



Updates regarding Credit Facilities

May 12, 2020

Tel Aviv, May 12, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announces that further to the description of the credit facilities and loans of the Company and its staff companies brought in section 1.16.2 of Chapter A of the Company's 2019 Periodic Report, published on May 3, 2020 (ref. no. 2020-01-043356), included in this report by way of reference ("the Periodic Report"), and further to what was stated in the Company's Immediate Report dated May 7, 2020 concerning updates about the Company's credit facilities (ref. no. 2020-01-045012) ("Update Report"), and further to what is stated in the Immediate Report dated May 11, 2020 concerning completion of the share swap transactions (ref. no. 2020-01-046197) ("the Swap Transactions"), the Company provides an update as follows:

Since as of May 11, 2020, part of the credit facilities of the Company and of Delek Energy Systems Ltd ("Delek Energy"), which were provided against a lien on participation units of Delek Drilling Limited Partnership ("Participation Units" and "the Partnership", respectively), the collateral ratio was below the ratio required in the agreements with the banks, and in order to avoid a situation in which, according to the banks, this would serve them as a reason to put the debt up for immediate repayment on account of non-compliance with the financial ratios stipulated in the agreements, on May 11, 2020 the Company's Board of Directors resolved to act in accordance with the agreements with them so that additional Participation Units owned by the Company and Delek Energy would be pledged to them, such that following making up the collateral the Company and Delek Energy would comply with the financial ratios stipulated in the agreements in respect of the collateral value at the level of the debt. In the light of the foregoing the Company has decided to carry out the following actions:

1. Participation Units released on account of completion of the Swap Transactions will be pledged to the banks that provided credit facility no. 1 and credit facility no. 2 detailed in section 1.16.2(A) of the Periodic Report. In addition, in respect of credit facility no. 2 the deposit released on account of the completion of one of the Swap Transactions in the amount of NIS 36 million will serve to reduce the debt in this facility.
2. In respect of credit facilities nos. 5 and 6, the Company's Board of Directors resolved on May 11, 2020, for the reasons stated above, to act to pledge additional Participation Units representing 4% of the Partnership's capital in order to make up the collateral to the ratios stipulated in the agreements with the banks that had provided the credit facilities (nos. 5 and 6).
3. In respect of credit facility no. 4 provided to Delek Energy, further to the legal proceedings that took place (as stated in the Update Report brought here by way of reference), the Company's Board of Directors decided on May 11, 2020 that in the present circumstances it was better to repay the debt balances and to receive back the Participation Units pledged to the bank in order to avoid a situation in which the bank would exercise the lien following the court's ruling, since the value of the pledged Participation Units significantly exceed the level of the debt. In the light of the foregoing, Participation Units owned by Delek Energy pledged to the said bank, representing 5.7% of the Partnership's capital, are expected to be released from the pledge to the bank upon full repayment of the debt.
4. In respect of credit facility no. 6 provided to the Company and to Delek Energy and against which as of today's date there are pledged Participation Units of the Company and of Delek Energy, on May 11, 2020 Delek Energy signed a guarantee in favor of the foreign bank, so that Delek Energy has guaranteed the debt of the Delek Group (in an amount of USD 35 million). It should be noted that at the date of provision of the credit facility to Delek Energy by the foreign bank, the Company had signed a guarantee in favor of Delek Energy, so that the Company guaranteed the debt of Delek Energy (in the amount of USD 40 million).

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on May 12, 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

Contact

Investors

Limor Gruber

Head of Investor Relations

Delek Group Ltd.

Tel: +972 50 523 9233

Limorg@delek-group.com