



Delek Group

Sale of Company's holdings in Gadot Biochemical Industries Ltd

May 1, 2018

Tel Aviv, May 1, 2018. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") hereby announces further to what was stated in sections 1.12.3 and 1.23 of the Company's Periodic Report to December 31, 2017 that was published on March 28, 2018 (ref. no. 2018-01-031177) the Company announces that on April 30, 2018 it entered into an agreement with Fortissimo Capital Fund IV, L.P ("the Purchaser") for the sale of the Company's holdings in Gadot Biochemical Industries Ltd ("Gadot") for consideration of NIS 40 million (USD 11 million), subject to adjustments stipulated in the agreement. The sale does not include the land on which the Gadot plant stands, which is transferred to Delek Group, as detailed below, and will be leased to Gadot for a period of up to 20 years.

Shortly before entering into the purchase agreement the land on which the Gadot plant is located was sold to Delek Group and set off against capital notes issued by Gadot in favor of Delek Group. The value of the land transferred has been assessed at NIS 32 million (USD 9 million).

USD 8 million of the consideration will be paid to the Company in cash by the Purchaser at the closing date and the balance in 6 equal quarterly payments with interest, the first being 3 months after closing the agreement.

As is usual in this type of agreement the Company provided representations in respect of Gadot and the transaction for the sale of the shares, and committed itself to indemnification limited in amount and time if events defined in the agreement occur.

The closing of the transaction will take place within 14 business days from completion of the contingent terms included, inter alia, receipt of the regulatory approvals required and non-occurrence of material adverse effect.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on May 1, 2018.

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

Contact

Investors

Delek Group Ltd.

Tel: +972 9 863 8444

investor@delek-group.com