



Signing of Binding Agreement for the Sale of Land in Acre for NIS 200 Million

Tel Aviv, March 25, 2021. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announces further to the Company's Immediate Reports dated January 14, 2021 (ref. no. 2020-01-113067), February 2, 2021 (ref. no. 2021-01-017248), February 28, 2021 (ref. no. 2021-01-024300) and March 16, 2021 (ref. no. 2021-01-036285) concerning a binding Memorandum of Understanding for the sale of rights of a subsidiary of the Company in land located in Acre ("the Land") to Tidhar Harel Income Producing Logistical Park Acre - Limited Partnership ("the Purchaser"):

- 1- On March 25, 2021 the Company signed with the Purchaser a detailed sales agreement for the sale of land "as is" ("the Agreement"), for consideration of NIS 200 million plus VAT ("the Consideration").
- 2- The Consideration shall be paid as follows: NIS 10 million of the Consideration ("the First Payment") to be paid to the Company at the date of signature of the Memorandum of Understanding. According to the Agreement, NIS 30 million ("the Second Payment") will be paid by the Purchaser close to the date of signature of the Agreement and will be held in escrow for the Company and will be transferred to the seller within one business day after fulfillment of the conditions defined below. The balance of the Consideration will be paid upon receipt of possession, registration of a lien in favor of the party providing the finance and confirmations of transfer for registration of the rights.
- 3- In the Agreement are stipulated termination conditions that if not fulfilled within 30 days from the date on which a full land investigation report was provided to the Purchaser ("the First Period"), the Purchaser will be entitled to cancel the Agreement as follows: (1) Non-receipt of the required approvals for the Purchaser from the Israel Lands Authority and other applicable authorities ("the Approvals"); (2) a contract will not have been signed with a contractor to deal with the land in accordance with the terms stipulated in the Agreement¹ ("the Conditions").
- 4- The Purchaser is entitled to extend the First Period by 30 additional days at its sole discretion ("the Second Period"). Similarly, against payment of NIS 20 million out of the balance of the Consideration ("the Third Payment"), the Purchaser will be entitled to extend the Second Period by 30 additional days at its sole discretion ("the Third Period").
- 5- If by the end of the Periods, if extended (90 days from the date of provision of the full land investigation report), any of the Conditions are not fulfilled, the Purchaser will then be entitled to

¹ It should be noted that in accordance with the provisions of the Agreement, in the event that the cost of dealing with the land under the rehabilitation plan in fact exceeds the amount specified in the Agreement, the Company will be responsible for part of the costs of dealing with the land in accordance with the mechanism stated in the Agreement.

cancel the Agreement, without any party having any claim against the other in respect of termination of the Agreement and/or non-fulfillment of the Conditions. In the event that the Agreement is cancelled, the Company and/or the Trustee will return to the Purchaser the payments made by it at the dates specified in the Agreement.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on march 25, 2021.

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 capacity of more than 20 BCM. These reservoirs are major natural gas suppliers 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 approximately 300 million barrels of oil equivalent (boe) and producing about 22-24 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).

For more information on Delek Group please visit www.delek-group.com

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