



Financing - Update on Previous Report Dated April 1, 2020 - Receipt of Temporary Injunction

April 30, 2020

Tel Aviv, April 30, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announces that further to its Immediate Report dated April 1, 2020 (ref. no. 2020-01-034704) concerning the notice the Company received from an Israeli bank ("the Bank") about the demand for immediate repayment of a loan of NIS 100 million that the Bank had provided to a subsidiary, Delek Energy Systems Ltd ("the Loan"), and concerning deferral of realization of the participation units of the Delek Drilling Partnership ("the Units"), which had been pledged to secure the Loan by the Bank ("the Previous Report"), the Company provides an update as follows:

1. As stated in the Previous Report and for the reasons detailed in it, on account of the Bank's demands and in order to avert damage that would have been caused to the Company through the realization by the Bank of the participation units, whose value significantly exceeds the amount of the debt to the Bank, on April 1, 2020 the Company pledged in favor of the bank, and at its demand, additional participation units, so that as of the date of this report the participation units pledged in favor of the Bank represent 5.7% of the issued Units capital (as compared with 4.4% of the Units' capital beforehand).
2. It should be noted that following the pledging of the additional participation units and the changes in the Units price on the stock exchange, the value of the participation units pledged to the Bank (at the closing stock exchange price on April 28, 2020) was almost three times the debt to the Bank.
3. The Company provides an update that beyond the Bank's demand to pledge additional participation units (as stated above), in a letter from the Bank to the Company dated March 31, 2020, which at the Bank's demand the Company had countersigned, the Bank announced new terms for its agreement to defer its realization of the participation units, the main points being that the Company should pledge in favor of the Bank by April 30, 2020, at least 11% of the share capital of Delek The Israel Fuel Corporation Ltd ("Delek Israel") and that there should not occur an event or circumstances that would give the Bank the right to immediate repayment ("the Additional Demands").
4. A dispute broke out between the Company and the Bank concerning the pledging of the shares of Delek Israel and the terms the Bank had set in respect of its deferral to realize the participation units. The Company's position is that the lien on the shares of Delek Israel needed to be registered as part of the plan that the Company is working to formulate with other banks that are claiming off the Company, and that in the circumstances (inter alia), taking into account the existing collateral, the Bank is not entitled to realize the participation units¹. From conversations and an exchange of correspondence between the Company and the Bank it has emerged that the Bank does not agree with this and is of the opinion that the Company confirmed that the Company would be entitled to realize the participation units in the event that the lien on the Delek Israel shares was not registered by April 30, 2020.
5. As of the date of this report the Company has been unable to reach agreements with the Banks that would guarantee non-realization of the participation units.
6. Accordingly, on April 30, 2020 a petition was filed for a temporary injunction that would order the Bank to refrain from realizing in any manner the participation units pledged in its favor. On April 30, 2020, a said injunction was handed down ex parte. A hearing on the petition is expected to take place on May 10, 2020.
7. Delay in reporting:

Shortly before approval of the Previous Report, the Company's management took a decision to defer reporting everything related to the additional terms the Bank had set in order to defer realization of the pledged participation units as detailed in section 3 above, in accordance with the provisions of Regulation 36(B) of the Securities Regulations (Periodic and Immediate Reports), 1970 ("Reports Regulations"), since publication of such details was likely to harm the chances to arrive at agreements with the Bank and also to impair the negotiations that Company was holding in parallel with other banks and bodies concerning the plan to reinforce collateral, or to materially worsen the terms the Company could obtain as part of these actions. Since until this report date agreements have not been reached with the Bank concerning the Additional Demands, and the latest date the Bank set for fulfillment of these demands was approaching (April 30, 2020), and in accordance with the provisions of Regulation 36(C) of the Reports Regulations, the Company publishes this report.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on April 30, 2020.

About The 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 of approximately 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 more than 270 million barrels of oil equivalent (boe) and producing about 27 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

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¹According to the plan the Company is working to formulate, each bank will be entitled to its share of the Delek Israel shares pro-rata to its share of the bank debt, and that against the lien agreements of the banks would be provided not realize the participation units pledged in their favor for a certain period. The relative share of Bank Leumi in the applicable bank debt is 9%, while the Bank's condition was to pledge 11%.