



## Assessment of Possibility of Listing of Ithaca's Shares by Way of an Exchange Purchase Offer

January 26, 2021

Tel Aviv, January 26, 2021. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announced:

Further to what was stated in section 1.22.6 of the Company's Periodic Report as of December 31, 2019 (ref. no. 2020-01-043356) concerning the possibility of listing the Ithaca shares on the London Stock Exchange, the Company provides the following update:

1. On January 26, 2021 the Company's Board of Directors authorized its management to assess and progress the plan for listing the shares of its subsidiary Ithaca Energy Ltd ("Ithaca") on London Stock Exchange Premium Main Market, including by way of an exchange purchase offer whereby a part of the Company's debentures would be exchanged for shares of Ithaca in an amount of up to 25% of Ithaca's shares, so that following the exchange the Company will hold 75% of Ithaca's traded shares ("the Plan"). In the opinion of the Company's Board, the Plan being assessed should have significant advantages for the Company and for its securities holders.
2. As part of the Plan being assessed, the Company will offer the Company's debenture holders the possibility to exchange part of the debentures they are holding for Ithaca shares (up to 25% of Ithaca's shares), which will be listed on the Premium list on the London Stock Exchange, simultaneously with exchange of the securities as a condition for implementation. Shortly after listing the Ithaca shares for trading in London, if it comes about, the Company will act to list the Ithaca shares in parallel on the Tel Aviv Stock Exchange, in accordance with the rules for dual listing.
3. In the Company's opinion, the Plan being assessed, if completed, is likely to have material benefit for the Company and the securities holders, and it is in line with the Company's strategy, including: (1) will create the potential for value creation; (2) will help to materially reduce the Company's debt, through early repayment; (3) will strengthen the Company's capital; and (4) will let the Company advance the financing processes it intends with the Ithaca shares, as well as carrying out other equity actions in connection with its holdings in Ithaca, at preferential terms from the Company's point of view and at shorter timetables.
4. It is the Company's intention to advance the Plan being assessed with the target of completing it as soon as possible, taking into account the terms of the capital and energy markets.
5. The Plan being assessed is subject inter alia to receiving the approvals required in law and obtaining the agreement of third parties, as well as the approvals required under the Amendment to the Deeds of Trust of the Company's debentures.
6. It should be noted that in parallel to assessment of the feasibility of the Plan, the Company is continuing to examine and advance other alternatives for financing against the Ithaca shares and carrying out an equity process that could be in parallel with the stated actions or complementary ones.

**Warning of forward looking information - the information stated in this report above is "forward looking information" in its meaning in the Securities Law, 1968. It is stipulated that this is solely an initial and non-binding assessment and is part of a number of alternatives, possibilities and additional steps that are being examined at this time in order to increase the Company's liquidity and strengthen the capital in the best possible manner for the Company and its securities holders. The report includes estimates and initial assumptions, and there can be no certainty that they will come about and there can be no certainty that the Ithaca shares will be listed for trading in London and then in Israel, if they are listed, and in what manner the offering will be, including the structure of the exchange purchase offer, price, exchange ratio and more. It is also noted that the said process is subject inter alia to receiving the agreements and approvals required in law (including under the provisions of the Amendment to the Deeds of Trust), and is dependent on a large range of factors, and at this stage there is no certainty that it will be possible to carry out the Plan being assessed and under what conditions, if at all. It is also clarified that in the light of the foregoing, material changes may occur between what is described in this report in respect of the Plan and implementation of the Plan in practice.**

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on January 26, 2021.

### About Delek Group

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 major natural gas suppliers 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).

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

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