

January 1, 2026

NewMed Energy - Limited Partnership (the Partnership)

To:
Israel Securities AuthorityVia MAGNA

To:
Tel Aviv Stock Exchange Ltd.Via MAGNA

Dear Sir/Madam,

Subject: Receipt of non-agreed tax assessments for the tax years 2019-2020

Further to the contents of sections 7.22.7-7.22.8 of the Partnership's periodic report as of December 31, 2024, as published on March 10, 2025 (reference no.: 2025-01-015633) (the periodic report), regarding the taxable income of the Partnership attributed to entitled holders relating to the holding of participating units of the Partnership for the years 2019-2020, the Partnership hereby updates that, against the background of the disagreements that have arisen between the Partnership and the Tax Authority and the disagreements relating to the amount of the Partnership's taxable income for the years 2019-2020, on December 31, 2025, non-agreed tax assessments were received from the Tax Authority, pursuant to Section 145(a)(2)(b) of the Income Tax Ordinance, 1961 (the tax assessments), as follows:

1.

The taxable business income for 2019 of the Partnership is approximately \$406 million (as opposed to approximately \$170 million, as was included in the Partnership's tax return submitted to the Tax Authority), and the capital gain for 2019 of the Partnership is approximately \$11 million, as declared in the report submitted by it as stated.¹

2.

The taxable business income for 2020 of the Partnership is approximately \$370 million (as opposed to approximately \$87 million, as was included in the Partnership's tax return submitted to the Tax Authority).²

Most of the disputes for the 2019 tax year relate to the interpretation of the recognition of financing income and other expenses borne by the Partnership, similar to the disputes that led to the issuance of best judgment assessments for the years 2016-2018, as detailed in sections 7.22.4, 7.22.5, and 7.22.6 of the periodic report. Most of the disputes for the 2020 tax year relate to the interpretation of the recognition of financing income and the method and timing of recognition of expenses for the development of Leviathan.

According to the tax assessments, and in the event that all the Tax Authority's claims are accepted, the Partnership will be required to make an additional tax payment (including linkage differentials and interest), on behalf of the holders of participating units in the Partnership, amounting to approximately \$90 million for 2019, and approximately \$108 million for 2020.

It should be noted that, in light of the above, there may be a delay in issuing final tax certificates to entitled holders due to the holding of a participating unit of the Partnership for the tax years 2019-2020, until the procedures required to determine the final assessments are completed.

It should be clarified that, the Partnership has adopted a similar interpretation of the disputed issues since the 2016 tax year to this day, with these issues currently being clarified within legal proceedings between the Tax Authority and the Partnership regarding the tax years 2016-2018.

It should further be clarified that the vast majority of the issues under dispute relate to the timing of recognition of income and expenses in the years in dispute and not to their scope, and therefore, even if the position of the tax assessor is accepted on these issues, there is not expected to be a material impact on the total tax liability of the Partnership over the years, but rather on the timing of tax payments during those years.

In the Partnership's estimation, based on the opinion of its professional advisors, the chances of the main arguments of the Partnership being accepted are greater than 50%, and therefore it intends to file an objection to the tax assessments and exhaust all the administrative and legal procedures available to it.

¹ The amounts indicated were converted from Shekels to dollars based on the known dollar exchange rate at the time the tax assessment was issued.

² See note 1 above.

2024-06-10

Respectfully,

NewMed Energy Management Ltd.

The General Partner in NewMed Energy - Limited Partnership

By: Yossi Abu, CEO Tzachi Havusha, CFO
