

NewMed Energy – Limited Partnership
(the “Partnership”)

August 15, 2022

To
The Israel Securities Authority (ISA)
22 Kanfei Nesharim Street
Jerusalem
Via Magna

To
Tel Aviv Stock Exchange Ltd. (TASE)
2 Ahuzat Bayit Street
Tel Aviv
Via Magna

Dear Sir/Madam,

Re: **Execution of a Memorandum of Understandings regarding Entry into the Renewable Energy Industry in collaboration with Enlight Renewable Energy Ltd. (“Enlight”) and the CEO of the General Partner**

In accordance with the Partnership’s strategy as pertains to entry into operations in the renewable energy industry, as described in Section 7.26 of the Partnership’s periodic report for 2021, as released on March 24, 2022 (Ref. 2022-01-033988), the Partnership is examining several options for entry into the renewable energy industry, *inter alia*, by way of joining joint ventures and acquiring preexisting operation platforms. In this context, and with the aim of utilizing the knowledge and experience the Partnership has accumulated in the regional markets, on August 14, 2022, the Partnership entered into a memorandum of understandings with Enlight regarding exclusive collaboration for a fixed term on the initiation, development, financing, construction and operation of renewable energy projects (including solar projects, wind projects, energy storage, and other renewable energy segments, to the extent relevant) in several target countries, including Egypt, Jordan, Morocco, the UAE, Bahrain, Oman and Saudi Arabia (The “**MOU**” and the “**Transaction**”, as applicable).

As specified below, under the Transaction outline, Enlight will allocate a certain part of its interests in the Transaction to Mr. Yossi Abu, CEO of the General Partner (“**Mr. Abu**”).

The Transaction is subject, *inter alia*, to the parties signing a detailed agreement and to approval by the general meeting of the Partnership’s participation unit holders of the making of investments in the renewable energy industry, as required pursuant to TASE Rules, and, *inter alia*, approval of the outline of the Transaction with Enlight, considering, among other things, Mr. Abu’s personal interest in the Transaction (the “**General Meeting**”)

Following is a concise description of the key points of the MOU:

- (a) The parties shall act together, on an exclusive basis for a fixed term, for the initiation, development, financing, construction and operation of renewable energy projects in the aforementioned target countries (the “**Joint Venture**”).

For the purpose of the Joint Venture, the parties shall form corporations that shall engage in the promotion of the joint operations (the “**Co-Owned Corporations**”). The rate of the Partnership’s holdings in the Co-Owned Corporations shall be 33.33%, with the remaining interests in the Co-Owned Corporations (66.67%) held by a corporation that will be held by Enlight (70%) and Mr. Abu (30%) (the “**Enlight Corporation**”). According to a memorandum of understandings signed between Enlight and Mr. Abu, Mr. Abu’s share in the investments required in the Enlight Corporation will be provided on his behalf by Enlight by way of providing a non-recourse loan.

- (b) As part of the Joint Venture, the Partnership will utilize its business connections in the aforementioned target countries to promote the Joint Venture, with Mr. Abu’s active personal involvement. The Enlight Corporation, via Enlight, will provide the joint operations with professional design, development and management services in the interest of promoting the Joint Venture.
- (c) Control during the projects’ construction and operation stages will be held by Enlight. The MOU stipulates provisions with respect to the parties’ rights to appoint board members of the Co-Owned Corporations based on their holding rates, and it also stipulates that Mr. Abu will serve as Chairman of the Board of the Co-Owned Corporations in the first 24 months.
- (d) Under the MOU, it has been agreed that resolutions of the Co-Owned Corporations will be adopted by a majority vote, subject to certain minority-interest protections to be granted to the Partnership. Provisions have also been specified with respect to the manner of financing of the operations of the Joint Venture and the investments in projects to be made thereunder, based on the relative share of each of the parties. In the event that the Partnership does not authorize its participation in an investment which is required in a certain project or objects to the promotion of a project, the Enlight Corporation may execute the project on its own, without the Partnership.
- (e) The term of the parties’ exclusive collaboration will be 3 years as of the date of signing of the detailed agreement, which, under certain circumstances, may be extended up to a term of five years as of the date of signing of the detailed agreement (the “**Term of Exclusivity**”). Following the expiration of the Term of Exclusivity, the collaboration will continue with respect to projects that shall have commenced prior to the expiration date, and Enlight may promote projects that are in advanced development stages without the Partnership’s participation.
- (f) The MOU specifies additional provisions, as is standard in transactions of this type, *inter alia*, with respect to the restrictions that shall apply to the transfer of interests in the Co-Owned Corporations to third parties, early termination of the Term of Exclusivity, and the Co-Owned Corporations’ profit distribution policies.
- (g) The MOU is not binding, and the parties will work toward reaching a binding agreement, which will be subject, *inter alia*, to the entry of Enlight and Mr. Abu into a binding agreement.

In view of the foregoing, the Partnership intends to act to convene a general meeting on the agenda of which will be a proposed resolution that will allow the Partnership to act and make investments in renewable energy projects, as part of the Joint Venture with Enlight based on the MOU, in accordance with the provisions of TASE Rules, in an aggregate investment amount (the Partnership's share only) of \$100 million (by capital and/or by shareholder's loan including a capital note and/or by way of guarantee in respect of loans to be provided).

Sincerely,

NewMed Energy Management Ltd.
General Partner of NewMed Energy – Limited Partnership

By Yossi Abu, CEO

Sari Singer Kaufman, General Counsel, VP