



Trucknet Enterprise LTD
("the Company")

December 29, 2021

To:
Israel Securities Authority

To:
Tel Aviv Stock Exchange

Dear Sir/ Madam,

Re: Signing of an Additional MoU for the Establishment of a Joint Venture with Omega Advanced Technologies SA (PTY) Ltd. Who has a Paid Pilot Agreement with Shell Downstream South Africa (PTY) Ltd.

Following an Immediate Report of the Company dated December 8, 2021 (reference number: 2021-01-177711) the Company is honored to report that on December 29, 2021, a Memorandum of Understanding (hereinafter: '**MoU**') was signed between the Company and Omega Advanced Technologies Ltd. (hereinafter: '**Omega Israel**'), Mr. Yehuda Lachman (a controlling shareholder in Omega Israel) and Omega Advanced Technologies SA (PTY) Ltd., an additional company controlled by Mr. Lachman which is registered and operates in South Africa (hereinafter: '**Omega South Africa**') whose fundamental points are as follows:

1. Subject to the conduct of mutual due diligence examinations, to the satisfaction of the Parties and the signing of a Detailed Agreement, the Parties shall establish a corporation to be incorporated in Israel and a joint venture (hereinafter: '**Joint Venture**') to be established in the field of RFID identification and payment systems for gas stations and vehicle fleets (hereinafter: '**Field of Activity**').
2. The rights of the Parties in the Joint Venture will be 60% for the Company and 40% for Omega Israel. The Parties shall not conduct any activity within such Field of Activity which is not via the aforesaid Joint Venture. It is hereby clarified that the aforesaid does not prevent the Company from making Trucknet platform services available for use by third parties, in the event that such parties are engaged in the Field of Activity.
3. Mr. Lachman will transfer to the Joint Venture 100% of his holdings in the share capital of Omega South Africa, when the cooperation agreement between Omega South Africa, and Shell Downstream South Africa (PTY) Ltd (hereinafter: '**Shell**') shall remain valid, subject to obtaining consent from Shell up to and not later than the date of signing the Detailed Agreement. Furthermore, full rights in the patent application of the Field of Activity shall be transferred to the Joint Venture.



4. The Company will make available to the Joint Venture any knowledge it has gained for the benefit of business development of the Joint Venture, including business connections in the world of logistics.
5. Signing of the Detailed Agreement shall be conditional on the completion of a mutual legal, commercial, and operational Due Diligence examination (hereinafter: '**Due Diligence**'), by the Parties, including in relation to Omega South Africa, out of a joint desire of the Parties to complete the mutual Due Diligence examination within 45 days of signing this MoU.
6. Simultaneously with the Due Diligence, the Parties will negotiate for the signing of a Detailed Agreement (hereinafter: 'Detailed Agreement'), based on the Parties agreements stipulated in the MoU, and the Parties' consent on other matters, that shall include, inter alia, statements, representations, indemnities, liabilities, and additional terms, as accepted in Joint Ventures of this type
7. The closure of the Detailed Agreement will be subject to the fulfillment of the following Preconditions, as well as additional preconditions, as defined in the Detailed Agreement:
 - 7.1 Obtaining required approvals for the Joint Venture, including approval from the Trucknet Board of Directors, additional regulatory approvals and third-party approvals (which will be specified in the Detailed Agreement), and as required.
 - 7.2 Transfer and cheque to the Joint Venture of all the rights in the patent application obtained in South Africa, in connection with the Field of Activity
 - 7.3 Transfer of 100% of the share capital of Omega South Africa to the Joint Venture, while ensuring the continued validity of Omega South Africa's contract with Shell in the existing agreement between them.
 - 7.4 Mr. Lachman and Omega Israel will transfer to the Joint Venture all their rights of any kind, in intellectual property assets in the Field of Activity.
8. The Joint Venture will receive management services from Omega Israel via Mr. Lachman, who will serve as CEO and Director of the Joint Venture, for a period of not less than thirty-six (36) months from the date of closing the Detailed Agreement, against payment of a monthly management fee of 40,000 NIS + VAT.



9. The Company will provide initial financing in the amount of up to two (2) million US dollars, for the requirements of the Joint Venture, including business development in other countries, over a period that shall not exceed three (3) years, as required. Such financing will be provided by way of an Owner's Loan, with repayment terms and interest at the minimum rate required by the Israel Tax Authorities and will be prioritized for repayment from income of the Joint Venture.
10. The MoU will be valid until the signing of the Detailed Agreement or until March 15, 2022, whichever is earlier. In the event that the Detailed Agreement was not signed until March 15, 2022, (hereinafter: the '**Interim Period**') and the Interim Period has not been extended, by agreement between the Parties, the MoU shall expire, and no Party will have any claim and/or demand towards the other Party in connection with this MoU and/or its termination.
11. During the Interim Period, the Parties shall not initiate and/or conduct any negotiations and/or engagement with any third party, in connection with the establishment of the Joint Venture, which may hinder the possibility for the Parties to enter into the Joint Venture, as specified in the MoU.
12. Except for the provisions of the MoU regarding No Shop (as stated in Section 10 above) and regarding the preservation of confidentiality, which will bind the Parties for all intents and purposes, all stated in the MoU is solely for negotiation purposes between the Parties, and does not constitute an obligation, on either Party, to enter into a Detailed Agreement or any other agreement in connection with the Joint Venture.

The information provided above regarding the cooperation with Omega Group is, to the best of the Company's knowledge, based on the data to hand and without these being verified independently by the Company. Furthermore, the Company is, at this stage, unable to assess the prospects of the Parties entering into a Detailed Agreement, if at all.

Yours Sincerely,

Trucknet Enterprise Ltd.

Signed by: Hanan Fridman, Chairman of the Board and CEO