

Q4 2020 and Full Year Results



March 30, 2021

Disclaimer

This presentation was prepared by Delek Group Ltd (“Delek”, or the “Company”), and is given only for the provision of concise information for the sake of convenience. This presentation does not purport to be comprehensive or to contain any and all information which might be relevant in connection with the making of a decision on an investment in securities of the Company or subsidiaries.

No explicit or implicit representation or undertaking is given by any person regarding the accuracy or integrity of any information included in this presentation. In particular, no representation or undertaking is given regarding the realization or reasonableness of any forecasts regarding the future prospects of the Company or subsidiaries.

To obtain a full picture of the activities of the Company and the risks entailed thereby, please review all immediate and periodic reports filed by the Company with the Israel Securities Authority and the Tel Aviv Stock Exchange, including warnings regarding forward-looking information, as defined in the Securities Law, 5728-1968, included therein. The forward-looking information in the presentation may not materialize, in whole or in part, or may materialize differently than expected, or may be affected by factors that cannot be assessed in advance. For the avoidance of doubt, it is clarified that the Company does not undertake to update and/or modify the information included in the presentation to reflect events and/or circumstances occurring after the date of preparation of the presentation. In addition, data and information regarding Ithaca Energy is based on its disclosures which can be found here: <https://www.ithacaenergy.com/investors/results-reports-and-publications>

This presentation is not an offer or invitation to buy or subscribe for any securities. This presentation and anything contained herein are not a basis for any contract or undertaking and are not to be relied upon in such context. The information provided in the presentation is not a basis for the making of any investment decision, nor a recommendation or an opinion, nor a substitute for the discretion of a potential investor.

Continued Positive Momentum Led to Record Profits in Q4 2020



RECORD PROFIT IN Q4 2020

- ✓ Net profit of approx. NIS 1.1 billion, attributed to Ithaca's asset revaluation of \$271 million (net of taxes)



A SERIES OF SIGNIFICANT ACTIONS ENABLED A SUCCESSFUL RESPONSE TO THE CRISIS

- ✓ Signature of amended Deed of Trust with bondholders
- ✓ Asset disposals amounting to NIS 3.4 billion, in-line with strategy
- ✓ Dividends from subsidiaries: NIS 900 million
- ✓ Capital issuance: NIS 450 million
- ✓ Full early repayments to secured banks
- ✓ Bond repayments (principal and interest) during 2020 and up to report date: approx. NIS 1.6 billion



YEAR-END NET DEBT DECREASED BY NIS 1.1 BILLION COMPARED TO SEPT 30, 2020

- ✓ Net debt as of December 31, 2020: NIS 4.343 billion
- ✓ A decrease of NIS 1.6 billion compared to December 31, 2019



DEBT RATING INCREASED

- ✓ Maalot S&P rating increased from CCC to B (developing outlook)



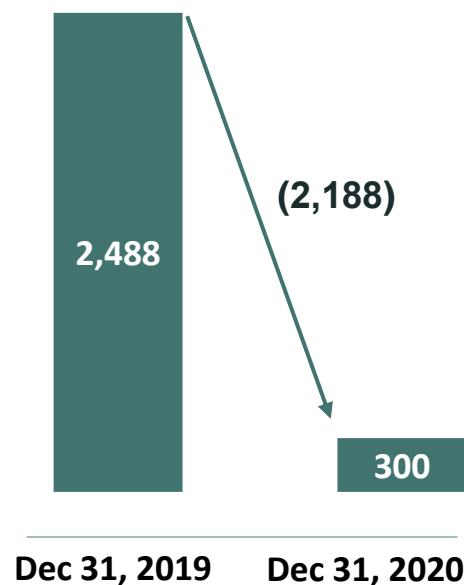
ADDITIONAL MEASURES AND PLANS TO STRENGTHEN CAPITAL AND LIQUIDITY

- ✓ Signature of binding agreement for the sale of land in Acre
- ✓ Exchange purchase offer of Delek Group's debentures with Ithaca's shares and dual-list Ithaca in London and Tel Aviv
- ✓ Negotiations on a credit facility of \$200 million against Ithaca's shares

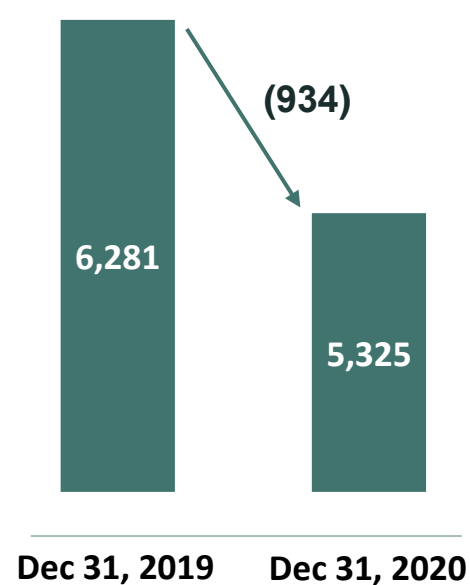
Significant Decrease in Financial Debt During 2020

Loans from banks & others¹

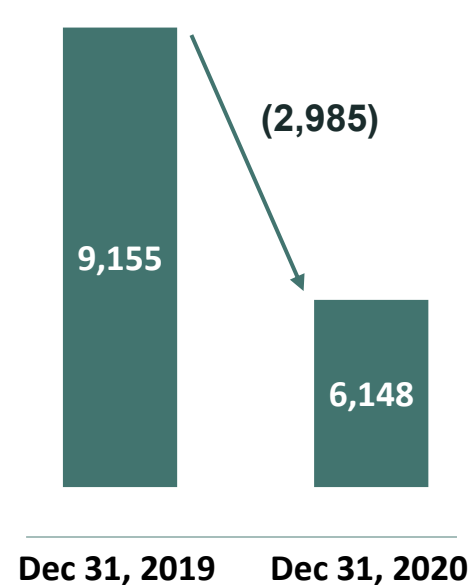
NIS million



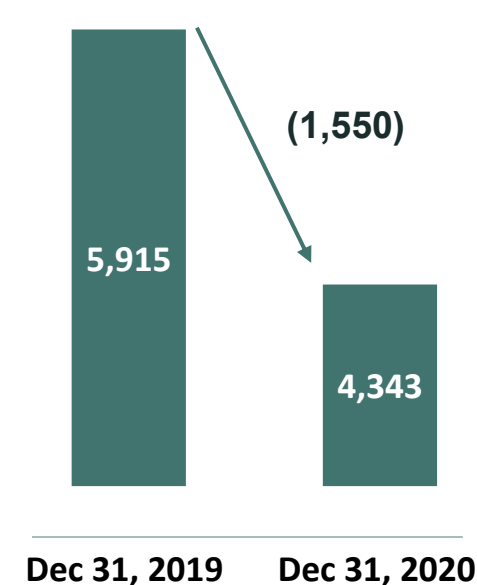
Debentures²



Financial Debt (Company & Staff Companies)

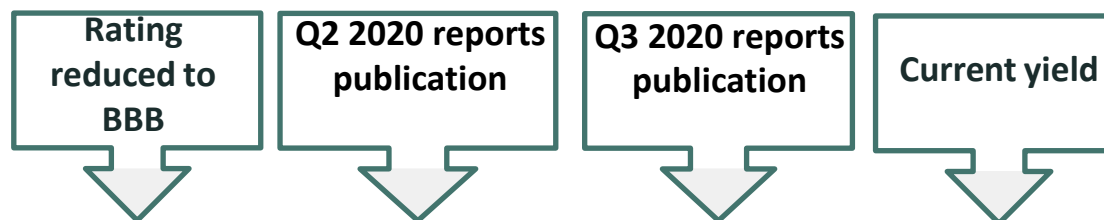


Net Financial Debt (Company & Staff Companies)



- Loans from banks & others include a loan of NIS 115 million from an investment firm, secured by the Company's rights in a real estate asset in Herzliya, convertible loan of \$50 million from BP and a balance of \$8 million in a loan from a foreign bank secured by the Company's holding in Ithaca, which is expected to be repaid in May 2021
- Following the financial statement date and up to publication date, the Company repaid additional principal and interest of NIS 375 million. The amount does not include debentures secured by the Company's rights for overriding royalties from Leviathan issued by a subsidiary.

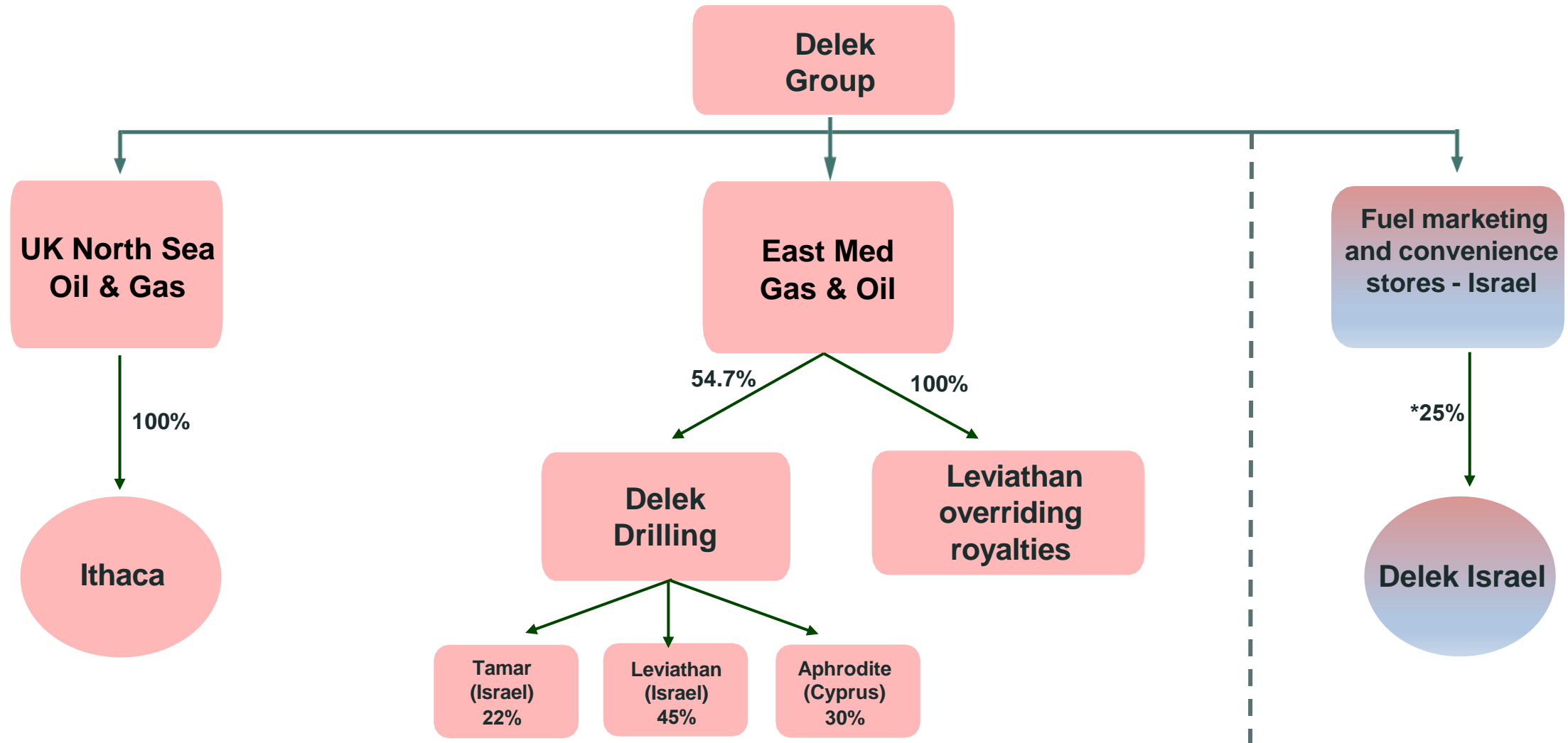
Actions Led to Significant Decrease in Bond Yields



Bond series	April 1, 2020	August 31, 2020	November 25, 2020	March 30, 2021
Series 13	506%	40%	19%	8%
Series 22	749%	47%	30%	11%
Series 18	322%	50%	44%	14%
Series 19	299%	51%	43%	14%
Series 33	159%	59%	43%	15%
Series 31	91%	37%	29%	13%
Series 34	63%	24%	16%	10%

* Source – Terminal Kav Manhe

Group Structure Following Business Focus Actions



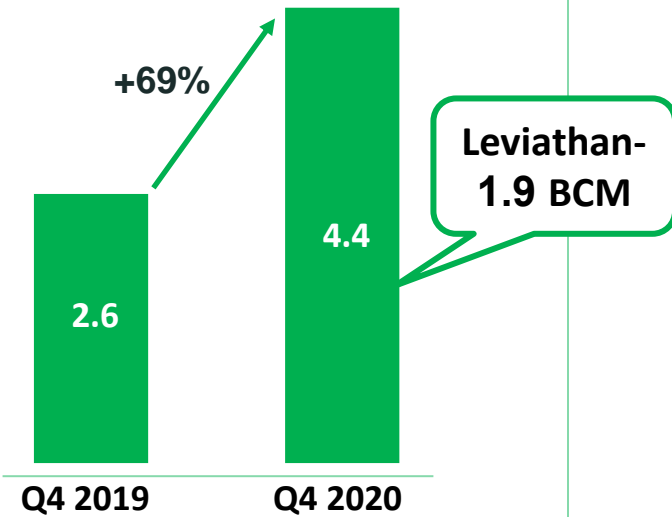
* In October 2020, the company sold 70% of Delek Israel and a payment of NIS 450 million for 60% was received. On February 18, 2021 Additional 6.66% were realized for NIS 50 million, of which 1.66% were option exercise. On March 24, 2021 the buyers exercised the balance of the option (3.33%) for NIS 25 million. The Consideration of additional NIS 37.5 million for the remaining 5% is expected to be paid by June 30, 2021.



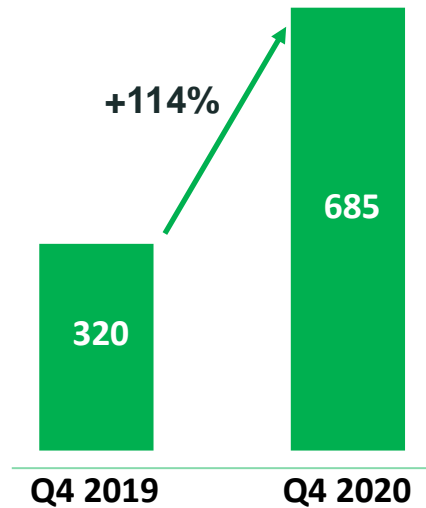
Natural Gas in Israel



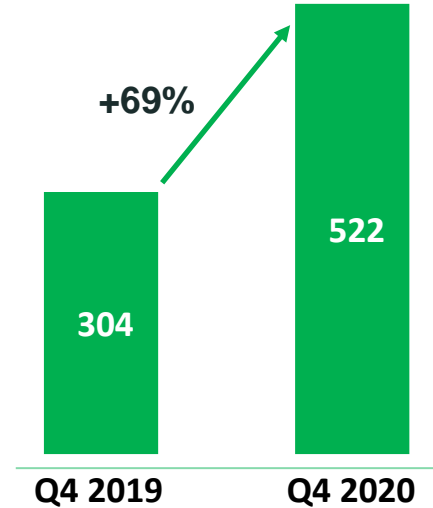
Sales volume (BCM)



Revenues (NIS million)

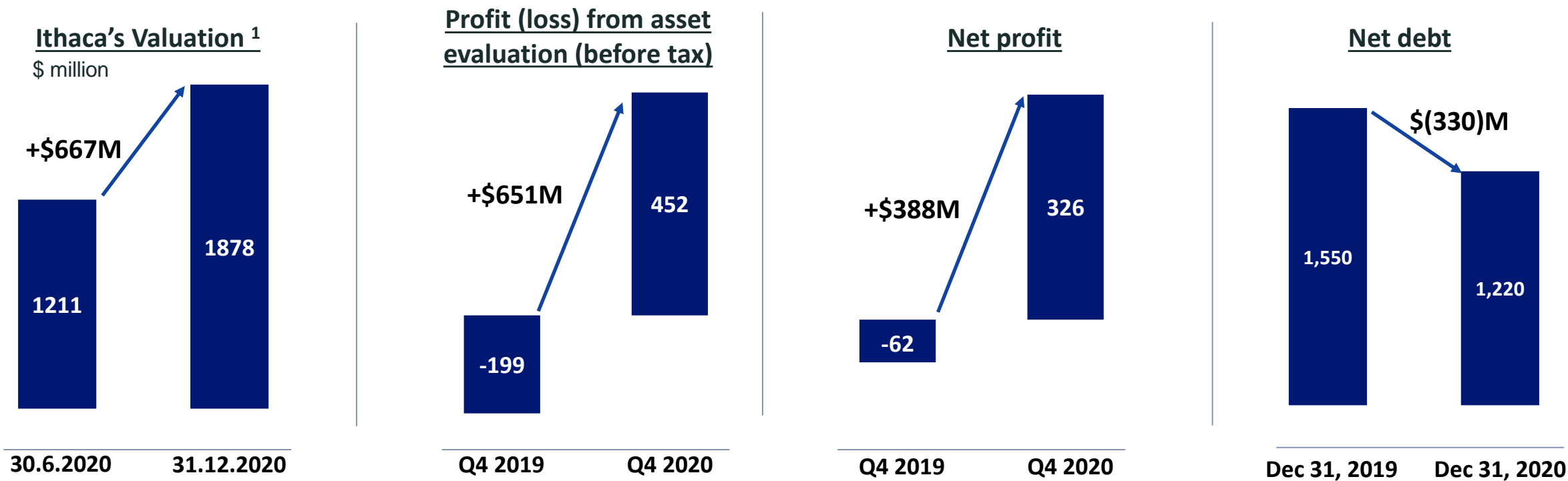


EBITDA (NIS million)



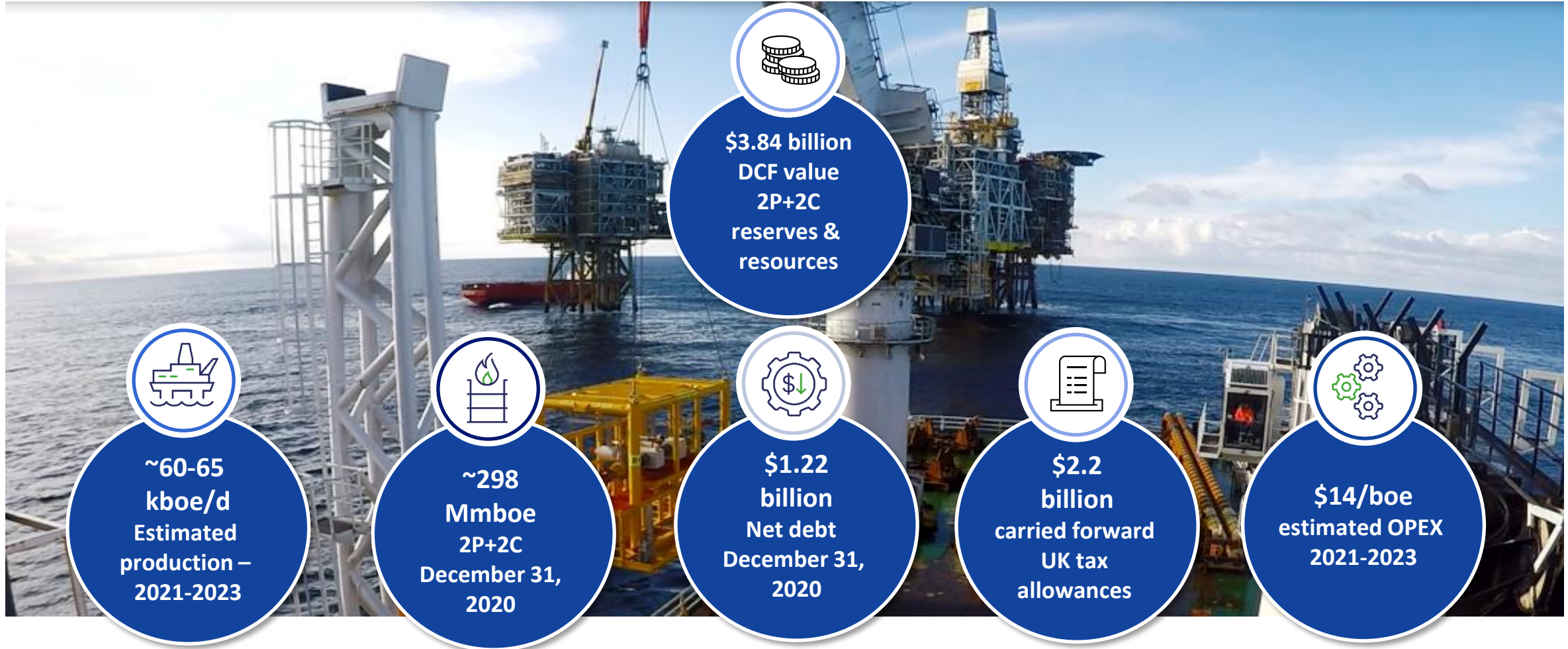
- ✓ The increase in sales volume, revenues and EBITDA is attributed to the launch of Leviathan. Gas sales volumes in 2020 increased by 48% compared to 2019, to 15.5 BCM
- ✓ Net revenues for Delek Drilling from Leviathan amounted to \$129 million, a decrease of 18% compared to Q3 2020, mainly due to seasonality impact
- ✓ Export to Egypt and Jordan contributed more than 50% to Leviathan sales in 2020
- ✓ Net profit from natural gas business in Israel amounted to NIS 43 million in Q4 2020 compared to NIS 176 million in Q4 2019. The decrease is attributed to a provision for the decrease in the value of the Tamar field in the amount of NIS 94 million (net of tax), increase in tax expenses and a decrease in Delek Group's holding in Delek Drilling compared to Q4 2019

Asset Revaluation Led to a Sharp Increase in Net Profit from Oil & Gas Business in the UK North Sea



- ✓ **Approx. 80% from an increase of \$667 million in Ithaca's valuation is attributed to an increase in reserves and resources**
- ✓ **Production cost of \$17.5/BOE and \$16/BOE in Q4 2020 and the full year, respectively**
- ✓ **Hedging portfolio contributed \$70 million in Q4 2020 and \$373 million in the year**
- ✓ **Including dividend distributions of \$120 million during 2020, net debt decreased by \$450 million**

1. Ithaca's impairment test was conducted by Duff & Phelps, and independent evaluator.



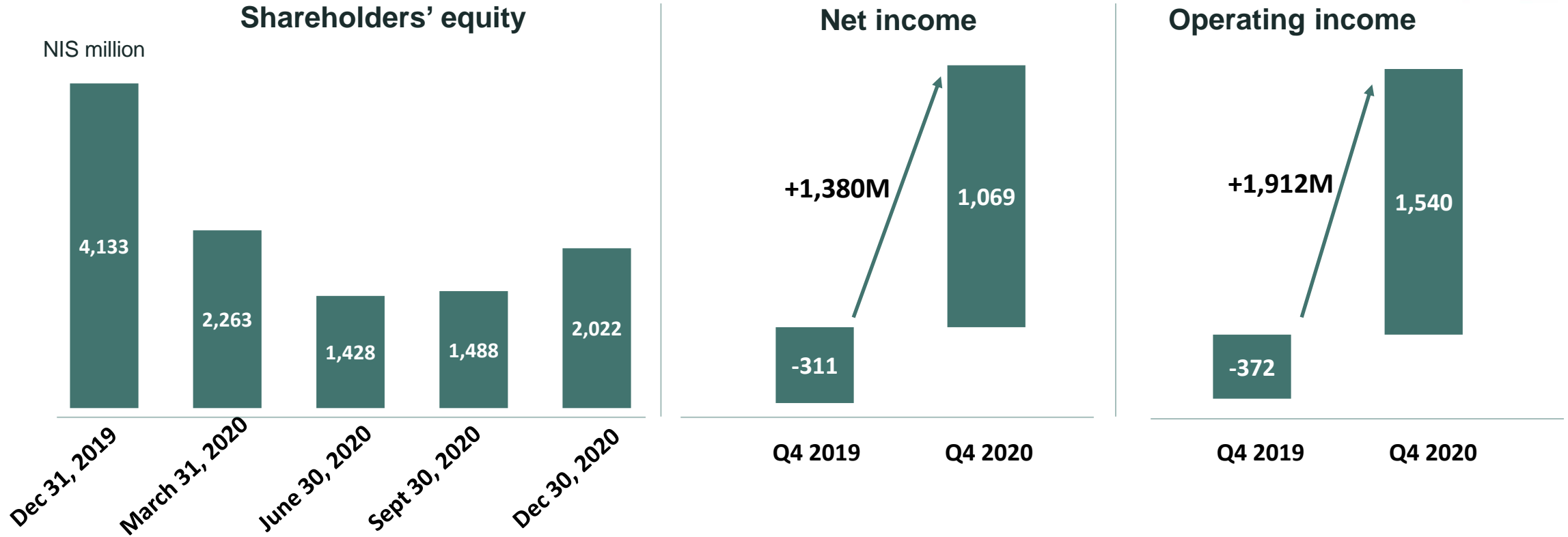
1. DCF value of proved & probable reserves and contingent resources (best estimate) according to NSAI reports as of December 31, 2020. the report can be found here : <https://ir.delek-group.com/wp-content/uploads/2021/03/Delek-Group-Ithaca-Reserves-Resources-and-Discounted-Cash-Flow-Report-as-of-December-31-2020.pdf>

The information presented is included in Ithaca's various disclosures and can be found here: <https://www.ithacaenergy.com/investors>

Record Profits for Delek Group in Q4 2020 and Continuous Upward Trend in Shareholders' Equity



קבוצת דלק



- ✓ The increase in net profit is attributed to an increase in Ithaca's asset valuation, compared to an impairment recorded in Q4 2019
- ✓ Shareholders' equity as of December 31, 2020 increased by NIS 538 million compared to September 30, 2020. The increase is attributed to Ithaca's asset revaluation, partly offset by a decrease in the value of Ithaca's hedging portfolio, exchange rate fluctuations impact on assets, finance and G&A costs.



תודה רבה



קבוצת דלק

Limor Gruber
Head of Investor Relations
Limorg@delek-group.com
+972 9 863-8443