



Delek Group

Completion of the Sale of The Phoenix Holdings Ltd

November 4, 2019

Tel Aviv, November 4, 2019. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announces:

1. Further to the Company's Immediate Report dated May 25, 2019 (ref. No. 2019-01-043695), that on November 3, 2019, the sale transaction of 32.5% of the share capital of The Phoenix Holdings Ltd ("The Phoenix") was completed for consideration in a total amount of NIS 1.57 billion, of which NIS 1.335 billion in cash has been received by the Company at closure.
2. As part of the transaction the Company has sold 83,255,973 ordinary shares of The Phoenix, representing 32.5% of the issued and paid up share capital of The Phoenix, to Belenus Lux S.a.r.l. a company controlled by Centerbridge Partners LP and Gallatin Point Capital LLC ("the Buyers").
3. Part of the consideration paid by the Buyers to the Company in cash has been financed by loans received by the Buyers from financial institutions, whereby the financial institutions made available a senior loan of NIS 548 million. In addition, the Company has signed on Credit Support with the financial institutions to support the senior loan made available to the Buyers, from financial institutions, in specific events stipulated in the agreement, including payment of certain commissions in respect of the senior loan and partial support for amounts the Buyers will distribute to their shareholders as a dividend in parallel with repayment of the senior loan. Similarly, the Company has made available to the Buyers a junior loan of NIS 235 million (jointly ("the Loans"). The Loans have been made available for a period of 5 years (with an option to extend for two more years under certain conditions).
4. Adjustments to the sales price have been stipulated in the agreement that refer to future profits that may arise from an increase in the value of The Phoenix shares and the Buyers' yield indices over the Buyers' investment period, which are likely to lead to an increase in the overall consideration the Company will receive, in an amount of up to NIS 866 million, or a reduction in the overall consideration of up to NIS 196 million. The aforesaid adjustments are linked to (i) the pre-closing profits of the Phoenix; (ii) increases or decreases in the share price of The Phoenix; (iii) the IRR of The Buyers.
5. The Company is assessing the accounting implications of the transaction on its financial statements. In the Company's opinion at this stage the balance of the investment on the Company's books close to the report date is not materially different from the estimated fair value of the elements of the consideration and the future adjustments as stated above.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on November 4, 2019.

About The Delek Group

Delek Group is an independent E&P and the pioneering visionary behind the development of the East Med. With major finds in the Levant Basin, including the Leviathan (21.4 TCF) and Tamar (11.2 TCF) reservoirs and others, Delek is leading the region's development into a major natural gas export hub. In addition, Delek has embarked on an international expansion with a focus on high-potential opportunities in the North Sea and North America. 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 (TASE:DLEKG) and are part of the TA 35 Index.

For more information on Delek Group please visit www.delek-group.com

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