, all of its assets, as a first floating lien, as well as a first-degree fixed lien on all of the Borrower's assets and rights, primarily the power plant, generation licenses and tariff approval, bank accounts, the Project's land plots, rights under the various Project agreements (required for its construction and operation), and related rights. In addition, OPC Power Plants will pledge - in favor of the senior debt lenders - the Borrower's shares and their related rights (including, in respect of shareholder loans and capital notes) and OPC Israel will pledge its rights with respect to the shareholder loans and capital notes.</p>

Default financial covenants	<ul style="list-style-type: none"> • During the construction period, until commercial operation date: Minimum LLCR⁸ (x1.05) for a capital injection by the shareholders (where failure to inject such capital will constitute a default); • During the commercial operation: Compliance by OPC Israel with its financial covenants,⁹ as detailed in Note 14B1 to the financial statements attached to the Periodic Report for 2025, and in Note 7C to the Interim Report.
Additional material terms and conditions	<p>Additional terms and conditions, undertakings, representations and causes for immediate or mandatory repayment (if any) are as customary in agreements of this type, including (among other things and as the case may be) certain restrictions on the Borrower, in connection with assuming financial undertakings, restrictions on engaging in material agreements, changes in and termination of substantive agreements for the Project, restrictions on carrying out substantive actions in the framework of the Project and in the Project's assets, obligations to comply with the law and regulations (including in the field of environmental protection), commitment to provide certain information and reports, purchasing insurance policies, prohibition on pledging the Project's assets (other than liens under the Finance Agreement), all as specified in the Finance Agreement.</p> <p>Standard events of default and grounds for immediate and mandatory repayment, consistent with those generally accepted in agreements of this include: Restrictions on change of control in the Borrower (including in OPC Israel); cross acceleration as defined in the Finance Agreement; non-payment; failure to meet certain Project construction dates; default events of the Borrower and of key Project entities; legal or regulatory proceedings or matters as defined in the Finance Agreement; breach of covenants and undertakings (subject to remediation periods); non-compliance of OPC Israel with its financial covenants towards the Lenders, all in accordance with the definitions, remediation periods and other conditions set in the Finance Agreement.</p>
Conditions for distribution	<p>A distribution is prohibited until 6 years will have elapsed from the first drawdown date, and thereafter - a distribution may be made subject to the Borrower's compliance with certain terms and conditions, including: the Borrower's compliance with the historical ADSCR and for the subsequent calendar year - x1.1; OPC Israel's compliance with the terms of the dividend distribution applicable thereto, as specified in Note 14B1 to the annual financial statements attached to the Periodic Report for 2025, execution of at least one principal payment and other terms and conditions as stipulated in the Finance Agreement.</p>

⁸ Based on a notional amortization schedule set while taking into account the regulatory period. In general, the covenants are those prescribed by OPC Israel's finance agreements with banking corporations in Israel, including Bank Leumi (for further details, see Note 14B1 to the Company's financial statements as of December 31, 2025, attached to the Periodic Report for 2025).

Fees	Provisions have been established regarding fees, including an upfront fee and management and commitment fees, as is customary in finance agreements of this nature. For details regarding payments applicable in the event of an early repayment, see the principal and interest repayment schedule section above.
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Obtaining the complete financing under the Finance Agreement is subject to the fulfillment of conditions precedent, including obtaining tariff approval from the Israeli Electricity Authority, as well as other terms and conditions the acceptance and scheduled timing of which are uncertain, if any. The fulfillment of the conditions precedent for the drawdown and utilization of the actual credit facilities constitutes forward-looking information, as defined by the Securities Law, the materialization of which is uncertain and is not under the sole control of the Company, including as stated below.

2. Construction Agreement (EPC)

Further to Hadera Expansion’s engagement in the agreement to supply the key equipment for the Project (hereinafter – the “**Key Equipment Supply Agreement**”),¹⁰ the Company reports that on June 2, 2026, Hadera Expansion entered into an EPC (engineering, procurement, and construction) agreement with a construction contractor for the construction of the Project, as is customary for such projects, as described below:

2.1. The construction contractor is a joint venture of a global EPC contractor and a local contractor¹¹ with substantial expertise and experience in, among other things, the planning and construction of power plants and infrastructure projects, including construction of natural gas-fired combined cycle power plants (hereinafter – the “**Construction Contractor**”). In accordance with the EPC Agreement, the Construction Contractor undertook to carry out the Project’s engineering, procurement and construction work, under a turn-key, lump-sum format, in accordance with the milestones, terms and conditions, and dates set by the parties, all in accordance with that which is specified in the construction agreement. In addition, the Key Equipment Supply Agreement was reassigned to the Construction Contractor, upon execution of the construction agreement.¹²

¹⁰ See the Company's report dated March 2, 2026 (Ref. No.: 2026-01-018899), the details of which are presented herein by way of reference.

¹¹ The local contractor is Solel Boneh Infrastructures Ltd.

¹² See details regarding the Key Equipment Supply Agreement in the above-mentioned report.

- 2.2. The total consideration to the Construction Contractor, together with the consideration for the Key Equipment Supply Agreement, is payable in installments, in several currencies (some of the installments will be linked to relevant indices),¹³ as is customary in projects of this type, in accordance with milestones set forth in each of the agreements and which depend on the Project's progress until it reaches commercial operation. The consideration for the two agreements is expected to constitute approx. 60% of the Project's expected construction cost.¹⁴ As of the reporting date, the Project's expected construction cost is estimated at approx. USD 1.7-1.8 billion (approx. NIS 4.8-5.2 billion).¹⁵
- 2.3. Pursuant to the Construction Agreement, Hadera Expansion may issue the Contractor a note to proceed (NTP) for the Project, subject to obtaining certain permits. The Agreement provides for a certain compensation mechanism for a delay in the issue of the NTP and a right of termination for Contractor in the event that such an NTP is not issued by the agreed date.
- 2.4. The schedule for completion of the construction works as provided for under the Construction Agreement was set for the course 2030. The Construction Agreement includes an agreed-upon compensation mechanism from the Construction Contractor for non-compliance with the schedule under certain conditions, and a bonus mechanism for early delivery in accordance with the Agreement's terms and conditions. The compensation and bonus mechanisms are subject to, among other things, capped amounts and limitations of liability as well as other arrangements as is customary in agreements of this type in Israel; it should be noted that the schedules are subject to circumstances that confer upon the Contractor the right to receive an extension in accordance with the arrangements and conditions set out in the Agreement.
- 2.5. To ensure that the EPC Contractor meets its undertakings under the Construction agreement, bank guarantees and company guarantees will be provided by the Contractor to secure certain undertakings and performance at certain rates, according to the terms and conditions agreed upon (and subject to caps and to terms and conditions).

¹³ For details regarding hedging, see Footnote 15.

¹⁴It should be noted that part of the consideration with respect to the Key Equipment Supply Agreement has already been paid as of this report's date. For details, see Section 7.15.3.1 to Part A to the Periodic Report for 2025.

¹⁵ Subject to the completion of the purchase of the land, as described in Section 5A2 of the Interim Report and Section 3 below. The above cost includes interest during the construction period. The financial data have been translated from NIS and are presented in USD at the exchange rate as of the reporting date. As of the reporting date, hedges were made to the currency exposures (mainly USD and EUR) for the Project's construction, which were designated for cash flow hedge accounting.

2.6. The Construction Agreement, including terms and conditions standard for such agreements and other undertakings, including warranty periods and warranty caps, insurance coverages, liability and indemnity, confidentiality, amending provisions, grounds for cancellation and termination and other relevant provisions relating to the Project's construction and operation, all in accordance with the terms and definitions set forth.

3. Additional agreements

In addition to entering into the Project agreements described above, as well as undertaking the additional actions required to advance the Project and obtain the permits and approvals referred to above and in previous reports, the Company continues to pursue and advance the execution of additional agreements relating to the Project. This includes, among other things, Hadera Expansion's entering into an agreement with INGL to connect the gas pipeline to the Project; in addition, the Company continues to advance the negotiations with the gas supplier for the Project, as stated in Section 5A2 to the Interim Report, which has not yet been completed as of the reporting date, and there is no certainty as to its completion or its final conditions.

As stated above and in the Company's said reports, the land designated for the power plant's construction is adjacent to the active Hadera Power Plant, with Hadera Expansion having an option to lease the land for a period of 24 years and 11 months, as stated in Section 7.12.2 to Part A of the Periodic Report for 2025 (the exercise of which was announced by Hadera Expansion as of the reporting date). For further details regarding advanced negotiations for the purchase of said land, see Section 7.12.4 to Chapter A of the Periodic Report for 2025 and Section 5A2 to the Interim Report, the details of which are presented herein by way of reference.

The aforesaid in this report with respect to the Project, including with respect to the expected construction completion date or expected commencement of construction date, the Finance Agreement (including the financial closing of the Finance Agreement, fulfillment of the conditions for the drawdown and utilization of the facilities and expected rate of senior debt), issue and/or issue date of the tariff approval, expected regulatory and commercial outline dates, the capacity and characteristics of the Project (including the grid export limit and termination date thereof) engagement in the additional agreements for the Project and their terms and conditions, obtaining relevant approvals and/or with respect to the Project's expected costs - including the Project's total estimated construction cost (as well as with respect to the negotiations for the purchase of the land for the Project), and/or the consideration for the Construction Agreement and Key Equipment Supply Agreement out of the Project's total cost, as well as the terms and conditions for issuing a notice to proceed (NTP) and its timing, includes forward-looking information as defined by the Securities Law, which is based, inter alia, on the Company's assessments as of the reporting date and whose materialization is uncertain (in whole or in part). The completion of the Project may not materialize or may

materialize in a manner which is different than that stated above, due to, among other things, various factors, including ones which are beyond the Company's control, including completion of construction and connection works, transmission of electricity from the Project site and/or connection to infrastructures (including the electrical grid and gas infrastructures), receipt of permits, scope of the relevant regulatory framework, completion of construction work, final costs of construction, equipment and purchase of rights to land, the proper state of the equipment, force majeure events and/or the terms of engagements with key suppliers (including the gas supplier) - the materialization, manner of materialization or final terms and conditions of which are uncertain. In practice, technical, operational and/or other delays and/or malfunctions and/or increase in costs and/or other changes may occur, due to, among other things, factors as stated above, or as a result of the materialization of one or more of the risk factors to which the Company is exposed, including construction risks (including "force majeure" events, the security situation and its ramifications), regulatory or permit-related risks, environmental factors, macroeconomic changes, delays/faults in executing construction work or securing connection to grids and infrastructures, delays and higher costs associated with supply chains, factors associated with key suppliers and finance costs, etc. For further details regarding risk factors, see Section 19 to the Periodic Report for 2025. Accordingly, there is no certainty as to the Project's execution. It is further clarified that delays in the completion of the Project beyond the original scheduled date or non-execution thereof for any reason whatsoever are subject to higher costs or loss of expenses and payments (including under agreements entered into by the Project) and/or could impact the ability of the Company and/or Group companies to comply with their obligations to third parties (including under guarantees provided or the applicable regulatory framework), and/or involve additional costs, payment of compensation or legal action.

Respectfully,

OPC Energy Ltd.

By: Giora Almogy, CEO

Ana Berenstein, CFO