

February 7, 2021

Renewable energy – Memorandum of Understanding with Enlight Renewable Energy Ltd. for a joint venture in Offshore Wind energy projects in the international market

Following the immediate report of the Partnership dated January 6, 2021 (Ref. No. 2021–01–001969) relating to the examination of the possible entry into activities in the renewable energy field, and the announcement by the General Partner individuals that in case the draft amendment to the Rules and Regulations of the Tel-Aviv Stock Exchange ("TASE") is approved, and subject to its conditions, they intend to suggest the transfer of their activities in the renewable energy field (or part of them depending on the details of the amendment that is approved) to the Partnership, the Partnership provides an update that the General Partner individuals of the notified the Partnership of their engagement, through a limited company they own (hereinafter: "FLR"), in a Memorandum of Understanding with Enlight Renewable Energy Ltd. (hereinafter: "Enlight" and "the MOU").

According to the MOU, the parties will collaborate exclusively, for a period of two years, for initiating, development, financing, establishment, and operation of Offshore Wind energy projects in the international market ("the Field of Operations"). This, according to the principles set down in the MOU and as will be set down in the detailed agreements that are subject to negotiations between the parties ("the Detailed Agreements"). The ratio of holdings in the joint operation will be 60% Enlight and 40% FLR.

FLR has updated the Board of Directors of the General Partner of the Partnership with the details of the MOU as well as its intention to assign the agreement to the Partnership, subject to the approval of the amendment to the Rules and Regulations of the TASE, the approval of the Limited Partnership Agreement in a General Meeting of the participation unit holders to allow this activity and the receipt of all the legally required approvals.

Warning about Forward-Looking Information – note that the MOU will be cancelled if the parties do not sign the Detailed Agreements within the time limit agreed between the parties. As at the current date, there is no certainty that such agreements will be reached and/or of the signature on the Detailed Agreements and/or of the identification of suitable projects in the field of operations. In addition, as at the current time, there is no certainty that the amendment of the Rules and Regulations of the TASE allowing oil and gas partnerships to integrate into their operations projects in the field of renewable energy will be published and/or approved and/or its conditions and/or its timetable. Accordingly, there is no certainty that the Partnership will be able to operate in the renewable energy field and/or to become a party in the MOU or the Detailed Agreements. There is also no certainty that the Detailed Agreements will be approved, there is no certainty that potential projects in the field of operations will be found and/or there is no certainty of the effect on the operations of the Partnership.

