<u>NewMed Energy – Limited Partnership</u>

(the "Partnership")

17 June 2025

Israel Securities Authority	Tel Aviv Stock Exchange Ltd.
22 Kanfei Nesharim Street	2 Ahuzat Bayit Street
<u>Jerusalem</u>	<u>Tel Aviv</u>

Dear Sir/Madam,

Re: **<u>The Partnership's Engagement in an Agreement for the Provision of Credit Facilities in the Sum of $350 Million</u>**

The Partnership respectfully informs that on 16 June 2025, it signed an agreement with an Israeli bank for the provision of two new credit facilities in a total amount of $350 million (the "**Agreement**" the "**Lender**" or the "**Bank**" and the "**Credit Facilities**" respectively). The Credit Facilities are intended to serve the Partnership in its ongoing operations, including in connection with Phase 1B of the Leviathan reservoir development plan.

The Credit Facilities replace a credit facility previously provided to the Partnership by the Bank in the amount of $200 million, which was provided to the Partnership on 8 October 2024. For details, see Note 10D to the 2024 financial statements, attached to the Partnership's 2024 periodic report, as released on 10 March 2025 (Ref.: 2025-01-015633).

Pursuant to the terms and conditions of the Agreement, the Partnership undertook to draw down – by 30 June 2025 – the full amount of Credit Facility A, totaling $275 million ("**Credit Facility A**"), and it shall be entitled to draw down from Credit Facility B, from time to time – by 15 July 2027 (the "**Availability Period**") – up to an additional amount of $75 million ("**Credit Facility B**").

A loan used from Credit Facility B and subsequently repaid, may be repaid and redrawn by the end of the Availability Period.

The loans to be used from the two Credit Facilities (the "**Loans**") shall be repaid in unequal installments, as specified in Section 1 below, until their final maturity on 30 June 2031 (the "**Final Maturity Date**").

Below is a summary description of additional key terms and conditions set forth in the Credit Facility documents:

1. <u>Principal, interest and fees</u>

   The principal of the Loans shall be repaid in 5 installments, as follows:

- 5% – on 31 December 2027;
- 10% – on 31 December of each of the years 2028 through 2030 (inclusive); and
- 65% – on the Final Maturity Date.

The Loans shall bear interest payable semi-annually, with the first interest payment due on 31 December 2025, and the final payment on the Final Maturity Date. The loan under Credit Facility A shall bear a fixed annual interest rate of 5.99%. The loan under Credit Facility B shall bear a variable annual interest rate based on the 3-month Term SOFR, plus a margin of 2.35% per annum.

The Partnership shall pay the Lender a one-time commitment fee of $1.3 million on the date of provision of the loan under Credit Facility A. The Partnership shall also pay the Lender, on each interest payment date, a non-utilization fee on the unused portion of Credit Facility B, at an annual rate of 0.75%, until the end of the Availability Period. According to the terms and conditions of the Agreement, the Partnership may reduce the amount of Credit Facility B at any time with no cost.

2. <u>Prepayment right</u>

The Partnership has the right to prepay any of the Loans (in whole or in part) at any time. For the prepayment of Loans used under Credit Facility A (only), the Partnership shall be subject to a prepayment fee, the terms of which are detailed in the Agreement. Other than the aforesaid, the Partnership will not be charged any prepayment fee or other payment.

3. <u>Negative pledge</u>

The Partnership undertook neither to pledge, mortgage, nor to commit to pledge or mortgage in any way and for any purpose, in favor of any third party, all of the rights in connection with its rights to receive royalties from the Karish-Tanin reservoirs, without obtaining the Bank's prior written consent.

4. <u>Sale of interests in the Leviathan project</u>

The Credit Facility documents include provisions relating to the sale of all or part of the Partnership's interests in the Leviathan project, including an undertaking to reduce the total amount of the Credit Facilities in the event of such a sale and/or prepayment of the Loans under certain conditions.

5. <u>Undertakings in connection with financial debts</u>

5.1 The Partnership undertook that after the signing of the Agreement, it shall not take any additional financial debt other than from the Lender, the date of repayment of the principal for which falls within the 12 months prior to the Final Maturity Date of the Loans. The aforesaid does not apply to revolving credit facilities, or on-call loans (repayable on demand), or to the Leviathan Bonds Series 30 June 2030, issued by Leviathan Bond Ltd., a wholly-owned subsidiary of the Partnership (the "**Leviathan Bonds**"). Notwithstanding the foregoing, the above limitation shall not apply if: (a) the outstanding principal balance due at the Final Maturity Date does not exceed $150 million; or (b) the aggregate principal amount of the additional financial debt does not exceed $100 million (or higher amounts, subject to the Lender's prior written consent).

5.2 The Partnership's Early Principal Amounts shall not at any time exceed the aggregate sum of $1,550 million. According to the Agreement, the Partnership's "Early Principal Amounts" mean, at any time, the accumulated principal repayments of any financial debt that is not to the Bank (which has not yet been repaid), whose repayment dates according to the relevant payment schedule for such financial debt, falls before the Final Maturity Date, net of amounts deposited at such time in pledged funds for securing such financial debts, and other than the principal amount due on 30 June 2025, for the Leviathan Bonds, as well as principal repayment amount for bonds constituting financial debt (including the Leviathan Bonds) which were bought back by the Partnership or its subsidiary.

Notwithstanding the aforesaid, the Partnership shall be permitted to take financial debt that does not meet the conditions listed in Section 5.2 above (the "**Excess Financial Debt**"), subject to the following conditions: The Partnership shall notify the Bank in writing within 5 business days from the date of provision of the Excess Financial Debt, and the Bank shall have the right, at its sole discretion, by written notice no later than 30 days from the date of receipt of the Partnership's notice (the "**Specified Date**"), to cancel the credit facility and demand that the Partnership prepay all of the Loans provided thereto under the Credit Facilities (the "**Bank's Repayment Notice**"). If the Bank issues the Repayment Notice by the Specified Date, the Partnership shall prepay the outstanding balance of all of the Loans provided thereto under the Credit Facilities, by no later than 60 days from the date of receipt of the Bank's Repayment Notice, together with one half of the prepayment fee to which the Partnership is subject (if applicable) for the prepayment of the Loans under the Credit Facilities. If the Bank does not issue the Bank's Repayment Notice by the Specified Date, the Bank shall be deemed to have agreed to the taking of the Excess Financial Debt.

6. Financial covenants

The Credit Facility documents set forth financial covenants that the Partnership is required to comply with, the breach of which entitles the Lender an acceleration right, as detailed below:

6.1 The ratio between the Partnership's asset value and the net financial debt, shall not fall below the following ratios for two consecutive testing dates: for net financial debt up to $2.5 billion – no less than 1.5; for any additional net financial debt exceeding $2.5 billion but not exceeding $2.75 billion – no less than 2.5; and for any additional net financial debt exceeding $2.75 billion – no less than 4.1.[1] As of the report date, the Partnership's net financial debt is below $2.5 billion, and according to the Partnership's financial statements as of 31 March 2025, such ratio is approx. 4.82.

6.2 The Partnership (on a standalone basis) shall maintain a Minimum Liquidity (as defined in the Agreement) of $20 million. According to the Partnership's financial statements as of 31 March 2025, such amount is approx. $500 million.

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[1] For this purpose, the "**Partnership's asset value**" – total discounted cash flow (at a rate of 10%), after tax deductions of the expected and/or contingent reserves (2P and/or 2C) attributable to the Partnership's share in all of the projects, based on the latest discounted cash flow (DCF) publicly released by the Partnership, plus the value of additional Partnership assets (not included in the project definitions), based on an independent external valuation of a valuator whose identity is accepted by the Lender. For the avoidance of doubt, asset values securing financial debt that is included in the definition of financial debt above, shall be taken into account in calculating the Partnership's asset value, whereas asset values securing financial debt that is not included in the definition of financial debt above shall not be taken into account in calculating the Partnership's asset value.

"**Financial debt**" – debts and liabilities of the Partnership to banks and other financial institutions and/or arising from bonds of all types, including straight bonds and convertible bonds, and/or arising from loans received by the Partnership from affiliates or any third parties (other than loans for which letters of subordination were signed in favor of the Lender by the Partnership and by the party that provided such loan), as well as debts or liabilities that are Limited Recourse (which are not Leviathan Bonds)). For the avoidance of doubt, the term "financial debt" does not include facilities for guarantees and bank guarantees issued thereunder at the Partnership's request, and does not include financial debt of corporations held by the Partnership (except Leviathan Bonds or financial debt of companies for which the Partnership has provided a guarantee (and regarding such guarantee, in any case, not exceeding the amount of the guarantee, and other than a guarantee that is limited to assets and liabilities specified in the definition of Limited Recourse).

"**Net financial debt**" – financial debt, net of: (1) cash and cash equivalents; and (2) deposits at banks and financial institutions; (3) funds and security cushions provided to secure financial debt (to the extent they are not included in subsection (1) or (2) above), provided that none of the assets listed above are pledged by a fixed charge and/or subject to an obligation restricting their withdrawal in favor of any party other than the Lender, except in respect of the debt or liability included in the definition of financial debt.

6.3 At all times, the total financial debt shall not exceed $3 billion. According to the Partnership's financial statements as of 31 March 2025, the total financial debt amounts to approx. $1.6 billion.

6.4 The review of the covenants as detailed in Sections 6.1 through 6.3 above shall be conducted each quarter, based on the Partnership's annual consolidated financial statements, or on the Partnership's quarterly consolidated financial statements, or semi-annually if the Partnership only prepares semi-annual financial statements.

7. Surplus sources undertaking

Surplus Sources (as defined in the Agreement)[2] shall not be negative. For capital or debt raising by the Partnership, in order to calculate the sources, the Partnership may include the following amounts (in aggregate), according to the capital raising plan of the CEO or CFO of the Partnership for such period: (a) the balance of binding credit facilities from any financial institution that has not yet been drawn (or is assumed to be renewed during the period); (b) amounts that the Partnership is permitted to raise under the terms of the Leviathan Bonds, provided that the international bond rating is not lower than rating (B) by at least one rating agency; (c) additional debt or equity of up to $300 million (in aggregate); and (d) additional debt or equity for which an agreed term sheet or memorandum of understanding, or similar document has been presented to the Lender, or which is satisfactory to the Lender, who may object only for reasonable grounds within the prescribed period. The surplus sources will be tested semi-annually based on the sources and uses report, the details of which are defined in the Agreement. As of 30 June 2026, the surplus sources are not negative.

8. Representations, covenants, and events of default granting the lender grounds for acceleration of the Loans

As part of the Credit Facility documents, certain representations by the Partnership were provided, along with additional covenants and conditions customary for financing agreements of this kind. In this context, the Credit Facility documents define certain events of default, upon the occurrence of which the Lender shall be entitled to accelerate the Loans, or any part thereof, which include, *inter alia*, the following events: cessation or extended suspension of production from the Leviathan project due to war or terrorism, including by way of a regulatory order, for a period of 180 days or more, to the extent that such suspension has, or is reasonably likely to have, a material adverse effect; a change of control;[3] revocation of the Leviathan reservoir

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[2] For this purpose, "**surplus sources**" – the cumulative amount of the sources until the earlier of: (a) the end of the year from the date to which the calculation refers, or (b) 30 June 2031, as specified in the Sources and Uses Report, net of the Amount of Uses as defined in the said report for such period.

[3] For this purpose, a "**change of control**" means if Delek Group Ltd. ceases to hold, directly or indirectly, at least 25% of the control means of the Partnership and to be the largest holder of control means in the Partnership and/or if another party (together with or separately from Delek Group Ltd.) becomes a

lease deeds; adopting a restructuring decision;[4] non-payment; acceleration or notice of the intention to accelerate any debt, or a demand for prepayment of any debt (in whole or in part) in an amount exceeding $15 million;[5] any material change to the Partnership's incorporation documents that may adversely affect the Lender; If the Partnership breaches or fails to comply with the provisions of the Agreement with the Lender, and such breach is not remedied within 21 days (and with respect to financial covenants, within the following quarter); and other customary provisions such as breach of representation or undertaking, cessation of business, material adverse effect, lawsuits and liens on the Partnership's assets or property, inclusion of a "going concern" note in the financial statements, insolvency, decision to liquidate, appointment of a (provisional or permanent) receiver/liquidator, etc., all subject to certain conditions and exceptions, and reservations and/or remediation periods as set forth in the Credit Facility documents.

Sincerely,

NewMed Energy Management Ltd.
The General Partner of the Partnership

By: Yossi Abu, CEO
and Tzachi Habusha, VP Finance

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controlling shareholder of the Partnership. "**Control**" and "**Means of Control**" as these terms are defined in the Securities Law, 5728-1968. Notwithstanding the above, if Delek Group Ltd. holds, directly or indirectly, 50% of the Partnership's participation units, while the remaining participation units are held by BP and/or ADNOC, this shall not be deemed a change of control. The Lender shall not unreasonably withhold consent to such change of control.

[4]For this purpose, "**restructuring**" means a merger or split, including consolidation and restructuring, whether as a surviving company or a target company, as well as any action outside the ordinary course of business resulting in the acquisition of assets and/or liabilities of another entity, including a compromise or arrangement pursuant to Sections 350 and 351 of the Companies Law, 5759-1999, and any transaction or transactions involving the transfer of assets in exchange for shares or other securities. Notwithstanding the foregoing, the transfer or sale of the Partnership's interests in the Leviathan reservoir, a transaction with BP and/or ADNOC, any other transaction that does not have a material adverse effect on the Partnership's business, or a change in the Partnership's ownership structure from direct to indirect holding, shall not be deemed a restructuring.

[5]Other than with respect to Limited Recourse loans, that are not Leviathan Bonds.