



**Delek Group**

## **Sale of stake in IDE**

August 21, 2018

### **Signing of Memorandum of Understanding for the Sale of Shares of Delek Infrastructures Ltd**

**Tel Aviv, August 20, 2018.** Delek Group (TASE: DLEKG, US ADR: DGRLY) (“the Company”) announces that on August 16, 2018 a non-binding Memorandum of Understanding was signed between the Company and Fortissimo Capital (“the Buyer”) in which were detailed the principles for the formulation of an agreement for the sale of 60% of the share capital of Delek Infrastructures Ltd (Delek Infrastructures) (so that after the transaction the Company will continue to hold 40% of the shares of Delek Infrastructures).

Delek Infrastructures is a subsidiary (100%) of the Company that holds 50% of the share capital of IDE Holdings Ltd.

According to the MoU the Company will sell and transfer 60% of the share capital of Delek Infrastructures based on a capital valuation of Delek Infrastructures of USD 206 million, which reflects a valuation of USD 412 million for IDE (“Value of Delek Infrastructures for the Purposes of the Transaction”). Delek Infrastructures and the parties to the MoU will act to raise debt in the capital markets and/or from the banks in an overall amount of USD 80-100 million. Subject to raising the debt and transfer of the full amount to the Company, the amount of the debt will be deducted from the Value of Delek Infrastructures for the Purposes of the Transaction.

In consideration of the shares sold the Buyer will pay the Company 60% of the value of Delek Infrastructures after raising the debt according to the actual amount of debt raised. The consideration will be paid as follows: USD 40 million will be paid by the Buyer in cash at the date of completion of the transaction; in respect of the balance of the consideration, the Company will make available to the Buyer a loan at terms as shall be determined in the detailed agreement between the parties. It was also agreed that after the Buyer will have received an annual return at an agreed rate for the amount of its investment (as shall be defined in the agreement), the Company will be entitled to an agreed percentage of all additional profit that will accrue to the Buyer.

It is agreed that the Buyer will carry out due diligence while at the same time the parties will complete the negotiations for the signing of a detailed agreement to be based on the principles laid out in this Memorandum of Understanding.

The Company will report in a further Immediate Report if and when the detailed agreement will be signed.

**This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on August 20, 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](http://www.delek-group.com)

## **Contact**

### **Investors**

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