

**NewMed Energy - Limited Partnership**  
**(the “Partnership”)**

1 January 2026

To  
Israel Securities Authority  
Via Magna

To  
Tel Aviv Stock Exchange Ltd.  
Via Magna

Dear Sir/Madam,

Re: **Receipt of Tax Assessments Other than by Agreement for the Tax Years 2019-2020**

Further to Sections 7.22.7-7.22.8 of the Partnership’s periodic report as of 31 December 2024, as released on 10 March 2025 (Ref. 2025-01-015633) (the “**Periodic Report**”), in connection with the Partnership’s taxable income, attributed to an entitled holder in respect of the holding of participation units of the Partnership in 2019-2020, the Partnership hereby respectfully reports that against the backdrop of the disputes that arose between the Partnership and the Tax Authority and disagreements regarding the amount of the Partnership’s taxable income for 2019-2020, on 31 December 2025, assessments other than by agreement were received from the Tax Authority, pursuant to Section 145(a)(2)(b) of the Income Tax Ordinance, 5721-1961 (the “**Tax Assessments**”), whereby:

1. The Partnership’s taxable business income for 2019 is approx. \$406 million (instead of approx. \$170 million, as was included in the Partnership’s tax report that was filed with the Tax Authority) and the Partnership’s capital gain for 2019 is approx. \$11 million, as declared in the report that was filed thereby as aforesaid<sup>1</sup>.
2. The Partnership’s taxable business income for 2020 is approx. \$370 million (instead of approx. \$87 million, as was included in the Partnership’s tax report that was filed with the Tax Authority)<sup>2</sup>.

The disputes in the tax year 2019 mainly pertain to interpretation of the method of recognition of financial income and other expenses which were borne by the Partnership, similarly to disputes in respect of which assessments to the best of judgment were issued for 2016-2018, as specified in Sections 7.22.4, 7.22.5 and 7.22.6 of the Periodic Report. The disputes in the tax year 2020 mainly pertain to interpretation of the method of recognition of financial income and the method and timing of the recognition of expenses in respect of the development of Leviathan.

According to the Tax Assessments, and insofar as all of the Tax Authority’s claims are upheld, the Partnership will be liable for an additional tax payment (including interest and linkage

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<sup>1</sup> The said amounts were translated from shekels to dollars according to the dollar rate known on the date of the issuance of the tax assessment.

<sup>2</sup> See Footnote 1 above.

differentials) on account of the holders of the Partnership's participation units, in the sum of approx. \$90 million for 2019 and approx. \$108 million for 2020.

In view of the aforesaid, there may be a delay in the issuance of final tax certificates to an entitled holder due to the holding of a participation unit of the Partnership for the tax years 2019-2020 until completion of the proceedings that shall be required for determination of the final assessments.

It is clarified that the Partnership has applied a similar interpretation to the issues in dispute from the tax year 2016 to the present. These issues are currently subject to ongoing litigation between the Tax Authority and the Partnership in respect of the tax years 2016-2018.

It is further clarified that the vast majority of the disputed issues relate to the timing of income and expense recognition in the years in dispute, rather than the amount thereof. Therefore, even if the Assessing Officer's position on these issues is upheld, it is not expected to have a material impact on the Partnership's total tax liability over the years, but rather on the timing of the tax payments during the course thereof.

In the Partnership's estimation, based on an opinion of its professional advisors, the prospects of the Partnership's main claims being upheld are higher than 50%, and therefore it intends to file an administrative objection to the Tax Assessments and to exhaust the administrative and legal proceedings available thereto.

Sincerely,

**NewMed Energy Management Ltd.**  
**General Partner of NewMed Energy – Limited Partnership**  
By: Yossi Abu, CEO  
Tzachi Habusha, VP Finance