

OPC ENERGY LTD

("The Company")

October 23, 2025

To:

Israel Securities Authority

www.isa.gov.il

Tel Aviv Stock Exchange Ltd.

www.tase.co.il

Subject: CPV Group - Signing of a Financing Agreement with BANK LEUMI LE- ISRAEL B.M. for Financing Part of the Equity in the Basin Ranch Project - 1.35 GW Power Plant in Texas

1. Further to Section 6b2 of the Company's interim report as of June 30, 2025, and the Company's immediate report dated June 9, 2025^[101], regarding the Basin Ranch Project ("the Project")^[102], the Company updates that on October 22, 2025, the financing agreement, as mentioned in previous reports, was signed between the CPV Group and BANK LEUMI LE-ISRAEL B.M. ("the Financing Agreement" and "the Lender", respectively) for the purpose of receiving a total loan of USD 300 million, to finance part of CPV Group's equity contribution to the Project. Upon signing, a cash amount of approximately USD 150 million (out of the total loan amount) less fees was transferred to an escrow account, and an additional amount of USD 150 million was provided in the form of a Letter of Credit (LC), which will be released upon and subject to the completion of the TEF loan agreement as detailed below.

2. The financing agreement is subject to closing conditions, mainly the completion of the TEF loan agreement (as defined in previous reports), which is expected in the near future^[103]. In the event that the TEF loan is not completed by the date set in the financing agreement, the financing agreement will terminate, and the funds deposited in the escrow account will be returned to the lender, and the aforementioned Letter of Credit will be canceled – all no later than the date set according to the terms of the financing agreement.

3. Further to previous reports regarding the negotiations towards the loan agreement, below are the main principles of the final financing agreement:

Borrower	CPV Group
Loan Amount (Principal)	USD 300 million (approx. NIS 1 billion as of this report date) ("Loan Amount").
Loan Drawdown Dates	• First payment of USD 150 million at signing, • and a second payment of USD 150 million no later than December 31, 2026, concurrently with the expiration of the Letter of Credit (LC) issued at signing (as mentioned above).
Interest Rate (Annual)	• Long-term loan: Interest based on SOFR plus a margin ranging from 2.8% to 3.4%. • Financial guarantee fee (via the Letter of Credit as mentioned above): between 1.3% and 2%.
Principal and Interest Repayment Dates	• Interest on the loan will be paid quarterly starting March 31, 2027, with interest accrued until the start of payments added to the loan principal; • The loan principal (including accrued interest as above) will be repaid starting March 31, 2027, according to the following schedule: ◦ 2027-2029: 5% per year ◦ 2030-2031: 25% per year ◦ 2032: 35% • Notwithstanding the above, if the commercial operation of the project begins during 2029, an adjustment will be made to the principal repayment rates (increase from 1.25% per quarter to 6.25% per quarter) starting from the first quarter after the commercial operation date, so that the entire loan will be repaid no later than December 31, 2032.
Financial Covenants	The financial covenants applicable to the borrower: • Total equity attributable to shareholders: greater than USD 750 million; • Adjusted net debt to adjusted EBITDA ratio less than 7.0. The financial covenants will be tested quarterly and will be subject to conditions and provisions (as well as pre-agreed cure periods) and testing mechanisms, as set out in the financing agreement. As of June 30, 2025, the calculation of compliance with the covenants is as follows: USD 1.589 billion and a ratio of 4.1x, respectively.
Collateral	• Subject to applicable law and the terms of the project financing agreements (including the TEF loan), the lender will be entitled to a pledge on the account to which dividends from the project

	companies are paid directly to the borrower, all in accordance with the terms to be detailed in the financing agreement; • In addition, the borrower has undertaken a negative pledge, except in the following cases: ◦ (a) Existing and future project financing or granting of pledges as part of financing the borrower's portfolio assets and/or its subsidiaries and/or affiliates; ◦ (b) Other permitted pledges, existing and future, in the ordinary course of business, all as set out in the financing agreement.
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Additional Key Terms: Additional terms, undertakings, and events of default (as applicable) include (as relevant) certain restrictions on the borrower and/or its subsidiaries and/or affiliates, regarding:

- **(a)** Incurring debt as set out in the financing agreement, except for permitted debt (as defined in the financing agreement and under pre-agreed conditions regarding the borrower's leverage and liquidity);
- Regarding the areas of activity of the borrower and/or its subsidiaries and/or affiliates (such as incurring project financing without recourse for a new project and/or refinancing existing project debt or portfolio financing of existing/new projects without recourse, incurring corporate debt by the borrower under conditions set in the financing agreement, taking and/or extending certain credit facilities, etc.);
- **(b)** Restrictions on asset sales, except for assets that meet pre-agreed conditions in the financing agreement regarding the borrower's leverage and liquidity or assets that are not material to the business activity of the borrower and/or its subsidiaries and/or affiliates;
- **(c)** Restrictions on investments not in the ordinary course of business funded from the borrower's free cash flow in cases where:
 - (i) The net debt to EBITDA ratio (as detailed above) exceeds a value set in the financing agreement;
 - (ii) Certain events of default exist in the project and/or other ongoing events of default in the project that have not been remedied within the cure periods set in the financing agreement;
- **(d)** Additional undertakings, events of default, and repayment triggers as customary in such agreements, including:
 - Restrictions on changes of control in the borrower (including in the Company and its controlling shareholders);
 - Restrictions on changes in the borrower's business activity;
 - Cross Acceleration as defined in the financing agreement;
 - Non-payment;
 - Insolvency events;
 - Legal/regulatory proceedings or matters as defined in the financing agreement;
 - Breach of covenants and undertakings (subject to cure periods);
 - Cross Default for certain events relating to the project (including Material Adverse Effect events as defined in the financing agreement, breach of the obligation to pay or accelerate the TEF loan, bankruptcy, and abandonment events); non-payment of debt by the borrower or the project above a certain threshold, all in accordance with and subject to the definitions, cure periods, and other conditions set in the financing agreement.

Payments to the Borrower's Shareholders	Payments
Starting March 31, 2027, distribution of dividends and repayment of shareholder loans are subject to compliance with the following financial covenants (as defined above):	
• Total equity attributable to shareholders: greater than USD 1 billion; • Adjusted net debt to adjusted EBITDA ratio less than 4.0 up to 12 months after the project's commercial operation date (COD), and less than 5.0 thereafter.	
Additionally, under certain adverse circumstances defined in the financing agreement, such payments and additional payments to shareholders (such as management fees) will not be permitted even if the aforementioned financial covenants are met.	

Fees
Provisions regarding fees have been set, including an upfront-fee and non-utilization fees, as customary in financing agreements, as well as early repayment fees. It is clarified that the early repayment fees for the loan (except for economic damage, if applicable) have been set at decreasing levels over time.

4. The loan period, so that after a certain number of years as set, no early repayment fees will apply.

It should be emphasized that the above includes forward-looking information as defined in the Securities Law, 1968, the realization, timing, or manner of which is uncertain. As of the report date, the completion of the Leumi loan under the aforementioned financing agreement is subject to conditions precedent that have not yet been met, including the completion of the TEF loan (which itself is subject to additional factors and conditions), the fulfillment or timing of which is uncertain. These conditions include, among others, agreements with the parties related to the project and coordination with regulatory and commercial entities required for financial closing and commencement of construction, and the non-occurrence of risk factors to which the Company and the CPV Group are exposed as stated in previous reports.

Sincerely,

OPC ENERGY LTD

By: Giora Almogi, CEO

and Nurit Traurik, Chief Legal Counsel

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FOOTNOTE:

¹⁰¹ Section 6b2 of the Company's Board of Directors report as of June 30, 2025, published on August 13, 2025 (Reference: 2025-01-059955) ("Interim Report") and the Company's immediate report dated June 9, 2025 (Reference: 2025-01-041243), incorporated by reference (together: "the previous reports").

¹⁰² As of this report date, 70% of the project is indirectly held by the CPV Group. For details about the project and its characteristics, see the previous reports.

¹⁰³ The above information, including regarding the completion of the financing agreement with Leumi and the conditions required for its completion, including the financial closing of the TEF loan and its timing, includes forward-looking information as defined in the Securities Law, 1968 ("Securities Law"), the realization (in whole or in part) of which is uncertain and may be delayed or not realized, among other things, due to external factors to the Company that have not yet occurred, including the completion of the full required equity contribution, completion of the conditions precedent for the financial closing of the TEF loan and/or the absence of delays by all parties and entities to the agreements required for closing.

²⁰⁴ In general, the defined terms are based on the definitions set in the financing agreement of the Company's subsidiary, OPC Israel, with banking corporations in Israel, including BANK LEUMI LE- ISRAEL B.M. (for more details see Note 14b1 to the Company's financial statements as of December 31, 2024, attached to the 2024 annual report dated March 12, 2025 (Reference: 2025-01-016318)), and are based on the proportional consolidation method, with adjustments and changes as required, such as the inclusion of the project for this purpose starting six months after the COD date.

³⁰⁵ Except for certain shareholder loans defined in the agreement, the repayment of which is not conditional.