



## Agreement for the Sale of the Company's Holdings in Delek Royalties (2012) Ltd

September 13, 2020

**Tel Aviv, September 13, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY)** ("the Company") announces that on September 13, 2020 Delek Energy Systems Ltd, a wholly-owned subsidiary (100%) of the Company ("Delek Energy") entered into an agreement with a third party ("the Buyer") for the purchase of the entire holdings of Delek Energy (39.3%) in Delek Royalties (2012) Ltd ("Delek Royalties") for an overall consideration (subject to what is stated below) of NIS 46 million, which reflects a price per share of NIS 5.7497 (about 29% over the share price of Delek Royalties at the close of trading on September 10, 2020).

Under the agreement, the purchase will take place in two stages: in the first stage the Buyer will purchase from Delek Energy, at the date of signature of the agreement, 12.3% of the share capital of Delek Royalties in cash, at a share price of NIS 5.7497 per share, or NIS 14 million in total. In the second stage, following and subject to the sale of the said shares, by September 17, 2020 the Buyer will publish a special tender offer for a quantity of shares that will represent, after completion of the tender offer and together with the holdings held by the Buyer, including those purchased in the first stage, at least 45% of the voting rights of Delek Royalties. The price the Buyer will specify in the tender offer will be set at the Buyer's discretion but will not be less than NIS 5.7497 per share. Under the agreement, Delek Energy has undertaken to accept the tender offer for all the shares of Delek Royalties it holds. In accordance with what is stated, if as part of the tender offer the Buyer will purchase the entire holdings of Delek Energy in Delek Royalties at the minimum price stipulated in the agreement, the overall consideration that will be received for the sale of shares in stage two will be NIS 32 million, and in total Delek Energy will receive for the sale of its entire holdings in Delek Royalties, in stages one and two, an amount of NIS 46 million.

It should be noted that there is no certainty that as part of the tender offer Delek Energy will be able to sell all the Delek Royalties shares that it will still hold after the first stage and that the consideration stated above will be received in full. Under the agreement described above, acceptance of the purchase offer will be conditional, inter alia, on conditions stipulated in section 328 of the Companies Law, 1999, and conditions stipulated in Regulation 4(B) of the Securities Regulations (Purchase Offer), 2000, including approval of the regulators, if required.

**This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on September 13, 2020.**

### About The Delek Group

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Delek Group is an independent E&P company with activities in the UK North Sea and the East Mediterranean. Delek Group has significant holdings in the Leviathan and Tamar natural gas reservoirs in the East Mediterranean (Israel's territorial water), with reserves and resources of more than 30 TCF and annual production capacity of more than 20 BCM. These reservoirs are a major natural gas supplier to the growing markets of Israel, Egypt and Jordan and Delek continues to lead the region's development into a major natural gas export hub. Through its wholly owned subsidiary Ithaca, Delek Group holds high-quality oil and natural gas assets in the UK North Sea totaling approximately 260 million barrels of oil equivalent (boe) and producing about 25 million boe per year. Delek Group is one of Israel's largest and most prominent companies with a consistent track record of growth. Its shares are traded on the Tel Aviv Stock Exchange (DLEKG:IT) And its ADRs are traded on the US OTC market (DGRLY:US).

For more information on Delek Group please visit [www.delek-group.com](http://www.delek-group.com)

### Contact

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#### Investors

##### Limor Gruber

Head of Investor Relations

Delek Group Ltd.

Tel: +972 9 8638443

[Limorg@delek-group.com](mailto:Limorg@delek-group.com)