

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2022**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-38142

DELEK US HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

35-2581557

(I.R.S. Employer Identification No.)



7102 Commerce Way

(Address of principal executive offices)

Brentwood Tennessee

37027

(Zip Code)

(615) 771-6701

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01	DK	New York Stock Exchange

At July 29, 2022, there were 71,035,056 shares of common stock, \$0.01 par value, outstanding (excluding securities held by, or for the account of, the Company or its subsidiaries).

Delek US Holdings, Inc.
Quarterly Report on Form 10-Q
For the Quarterly Period Ended June 30, 2022

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements (unaudited)**

Condensed Consolidated Balance Sheets

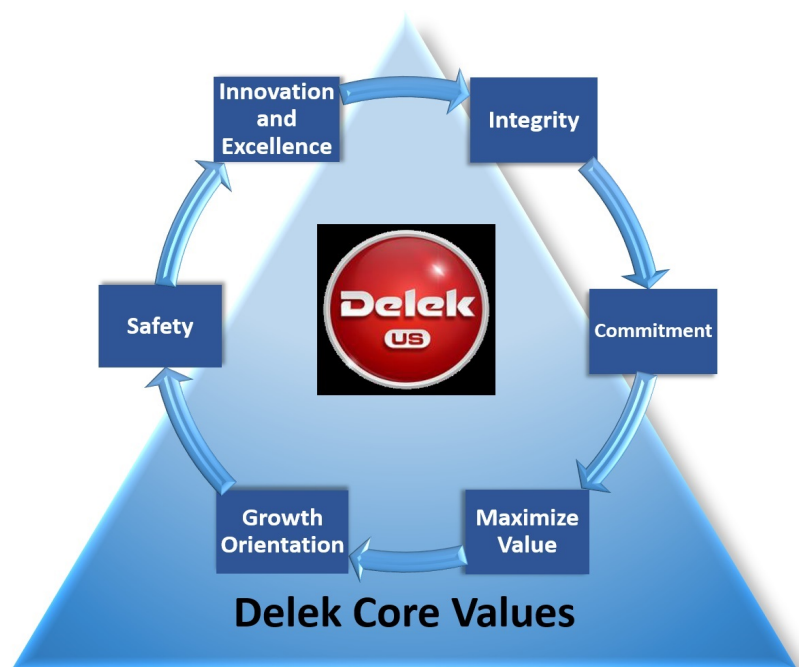
Condensed Consolidated Statements of Income

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Part I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Delek US Holdings, Inc.

Condensed Consolidated Balance Sheets (Unaudited)
(In millions, except share and per share data)

	June 30, 2022	December 31, 2021 As Adjusted ⁽¹⁾
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,244.6	\$ 856.5
Accounts receivable, net	1,319.4	776.6
Inventories, net of inventory valuation reserves	1,805.9	1,260.7
Other current assets	187.5	126.0
Total current assets	4,557.4	3,019.8
Property, plant and equipment:		
Property, plant and equipment	4,107.1	3,645.4
Less: accumulated depreciation	(1,447.1)	(1,338.1)
Property, plant and equipment, net	2,660.0	2,307.3
Operating lease right-of-use assets	190.7	208.5
Goodwill	740.0	729.7
Other intangibles, net	325.8	102.7
Equity method investments	354.6	344.1
Other non-current assets	96.1	100.5
Total assets	\$ 8,924.6	\$ 6,812.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,449.6	\$ 1,695.3
Current portion of long-term debt	72.0	92.2
Obligation under Supply and Offtake Agreements	770.5	487.5
Current portion of operating lease liabilities	51.4	53.9
Accrued expenses and other current liabilities	885.6	797.8
Total current liabilities	4,229.1	3,126.7
Non-current liabilities:		
Long-term debt, net of current portion	2,745.7	2,125.8
Environmental liabilities, net of current portion	112.7	109.5
Asset retirement obligations	41.1	38.3
Deferred tax liabilities	300.3	214.5
Operating lease liabilities, net of current portion	131.9	152.0
Other non-current liabilities	26.4	31.8
Total non-current liabilities	3,358.1	2,671.9
Stockholders' equity:		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 110,000,000 shares authorized, 88,610,583 shares and 91,772,080 shares issued at June 30, 2022 and December 31, 2021, respectively	0.9	0.9
Additional paid-in capital	1,159.1	1,206.5
Accumulated other comprehensive loss	(3.9)	(3.8)
Treasury stock, 17,575,527 shares, at cost, as of June 30, 2022 and December 31, 2021	(694.1)	(694.1)
Retained earnings	753.0	384.7
Non-controlling interests in subsidiaries	122.4	119.8
Total stockholders' equity	1,337.4	1,014.0
Total liabilities and stockholders' equity	\$ 8,924.6	\$ 6,812.6

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Delek US Holdings, Inc.

Condensed Consolidated Statements of Income (Unaudited)
(In millions, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 As Adjusted ⁽¹⁾	2022	2021 As Adjusted ⁽¹⁾
Net revenues	\$ 5,982.6	\$ 2,191.5	\$ 10,441.7	\$ 4,583.7
Cost of sales:				
Cost of materials and other	5,082.6	1,960.6	9,235.1	4,133.4
Operating expenses (excluding depreciation and amortization presented below)	188.5	130.8	328.0	260.7
Depreciation and amortization	62.8	60.5	125.5	122.8
Total cost of sales	5,333.9	2,151.9	9,688.6	4,516.9
Operating expenses related to retail and wholesale business (excluding depreciation and amortization presented below)	34.0	35.4	61.4	60.8
General and administrative expenses	126.5	53.5	179.6	94.6
Depreciation and amortization	5.2	5.8	10.8	12.0
Other operating income, net	(10.3)	(4.9)	(38.7)	(3.0)
Total operating costs and expenses	5,489.3	2,241.7	9,901.7	4,681.3
Operating income (loss)	493.3	(50.2)	540.0	(97.6)
Interest expense, net	43.6	33.1	82.0	62.5
Income from equity method investments	(15.7)	(6.8)	(26.6)	(11.6)
Other (income) expense, net	(3.6)	6.8	(2.3)	5.8
Total non-operating expense, net	24.3	33.1	53.1	56.7
Income (loss) before income tax expense (benefit)	469.0	(83.3)	486.9	(154.3)
Income tax expense (benefit)	100.4	(35.2)	103.5	(43.5)
Net income (loss)	368.6	(48.1)	383.4	(110.8)
Net income attributed to non-controlling interests	6.8	8.6	15.0	15.9
Net income (loss) attributable to Delek	\$ 361.8	\$ (56.7)	\$ 368.4	\$ (126.7)
Basic income (loss) per share	\$ 5.11	\$ (0.77)	\$ 5.12	\$ (1.72)
Diluted income (loss) per share	\$ 5.05	\$ (0.77)	\$ 5.07	\$ (1.72)

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Delek US Holdings, Inc.

Condensed Consolidated Statements of Comprehensive Income (Unaudited)
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 As Adjusted ⁽¹⁾	2022	2021 As Adjusted ⁽¹⁾
Net income (loss)	\$ 368.6	\$ (48.1)	\$ 383.4	\$ (110.8)
Other comprehensive income (loss):				
Commodity contracts designated as cash flow hedges:				
Comprehensive loss on commodity contracts designated as cash flow hedges, net of taxes	—	—	—	(0.2)
Other loss, net of taxes	(0.1)	—	(0.2)	—
Total other comprehensive loss	(0.1)	—	(0.2)	(0.2)
Comprehensive income (loss)	368.5	(48.1)	383.2	(111.0)
Comprehensive income attributable to non-controlling interest	6.8	8.6	15.0	15.9
Comprehensive income (loss) attributable to Delek	<u>\$ 361.7</u>	<u>\$ (56.7)</u>	<u>\$ 368.2</u>	<u>\$ (126.9)</u>

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Delek US Holdings, Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)
(In millions, except share data)

Three Months Ended June 30, 2022									
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Stock		Non- Controlling Interest in Subsidiaries	Total Stockholders' Equity
	Shares	Amount				Shares	Amount		
Balance at March 31, 2022	88,320,612	\$ 0.9	\$ 1,156.0	\$ (3.9)	\$ 391.3	(17,575,527)	\$ (694.1)	\$ 124.5	\$ 974.7
Net income	—	—	—	—	361.8	—	—	6.8	368.6
Distributions to non-controlling interests	—	—	—	—	—	—	—	(9.0)	(9.0)
Equity-based compensation expense	—	—	7.1	—	—	—	—	0.1	7.2
Taxes paid due to the net settlement of equity-based compensation	—	—	(4.0)	—	—	—	—	—	(4.0)
Exercise of equity-based awards	289,971	—	—	—	—	—	—	—	—
Other	—	—	—	—	(0.1)	—	—	—	(0.1)
Balance at June 30, 2022	88,610,583	\$ 0.9	\$ 1,159.1	\$ (3.9)	\$ 753.0	(17,575,527)	\$ (694.1)	\$ 122.4	\$ 1,337.4

Three Months Ended June 30, 2021									
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings As Adjusted	Treasury Stock		Non- Controlling Interest in Subsidiaries	Total Stockholders' Equity As Adjusted
	Shares	Amount				Shares	Amount		
Balance at March 31, 2021	91,450,724	\$ 0.9	\$ 1,188.6	\$ (7.4)	\$ 443.1	(17,575,527)	\$ (694.1)	\$ 117.7	\$ 1,048.8
Net (loss) income	—	—	—	—	(56.7)	—	—	8.6	(48.1)
Distribution to non-controlling interest	—	—	—	—	—	—	—	(7.9)	(7.9)
Equity-based compensation expense	—	—	5.9	—	—	—	—	—	5.9
Taxes paid due to the net settlement of equity-based compensation	—	—	(1.9)	—	—	—	—	—	(1.9)
Exercise of equity-based awards	186,937	—	—	—	—	—	—	—	—
Other	—	—	—	—	(0.1)	—	—	—	(0.1)
Balance at June 30, 2021, As Adjusted ⁽¹⁾	91,637,661	\$ 0.9	\$ 1,192.6	\$ (7.4)	\$ 386.3	(17,575,527)	\$ (694.1)	\$ 118.4	\$ 996.7

Delek US Holdings, Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)
(In millions, except share data)

	Six Months Ended June 30, 2022								
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Stock		Non- Controlling Interest in Subsidiaries	Total Stockholders' Equity
	Shares	Amount				Shares	Amount		
Balance at December 31, 2021, As Adjusted ⁽¹⁾	91,772,080	\$ 0.9	\$ 1,206.5	\$ (3.8)	\$ 384.7	(17,575,527)	\$ (694.1)	\$ 119.8	\$ 1,014.0
Net income	—	—	—	—	368.4	—	—	15.0	383.4
Distributions to non-controlling interests	—	—	—	—	—	—	—	(17.7)	(17.7)
Equity-based compensation expense	—	—	12.4	—	—	—	—	0.2	12.6
Sale of Delek Logistic common limited partner units, net	—	—	8.5	—	—	—	—	5.1	13.6
Purchase of Delek common stock from IEP Energy Holding LLC	(3,497,268)	—	(64.0)	—	—	—	—	—	(64.0)
Taxes paid due to the net settlement of equity-based compensation	—	—	(4.3)	—	—	—	—	—	(4.3)
Exercise of equity-based awards	335,771	—	—	—	—	—	—	—	—
Other	—	—	—	(0.1)	(0.1)	—	—	—	(0.2)
Balance at June 30, 2022	88,610,583	\$ 0.9	\$ 1,159.1	\$ (3.9)	\$ 753.0	(17,575,527)	\$ (694.1)	\$ 122.4	\$ 1,337.4

	Six Months Ended June 30, 2021								
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings As Adjusted (1)	Treasury Stock		Non- Controlling Interest in Subsidiaries	Total Stockholders' Equity As Adjusted (1)
	Shares	Amount				Shares	Amount		
Balance at December 31, 2020	91,356,868	\$ 0.9	\$ 1,185.1	\$ (7.2)	\$ 522.0	(17,575,527)	\$ (694.1)	\$ 118.4	\$ 1,125.1
Cumulative effect of change in accounting method for certain inventory from LIFO to FIFO, net	—	—	—	—	(8.7)	—	—	—	(8.7)
Net (loss) income	—	—	—	—	(126.7)	—	—	15.9	(110.8)
Other comprehensive loss related to commodity contracts, net	—	—	—	(0.2)	—	—	—	—	(0.2)
Distribution to non-controlling interest	—	—	—	—	—	—	—	(15.9)	(15.9)
Equity-based compensation expense	—	—	10.5	—	—	—	—	—	10.5
Taxes paid due to the net settlement of equity-based compensation	—	—	(3.0)	—	—	—	—	—	(3.0)
Exercise of equity-based awards	280,793	—	—	—	—	—	—	—	—
Other	—	—	—	—	(0.3)	—	—	—	(0.3)
Balance at June 30, 2021, As Adjusted (1)	91,637,661	\$ 0.9	\$ 1,192.6	\$ (7.4)	\$ 386.3	(17,575,527)	\$ (694.1)	\$ 118.4	\$ 996.7

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Delek US Holdings, Inc.**Condensed Consolidated Statements of Cash Flows (Unaudited)**
(In millions)

	Six Months Ended June 30,	
	2022	2021
		As Adjusted ⁽¹⁾
Cash flows from operating activities:		
Net income (loss)	\$ 383.4	\$ (110.8)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	136.3	134.8
Non-cash lease expense	35.4	28.1
Deferred income taxes	93.9	(40.8)
Income from equity method investments	(26.6)	(11.6)
Dividends from equity method investments	14.5	10.6
Non-cash lower of cost or market/net realizable value adjustment	(1.2)	0.2
Equity-based compensation expense	12.6	10.5
Other	7.8	3.4
Changes in assets and liabilities:		
Accounts receivable	(513.9)	(298.4)
Inventories and other current assets	(533.9)	(387.7)
Fair value of derivatives	(74.9)	(7.1)
Accounts payable and other current liabilities	777.4	671.4
Obligation under Supply and Offtake Agreements	283.0	148.6
Non-current assets and liabilities, net	(7.9)	(16.3)
Net cash provided by operating activities	585.9	134.9
Cash flows from investing activities:		
Acquisition of 3 Bear	(621.7)	—
Equity method investment contributions	(0.1)	(1.6)
Distributions from equity method investments	1.7	5.4
Purchases of property, plant and equipment	(98.1)	(132.7)
Purchase of intangible assets	(3.8)	(0.7)
Proceeds from sale of property, plant and equipment	1.1	10.9
Net cash used in investing activities	(720.9)	(118.7)
Cash flows from financing activities:		
Proceeds from long-term revolvers	1,470.9	1,026.5
Payments on long-term revolvers	(848.0)	(1,501.3)
Proceeds from term debt	—	400.0
Payments on term debt	(26.7)	(26.7)
Proceeds from product financing agreements	508.2	458.2
Repayments of product financing agreements	(511.0)	(302.2)
Taxes paid due to the net settlement of equity-based compensation	(4.3)	(3.0)
Distribution to non-controlling interest	(17.7)	(15.9)
Proceeds from sale of Delek Logistics LP common limited partner units	16.4	—
Purchase of Delek common stock from IEP Energy Holding LLC	(64.0)	—
Deferred financing costs paid	(0.7)	(6.3)
Net cash provided by financing activities	523.1	29.3
Net increase in cash and cash equivalents	388.1	45.5
Cash and cash equivalents at the beginning of the period	856.5	787.5
Cash and cash equivalents at the end of the period	\$ 1,244.6	\$ 833.0

Delek US Holdings, Inc.**Condensed Consolidated Statements of Cash Flows (Unaudited) (continued)**
(In millions)

	Six Months Ended June 30,	
	2022	2021
		As Adjusted ⁽¹⁾
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of capitalized interest of \$0.7 million and \$0.5 million in the 2022 and 2021 periods, respectively	\$ 75.4	\$ 55.7
Income taxes	\$ 9.2	\$ 4.0
Non-cash investing activities:		
(Decrease) increase in accrued capital expenditures	\$ (4.8)	\$ 0.1
Non-cash financing activities:		
Non-cash lease liability arising from obtaining right-of-use assets during the period	\$ 11.3	\$ 26.4

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

Note 1 - Organization and Basis of Presentation

Delek US Holdings, Inc. operates through its consolidated subsidiaries, which include Delek US Energy, Inc. ("Delek Energy") (and its subsidiaries) and Alon USA Energy, Inc. ("Alon") (and its subsidiaries). The terms "we," "our," "us," "Delek" and the "Company" are used in this report to refer to Delek and its consolidated subsidiaries. Delek's common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "DK."

Our condensed consolidated financial statements include the accounts of Delek and its subsidiaries. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with United States ("U.S.") Generally Accepted Accounting Principles ("GAAP") have been condensed or omitted, although management believes that the disclosures herein are adequate to make the financial information presented not misleading. Our unaudited condensed consolidated financial statements have been prepared in conformity with GAAP applied on a consistent basis with those of the annual audited consolidated financial statements included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 25, 2022 (the "Annual Report on Form 10-K") and in accordance with the rules and regulations of the SEC. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended December 31, 2021 included in our Annual Report on Form 10-K.

Our condensed consolidated financial statements include Delek Logistics Partners, LP ("Delek Logistics", NYSE:DKL), which is a variable interest entity ("VIE"). On June 1, 2022, DKL Delaware Gathering, LLC, a subsidiary of the Delek Logistics, acquired 100% of the limited liability company interests in 3 Bear Delaware Holding – NM, LLC ("3 Bear") from 3 Bear Energy – New Mexico LLC, related to their crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, located in the Delaware Basin of New Mexico (the "3 Bear Acquisition"). See Note 2 - Acquisitions for additional information. As the indirect owner of the general partner of Delek Logistics, we have the ability to direct the activities of this entity that most significantly impact its economic performance. We are also considered to be the primary beneficiary for accounting purposes for this entity and are Delek Logistics' primary customer. In the event that Delek Logistics incurs a loss, our operating results will reflect such loss, net of intercompany eliminations, to the extent of our ownership interest in this entity.

In the opinion of management, all adjustments necessary for a fair presentation of the financial condition and the results of operations for the interim periods have been included. All significant intercompany transactions and account balances have been eliminated in consolidation. All adjustments are of a normal, recurring nature. Operating results for the interim period should not be viewed as representative of results that may be expected for any future interim period or for the full year.

Accounting Policies

With the exception of the policy updates below, there have been no new or material changes to the significant accounting policies discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Change in Accounting Principle

As of January 1, 2022, we changed our method for accounting for inventory held at the Tyler Refinery to the FIFO costing method from the last-in, first-out ("LIFO") costing method, which will conform the Company's refining inventory to a single method of accounting. Total inventories accounted for using LIFO, prior to the accounting method change, comprised 28.0% of the Company's total inventories as of December 31, 2021. This change in accounting method is preferable because it provides better consistency across our refineries and improves transparency, and results in recognition that better reflects the physical flow of inventory and more accurately reflects the current value of inventory. The effects of this change have been retrospectively applied to all periods presented with a cumulative effect adjustment reflected in the January 1, 2021 beginning retained earnings. See Note 7 - Inventory for additional information.

Reclassifications

Certain prior period amounts have been reclassified in order to conform to the current period presentation.

New Accounting Pronouncements Adopted During 2022

ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, which is intended to simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. The pronouncement is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2021. We adopted this guidance on January 1, 2022 and the adoption did not have a material impact on our business, financial condition or results of operations.

Accounting Pronouncements Not Yet Adopted

ASU 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848)

In March 2020, the FASB issued an amendment which is intended to provide temporary optional expedients and exceptions to GAAP guidance on contracts, hedge accounting and other transactions affected by the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank rates. This guidance is effective for all entities at any time beginning on March 12, 2020 through December 31, 2022 and may be applied from the beginning of an interim period that includes the issuance date of the ASU. The Company is currently evaluating the impact this guidance may have on its condensed consolidated financial statements and related disclosures.

Note 2 - Acquisitions

3 Bear Delaware Holding - NM, LLC Acquisition

Delek Logistics completed the 3 Bear Acquisition on June 1, 2022 (the "Acquisition Date"), in which it acquired crude oil and natural gas gathering, processing and transportation and storage operations, as well as water disposal and recycling operations, located in the Delaware Basin of New Mexico.

The base purchase price for 3 Bear was \$624.7 million, subject to adjustments for net working capital and closing indebtedness, as defined in the 3 Bear Purchase Agreement. The 3 Bear Acquisition was financed through a combination of cash on hand and borrowings under the Delek Logistics' Credit Facility (as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements).

For the three and six months ended June 30, 2022, we incurred \$6.2 million and \$6.4 million, respectively, in incremental direct acquisition and integration costs that principally consist of legal, advisory and other professional fees. Such costs are included in general and administrative expenses in the accompanying condensed consolidated statements of income for these periods.

Our consolidated financial and operating results reflect the 3 Bear Acquisition operations beginning June 1, 2022. Our results of operations included revenue and net income of \$20.6 million and \$1.5 million, respectively, for the period from June 1, 2022 through June 30, 2022 related to these operations.

The 3 Bear Acquisition was accounted for using the acquisition method of accounting, whereby the preliminary purchase price was allocated to the tangible and intangible assets acquired and the liabilities assumed based on their fair values. The excess of the consideration paid over the fair value of the net assets acquired was recorded as goodwill.

Determination of Purchase Price

The table below represents the estimated purchase price (in millions):

Base purchase price:	\$	624.7
Less: closing net working capital (as defined in the 3 Bear Purchase Agreement) ⁽¹⁾		(0.3)
Less: closing indebtedness (as defined in the 3 Bear Purchase Agreement) ⁽¹⁾		(80.4)
Cash paid for the adjusted purchase price		544.0
Cash paid to payoff 3 Bear credit agreement (as defined in the 3 Bear Purchase Agreement)		80.4
Preliminary purchase price	\$	624.4

(1) These amounts are based upon estimates at closing, but are subject to a subsequent review and revision period pursuant to the 3 Bear Purchase Agreement at which time final settlements for these components will be determined. Such subsequent adjustments may result in changes to the preliminary purchase price.

Purchase Price Allocation

The following table summarizes the preliminary fair values of assets acquired and liabilities assumed in the 3 Bear Acquisition as of June 1, 2022 (in millions):

Assets acquired:		
Cash and cash equivalents	\$	2.7
Accounts receivables, net		28.9
Inventories		1.8
Other current assets		1.0
Property, plant and equipment		382.8
Operating lease right-of-use assets		7.4
Goodwill		10.6
Other intangibles, net ⁽¹⁾		223.6
Other non-current assets		0.5
Total assets acquired		659.3
Liabilities assumed:		
Accounts payable		8.0
Accrued expenses and other current liabilities		22.1
Current portion of operating lease liabilities		1.1
Asset retirement obligations		2.3
Operating lease liabilities, net of current portion		1.4
Total liabilities assumed		34.9
Fair value of net assets acquired	\$	624.4

⁽¹⁾ The acquired intangible assets amount includes the following identified intangibles:

- Customer relationship intangible that is subject to amortization with a preliminary fair value of \$210.0 million, which will be amortized over an 11.6-year useful life. We recognized amortization expense for the three and six months ended June 30, 2022 of \$1.5 million. The estimated amortization is \$18.0 million for each of the five succeeding fiscal years.
- Rights-of-way intangible valued at \$13.6 million, which has an indefinite life.

These fair value estimates are preliminary and therefore, the final fair value of assets acquired and liabilities assumed and the resulting effect on our financial position may change once all necessary information has become available, the final working capital adjustment is complete, and we finalize our valuations. To the extent possible, estimates have been considered and recorded, as appropriate, for the items above based on the information available as of June 30, 2022. We will continue to evaluate these items until they are satisfactorily resolved and adjust our purchase price allocation accordingly, within the allowable measurement period (not to exceed one year from the date of acquisition), as defined by Accounting Standards Codification ("ASC") 805, *Business Combinations* ("ASC 805").

The fair value of property, plant and equipment was based on the combination of the cost and market approaches. Key assumptions in the cost approach include determining the replacement cost by evaluating recently published data and adjusting replacement cost for physical deterioration, functional and economic obsolescence. We used the market approach to measure the value of certain assets through an analysis of recent sales or offerings of comparable properties.

The fair value of customer relationships was based on the income approach. Key assumptions in the income approach include projected revenue attributable to customer relationships, attrition rate, operating margins and discount rates.

The fair values discussed above were based on significant inputs that are not observable in the market and, therefore, represent Level 3 measurements.

The fair values of all other current assets and payables were equivalent to their carrying values due to their short-term nature.

The goodwill recognized in the 3 Bear Acquisition is primarily attributable to enhancing our third party revenues, further diversification of our customer and product mix, expanding our footprint into the Delaware basin and bolstering our Environmental, Social and Governance ("ESG") optionality through furthering carbon capture opportunities and greenhouse gas reduction projects currently underway. This goodwill is deductible for income tax purposes. Goodwill related to the 3 Bear Acquisition is included in the logistics segment.

Unaudited Pro Forma Financial Information

The following table summarizes the unaudited pro forma financial information of the Company assuming the 3 Bear Acquisition had occurred on January 1, 2021. The unaudited pro forma financial information has been adjusted to give effect to certain pro forma adjustments that are directly related to the 3 Bear Acquisition based on available information and certain assumptions that management believes are factually supportable. The most significant pro forma adjustments relate to (i) incremental interest expense and amortization of deferred financing costs associated with revolving credit facility borrowings incurred in connection with the 3 Bear Acquisition, (ii) incremental depreciation resulting from the estimated fair values of acquired property, plant and equipment, (iii) incremental amortization resulting from the estimated fair values of acquired customer relationship intangibles (iv) accounting policy alignment, and (v) transaction costs. The unaudited pro forma financial information excludes any expected cost savings or other synergies as a result of the 3 Bear Acquisition. The unaudited pro forma financial information is not necessarily indicative of the results of operations that would have been achieved had the 3 Bear Acquisition been effective as of the dates presented, nor is it indicative of future operating results of the combined company. Actual results may differ significantly from the unaudited pro forma financial information.

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 6,030.8	\$ 2,222.2	\$ 10,540.3	\$ 4,645.3
Net income (loss) attributable to Delek	\$ 365.4	\$ (83.9)	\$ 368.6	\$ (196.3)
Net income (loss) per share:				
Basic income (loss) per share	\$ 5.16	\$ (1.14)	\$ 5.12	\$ (2.66)
Diluted income (loss) per share	\$ 5.10	\$ (1.14)	\$ 5.07	\$ (2.66)

Note 3 - Segment Data

We aggregate our operating units into three reportable segments: Refining, Logistics, and Retail. Operations that are not specifically included in the reportable segments are included in Corporate, Other and Eliminations, which consist of the following:

- our corporate activities;
- results of certain immaterial operating segments, including our Canadian crude trading operations (as discussed in Note 10);
- wholesale crude operations;
- Alon's asphalt terminal operations; and
- intercompany eliminations.

Decisions concerning the allocation of resources and assessment of operating performance are made based on this segmentation. Management measures the operating performance of each of the reportable segments based on the segment contribution margin. Segment contribution margin is defined as net revenues less cost of materials and other and operating expenses, excluding depreciation and amortization.

Refining Segment

The refining segment processes crude oil and other feedstocks for the manufacture of transportation motor fuels, including various grades of gasoline, diesel fuel and aviation fuel, asphalt and other petroleum-based products that are distributed through owned and third-party product terminals. The refining segment has a combined nameplate capacity of 302,000 barrels per day ("bpd") as of June 30, 2022, including the following:

- 75,000 bpd Tyler, Texas refinery (the "Tyler refinery");
- 80,000 bpd El Dorado, Arkansas refinery (the "El Dorado refinery");
- 73,000 bpd Big Spring, Texas refinery (the "Big Spring refinery"); and
- 74,000 bpd Krotz Springs, Louisiana refinery (the "Krotz Springs refinery").

The refining segment also owns and operates three biodiesel facilities involved in the production of biodiesel fuels and related activities, located in Crossett, Arkansas, Cleburne, Texas and New Albany, Mississippi. The biodiesel industry has historically been substantially aided by federal and state tax incentives. One tax incentive program that has been significant to our renewable fuels facilities is the federal blender's tax credit (also known as the biodiesel tax credit or "BTC"). The BTC provides a \$1.00 refundable tax credit per gallon of pure biodiesel to the first blender of biodiesel with petroleum-based diesel fuel. The blender's tax credit was re-enacted in December 2019 for the years 2020 through 2022.

On May 7, 2020, we sold our equity interests in Alon Bakersfield Property, Inc., an indirect wholly-owned subsidiary that owned our non-operating refinery located in Bakersfield, California, to a subsidiary of Global Clean Energy Holdings, Inc. ("GCE"). As part of the transaction, GCE granted a call option to Delek to acquire up to a 33 1/3% limited member interest in the acquiring subsidiary of GCE for up to \$13.3 million, subject to certain adjustments. Such option is exercisable by Delek through the 90th day after GCE demonstrates commercial operations, as contractually defined, which has not yet occurred as of June 30, 2022.

The refining segment's petroleum-based products are marketed primarily in the south central, southwestern and western regions of the United States. This segment also ships and sells gasoline into wholesale markets in the southern and eastern United States. Motor fuels are sold under the Alon or Delek brand through various terminals to supply Alon or Delek branded retail sites. In addition, Alon sells motor fuels through its wholesale distribution network on an unbranded basis.

Logistics Segment

Our logistics segment owns and operates crude oil, refined products and natural gas logistics and marketing assets as well as water disposal and recycling assets. The logistics segment generates revenue by charging fees for gathering, transporting and storing crude oil and natural gas, marketing, distributing, transporting and storing intermediate and refined products and disposing and recycling water in select regions of the southeastern United States, the Delaware Basin in New Mexico and West Texas for our refining segment and third parties, and sales of wholesale products in the West Texas market. The operating results and assets acquired in the 3 Bear Acquisition have been included in the Logistics segment beginning on June 1, 2022.

Retail Segment

Our retail segment consists of 248 owned and leased convenience store sites as of June 30, 2022, located primarily in West Texas and New Mexico. These convenience stores typically offer various grades of gasoline and diesel primarily under the Alon or Delek brand name and food products, food service, tobacco products, non-alcoholic and alcoholic beverages, general merchandise as well as money grams to the public, primarily under the 7-Eleven and DK or Alon brand names. Substantially all of the motor fuel sold through our retail segment is supplied by our Big Spring refinery, which is transferred to the retail segment at prices substantially determined by reference to published commodity pricing information. In November 2018, we terminated the license agreement with 7-Eleven, Inc. The terms of such agreement and subsequent amendments require the removal of all 7-Eleven branding on a store-by-store basis by December 31, 2023.

Significant Inter-segment Transactions

All inter-segment transactions have been eliminated in consolidation and consist primarily of the following:

- refining segment refined product sales to the retail segment to be sold through the store locations;
- refining segment sales of asphalt and refined product to entities included in corporate, other and eliminations;
- logistics segment service fee revenue under service agreements with the refining segment based on the number of gallons sold and to share a portion of the margin achieved in return for providing marketing, sales and customer services;
- logistics segment sales of wholesale finished product to our refining segment; and
- logistics segment crude transportation, terminalling and storage fee revenue from our refining segment for the utilization of pipeline, terminal and storage assets.

Business Segment Operating Performance

The following is a summary of business segment operating performance as measured by contribution margin for the period indicated (in millions):

Three Months Ended June 30, 2022					
	Refining	Logistics	Retail	Corporate, Other and Eliminations	Consolidated
Net revenues (excluding inter-segment fees and revenues)	\$ 4,498.0	\$ 142.4	\$ 277.1	\$ 1,065.1	\$ 5,982.6
Inter-segment fees and revenues	312.5	124.3	—	(436.8)	—
Operating costs and expenses:					
Cost of materials and other	4,027.2	176.4	233.8	645.2	5,082.6
Operating expenses (excluding depreciation and amortization presented below)	165.0	21.0	25.1	11.4	222.5
Segment contribution margin	\$ 618.3	\$ 69.3	\$ 18.2	\$ (28.3)	677.5
Income from equity method investments	0.2	7.1	—	8.4	
Segment contribution margin and income (loss) from equity method investments	\$ 618.5	\$ 76.4	\$ 18.2	\$ (19.9)	
Depreciation and amortization	\$ 49.9	\$ 13.3	\$ 3.2	\$ 1.6	68.0
General and administrative expenses					126.5
Other operating income, net					(10.3)
Operating income					\$ 493.3
Capital spending (excluding business combinations)	\$ 19.0	\$ 26.7	\$ 6.0	\$ 8.7	\$ 60.4

Three Months Ended June 30, 2021					
	Refining ⁽¹⁾	Logistics	Retail	Corporate, Other and Eliminations ⁽¹⁾⁽²⁾	Consolidated ⁽¹⁾⁽²⁾
Net revenues (excluding inter-segment fees and revenues)	\$ 2,226.9	\$ 66.1	\$ 209.0	\$ (310.5)	\$ 2,191.5
Inter-segment fees and revenues	188.8	102.4	—	(291.2)	—
Operating costs and expenses:					
Cost of materials and other	2,286.6	88.8	164.7	(579.5)	1,960.6
Operating expenses (excluding depreciation and amortization presented below)	115.0	15.5	22.4	13.3	166.2
Segment contribution margin	\$ 14.1	\$ 64.2	\$ 21.9	\$ (35.5)	64.7
Income from equity method investments	0.1	6.7	—	—	
Segment contribution margin and income (loss) from equity method investments	\$ 14.2	\$ 70.9	\$ 21.9	\$ (35.5)	
Depreciation and amortization	\$ 51.0	\$ 10.0	\$ 3.4	\$ 1.9	66.3
General and administrative expenses					53.5
Other operating income, net					(4.9)
Operating loss					\$ (50.2)
Capital spending (excluding business combinations)	\$ 60.7	\$ 2.6	\$ 0.5	\$ 1.9	\$ 65.7

Six Months Ended June 30, 2022

	Refining	Logistics	Retail	Corporate, Other and Eliminations	Consolidated
Net revenues (excluding inter-segment fees and revenues)	\$ 7,766.1	\$ 225.2	\$ 486.6	\$ 1,963.8	\$ 10,441.7
Inter-segment fees and revenues	538.1	248.1	—	(786.2)	—
Operating costs and expenses:					
Cost of materials and other	7,304.1	302.6	406.8	1,221.6	9,235.1
Operating expenses (excluding depreciation and amortization presented below)	284.9	39.1	47.8	17.6	389.4
Segment contribution margin	\$ 715.2	\$ 131.6	\$ 32.0	\$ (61.6)	817.2
Income from equity method investments	0.4	14.1	—	12.1	
Segment contribution margin and income (loss) from equity method investments	\$ 715.6	\$ 145.7	\$ 32.0	\$ (49.5)	
Depreciation and amortization	\$ 102.7	\$ 23.7	\$ 6.7	\$ 3.2	136.3
General and administrative expenses					179.6
Other operating income, net					(38.7)
Operating income					\$ 540.0
Capital spending (excluding business combinations)	\$ 33.3	\$ 35.8	\$ 9.0	\$ 15.2	\$ 93.3

Six Months Ended June 30, 2021

	Refining ⁽¹⁾	Logistics	Retail	Corporate, Other and Eliminations	Consolidated ⁽¹⁾
Net revenues (excluding inter-segment fees and revenues)	\$ 3,811.4	\$ 122.8	\$ 383.8	\$ 265.7	\$ 4,583.7
Inter-segment fees and revenues	344.4	198.6	—	(543.0)	—
Operating costs and expenses:					
Cost of materials and other	3,901.6	169.9	301.2	(239.3)	4,133.4
Operating expenses (excluding depreciation and amortization presented below)	229.7	30.4	44.0	17.4	321.5
Segment contribution margin	\$ 24.5	\$ 121.1	\$ 38.6	\$ (55.4)	128.8
Income from equity method investments	0.3	10.7	—	0.6	
Segment contribution margin and income (loss) from equity method investments	\$ 24.8	\$ 131.8	\$ 38.6	\$ (54.8)	
Depreciation and amortization	\$ 103.1	\$ 20.7	\$ 6.6	\$ 4.4	134.8
General and administrative expenses					94.6
Other operating income, net					(3.0)
Operating loss					\$ (97.6)
Capital spending (excluding business combinations)	\$ 118.5	\$ 10.4	\$ 1.3	\$ 2.5	\$ 132.7

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

⁽²⁾ Reflects an adjustment to net down year-to-date net revenues and cost of materials and other of approximately \$362 million related to certain crude wholesale net settled transactions included in corporate, other and eliminations that occurred during the three months ended March 31, 2021, which was not reflected in the unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2021, as filed on our March 31, 2021 Quarterly Report on Form 10-Q on May 6, 2021. Such uncorrected adjustment, as well as the subsequent out-of-period correction reflected above, did not relate to any of our reportable segments, had no impact on segment contribution margin, consolidated contribution margin or consolidated operating loss, and are not considered material to the condensed consolidated financial statements in either period.

Other Segment Information

Total assets by segment were as follows as of June 30, 2022 (in millions):

	Refining	Logistics	Retail	Corporate, Other and Eliminations	Consolidated
Total assets	\$ 8,235.6	\$ 1,609.3	\$ 258.5	\$ (1,178.8)	\$ 8,924.6
Less:					
Inter-segment notes receivable	(1,026.8)	—	—	1,026.8	—
Inter-segment right of use lease assets	(220.4)	—	—	220.4	—
Total assets, excluding inter-segment notes receivable and right of use assets	\$ 6,988.4	\$ 1,609.3	\$ 258.5	\$ 68.4	\$ 8,924.6

Property, plant and equipment and accumulated depreciation as of June 30, 2022 and depreciation expense by reporting segment for the three and six months ended June 30, 2022 are as follows (in millions):

	Refining	Logistics	Retail	Corporate, Other and Eliminations	Consolidated
Property, plant and equipment	\$ 2,696.8	\$ 1,141.8	\$ 175.8	\$ 92.7	\$ 4,107.1
Less: Accumulated depreciation	(1,043.4)	(288.0)	(64.6)	(51.1)	(1,447.1)
Property, plant and equipment, net	\$ 1,653.4	\$ 853.8	\$ 111.2	\$ 41.6	\$ 2,660.0
Depreciation expense for the three months ended June 30, 2022	\$ 48.5	\$ 11.8	\$ 3.0	\$ 1.6	\$ 64.9
Depreciation expense for the six months ended June 30, 2022	\$ 99.6	\$ 22.2	\$ 6.3	\$ 3.2	\$ 131.3

In accordance with Accounting Standards Codification ("ASC") 360, *Property, Plant and Equipment* ("ASC 360"), Delek evaluates the realizability of property, plant and equipment as events occur that might indicate potential impairment. There were no indicators of impairment related to our property, plant and equipment as of June 30, 2022.

Note 4 - Earnings (Loss) Per Share

Basic earnings per share (or "EPS") is computed by dividing net income (loss) by the weighted average common shares outstanding. Diluted earnings per share is computed by dividing net income (loss) attributable to Delek, as adjusted for changes to income that would result from the assumed settlement of the dilutive equity instruments included in diluted weighted average common shares outstanding, by the diluted weighted average common shares outstanding. For all periods presented, we have outstanding various equity-based compensation awards that are considered in our diluted EPS calculation (when to do so would be dilutive), and is inclusive of awards disclosed in Note 16 to these condensed consolidated financial statements. For those instruments that are indexed to our common stock, they are generally dilutive when the market price of the underlying indexed share of common stock is in excess of the exercise price.

The following table sets forth the computation of basic and diluted earnings per share.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Numerator:				
Numerator for EPS				
Net income (loss)	\$ 368.6	\$ (48.1)	\$ 383.4	\$ (110.8)
Less: Income attributed to non-controlling interest	6.8	8.6	15.0	15.9
Numerator for basic and diluted EPS attributable to Delek	<u>\$ 361.8</u>	<u>\$ (56.7)</u>	<u>\$ 368.4</u>	<u>\$ (126.7)</u>
Denominator:				
Weighted average common shares outstanding (denominator for basic EPS)	70,805,458	73,911,582	72,014,151	73,857,975
Dilutive effect of stock-based awards	874,496	—	661,162	—
Weighted average common shares outstanding, assuming dilution (denominator for diluted EPS)	<u>71,679,954</u>	<u>73,911,582</u>	<u>72,675,313</u>	<u>73,857,975</u>
EPS:				
Basic income (loss) per share	\$ 5.11	\$ (0.77)	\$ 5.12	\$ (1.72)
Diluted income (loss) per share	<u>\$ 5.05</u>	<u>\$ (0.77)</u>	<u>\$ 5.07</u>	<u>\$ (1.72)</u>
The following equity instruments were excluded from the diluted weighted average common shares outstanding because their effect would be antidilutive:				
Antidilutive stock-based compensation (because average share price is less than exercise price)	1,450,184	2,983,783	2,853,904	2,802,950
Antidilutive due to loss	—	659,005	—	678,426
Total antidilutive stock-based compensation	<u>1,450,184</u>	<u>3,642,788</u>	<u>2,853,904</u>	<u>3,481,376</u>

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

Note 5 - Delek Logistics

Delek Logistics is a publicly traded limited partnership formed by Delek in 2012 that owns and operates crude oil, refined products, and natural gas logistics and marketing assets as well as water disposal and recycling assets. A substantial majority of Delek Logistics' assets are integral to Delek's refining and marketing operations. As of June 30, 2022, we owned a 78.9% interest in Delek Logistics, consisting of 34,311,278 common limited partner units and the non-economic general partner interest. The limited partner interests in Delek Logistics not owned by us are reflected in net income attributable to non-controlling interest in the accompanying condensed consolidated statements of income and in non-controlling interest in subsidiaries in the accompanying condensed consolidated balance sheets.

On June 1, 2022, DKL Delaware Gathering, LLC, a subsidiary of Delek Logistics, completed the 3 Bear Acquisition related to crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin in New Mexico. The purchase price was \$624.7 million, subject to customary closing adjustments. See Note 2 - Acquisitions for additional information.

On April 14, 2022, Delek Logistics filed a shelf registration statement with the SEC registering, which was declared effective on April 29th, for the potential sale, from time to time by Delek Logistics, of up to \$200.0 million of common limited partner units of Delek Logistics.

On December 20, 2021, Delek commenced a program to sell up to 434,590 common limited partner units representing limited partner interests in Delek Logistics over the next three months in open market transactions conducted pursuant to Rule 144 under the Securities Act of 1933, as amended, and a Rule 10b5-1 trading plan. For the six months ended June 30, 2022, we sold 385,522 units for gross proceeds of \$16.4 million or \$13.6 million net of taxes, all of which was received in the first quarter.

In August 2020, Delek Logistics filed a shelf registration statement, which subsequently became effective, with the SEC for the proposed re-sale or other disposition from time to time by Delek of up to 14.0 million common limited partner units representing our limited partner interests in Delek Logistics. No units were sold under this registration as of June 30, 2022.

We have agreements with Delek Logistics that, among other things, establish fees for certain administrative and operational services provided by us and our subsidiaries to Delek Logistics, provide certain indemnification obligations and establish terms for fee-based commercial logistics and marketing services provided by Delek Logistics and its subsidiaries to us. The revenues and expenses associated with these agreements are eliminated in consolidation.

Delek Logistics is a VIE, as defined under GAAP, and is consolidated into our condensed consolidated financial statements, representing our logistics segment. The assets of Delek Logistics can only be used to settle its own obligations and its creditors have no recourse to our assets. Exclusive of intercompany balances and the marketing agreement intangible asset between Delek Logistics and Delek which are eliminated in consolidation, the Delek Logistics condensed consolidated balance sheets as presented below are included in the condensed consolidated balance sheets of Delek (unaudited, in millions).

	June 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	\$ 13.8	\$ 4.3
Accounts receivable	43.9	15.4
Accounts receivable from related parties	—	—
Inventory	3.7	2.4
Other current assets	2.3	1.0
Property, plant and equipment, net	853.8	449.4
Equity method investments	248.7	250.0
Operating lease right-of-use assets	25.3	20.9
Goodwill	22.8	12.2
Intangible assets, net	376.2	153.9
Other non-current assets	18.8	25.6
Total assets	\$ 1,609.3	\$ 935.1
LIABILITIES AND DEFICIT		
Accounts payable	\$ 44.4	\$ 8.2
Accounts payable to related parties	91.5	64.4
Current portion of operating lease liabilities	7.7	6.8
Accrued expenses and other current liabilities	19.4	17.4
Long-term debt	1,522.2	899.0
Asset retirement obligations	9.0	6.5
Operating lease liabilities, net of current portion	12.8	14.1
Other non-current liabilities	18.8	22.7
Deficit	(116.5)	(104.0)
Total liabilities and deficit	\$ 1,609.3	\$ 935.1

Note 6 - Equity Method Investments

Wink to Webster Pipeline

On February 21, 2020, we, through our wholly-owned direct subsidiary Delek Energy, entered into the W2W Holdings LLC Agreement with MPLX Operations LLC ("MPLX") (collectively, with its wholly-owned subsidiaries, the "WWP Project Financing Joint Venture" or the "WWP Project Financing JV"). The WWP Project Financing JV was created for the specific purpose of obtaining financing to fund our combined capital calls resulting from and occurring during the construction period of the pipeline system under the Wink to Webster Pipeline LLC ("WWP") Joint Venture, and to service that debt. In connection with the arrangement, both Delek Energy and MPLX contributed their respective 15% ownership interests in WWP to the WWP Project Financing JV as collateral for and in service of the related project financing. On June 2, 2022, the WWP Project Financing JV refinanced its project finance debt using the proceeds from a \$535.0 million senior secured notes issuance due January 31, 2032. In connection with this notes issuance, on June 2, 2022 the WWP Project Financing JV also entered into a senior secured credit agreement that provides for revolving loan commitments in an amount of up to \$75.0 million and the issuance of letters of credit in an amount of up to \$44.0 million. The maturity date of the revolver and letter credit commitments is June 2, 2027. Distributions received from WWP through the WWP Project Financing JV will first be applied in service of its debt, with excess distributions being made to the members of the WWP Project Financing JV as provided for in the W2W Holdings LLC Agreement and as allowed for under its debt agreements. The obligations of the members under the W2W Holdings LLC Agreement are guaranteed by the parents of the members of the WWP Project Financing JV.

The Company evaluated Delek Energy's investment in W2W Holdings LLC ("HoldCo") and determined that HoldCo is a VIE. The Company determined it is not the primary beneficiary since it does not have the power to direct activities that most significantly impact HoldCo. The Company does not hold a controlling financial interest in HoldCo because no single party has the power to direct the activities that most significantly impact HoldCo's economic performance since power to make the decisions about the significant activities is shared equally with MPLX and all significant decisions require unanimous consent of the board of directors of HoldCo. The Company accounts for its investment in HoldCo using the equity method of accounting due to its significant influence with its 50% membership interest.

The Company's maximum exposure to any losses incurred by HoldCo is limited to its investment. As of June 30, 2022, except for the guarantee of member obligations under the W2W Holdings LLC Agreement, the Company does not have other existing guarantees with or to HoldCo, or any third-party for work contracted with it.

As of June 30, 2022 and December 31, 2021, Delek's investment balance in WWP Project Financing Joint Venture totaled \$53.5 million and \$49.3 million, respectively, and is included as part of total assets in corporate, other and eliminations in our segment disclosure. In addition on the investment, we recognized income of \$2.1 million and \$4.2 million for the three and six months ended June 30, 2022, respectively, and a loss of \$3.9 million and \$4.1 million for the three and six months ended June 30, 2021, respectively.

Delek Logistics Investments

Delek Logistics has a 33% membership interest in Red River Pipeline Company LLC ("Red River"), which owns a 16-inch crude oil pipeline running from Cushing, Oklahoma to Longview, Texas. As of June 30, 2022 and December 31, 2021, Delek's investment balance in Red River totaled \$144.8 million and \$144.0 million, respectively. We made no capital contributions during the six months ended June 30, 2022 and made \$1.4 million in capital contributions during the six months ended June 30, 2021 based on capital calls. We recognized income on the investment totaling \$4.6 million and \$9.9 million for the three and six months ended June 30, 2022, respectively, and \$3.7 million and \$6.0 million for the three and six months ended June 30, 2021, respectively. This investment is accounted for using the equity method and is included as part of total assets in our logistics segment.

In addition to Red River, Delek Logistics has two joint ventures that own and operate logistics assets, and which serve third parties and subsidiaries of Delek. We own a 50% membership interest in the entity formed with an affiliate of Plains All American Pipeline, L.P. to operate one of these pipeline systems (the "Caddo Pipeline") and a 33% membership interest in Andeavor Logistics Rio Pipeline LLC which operates the other pipeline system (the "Rio Pipeline"). As of June 30, 2022 and December 31, 2021, Delek Logistics' investment balances in these joint ventures totaled \$103.9 million and \$106.0 million, respectively, and were accounted for using the equity method. We recognized income on these investments totaling \$2.4 million and \$4.2 million for the three and six months ended June 30, 2022, respectively, and \$2.9 million and \$4.6 million for the three and six months ended June 30, 2021, respectively.

Other Investments

In addition to our pipeline joint ventures, we also have a 50% interest in a joint venture that owns asphalt terminals located in the southwestern region of the U.S., as well as a 50% interest in a joint venture that owns, operates and maintains a terminal consisting of an ethanol unit train facility with an ethanol tank in Arkansas. As of June 30, 2022 and December 31, 2021, Delek's investment balance in these joint ventures was \$52.4 million and \$44.8 million, respectively. We recognized income on these investments totaling \$6.6 million and \$8.3 million for the three and six months ended June 30, 2022, respectively, and \$4.1 million and \$5.1 million for the three and six months ended June 30, 2021, respectively. These investments are accounted for using the equity method and is included as part of total assets in corporate, other and eliminations in our segment disclosure.

Note 7 - Inventory

Crude oil, work in process, refined products, blendstocks and asphalt inventory for all of our operations, excluding merchandise inventory in our retail segment, are stated at the lower of cost determined using FIFO basis or net realizable value. Retail merchandise inventory consists of cigarettes, beer, convenience merchandise and food service merchandise and is stated at estimated cost as determined by the retail inventory method.

Effective January 1, 2022, we changed our method for valuing the inventory held at the Tyler Refinery to the FIFO inventory valuation method from the LIFO inventory valuation method. Total inventories accounted for using LIFO, prior to the accounting method change, comprised 28.0% of the Company's total inventories as of December 31, 2021. This change in accounting method is preferable because it provides better consistency across our refineries and improved transparency, and results in recognition that better reflects the physical flow of inventory and more accurately reflects the current value of inventory. After this change, we no longer utilize the LIFO valuation method and the majority of our inventories are now valued using the FIFO cost method, with the remainder valued using the Retail method for the retail segment inventory. The effects of this change have been retrospectively applied to all periods presented. This change resulted in a decrease to retained earnings of \$8.7 million as of January 1, 2021 in accordance with ASC 250, *Accounting Changes and Error Corrections*.

The following table presents the components of inventory for each period presented reflecting the accounting method change discussed above:

(in millions)	December 31, 2021	
	June 30, 2022	As Adjusted ⁽¹⁾
Refinery raw materials and supplies	\$ 768.1	\$ 516.0
Refinery work in process	205.5	156.2
Refinery finished goods	785.9	550.6
Retail fuel	12.4	9.3
Retail merchandise	30.3	26.2
Logistics refined products	3.7	2.4
Total inventories	\$ 1,805.9	\$ 1,260.7

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories, as described above.

In addition, certain financial statement line items in our Condensed Consolidated Statement of Income for the three and six months ended June 30, 2021, our Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2021 and our Consolidated Condensed Balance Sheet as of December 31, 2021, were retrospectively adjusted as follows:

Three Months Ended June 30, 2021			
(In millions)	As Reported (using LIFO)	Adjustment	As Adjusted (using FIFO)
Condensed Consolidated Statements of Income			
Cost of materials and other	\$ 1,995.8	\$ (35.2)	\$ 1,960.6
Total cost of sales	\$ 2,187.1	\$ (35.2)	\$ 2,151.9
Loss before income tax benefit	\$ (118.5)	\$ 35.2	\$ (83.3)
Income tax benefit	\$ (46.0)	\$ 10.8	\$ (35.2)
Net loss	\$ (72.5)	\$ 24.4	\$ (48.1)
Net loss attributable to Delek	\$ (81.1)	\$ 24.4	\$ (56.7)
Net loss per share attributable to Delek			
Basic	\$ (1.10)	\$ 0.33	\$ (0.77)
Diluted	\$ (1.10)	\$ 0.33	\$ (0.77)
Six Months Ended June 30, 2021			
(In millions)	As Reported (using LIFO)	Adjustment	As Adjusted (using FIFO)
Condensed Consolidated Statements of Income			
Cost of materials and other	\$ 4,201.3	\$ (67.9)	\$ 4,133.4
Total cost of sales	\$ 4,584.8	\$ (67.9)	\$ 4,516.9
Loss before income tax benefit	\$ (222.2)	\$ 67.9	\$ (154.3)
Income tax benefit	\$ (58.4)	\$ 14.9	\$ (43.5)
Net loss	\$ (163.8)	\$ 53.0	\$ (110.8)
Net loss attributable to Delek	\$ (179.7)	\$ 53.0	\$ (126.7)
Net loss per share attributable to Delek			
Basic	\$ (2.43)	\$ 0.71	\$ (1.72)
Diluted	\$ (2.43)	\$ 0.71	\$ (1.72)

(In millions)	December 31, 2021		
	As Reported (using LIFO)	Adjustment	As Adjusted (using FIFO)
Condensed Consolidated Balance Sheet			
Inventories, net of inventory valuation reserves	\$ 1,176.1	\$ 84.6	\$ 1,260.7
Total Assets	\$ 6,728.0	\$ 84.6	\$ 6,812.6
Deferred tax liabilities	\$ 196.4	\$ 18.1	\$ 214.5
Retained Earnings	\$ 318.2	\$ 66.5	\$ 384.7
Total liabilities and stockholders' equity	\$ 6,728.0	\$ 84.6	\$ 6,812.6

(In millions)	Six Months Ended June 30, 2021		
	As Reported (using LIFO)	Adjustment	As Adjusted (using FIFO)
Condensed Consolidated Statements of Cash Flows			
Net loss	\$ (163.8)	\$ 53.0	\$ (110.8)
Non-cash lower of cost or market/net realizable value adjustment	\$ (30.1)	\$ 30.3	\$ 0.2
Deferred income taxes	\$ (52.9)	\$ 12.1	\$ (40.8)
Inventories and other current assets	\$ (302.5)	\$ (85.2)	\$ (387.7)
Non-current assets and liabilities, net	\$ (6.1)	\$ (10.2)	\$ (16.3)

The following tables reflect the effect of the change in the accounting principle on the current period Condensed Consolidated Financial Statements:

(In millions)	Three Months Ended June 30, 2022		
	As Computed (using LIFO)	As Reported (using FIFO)	Effect of Change
Condensed Consolidated Statements of Income			
Cost of materials and other	\$ 5,128.0	\$ 5,082.6	\$ 45.4
Total cost of sales	\$ 5,379.3	\$ 5,333.9	\$ 45.4
(Loss) income before income tax (benefit) expense	\$ 423.6	\$ 469.0	\$ (45.4)
Income tax (benefit) expense	\$ 89.3	\$ 100.4	\$ (11.1)
Net (loss) income attributable to Delek	\$ 327.5	\$ 361.8	\$ (34.3)
Net (loss) income per share attributable to Delek			
Basic	\$ 4.63	\$ 5.11	\$ (0.48)
Diluted	\$ 4.57	\$ 5.05	\$ (0.48)

(In millions)	Six Months Ended June 30, 2022		
	As Computed (using LIFO)	As Reported (using FIFO)	Effect of Change
Condensed Consolidated Statements of Income			
Cost of materials and other	\$ 9,401.6	\$ 9,235.1	\$ 166.5
Total cost of sales	\$ 9,855.1	\$ 9,688.6	\$ 166.5
(Loss) income before income tax (benefit) expense	\$ 320.4	\$ 486.9	\$ (166.5)
Income tax (benefit) expense	\$ 68.1	\$ 103.5	\$ (35.4)
Net (loss) income attributable to Delek	\$ 237.3	\$ 368.4	\$ (131.1)
Net (loss) income per share attributable to Delek			
Basic	\$ 3.30	\$ 5.12	\$ (1.82)
Diluted	\$ 3.27	\$ 5.07	\$ (1.80)

(In millions)	June 30, 2022		
	As Computed (using LIFO)	As Reported (using FIFO)	Effect of Change
Condensed Consolidated Balance Sheet			
Inventories, net inventory valuation reserves	\$ 1,575.2	\$ 1,805.9	\$ (230.7)
Total Assets	\$ 8,693.9	\$ 8,924.6	\$ (230.7)
Accrued expenses and other current	\$ 902.2	\$ 885.6	\$ 16.6
Deferred tax liabilities	\$ 250.6	\$ 300.3	\$ (49.7)
Retained Earnings	\$ 555.4	\$ 753.0	\$ (197.6)
Total liabilities and stockholders' equity	\$ 8,693.9	\$ 8,924.6	\$ (230.7)

(In millions)	Six Months Ended June 30, 2022		
	As Computed (using LIFO)	As Reported (using FIFO)	Effect of Change
Condensed Consolidated Statements of Cash Flows			
Net (loss) income	\$ 252.3	\$ 383.4	\$ (131.1)
Non-cash lower of cost or market/net realizable value adjustment	\$ (1.4)	\$ (1.2)	\$ (0.2)
Deferred income taxes	\$ 62.3	\$ 93.9	\$ (31.6)
Inventories and other current assets	\$ (387.6)	\$ (533.9)	\$ 146.3
Accounts payable and other current liabilities	\$ 794.0	\$ 777.4	\$ 16.6

At June 30, 2022, we recorded a pre-tax inventory valuation reserve of \$8.1 million due to a market price decline below our cost of certain inventory products. At December 31, 2021, we recorded a pre-tax inventory valuation reserve of \$9.3 million. We recognized a net reduction (increase) in cost of materials and other in the accompanying condensed consolidated statements of income related to the change in pre-tax inventory valuation of \$(7.3) million and \$1.2 million for the three and six months ended June 30, 2022, respectively, and \$0.8 million and \$(0.1) million for the three and six months ended June 30, 2021, respectively.

Note 8 - Crude Oil Supply and Inventory Purchase Agreement

Delek has Supply and Offtake Agreements with J. Aron & Company ("J. Aron") in connection with its El Dorado, Big Spring and Krotz Springs refineries (collectively, the "Supply and Offtake Agreements"). Pursuant to the Supply and Offtake Agreements, (i) J. Aron agrees to sell to us, and we agree to buy from J. Aron, at market prices, crude oil for processing at these refineries and (ii) we agree to sell, and J. Aron agrees to buy, at market prices, certain refined products produced at these refineries. The Supply and Offtake Agreements also provide for the lease to J. Aron of crude oil and refined product storage facilities, and the identification of prospective purchasers of refined products on J. Aron's behalf. At the inception of the Supply and Offtake Agreements, we transferred title to a certain number of barrels of crude and other inventories to J. Aron (the "Step-In"), and the Supply and Offtake Agreements require the repurchase of remaining inventory (including certain "Baseline Volumes") at the termination of those Agreements (the "Step-Out"). The Supply and Offtake Agreements are accounted for as inventory financing arrangements under the fair value election provided by ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 825, *Financial Instruments* ("ASC 825").

Barrels subject to the Supply and Offtake Agreements are as follows (in millions):

	El Dorado	Big Spring	Krotz Springs
Baseline Volumes pursuant to the respective Supply and Offtake Agreements	2.0	0.8	1.3
Barrels of inventory consigned under the respective Supply and Offtake Agreements as of June 30, 2022 ⁽¹⁾	3.2	1.2	1.3
Barrels of inventory consigned under the respective Supply and Offtake Agreements as of December 31, 2021 ⁽¹⁾	3.5	1.3	1.2

⁽¹⁾ Includes Baseline Volumes plus/minus over/short quantities.

The Supply and Offtake Agreements have certain termination provisions, which may include requirements to negotiate with third parties for the assignment to us of certain contracts, commitments and arrangements, including procurement contracts, commitments for the sale of product, and pipeline, terminalling, storage and shipping arrangements.

In April 2020, we amended and restated our three Supply and Offtake Agreements to renew and extend the terms to December 30, 2022. J. Aron has the sole discretion to further extend the three Supply and Offtake Agreements to May 30, 2025 by giving notice at least 6 months prior to the current maturity date. As of June 30, 2022, J. Aron did not provide notice to further extend to May 30, 2025. As part of the April 2020 amendment, there were changes to the underlying market index, annual fee, the crude purchase fee, crude roll fees and timing of cash settlements related to periodic price adjustments (the "Periodic Price Adjustments"). The repurchase of Baseline Volumes at the end of the Supply and Offtake Agreement term (representing the "Baseline Step-Out Liability" or, collectively, the "Baseline Step-Out Liabilities") continue to be recorded at fair value under the fair value election included under ASC 815 and ASC 825. The Baseline Step-Out Liabilities have a floating component whose fair value reflects changes to commodity price risk with changes in fair value recorded in cost of materials and other and a fixed component whose fair value reflects changes to interest rate risk with changes in fair value recorded in interest expense. There was no amendment date change in fair value resulting from the modification. The Baseline Step-Out Liabilities are reflected as non-current liabilities on our condensed consolidated balance sheet to the extent that they are not contractually due within twelve months. Monthly activity resulting in over and short volumes are valued using market-indexed pricing, and are included in current liabilities (or receivables) on our condensed consolidated balance sheet.

Pursuant to the Periodic Price Adjustments provision in the Supply and Offtake Agreements, the Company may be required to pay down all or a portion of the fixed component of the Baseline Step-Out Liabilities or may receive additional proceeds depending on the change in fair value of the inventory collateral subject to a threshold at certain specified periodic pricing dates (the "Periodic Pricing Dates"), which occur on October 1st and May 1st, annually, not to extend beyond expiration of the Supply and Offtake Agreements. Additionally, at the Periodic Pricing Dates, if a Periodic Price Adjustment is triggered, the prospective pricing underlying the fixed component of the Baseline Step-Out Liabilities will be adjusted to reflect either the pay-down or the incremental proceeds, accordingly. As of June 30, 2022, the fixed component of the Baseline Step-Out Liabilities subject to the Periodic Price Adjustments amounted to approximately \$72.8 million. Some portion of that amount may become due or payable if Periodic Price Adjustments are triggered on the Periodic Pricing Dates.

Gains (losses) related to changes in fair value due to commodity-index price are recorded as a component of cost of materials and other in the consolidated statements of income. With respect to the Baseline Step-Out liabilities, we recognized gains (losses) in cost of materials and other attributable to changes in fair value due to commodity-index price totaling \$58.1 million and \$206.9 million during the three and six months ended June 30, 2022, respectively, and \$41.8 million and \$104.1 million during the three and six months ended June 30, 2021, respectively.

Net balances payable (receivable) under the Supply and Offtake Agreements were as follows as of the balance sheet dates (in millions):

Balances as of June 30, 2022:

Baseline Step-Out Liability
Revolving over/short inventory financing liability
Total Obligations Under Supply and Offtake Agreements - Current portion
Other (receivable) payable for monthly activity true-up

El Dorado	Big Spring	Krotz Springs	Total
\$ 261.0	\$ 110.6	\$ 165.8	\$ 537.4
161.1	59.3	12.7	233.1
\$ 422.1	\$ 169.9	\$ 178.5	\$ 770.5
\$ (9.5)	\$ 1.0	\$ 14.8	\$ 6.3

Balances as of December 31, 2021:

Baseline Step-Out Liability
Revolving over/short inventory financing liability (receivable)
Total Obligations Under Supply and Offtake Agreements - Current portion
Other (receivable) payable for monthly activity true-up

El Dorado	Big Spring	Krotz Springs	Total
\$ 159.6	\$ 68.4	\$ 102.4	\$ 330.4
120.9	41.1	(4.9)	157.1
\$ 280.5	\$ 109.5	\$ 97.5	\$ 487.5
\$ (2.7)	\$ 1.0	\$ 7.0	\$ 5.3

The Supply and Offtake Agreements require payments of fixed annual fees which are factored into the interest rate yield under the fair value accounting model and recorded in interest expense. Recurring cash fees paid during the periods presented were as follows (in millions):

	El Dorado	Big Spring	Krotz Springs	Total
Recurring cash fees paid during the three months ended June 30, 2022	\$ 3.0	\$ 1.0	\$ 1.2	\$ 5.2
Recurring cash fees paid during the three months ended June 30, 2021	\$ 2.8	\$ 0.8	\$ 1.1	\$ 4.7
Recurring cash fees paid during the six months ended June 30, 2022	\$ 5.9	\$ 2.0	\$ 2.3	\$ 10.2
Recurring cash fees paid during the six months ended June 30, 2021	\$ 5.2	\$ 1.5	\$ 2.2	\$ 8.9

We maintained letters of credit under the Supply and Offtake Agreements as follows (in millions):

	El Dorado
Letters of credit outstanding as of June 30, 2022	\$ 120.0
Letters of credit outstanding as of December 31, 2021	\$ 195.0

Note 9 - Long-Term Obligations and Notes Payable

Outstanding borrowings, net of unamortized debt discounts and certain deferred financing costs, under Delek's existing debt instruments are as follows (in millions):

	June 30, 2022	December 31, 2021
Revolving Credit Facility	\$ —	\$ —
Term Loan Credit Facility ⁽¹⁾	1,236.6	1,240.0
Hapoalim Term Loan ⁽²⁾	8.9	29.0
Delek Logistics Credit Facility ⁽³⁾	880.3	258.0
Delek Logistics 2025 Notes ⁽⁴⁾	247.2	246.7
Delek Logistics 2028 Notes ⁽⁵⁾	394.7	394.3
Reliant Bank Revolver	50.0	50.0
	2,817.7	2,218.0
Less: Current portion of long-term debt and notes payable	72.0	92.2
	\$ 2,745.7	\$ 2,125.8

⁽¹⁾ Net of deferred financing costs of \$1.9 million and \$2.2 million at June 30, 2022 and December 31, 2021, respectively and debt discount of \$15.0 million and \$17.8 million at June 30, 2022 and December 31, 2021, respectively.

⁽²⁾ Net of deferred financing costs of \$0.1 million and \$0.1 million at June 30, 2022 and December 31, 2021, respectively and a nominal debt discount and \$0.1 million debt discount at June 30, 2022 and December 31, 2021, respectively.

⁽³⁾ Net of deferred financing costs of \$0.6 million at June 30, 2022.

⁽⁴⁾ Net of deferred financing costs of \$2.1 million and \$2.5 million at June 30, 2022 and December 31, 2021, respectively and debt discount of \$0.7 million and \$0.8 million at June 30, 2022 and December 31, 2021, respectively.

⁽⁵⁾ Net of deferred financing costs of \$5.3 million and \$5.7 million at June 30, 2022 and December 31, 2021, respectively.

Delek Revolver and Term Loan

On March 30, 2018 (the "Closing Date"), Delek entered into (i) a new term loan credit agreement with Wells Fargo Bank, National Association, as administrative agent (the "Term Administrative Agent"), Delek, as borrower, certain subsidiaries of Delek, as guarantors, and the lenders from time to time party thereto, providing for a senior secured term loan facility in an amount of \$700.0 million (the "Term Loan Credit Facility") and (ii) a second amended and restated credit agreement with Wells Fargo Bank, National Association, as administrative agent (the "Revolver Administrative Agent"), Delek, as borrower, certain subsidiaries of Delek, as guarantors, and the other lenders party thereto, providing for a senior secured asset-based revolving credit facility with commitments of \$1.0 billion (the "Revolving Credit Facility" and, together with the Term Loan Credit Facility, the "New Credit Facilities").

The Revolving Credit Facility permits borrowings in Canadian dollars of up to \$50.0 million. Effective March 21, 2022, the limits for the issuance of letters of credit for the Revolving Credit Facility increased from of up to \$400.0 million to up to \$500.0 million, including letters of credit denominated in Canadian dollars of up to \$10.0 million. Delek may designate restricted subsidiaries as additional borrowers under the Revolving Credit Facility.

The Term Loan Credit Facility was drawn in full for \$700.0 million on the Closing Date at an original issue discount of 0.50%. Proceeds under the Term Loan Credit Facility, as well as proceeds of approximately \$300.0 million in borrowings under the Revolving Credit Facility on the Closing Date, were used to repay certain indebtedness of Delek and its subsidiaries (the "Refinancing"), as well as certain fees, costs and expenses in connection with the closing of the New Credit Facilities, with any remaining proceeds held in cash. Proceeds of future borrowings under the Revolving Credit Facility may be used for working capital and general corporate purposes of Delek and its subsidiaries.

On May 22, 2019 (the "First Incremental Effective Date"), we amended the Term Loan Credit Facility agreement pursuant to the terms of the First Incremental Amendment to Term Loan Credit Agreement (the "Incremental Amendment"). Pursuant to the Incremental Amendment, the Company borrowed \$250.0 million in aggregate principal amount of incremental term loans (the "Incremental Term Loans") at an original issue discount of 0.75%. On November 12, 2019 (the "Second Incremental Effective Date"), we amended the Term Loan Credit facility agreement pursuant to the terms of the Second Incremental Amendment to the Term Loan Credit Agreement (the

"Second Incremental Amendment") and borrowed \$150.0 million in aggregate principal amount of incremental term loans (the "Incremental Loans") at an original issue discount of 1.21%. The terms of the Incremental Term Loans and Incremental Loans are substantially identical to the terms applicable to the initial term loans under the Term Loan Credit Facility borrowed in March 2018. There are no restrictions on the Company's use of the proceeds of the Incremental Term Loans and Incremental Loans. The proceeds may be used for (i) reducing utilizations under the Revolving Credit Facility, (ii) general corporate purposes and (iii) paying transaction fees and expenses associated with the incremental amendments.

On May 19, 2020, we amended the Term Loan Credit Facility agreement and borrowed \$200.0 million in aggregate principal amount of incremental term loans (the "Third Incremental Term Loan") at an original issue discount of 7.00%. The Third Incremental Term Loan constitutes a separate class of term loans (the "Class B Loans") under the Term Loan Credit Facility from those initially borrowed in March 2018 and the incremental term loans borrowed in May 2019 and November 2019 (collectively, the "Class A Loans"). Delek may voluntarily prepay the outstanding Third Incremental Term Loan at any time subject to customary breakage costs with respect to LIBOR loans and subject to a prepayment premium of 1.00% in connection with certain customary repricing events that may occur during the period from the day after the first anniversary of the Third Incremental Term Loan through the second anniversary of the Third Incremental Term Loan. The other terms of the Third Incremental Term Loan are substantially identical to the terms applicable to the Class A Loans. The proceeds of the Third Incremental Term Loan may be used (i) for general corporate purposes and (ii) to pay transaction fees and expenses associated with the Third Incremental Term Loan.

Interest and Unused Line Fees

The interest rates applicable to borrowings under the Term Loan Credit Facility and the Revolving Credit Facility are based on a fluctuating rate of interest measured by reference to either, at Delek's option, (i) a base rate, plus an applicable margin, or (ii) a reserve-adjusted LIBOR, plus an applicable margin (or, in the case of Revolving Credit Facility borrowings denominated in Canadian dollars, the Canadian dollar bankers' acceptances rate ("CDOR"). On October 26, 2018, Delek entered into an amendment to the Term Loan Credit Facility (the "First Amendment") to reduce the margin on certain borrowings under the Term Loan Credit Facility and incorporate certain other changes. The First Amendment decreased the applicable margins for Class A Loans under (i) Base Rate Loans by 0.25% to 1.25% and (ii) LIBOR Rate Loans by 0.25% to 2.25%, as such terms are defined in the Term Loan Credit Facility. Class B Loans incurred under the Third Incremental Term Loan bear interest at a rate that is determined, at the Company's election, at LIBOR or at base rate, in each case, plus an applicable margin of 5.50% with respect to LIBOR borrowings and 4.50% with respect to base rate borrowings. Additionally, Class B loans that are LIBOR borrowings are subject to a minimum LIBOR rate floor of 1.00%.

The applicable margin for Revolving Credit Facility borrowings is based on Delek's excess availability as determined by reference to a borrowing base, ranging from 0.25% to 0.75% per annum with respect to base rate borrowings and from 1.25% to 1.75% per annum with respect to LIBOR and CDOR borrowings.

In addition, the Revolving Credit Facility requires Delek to pay an unused line fee on the average amount of unused commitments thereunder in each quarter, which fee is at a rate of 0.25% or 0.375% per annum, depending on average commitment usage for such quarter. As of June 30, 2022, the unused line fee was 0.375% per annum.

Maturity and Repayments

The Revolving Credit Facility will mature and the commitments thereunder will terminate on March 30, 2023. The Term Loan Credit Facility matures on March 30, 2025 and requires scheduled quarterly principal payments on the last business day of the applicable quarter. Pursuant to the Second Incremental Amendment, the quarterly payments increased to \$2.75 million commencing with December 31, 2019 on the Class A Loans. Additionally, the Term Loan Credit Facility requires prepayments by Delek with the net cash proceeds from certain debt incurrences, asset dispositions and insurance or condemnation events with respect to Delek's assets, subject to certain exceptions, thresholds and reinvestment rights. The Term Loan Credit Facility also requires annual prepayments with a variable percentage of Delek's excess cash flow, ranging from 50.0% to 0% depending on Delek's consolidated fiscal year end secured net leverage ratio. The Third Incremental Term Loan requires quarterly payments on the Class B Loans of \$0.5 million commencing June 30, 2020.

Guarantee and Security

The obligations of the borrowers under the New Credit Facilities are guaranteed by Delek and each of its direct and indirect, existing and future, wholly-owned domestic subsidiaries, subject to customary exceptions and limitations, and excluding Delek Logistics Partners, LP, Delek Logistics GP, LLC, and each subsidiary of the foregoing (collectively, the "MLP Subsidiaries"). Borrowings under the New Credit Facilities are also guaranteed by DK Canada Energy ULC, a British Columbia unlimited liability company and a wholly-owned restricted subsidiary of Delek.

The Revolving Credit Facility is secured by a first priority lien over substantially all of Delek's and each guarantor's receivables, inventory, renewable identification numbers ("RINs"), instruments, intercompany loan receivables, deposit and securities accounts and related books and records and certain other personal property, subject to certain customary exceptions (the "Revolving Priority Collateral"), and a second priority lien over substantially all of Delek's and each guarantor's other assets, including all of the equity interests of any subsidiary held by

Delek or any guarantor (other than equity interests in certain MLP Subsidiaries) subject to certain customary exceptions, but excluding real property (such real property and equity interests, the "Term Priority Collateral").

The Term Loan Credit Facility is secured by a first priority lien on the Term Priority Collateral and a second priority lien on the Revolving Priority Collateral, all in accordance with an intercreditor agreement between the Term Administrative Agent and the Revolver Administrative Agent and acknowledged by Delek and the subsidiary guarantors. Certain excluded assets are not included in the Term Priority Collateral and the Revolving Priority Collateral.

Additional Information

At June 30, 2022, the borrowing rate for base rate loans under the Revolving Credit Facility was 5.00% and there was a nominal principal amount outstanding thereunder. Additionally, there were letters of credit issued of approximately \$363.9 million as of June 30, 2022 under the Revolving Credit Facility. Unused credit commitments under the Revolving Credit Facility, as of June 30, 2022, were approximately \$636.1 million.

At June 30, 2022, the weighted average borrowing rate under the Term Loan Credit Facility was approximately 4.42% comprised entirely of LIBOR borrowings, and the principal amount outstanding thereunder was \$1,253.5 million. As of June 30, 2022, the effective interest rate related to the Term Loan Credit Facility was 4.96%.

Delek Hapoalim Term Loan

On December 31, 2019, Delek entered into an unsecured term loan credit and guaranty agreement (the "BHI Agreement") with Bank Hapoalim B.M. ("BHI") as the administrative agent. Pursuant to the BHI Agreement, on December 31, 2019, Delek borrowed \$40.0 million (the "BHI Term Loan"). The interest rate under the BHI Agreement is equal to LIBOR plus a margin of 3.00%. The BHI Agreement has a current maturity of December 31, 2022 and requires quarterly loan amortization payments of \$0.1 million, commencing March 31, 2020. Proceeds may be used for general corporate purposes. On December 30, 2020 and June 28, 2021, we amended the BHI Agreement to modify one of the required quarterly financial covenant metrics; there were no other changes as a result of these amendments.

At June 30, 2022, the weighted average borrowing rate under the term loan was approximately 4.67% comprised entirely of a LIBOR borrowing and the principal amount outstanding thereunder was \$9.0 million. On July 30, 2021, January 31, 2022, and June 30, 2022, we elected to voluntarily prepay \$10.0 million each period in principal of the term loan. As of June 30, 2022, the effective interest rate related to the BHI Term Loan was 6.52%.

Delek Logistics Credit Facility

On September 28, 2018, Delek Logistics and all of its subsidiaries entered into a third amended and restated senior secured revolving credit agreement with Fifth Third Bank ("Fifth Third") as administrative agent and a syndicate of lenders (hereafter, the "Delek Logistics Credit Facility") with lender commitments of \$850.0 million. The Delek Logistics Credit Facility also contains an accordion feature whereby Delek Logistics can increase the size of the credit facility to an aggregate of \$1.0 billion, subject to receiving increased or new commitments from lenders and the satisfaction of certain other conditions precedent.

The obligations under the Delek Logistics Credit Facility remain secured by first priority liens on substantially all of Delek Logistics' tangible and intangible assets.

The Delek Logistics Credit Facility has a maturity date of September 28, 2023. Borrowings under the Delek Logistics Credit Facility bear interest at either a U.S. dollar prime rate, Canadian dollar prime rate, or recently amended term Secured Overnight Financing Rate ("Term SOFR"), or a CDOR rate, in each case plus applicable margins, at the election of the borrowers and as a function of draw down currency. The applicable margin in each case and the fee payable for the unused revolving commitments vary based upon Delek Logistics' most recent total leverage ratio calculation delivered to the lenders, as called for and defined under the terms of the Delek Logistics Credit Facility. At June 30, 2022, the weighted average borrowing rate was approximately 3.35%. Additionally, the Delek Logistics Credit Facility requires Delek Logistics to pay a leverage ratio dependent quarterly fee on the average unused revolving commitment. As of June 30, 2022, this fee was 0.30% on an annualized basis.

In August 2020, Delek Logistics entered into a First Amendment to the Delek Logistics Credit Facility which, among other things, permitted the transfer of cash and equity consideration for the elimination of incentive distribution rights held by Delek Logistics GP, LLC, the general partner. It also modified the total leverage ratio and the senior leverage ratio (each as defined in the Delek Logistics Credit Facility) calculations to reduce the total funded debt (as defined in the Delek Logistics Credit Facility) component thereof by the total amount of unrestricted consolidated cash and cash equivalents on the balance sheet of the Delek Logistics and its subsidiaries up to \$20.0 million.

On May 13, 2022, Delek Logistics entered into a Second Amendment to the Delek Logistics Credit Facility which, among other things, provided for the transition from a LIBOR benchmark to Term SOFR with credit spread adjustments for 1-month and 3-month Term SOFR loans and provided consent and flexibility related to the previously announced 3 Bear Acquisition with respect to certain covenants in the Delek Logistics Credit Facility.

On May 26, 2022, Delek Logistics entered into a Third Amendment to the Delek Logistics Credit Facility which, among other things,

provides for certain changes to the Delek Logistics Credit Facility in connection with the previously announced acquisition of 3 Bear in respect of pro forma calculations and certain other requirements under the Delek Logistics Credit Facility.

Further, on May 26, 2022, Delek Logistics entered into a Fourth Amendment (the "Fourth Amendment") to the Delek Logistics Credit Facility. Among other things, the Fourth Amendment: (i) increased the U.S. Revolving Credit Commitments (as defined in the Delek Logistics Credit Facility) by an amount equal to \$150.0 million, resulting in aggregate lender commitments under the Delek Logistics Credit Facility in an amount of \$1.0 billion, (ii) increased the U.S. L/C Sublimit (as defined in the Delek Logistics Credit Facility) to an aggregate amount equal to \$90.0 million and (iii) increased the U.S. Swing Line Sublimit (as defined in the Delek Logistics Credit Facility) to an aggregate amount equal to \$18.0 million.

As of June 30, 2022, Delek Logistics had \$880.9 million of outstanding borrowings under the Delek Logistics Credit Facility, with no letters of credit in place. Unused credit commitments under the Delek Logistics Credit Facility, as of June 30, 2022, were \$119.1 million.

Delek Logistics 2025 Notes

On May 23, 2017, Delek Logistics and its wholly owned subsidiary Delek Logistics Finance Corp. ("Finance Corp." and together with Delek Logistics, the "Issuers") issued \$250.0 million in aggregate principal amount of 6.75% senior notes due 2025 (the "Delek Logistics 2025 Notes") at a discount. The Delek Logistics 2025 Notes are general unsecured senior obligations of the Issuers. The Delek Logistics 2025 Notes are unconditionally guaranteed jointly and severally on a senior unsecured basis by Delek Logistics' existing subsidiaries (other than Finance Corp.) and will be unconditionally guaranteed on the same basis by certain of Delek Logistics' future subsidiaries. The Delek Logistics 2025 Notes rank equal in right of payment with all existing and future senior indebtedness of the Issuers, and senior in right of payment to any future subordinated indebtedness of the Issuers. Interest on the Delek Logistics 2025 Notes is payable semi-annually in arrears on each May 15 and November 15.

In May 2018, the Delek Logistics 2025 Notes were exchanged for new notes with terms substantially identical in all material respects with the Delek Logistic 2025 Notes except the new notes do not contain terms with respect to transfer restrictions.

All or part of the Delek Logistics 2025 Notes are currently redeemable, subject to certain conditions and limitations, at a redemption price of 101.688% of the redeemed principal for the twelve-month period beginning on May 15, 2022, and 100.00% beginning on May 15, 2023 and thereafter, plus accrued and unpaid interest, if any.

In the event of a change of control, accompanied or followed by a ratings downgrade within a certain period of time, subject to certain conditions and limitations, the Issuers will be obligated to make an offer for the purchase of the Delek Logistics 2025 Notes from holders at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest.

As of June 30, 2022, we had \$250.0 million in outstanding principal amount under the Delek Logistics 2025 Notes, and the effective interest rate was 7.19%.

Delek Logistics 2028 Notes

On May 24, 2021, Delek Logistics and Finance Corp. (collectively, the "Co-issuers"), issued \$400.0 million in aggregate principal amount of the Co-issuers 7.125% Senior Notes due 2028 (the "Delek Logistics 2028 Notes"), at par, pursuant to an indenture with U.S. Bank, National Association as trustee. The Delek Logistics 2028 Notes are general unsecured senior obligations of the Co-issuers and are unconditionally guaranteed jointly and severally on a senior unsecured basis by Delek Logistics' subsidiaries other than Finance Corp. and will be unconditionally guaranteed on the same basis by certain of Delek Logistics' future subsidiaries. The Delek Logistics 2028 Notes rank equal in right of payment with all existing and future senior indebtedness of the Co-issuers, and senior in right of payment to any future subordinated indebtedness of the Co-issuers. The Delek Logistics 2028 Notes will mature on June 1, 2028, and interest is payable semi-annually in arrears on each June 1 and December 1, commencing December 1, 2021.

At any time prior to June 1, 2024, the Co-issuers may redeem up to 35% of the aggregate principal amount of the Delek Logistics 2028 Notes with the net cash proceeds of one or more equity offerings by Delek Logistics at a redemption price of 107.125% of the redeemed principal amount, plus accrued and unpaid interest, if any, subject to certain conditions and limitations. Prior to June 1, 2024, the Co-issuers may also redeem all or part of the Delek Logistics 2028 Notes at a redemption price of the principal amount plus accrued and unpaid interest, if any, plus a "make whole" premium, subject to certain conditions and limitations. In addition, beginning on June 1, 2024, the Co-issuers may, subject to certain conditions and limitations, redeem all or part of the Delek Logistics 2028 Notes, at a redemption price of 103.563% of the redeemed principal for the twelve-month period beginning on June 1, 2024, 101.781% for the twelve-month period beginning on June 1, 2025, and 100.00% beginning on June 1, 2026 and thereafter, plus accrued and unpaid interest, if any.

In the event of a change of control, accompanied or followed by a ratings downgrade within a certain period of time, subject to certain conditions and limitations, the Co-issuers will be obligated to make an offer for the purchase of the Delek Logistics 2028 Notes from holders at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest.

As of June 30, 2022, we had \$400.0 million in outstanding principal amount under the Delek Logistics 2028 Notes, and the effective interest rate was 7.40%.

Reliant Bank Revolver

Delek has an unsecured revolving credit agreement with Reliant Bank (the "Reliant Bank Revolver") with a maximum borrowing commitment of \$50.0 million. On June 30, 2022, among other things, we amended the Reliant Bank Revolver to extend the maturity date to June 30, 2023 and change the fixed interest rate of 4.50% per annum to a variable rate loan equal to the Wall Street Journal Prime Rate plus 0.75% effective July 1, 2022. The revolving credit agreement requires us to pay a quarterly fee of 0.50% on an annualized basis on the average unused revolving commitment. As of June 30, 2022, we had \$50.0 million outstanding and had no unused credit commitments under the Reliant Bank Revolver.

Restrictive Covenants

Under the terms of our Revolving Credit Facility, Term Loan Credit Facility, Delek Logistics Credit Facility, Delek Logistics 2025 Notes, Delek Logistics 2028 Notes, Reliant Bank Revolver and BHI Agreement, we are required to comply with certain usual and customary financial and non-financial covenants. The terms and conditions of the Revolving Credit Facility include periodic compliance with a springing minimum fixed charge coverage ratio financial covenant if excess availability under the revolver borrowing base is below certain thresholds, as defined in the credit agreement. The Term Loan Credit Facility does not have any financial maintenance covenants. We believe we were in compliance with all covenant requirements under each of our credit facilities as of June 30, 2022.

Certain of our debt facilities contain limitations on the incurrence of additional indebtedness, making of investments, creation of liens, dispositions and acquisitions of assets, and making of restricted payments and transactions with affiliates. These covenants may also limit the payment, in the form of cash or other assets, of dividends or other distributions, or the repurchase of shares with respect to our equity. Additionally, some of our debt facilities limit our ability to make investments, including extensions of loans or advances to, or acquisitions of equity interests in, or guarantees of obligations of, certain other entities.

Note 10 - Derivative Instruments

We use the majority of our derivatives to reduce normal operating and market risks with the primary objective of reducing the impact of market price volatility on our results of operations. As such, our use of derivative contracts is aimed at:

- limiting our exposure to commodity price fluctuations on inventory above or below target levels (where appropriate) within each of our segments;
- managing our exposure to commodity price risk associated with the purchase or sale of crude oil, feedstocks/intermediates and finished grade fuel within each of our segments;
- managing our exposure to market crack spread fluctuations;
- managing the cost of our credits required by the U.S. Environmental Protection Agency ("EPA") to blend biofuels into fuel products ("RINs Obligation") using future commitments to purchase or sell RINs at fixed prices and quantities; and
- limiting the exposure to interest rate fluctuations on our floating rate borrowings.

We primarily utilize commodity swaps, futures, forward contracts and options contracts, generally with maturity dates of three years or less, and from time to time interest rate swaps or caps to achieve these objectives. Futures contracts are standardized agreements, traded on a futures exchange, to buy or sell a commodity at a predetermined price and location at a specified future date. Options provide the right, but not the obligation to buy or sell the commodity at a specified price in the future. Commodity swaps and futures contracts require cash settlement for the commodity based on the difference between a fixed or floating price and the market price on the settlement date, and options require payment/receipt of an upfront premium. Because these derivatives are entered into to achieve objectives specifically related to our inventory and production risks, such gains and losses (to the extent not designated as accounting hedges and recognized on an unrealized basis in other comprehensive income) are recognized in cost of materials and other.

Forward contracts are agreements to buy or sell a commodity at a predetermined price at a specified future date, and for our transactions, generally require physical delivery. Forward contracts where the underlying commodity will be used or sold in the normal course of business qualify as normal purchases and normal sales ("NPNS") pursuant to ASC 815. If we elect the NPNS exception, such forward contracts are not accounted for as derivative instruments but rather are accounted for under other applicable GAAP. Commodity forward contracts accounted for as derivative instruments are recorded at fair value with changes in fair value recognized in earnings in the period of change. Our Canadian crude trading operations are accounted for as derivative instruments, and the related unrealized and realized gains and losses are recognized in other operating income, net on the condensed consolidated statements of income. Additionally, as of and for the three and six months ended June 30, 2022, other forward contracts accounted for as derivatives that are specific to managing crude costs rather than for trading purposes are recognized in cost of materials and other on the accompanying condensed consolidated statements of income in our refining segment, and are included in our disclosures of commodity derivatives in the tables below.

Futures, swaps or other commodity related derivative instruments that are utilized to specifically provide economic hedges on our Canadian forward contract or investment positions are recognized in other operating income, net because that is where the related underlying transactions are reflected.

From time to time, we also enter into future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage the costs associated with our RINs Obligation. These future RINs commitment contracts meet the definition of derivative instruments under ASC 815, and are recorded at estimated fair value in accordance with the provisions of ASC 815. Changes in the fair value of these future RINs commitment contracts are recorded in cost of materials and other on the condensed consolidated statements of income.

As of June 30, 2022, we do not believe there is any material credit risk with respect to the counterparties to any of our derivative contracts.

In accordance with ASC 815, certain of our commodity swap contracts have been designated as cash flow hedges and the change in fair value between the execution date and the end of period has been recorded in other comprehensive income. The fair value of these contracts is recognized in income in the same financial statement line item as hedged transaction at the time the positions are closed and the hedged transactions are recognized in income.

The following table presents the fair value of our derivative instruments as of June 30, 2022 and December 31, 2021. The fair value amounts below are presented on a gross basis and do not reflect the netting of asset and liability positions permitted under our master netting arrangements, including cash collateral on deposit with our counterparties. We have elected to offset the recognized fair value amounts for multiple derivative instruments executed with the same counterparty in our financial statements. As a result, the asset and liability amounts below differ from the amounts presented in our condensed consolidated balance sheets. See Note 11 for further information regarding the fair value of derivative instruments (in millions).

Derivative Type	Balance Sheet Location	June 30, 2022		December 31, 2021	
		Assets	Liabilities	Assets	Liabilities
Derivatives not designated as hedging instruments:					
Commodity derivatives ⁽¹⁾	Other current assets	\$ 113.0	\$ (103.2)	\$ 21.5	\$ —
Commodity derivatives ⁽¹⁾	Other current liabilities	—	(8.6)	101.5	(102.3)
Commodity derivatives ⁽¹⁾	Other long-term assets	0.4	—	—	—
Commodity derivatives ⁽¹⁾	Other long-term liabilities	—	—	6.1	(6.1)
RIN commitment contracts ⁽²⁾	Other current assets	16.8	—	1.6	—
RIN commitment contracts ⁽²⁾	Other current liabilities	—	(13.0)	—	(0.7)
Total gross fair value of derivatives		\$ 130.2	\$ (124.8)	\$ 130.7	\$ (109.1)
Less: Counterparty netting and cash collateral ⁽³⁾		(36.9)	103.2	107.1	(82.4)
Total net fair value of derivatives		\$ 167.1	\$ (228.0)	\$ 23.6	\$ (26.7)

⁽¹⁾ As of June 30, 2022 and December 31, 2021, we had open derivative positions representing 112,028,194 and 182,525,893 barrels, respectively, of crude oil and refined petroleum products. There were no open positions designated as cash flow hedging instruments as of June 30, 2022 and December 31, 2021. Additionally, as of December 31, 2021, we had open derivative positions representing and 1,320,000 MMBTU of natural gas products.

⁽²⁾ As of June 30, 2022 and December 31, 2021, we had open RINs commitment contracts representing 117,750,000 and 16,325,000 RINs, respectively.

⁽³⁾ As of June 30, 2022 and December 31, 2021, \$66.3 million and \$(24.7) million, respectively, of cash collateral (obligation) held by counterparties has been netted with the derivatives with each counterparty.

Total gains (losses) on our non-trading commodity derivatives and RINs commitment contracts recorded in the condensed consolidated statements of income are as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Losses) gains on hedging derivatives not designated as hedging instruments recognized in cost of materials and other ⁽¹⁾	\$ (34.4)	\$ 22.2	\$ (105.8)	\$ 79.6
(Losses) gains on non-trading physical forward contract commodity derivatives in cost of materials and other	8.2	(4.4)	4.8	(5.5)
(Losses) gains on hedging derivatives not designated as hedging instruments recognized in operating expenses	(1.7)	—	(1.7)	—
Realized gains reclassified out of accumulated other comprehensive income and into cost of materials and other on commodity derivatives designated as cash flow hedging instruments	—	—	—	0.2
Total (losses) gains	\$ (27.9)	\$ 17.8	\$ (102.7)	\$ 74.3

⁽¹⁾ Gains (losses) on commodity derivatives that are economic hedges but not designated as hedging instruments include unrealized gains (losses) of \$66.1 million and \$(4.6) million for the three and six months ended June 30, 2022, respectively, and \$(21.2) million and \$(9.4) million for the three and six months ended June 30, 2021, respectively.

The effect of cash flow hedge accounting on the condensed consolidated statements of income is as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Gain (loss) on cash flow hedging relationships recognized in cost of materials and other:				
Commodity contracts:				
Hedged items	\$ —	\$ —	\$ —	\$ (0.2)
Derivative designated as hedging instruments	—	—	—	0.2
Total	\$ —	\$ —	\$ —	\$ —

For cash flow hedges, no component of the derivative instruments' gains or losses was excluded from the assessment of hedge effectiveness for the three and six months ended June 30, 2022 or 2021. There were no gains (losses), net of tax, on settled commodity contracts during the three and six months ended June 30, 2022 and \$0.2 million during the six months ended June 30, 2021, respectively, which were reclassified into cost of materials and other in the condensed consolidated statements of income. As of June 30, 2022, we estimate that no amount of deferred gains related to commodity cash flow hedges will be reclassified into cost of materials and other over the next 12 months as a result of hedged transactions that are forecasted to occur.

Total (losses) gains on our trading derivatives (none of which were designated as hedging instruments) recorded in other operating income, net on the condensed consolidated statements of income are as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Trading Physical Forward Contract Commodity Derivatives				
Realized gains (losses)	\$ 2.9	\$ 2.5	\$ 20.9	\$ 2.1
Unrealized losses	0.1	0.8	(0.3)	0.4
Total	\$ 3.0	\$ 3.3	\$ 20.6	\$ 2.5
Trading Hedging Commodity Derivatives				
Realized gains (losses)	\$ (3.0)	\$ (4.6)	\$ 11.9	\$ (5.0)
Unrealized gains (losses)	0.6	0.1	(16.5)	(0.5)
Total	\$ (2.4)	\$ (4.5)	\$ (4.6)	\$ (5.5)

Note 11 - Fair Value Measurements

Our assets and liabilities that are measured at fair value include commodity derivatives, investment commodities, environmental credits obligations and Supply and Offtake Agreements. Delek applies the provisions of ASC 820, *Fair Value Measurements* ("ASC 820"), which defines fair value, establishes a framework for its measurement and expands disclosures about fair value measurements. ASC 820 requires disclosures that categorize assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly through market-corroborated inputs. Level 3 inputs are unobservable inputs for the asset or liability reflecting our assumptions about pricing by market participants.

Our commodity derivative contracts, which consist of commodity swaps, exchange-traded futures, options and physical commodity forward purchase and sale contracts (that do not qualify for the NPNS exception under ASC 815), are valued based on exchange pricing and/or price index developers such as Platts or Argus and are, therefore, classified as Level 2.

Our RINs commitment contracts are future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage the costs associated with our Consolidated Net RINs Obligation (as defined in our accounting policies in Note 2 to the audited consolidated financial statements included in Item 8 Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K). These RINs commitment contracts (which are forward contracts accounted for as derivatives – see Note 10) are categorized as Level 2, and are measured at fair value based on quoted prices from an independent pricing service.

Our environmental credits obligation surplus or deficit includes the Consolidated Net RINs Obligation surplus or deficit, as well as other environmental credit obligation surplus or deficit positions subject to fair value accounting pursuant to our accounting policy). The environmental credits obligation surplus or deficit is categorized as Level 2, if measured at fair value either directly through observable

inputs or indirectly through market-corroborated inputs, and gains (losses) related to changes in fair value are recorded as a component of cost of materials and other in the consolidated statements of income. With respect to our Consolidated Net RINs Obligation surplus or deficit, we recognized gains (losses) on changes in fair value totaling \$(39.8) million and \$(41.0) million for three and six months ended June 30, 2022, respectively, and \$(49.8) million and \$(104.9) million for three and six months ended June 30, 2021, respectively, primarily attributable to changes in the market prices of the underlying credits that occurred at the end of each quarter including changes in volume requirements related to the 2020, 2021 and 2022 RINs Obligation to reflect the June 2022 EPA finalized volume requirements.

As of and for the six months ended June 30, 2022 and 2021, we elected to account for our J. Aron step-out liability at fair value in accordance with ASC 825, as it pertains to the fair value option. This standard permits the election to carry financial instruments and certain other items similar to financial instruments at fair value on the balance sheet, with all changes in fair value reported in earnings. With respect to the amended and restated Supply and Offtake Agreements, such amendments being effective April 2020 for all the agreements, we apply fair value measurement as follows: (1) we determine fair value for our amended variable step-out liability based on changes in fair value related to market volatility based on a floating commodity-index price, and for our amended fixed step-out liability based on changes to interest rates and the timing and amount of expected future cash settlements where such obligation is categorized as Level 2 Gains (losses) related to changes in fair value due to commodity-index price are recorded as a component of cost of materials and other, and changes in fair value due to interest rate risk are recorded as a component of interest expense in the condensed consolidated statements of income; and (2) we determine fair value of the commodity-indexed revolving over/short inventory financing liability based on the market prices for the consigned crude oil and refined products collateralizing the financing/funding where such obligation is categorized as Level 2 and is presented in the current portion of the Obligation under Supply and Offtake Agreements on our condensed consolidated balance sheets. Gains (losses) related to the change in fair value are recorded as a component of cost of materials and other in the condensed consolidated statements of income.

For all other financial instruments, the fair value approximates the historical or amortized cost basis comprising our carrying value and therefore are not included in the table below. The fair value hierarchy for our financial assets and liabilities accounted for at fair value on a recurring basis was as follows (in millions):

June 30, 2022				
	Level 1	Level 2	Level 3	Total
Assets				
Commodity derivatives	\$ —	\$ 113.4	\$ —	\$ 113.4
Commodity investments	16.1	—	—	16.1
RINs commitment contracts	—	16.8	—	16.8
Total assets	16.1	130.2	—	146.3
Liabilities				
Commodity derivatives	—	(111.8)	—	(111.8)
RINs commitment contracts	—	(13.0)	—	(13.0)
Environmental credits obligation deficit	—	(203.9)	—	(203.9)
J. Aron supply and offtake obligations	—	(770.5)	—	(770.5)
Total liabilities	—	(1,099.2)	—	(1,099.2)
Net liabilities	\$ 16.1	\$ (969.0)	\$ —	\$ (952.9)

December 31, 2021				
	Level 1	Level 2	Level 3	Total
Assets				
Commodity derivatives	\$ —	\$ 129.1	\$ —	\$ 129.1
RINs commitment contracts	—	1.6	—	1.6
Total assets	—	130.7	—	130.7
Liabilities				
Commodity derivatives	—	(108.4)	—	(108.4)
RINs commitment contracts	—	(0.7)	—	(0.7)
Environmental credits obligation deficit	—	(172.2)	—	(172.2)
J. Aron supply and offtake obligations	—	(487.5)	—	(487.5)
Total liabilities	—	(768.8)	—	(768.8)
Net liabilities	\$ —	\$ (638.1)	\$ —	\$ (638.1)

The derivative values above are based on analysis of each contract as the fundamental unit of account as required by ASC 820. In the table above, derivative assets and liabilities with the same counterparty are not netted where the legal right of offset exists. This differs from the presentation in the financial statements which reflects our policy, wherein we have elected to offset the fair value amounts

recognized for multiple derivative instruments executed with the same counterparty and where the legal right of offset exists. As of June 30, 2022 and December 31, 2021, \$66.3 million and \$(24.7) million, respectively, of cash collateral (obligation) was held by counterparty brokerage firms and has been netted with the net derivative positions with each counterparty. See Note 10 for further information regarding derivative instruments.

Non-Recurring Fair Value Measurements

The 3 Bear Acquisition was accounted for as a business combination using the acquisition method of accounting, with the assets acquired and liabilities assumed at their respective acquisition date fair values at the closing date. The fair value measurements were based on a combination of valuation methods including discounted cash flows, the market approach and obsolescence adjusted replacement costs, all of which are Level 3 inputs.

Note 12 - Commitments and Contingencies

Litigation

In the ordinary conduct of our business, we are from time to time subject to lawsuits, investigations and claims, including environmental claims and employee-related matters. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, including civil penalties or other enforcement actions, we do not believe that any currently pending legal proceeding or proceedings to which we are a party will have a material adverse effect on our financial statements. Certain environmental matters that have or may result in penalties or assessments are discussed below in the "Environmental, Health and Safety" section of this note.

One of our Alon subsidiaries was the defendant in a legal action related to an easement dispute arising from a purchase of property that occurred in October 2013. In June 2019, the court found in favor of the plaintiffs and assessed damages against such subsidiary, which were reduced in the fourth quarter of 2019 to \$6.4 million. Such amount is included as of June 30, 2022 and December 31, 2021 in accrued expenses and other current liabilities on the accompanying condensed consolidated balance sheet. The matter was appealed and has been remanded to the district court regarding jurisdictional issues.

On June 19, 2017, the Arkansas Teacher Retirement System filed a lawsuit in the Delaware Court of Chancery (Arkansas Teacher Retirement System v. Alon USA Energy, Inc., et al., Case No. 2017-0453), asserting claims for breach of fiduciary duty in connection with the business combination of Delek US Holdings, Inc. and Alon USA Energy, Inc. Following a mediation, the parties to the litigation agreed to a settlement and release of all claims of the plaintiff class in exchange for the defendants' agreement to pay \$44.8 million into a settlement fund, of which our insurance carriers agreed to fund approximately \$42.5 million under the applicable insurance policies and pursuant to varying limits and limitations. The settlement, in which the Company and other defendants expressly deny all assertions of wrongdoing or fault, was approved by the Court on October 29, 2021. In addition to the \$2.3 million of the settlement that was not covered by insurance, we accrued \$4.2 million of estimated unpaid and remaining legal fees. As of June 30, 2022 the remaining unpaid balance is \$0.2 million, and is included in accrued expenses and other current liabilities on the accompanying condensed consolidated balance sheet.

Self-insurance

With respect to workers' compensation claims, we are subject to claims losses up to a \$4.0 million deductible on a per accident basis, general liability claims up to \$4.0 million on a per occurrence basis and medical claims for eligible full-time employees up to \$0.3 million per covered individual per calendar year. We are also subject to auto liability claims losses up to a \$4.0 million deductible on a per accident basis.

We have umbrella liability insurance available to each of our segments in an amount determined reasonable by management.

Environmental, Health and Safety

We are subject to extensive federal, state and local environmental and safety laws and regulations enforced by various agencies, including the EPA, the United States Department of Transportation, the Occupational Safety and Health Administration, as well as numerous state, regional and local environmental, safety and pipeline agencies. These laws and regulations govern the discharge of materials into the environment, waste management practices, pollution prevention measures and the composition of the fuels we produce, as well as the safe operation of our plants and pipelines and the safety of our workers and the public. Numerous permits or other authorizations are required under these laws and regulations for the operation of our refineries, renewable fuels facilities, terminals, pipelines, underground storage tanks, trucks, rail cars and related operations, and may be subject to revocation, modification and renewal.

These laws and permits raise potential exposure to future claims and lawsuits involving environmental and safety matters which could include soil and water contamination, air pollution, personal injury and property damage allegedly caused by substances which we manufactured, handled, used, released or disposed of, transported, or that relate to pre-existing conditions for which we have assumed responsibility. We believe that our current operations are in substantial compliance with existing environmental and safety requirements.

However, there have been and will continue to be ongoing discussions about environmental and safety matters between us and federal and state authorities, including notices of violations, citations and other enforcement actions, some of which have resulted or may result in changes to operating procedures and in capital expenditures. While it is often difficult to quantify future environmental or safety related expenditures, we anticipate that continuing capital investments and changes in operating procedures will be required for the foreseeable future to comply with existing and new requirements, as well as evolving interpretations and more strict enforcement of existing laws and regulations.

As of June 30, 2022, we have recorded an environmental liability of approximately \$115.4 million, primarily related to the estimated probable costs of remediating or otherwise addressing certain environmental issues of a non-capital nature at our refineries, as well as terminals, some of which we no longer own. This liability includes estimated costs for ongoing investigation and remediation efforts for known contamination of soil and groundwater. Approximately \$2.7 million of the total liability is expected to be expended over the next 12 months, with most of the balance expended by 2032, although some costs may extend up to 30 years. In the future, we could be required to extend the expected remediation period or undertake additional investigations of our refineries, pipelines and terminal facilities, which could result in the recognition of additional remediation liabilities.

Included in our environmental liabilities as of both June 30, 2022 and December 31, 2021 is a liability totaling \$78.5 million related to a property that we historically operated as an asphalt and marine fuel terminal both as an owner and, subsequently, as a lessee under an in-substance lease agreement (the "License Agreement"). The License Agreement, which provided us the license to continue operating our asphalt and marine fuel terminal operations on the property for a term of ten years and expired in June 2020, also ascribed a contractual noncontingent indemnification guarantee to certain of our wholly-owned subsidiaries related to certain incremental environmental remediation activities, predicated on the completion of certain property development activities ascribed to the lessor. Our combined liability, comprised of our environmental liability plus the estimated fair value of the noncontingent guarantee liability, was recorded when Delek acquired the outstanding common stock of Alon, effective July 1, 2017 ("Delek/Alon Merger"). While the License Agreement expired in June 2020, it is currently being disputed in litigation where we have determined that no loss accrual is necessary and that the amount of incremental loss that is reasonably possible is immaterial as of June 30, 2022. Such ongoing dispute causes sufficient uncertainty around the release of risk and the appropriate joint and several liability allocations thereunder that we cannot currently determine a more reasonable estimate of the potential total contingent liability that is probable, nor do we have sufficient information to better estimate the fair value of any remaining noncontingent guarantee liability. As such, as of June 30, 2022 and December 31, 2021, except for accretion and expenditures, our combined environmental liability related to the terminal and property remained unchanged.

We are also subject to various regulatory requirements related to carbon emissions and the compliance requirements to remit environmental credit obligations due to the EPA or other regulatory agencies, the most significant of which relates to the RINs Obligation subject to the EPA's RFS-2 regulations (as defined in our accounting policies in Note 2 to the audited consolidated financial statements included in Item. 8 Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K). The RFS-2 regulations are highly complex and evolving, requiring us to periodically update our compliance systems. As part of our on-going monitoring and compliance efforts, on an annual basis we engage a third party to perform procedures to review our RINs inventory, processes and compliance. The results of such procedures may include procedural findings but may also include findings regarding the usage of RINs to meet past obligations, the treatment of exported RINs, and the propriety of RINs on-hand and related adjustments to our RINs inventory, which (to the extent they are valued) offset our RINs Obligation. Such adjustments may also require communication with the EPA if they involve reportable non-compliance which could lead to the assessment of penalties. Based on management's review which was completed during the second quarter 2021, we recorded a RINs inventory true-up adjustment totaling \$(12.3) million which increased our recorded RINs Obligation. We have also self-reported our related instances of non-compliance to the EPA, and while we cannot yet estimate the extent of penalties that may be assessed, it is not expected to be material in relation to our total RINs Obligation.

In June 2022, the EPA finalized volumes for compliance years 2020, 2021 and 2022 under the RFS program (as defined in our accounting policies in Note 2 to the audited consolidated financial statements included in Item. 8 Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K), announced supplemental volume obligations for compliance years 2022 and 2023 and established new provisions of the RFS which addressed bio-intermediates. Additionally, the EPA denied the petitions for small refinery exemptions for prior period compliance years.

Other Losses and Contingencies

Delek maintains property damage insurance policies which have varying deductibles. Delek also maintains business interruption insurance policies, with varying coverage limits and waiting periods. Covered losses in excess of the deductible and outside of the waiting period will be recoverable under the property and business interruption insurance policies.

El Dorado Refinery Fire

On February 27, 2021, our El Dorado refinery experienced a fire in its Penex unit. Contrary to initial assessments, and despite occurring during the early stages of turnaround activity, the facility did suffer operational disruptions as a result of the fire. During the six months ended June 30, 2021, we incurred workers' compensation losses of \$3.8 million associated with the fire, which is included in operating expenses in the accompanying condensed consolidated statements of income. Additionally, we recognized accelerated depreciation of

\$1.0 million in the six months ended June 30, 2021 due to property damaged in the fire, which was recovered during 2021. No expense was recorded related to the El Dorado refinery fire during the three and six months ended June 30, 2022. We continue to incur repair costs that may be recoverable under property and casualty insurance policies. In addition, during the three and six months ended June 30, 2022, we recognized a gain of \$3.3 million and \$7.6 million, respectively, related to business interruption claims. Such gain is included in other operating income in the consolidated statements of income. If applicable, we accrue receivables for probable insurance or other third-party recoveries. Work to determine the full extent of covered business interruption and property and casualty losses and potential insurance claims is ongoing and may result in the future recognition of insurance recoveries.

Winter Storm Uri

During February 2021, the Company experienced a severe weather event ("Winter Storm Uri") which temporarily impacted operations at all of our refineries. Due to the extreme freezing conditions, we experienced reduced throughputs at our refineries as there was a disruption in the crude supply, as well as damages to various units at our refineries requiring additional operating and capital expenditures. We recognized additional operating expenses in the amount of \$6.1 million and \$15.9 million in the three and six months ended June 30, 2021 due to property damaged in the freeze, which was recovered during 2021. No expense was recorded related to the Winter Storm Uri during the three and six months ended June 30, 2022. An additional \$0.1 million was recognized as a gain in excess of losses during the six months ended June 30, 2022. We continue to incur repair costs that may be recoverable under property and casualty insurance policies. In addition, during the three and six months ended June 30, 2022, we recognized a gain of \$5.3 million and \$11.0 million, respectively, related to business interruption claims. If applicable, we accrue receivables for probable insurance or other third-party recoveries. Work to determine the full extent of covered business interruption and property and casualty losses and potential insurance claims is ongoing and is expected to result in additional future recognition of insurance recoveries.

Crude Oil and Other Releases

We have experienced several crude oil and other releases involving our assets. There were no material releases that occurred during the six months ended June 30, 2022. For other releases that occurred in prior years, we have received regulatory closure or a majority of the cleanup and remediation efforts are substantially complete. We expect regulatory closure in 2022 for the release sites that have not yet received it and do not anticipate material costs associated with any fines or penalties or to complete activities that may be needed to achieve regulatory closure. Expenses incurred for the remediation of these crude oil and other releases are included in operating expenses in our condensed consolidated statements of income.

Letters of Credit

As of June 30, 2022, we had in place letters of credit totaling approximately \$363.9 million with various financial institutions securing obligations primarily with respect to our commodity transactions for the refining segment and certain of our insurance programs. There were no amounts drawn by beneficiaries of these letters of credit at June 30, 2022.

Note 13 - Income Taxes

Under ASC 740 we used an estimated annual tax rate to record income taxes for the three and six months ended June 30, 2022 and June 30, 2021. Our effective tax rate was 21.4% and 21.3% for the three and six months ended June 30, 2022, respectively, and 42.3% and 28.2% for the three and six months ended June 30, 2021, respectively. The difference between the effective tax rate and the statutory rate is generally attributable to permanent differences and discrete items. The change in our effective tax rate for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021 was primarily due to the impact of credits and permanent differences on the tax rate due to changes in pre-tax income and changes in the second quarter estimated annual effective tax rate applied to year-to-date loss for the six months ended June 30, 2021.

Note 14 - Related Party Transactions

Our related party transactions consist primarily of transactions with our equity method investees (See Note 6). Transactions with our related parties were as follows for the periods presented (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues ⁽¹⁾	\$ 27.2	\$ 19.2	\$ 43.9	\$ 29.6
Cost of materials and other ⁽²⁾	\$ 23.7	\$ 9.9	\$ 47.1	\$ 25.0

⁽¹⁾ Consists primarily of asphalt sales which are recorded in corporate, other and eliminations segment.

⁽²⁾ Consists primarily of pipeline throughput fees paid by the refining segment and asphalt purchases.

Note 15 - Other Current Assets and Liabilities

The detail of other current assets is as follows (in millions):

Other Current Assets	June 30, 2022	December 31, 2021
Short-term derivative assets (see Note 10)	\$ 92.9	\$ 23.6
Prepaid expenses	62.0	44.9
Investment commodities	16.1	45.0
Income and other tax receivables	1.6	3.6
Other	14.9	8.9
Total	\$ 187.5	\$ 126.0

The detail of accrued expenses and other current liabilities is as follows (in millions):

Accrued Expenses and Other Current Liabilities	June 30, 2022	December 31, 2021
Product financing agreements	\$ 258.5	\$ 249.6
Consolidated Net RINs Obligation deficit (see Note 11)	203.9	172.2
Income and other taxes payable	151.8	124.8
Crude purchase liabilities	101.7	107.4
Employee costs	96.9	44.4
Short-term derivative liabilities (see Note 10)	21.6	26.8
Deferred revenue	8.0	44.6
Other	43.2	28.0
Total	\$ 885.6	\$ 797.8

Note 16 - Equity-Based Compensation**Delek US Holdings, Inc. 2006 and 2016 and Alon USA Energy, Inc. 2005 Long-Term Incentive Plans (collectively, the "Incentive Plans")**

On May 3, 2022, the Company's stockholders approved an amendment to the Delek US Holdings, Inc. 2016 Long-Term Incentive Plan that increased the number of shares of common stock available for issuance under this plan by 760,000 shares to 14,995,000 shares; no awards will be made under this plan after May 5, 2026. Compensation expense related to equity-based awards granted under the Incentive Plans amounted to \$6.7 million and \$11.8 million for the three and six months ended June 30, 2022, respectively, and \$5.7 million and \$10.1 million for the three and six months ended June 30, 2021, respectively. These amounts are included in general and administrative expenses and operating expenses in the accompanying condensed consolidated statements of income. As of June 30, 2022, there was \$55.0 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements, which is expected to be recognized over a weighted-average period of 1.6 years.

We issued net shares of common stock of 289,971 and 335,771 as a result of exercised or vested equity-based awards during the three and six months ended June 30, 2022, respectively, and 186,937 and 280,793 for the three and six months ended June 30, 2021, respectively. These amounts are net of 250,334 and 268,163 shares withheld to satisfy employee tax obligations related to the exercises and vesting during the three and six months ended June 30, 2022, respectively, and 88,478 and 147,329 shares during the three and six months ended June 30, 2021, respectively.

Delek Logistics GP, LLC 2012 Long-Term Incentive Plan

The Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (the "LTIP") was adopted by the Delek Logistics GP, LLC board of directors in connection with the completion of Delek Logistics' initial public offering in November 2012. The LTIP is administered by the Conflicts Committee of the board of directors of Delek Logistics' general partner. The LTIP has 912,207 common units representing limited partner interests in Delek Logistics authorized for issuance and expires June 9, 2031.

Delek US Holdings, Inc. Employee Stock Purchase Plan

On June 2, 2021, the Company's board of directors adopted the Delek US Holdings, Inc. Employee Stock Purchase Plan (the "ESPP"). The ESPP is structured as a qualified employee stock purchase plan under Section 423 of the U.S. Internal Revenue Code of 1986. The Company authorized the issuance of 2,000,000 shares of common stock under the ESPP. On each purchase date, eligible employees (as defined in the ESPP) can purchase the Company's stock at a price per share equal to 90.0% of the closing price of the Company's common stock on the exercise date, but no less than par value. There are four offering periods of three months during each fiscal year, beginning each January 1st, April 1st, July 1st, and October 1st. No shares of common stock were issued under the ESPP as of June 30, 2022. Implementation of the plan became effective June 1, 2022.

Note 17 - Shareholders' Equity**Dividends**

On June 21, 2022, Delek announced that its Board of Directors declared a special cash dividend on its common stock of \$0.20 per share payable to all shareholders of record of the Company's common stock as of the close of business on July 12, 2022. The payment date for the special dividend was July 20, 2022.

On August 1, 2022, our Board of Directors voted to declare a quarterly cash dividend of \$0.20 per share of our common stock, payable on September 6, 2022 to shareholders of record on August 22, 2022.

Stock Repurchase Program

On November 6, 2018, our Board of Directors authorized a share repurchase program for up to \$500.0 million of Delek common stock. Any share repurchases under the repurchase program may be implemented through open market transactions or in privately negotiated transactions, in accordance with applicable securities laws. The timing, price and size of repurchases are made at the discretion of management and will depend on prevailing market prices, general economic and market conditions and other considerations. In the second quarter of 2020, we elected to suspend the share repurchase program. No repurchases of our common stock were made in the three and six months ended June 30, 2022 or 2021. As of June 30, 2022, there was \$229.7 million of authorization remaining under Delek's aggregate stock repurchase program.

On August 1, 2022, the Board of Directors approved an approximately \$170.0 million increase in its share repurchase authorization, bringing the total amount available for repurchases under current authorizations to \$400.0 million.

Stock Purchase and Cooperation Agreement

On March 7, 2022, Delek entered into a stock purchase and cooperation agreement (the "Icahn Group Agreement") with IEP Energy Holding LLC, a Delaware limited liability company, American Entertainment Properties Corp., a Delaware corporation, Icahn Enterprises Holdings L.P., a Delaware limited partnership, Icahn Enterprises G.P. Inc., a Delaware corporation, Becton Corp., a Delaware corporation, and Carl C. Icahn (collectively, the "Icahn Group"), pursuant to which the Company purchased an aggregate of 3,497,268 shares of common stock of the Company, at a price per share of \$18.30, the closing price of a share of Company common stock on the New York Stock Exchange on March 4, 2022, the last trading day prior to the execution of the Icahn Group Agreement, which equals an aggregate purchase price of \$64.0 million. The Company funded the transaction from cash on hand. The 3,497,268 shares were cancelled at the time of the transaction.

In addition to the foregoing, under the terms of the Icahn Group Agreement, the Icahn Group withdrew its nomination notice for the nomination of nominees for election to the Company's board of directors for the Company's 2022 annual meeting of stockholders. Under the terms of the Icahn Group Agreement, the Icahn Group agreed to standstill restrictions, which requires, among other things, that until the completion of the Company's 2023 annual meeting of stockholders, the Icahn Group will refrain from acquiring additional shares of the Company Common Stock.

Note 18 - Leases

We lease certain retail stores, land, building and various equipment from others. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 15 years or more. The exercise of existing lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Some of our lease agreements include a rate based on equipment usage and others include a rate with fixed increases or inflationary indices based increase. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. We

rent or sublease certain real estate and equipment to third parties. Our sublease portfolio consists primarily of operating leases within our retail stores and crude storage equipment.

As of June 30, 2022, \$23.6 million of our net property, plant, and equipment balance is subject to an operating lease. This agreement does not include options for the lessee to purchase our leasing equipment, nor does it include any material residual value guarantees or material restrictive covenants. The agreement includes a one-year renewal option and certain variable payment based on usage.

The following table presents additional information related to our operating leases in accordance ASC 842, Leases ("ASC 842"):

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Lease Cost				
Operating lease costs ⁽¹⁾	\$ 18.5	\$ 17.8	\$ 35.9	\$ 35.5
Short-term lease costs ⁽²⁾	8.6	11.0	17.3	20.5
Sublease income	—	(1.9)	(0.1)	(3.8)
Net lease costs	\$ 27.1	\$ 26.9	\$ 53.1	\$ 52.2
Other Information				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases ⁽¹⁾	\$ (18.5)	\$ (17.9)	\$ (35.9)	\$ (36.2)
Leased assets obtained in exchange for new operating lease liabilities	\$ 9.8	\$ 6.8	\$ 11.3	\$ 14.2
Leased assets obtained in exchange for new financing lease liabilities	\$ —	\$ 0.2	\$ —	\$ 12.4
			June 30, 2022	June 30, 2021
Weighted-average remaining lease term (years) operating leases			4.4	4.9
Weighted-average remaining lease term (years) financing leases			6.4	7.5
Weighted-average discount rate operating leases ⁽³⁾			6.0 %	6.4 %
Weighted-average discount rate financing leases ⁽³⁾			3.3 %	3.3 %

⁽¹⁾ Includes an immaterial amount of financing lease cost.

⁽²⁾ Includes an immaterial amount of variable lease cost.

⁽³⁾ Our discount rate is primarily based on our incremental borrowing rate in accordance with ASC 842.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is management's analysis of our financial performance and of significant trends that may affect our future performance. The MD&A should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and in the Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 25, 2022 (the "Annual Report on Form 10-K"). Those statements in the MD&A that are not historical in nature should be deemed forward-looking statements that are inherently uncertain.

Delek US Holdings, Inc. is a registrant pursuant to the Securities Act of 1933, as amended ("Securities Act") and is listed on the New York Stock Exchange ("NYSE") under the ticker symbol "DK". Unless otherwise noted or the context requires otherwise, the terms "we," "our," "us," "Delek" and the "Company" are used in this report to refer to Delek US Holdings, Inc. and its consolidated subsidiaries for all periods presented. You should read the following discussion of our financial condition and results of operations in conjunction with our historical condensed consolidated financial statements and notes thereto.

The Company announces material information to the public about the Company, its products and services and other matters through a variety of means, including filings with the SEC, press releases, public conference calls, the Company's website (www.delekus.com), the investor relations section of its website (ir.delekus.com), the news section of its website (www.delekus.com/news), and/or social media, including its Twitter account ([@DelekUSHoldings](https://twitter.com/DelekUSHoldings)). The Company encourages investors and others to review the information it makes public in these locations, as such information could be deemed to be material information. Please note that this list may be updated from time to time.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). These forward-looking statements reflect our current estimates, expectations and projections about our future results, performance, prospects and opportunities. Forward-looking statements include, among other things, statements that refer to the acquisition of 3 Bear Delaware Holding – NM, LLC (the "3 Bear Acquisition"), including any statements regarding the expected benefits, synergies, growth opportunities, impact on liquidity and prospects, and other financial and operating benefits thereof, statements regarding the effect, impact, potential duration or other implications of, or expectations expressed with respect to, the outbreak of COVID-19 and its development into a pandemic in early 2020 (the "COVID-19 Pandemic" or the "Pandemic") and its impact on oil production and pricing, and statements regarding our efforts and plans in response to such events, the information concerning possible future results of operations, business and growth strategies, including as the same may be impacted by the attack on Ukraine by Russia in February 2022 (the "Russia-Ukraine War"), financing plans, expectations that regulatory developments or other matters will or will not have a material adverse effect on our business or financial condition, our competitive position and the effects of competition, the projected growth of the industry in which we operate, and the benefits and synergies to be obtained from our completed and any future acquisitions, statements of management's goals and objectives, and other similar expressions concerning matters that are not historical facts. Words such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "appears," "projects" and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Important factors that, individually or in the aggregate, could cause such differences include, but are not limited to:

- volatility in our refining margins or fuel gross profit as a result of changes in the prices of crude oil, other feedstocks and refined petroleum products and the impact of the COVID-19 Pandemic on such demand;
- reliability of our operating assets;
- actions of our competitors and customers;
- changes in, or the failure to comply with, the extensive government regulations applicable to our industry segments, including current and future restrictions on commercial and economic activities in response to the COVID-19 Pandemic or future pandemics;
- our ability to execute our strategy of growth through acquisitions, such as the 3 Bear Acquisition, and capital projects and changes in the expected value of and benefits derived therefrom, including any ability to successfully integrate acquisitions, realize expected synergies or achieve operational efficiency and effectiveness;
- diminishment in value of long-lived assets may result in an impairment in the carrying value of the assets on our balance sheet and a resultant loss recognized in the statement of operations;
- the unprecedented market environment and economic effects of the COVID-19 Pandemic, including uncertainty regarding the timing, pace and extent of economic recovery in the United States ("U.S.") due to the COVID-19 Pandemic;
- general economic and business conditions affecting the southern, southwestern and western U.S., particularly levels of spending related to travel and tourism and the ongoing and future impacts of the COVID-19 Pandemic;
- volatility under our derivative instruments;
- deterioration of creditworthiness or overall financial condition of a material counterparty (or counterparties);

- unanticipated increases in cost or scope of, or significant delays in the completion of, our capital improvement and periodic turnaround projects;
- risks and uncertainties with respect to the quantities and costs of refined petroleum products supplied to our pipelines and/or held in our terminals;
- operating hazards, natural disasters, weather related disruptions, casualty losses and other matters beyond our control;
- increases in our debt levels or costs;
- possibility of accelerated repayment on a portion of the J. Aron supply and offtake liability if the purchase price adjustment feature triggers a change on the re-pricing dates;
- changes in our ability to continue to access the credit markets;
- compliance, or failure to comply, with restrictive and financial covenants in our various debt agreements;
- changes in our ability to pay dividends;
- seasonality;
- increased costs of compliance with, or liability for violation of, existing or future laws, regulations and other requirements;
- legislative and regulatory measures to address climate change and greenhouse gases emissions;
- acts of terrorism (including cyber-terrorism) aimed at either our facilities or other facilities;
- impacts of global conflicts;
- future decisions by the Organization of Petroleum Exporting Countries ("OPEC") and the members of other leading oil producing countries (together with OPEC, "OPEC+") regarding production and pricing and disputes between OPEC+ members regarding the same;
- disruption, failure, or cybersecurity breaches affecting or targeting our IT systems and controls, our infrastructure, or the infrastructure of our cloud-based IT service providers;
- changes in the cost or availability of transportation for feedstocks and refined products; and
- other factors discussed under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" and in our other filings with the SEC.

In light of these risks, uncertainties and assumptions, our actual results of operations and execution of our business strategy could differ materially from those expressed in, or implied by, the forward-looking statements, and you should not place undue reliance upon them. In addition, past financial and/or operating performance is not necessarily a reliable indicator of future performance, and you should not use our historical performance to anticipate future results or period trends. We can give no assurances that any of the events anticipated by any forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. All forward-looking statements included in this report are based on information available to us on the date of this report. We undertake no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

Executive Summary

Business Overview

We are an integrated downstream energy business focused on petroleum refining, the transportation, storage and wholesale distribution of crude oil, intermediate and refined products and convenience store retailing. Our operating segments consist of refining, logistics, and retail, and are discussed in the sections that follow.

Business and Economic Environment Overview

During the second quarter 2022, the domestic oil and gas industry benefited from unprecedented conditions, including continued post-Pandemic demand exacerbated by global supply constraints, which led to an extraordinary crack spread environment. Crude oil supply constraints have persisted for a variety of reasons, including the continued effects from Pandemic-related refinery closures as well as the continuing impact of sanctions on Russian oil exports and transportation as a result of the ongoing Russia-Ukraine War. These conditions have coalesced into an environment producing second quarter 2022 increases in our average benchmark crack spreads ranging from 152.3% to 274.1% compared to the second quarter of 2021, and increases ranging from 560.1% to 1,684.1% compared to the Pandemic low in the second quarter of 2020. At the same time, supply chain constraints continue across industries, attributable to labor and driver shortages as well as lingering international trade tensions. These and other factors have triggered an inflationary environment, resulting in a 9.1% year-over-year increase in the Consumer Price Index for All Urban Consumers as of June 30, 2022, as well as significant increases across virtually every category (including food, utilities and motor fuel), with fuel oil and other fuels showing the largest twelve-month increase as of June 30, 2022 of 70.4% and motor fuel showing the second largest increase of 60.2%. To combat the inflationary environment, the Federal Reserve has raised interest rates 225 bps since January 2022, representing a 900% increase over the 0.25% fed funds rate which held steady for all of 2021. The stock market volatility is reflective of the stressed economic environment as well, with the S&P 500 and the Dow Industrial Average falling by 11.9% and 10.3%, respectively, compared to June 30, 2022. For the broader market, debt and equity are generally expensive, while stock buy-backs may be at a bargain, while for the energy sector, there have been pockets of opportunity thanks to the strong energy-specific economics.

This environment provides unique opportunities for those midstream and downstream companies that have successfully weathered the Pandemic. If downstream companies can avoid outages and maximize utilization, they are well positioned to capitalize on the record-setting or near-record crack spreads. Additionally, midstream companies, many of which have built-in recessionary protections as a result of minimum volume commitments on throughput and dedicated acreage agreements, are positioned to run barrels through logistics assets at higher utilization than the minimums during this period. Because of this favorability, well-positioned midstream and downstream players can potentially take advantage of capital markets when the timing is right. Likewise, strategic acquisitions in midstream can be particularly favorable, because of that built-in recessionary protection.

Thanks to our diligent efforts to manage capital and liquidity and preserve our assets during the Pandemic, we were well-positioned coming into the second quarter 2022 to take advantage of the favorable economic environment. From a refining perspective, as a result of

expansive and targeted surgical strike turnaround activities we conducted over the last couple of years, we made the strategic decision to run our refineries at or near capacity to take advantage of the tremendous crack spread environment. As a result, we saw our utilization increase from 88.5% in the second quarter of 2021 to a record high of 97.6% in the second quarter of 2022. Additionally, in our midstream business, we successfully closed on an acquisition that expands our gathering footprint into the Delaware sub-basin of the Permian, and expanded our product offering to include natural gas gathering and processing as well as wastewater processing and disposal. This acquisition not only diversifies our logistics customer base to include significantly more third-party customers, it allows us to provide comprehensive logistics services in the Delaware Basin, while also serving as a funnel into our existing midstream Permian activities. While the impact on the second quarter is not significant (as a result of the Acquisition closing in June), we expect that the acquisition itself will be immediately accretive, delivering incremental contribution margin and cash flows attributable to existing long-term dedicated acreage agreements as well as some contracts with minimum volume commitments. Additionally, the Delaware sub-basin is one of the most prolific drilling locations in the U.S., providing us significant opportunity for expanded gathering and processing as the producers ramp up production.

As a result of all these efforts, our revenues increased 173.0% to \$6.0 billion during the second quarter 2022 compared to the second quarter 2021, while net income attributable to Delek increased \$418.5 million. On a year-to-date basis, much of the same macroeconomic favorability was applicable when comparing our results to the prior year period, and we were able to capitalize on those conditions in much the same way – namely, through higher utilization rates at our refineries. Further impacting our year-over-year improvement in year-to-date results was the impact on the prior year period of outages related to turnaround activities, a fire at our El Dorado refinery and the effects of the February 2021 severe weather event ("Winter Storm Uri"). All of these factors led to an increase in our refining utilization rates from an average of 73.0% for the six months ended June 30, 2021 to 93.9% for the six months ended June 30, 2022, and increases to revenue and net income of \$5.9 billion and \$495.1 million, respectively. Additionally, cash flows from operations increased 334.3% to \$585.9 million for the six months ended June 30, 2022, compared to \$134.9 million for the six months ended June 30, 2021, despite higher interest costs which were attributable to a combination of higher variable interest rates on certain of our credit facilities as well as incremental interest on borrowings used to fund the 3 Bear Acquisition. As a result of these strong cash flows, we were able to declare both a special dividend and reinstate the quarterly dividend, as well as obtain board approval to increase our share repurchase authorization, both of which are indicative of our continued commitment to return value to shareholders.

See further discussion on macroeconomic factors and market trends, including the impact on 2021 and the outlook for 2022, in the 'Market Trends' section below. See also the 'Results of Operations' section below for further discussion.

Refining Overview

The refining segment (or "Refining") processes crude oil and other feedstocks for the manufacture of transportation motor fuels, including various grades of gasoline, diesel fuel and aviation fuel, asphalt and other petroleum-based products that are distributed through owned and third-party product terminals. The refining segment has a combined nameplate capacity of 302,000 barrels per day as of June 30, 2022. A high-level summary of the refinery activities is presented below:

	Tyler, Texas refinery (the "Tyler refinery")	El Dorado, Arkansas refinery (the "El Dorado refinery")	Big Spring, Texas refinery (the "Big Spring refinery")	Krotz Springs, Louisiana refinery (the "Krotz Springs refinery")
Total Nameplate Capacity (barrels per day ("bpd"))	75,000	80,000 ⁽¹⁾	73,000	74,000
Primary Products	Gasoline, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, petroleum coke and sulfur	Gasoline, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, asphalt and sulfur	Gasoline, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, aromatics and sulfur	Gasoline, jet fuel, high-sulfur diesel, light cycle oil, liquefied petroleum gases, propylene and ammonium thiosulfate
Crack Spread Benchmark	Gulf Coast 5-3-2	Gulf Coast 5-3-2 ⁽²⁾	Gulf Coast 3-2-1 ⁽³⁾	Gulf Coast 2-1-1 ⁽⁴⁾
Marketing and Distribution	The refining segment's petroleum-based products are marketed primarily in the south central and southwestern regions of the United States, and the refining segment also ships and sells gasoline into wholesale markets in the southern and eastern United States. Motor fuels are sold under the Alon or Delek brand through various terminals to supply Alon or Delek branded retail sites. In addition, we sell motor fuels through our wholesale distribution network on an unbranded basis.			

⁽¹⁾ While the El Dorado refinery has a total nameplate capacity of 80,000 bpd, El Dorado refinery's output generally does not exceed 75,000, which is the maximum output for the small refinery exemption under the Environmental Protection Agency's ("EPA") Renewable Fuel Standards..

⁽²⁾ While there is variability in the crude slate and the product output at the El Dorado refinery, we compare our per barrel refined product margin to the U.S. Gulf Coast ("Gulf Coast") 5-3-2 crack spread because we believe it to be the most closely aligned benchmark.

⁽³⁾ Our Big Spring refinery is capable of processing substantial volumes of sour crude oil and/or substantial volumes of sweet crude oil, and therefore the West Texas Intermediate ("WTI") Cushing/ West Texas Sour ("WTS") price differential, taking into account differences in production yield, is an important measure for helping us make strategic, market-responder production decisions.

⁽⁴⁾ The Krotz Springs refinery has the capability to process substantial volumes of light sweet crude oil to produce a high percentage of refined light products.

Our refining segment also owns and operates three biodiesel facilities involved in the production of biodiesel fuels and related activities, located in Crossett, Arkansas, Cleburne, Texas, and New Albany, Mississippi.

Logistics Overview

Our logistics segment (or "Logistics") gathers, transports and stores crude oil and natural gas, markets, distributes, transports and stores refined products and disposes and recycles water in select regions of the southeastern United States, the Delaware Basin in New Mexico and West Texas for our refining segment and third parties. It is comprised of the consolidated balance sheet and results of operations of Delek Logistics Partners, LP ("Delek Logistics", NYSE:DKL), where we owned an 78.9% interest in Delek Logistics at June 30, 2022. Delek Logistics was formed by Delek in 2012 to own, operate, acquire and construct crude oil and refined products logistics and marketing assets. A substantial majority of Delek Logistics' assets are currently integral to our refining and marketing operations. The logistics segment's pipelines and transportation business owns or leases capacity on approximately 400 miles of crude oil transportation pipelines, approximately 450 miles of refined product pipelines, and an approximately 900-mile crude oil gathering system and associated crude oil storage tanks with an aggregate of approximately 10.2 million barrels of active shell capacity. It also owns and operates ten light product terminals and markets light products using third-party terminals. Logistics has strategic investments in pipeline joint ventures that provide access to pipeline capacity as well as the potential for earnings from joint venture operations. The logistics segment owns or leases approximately 264 tractors and 353 trailers used to haul primarily crude oil and other products for related and third parties.

In addition, effective with the 3 Bear Acquisition, June 1, 2022, Delek's logistics segment now includes 3 Bear's operations of crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin in New Mexico. The asset base includes approximately 485 miles of pipelines, 88 million cubic feet ("MMcf") per day ("MMcf/d") of cryogenic natural gas processing capacity, 140 thousand barrels ("MBbl") per day ("MBbl/d") of crude gathering capacity, 120 MBbl of crude storage capacity and 200 MBbl/d of water disposal capacity. (See further discussion in Note 2 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

Retail Overview

Our retail segment (or "Retail") at June 30, 2022 includes the operations of 248 owned and leased convenience store sites located primarily in West Texas and New Mexico. Our convenience stores typically offer various grades of gasoline and diesel under the DK or Alon brand name and food products, food service, tobacco products, non-alcoholic and alcoholic beverages, general merchandise as well as money grams to the public, primarily under the 7-Eleven and DK or Alon brand names pursuant to a license agreement with 7-Eleven, Inc. In November 2018, we terminated the license agreement with 7-Eleven, Inc. and the terms of such termination and subsequent amendments require the removal of all 7-Eleven branding on a store-by-store basis by December 31, 2023. Merchandise sales at our convenience store sites will continue to be sold under the 7-Eleven brand name until 7-Eleven branding is removed pursuant to the termination. As of June 30, 2022, we have removed the 7-Eleven brand name at 55 of our store locations. Substantially all of the motor fuel sold through our retail segment is supplied by our Big Spring refinery, which is transferred to the retail segment at prices substantially determined by reference to published commodity pricing information.

The cost to acquire the refined fuel products we sell to our wholesale customers in our logistics segment and at our convenience stores in our retail segment depends on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline and other refined petroleum products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, production levels, the availability of imports, the marketing of competitive fuels and government regulation. Our retail merchandise sales are driven by convenience, customer service, competitive pricing and branding. Motor fuel margin is sales less the delivered cost of fuel and motor fuel taxes, measured on a cents per gallon basis. Our motor fuel margins are impacted by local supply, demand, weather, competitor pricing and product brand.

Corporate and Other Overview

Our corporate activities, results of certain immaterial operating segments, our asphalt terminal operations, our wholesale crude operations, and intercompany eliminations are reported in corporate, other and eliminations in our segment disclosures. Additionally, our corporate activities include certain of our commodity and other hedging activities.

Strategic Update

Our Framework: Long-Term Sustainability

The emphasis on environmental responsibility and long-term economic and environmental sustainability is accelerating, with increased demand for transparency evolving out of the Environmental, Social and Governance ("ESG") movement. As we evaluate our current ESG positioning in the market, we also must integrate a broader sustainability view to all of our activities, both operational and strategic. For these reasons, we have developed a **Long-Term Sustainability Framework**, which will help us to formulate our strategic objectives and initiatives.

Long-Term Sustainability Framework: Overarching Objectives

Certain fundamental principles are foundational to our Long-Term Sustainability Framework, and direct us as we develop our guiding objectives. With that in mind, we have initially identified the following **overarching objectives**:

- I. **Redirect Corporate Culture towards Innovation, Excellence, and Operating Discipline.**
- II. **Focus on Operational Optimization and Improved Margin Capture.**
- III. **Implement Digital Transformation Strategy.**
- IV. **Identify ESG-Conscious Investments with Clear Value Propositions and Sustainable Returns.**
- V. **Evaluate Strategic Priorities and Redefine Long-term Sustainable Business Model.**

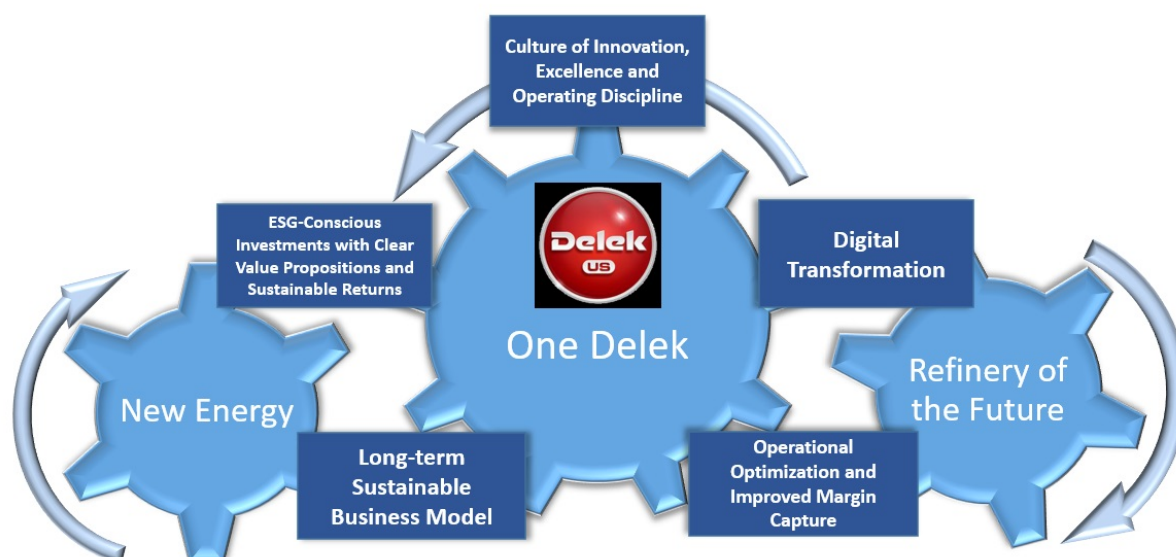
Long-Term Sustainability Framework: Key Initiatives

Additionally, integral to our Long-Term Sustainability Framework and the achievement of the initial overarching objectives are the following **key initiatives**:

- **Transform our corporate and operating culture into "One Delek"** through unification of purpose, vision and strategy with an emphasis on cultural sustainability.
- **Transform our refining operations into the "Refinery of the Future"** founded on digitization and automation, innovation and synergistic discipline.
- **Develop a "New Energy" mentality focused on understanding the future of energy** on a global scale and how Delek can be a leader and facilitator of positive, sustainable change in the energy industry.

Long-Term Sustainability Strategy: A Snapshot

The **Overarching Objectives** and **Key Initiatives** are integrated and interdependent, representative of the synergistic approach we are employing, and together comprise our Long-term Sustainability Strategy, as illustrated below (see further discussion in our 2021 Annual Report on Form 10-K):



2022 Strategic Developments

In our 2021 Annual Report on Form 10-K, we further defined our 2022 strategy by identifying certain key Focused Objectives and Priorities, as they relate to our Key Initiatives. The following table presents some of our most significant 2022 developments to date towards the achievement of our Focused Objectives:

Key Initiative: Implementing One Delek Culture Transformation	Key Initiative: Planning for Refinery of the Future Operational Transformation
Focused Objective: Improving Efficiency in Systems and Processes	
We are committed to becoming even more efficient by focusing on our systems and processes. We know there is always room for improvement, and those improvements can make every employee more effective and valued.	
Improving Consistency and Transparency by Conforming Refining Inventory Accounting Methodology:	
As of January 1, 2022, we changed our method for accounting for inventory held at the Tyler Refinery to the first-in, first-out ("FIFO") cost method from the last-in, first-out ("LIFO") cost method. This change in accounting method will conform the Company's refining inventory to a single method of accounting, and will eliminate the inherent volatility in the LIFO valuation of inventory attributable to increments and decrements in historical LIFO layers, which can impact comparability between periods as well as to market conditions and crack spreads. For these reasons, we expect that the newly adopted accounting principle will improve financial reporting by providing better consistency, better transparency, and recognition that better reflects the physical flow of inventory and more accurately reflects the current value of inventory. The effects of this change have been retrospectively applied to all periods presented with a cumulative effect adjustment reflected in the January 1, 2021 beginning retained earnings. (See further discussion in Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).	
Focused Objective: Balancing Risk and Reward	
As we continue to grow, we want to cultivate a healthy appetite for risk. That means, when we make decisions, we plan to identify those risks that come with the greatest potential for success, and pursue them with care.	
Increasing Shareholder Value through Payment of Dividends:	
On June 21, 2022, our Board of Directors voted to declare a special cash dividend of \$0.20 per share of our common stock, which was paid on July 20, 2022 to shareholders of record on July 12, 2022. On August 1, 2022, our Board of Directors voted to declare a quarterly cash dividend of \$0.20 per share of our common stock, payable on September 6, 2022 to shareholders of record on August 22, 2022.	
Increasing Shareholder Value through Increase of Share Repurchase Program:	
On August 1, 2022, our Board of Directors approved an approximately \$170.0 million increase in its share repurchase authorization, bringing the total amount available for repurchases under current authorizations to \$400.0 million. We expect to repurchase approximately \$25 to \$35 million of stock in the third quarter 2022.	
Increasing Flexibility through Debt Amendments:	
On May 26, 2022, Delek Logistics entered into a Third Amendment to the Delek Logistics Credit Facility which, among other things, provides for certain changes to the Delek Logistics Credit Facility in connection with the 3 Bear Acquisition in respect of pro forma calculations and certain other requirements. Further, on May 26, 2022, Delek Logistics entered into a Fourth Amendment (the "Fourth Amendment") to the Delek Logistics Credit Facility. Among other things, the Fourth Amendment: (i) increased the U.S. Revolving Credit Commitments (as defined in the Delek Logistics Credit Facility) by an amount equal to \$150.0 million, for an aggregate amount of \$1.0 billion, (ii) increased the U.S. L/C Sublimit (as defined in the Delek Logistics Credit Facility) to an aggregate amount equal to \$90.0 million and (iii) increased the U.S. Swing Line Sublimit (as defined in the Delek Logistics Credit) to an aggregate amount equal to \$18.0 million. The exercise of the accordion feature gave Delek Logistics the flexibility to utilize borrowings under the Delek Logistics Credit Facility to help fund the acquisition of 3 Bear while continuing to maintain sufficient availability to continue to effectively manage working capital needs and liquidity risk, and to evaluate longer term capitalization strategies.	
Increasing Shareholder Value and Reducing Outsider Risk through Stock Purchase and Cooperation Agreement:	
On March 7, 2022, Delek entered into a stock purchase and cooperation agreement (the "Icahn Group Agreement") with IEP Energy Holding LLC, a Delaware limited liability company, American Entertainment Properties Corp., a Delaware corporation, Icahn Enterprises Holdings L.P., a Delaware limited partnership, Icahn Enterprises G.P. Inc., a Delaware corporation, Beckton Corp., a Delaware corporation, and Carl C. Icahn (collectively, the "Icahn Group"), pursuant to which the Company agreed to purchase an aggregate of 3,497,268 shares of common stock of the Company, at a price per share of \$18.30, the closing price of a share of Company common stock on the New York Stock Exchange on March 4, 2022, the last trading day prior to the execution of the Icahn Group Agreement, which equals an aggregate purchase price of \$64.0 million.	
Focus on Leadership Succession Planning:	
On June 9, 2022, Avigal Soreq was appointed the President and Chief Executive Officer ("CEO") and as a member of the Board of Directors (the "Board") under a previously announced CEO succession plan. Ezra Uzi Yemin, the Company's previous President and CEO, was appointed as the Executive Chairman of the Board. Mr. Soreq was previously the Chief Executive Officer of El Al Israel Airlines, the national airline of Israel, since January 2021. Prior to that, he served as a member of the Company's executive management team, including as the Chief Operating Officer from March 2020 until January 2021, its Chief Commercial Officer from November 2016 until March 2020, an Executive Vice President from August 2015 until January 2021, and a Vice President from 2012 until 2015. In addition, Mr. Soreq served as an Executive Vice President of Delek Logistics GP, LLC from 2015 until 2021, and as its Vice President from 2012 until 2015. Delek also announced on March 27, 2022, that Leonardo Moreno, a highly experienced executive in the global renewable energy and technology sector, has been appointed director to the Board. With these appointments of Messrs. Soreq and Moreno, the Board has been expanded to comprise nine directors, seven of whom are independent and three of whom are diverse, fulfilling the Company's objective of at least 30% of the Board comprising diverse members by 2022.	

Key Initiative: Implementing One Delek Culture Transformation**Key Initiative: Planning for Refinery of the Future Operational Transformation****Focused Objective: Balancing Risk and Reward / Driving EBITDA Improvements**

As we continue to grow, we want to cultivate a healthy appetite for risk. That means, when we make decisions, we plan to identify those risks that come with the greatest potential for success, and pursue them with care.

Completed Strategic Midstream Acquisition:

On June 1, 2022, DKL Delaware Gathering, LLC, a subsidiary of Delek Logistics, completed the acquisition of 100% of the limited liability company interests in 3 Bear Delaware Holding – NM, LLC ("3 Bear") from 3 Bear Energy – New Mexico LLC (the "Seller"), related to Seller's crude oil and gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin in New Mexico. The purchase price for 3Bear was \$624.7 million, subject to customary adjustments, and was financed through a combination of cash on hand and borrowings under Delek Logistics' existing credit agreement. (See further discussion in Note 2 and Note 8 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). This acquisition provides us the opportunity to significantly expand our third-party midstream contribution margin within our logistics segment.

Market Trends

Our results of operations are significantly affected by fluctuations in the prices of certain commodities, including, but not limited to, crude oil, gasoline, distillate fuel, biofuels, natural gas and electricity, among others. Historically, the impact of commodity price volatility on our refining margins (as defined under the heading "Non-GAAP Measures" in MD&A Item 2.), specifically as it relates to the price of crude oil as compared to the price of refined products and timing differences in the movements of those prices (subject to our inventory costing methodology), as well as location differentials, may be favorable or unfavorable compared to peers. Additionally, our refining margin profitability is impacted by regulatory factors, including the cost of RINs.

During the second quarter of 2022, the domestic oil and gas industry benefited from unprecedented conditions, including continued post-Pandemic demand exacerbated by global supply constraints, which led to record crack spreads. Average gasoline (CBOB) prices increased by 71.2% to \$3.40 in the second quarter 2022 compared to the second quarter 2021, while the average 5-3-2 ULSD crack spread has increased 163.3% to \$44.03 from \$16.72 in the second quarter 2022 compared to the second quarter 2021.

Market Outlook for the Remainder of 2022

As we look to the remainder of the year, commodity markets are predicting a decline in demand as consumer purchasing continues to be eroded by inflation combined with the expectation that the federal reserve may continue to raise interest rates in response. Such conditions could spell the declaration of an official recession, which may upend markets in unexpected ways and make capital more difficult to come by. However, due to years of global underinvestment in oil production and the possibility of continued sanctions on Russia, demand for oil and related commodity prices may continue to be strong, sitting at or near the higher end of the life-cycle. That said, domestic regulatory intervention could put pressure on profits of oil companies and may have unanticipated effects on the commodities markets as well as the capital markets. For these reasons, we continue to position the Company to run at or near our nameplate capacity to take advantage of favorable pricing environments while working to integrate our new acquisition and leverage the new logistics lines of business to our advantage, always with an eye towards the One Delek vision and long-term operational sustainability. Additionally, we will continue to balance the cost of debt and cost of equity while continuing to exercise a longer term sustainable view of capital allocation.

From a geographic positioning perspective, absent government intervention, industry analysts expect the Brent, a global benchmark crude, to WTI differential to continue to be favorable for domestic exports throughout 2022, including the U.S. Gulf Coast region. Furthermore, while the likelihood of a favorable Midland-Cushing differential is constrained by overbuilt pipeline capacity, significant export developments and other factors could quickly shift differentials to be more favorable to our Permian-heavy positioning. We currently employ commercial strategies to minimize differential risk associated with our concentrated gathering activities in the Permian Basin, but we are well-positioned to capitalize on a favorable shift in Midland WTI pricing compared to other benchmark crudes, including Cushing WTI.

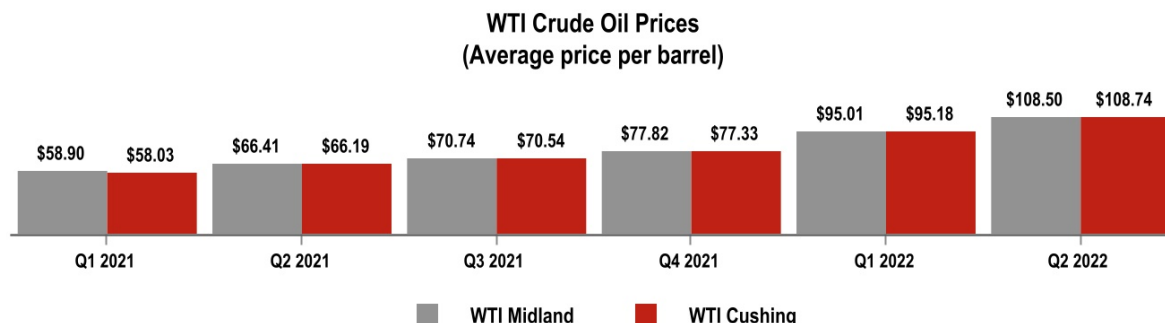
Despite the tremendous market environment during the second quarter of 2022, the costs of RINs regulatory compliance continues to negatively impact our ability to capture crack spreads compared to other, larger refiners. In June 2022, the EPA finalized volumes for compliance years 2020, 2021 and 2022 under the RFS program (as defined in our accounting policies in Note 2 to the audited consolidated financial statements included in Item 8 Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K), announced supplemental volume obligations for compliance years 2022 and 2023 and established new provisions of the RFS which addressed bio-intermediates. Additionally, the EPA denied the petitions for small refinery exemptions ("SREs") for prior period compliance years based on the arguably inaccurate presumption that small refineries are not unduly burdened by the cost of RINs, which resulted in the denial of our pending 2019 and 2020 SRE applications. In April 2022, the EPA also overturned the previously granted 2018 SREs, of which we received three such exemptions (for all our refineries except Big Spring), though it further announced that compliance will not be required. These actions by the EPA could result in significant increases in RINs prices over the coming months. Accordingly, our net RINs Obligation in future periods may be negatively impacted by volatility in prices, likewise disproportionately impacting our ability to capture crack spread, particularly compared to our larger refinery competitors. For these reasons, we are challenging the denial of our 2018, 2019 and 2020 SREs in federal district court in the District of Columbia.

Finally, while the global economic environment continues to support growth, both growth and stability continue to be impacted by building inflationary pressures, including with respect to essentials like housing, food, transportation and heat. The U.S. Federal Reserve and fellow central banks have made and are considering further rate changes to combat the rising inflation. Successful efforts along these lines could cause the cost of capital to rise and could negatively impact construction and other growth efforts that drive demand for our products, but could also reduce the burden on consumers which could lead to increases in discretionary travel and other activities requiring refined fuel products. Because of this uncertainty, there continues to be risk around inflation as well as the potential impact of regulatory efforts to curb inflation which cannot currently be determined.

See the following pages for further discussion on how certain key market trends impact our refining margins.

Crude Prices

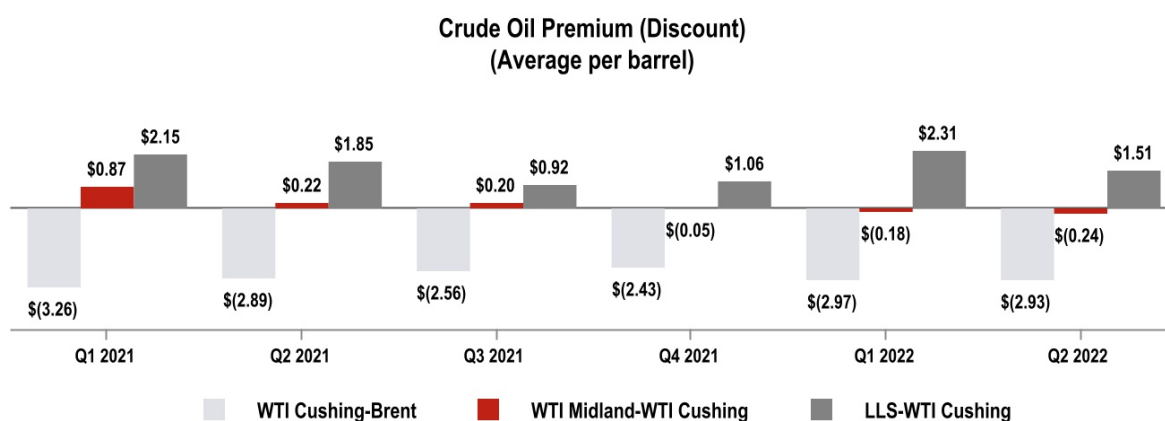
WTI crude oil represents the largest component of our crude slate at all of our refineries, and can be sourced through our gathering channels or optimization efforts from Midland, Texas or Cushing, Oklahoma or other locations. We manage our supply chain risk to ensure that we have the barrels to meet our crude slate consumption plan for each month through gathering supply contracts and throughput agreements on various strategic pipelines, some of which include those where we hold equity method investments. We manage market price risk on crude oil through financial derivative hedges, in accordance with our risk management strategies. The table below reflects the quarterly average prices of WTI Midland and WTI Cushing crude oil for each of the quarterly periods in 2021 and for the two quarterly periods in 2022.



Crude Pricing Differentials

As U.S. crude oil production has increased over recent years, domestic refiners have benefited from the discount for WTI Cushing compared to Brent. This generally leads to higher margins in our refineries, as refined product prices are influenced by Brent crude prices and the majority of our crude supply is WTI-linked. Because of our positioning in the Permian basin, including our access to significant sources of WTI Midland crude through our gathering system, we are even further benefited by discounts for WTI Midland/WTI Cushing differentials. When these discounts shrink or become premiums, our reliance on WTI-linked crude pricing, and specifically WTI Midland crude, can negatively impact our refining margins. Conversely, as these price discounts widen, so does our competitive advantage, created specifically by our access to WTI Midland crude sourced through our gathering systems.

The chart below illustrates the key differentials impacting our refining operations, including WTI Cushing to Brent, WTI Midland to WTI Cushing, and Louisiana Light Sweet crude oil ("LLS") to WTI Cushing for each of the quarterly periods in 2021 and for the two quarterly periods in 2022.



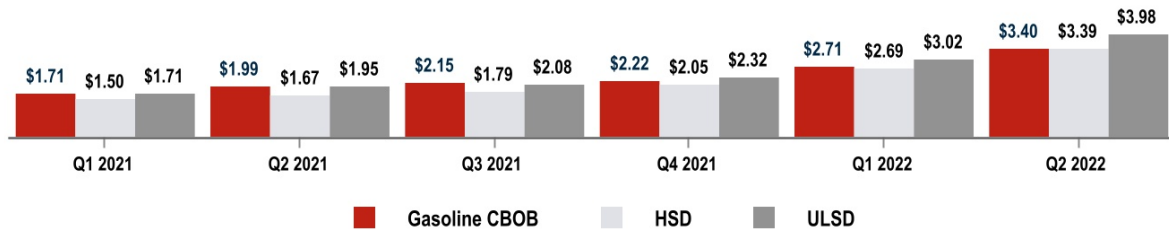
Refined Product Prices

Our refineries produce the following products:

	Tyler Refinery	El Dorado Refinery	Big Spring Refinery	Krotz Springs Refinery
Primary Products	Gasoline, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, petroleum coke and sulfur	Gasoline, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, asphalt and sulfur	Gasoline, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, aromatics and sulfur	Gasoline, jet fuel, high-sulfur diesel, light cycle oil, liquefied petroleum gases, propylene and ammonium thiosulfate

The charts below illustrate the quarterly average prices of Gulf Coast Gasoline ("CBOB"), U.S. High Sulfur Diesel ("HSD") and U.S. Ultra Low Sulfur Diesel ("ULSD") for each of the quarterly periods in 2021 and for the two quarterly periods in 2022.

Gulf Coast Refined Product Prices
(Average price per gallon)

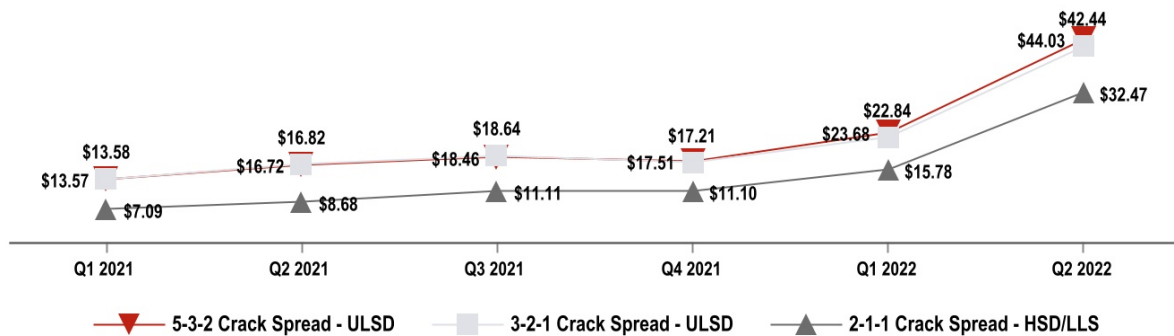


Crack Spreads

Crack spreads are used as benchmarks for predicting and evaluating a refinery's product margins by measuring the difference between the market price of feedstocks/crude oil and the resultant refined products. Generally, a crack spread represents the approximate refining margin resulting from processing one barrel of crude oil into its outputs, generally gasoline and diesel fuel.

The table below reflects the quarterly average Gulf Coast 5-3-2 ULSD, 3-2-1 ULSD and 2-1-1 HSD/LLS crack spreads for each of the quarterly periods in 2021 and for the two quarterly periods in 2022. As the chart illustrates, the 3-2-1 crack spread has consistently outperformed the 5-3-2 and the 2-1-1 crack spreads. When market conditions consist of near-capacity throughputs and no significant outages, our Big Spring refinery, whose benchmark is the 3-2-1 crack spread, should outperform our other refineries in terms of refining margin, which are benchmarked against either the 5-3-2 or the 2-1-1 crack spreads.

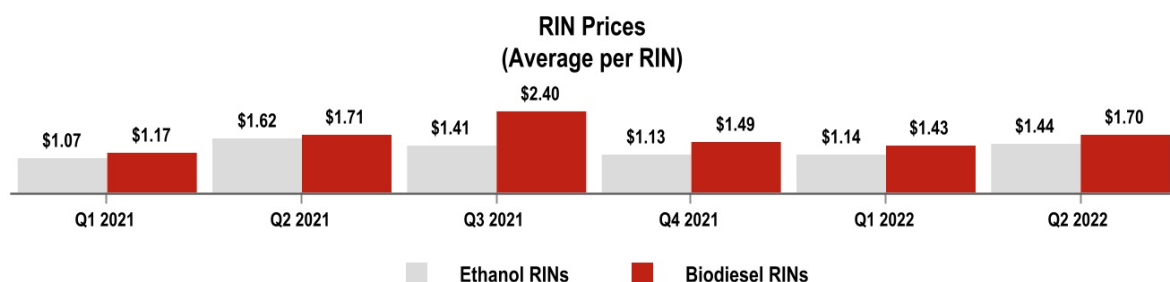
Gulf Coast Crack Spread
(Average per barrel)



RIN Volatility

Environmental regulations and the political environment continue to affect our refining margins in the form of volatility in the price of RINs. We enter into future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage the costs of our credits for commitments required by the EPA to blend biofuels into fuel products ("RINs Obligation"). On a consolidated basis, we work to balance our RINs Obligation in order to minimize the effect of RINs on our results. While we obtain RINs in our refining and logistics segments through our ethanol and biodiesel production and blending, and generate RINs through biodiesel production, our refining segment still must purchase additional RINs to satisfy its obligations. Additionally, our ability to obtain RINs through blending is limited by our refined product slate, blending capabilities and market constraints. The cost to purchase these additional RINs is a significant cash outflow for our business. Increases in the market prices of RINs generally adversely affect our results of operations through changes in fair value to our existing RINs Obligation, to the extent we do not have offsetting RINs inventory on hand or effective economic hedges through net forward purchase commitments. RINs prices are highly sensitive to regulatory and political influence and conditions, and therefore often do not correlate to movements in crude oil prices, refined product prices or crack spreads. Furthermore, RIN prices are impacted by market expectations regarding whether the EPA may grant certain SREs. Because of the volatility in RINs prices, it is not possible to predict future RINs cost with certainty, and movements in RIN prices can have significant and unanticipated adverse effects on our refining margins that are outside of our control.

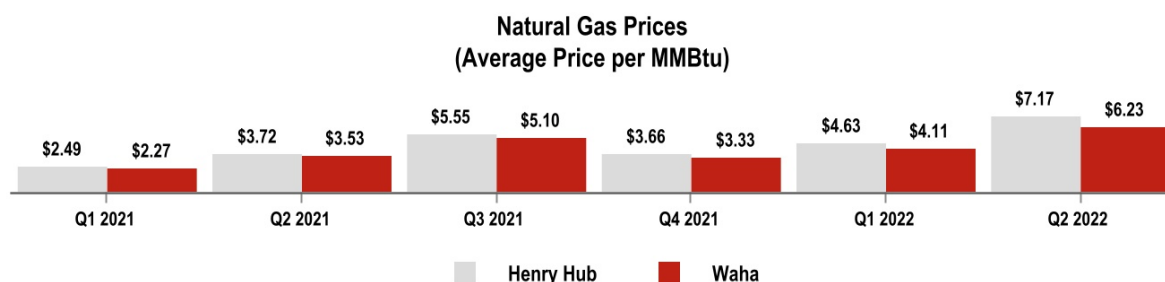
The chart below illustrates the volatility in RINs beginning with the first quarter of 2021 through the second quarter of 2022.



Energy Costs

Energy costs are a significant element of our Refining contribution margin and can significantly impact our ability to capture crack spreads, with natural gas representing the largest component. Natural gas prices are driven by supply-side factors such as amount of natural gas production, level of natural gas in storage and import and export activity, while demand-side factors include variability of weather, economic growth and the availability and price of other fuels. Refiners and other large-volume fuel consumers may be more or less susceptible to volatility in natural gas prices depending on their consumption levels as well as their capabilities to switch to more economical sources of fuel/energy. Additionally, geographic location of facilities make consumers vulnerable to price differentials of natural gas available at different supply hubs. Within Delek's geographic footprint, we source the majority of our natural gas from the Gulf Coast, and secondarily from the Permian, coinciding with the physical locations of our refineries. We manage our risk around natural gas prices by entering into variable and fixed-price supply contracts in both the Gulf and Permian Basin or by entering into derivative hedges based on forecasted consumption and forward curve prices, as appropriate, in accordance with our risk policy.

The chart below illustrates the quarterly average prices of Waha (Permian Basin) and Henry Hub (Gulf Coast) beginning with the first quarter of 2021 through the second quarter of 2022.



Critical Accounting Estimates

The preparation of our condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The SEC has defined critical accounting policies as those that are both most important to the portrayal of our financial condition and results of operations, and require our most difficult, subjective or complex judgments or estimates. Based on this definition and as further described in our 2021 Annual Report on Form 10-K, we believe our critical accounting policies include the following: (i) evaluating impairment for property, plant and equipment and definite life intangibles, (ii) evaluating potential impairment of goodwill, (iii) estimating environmental expenditures, and (iv) estimating asset retirement obligations. Additionally, we have identified the following critical accounting policy that impacts the six months ended June 30, 2022:

Taxes

Under Accounting Standards Codification ("ASC") 740, *Income Taxes* ("ASC 740"), we use an estimated annual effective tax rate ("AETR") to record income taxes. The development of the estimated AETR involves significant judgment, particularly early in the year and in times of economic uncertainty. As of and during the six months ended June 30, 2022, our estimates of the expected AETR reflected inputs which are subject to judgment including (but not necessarily limited to) the following:

- Forecasted pre-tax U.S. generally accepted accounting principles ("GAAP") income or loss for the year
- Estimates of expected permanent differences in GAAP income or loss and taxable income or loss for the year
- Forecasted capital expenditures for the year and future years (where such activities can be impacted by unanticipated events)
- Expected applicable jurisdictional tax rates
- Estimated impact of possible deduction and tax credit limitations
- Estimates regarding net operating losses, carryback and carryforward provisions (and limitations) and valuation allowances

All of these inputs are subject to significant judgment and assumptions about future events impacting 2022, some of which are based on historical trends and results, operational plans, and projections regarding future pricing and profitability (where we utilize third party forward curves and pricing sources, where possible, but where expectations regarding capture rates and other factors involve judgment). We also note that, while economic conditions affecting our industry and industry outlooks related to COVID-19 are stabilizing and improving, there remains a level of uncertainty related to COVID-19 and the expectations for recovery that increases the level of judgment involved with some of these assumptions. Accordingly, where appropriate, we may consider the probability of certain components in determining what we believe to be a reasonable estimate based on conditions and events that were in existence as of our reporting date, which may also involve the use of significant management judgment. Furthermore, many of our assumptions are inter-relational, where changing one assumption can impact other assumptions (e.g., in terms of the applicability of or limitations under various tax code provisions).

The nature of the AETR estimation approach for recording income taxes requires continuous review and adjustment during the year based on actual results, and as better information regarding forecasted results and assumptions becomes available. Significant changes in any of these assumptions or in actual results compared to our forecasts and assumptions could cause material changes in our AETR, which could result in cumulative adjustments to reflect the new estimates in future periods.

We have developed and utilized methodologies and rationales for the development of our assumptions, subject to internal controls and sensitivity or probability assessments, as appropriate, and we believe our process provides a reasonable basis for our estimated AETR as well as the income taxes as of and for the six months ended June 30, 2022.

Business Combinations

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Any excess or surplus of the purchase consideration when compared to the fair value of the net tangible assets acquired, if any, is recorded as goodwill or gain from a bargain purchase. The fair value of assets and liabilities as of the acquisition date are often estimated using a combination of approaches, including the income approach, which requires us to project future cash flows and apply an appropriate discount rate; the cost approach, which requires estimates of replacement costs and depreciation and obsolescence estimates; and the market approach which uses market data and adjusts for entity-specific differences. We use all available information to make these fair value determinations and engage third-party consultants for valuation assistance. The estimates used in determining fair values are based on assumptions believed to be reasonable but which are inherently uncertain. Accordingly, actual results may differ materially from the projected results used to determine fair value.

Non-GAAP Measures

Our management uses certain “non-GAAP” operational measures to evaluate our operating segment performance and non-GAAP financial measures to evaluate past performance and prospects for the future to supplement our GAAP financial information presented in accordance with U.S. GAAP. These financial and operational non-GAAP measures are important factors in assessing our operating results and profitability and include:

- Refining margin - calculated as the difference between net refining revenues and total cost of materials and other;
- Refined product margin - calculated as the difference between net revenues attributable to refined products (produced and purchased) and related cost of materials and other (which is applicable to both the refining segment and the West Texas wholesale marketing activities within our logistics segment); and
- Refining margin per barrels sold - calculated as refining margin divided by our average refining sales in barrels per day (excluding purchased barrels) multiplied by 1,000 and multiplied by the number of days in the period.

We believe these non-GAAP operational and financial measures are useful to investors, lenders, ratings agencies and analysts to assess our ongoing performance because, when reconciled to their most comparable GAAP financial measure, they provide improved comparability between periods through the exclusion of certain items that we believe are not indicative of our core operating performance and that may obscure our underlying results and trends.

Non-GAAP measures have important limitations as analytical tools, because they exclude some, but not all, items that affect net earnings and operating income. These measures should not be considered substitutes for their most directly comparable U.S. GAAP financial measures.

Non-GAAP Reconciliations

The following table provides a reconciliation of refining margin to the most directly comparable U.S. GAAP measure, gross margin:

Reconciliation of refining margin to gross margin (in millions)

	Refining Segment			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021 As Adjusted ⁽¹⁾
Net revenues	\$ 4,810.5	\$ 2,415.7	\$ 8,304.2	\$ 4,155.8
Cost of sales	4,242.1	2,452.6	7,691.7	4,234.4
Gross margin	568.4	(36.9)	612.5	(78.6)
Add back (items included in cost of sales):				
Operating expenses (excluding depreciation and amortization) ⁽¹⁾⁽²⁾	165.0	115.0	284.9	229.7
Depreciation and amortization	49.9	51.0	102.7	103.1
Refining margin	\$ 783.3	\$ 129.1	\$ 1,000.1	\$ 254.2

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

⁽²⁾ Reflects the prior period conforming reclassification adjustment between operating expenses and general and administrative expenses.

Summary Financial and Other Information

The following table provides summary financial data for Delek:

Consolidated Summary Statement of Operations Data				
(in millions) ⁽¹⁾	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021 As Adjusted ⁽²⁾	2022	2021 As Adjusted ⁽²⁾
Net revenues	\$ 5,982.6	\$ 2,191.5	\$ 10,441.7	\$ 4,583.7
Total operating costs and expenses	5,489.3	2,241.7	9,901.7	4,681.3
Operating income (loss)	493.3	(50.2)	540.0	(97.6)
Total non-operating expense, net	24.3	33.1	53.1	56.7
Income (loss) before income tax expense (benefit)	469.0	(83.3)	486.9	(154.3)
Income tax expense (benefit)	100.4	(35.2)	103.5	(43.5)
Net income (loss)	368.6	(48.1)	383.4	(110.8)
Net income attributed to non-controlling interests	6.8	8.6	15.0	15.9
Net income (loss) attributable to Delek	\$ 361.8	\$ (56.7)	\$ 368.4	\$ (126.7)

⁽¹⁾ This information is presented at a summary level for your reference. See the Consolidated Condensed Statements of Income included in Item 1. to this Quarterly Report on Form 10-Q for more detail regarding our results of operations and net loss per share.

⁽²⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We report operating results in three reportable segments:

- Refining
- Logistics
- Retail

Decisions concerning the allocation of resources and assessment of operating performance are made based on this segmentation. Management measures the operating performance of each of its reportable segments based on the segment contribution margin which is defined as net revenues less costs of materials and other and operating expenses, excluding depreciation and amortization.

Results of Operations

Consolidated Results of Operations — Comparison of the Three and Six Months Ended June 30, 2022 versus the Three and Six Months Ended June 30, 2021

Net Income (Loss)

Q2 2022 vs. Q2 2021

Consolidated net income for the second quarter of 2022 was \$368.6 million compared to a net loss of \$48.1 million for the second quarter of 2021. Consolidated net income attributable to Delek for the second quarter of June 30, 2022 was \$361.8 million, or \$5.11 per basic share, compared to a net loss of \$56.7 million, or \$(0.77) per basic share, for the second quarter 2021. Explanations for significant drivers impacting net income (loss) as compared to the comparable period of the prior year are discussed in the sections below.

YTD 2022 vs. YTD 2021

Consolidated net income for the six months ended June 30, 2022 was \$383.4 million compared to a net loss of \$110.8 million for the six months ended June 30, 2021. Consolidated net income attributable to Delek for the six months ended June 30, 2022 was \$368.4 million, or \$5.12 per basic share, compared to a net loss of \$126.7 million, or \$(1.72) per basic share, for the six months ended June 30, 2021. Explanations for significant drivers impacting net income (loss) as compared to the comparable period of the prior year are discussed in the sections below.

Net Revenues

Q2 2022 vs. Q2 2021

In the second quarter of 2022 and 2021, we generated net revenues of \$5,982.6 million and \$2,191.5 million, respectively, an increase of \$3,791.1 million, or 173.0%. The increase in net revenues was primarily driven by the following factors:

- in our refining segment, increases in the average price of U.S. Gulf Coast gasoline of 71.2%, ULSD of 104.0%, and HSD of 103.7%;
- in our logistics segment, increases in the average volumes of diesel sold and in the average sales price per gallon of diesel and gasoline sold in our West Texas marketing operations as well as incremental revenues from the 3 Bear Acquisition; and
- in our retail segment, increases in fuel sales primarily attributable to a 48.9% increase in average price charged per gallon sold.

YTD 2022 vs. YTD 2021

For the six months ended June 30, 2022 and 2021, we generated net revenues of \$10,441.7 million and \$4,583.7 million, respectively, an increase of \$5,858.0 million, or 127.8%. The increase in net revenues was primarily driven by the following factors:

- in our refining segment, increases in the average price of U.S. Gulf Coast gasoline of 65.1%, ULSD of 91.0%, and HSD of 92.5%;
- in our logistics segment, increases in the average volumes of diesel sold and in the average sales price per gallon of diesel and gasoline sold in our West Texas marketing operations; and
- in our retail segment, increases in fuel sales primarily attributable to a 45.5% increase in average price charged per gallon sold.

Total Operating Costs and Expenses

Cost of Materials and Other

Q2 2022 vs. Q2 2021

Cost of materials and other was \$5,082.6 million for the second quarter of 2022 compared to \$1,960.6 million for the second quarter of 2021, an increase of \$3,122.0 million, or 159.2%. The net increase in cost of materials and other was primarily driven by the following:

- increases in cost of crude oil feedstocks at the refineries, including a 64.3% increase in the average cost of WTI Cushing crude oil and a 63.4% increase in the average cost of WTI Midland crude oil;
- increases in the average volumes sold and average cost per gallon of gasoline and diesel sold in our logistics segment; and
- an increase in retail cost of materials and other due to 58.8% increase in average cost per gallon sold applied to higher fuel sales volumes.

YTD 2022 vs. YTD 2021

Cost of materials and other was \$9,235.1 million for the six months ended June 30, 2022 compared to \$4,133.4 million for the six months ended June 30, 2021, an increase of \$5,101.7 million, or 123.4%. The net increase in cost of materials and other was primarily driven by the following:

- increases in cost of crude oil feedstocks at the refineries, including a 64.0% increase in the average cost of WTI Cushing crude oil and a 62.3% increase in the average cost of WTI Midland crude oil;

- increases in average RINs expense due to increased production during the six months ended June 30, 2022 compared to the six months ended June 30, 2021;
- increases in the average volumes sold and average cost per gallon of gasoline and diesel sold in our logistics segment; and
- an increase in retail cost of materials and other due to 54.7% increase in average cost per gallon sold applied to higher fuel sales volumes.

Operating Expenses

Q2 2022 vs. Q2 2021

Operating expenses were \$222.5 million for the second quarter of 2022 compared to \$166.2 million for the second quarter of 2021, an increase of \$56.3 million, or 33.9%. The increase in operating expenses was primarily driven by the following:

- an increase in variable costs and utilities associated with higher throughput during current period;
- higher natural gas prices in the second quarter of 2022; and
- increases in employee cost primarily related to increased salaries, wages and other benefits.

Such increases were partially offset by a decrease in outside services, maintenance and lease costs.

YTD 2022 vs. YTD 2021

Operating expenses were \$389.4 million for the six months ended June 30, 2022 compared to \$321.5 million for the six months ended June 30, 2021, an increase of \$67.9 million, or 21.1%. The increase in operating expenses was primarily driven by the following:

- an increase in variable costs and utilities associated with higher throughput during current period;
- higher natural gas prices in the first half of 2022; and
- increases in employee cost primarily related to increased salaries, wages and other benefits.

Such increases were partially offset by a decrease in outside services, maintenance and lease costs.

General and Administrative Expenses

Q2 2022 vs. Q2 2021

General and administrative expenses were \$126.5 million for the second quarter of 2022 compared to \$53.5 million for the second quarter of 2021, an increase of \$73.0 million, or 136.4%. The increase was primarily driven by an increase in headcount, increases in salaries, wages and other benefits and incremental transaction costs related to the 3 Bear Acquisition.

YTD 2022 vs. YTD 2021

General and administrative expenses were \$179.6 million and \$94.6 million for the six months ended June 30, 2022 and 2021, respectively, an increase of \$85.0 million, or 89.9%. The increase was primarily driven by an increase in headcount, increases in salaries, wages and other benefits and incremental transaction costs related to the 3 Bear Acquisition.

Depreciation and Amortization

Q2 2022 vs. Q2 2021

Depreciation and amortization (included in both cost of sales and other operating expenses) was \$68.0 million for the second quarter of 2022 compared to \$66.3 million for the second quarter of 2021, an increase of \$1.7 million, or 2.6%.

YTD 2022 vs. YTD 2021

Depreciation and amortization (included in both cost of sales and other operating expenses) was \$136.3 million compared to \$134.8 million for the six months ended June 30, 2022 and 2021, respectively, an increase of \$1.5 million, or 1.1%.

Other Operating Income, Net

Q2 2022 vs. Q2 2021

Other operating income, net increased by \$5.4 million in the second quarter of 2022 to \$10.3 million compared to \$4.9 million in the second quarter of 2021. The increases were due to insurance proceeds received in the second quarter of 2022.

YTD 2022 vs. YTD 2021

Other operating income, net increased by \$35.7 million during the six months ended June 30, 2022 to \$38.7 million compared to \$3.0 million during the six months ended June 30, 2021. The increases were primarily driven by an increase due to realized hedge gains during the 2022 period.

Non-operating Expenses, Net

Interest Expense, Net

Q2 2022 vs. Q2 2021

Interest expense, net increased by \$10.5 million, or 31.7%, to \$43.6 million in the second quarter of 2022 compared to \$33.1 million in the second quarter of 2021, primarily driven by the following:

- an increase in the average effective interest rate of 0.67% in the second quarter of 2022 compared to the second quarter of 2021 (where effective interest rate is calculated as interest expense divided by the net average borrowings/obligations outstanding); and
- an increase in net average borrowings outstanding (including the obligations under the supply and offtake agreements which have an associated interest charge) of approximately \$434.9 million in the second quarter of 2022 (calculated as a simple average of beginning borrowings/obligations and ending borrowings/obligations for the period) compared to the second quarter of 2021.

YTD 2022 vs. YTD 2021

Interest expense, net increased by \$19.5 million, or 31.2%, to \$82.0 million during the six months ended June 30, 2022 compared to \$62.5 million during the six months ended June 30, 2021, primarily driven by the following:

- an increase in the average effective interest rate of 0.62% during the six months ended June 30, 2022 compared to the six months ended June 30, 2021 (where effective interest rate is calculated as interest expense divided by the net average borrowings/obligations outstanding); and
- an increase in net average borrowings outstanding (including the obligations under the supply and offtake agreements which have an associated interest charge) of approximately \$425.3 million during the six months ended June 30, 2022 (calculated as a simple average of beginning borrowings/obligations and ending borrowings/obligations for the period) compared to the six months ended June 30, 2021.

Results from Equity Method Investments

Q2 2022 vs. Q2 2021

We recognized income of \$15.7 million from equity method investments during the second quarter of 2022, compared to \$6.8 million for the second quarter of 2021, an increase of \$8.9 million. This increase was primarily driven by the following:

- increase in income from our Red River and Caddo equity method investment due to higher throughput volumes and resulting revenue increases; and
- an increase in income from our investment in W2W Holdings LLC to income of \$2.1 million in the second quarter of 2022 from a loss of \$3.9 million in the second quarter of 2021.

YTD 2022 vs. YTD 2021

We recognized income of \$26.6 million from equity method investments during the six months ended June 30, 2022, compared to \$11.6 million for the six months ended June 30, 2021, an increase of \$15.0 million. This increase was primarily driven by the following:

- increase in income from our Red River and Caddo equity method investment due to higher throughput volumes and resulting revenue increases; and
- an increase in income from our investment in W2W Holdings LLC to income of \$4.2 million during the six months of 2022 from a loss of \$4.1 million during the six months of 2021.

Income Taxes

Q2 2022 vs. Q2 2021

Income tax expense increased by \$135.6 million in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by the following:

- pre-tax income of \$469.0 million in the second quarter of 2022, as compared to a pre-tax loss of \$83.3 million for the second quarter of 2021; and
- a decrease in our effective tax rate which was 21.4% for the second quarter of 2022, compared to 42.3% for the second quarter of 2021 primarily due to the following:
 - the impact of credits and permanent differences on the tax rate due to changes in pre-tax book income;
 - changes in the valuation allowance for state tax attributes; and
 - changes in the second quarter estimated annual tax rate applied to year-to-date loss for the second quarter of 2021.

YTD 2022 vs. YTD 2021

Income tax expense increased by \$147.0 million during the six months ended June 30, 2022 compared to the same period for 2021, primarily driven by the following:

- pre-tax income of \$486.9 million in the six months ended June 30, 2022, as compared to a pre-tax loss of \$154.3 million for the six months ended June 30, 2021; and
 - a decrease in our effective tax rate which was 21.3% for the six months ended June 30, 2022, compared to 28.2% for the six months ended June 30, 2021 primarily due to the following:
 - the impact of credits and permanent differences on the tax rate due to changes in pre-tax book income; and
 - changes in the valuation allowance for state tax attributes.
-

Refining Segment

The tables and charts below set forth certain information concerning our refining segment operations (\$ in millions, except per barrel amounts):

	Refining Segment Margins			
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	Adjusted 2021 ⁽¹⁾	2022	Adjusted 2021 ⁽¹⁾
Net revenues	\$ 4,810.5	\$ 2,415.7	\$ 8,304.2	\$ 4,155.8
Cost of materials and other	4,027.2	2,286.6	7,304.1	3,901.6
Refining margin	783.3	129.1	1,000.1	254.2
Operating expenses (excluding depreciation and amortization) ^{(1) (2)}	165.0	115.0	284.9	229.7
Contribution margin ⁽¹⁾	\$ 618.3	\$ 14.1	\$ 715.2	\$ 24.5

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

⁽²⁾ Reflects the prior period conforming reclassification adjustment between operating expenses and general and administrative expenses.

Factors Impacting Refining Profitability

Our profitability in the refining segment is substantially determined by the difference between the cost of the crude oil feedstocks we purchase and the price of the refined products we sell, referred to as the "crack spread", "refining margin" or "refined product margin". Refining margin is used as a metric to assess a refinery's product margins against market crack spread trends, where "crack spread" is a measure of the difference between market prices for crude oil and refined products and is a commonly used proxy within the industry to estimate or identify trends in refining margins.

The cost to acquire feedstocks and the price of the refined petroleum products we ultimately sell from our refineries depend on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline and other refined petroleum products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions such as hurricanes or tornadoes, local, domestic and foreign political affairs, global conflict, production levels, the availability of imports, the marketing of competitive fuels and government regulation. Other significant factors that influence our results in the refining segment include operating costs (particularly the cost of natural gas used for fuel and the cost of electricity), seasonal factors, refinery utilization rates and planned or unplanned maintenance activities or turnarounds. Moreover, while the fluctuations in the cost of crude oil are typically reflected in the prices of light refined products, such as gasoline and diesel fuel, the price of other residual products, such as asphalt, coke, carbon black oil and liquefied petroleum gas ("LPG") are less likely to move in parallel with crude cost. This could cause additional pressure on our realized margin during periods of rising or falling crude oil prices.

Additionally, our margins are impacted by the pricing differentials of the various types and sources of crude oil we use at our refineries and their relation to product pricing. Our crude slate is predominantly comprised of WTI crude oil. Therefore, favorable differentials of WTI compared to other crude will favorably impact our operating results, and vice versa. Additionally, because of our gathering system presence in the Midland area and the significant source of crude specifically from that region into our network, a widening of the WTI Cushing less WTI Midland spread will favorably influence the operating margin for our refineries. Alternatively, a narrowing of this differential will have an adverse effect on our operating margins. Global product prices are influenced by the price of Brent crude which is a global benchmark crude. Global product prices influence product prices in the U.S. As a result, our refineries are influenced by the spread between Brent crude and WTI Midland. The Brent less WTI Midland spread represents the differential between the average per barrel price of Brent crude oil and the average per barrel price of WTI Midland crude oil. A widening of the spread between Brent and WTI Midland will favorably influence our refineries' operating margins. Also, the Krotz Springs refinery is influenced by the spread between Brent crude and LLS. The Brent less LLS spread represents the differential between the average per barrel price of Brent crude oil and the average per barrel price of LLS crude oil. A discount in LLS relative to Brent will favorably influence the Krotz Springs refinery operating margin.

Refining contribution margin is impacted by regulatory costs associated with the cost of RINs as well as energy costs, including the cost of natural gas. In periods of unfavorable regulatory sentiment or uncertainty regarding the possibility of SREs, RINs prices can increase at higher rates than crack spreads, or even when crack spreads are declining. This can be particularly impactful on smaller refineries, where the operating cost structure does not have as much scalability as larger refineries. Additionally, volatility in energy costs, which are captured in our operating expenses and impact our Refining contribution margin, can significantly impact our ability to capture crack spreads, with natural gas representing the most significant component. Within Delek's geographic footprint, we source the majority of our natural gas from the Gulf Coast, and secondarily from the Permian, and we do not currently have the capability at our refineries to switch our energy consumption to utilize alternative sources of fuel. For this reason, unfavorable Gulf Coast (Henry Hub) differentials can impact

our crack spread capture. The cost to acquire the refined fuel products we sell to our wholesale customers in our logistics segment and at our convenience stores in our retail segment largely depends on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline and other refined petroleum products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, production levels, the availability of imports, the marketing of competitive fuels and government regulation.

In addition to the above, it continues to be a strategic and operational objective to manage price and supply risk related to crude oil that is used in refinery production, and to develop strategic sourcing relationships. For that purpose, from a pricing perspective, we enter into commodity derivative contracts to manage our price exposure to our inventory positions, future purchases of crude oil and ethanol, future sales of refined products or to fix margins on future production. We also enter into future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage our RINs Obligation. Additionally, from a sourcing perspective, we often enter into purchase and sale contracts with vendors and customers or take physical or financial commodity positions for crude oil that may not be used immediately in production, but that may be used to manage the overall supply and availability of crude expected to ultimately be needed for production and/or to meet minimum requirements under strategic pipeline arrangements, and also to optimize and hedge availability risks associated with crude that we ultimately expect to use in production. Such transactions are inherently based on certain assumptions and judgments made about the current and possible future availability of crude. Therefore, when we take physical or financial positions for optimization purposes, our intent is generally to take offsetting positions in quantities and at prices that will advance these objectives while minimizing our positional and financial statement risk. However, because of the volatility of the market in terms of pricing and availability, it is possible that we may have material positions with timing differences or, more rarely, that we are unable to cover a position with an offsetting position as intended. Such differences could have a material impact on the classification of resulting gains/losses, assets or liabilities, and could also significantly impact refining contribution margin.

Finally, as part of our overall business strategy, we regularly evaluate opportunities to expand our portfolio of businesses and may at any time be discussing or negotiating a transaction that, if consummated, could have a material effect on our business, financial condition, liquidity or results of operations.

Refinery Statistics

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
Tyler, TX Refinery				
Days in period	91	91	181	181
Total sales volume - refined product (average barrels per day) ⁽¹⁾	72,283	77,529	72,922	75,389
Products manufactured (average barrels per day):				
Gasoline	32,645	37,495	34,924	38,522
Diesel/Jet	30,271	30,449	29,644	29,102
Petrochemicals, LPG, natural gas liquids ("NGLs")	1,983	2,079	2,116	1,903
Other	1,824	1,633	1,748	1,552
Total production	66,723	71,656	68,432	71,079
Throughput (average barrels per day):				
Crude Oil	66,681	72,639	66,559	68,718
Other feedstocks	552	(384)	2,128	2,779
Total throughput	67,233	72,255	68,687	71,497
Total refining revenue (\$ in millions)	\$ 1,039.9	\$ 625.0	\$ 1,809.8	\$ 1,115.0
Cost of materials and other (\$ in millions) ⁽²⁾	834.2	553.1	1,523.8	961.6
Total refining margin (\$ in millions) ⁽²⁾	\$ 205.7	\$ 71.9	\$ 286.0	\$ 153.4
Per barrel of refined product sales:				
Tyler refining margin ⁽²⁾	\$ 31.27	\$ 10.18	21.67	\$ 11.24
Direct operating expenses ⁽³⁾	\$ 5.61	\$ 3.51	4.95	\$ 3.54
Crude Slate: (% based on amount received in period):				
WTI crude oil	83.8 %	86.7 %	85.4 %	90.6 %
East Texas crude oil	16.2 %	13.3 %	14.6 %	9.0 %
Other	— %	— %	— %	0.4 %
El Dorado, AR Refinery				
Days in period	91	91	181	181
Total sales volume - refined product (average barrels per day) ⁽¹⁾	84,299	55,381	82,825	52,561
Products manufactured (average barrels per day):				
Gasoline	39,347	26,143	38,118	21,872
Diesel	32,855	20,534	31,027	17,271
Petrochemicals, LPG, NGLs	1,549	808	1,285	780
Asphalt	8,181	5,997	7,655	4,840
Other	805	603	795	521
Total production	82,737	54,085	78,880	45,284
Throughput (average barrels per day):				
Crude Oil	81,510	54,086	76,827	44,479
Other feedstocks	2,221	1,451	3,079	1,558
Total throughput	83,731	55,537	79,906	46,037
Total refining revenue (\$ in millions)	\$ 1,130.1	\$ 489.5	\$ 1,942.2	\$ 926.2
Cost of materials and other (\$ in millions)	939.2	479.1	1,711.8	930.0
Total refining margin (\$ in millions)	\$ 190.9	\$ 10.4	\$ 230.4	\$ (3.8)
Per barrel of refined product sales:				
El Dorado refining margin	\$ 24.88	\$ 2.06	\$ 15.37	\$ (0.39)
Direct operating expenses ⁽³⁾	\$ 4.88	\$ 5.14	\$ 4.34	\$ 5.71
Crude Slate: (% based on amount received in period):				
WTI crude oil	53.1 %	48.9 %	43.2 %	46.9 %
Local Arkansas crude oil	15.6 %	20.4 %	16.4 %	25.1 %
Other	31.3 %	30.7 %	40.4 %	28.0 %

Refinery Statistics (continued)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
Big Spring, TX Refinery				
Days in period	91	91	181	181
Total sales volume - refined product (average barrels per day) ⁽¹⁾	72,928	69,191	71,039	68,947
Products manufactured (average barrels per day):				
Gasoline	34,918	33,501	33,912	33,159
Diesel/Jet	27,043	25,492	24,877	23,226
Petrochemicals, LPG, NGLs	3,537	4,335	3,436	3,745
Asphalt	1,406	1,012	1,642	1,400
Other	1,410	1,491	1,345	1,448
Total production	68,314	65,831	65,212	62,978
Throughput (average barrels per day):				
Crude oil	70,662	69,731	65,675	64,772
Other feedstocks	(1,093)	(1,704)	315	(395)
Total throughput	69,569	68,027	65,990	64,377
Total refining revenue (\$ in millions)	\$ 1,116.4	\$ 615.1	\$ 1,941.9	\$ 1,117.1
Cost of materials and other (\$ in millions)	922.9	572.0	1,650.5	1,033.2
Total refining margin (\$ in millions)	\$ 193.5	\$ 43.1	\$ 291.4	\$ 83.9
Per barrel of refined product sales:				
Big Spring refining margin	\$ 29.16	\$ 6.84	\$ 22.66	\$ 6.72
Direct operating expenses ⁽³⁾	\$ 7.06	\$ 5.34	\$ 6.24	\$ 5.88
Crude Slate: (% based on amount received in period):				
WTI crude oil	68.2 %	66.4 %	67.5 %	64.7 %
WTS crude oil	31.8 %	33.6 %	32.5 %	35.3 %
Krotz Springs, LA Refinery				
Days in period	91	91	181	181
Total sales volume - refined product (average barrels per day) ⁽¹⁾	75,791	77,318	77,800	51,286
Products manufactured (average barrels per day):				
Gasoline	31,298	33,056	31,979	19,661
Diesel/Jet	32,419	26,611	31,711	15,370
Heavy Oils	845	868	1,690	527
Petrochemicals, LPG, NGLs	7,152	6,601	7,040	3,948
Other	5,970	6,705	5,840	8,948
Total production	77,684	73,841	78,260	48,454
Throughput (average barrels per day):				
Crude Oil	75,849	70,883	74,430	42,377
Other feedstocks	922	2,240	3,181	6,786
Total throughput	76,771	73,123	77,611	49,163
Total refining revenue (\$ in millions)	\$ 1,514.0	\$ 687.4	\$ 2,604.1	\$ 1,007.1
Cost of materials and other (\$ in millions)	1,271.3	668.4	2,319.1	974.0
Total refining margin (\$ in millions)	\$ 242.7	\$ 19.0	\$ 285.0	\$ 33.1
Per barrel of refined product sales:				
Krotz Springs refining margin	\$ 35.20	\$ 2.71	\$ 20.24	\$ 3.56
Direct operating expenses ⁽³⁾	\$ 6.05	\$ 3.96	\$ 5.05	\$ 5.19
Crude Slate: (% based on amount received in period):				
WTI Crude	49.4 %	65.0 %	56.6 %	67.9 %
Gulf Coast Sweet Crude	40.6 %	33.5 %	38.2 %	30.9 %
Other	10.0 %	1.5 %	5.2 %	1.2 %

⁽¹⁾ Includes inter-refinery sales and sales to other segments which are eliminated in consolidation. See tables below.

⁽²⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

⁽³⁾ Reflects the prior period conforming reclassification adjustment between operating expenses and general and administrative expenses.

Included in the refinery statistics above are the following inter-refinery and sales to other segments:

Inter-refinery Sales				
(in barrels per day)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
Tyler refined product sales to other Delek refineries	2,378	1,797	1,746	1,945
El Dorado refined product sales to other Delek refineries	1,531	961	1,201	704
Big Spring refined product sales to other Delek refineries	470	874	554	801
Krotz Springs refined product sales to other Delek refineries	1,061	590	783	297

Refinery Sales to Other Segments				
(in barrels per day)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
Tyler refined product sales to other Delek segments	—	897	—	909
El Dorado refined product sales to other Delek segments	9	11	8	9
Big Spring refined product sales to other Delek segments	22,647	22,179	22,209	22,145
Krotz Springs refined product sales to other Delek segments	—	2,069	—	2,038

Pricing Statistics (average for the period presented)				
	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
WTI — Cushing crude oil (per barrel)	\$ 108.74	\$ 66.19	\$ 102.02	\$ 62.21
WTI — Midland crude oil (per barrel)	\$ 108.50	\$ 66.41	\$ 101.81	\$ 62.74
WTS — Midland crude oil (per barrel)	\$ 109.06	\$ 66.57	\$ 101.92	\$ 62.73
LLS (per barrel)	\$ 110.25	\$ 68.04	\$ 103.92	\$ 64.21
Brent crude oil (per barrel)	\$ 111.84	\$ 69.08	\$ 104.93	\$ 65.22
U.S. Gulf Coast 5-3-2 crack spread (per barrel) - utilizing HSD	\$ 34.05	\$ 11.89	\$ 26.12	\$ 11.04
U.S. Gulf Coast 5-3-2 crack spread (per barrel) ⁽¹⁾	\$ 44.03	\$ 16.72	\$ 33.77	\$ 15.20
U.S. Gulf Coast 3-2-1 crack spread (per barrel) ⁽¹⁾	\$ 42.44	\$ 16.82	\$ 32.56	\$ 15.26
U.S. Gulf Coast 2-1-1 crack spread (per barrel) ⁽¹⁾	\$ 32.47	\$ 8.68	\$ 24.12	\$ 7.91
U.S. Gulf Coast Unleaded Gasoline (per gallon)	\$ 3.40	\$ 1.99	\$ 3.05	\$ 1.85
Gulf Coast Ultra low sulfur diesel (per gallon)	\$ 3.98	\$ 1.95	\$ 3.50	\$ 1.83
U.S. Gulf Coast high sulfur diesel (per gallon)	\$ 3.39	\$ 1.67	\$ 3.04	\$ 1.58
Natural gas (per MMBtu) ⁽²⁾	\$ 7.50	\$ 2.98	\$ 6.05	\$ 2.85

⁽¹⁾ For our Tyler and El Dorado refineries, we compare our per barrel refining product margin to the Gulf Coast 5-3-2 crack spread consisting of WTI Cushing crude, U.S. Gulf Coast CBOB gasoline and U.S. Gulf Coast Pipeline No. 2 heating oil (ultra low sulfur diesel). For our Big Spring refinery, we compare our refined product margin to the Gulf Coast 3-2-1 crack spread consisting of WTI Cushing crude, Gulf Coast CBOB gasoline and Gulf Coast ultra low sulfur diesel, and for our Krotz Springs refinery, we compare our per barrel refined product margin to the Gulf Coast 2-1-1 crack spread consisting of LLS crude oil, Gulf Coast CBOB gasoline and U.S. Gulf Coast Pipeline No. 2 heating oil (high sulfur diesel). The Tyler refinery's crude oil input is primarily WTI Midland and East Texas, while the El Dorado refinery's crude input is primarily a combination of WTI Midland, local Arkansas and other domestic inland crude oil. The Big Spring refinery's crude oil input is primarily comprised of WTS and WTI Midland. The Krotz Springs refinery's crude oil input is primarily comprised of LLS and WTI Midland.

⁽²⁾ One Million British Thermal Units ("MMBtu").

Refining Segment Operational Comparison of the Three and Six Months Ended June 30, 2022 versus the Three and Six Months Ended June 30, 2021

Net Revenues

Q2 2022 vs. Q2 2021

Net revenues for the refining segment increased by \$2,394.8 million, or 99.1%, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by the following:

- increases in the average price of U.S. Gulf Coast gasoline of 71.2% ULSD of 104.0%, and HSD of 103.7% and
- an increase in total sales volumes of 2.2 million barrels.

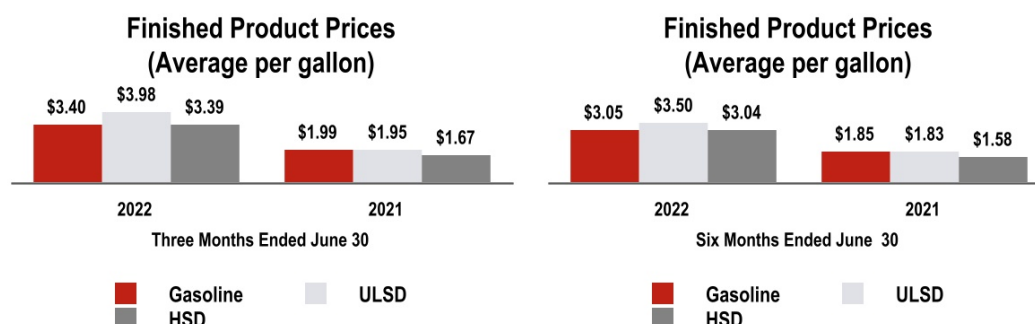
Net revenues included sales to our retail segment of \$160.1 million and \$91.8 million, sales to our logistics segment of \$143.9 million and \$74.1 million, and sales to our other segment of \$8.5 million and \$22.9 million for the three months ended June 30, 2022 and June 30, 2021, respectively. We eliminate this intercompany revenue in consolidation.

YTD 2022 vs. YTD 2021

Net revenues for the refining segment increased by \$4,148.4 million, or 99.8%, in the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by the following:

- increases in the average price of U.S. Gulf Coast gasoline of 65.1%, ULSD of 91.0%, and HSD of 92.5%; and
- an increase in total sales volumes of 8.5 million barrels, where sales volumes were lower in the six months of 2021 due to severe weather impacting our refineries and turnaround activities at our El Dorado refinery.

Net revenues included sales to our retail segment of \$271.9 million and \$161.5 million, sales to our logistics segment of \$249.6 million and \$139.9 million and sales to our other segment of \$16.6 million and \$43.0 million for the six months ended June 30, 2022 and 2021, respectively. We eliminate this intercompany revenue in consolidation.



Cost of Materials and Other

Q2 2022 vs. Q2 2021

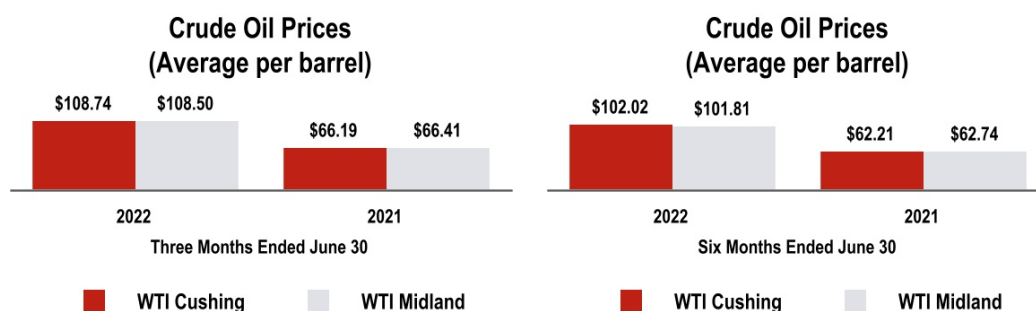
Cost of materials and other increased by \$1,740.6 million, or 76.1%, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by the following:

- increases in the cost of WTI Cushing crude oil, from an average of \$66.19 per barrel to an average of \$108.74, or 64.3%, and increases in the cost of WTI Midland crude oil, from an average of \$66.41 per barrel to an average of \$108.50, or 63.4%; and
- an increase in sales volumes.

YTD 2022 vs. YTD 2021

Cost of materials and other increased by \$3,402.5 million, or 87.2%, during the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by the following:

- increases in the cost of WTI Cushing crude oil, from an average of \$62.21 per barrel to an average of \$102.02, or 64.0%;
- increases in the cost of WTI Midland crude oil, from an average of \$62.74 per barrel to an average of \$101.81, or 62.3%;
- an increase in sales volumes; and
- an increase in RINs expense primarily due to increased production.



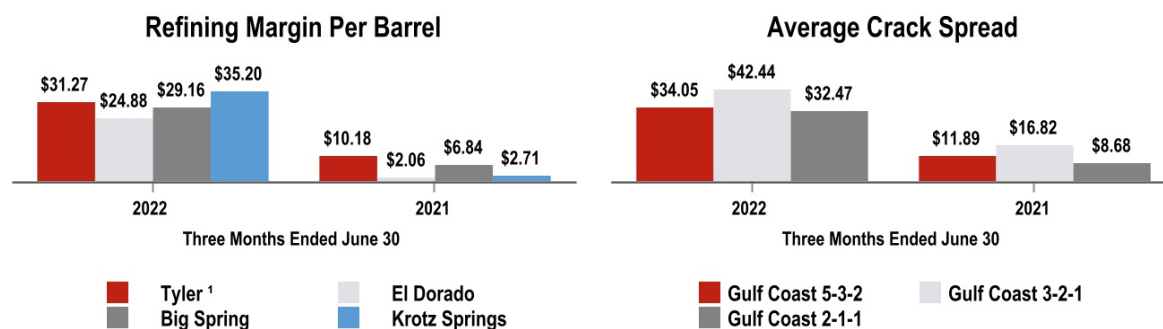
Our refining segment has multiple service agreements with our logistics segment which, among other things, require the refining segment to pay terminalling and storage fees based on the throughput volume of crude and finished product in the logistics segment pipelines and the volume of crude and finished product stored in the logistics segment storage tanks, subject to minimum volume commitments. These costs and fees were \$123.8 million and \$101.9 million during the second quarters of 2022 and 2021, respectively, and \$247.2 million and \$197.7 million during the six months ended June 30, 2022 and 2021, respectively. We eliminate these intercompany fees in consolidation.

Refining Margin

Q2 2022 vs. Q2 2021

Refining margin increased by \$654.2 million, or 506.7%, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by the following:

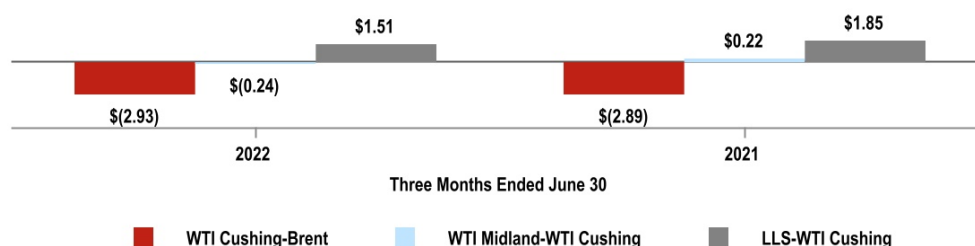
- a 186.4% improvement in the 5-3-2 crack spread (the primary measure for the Tyler refinery and El Dorado refinery), a 152.3% improvement in the average Gulf Coast 3-2-1 crack spread (the primary measure for the Big Spring refinery), and a 274.1% improvement in the average Gulf Coast 2-1-1 crack spread (the primary measure for the Krotz Springs refinery) and;
- an increase in utilization and sales volumes.



⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Crude Premium (Discounts)

(Average per barrel)

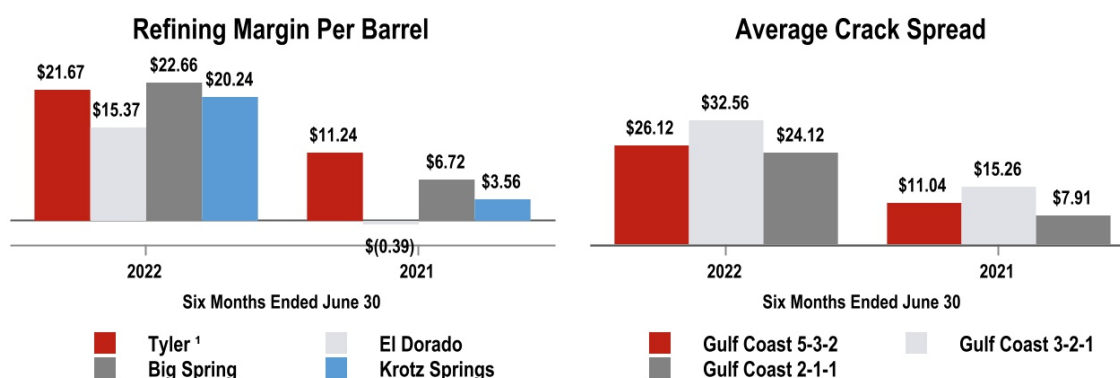


YTD 2022 vs. YTD 2021

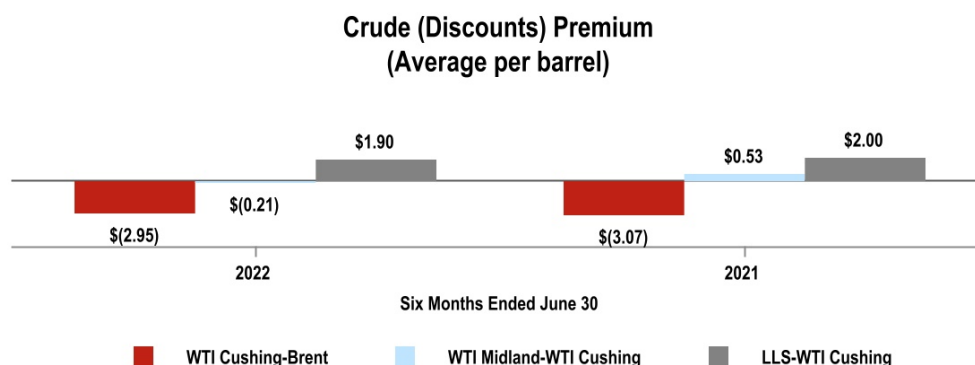
Refining margin increased by \$745.9 million, or 293.4%, in the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by the following:

- a 136.6% improvement in the 5-3-2 crack spread (the primary measure for the Tyler refinery and El Dorado refinery), a 113.4% improvement in the average Gulf Coast 3-2-1 crack spread (the primary measure for the Big Spring refinery), and a 204.9% improvement in the average Gulf Coast 2-1-1 crack spread (the primary measure for the Krotz Springs refinery) and;
- an increase in sales volumes.

Such increase was partially offset by an increase in RINs expense primarily due to increased production.



⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.



Operating Expenses

Q2 2022 vs. Q2 2021

Operating expenses increased by \$50.0 million, or 43.5%, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by the following:

- increase in variable costs and utilities associated with higher throughput during the current period; and
- higher natural gas prices in the second quarter of 2022.

YTD 2022 vs. YTD 2021

Operating expenses increased by \$55.2 million, or 24.0%, during the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by the following:

- increase in variable costs and utilities associated with higher throughput during the current period; and
- higher natural gas prices in the six months ended June 30, 2022 compared to the prior year for the same period.

Contribution Margin

Q2 2022 vs. Q2 2021

Contribution margin increased by \$604.2 million, or a 12.3% improvement in contribution margin percentage, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by an increase in refining margin primarily driven by improved crack spreads, increased sales volumes, offset by increase in variable costs and utilities and natural gas prices.

YTD 2022 vs. YTD 2021

Contribution margin increased by \$690.7 million for the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by an increase in refining margin primarily driven by improved crack spreads, increased sales volumes, offset by increase in variable costs and utilities, natural gas prices, and higher RINs expense primarily due to increased production.

Logistics Segment

The table below sets forth certain information concerning our logistics segment operations (\$ in millions, except per barrel amounts):

Logistics Contribution Margin and Operating Information				
	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net revenues	\$ 266.7	\$ 168.5	\$ 473.3	\$ 321.4
Cost of materials and other	176.4	88.8	302.6	169.9
Operating expenses (excluding depreciation and amortization)	21.0	15.5	39.1	30.4
Contribution margin	\$ 69.3	\$ 64.2	\$ 131.6	\$ 121.1
Operating Information:				
East Texas - Tyler Refinery sales volumes (average bpd) ⁽¹⁾	63,502	74,565	67,021	73,271
Big Spring wholesale marketing throughputs (average bpd)	78,634	75,136	77,100	74,038
West Texas wholesale marketing throughputs (average bpd)	10,073	9,395	9,994	9,765
West Texas wholesale marketing margin per barrel	\$ 2.67	\$ 4.24	\$ 2.85	\$ 3.81
Terminalling throughputs (average bpd) ⁽²⁾	130,002	139,987	136,808	142,250
Throughputs (average bpd):				
<i>Lion Pipeline System:</i>				
Crude pipelines (non-gathered)	84,699	53,316	78,818	48,743
Refined products pipelines to Enterprise Systems	64,821	39,193	62,186	32,806
SALA Gathering System	17,961	17,430	17,064	14,670
East Texas Crude Logistics System	19,942	27,497	18,010	26,790
Big Spring Gathering Assets ⁽³⁾	101,236	79,589	100,783	76,672
Plains Connection System	154,086	122,529	158,025	115,484

⁽¹⁾ Excludes jet fuel and petroleum coke.

⁽²⁾ Consists of terminalling throughputs at our Tyler, Big Spring, Big Sandy and Mount Pleasant, Texas terminals, El Dorado and North Little Rock, Arkansas terminals and Memphis and Nashville, Tennessee terminals.

⁽³⁾ Excludes volumes that are being temporarily transported via trucks while connectors are under construction.

Logistics Segment Operational Comparison of the Three and Six Months Ended June 30, 2022 versus the Three and Six Months Ended June 30, 2021

Net Revenues

Q2 2022 vs. Q2 2021

Net revenues increased by \$98.2 million, or 58.3%, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by:

- increases in the average sales prices per gallon of gasoline and diesel sold and volumes of gasoline sold, partially offset by a decrease in the volumes of diesel sold in our West Texas marketing operations;
- incremental revenues from the 3 Bear Acquisition; and
- increases in pipeline throughputs.

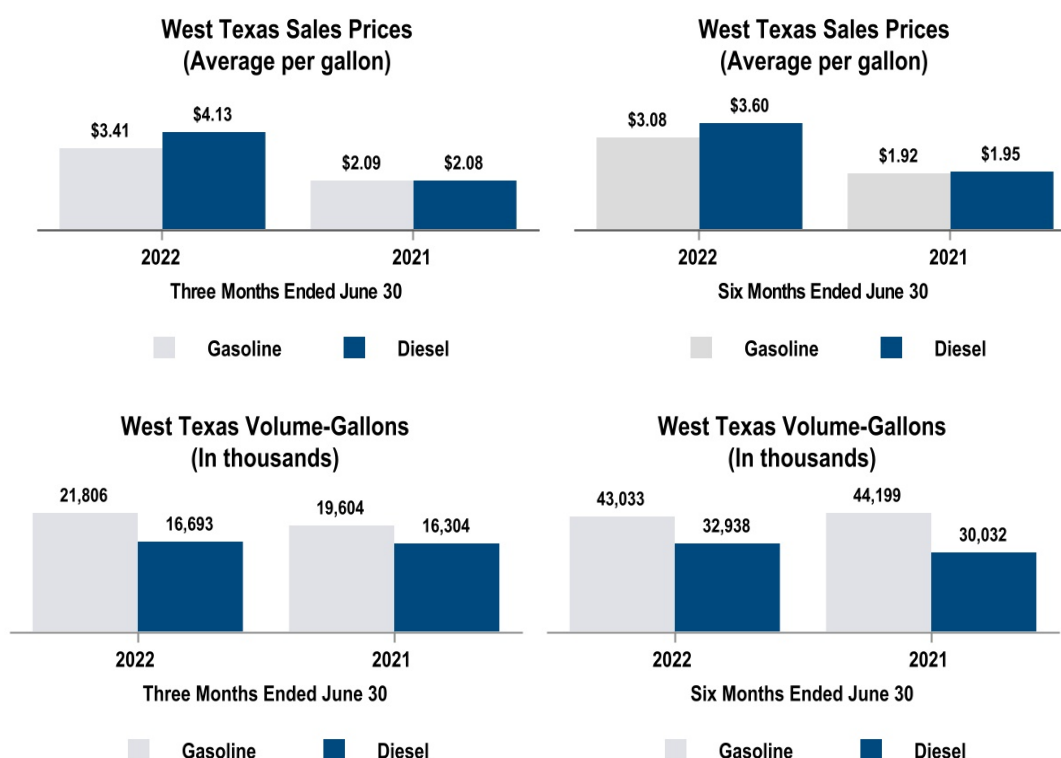
Net revenues included sales to our refining segment of \$123.8 million and \$101.9 million for the three months ended June 30, 2022 and June 30, 2021, respectively. We eliminate this intercompany revenue in consolidation.

YTD 2022 vs. YTD 2021

Net revenues increased by \$151.9 million, or 47.3%, in the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by the following:

- increases in the average sales prices per gallon of gasoline and diesel sold and volume of diesel sold, partially offset by a decrease in the volume of gasoline sold in our West Texas marketing operations;
- incremental revenues from the 3 Bear Acquisition; and
- increases in pipeline throughputs, where the six months ended June 30, 2021 were negatively impacted by the Pandemic as well as severe weather events.

Net revenues included sales to our refining segment of \$247.2 million and \$197.7 million for the six months ended June 30, 2022 and 2021, respectively, and sales to our other segment of \$0.9 million and \$0.9 million for the six months ended June 30, 2022 and 2021, respectively. We eliminate this intercompany revenue in consolidation.



Cost of Materials and Other

Q2 2022 vs. Q2 2021

Cost of materials and other for the logistics segment increased by \$87.6 million, or 98.6%, in the second quarter of 2022 compared to the second quarter of 2021 primarily driven by the following:

- increases in the average cost per gallon of gasoline and diesel sold, and increases in the volume of gasoline sold in our West Texas marketing operations:
 - the average cost per gallon of gasoline and diesel sold increased \$1.35 per gallon and \$2.04 per gallon, respectively;
 - the average volumes of gasoline and diesel sold increased by 2.2 million gallons and 0.4 million gallons, respectively, and;
- incremental cost of materials and other from the 3 Bear Acquisition.

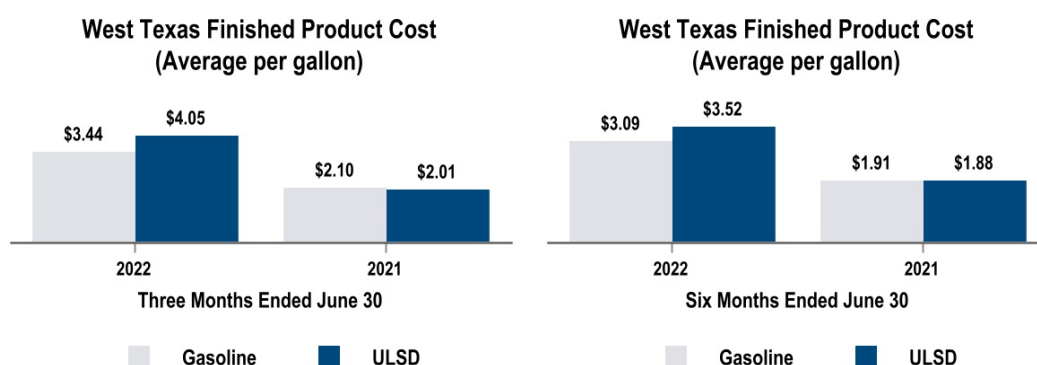
Our logistics segment purchased product from our refining segment of \$143.9 million and \$74.1 million for the three months ended June 30, 2022 and June 30, 2021, respectively. We eliminate these intercompany costs in consolidation.

YTD 2022 vs. YTD 2021

Cost of materials and other for the logistics segment increased by \$132.7 million, or 78.1%, in the six months ended June 30, 2022 compared to the six months ended June 30, 2021 primarily driven by the following:

- increases in the average cost per gallon of gasoline and diesel sold, partially offset by decreases in the average volumes of gasoline sold in our West Texas marketing operations:
 - the average cost per gallon of gasoline and diesel sold increased \$1.18 per gallon and \$1.64 per gallon, respectively;
 - the average volumes of diesel sold increased by 2.9 million gallons, while gasoline volumes sold decreased by 1.2 million gallons; and
- incremental cost of materials and other from the 3 Bear Acquisition.

Our logistics segment purchased product from our refining segment of \$249.6 million and \$139.9 million for the six months ended June 30, 2022 and June 30, 2021, respectively. We eliminate these intercompany costs in consolidation.



Operating Expenses

Q2 2022 vs. Q2 2021

Operating expenses increased by \$5.5 million, or 35.5%, in the second quarter of 2022 compared to the second quarter of 2021, driven by the following:

- increase due to additional expenses associated with 3 Bear Acquisition;
- increases in employee and outside service costs after cost cutting measures previously implemented to respond to the COVID-19 Pandemic, including delaying non-essential projects, ended;
- increase in energy costs, due to higher natural gas prices; and
- increases in utilities, maintenance and other variable expenses due to higher throughput.

YTD 2022 vs. YTD 2021

Operating expenses increased by \$8.7 million, or 28.6%, in the six months ended June 30, 2022 compared to the six months ended June 30, 2021, driven by the following:

- increase due to additional expenses associated with 3 Bear Acquisition;
- increases in employee and outside service costs; and
- increases in variable expenses such as maintenance and materials costs due to higher throughput.

Contribution Margin

Q2 2022 vs. Q2 2021

Contribution margin increased by \$5.1 million in the second quarter of 2022 compared to the second quarter of 2021 primarily driven by the following:

- increases in revenue due to higher throughput volumes; and
- partially offset by increases in operating expense.

YTD 2022 vs. YTD 2021

Contribution margin increased by \$10.5 million, or 8.7%, in the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by the following:

- increases in revenue due to higher throughput volumes; and
- partially offset by increases in operating expense.

Retail Segment

The table below sets forth certain information concerning our retail segment operations (gross sales \$ in millions):

Retail Contribution Margins				
	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net revenues	\$ 277.1	\$ 209.0	\$ 486.6	\$ 383.8
Cost of materials and other	233.8	164.7	406.8	301.2
Operating expenses (excluding depreciation and amortization)	25.1	22.4	47.8	44.0
Contribution margin	<u>\$ 18.2</u>	<u>\$ 21.9</u>	<u>\$ 32.0</u>	<u>\$ 38.6</u>
Operating Information				
Number of stores (end of period)	248	252	248	252
Average number of stores	248	252	248	252
Average number of fuel stores	243	247	243	247
Retail fuel sales	\$ 193.6	\$ 124.5	\$ 333.5	\$ 224.6
Retail fuel sales (thousands of gallons)	44,911	42,978	84,416	82,744
Average retail gallons sold per average number of fuel stores (in thousands)	185	174	348	336
Average retail sales price per gallon sold	\$ 4.31	\$ 2.90	\$ 3.95	\$ 2.71
Retail fuel margin (\$ per gallon) ⁽¹⁾	\$ 0.329	\$ 0.389	\$ 0.322	\$ 0.370
Merchandise sales (in millions)	\$ 83.4	\$ 84.5	\$ 153.1	\$ 159.2
Merchandise sales per average number of stores (in millions)	\$ 0.3	\$ 0.3	\$ 0.6	\$ 0.6
Merchandise margin %	34.0 %	32.7 %	34.3 %	32.7 %
Same-Store Comparison ⁽²⁾				
	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Change in same-store fuel gallons sold	5.8 %	1.3 %	3.4 %	(10.7)%
Change in same-store merchandise sales	0.1 %	(5.4)%	(2.4)%	(1.9)%

⁽¹⁾ Retail fuel margin represents gross margin on fuel sales in the retail segment, and is calculated as retail fuel sales revenue less retail fuel cost of sales. The retail fuel margin per gallon calculation is derived by dividing retail fuel margin by the total retail fuel gallons sold for the period.

⁽²⁾ Same-store comparisons include period-over-period changes in specified metrics for stores that were in service at both the beginning of the earliest period and the end of the most recent period used in the comparison.

Retail Segment Operational Comparison of the Three and Six Months Ended June 30, 2022 versus the Three and Six Months Ended June 30, 2021

Net Revenues

Q2 2022 vs. Q2 2021

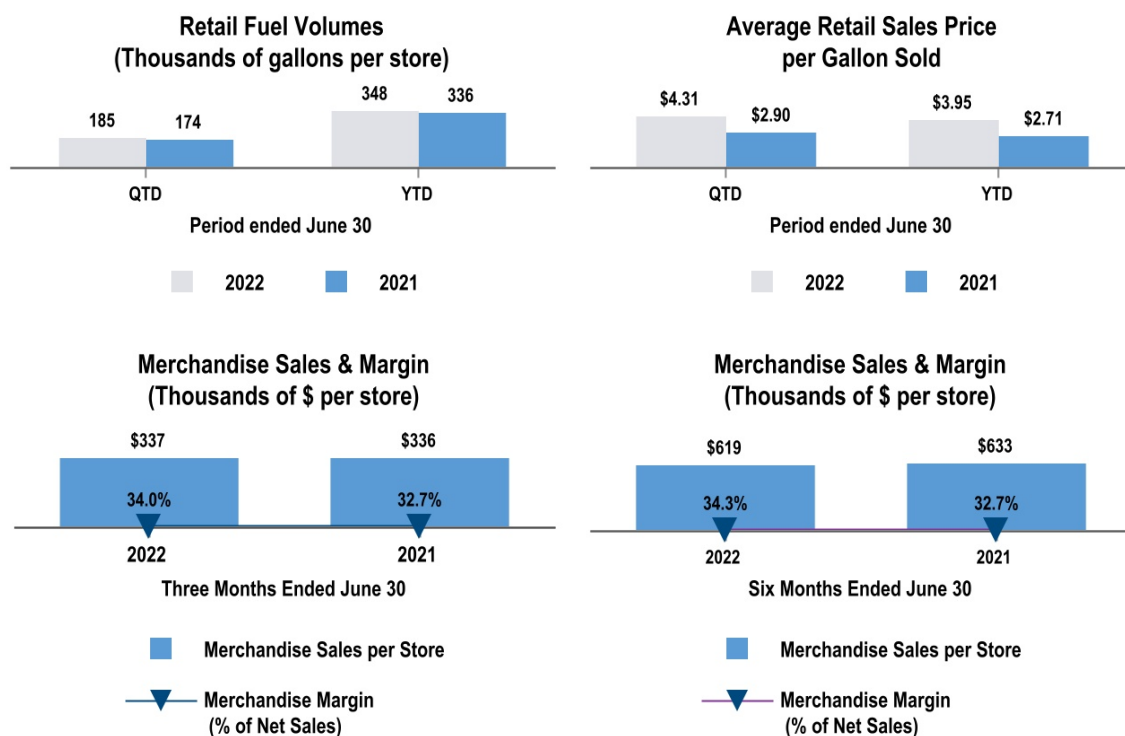
Net revenues for the retail segment increased by \$68.1 million, or 32.6%, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by the following:

- an increase in total fuel sales which were \$193.6 million in the second quarter of 2022 compared to \$124.5 million in the second quarter of 2021, primarily attributable to an increase of \$1.41 in average price charged per gallon sold; and
- slightly offset by a decrease in merchandise sales to \$83.4 million in the second quarter of 2022 compared to \$84.5 million in the second quarter of 2021

2022 vs. YTD 2021

Net revenues for the retail segment increased by \$102.8 million, or 26.8%, in the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by the following:

- an increase in total fuel sales which were \$333.5 million in the six months of 2022 compared to \$224.6 million in the six months of 2021, primarily attributable to a \$1.24 increase in average price charged per gallon sold; and
- offset by a decrease in merchandise sales to \$153.1 million in the six months of 2022 compared to \$159.2 million in the six months of 2021, primarily driven by the same-store sales decrease of 2.4%.

**Cost of Materials and Other****Q2 2022 vs. Q2 2021**

Cost of materials and other for the retail segment increased by \$69.1 million, or 42.0%, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by an increase in average cost per gallon of \$1.47 or 58.8% applied to fuel sales volumes that increased period over period. Our retail segment purchased finished product from our refining segment of \$160.1 million and \$91.8 million for the three months ended June 30, 2022 and June 30, 2021, respectively, which is eliminated in consolidation.

YTD 2022 vs. YTD 2021

Cost of materials and other for the retail segment increased by \$105.6 million, or 35.1%, in the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily driven by an increase in average cost per gallon of \$1.28 or 54.7% applied to fuel sales volumes that increased period over period. Our retail segment purchased finished product from our refining segment of \$271.9 million and \$161.5 million for the six months ended June 30, 2022 and June 30, 2021, respectively, which is eliminated in consolidation.

Operating Expenses**Q2 2022 vs. Q2 2021**

Retail segment operating expenses increased by \$2.7 million, or 12.1%, in the second quarter of 2022 compared to the second quarter of 2021, primarily due to increased salary cost.

YTD 2022 vs. YTD 2021

Operating expenses for the retail segment increased by \$3.8 million, or 8.6% in the six months ended June 30, 2022 compared to the six months ended June 30, 2021, primarily due to increased salary cost.

Contribution Margin**Q2 2022 vs. Q2 2021**

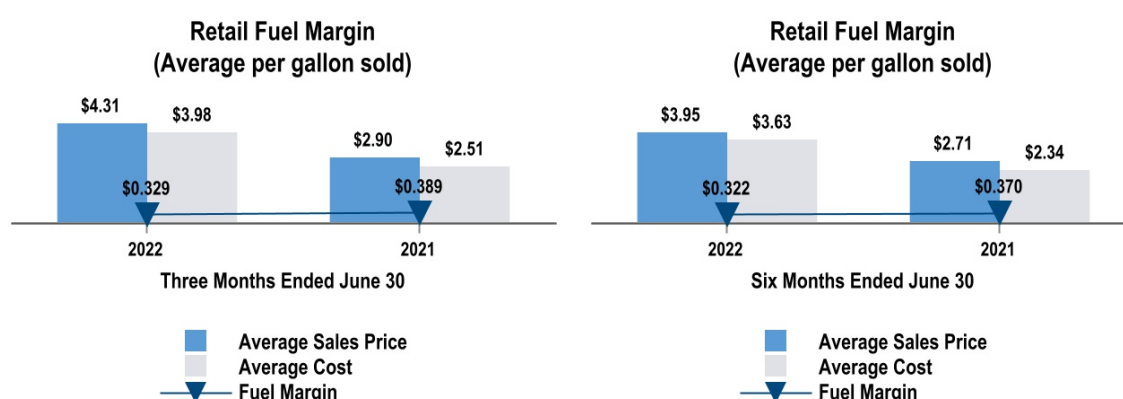
Contribution margin for the retail segment decreased by \$3.7 million, or 16.9%, in the second quarter of 2022 compared to the second quarter of 2021, primarily driven by the following:

- a 1.3% decrease in merchandise sales, offset by an improvement in merchandise margin percentage of 1.3%; and
- a decrease in the average fuel margin of \$0.060 per gallon, partially offset by an increase in fuel sales volume.

YTD 2022 vs. YTD 2021

Contribution margin for the retail segment decreased by \$6.6 million, or 17.1%, in the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily driven by the following:

- a 3.8% decrease in merchandise sales, partially offset by an improvement in merchandise margin percentage of 1.6%; and
- a decrease in average fuel margin of \$0.048 per gallon, partially offset by an increase in fuel sales volume.

**Liquidity and Capital Resources**

Our primary sources of liquidity and capital resources are

- cash generated from our operating activities;
- borrowings under our debt facilities; and
- potential issuances of additional equity and debt securities.

At June 30, 2022 our total liquidity amounted to \$2.0 billion comprised primarily of \$636.1 million in unused credit commitments under the Delek Revolving Credit Facility (as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements), \$119.1 million in unused credit commitments under the Delek Logistics Credit Facility (as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements) and \$1,244.6 million in cash and cash equivalents. Historically, we have generated adequate cash from operations to fund ongoing working capital requirements and pay quarterly cash dividends and operational capital expenditures. In response to the COVID-19 Pandemic and the decline in oil prices, on November 5, 2020, we announced that we elected to suspend dividends in order to conserve capital. On June 21, 2022, our Board of Directors voted to declare a special cash dividend of \$0.20 per share of our common stock, payable on July 20, 2022 to shareholders of record on July 12, 2022. Return of cash to shareholders remains a priority for the Company along with maintaining a strong and flexible balance sheet. On August 1, 2022, our Board voted to reinstate the quarterly cash dividend and declared a quarterly cash dividend of \$0.20 per share of our common stock, payable on September 6, 2022 to shareholders of record on August 22, 2022. In addition, on August 1, 2022, the Board approved an approximately \$170.0 million increase in its share repurchase authorization, bringing the total amount available for repurchases under current authorizations to \$400.0 million. Other funding sources including borrowings under existing credit agreements and issuance of equity and debt securities have been utilized to meet our funding requirements and support our growth capital projects and acquisitions. In addition,

we have historically been able to source funding that terms that reflect market conditions, our financial position and our credit ratings. We continue to monitor market conditions, our financial position and our credit ratings and expect future funding sources to be at terms that are sustainable and profitable for the Company. However, there can be no assurances regarding the availability of any future debt or equity financings or whether such financings can be made available on terms that are acceptable to us; any execution of such financing activities will be dependent on the contemporaneous availability of functioning debt or equity markets. Additionally, new debt financing activities will be subject to the satisfaction of any debt incurrence limitation covenants in our existing financing agreements. Our debt limitation covenants in our existing financing documents are usual and customary for credit agreements of our type and reflective of market conditions at the time of their execution. Additionally, our ability to satisfy working capital requirements, to service our debt obligations, to fund planned capital expenditures, or to pay dividends will depend upon future operating performance, which will be affected by prevailing economic conditions in the oil industry and other financial and business factors, including the current COVID-19 Pandemic and oil prices, some of which are beyond our control.

If market conditions were to change, for instance due to the uncertainty created by the COVID-19 Pandemic or the Russia-Ukraine War, and our revenue was reduced significantly or operating costs were to increase significantly, our cash flows and liquidity could be unfavorably impacted.

As of June 30, 2022, we believe we were in compliance with all of our debt maintenance covenants, where the most significant long-term obligation subject to such covenants was the Delek Logistics Credit Facility (see Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements). We currently expect to remain in compliance with our existing debt maintenance covenants, though we can provide no assurances, particularly if conditions significantly worsen beyond our ability to predict. Additionally, we were in compliance with incurrence covenants during the quarter ended June 30, 2022 to the extent that any of our activities triggered these covenants. However, given the uncertainty around economic conditions, it is at least reasonably possible that conditions could change significantly, and that such changes could adversely impact our ability to meet some of these incurrence covenants. Inability to meet the incurrence covenants could impose certain incremental restrictions on our ability to incur new debt and also may limit whether and the extent to which we may pay dividends, as well as impose additional restrictions on our ability to repurchase our stock, make new investments and incur new liens (among others). Such restrictions would generally remain in place until such quarter that we are able to satisfy the applicable incurrence based covenants. In the event that we are subject to these incremental restrictions, we believe that we have sufficient current and alternative sources of liquidity, including (but not limited to) the following: available borrowings under our existing Wells Fargo Revolving Credit Facility, and for Delek Logistics, under its Delek Logistics Credit Facility (each as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements); the allowance to incur additional secured debt under the Term Loan Credit Facility (as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements); as well as the possibility of obtaining other secured and unsecured debt, raising capital through equity issuance, or taking advantage of transactional financing opportunities such as sale-leasebacks, each as otherwise contemplated and allowed under our incurrence covenants.

Cash Flows

The following table sets forth a summary of our consolidated cash flows (in millions):

	Consolidated	
	Six Months Ended June 30,	
	2022	2021
Cash Flow Data:		
Operating activities	\$ 585.9	\$ 134.9
Investing activities	(720.9)	(118.7)
Financing activities	523.1	29.3
Net increase	\$ 388.1	\$ 45.5

Cash Flows from Operating Activities

Net cash provided by operating activities was \$585.9 million for the six months ended June 30, 2022, compared to net cash used of \$134.9 million for the comparable period of 2021. The increase in cash provided by operating activities was primarily due to an increase in cash receipts from customers and cash payments to suppliers and for salaries resulting in a net \$472.0 million increase in cash provided by operating activities. Additionally, income taxes paid increased \$5.2 million and dividends received decreased \$3.9 million.

Cash Flows from Investing Activities

Net cash used in investing activities was \$720.9 million for the first six months of 2022, compared to \$118.7 million in the comparable period of 2021. The increase in cash flows used in investing activities was primarily due to the \$621.7 million acquisition of 3 Bear, partially offset by a \$34.6 million decrease in purchases of property, plant and equipment, partially attributable to delaying non-essential projects in light of the COVID-19 Pandemic and a \$9.8 million decrease in proceeds from sale of property, plant and equipment.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$523.1 million for the six months ended June 30, 2022, compared to cash provided of \$29.3 million in the comparable 2021 period. This increase in cash provided was primarily due to net proceeds on our revolvers and term debt of \$596.2 million during the six months ended June 30, 2022, compared to net proceeds of \$101.5 million in the comparable 2021 period and \$16.4 million in proceeds from the sale of Delek Logistics limited partner units in the current period, partially offset by a \$158.8 million decrease in net proceeds from inventory financing arrangements and the purchase of Delek common stock from IEP Energy Holding, LLC for \$64.0 million in the current period.

Cash Position, Indebtedness and Other Financing Arrangements

As of June 30, 2022, our total cash and cash equivalents were \$1,244.6 million and we had total long-term indebtedness of approximately \$2,817.7 million. The total long-term indebtedness is net of deferred financing costs and debt discount of \$10.0 million and \$15.7 million, respectively. Additionally, we had letters of credit issued of approximately \$363.9 million. Total unused credit commitments or borrowing base availability, as applicable, under our revolving credit facilities was approximately \$755.2 million. Our total long-term indebtedness consisted of the following:

- an aggregate principal amount of \$1,253.5 million under the Term Loan Credit Facility, due on March 30, 2025, with effective interest rate of 4.96%;
- an aggregate principal amount of \$9.0 million in outstanding borrowings under the Delek Hapoalim Term Loan, due on December 31, 2022, with effective interest rate of 6.52%;
- an aggregate principal amount of \$880.9 million under the Delek Logistics Credit Facility, due on September 28, 2023, with average borrowing rate of 3.35%;
- an aggregate principal amount of \$250.0 million under the Delek Logistics 2025 Notes, due in 2025, with effective interest rate of 7.19%;
- an aggregate principal amount of \$400.0 million under the Delek Logistics 2028 Notes, due in 2028, with effective interest rate of 7.40%;
- an aggregate principal amount of \$50.0 million under the Reliant Bank Revolver, due on June 30, 2023, with fixed interest rate of 4.50%; and
- the Revolving Credit Facility, due on March 30, 2023, with borrowing rate of 5.00% for base rate loans, with a nominal principal amount outstanding.

See Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements, for additional information about our separate credit facilities included in long-term indebtedness.

Additionally, we also utilize other financing arrangements to finance operating assets and/or, from time to time, to monetize other assets that may not be needed in the near term, when internal cost of capital and other criteria are met. Such arrangements include our supply and offtake arrangements, which finance a significant portion of our first-in, first-out inventory at the refineries and, from time to time, RINs or other non-inventory product financing liabilities. Our supply and offtake obligation with J. Aron amounted to \$770.5 million at June 30, 2022, \$537.4 million of which is due on December 30, 2022. (See Note 8 of the condensed consolidated financial statements in Item 1. Financial Statements, for additional information about our supply and offtake facilities). Our product financing liabilities consisted primarily of RIN financings as of June 30, 2022, and totaled \$258.5 million, all of which is due by December 31, 2022. See further description of these types of arrangements in the Environmental Credits and Related Regulatory Obligations accounting policy disclosed in Note 2 to our audited consolidated financial statements included Item 8. Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K. For both arrangements and the related commitments, see also our "Contractual Obligations" section included in Item 2. Management's Discussion and Analysis.

Capital Spending

A key component of our long-term strategy is our capital expenditure program. Our capital expenditures for the six months ended June 30, 2022 were \$93.3 million, of which approximately \$33.3 million was spent in our refining segment, \$35.8 million in our logistics segment, \$9.0 million in our retail segment and \$15.2 million primarily at the holding company level. The following table summarizes our actual capital expenditures for the six months ended June 30, 2022 and planned capital expenditures for the full year 2022 by operating segment and major category (in millions):

	Full Year 2022 Forecast	Six Months Ended June 30, 2022
Refining		
Sustaining maintenance, including turnaround activities	\$ 79.0	\$ 30.0
Regulatory	12.5	2.3
Discretionary projects	2.8	1.0
Refining segment total	94.3	33.3
Logistics		
Regulatory	5.4	2.4
Sustaining maintenance	2.7	0.1
Discretionary projects	108.0	33.3
Logistics segment total	116.1	35.8
Retail		
Regulatory	—	—
Sustaining maintenance	3.9	1.8
Discretionary projects	35.1	7.2
Retail segment total	39.0	9.0
Other		
Regulatory	2.3	1.1
Sustaining maintenance	26.2	11.5
Discretionary projects	14.4	2.6
Other total	42.9	15.2
Total capital spending	\$ 292.3	\$ 93.3

The amount of our capital expenditure budget is subject to change due to unanticipated increases in the cost, scope and completion time for our capital projects and subject to the changes and uncertainties discussed under the 'Forward-Looking Statements' section of Item 2, of this Quarterly Report on Form 10-Q.

We have no material off-balance sheet arrangements through the date of the filing of this Quarterly Report on Form 10-Q.

Cash Requirements

Long-Term Cash Requirements Under Contractual Obligations

Information regarding our known cash requirements under contractual obligations of the types described below as of June 30, 2022, is set forth in the following table (in millions):

	Payments Due by Period				Total
	<1 Year	1-3 Years	3-5 Years	>5 Years	
Long term debt and notes payable obligations	\$ 72.0	\$ 2,371.4	\$ —	\$ 400.0	\$ 2,843.4
Interest ⁽¹⁾	117.0	165.9	65.4	47.8	396.1
Operating lease commitments ⁽²⁾⁽⁷⁾	156.0	176.7	99.3	33.1	465.1
Finance lease commitments ⁽³⁾	4.4	4.6	2.8	5.2	17.0
Purchase commitments ⁽⁴⁾	1,014.1	0.2	—	—	1,014.3
Product financing commitments ⁽⁵⁾	258.5	—	—	—	258.5
Transportation agreements ⁽⁶⁾	164.7	257.1	244.1	261.2	927.1
J. Aron supply and offtake obligations ⁽⁷⁾	552.8	—	—	—	552.8
Total	\$ 2,339.5	\$ 2,975.9	\$ 411.6	\$ 747.3	\$ 6,474.3

⁽¹⁾ Expected interest payments on debt outstanding at June 30, 2022. Floating interest rate debt is calculated using June 30, 2022 rates. For additional information, see Note 9 of our condensed consolidated financial statements included in Item 1. Financial Statements, of this Quarterly Report on Form 10-Q.

⁽²⁾ Amounts reflect future estimated lease payments under operating leases having remaining non-cancelable terms in excess of one year as of June 30, 2022.

⁽³⁾ Amounts reflect future estimated lease payments under financing leases having remaining non-cancelable terms in excess of one year as of June 30, 2022.

⁽⁴⁾ We have purchase commitments to secure certain quantities of crude oil, finished product and other resources used in production at both fixed and market prices. We have estimated future payments under the market-based agreements using current market rates. Excludes purchase commitments in buy-sell transactions which have matching notional amounts with the same counterparty and are generally net settled in exchanges.

⁽⁵⁾ Balances consist of obligations under RINs product financing arrangements. For additional information, see Note 11 of our condensed consolidated financial statements included in Item 1. Financial Statements, of this Quarterly Report on Form 10-Q.

⁽⁶⁾ Balances consist of contractual obligations under agreements with third parties (not including Delek Logistics) for the transportation of crude oil to our refineries.

⁽⁷⁾ Balances consists of contractual obligations under the J. Aron Supply and Offtake Agreements, including annual fees and principal obligation for the Baseline Volume Step-Out Liability. For additional information, see Note 8 of our condensed consolidated financial statements included in Item 1. Financial Statements, of this Quarterly Report on Form 10-Q.

Other Cash Requirements

Our material short-term cash requirements under contractual obligations are presented above, and we expect to fund the majority of those requirements with cash flows from operations, with the exception of the supply and offtake obligations, which are expected to be refinanced. Our other cash requirements consisted of operating activities and capital expenditures. Operating activities include cash outflows related to payments to suppliers for crude and other inventories (which are largely reflected in our contractual purchase commitments in the table above) and payments for salaries and other employee related costs. In line with our Long-term Sustainable strategy, future cash requirements will include initiatives to build on our long term sustainable business model, ESG initiatives and digital transformation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

These disclosures should be read in conjunction with the condensed consolidated financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other information presented herein, as well as in the "Quantitative and Qualitative Disclosures About Market Risk" section contained in our Annual Report on Form 10-K, filed on February 25, 2022.

Price Risk Management Activities

At times, we enter into the following instruments/transactions in order to manage our market-indexed pricing risk: commodity derivative contracts which we use to manage our price exposure to our inventory positions, future purchases of crude oil and ethanol, future sales of refined products or to fix margins on future production; and future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage the costs associated with our RINs obligations and meet the definition of derivative instruments under ASC 815, *Derivatives and Hedging* ("ASC 815"). In accordance with ASC 815, all of these commodity contracts and future purchase commitments are recorded at fair value, and any change in fair value between periods has historically been recorded in the profit and loss section of our condensed consolidated financial statements. Occasionally, at inception, the Company will elect to designate the commodity derivative contracts as cash flow hedges under ASC 815. Gains or losses on commodity derivative contracts accounted for as cash flow hedges are recognized in other comprehensive income on the condensed consolidated balance sheets and, ultimately, when the forecasted transactions are completed, in net revenues or cost of materials and other in the condensed consolidated statements of income.

The following table sets forth information relating to our open commodity derivative contracts, excluding our trading derivative contracts (which are presented separately below), as of June 30, 2022 (\$ in millions):

Contract Description	Total Outstanding		Notional Contract Volume by Year of Maturity		
	Fair Value	Notional Contract Volume	2022	2023	2024
Contracts not designated as hedging instruments:					
Crude oil price swaps - long ⁽¹⁾	\$ (2.0)	51,163,000	45,463,000	5,700,000	—
Crude oil price swaps - short ⁽¹⁾	13.3	49,879,000	45,179,000	4,700,000	—
Inventory, refined product and crack spread swaps - long ⁽¹⁾	(29.6)	3,395,000	3,395,000	—	—
Inventory, refined product and crack spread swaps - short ⁽¹⁾	12.2	5,669,000	5,669,000	—	—
RIN commitment contracts - long ⁽²⁾	3.8	117,750,000	117,750,000	—	—
Total	\$ (2.3)	227,856,000	217,456,000	10,400,000	—

⁽¹⁾ Volume in barrels

⁽²⁾ Volume in RINs

Interest Risk Management Activities

We have market exposure to changes in interest rates relating to our outstanding floating rate borrowings, which totaled approximately \$2,143.4 million as of June 30, 2022. The annualized impact of a hypothetical one percent change in interest rates on our floating rate debt as of June 30, 2022 would be to change interest expense by approximately \$21.4 million.

Inflation

Inflationary factors, such as increases in the costs of our inputs, operating expenses, and interest rates may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and operating expenses as a percentage of sales if the prices at which we are able to sell our products and services does not increase in line with increases in costs.

LIBOR Transition

LIBOR is a commonly used indicative measure of the average interest rate at which major global banks could borrow from one another. The United Kingdom's Financial Conduct Authority, which regulates LIBOR discontinued the reporting of certain LIBOR rates on December 31, 2021, and has publicly announced that it intends to discontinue all USD LIBOR rates after June 2023. Certain of our agreements use LIBOR as a "benchmark" or "reference rate" for various terms. Some agreements contain an existing LIBOR alternative. Where there is not an alternative, we expect to replace the LIBOR benchmark with an alternative reference rate. While we do not expect the transition to an alternative rate to have a significant impact on our business or operations, it is possible that the move away from LIBOR could materially impact our borrowing costs on our variable rate indebtedness.

Commodity Derivatives Trading Activities

We enter into active trading positions in a variety of commodity derivatives, which include forward physical contracts, swap contracts, and futures contracts. These trading activities are undertaken by using a range of contract types in combination to create incremental gains by capitalizing on crude oil supply and pricing seasonality. These contracts are classified as held for trading and are recognized at fair value with changes in fair value recognized in the income statement.

The following table sets forth information relating to trading commodity derivative contracts as of June 30, 2022:

Contract Description	Total Outstanding		Notional Contract Volume by Year of Maturity				
	Fair Value	Notional Contract Volume	2022	2023	2024	2025	2026
Crude forward contracts- long ⁽¹⁾	64.0	723,921	723,921	—	—	—	—
Crude forward contracts- short ⁽¹⁾	56.2	628,273	628,273	—	—	—	—
Total	\$ 120.2	1,352,194	1,352,194	—	—	—	—

⁽¹⁾ Volume in barrels

ITEM 4. CONTROLS AND PROCEDURES

Our disclosure controls and procedures are designed to provide reasonable assurance that the information that we are required to disclose in reports we file under the Exchange Act is accumulated and appropriately communicated to management. We carried out an evaluation required by Rule 13a-15(b) of the Exchange Act, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures at the end of the reporting period. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the reporting period.

We acquired 3 Bear effective June 1 2022, and have included the operating results and assets and liabilities of 3 Bear in our consolidated financial statements as of June 30, 2022 and for the 30 days then ended. As permitted by SEC guidance for newly acquired businesses, management's assessment of the Company's disclosure controls and procedures did not include an assessment of those disclosure controls and procedures of 3 Bear that are subsumed by internal control over financial reporting. 3 Bear accounted for approximately 7.0% of total assets as of June 30, 2022 and approximately 0.2% of total revenues of the Company for the six months ended on June 30, 2022. Other than our internal controls for 3 Bear, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the second quarter of 2022 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Part II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary conduct of our business, we are from time to time subject to lawsuits, investigations and claims, including, environmental claims and employee-related matters. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, including civil penalties or other enforcement actions, we do not believe that any currently pending legal proceeding or proceedings to which we are a party will have a material adverse effect on our business, financial condition or results of operations. See Note 12 to our accompanying condensed consolidated financial statements, which is incorporated by reference in this Item 1, for additional information. Aside from the disclosure updated in Note 12, there have been no material developments to the proceedings previously reported in our Annual Report on Form 10-K filed on February 25, 2022.

ITEM 1A. RISK FACTORS

There were no material changes during the six months ended June 30, 2022 to the risk factors identified in the Company's fiscal 2021 Annual Report on Form 10-K, except as described below.

We may be unsuccessful in integrating the operations of the assets we have acquired or may acquire with our operations, and in realizing all or any part of the anticipated benefits of any such acquisitions.

From time to time, we evaluate and acquire assets and businesses that we believe complement our existing assets and businesses. Acquisitions may require substantial capital or the incurrence of substantial indebtedness. Our capitalization and results of operations may change significantly as a result of completed or future acquisitions. Acquisitions and business expansions involve numerous risks, including difficulties in the assimilation of the assets and operations of the acquired businesses, inefficiencies and difficulties that arise because of unfamiliarity with new assets and the businesses associated with them, and new geographic areas and the diversion of management's attention from other business concerns. Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition. Also, following an acquisition, we may discover previously unknown liabilities associated with the acquired business or assets for which we have no recourse under applicable indemnification provisions.

On June 1 2022, a subsidiary of Delek Logistics acquired 100% of the equity interests of 3 Bear Delaware Holding – NM, LLC (the "3 Bear Acquisition"), an indirect subsidiary of 3 Bear Energy, LLC ("3 Bear").

The 3 Bear Acquisition will require the management of Delek Logistics, which includes certain members of our management who provide management services to Delek Logistics, to devote significant attention and resources to integrating the 3 Bear business with its business. Potential difficulties that may be encountered in the integration process include, among others:

- the inability to successfully integrate the 3 Bear business into its business in a manner that permits Delek Logistics to achieve the revenue and cost savings that it announced as anticipated from the acquisition;
- complexities associated with managing the larger, integrated business;
- potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the acquisition;
- integrating personnel from the two companies while maintaining focus on providing consistent, high-quality products and services;
- loss of key employees;
- integrating relationships with customers, vendors and business partners;
- performance shortfalls at one or both of the companies as a result of the diversion of management's attention caused by completing the acquisition and the integration of operations; and
- the disruption or loss in momentum in, each company's ongoing business or inconsistencies in standards, controls, procedures and policies.

Delays or difficulties in the integration process could adversely affect our business, financial condition, and results of operations. There can be no assurance that the acquisition will result in the realization of the full benefits of the synergies, cost savings, innovation and operational efficiencies that are currently expected from this integration or that have been communicated with respect to this acquisition or that these benefits will be achieved within the anticipated timeframe.

The Russia-Ukraine War, and events occurring in response thereto, including sanctions brought by the United States and other countries against Russia and any expansion of hostilities, may have an adverse impact on our business, our future results of operations, and our overall financial performance.

The effects of the military conflict that began with the Russian invasion of Ukraine in February 2022 on our business, financial condition, and results of operations are impossible to predict. Sanctions brought by the United States and other countries against Russia, any escalation of the conflict, including the regional or global expansion of hostilities, and other future developments could significantly affect the global economy, lead to market volatility and supply chain disruptions, have an adverse impact on energy prices, including prices for crude oil, other feedstocks, and refined petroleum products, have an adverse impact on the margins from our petroleum product marketing operations, and have a material adverse effect on our business, financial condition, and results of operations.

The physical effects of climate change and severe weather present risks to our operations.

The potential physical effects of climate change and severe weather on our operations are highly uncertain and depend upon the unique geographic and environmental factors present. We have systems in place to manage potential acute physical risks, including those that may be caused by climate change, but if any such events were to occur, they could have an adverse effect on our assets and operations. Examples of potential physical risks include floods, hurricane-force winds, wildfires, freezing temperatures and snowstorms. We have incurred, and will continue to incur, costs to protect our assets from physical risks, and to employ processes, to the extent available, to mitigate such risks.

Any extreme weather events may disrupt the ability to operate our facilities or to transport crude oil, refined petroleum or petrochemical and plastics products in these areas. Extended periods of such disruption could have an adverse effect on our results of operations. We could also incur substantial costs to prevent or repair damage to these facilities. Finally, depending on the severity and duration of any extreme weather events or climate conditions, our operations may need to be modified and material costs incurred, which could materially and adversely affect our business, financial condition and results of operations.

There are certain environmental hazards and risks inherent in our operations that could adversely affect those operations and our financial results.

The operation of refineries, pipelines, terminals and vessels is inherently subject to the risks of spills, discharges or other inadvertent releases of petroleum or hazardous substances. If any of these events had previously occurred or occurs in the future in connection with any of our refineries, pipelines or refined petroleum products terminals, or in connection with any facilities that receive our wastes or byproducts for treatment or disposal, other than events for which we are indemnified, we could be liable for all costs and penalties associated with their remediation under federal, state, local and international environmental laws or common law, and could be liable for property damage to third parties caused by contamination from releases and spills.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
2.1	Membership Interest Purchase Agreement, dated as of April 8, 2022, by and between 3 Bear Energy – New Mexico LLC and DKL Delaware Gathering, LLC (incorporated by reference to Exhibit 2.1 to the Partnership's 8-K filed on April 11, 2022).
3.1	# Second Amended and Restated Certificate of Incorporation to Delek US Holdings, Inc., as filed with the Secretary of State of the State of Delaware on May 5, 2022.
3.2	# Fourth Amended and Restated Bylaws of Delek US Holdings, Inc., effective as of May 5, 2022.
10.1	# Fourth Amendment to the Delek US Holdings, Inc. 2016 Long-Term Incentive Plan.
31.1	# Certification of the Company's Chief Executive Officer pursuant to Rule 13a-14(a)/15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	# Certification of the Company's Chief Financial Officer pursuant to Rule 13a-14(a)/15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	## Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	## Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from Delek US Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021 (Unaudited), (ii) Condensed Consolidated Statements of Income for the three and six months ended June 30, 2022 and 2021 (Unaudited), (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2022 and 2021 (Unaudited), (iv) Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and six months ended June 30, 2022 and 2021 (Unaudited), (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and 2021 (Unaudited), and (vi) Notes to Condensed Consolidated Financial Statements (Unaudited).
104	The cover page from Delek US Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, has been formatted in Inline XBRL.
*	Management contract or compensatory plan or arrangement.
#	Filed herewith
##	Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Delek US Holdings, Inc.

By: /s/ Avigal Soreq

Avigal Soreq
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Reuven Spiegel

Reuven Spiegel
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Robert Wright

Robert Wright
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Dated: August 5, 2022

**SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
DELEK US HOLDINGS, INC.**

Delek US Holdings, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the “GCL”), DOES HEREBY CERTIFY:

1. The date of filing of the corporation’s original Certificate of Incorporation (the “Original Certificate”) with the Secretary of State of the State of Delaware was December 29, 2016.
2. This Second Amended and Restated Certificate of Incorporation restates and integrates and further amends the provisions of the Original Certificate and has been duly adopted in accordance with Sections 228, 242 and 245 of the GCL.

FIRST: The name of the corporation is Delek US Holdings, Inc.

SECOND: The address of the registered office of the corporation in the State of Delaware is at 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808; and the name of its registered agent at such address is Corporation Service Company.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under GCL as set forth therein.

FOURTH: The total number of shares of stock of all classes of stock which the corporation shall have the authority to issue is 120,000,000 shares, consisting solely of 110,000,000 shares of common stock, par value \$0.01 per share (the “Common Stock”), and 10,000,000 shares of preferred stock, par value \$0.01 per share (the “Preferred Stock”).

1. *Preferred Stock.* Shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized by resolution or resolutions to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock and, with respect to each such series, to fix the voting powers, if any, designations, preferences and the relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of any such series, and to fix the number of shares constituting such series, and to increase or decrease the number of shares of any such series (but not below the number of shares thereof then issued and outstanding). The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:
 - (a) the designation of the series, which may be by distinguishing number, letter or title;
 - (b) the number of shares of the series, which number the Board of Directors may thereafter increase or decrease (but not below the number of shares thereof then issued and outstanding);
 - (c) whether dividends, if any, shall be cumulative or noncumulative, the dividend rate of the series, and the dates and preferences of the dividends of such series;
 - (d) the redemption rights and price or prices, if any, for shares of the series;
 - (e) the terms and amount of any sinking fund provided for the purchase or redemption of shares of the series;
 - (f) the amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the corporation;
 - (g) whether the shares of the series shall be convertible into shares of any other class or series, or any other security, of the corporation or any other entity, and, if so, the specification of such other class or series of such other security, the conversion price or prices or rate or rates, any

adjustments thereof, the date or dates at which such shares shall be convertible and all other terms and conditions upon which such conversion may be made;

- (h) the right, if any, to subscribe for or to purchase any securities of the corporation or any other corporation or other entity;
- (i) the voting rights, if any, of the holders of shares of the series; and
- (j) any other relative, participating, optional, or other special powers, preferences or rights and qualifications, limitations, or restrictions thereof.

2. *Common Stock.* Subject to the rights of the holders of any series of Preferred Stock, the holders of Common Stock will be entitled to one vote on each matter submitted to a vote at a meeting of stockholders for each share of Common Stock held of record by such holder as of the record date of such meeting.

FIFTH: The corporation is to have perpetual existence.

SIXTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, alter, amend or repeal any and all of the bylaws of the corporation. In addition, notwithstanding any other provisions of this Certificate of Incorporation or the bylaws of the corporation (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Certificate of Incorporation or the bylaws of the corporation), the bylaws of the corporation may be adopted, altered, amended or repealed by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of all of the issued and outstanding shares of capital stock of the corporation entitled to vote thereon, voting together as a single class.

SEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the bylaws may provide. The books of the corporation may be kept (subject to any provision of the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the corporation. Election of directors need not be by written ballot unless the bylaws of the corporation shall so provide.

EIGHTH: Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 291 of the GCL or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of the GCL, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

NINTH: Subject to the rights of holders of Preferred Stock, if any, the number of directors that shall constitute the whole Board of Directors shall be as provided in the bylaws of the corporation, as the same may be amended from time to time. Such number of directors shall from time to time be fixed and determined by the directors as set forth in the bylaws of the corporation. The directors shall be elected at the annual meeting of stockholders, and each director elected shall hold office until his or her successor shall be elected and qualified. Directors need not be residents of the State of Delaware or stockholders of the corporation. Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation.

If any vacancy occurs in the Board of Directors caused by death, resignation, retirement, disqualification, or removal from office of any director, or otherwise, or if any new directorship is created by an increase in the authorized number of directors as provided in the bylaws or otherwise, a majority of the directors then in office, though less than a quorum, or a sole remaining director, may choose a successor or fill the newly created directorship. Any director so chosen shall hold office until the next election and until his or her successor shall be duly elected and qualified, unless sooner displaced.

Advance notice of stockholder nominations for the election of directors must be given in the manner provided in the bylaws of the corporation.

TENTH: The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or thereafter prescribed by statute, and all rights conferred on the stockholders herein are granted subject to this reservation.

ELEVENTH: A director of this corporation shall not be personally liable to the corporation or its stockholders for monetary damages for the breach of any fiduciary duty as a director, except (a) for any breach of the director's duty of loyalty to the corporation or its stockholders, (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the GCL, as the same exists or hereafter may be amended, or (d) for any transaction from which the director derived an improper personal benefit. If the GCL is amended after the date of incorporation of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the GCL, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation existing at the time of such repeal or modification.

TWELFTH: The corporation shall, to the fullest extent permitted by the GCL (including, without limitation, Section 145 thereof), as amended from time to time, indemnify any officer or director whom it shall have power to indemnify from and against any and all of the expenses, liabilities or other losses of any nature. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity, while holding such office, and shall continue as to a person who has ceased to be an officer or director and shall inure to the benefit of the heirs, executors and administrators of such a person.

THIRTEENTH: The corporation may purchase and maintain insurance on behalf of any person who was or is a director, officer, employee or agent of the corporation or serving at the request of the corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability, whether or not the corporation would have the power to indemnify such person against such liability under the GCL.

FOURTEENTH: Any action required or permitted to be taken at any annual or special meeting of stockholders may be taken only upon the vote of the stockholders at an annual or special meeting duly noticed and called in accordance with the provisions of this Certificate of Incorporation and the bylaws of the corporation, and may not be taken by a written consent of the stockholders.

FIFTEENTH: Notwithstanding any other provisions of this Certificate of Incorporation or the bylaws of the corporation (and notwithstanding the fact that some lesser percentage may be specified by law, this Certificate of Incorporation or the bylaws of the Corporation), any director or the entire Board of Directors may be removed from office at any time, with or without cause, but only by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of all of the issued and outstanding shares of capital stock of the corporation entitled to vote on the election of directors at a meeting of stockholders called for that purpose, except that if the Board of Directors, by an affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the entire Board of Directors, recommends the removal of a director to the stockholders, such removal may be effected by the affirmative vote of the holders of at least a majority of all of the issued and outstanding shares of capital stock of the corporation entitled to vote on the election of directors at a meeting of stockholders for that purpose.

SIXTEENTH: Notwithstanding any other provisions of this Certificate of Incorporation or the bylaws of the corporation (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Certificate of Incorporation or the bylaws of the corporation), the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of all of the issued and outstanding shares of capital stock of the corporation entitled to vote thereon, voting together as a single class, shall be required to amend, repeal, or adopt any provisions inconsistent with Articles Sixth, Eleventh, Twelfth, Thirteenth, Fifteenth, or this Article Sixteenth, provided, that this Article Sixteenth shall not apply to, and such sixty-six and two-thirds percent (66 2/3%) vote shall not be required for any amendment, repeal or adoption unanimously recommended to the stockholders by the Board of Directors, in which case such amendment, repeal, or adoption may be effected by the affirmative vote

of the holders of at least a majority of all of the issued and outstanding shares of capital stock of the corporation entitled to vote on the election of directors at a meeting of stockholders for that purpose.

SEVENTEENTH: Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the corporation to the corporation or the corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of Delaware law or the corporation's certificate of incorporation or bylaws, or (d) any action asserting a claim against the corporation governed by the internal affairs doctrine.

EIGHTEENTH: To comply with U.S. Maritime Laws, the corporation may take the actions prescribed in this Article Eighteenth.

1.1 Certain Definitions. For purposes of this Article Eighteenth, the following terms shall have the meanings specified below:

(a) A Person shall be deemed to be the "beneficial owner" of, or to "beneficially own", or to have "beneficial ownership" of, shares of the capital stock of the corporation to the extent such Person (i) would be deemed to be the "beneficial owner" thereof pursuant to Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act, as such rule may be amended or supplemented from time to time, and any successor to such rule, and such terms shall apply to and include the holder of record of shares in the corporation, or (ii) otherwise has the ability to exercise or to control, directly or indirectly, any interest or rights thereof, including any voting power of the shares of the capital stock of the corporation, under any contract, understanding or other means; provided, however, that a Person shall not be deemed to be the "beneficial owner" of, or to "beneficially own" or to have "beneficial ownership" of, shares of the capital stock of the corporation if the Board of Directors determines in accordance with this Article Eighteenth that such Person is not the beneficial owner of such shares for purposes of the U.S. Maritime Laws.

(b) "Excess Shares" shall have the meaning ascribed to such term in Section 1.5 of this Article Eighteenth.

(c) "Excess Share Date" shall have the meaning ascribed to such term in Section 1.5 of this Article Eighteenth.

(d) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended or supplemented from time to time.

(e) "Fair Market Value" of one share of a particular class or series of the capital stock of the corporation shall mean the arithmetic average of the daily VWAP of one share of such capital stock for the twenty (20) consecutive Trading Days immediately preceding the date of measurement, or, if such capital stock is not listed or admitted for unlisted trading privileges on the New York Stock Exchange, NASDAQ Stock Market or other National Securities Exchange, the average of the reported closing bid and asked prices of such class or series of capital stock on such dates in the over-the-counter market or a comparable system as shown by a system of automated dissemination of quotations of securities prices then in common use comparable to the National Association of Securities Dealers, Inc. Automated Quotations System; provided, however, that if at such date of measurement there is otherwise no established trading market for such capital stock, the "Fair Market Value" of a share of such capital stock shall be determined in good faith by the Board of Directors (or any duly authorized committee thereof).

(f) "National Securities Exchange" shall mean an exchange registered with the Securities and Exchange Commission under Section 6(a) of the Exchange Act, as such section may be amended or supplemented from time to time, and any successor to such statute, or the NASDAQ Stock Market or any successor thereto.

(g) "Non-U.S. Citizen" shall mean any Person other than a U.S. Citizen.

(h) "Permitted Percentage" shall mean, with respect to any class or series of capital stock of the corporation, with respect to all Non-U.S. Citizens in the aggregate, 24% of the shares of such class or series of capital stock of the corporation from time to time issued and outstanding.

(i) “Person” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, limited liability partnership, trust, unincorporated organization, or government or any agency or political subdivision thereof, or other entity.

(j) “Redemption Date” shall have the meaning ascribed to such term in Section 1.6(c)(iii) of this Article Eighteenth.

(k) “Redemption Notes” shall mean interest-bearing promissory notes of the corporation with a maturity of not more than 10 years from the date of issue and bearing interest at a fixed rate equal to the yield on the U.S. Treasury Note having a maturity comparable to the term of such Redemption Notes as published in The Wall Street Journal or comparable publication at the time of the issuance of the Redemption Notes. Such notes shall be governed by the terms of an indenture to be entered into by and between the corporation and a trustee, as may be amended from time to time. Redemption Notes shall be redeemable at par plus accrued but unpaid interest.

(l) “Redemption Notice” shall have the meaning ascribed to such term in Section 1.6(c)(iii) of this Article Eighteenth.

(m) “Redemption Price” shall have the meaning ascribed to such term in Section 1.6(c)(i) of this Article Eighteenth.

(n) “Trading Day” shall mean a day on which the principal National Securities Exchange on which shares of any class or series of the capital stock of the corporation are listed is open for the transaction of business or, if such capital stock is not listed or admitted for unlisted trading privileges on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

(o) “transfer” shall mean any transfer of beneficial ownership of shares of the capital stock of the corporation, including original issuance of shares, issuance of shares upon the exercise, conversion or exchange of any securities of the corporation, transfer by merger, transfer by testamentary disposition, transfer pursuant to a court order or arbitration award, or otherwise by operation of law.

(p) “transferee” shall mean any Person receiving beneficial ownership of shares of the capital stock of the corporation, including recipient of shares resulting from the original issuance of shares and the issuance of shares upon the exercise, conversion or exchange of any securities of the corporation.

(q) “U.S. Citizen” shall mean a citizen of the United States within the meaning of the U.S. Maritime Laws, eligible and qualified to own and operate U.S.-flag vessels in the U.S. Coastwise Trade.

(r) “U.S. Coastwise Trade” shall mean the carriage or transport of merchandise and/or other materials and/or passengers in the coastwise trade of the United States of America within the meaning of 46 U.S.C. Chapter 551 and any successor statutes thereto, as amended or supplemented from time to time.

(s) “U.S. Maritime Laws” shall mean, collectively, the U.S. citizenship and cabotage laws principally contained in 46 U.S.C. § 50501(a), (b) and (d) and 46 U.S.C. Chapters 121 and 551 and any successor statutes thereto, together with the rules and regulations promulgated thereunder by the U.S. Coast Guard and the U.S. Maritime Administration and their practices enforcing, administering and interpreting such laws, statutes, rules and regulations, in each case as amended or supplemented from time to time, relating to the ownership and operation of U.S.-flag vessels in the U.S. Coastwise Trade.

(t) “VWAP” means for any Trading Day, the price for securities (including Common Stock) determined by the daily volume weighted average price per unit of securities for such Trading Day on the New York Stock Exchange or NASDAQ Stock Market, as the case may be, in each case, for the regular trading session (including any extensions thereof, without regard to pre-open or after hours trading outside of such regular trading session), or if such securities are not listed or quoted on the New York Stock Exchange or NASDAQ Stock Market, as reported by the principal National Securities Exchange on which such securities are then listed or quoted, whichever is applicable, as published by Bloomberg at 4:15 P.M., New York City time (or 15 minutes following the end of any extension of the regular trading session), on such Trading Day.

(u) “Warrant” shall mean the right to purchase one share of any specified class or series of the capital stock of the corporation at an exercise price of \$0.001 per share governed by the terms of a warrant agreement to be on terms and conditions approved by the corporation and to be entered into by and

between the corporation and a warrant agent, as such warrant agreement may be amended from time to time. A Warrant holder (or its proposed transferee) who cannot establish to the satisfaction of the Board of Directors that it is a U.S. Citizen shall not be permitted to exercise its Warrants to the extent the receipt of the shares upon exercise would cause such shares to constitute Excess Shares if they were issued. Holders of Warrants shall not have any rights or privileges of holders of shares of the corporation, including any voting, dividend or distribution rights, until they exercise their Warrants and receive shares.

1.2 Restrictions on Ownership of Shares by Non-U.S. Citizens. Non-U.S. Citizens are not permitted to beneficially own, individually or in the aggregate, more than the applicable Permitted Percentage of each class or series of the capital stock of the corporation. To help ensure that at no time Non-U.S. Citizens, individually or in the aggregate, become the beneficial owners of more than the applicable Permitted Percentage of the issued and outstanding shares of any class or series of capital stock of the corporation, and to enable the corporation to comply with any requirement that it be, and submit any proof that it is, a U.S. Citizen under any applicable law or under any contract with the United States government (or any agency thereof), the corporation shall have the power to take the actions prescribed in Sections 1.3 through 1.8 of this Article Eighteenth. The provisions of this Article Eighteenth are intended to assure that the Corporation continues to qualify as a U.S. Citizen under the U.S. Maritime Laws so that the corporation does not cease to be qualified: (a) under the U.S. Maritime Laws to own and operate vessels in the U.S. Coastwise Trade; (b) to operate vessels under an agreement with the United States government (or any agency thereof); (c) to be a party to a maritime security program agreement with the United States government (or any agency thereof), under 46 U.S.C. Chapter 531 or any successor statute thereto, with respect to vessels owned, chartered or operated by the corporation; (d) to maintain a construction reserve fund under 46 U.S.C. Chapter 533 or any successor statute thereto; (e) to maintain a capital construction fund under 46 U.S.C. Chapter 535 or any successor statute thereto; or (f) to own, charter, or operate any vessel where the costs of construction, modification, or reconstruction have been financed, in whole or in part, by obligations guaranteed by the United States government (or any agency thereof) under 46 U.S.C. Chapter 537 or any successor statute thereto. The Board of Directors (or any duly authorized committee thereof) is specifically authorized to make all determinations in accordance with applicable law and this Certificate of Incorporation to implement the provisions of this Article Eighteenth.

1.3 Stock Certificates.

(v) To implement the requirements set forth in Section 1.2 of this Article Eighteenth, the corporation may, but is not required to, institute a dual stock certificate system such that: (i) each certificate representing shares of each class or series of capital stock of the corporation that are beneficially owned by a U.S. Citizen shall be marked "U.S. Citizen" and each certificate representing shares of each class or series of capital stock of the corporation that are beneficially owned by a Non-U.S. Citizen shall be marked "Non-U.S. Citizen", but with all such certificates to be identical in all other respects and to comply with all provisions of the laws of the State of Delaware; (ii) an application to transfer shares shall be set forth on the back of each certificate, in which a Person seeking to take title to the shares represented by such certificate shall apply to the corporation to transfer the number of shares indicated therein and shall certify as to its citizenship and the citizenship of any beneficial owner for whom or for whose account such Person will hold such shares; (iii) a certification (which may include as part thereof a form of affidavit) upon which the corporation and its transfer agent shall be entitled to rely conclusively shall be required to be submitted by each Person to whom or on whose behalf a certificate representing shares of the capital stock of the corporation is to be issued (whether upon transfer or original issuance) stating whether such Person or, if such Person is acting as custodian, nominee, purchaser representative or in any other capacity for an owner, whether such owner, is a U.S. Citizen; and (iv) the stock transfer records of the corporation may be maintained in such manner as to enable the percentages of the shares of each class or series of the corporation's capital stock that are beneficially owned by U.S. Citizens and by Non-U.S. Citizens to be confirmed. The Board of Directors (or any duly authorized committee thereof) is authorized to take such other ministerial actions or make such interpretations of this Certificate of Incorporation as it may deem necessary or advisable in order to implement a dual stock certificate system consistent with the requirements set forth in Section 1.2 of this Article Eighteenth and to ensure compliance with such system and such requirements.

(w) A statement shall be set forth on the face or back of each certificate representing shares of each class or series of capital stock of the corporation to the effect that: (i) such shares and the beneficial ownership thereof are subject to restrictions on transfer set forth in this Certificate of Incorporation; and (ii) the corporation will furnish without charge to each stockholder of the corporation who so requests a copy of this Certificate of Incorporation.

1.1 Restrictions on Transfers.

(x) No shares of any class or series of the capital stock of the corporation may be transferred or issued (upon original issuance) to a Non-U.S. Citizen or a holder of record that will hold such shares for or on behalf of a Non-U.S. Citizen if, upon completion of such transfer or issuance, the number of shares of such class or series beneficially owned by Non-U.S. Citizens would exceed the applicable Permitted Percentage for such class or series. Any transfer or purported transfer of beneficial ownership of any shares of any class or series of capital stock of the corporation, the effect of which would be to cause one or more Non-U.S. Citizens in the aggregate to beneficially own shares of any class or series of capital stock of the corporation in excess of the applicable Permitted Percentage for such class or series, shall be void and ineffective, and, to the extent that the corporation knows of such transfer or purported transfer, neither the corporation nor its transfer agent (if any) shall register such transfer or purported transfer on the stock transfer records of the corporation and neither the corporation nor its transfer agent (if any) shall recognize the transferee or purported transferee thereof as a stockholder of the corporation for any purpose whatsoever (including for purposes of voting, dividends and other distributions) except to the extent necessary to effect any remedy available to the corporation under this Article Eighteenth. In no event shall any such registration or recognition make such transfer or purported transfer effective unless the Board of Directors (or any duly authorized committee thereof) shall have expressly and specifically authorized the same.

(y) In connection with any purported transfer of shares of any class or series of the capital stock of the corporation, any transferee or proposed transferee (including any recipient upon original issuance) of shares and, if such transferee or proposed transferee (or recipient) is acting as a fiduciary or nominee for a beneficial owner, such beneficial owner, may be required by the corporation or its transfer agent to deliver a citizenship certification and such other documentation and information concerning its citizenship under Section 1.8 of this Article Eighteenth as the corporation may request in its sole discretion. Registration and recognition of any transfer of shares shall be denied by the corporation upon refusal to furnish any of the foregoing citizenship certifications, documentation or information requested by the corporation. Each transferor of such shares shall reasonably cooperate with any requests from the corporation to facilitate the transmission of requests for such citizenship certifications and such other documentation and information to the proposed transferee and such proposed transferee's responses thereto.

(z) Notwithstanding any of the provisions of this Article Eighteenth, the corporation shall be entitled to rely, without limitation, on the stock transfer and other stockholder records of the corporation (and its transfer agent) for the purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies, and otherwise conducting votes of stockholders.

1.4 Excess Shares. If on any date, including, without limitation, any record date (each, an "Excess Share Date"), the number of shares of any class or series of capital stock of the corporation beneficially owned by Non-U.S. Citizens should exceed the applicable Permitted Percentage with respect to such class or series of capital stock, irrespective of the date on which such event becomes known to the corporation (such shares in excess of the applicable Permitted Percentage, the "Excess Shares"), then the shares of such class or series of capital stock of the corporation that constitute Excess Shares for purposes of this Article Eighteenth shall be (x) those shares that have been acquired by or become beneficially owned by Non-U.S. Citizens, starting with the most recent acquisition of beneficial ownership of such shares by a Non-U.S. Citizen and including, in reverse chronological order of acquisition, all other acquisitions of beneficial ownership of such shares by Non-U.S. Citizens from and after the acquisition of beneficial ownership of such shares by a Non-U.S. Citizen that first caused such applicable Permitted Percentage to be exceeded, or (y) those shares beneficially owned by Non-U.S. Citizens that exceed the applicable Permitted Percentage as the result of any repurchase or redemption by the corporation of shares of its capital stock, starting with the most recent acquisition of beneficial ownership of such shares by a Non-U.S. Citizen and going in reverse chronological order of acquisition; provided, however, that: (a) the corporation shall have the sole power to determine, in the exercise of its reasonable judgment, those shares of such class or series that constitute Excess Shares in accordance with the provisions of this Article Eighteenth; (b) the corporation may, in its reasonable discretion, rely on any reasonable documentation provided by Non-U.S. Citizens with respect to the date and time of their acquisition of beneficial ownership of Excess Shares; (c) if the acquisition of beneficial ownership of more than one Excess Share occurs on the same date and the time of acquisition is not definitively established, then the order in which such acquisitions shall be deemed to have occurred on such date shall be determined by lot or by such other method as the corporation may, in its reasonable discretion, deem appropriate; (d) Excess Shares that result from a determination that a beneficial owner has ceased to be a U.S. Citizen shall be deemed to have been acquired, for purposes of this Article Eighteenth, as of the date that such beneficial owner ceased to be a U.S. Citizen; and (e) the corporation may adjust upward to the nearest whole share the number of shares of such class or series deemed to be Excess Shares. Any determination made by the corporation pursuant to this Section 1.5 as to which shares of any class or series of the corporation's capital stock constitute Excess Shares of such class or series shall be conclusive and shall be deemed effective as of the applicable Excess Share Date for such class or series.

1.5 Redemption.

(aa) In the event that (i) Section 1.4(a) of this Article Eighteenth would not be effective for any reason to prevent the transfer of beneficial ownership of any Excess Share of any class or series of the capital stock of the corporation to a Non-U.S. Citizen, (ii) a change in the status of a Person from a U.S. Citizen to a Non-U.S. Citizen causes a share of any class or series of capital stock of the corporation of which such Person is the beneficial owner to constitute an Excess Share, (iii) any repurchase or redemption by the corporation of shares of its capital stock causes any share of any class or series of capital stock of the corporation beneficially owned by Non-U.S. Citizens to exceed the applicable Permitted Percentage, or (iv) the original issuance by the corporation of a share of any class or series of capital stock of the corporation to a Non-U.S. Citizen results in such share constituting an Excess Share, then, the corporation, by action of the Board of Directors (or any duly authorized committee thereof), in its sole discretion, shall have the power to redeem, unless such redemption is not permitted under the GCL of the State of Delaware or other provisions of applicable law, such Excess Share; provided, however, that the corporation shall not have any obligation under this Section 1.6 to redeem any one or more Excess Shares.

(ab) Until such time as any Excess Shares subject to redemption by the corporation pursuant to this Section 1.6 are so redeemed by the corporation at its option and beginning on the first Excess Share Date for the classes or series of the corporation's capital stock of which such Excess Shares are a part,

(i) the holders of such Excess Shares subject to redemption shall (so long as such Excess Shares exist) not be entitled to any voting rights with respect to such Excess Shares, and

(ii) the corporation shall (so long as such Excess Shares exist) pay into an escrow account dividends and any other distributions (upon liquidation or otherwise) in respect of such Excess Shares.

Full voting rights shall be restored to any shares of a class or series of capital stock of the corporation that were previously deemed to be Excess Shares, and any dividends or distributions with respect thereto that have been previously paid into an escrow account shall be due and paid solely to the holders of record of such shares, promptly after such time as, and to the extent that, such shares have ceased to be Excess Shares (including as a result of the sale of such shares to a U.S. Citizen prior to the issuance of a Redemption Notice pursuant to Section 1.6(c)(iii) of this Article Eighteenth), provided, however, that such shares have not been already redeemed by the corporation at its option pursuant to this Section 1.6.

(ac) The terms and conditions of redemptions by the corporation of Excess Shares of any class or series of the corporation's capital stock under this Section 1.6 shall be as follows:

(i) the per share redemption price (the "Redemption Price") for each Excess Share shall be paid, as determined by the Board of Directors (or any duly authorized committee thereof) in its sole discretion, (A) by the issuance of one Warrant for each Excess Share, or (B) in cash (by wire transfer or bank or cashier's check), or (C) by the issuance of Redemption Notes or (D) by any combination of cash and Redemption Notes;

(ii) with respect to the portion of the Redemption Price being paid in whole or in part by cash and/or by the issuance of Redemption Notes, such portion of the Redemption Price shall be the sum of (A) the Fair Market Value of such Excess Share as of the date of redemption of such Excess Share plus (B) an amount equal to the amount of any dividend or any other distribution (upon liquidation or otherwise) declared in respect of such Excess Share prior to the date on which such Excess Share is called for redemption and which amount has been paid into an escrow account by the corporation pursuant to Section 1.6(b) of this Article Eighteenth;

(iii) written notice of the date on which the Excess Shares shall be redeemed (the "Redemption Date"), together with a letter of transmittal to accompany certificates, if any, representing the Excess Shares that are surrendered for redemption shall be given either by hand delivery or by overnight courier service or by first-class mail, postage prepaid, to each holder of record of the Excess Shares to be redeemed, at such holder's last known address as the same appears on the stock register of the corporation (the "Redemption Notice"), unless such notice is waived in writing by any such holders;

(iv) the Redemption Date (for purposes of determining right, title and interest in and to the Excess Shares to be redeemed) shall be the later of (A) the date specified in the Redemption Notice

sent to the record holder of the Excess Shares (which shall not be earlier than the date of such notice), and (B) in the case of payment of the Redemption Price by Warrants or Redemption Notes, the date on which the corporation shall have issued the Warrants or the Redemption Notes for the benefit of such record holder, or, in the case of payment of the Redemption Price by cash only, the date on which the corporation shall have irrevocably deposited in trust or set aside for the benefit of such record holder a sum sufficient to pay the Redemption Price, or, in the case of payment of the Redemption Price by a combination of cash and Redemption Notes, the date on which the corporation shall have issued the Redemption Notes for the benefit of such record holder and irrevocably deposited in trust or set aside for the benefit of such record holder a sum sufficient to pay the cash portion of the Redemption Price;

(v) each Redemption Notice to each holder of record of the Excess Shares to be redeemed shall specify (A) the Redemption Date (as determined pursuant to Section 1.6(c)(iv) of this Article Eighteenth)), (B) the number and the class or series of shares of capital stock to be redeemed from such holder as Excess Shares (and, to the extent such Excess Shares are certificated, the certificate number(s) representing such Excess Shares), (C) the Redemption Price and the manner of payment thereof, (D) the place where certificates for such Excess Shares (if such Excess Shares are certificated) are to be surrendered for cancellation against the simultaneous payment of the Redemption Price, (E) any instructions as to the endorsement or assignment for transfer of such certificates (if any) and the completion of the accompanying letter of transmittal, and (F) the fact that all right, title and interest in respect of the Excess Shares to be redeemed (including, without limitation, voting, dividend and distribution rights) shall cease and terminate on the Redemption Date, except for the right to receive the Redemption Price, without interest;

(vi) in the case of the Redemption Price paid in whole by cash, if a Redemption Notice has been duly sent to the record holders of the Excess Shares to be redeemed and the corporation has irrevocably deposited or set aside cash consideration sufficient to pay the Redemption Price to such record holders of such Excess Shares, then dividends shall cease to accrue on all such Excess Shares to be redeemed, all such Excess Shares shall no longer be deemed outstanding and all right, title and interest in respect of such Excess Shares shall forthwith cease and terminate, except only the right of the record holders thereof to receive the Redemption Price, without interest;

(vii) without limiting Section 1.6(c)(vi) above, on and after the Redemption Date, all right, title and interest in respect of the Excess Shares to be redeemed by the corporation (including, without limitation, voting and dividend and distribution rights) shall forthwith cease and terminate, such Excess Shares shall no longer be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter properly brought before the stockholders for a vote thereon (and may be either retired or held by the corporation as treasury stock), and the holders of record of such Excess Shares shall thereafter be entitled only to receive the Redemption Price, without interest; and

(viii) upon surrender of the certificates (if any) for any Excess Shares so redeemed in accordance with the requirements of the Redemption Notice and the accompanying letter of transmittal (and otherwise in proper form for transfer as specified in the Redemption Notice), the holder of record of such Excess Shares shall be entitled to payment of the Redemption Price. In case fewer than all the shares represented by any such certificate are redeemed, a new certificate (or certificates), to the extent such shares were certificated, shall be issued representing the shares not redeemed, without cost to the holder of record.

(ad) Nothing in this Section 1.6 shall prevent the recipient of a Redemption Notice from transferring its shares before the Redemption Date if such transfer is otherwise permitted under this Certificate of Incorporation and applicable law and the recipient provides notice of such proposed transfer to the Board of Directors along with the documentation and information required under Section 1.4(b) establishing that such proposed transferee is a U.S. Citizen to the satisfaction of the Board of Directors in its sole discretion before the Redemption Date. If such conditions are met, the Board of Directors shall withdraw the Redemption Notice related to such shares, but otherwise the redemption thereof shall proceed on the Redemption Date in accordance with this Section and the Redemption Notice.

1.6 Citizenship Determinations. The corporation shall have the power to determine, in the exercise of its reasonable judgment and with the advice of counsel, the citizenship of the beneficial owners and the transferees or proposed transferees of any class or series of the corporation's capital stock for the purposes of this Article Eighteenth. In determining the citizenship of the beneficial owners or their transferees or proposed transferees or, in the case of original issuance, any recipient (and, if such transferees, proposed transferees or recipients are acting as fiduciaries or nominees for any beneficial owners, with respect to such beneficial owners) of any class or series of the corporation's capital stock, the corporation may rely on the stock transfer records of

the corporation and the citizenship certifications required under Section 1.4(b) of this Article Eighteenth and the written statements and affidavits required under Section 1.8 of this Article Eighteenth given by the beneficial owners or their transferees or proposed transferees, or, in the case of original issuance, any recipients (or any beneficial owners for whom such transferees or proposed transferees or recipients are acting as fiduciaries or nominees) (in each case whether such certifications, written statements or affidavits have been given on their own behalf or on behalf of others) to prove the citizenship of such beneficial owners, transferees, proposed transferees or recipients (or any beneficial owners for whom such transferees, proposed transferees or recipients are acting as fiduciaries or nominees). The determination of the citizenship of such beneficial owners, transferees, proposed transferees and recipients (and any beneficial owners for whom such transferees, proposed transferees or recipients are acting as fiduciaries or nominees) may also be subject to proof in such other manner as the corporation may deem reasonable pursuant to Section 1.8(b) of this Article Eighteenth. The determination of the corporation at any time as to the citizenship of such beneficial owners, transferees, proposed transferees and recipients (and any beneficial owners for whom such transferees, proposed transferees or recipients are acting as fiduciaries or nominees) in accordance with the provisions of Article Eighteenth shall be conclusive.

1.7 Requirement to Provide Citizenship Information.

(ae) In furtherance of the requirements of Section 1.2 of this Article Eighteenth, and without limiting any other provision of this Article Eighteenth, the corporation may require the beneficial owners of shares of any class or series of the corporation's capital stock to confirm their citizenship status from time to time in accordance with the provisions of this Section 1.8, and, as a condition to acquiring and having beneficial ownership of shares of any class or series of capital stock of the corporation, every beneficial owner of any such shares must comply with the following provisions:

(iii) promptly upon a beneficial owner's acquisition of beneficial ownership of five (5%) percent or more of the outstanding shares of any class or series of capital stock of the corporation, and at such other times as the corporation may determine by written notice to such beneficial owner, such beneficial owner must provide to the corporation a written statement or an affidavit, as specified by the corporation, duly signed, stating the name and address of such beneficial owner, the number of shares of each class or series of capital stock of the corporation beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, a statement as to whether such beneficial owner is a U.S. Citizen, and such other information and documents required by the U.S. Coast Guard or the U.S. Maritime Administration under the U.S. Maritime Laws, including 46 C.F.R. part 355;

(iv) promptly upon request by the corporation, each beneficial owner must provide to the corporation a written statement or an affidavit, as specified by the corporation, duly signed, stating the name and address of such beneficial owner, the number of shares of each class or series of capital stock of the corporation beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, a statement as to whether such beneficial owner is a U.S. Citizen, and such other information and documents required by the U.S. Coast Guard or the U.S. Maritime Administration under the U.S. Maritime Laws, including 46 C.F.R. part 355;

(v) promptly upon request by the corporation, any beneficial owner must provide to the corporation a written statement or an affidavit, as specified by the corporation, duly signed, stating the name and address of such beneficial owner, together with reasonable documentation of the date and time of such beneficial owner's acquisition of beneficial ownership of the shares of any class or series of capital stock of the corporation specified by the corporation in its request;

(vi) every beneficial owner must provide, or authorize such beneficial owner's broker, dealer, custodian, depository, nominee or similar agent with respect to the shares of each class or series of the corporation's capital stock beneficially owned by such beneficial owner to provide, to the corporation such beneficial owner's address; and

(vii) every beneficial owner must provide to the corporation, at any time such beneficial owner ceases to be a U.S. Citizen, as promptly as practicable but in no event less than five business days after the date such beneficial owner becomes aware that it has ceased to be a U.S. Citizen, a written statement, duly signed, stating the name and address of the beneficial owner, the number of shares of each class or series of capital stock of the corporation beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, and a statement as to such change in status of such beneficial owner to a Non-U.S. Citizen.

(af) The corporation may at any time require reasonable proof, in addition to the citizenship certifications required under Section 1.4(b) of this Article Eighteenth and the written statements and affidavits required under Section 1.8(a) of this Article Eighteenth, of the citizenship of the beneficial owner or the transferee, proposed transferee or, in the case of original issuance, the recipient (and, if such transferee, proposed transferee or recipient is acting as a fiduciary or nominee for a beneficial owner, with respect to such beneficial owner) of shares of any class or series of the corporation's capital stock.

(ag) In the event that (i) the corporation requests in writing (in which express reference is made to this Section 1.8 of this Article Eighteenth) from a beneficial owner of shares of any class or series of the corporation's capital stock a citizenship certification required under Section 1.4(b) of this Article Eighteenth, a written statement, an affidavit and/or reasonable documentation required under Section 1.8(a) of this Article Eighteenth, and/or additional proof of citizenship required under Section 1.8(b) of this Article Eighteenth, and (ii) such beneficial owner fails to provide the corporation with the requested documentation by the date set forth in such written request, then (x) the voting rights of such beneficial owner's shares of the corporation's capital stock shall be suspended, and (y) any dividends or other distributions (upon liquidation or otherwise) with respect to such shares shall be paid into an escrow account, until such requested documentation is submitted in form and substance reasonably satisfactory to the corporation, subject to the other provisions of this Article Eighteenth; provided, however, that the corporation, acting through its Board of Directors, shall have the power, in its sole discretion, to extend the date by which such requested documentation must be provided and/or to waive the application of sub-clauses (x) and/or (y) of this clause (ii) to any of the shares of such beneficial owner in any particular instance.

(ah) In the event that (i) the corporation requests in writing (in which express reference is made to this Section 1.8 of this Article Eighteenth) from the transferee or proposed transferee of, or, in the case of original issuance, the recipient (and, if such transferee, proposed transferee or recipient is acting as a fiduciary or nominee for a beneficial owner, with respect to such beneficial owner) of, shares of any class or series of the corporation's capital stock a citizenship certification required under Section 1.4(b) of this Article Eighteenth, a written statement, an affidavit and/or reasonable documentation required under Section 1.8(a) of this Article Eighteenth, and/or additional proof of citizenship required under Section 1.8(b) of this Article Eighteenth, and (ii) such Person fails to submit the requested documentation in form and substance reasonably satisfactory to the corporation, subject to the other provisions of this Article Eighteenth, by the date set forth in such written request, the corporation, acting through its Board of Directors (or any duly authorized committee thereof), shall have the power, in its sole discretion, to refuse to accept any application to transfer ownership of such shares (if any) or to register such shares on the stock transfer records of the corporation and may prohibit and/or void such transfer, including by placing a stop order with the corporation's transfer agent, until such requested documentation is so submitted and the corporation is satisfied that the proposed transfer of shares will not result in Excess Shares.

1.1 Severability. Each provision of this Article Eighteenth is intended to be severable from every other provision. If any one or more of the provisions contained in this Article Eighteenth is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of any other provision of this Article Eighteenth shall not be affected, and this Article Eighteenth shall be construed as if the provisions held to be invalid, illegal or unenforceable had never been contained herein.

1.2 NYSE Transactions. Nothing in this Article Eighteenth shall preclude the settlement of any transaction entered into through the facilities of the New York Stock Exchange or any other National Securities Exchange or automated inter-dealer quotation system for so long as any class or series of the capital stock of the corporation is listed on the New York Stock Exchange. The fact that the settlement of any transaction occurs shall not negate the effect of any provision of this Article Eighteenth and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article Eighteenth.

IN WITNESS WHEREOF, Delek US Holdings, Inc. has caused this Second Amended and Restated Certificate of Incorporation to be executed by its Secretary this 3rd day of May, 2022.

/s/ Denise McWatters
Name: Denise McWatters
Title: Executive Vice President,
General Counsel and Secretary

Fourth Amended and Restated Bylaws
of
Delek US Holdings, Inc.

Adopted as of May 5, 2022

Article I.
OFFICES

Section 1.01 *Registered Office.* The registered office of the corporation in the State of Delaware shall be in the City of Dover, County of Kent, Delaware 19904 and the name of its registered agent shall be United Corporate Services, Inc.

Section 1.02 *Other Offices.* The corporation also may have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

Article II.
MEETINGS OF STOCKHOLDERS

Section 1.03 *Place of Meeting.* All meetings of stockholders shall be held at such place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. The Board of Directors may, in its sole discretion and subject to such guidelines and procedures as the Board of Directors may from time to time adopt, determine that the meeting shall not be held at any specific place, but may instead be held solely by means of remote communication.

Section 1.04 *Annual Meeting.* The annual meeting of stockholders shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. The Board of Directors may, for any reason and at any time prior to the holding of any annual meeting of stockholders, postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

(a) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders shall be made at an annual meeting of stockholders (i) pursuant to the corporation's notice of such meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving of the notice provided for in this Section 2.02, who is entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 2.02. For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of this subsection (a), the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and such other business must be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary not earlier than the close of business on the 120th calendar day nor later than the close of business on the 90th calendar days prior to the one-year anniversary of the preceding year's annual meeting. In the event that no annual meeting was held in the previous year or the date of any annual meeting is more than 30 days before or more than 60 days after the one-year anniversary of the previous year's annual meeting, notice by a stockholder, to be timely, must be so delivered not earlier than 90 calendar days prior to such annual meeting and not later than 10 days following the day on which public announcement of the date of such meeting is first made by the corporation. In no event shall an adjournment or postponement of an annual meeting, or

the public announcement of an adjournment or postponement of an annual meeting, commence a new time period for the giving of a stockholder's notice as described above.

(b) A stockholder's notice to the Secretary must set forth

- (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"):
 - A. the name, age, business address and residence address of such Proposed Nominee;
 - B. the principal occupation and employment of such Proposed Nominee;
 - C. a completed and signed Director Questionnaire (as defined in Section 3.02 herein) in the form required by the corporation (which form the stockholder giving notice shall request in writing from the Secretary of the corporation and which the Secretary shall provide to such stockholder within 10 days of receiving such request), and each such Proposed Nominee must attest to the accuracy of the information provided in such Director Questionnaire;
 - D. such Proposed Nominee's written consent to be named in the proxy statement as a nominee to the Board of Directors;
 - E. such Proposed Nominee's written representation and agreement in the form required by the corporation (which form the stockholder shall request in writing from the Secretary of the corporation and which the Secretary shall provide to such stockholder within 10 days of receiving such request) that:
 - I. such Proposed Nominee is not and will not become party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the corporation or any voting commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law;
 - II. such Proposed Nominee is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in

connection with service or action as a director that has not been disclosed to the corporation;

- III. such Proposed Nominee would, if elected as a director, comply with applicable regulations of the exchanges upon which the corporation's shares of common stock trade, all of the corporation's corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines applicable generally to the corporation's directors, and applicable fiduciary duties under state law and, if elected as a director of the corporation, such person currently would be in compliance with any such policies and guidelines that have been publicly disclosed; and
 - IV. such Proposed Nominee will provide facts, statements, and other information in all communications with the corporation and its stockholders that or will be true and correct in all material respects, and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
 - A. any material monetary agreements, arrangements or understandings during the past three years, and any other material relationships, between or among the stockholder or any Stockholder Associated Person, on the one hand, and such Proposed Nominee, his or her respective affiliates or associates, and any other person or persons (including their names) acting in concert therewith, on the other hand, including all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any Affiliate or Associate thereof or person acting in concert therewith, were the "registrant" for purposes of such regulation and the Proposed Nominee were a director or executive officer of such registrant; and
 - B. any other information relating to such Proposed Nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for a contested election of directors pursuant to Section 14 of the Exchange Act;
- (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business

of such stockholder and the Stockholder Associated Persons, if any, on whose behalf the proposal is made;

(iii) as to the stockholder giving the notice, Proposed Nominee and each Stockholder Associated Person:

- F. the name and address of such stockholder, Proposed Nominee and Stockholder Associated Person (including, if applicable, the name and address that appear on the corporation's books and records);
- A. the class, series and number of all shares of stock or other securities of the corporation or any affiliate thereof (collectively, "Corporation Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Corporation Security was acquired and the investment intent of such acquisition, together with evidence of such beneficial or record ownership;
- B. the nominee holder for, and number of, any Corporation Securities owned beneficially but not of record by such stockholder, Proposed Nominee or Stockholder Associated Person;
- C. any agreement, arrangement, understanding or relationship including any repurchase or so-called "stock borrowing" agreement or arrangement, involving such stockholder, Proposed Nominee or Stockholder Associated Person, directly or indirectly, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the corporation by, manage the risk of share price changes for or increase or decrease the voting power of, such stockholder, Proposed Nominee or Stockholder Associated Person with respect to any class or series of the shares of the corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the corporation (any of the foregoing, a "Short Interest");
- D. any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the corporation or with a value derived in whole or in part from the value of any class or series of shares of the corporation, or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risk that correspond substantially to the ownership of any class or series of

shares of the corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the corporation, through the delivery of cash or other property, or otherwise, and without regard to whether such stockholder, Proposed Nominee or Stockholder Associated Person may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of the shares of the corporation (any of the foregoing, a “Derivative Instrument”) that is directly or indirectly owned beneficially by such stockholder, Proposed Nominee or Stockholder Associated Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the corporation;

- E. any rights to dividends of the shares of the corporation owned beneficially by such stockholder, Proposed Nominee or Stockholder Associated Person;
- F. any proportionate interest in shares of capital stock of the corporation or Derivative Instruments, held, directly or indirectly, by a general or limited partnership or similar entity in which such stockholder, Proposed Nominee or Stockholder Associated Person (I) is the general partner or, directly or indirectly, beneficially owns an interest in a general partner, or (II) is the manager, managing member or directly or indirectly beneficially owns an interest in the manager or managing member of a limited liability company or similar entity;
- G. any significant equity interest or any Derivative Instruments or Short Interests in any entity that provides products or services that compete with or are alternatives to the principal products produced or services provided by the corporation or any affiliate thereof held by such stockholder, Proposed Nominee or Stockholder Associated Person (collectively, a “Competitor”);
- H. any significant equity interest or any Derivative Instruments or Short Interests in any affiliates of the corporation;
- I. any direct or indirect interest of such stockholder, Proposed Nominee or Stockholder Associated Person in any contract with the corporation or any affiliate thereof, or any Competitor (including, in such case, any employment

agreement, collective bargaining agreement or consulting agreement);

- J. any substantial interest, direct or indirect (including any existing or prospective commercial, business or contractual relationship with the corporation), by security holdings or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, in the corporation or any affiliate thereof, other than an interest arising from the ownership of Corporation Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis with holders of the same class or series;
- K. a complete and accurate description of all agreements, arrangements and understandings, written or oral and formal or informal, (I) between or among the stockholder giving the notice and any of the Stockholder Associated Persons or (II) between or among the stockholder giving the notice or any of the Stockholder Associated Persons and any other person or entity (naming each such person or entity) in connection with or related to the foregoing or the proposal of business by a stockholder or any proposed Nominee, including (x) any proxy, contract, arrangement, understanding or relationship pursuant to which such proposing stockholder or Stockholder Associated Persons has the right to vote any shares of any security of the corporation; (y) any understanding, formal or informal, written or oral, that the stockholder giving the notice or any of the Stockholder Associated Persons may have reached with any stockholder of the corporation (including their names) with respect to how much such stockholder will vote its shares in the corporation at any meeting of the corporation's stockholders or take other action in support of or related to any business proposed or any Proposed Nominee, or other action to be taken, by the proposing stockholder or any of the Stockholder Associated Persons, and (z) any other agreements that would be required to be disclosed by the stockholder giving the notice or any Stockholder Associated Person or any other person or entity pursuant to Item 5 or Item 6 of a Schedule 13D that would be filed pursuant to the Exchange Act and the rules and regulations promulgated thereunder (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder giving the notice or any Stockholder Associated Person or other person or entity); and
- L. a complete and accurate description of any performance-related fees (other than an asset-based fee) to which such stockholder, Proposed Nominee or Stockholder Associated Person may be entitled as a result of an increase or decrease in the value of the shares of the corporation or any derivative instruments;

- (i) a complete and accurate description of any pending, or to such stockholder's knowledge, threatened legal proceeding in which such stockholder or Proposed Nominee or any Stockholder Associated Person is a party or participant involving the corporation or any officer, affiliate or associate of the corporation;
- (ii) any other information relating to such stockholder and any Stockholder Associated Person, if any, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for, as applicable, the proposal or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;
- (iii) a representation as to whether the stockholder or any Stockholder Associated Person intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the corporation's beneficial or record owners of outstanding shares of stock entitled to vote on and required to approve the proposed business described in such stockholder's notice or to elect any Proposed Nominee; and
- (iv) a representation that such stockholder is a holder of record of the capital stock of the corporation and intends to appear in person or by proxy at the annual meeting to bring such business or nomination (as applicable) before the meeting is so requested and acknowledgement that if such stockholder does not appear to present such business or nomination (as applicable) at such annual meeting, the corporation need not present such business or nominee for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the corporation. In addition to the foregoing, the corporation may require any Proposed Nominee to furnish other information as may be reasonably be required by the corporation to determine the eligibility of such Proposed Nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee, under the listing standards of each principal securities exchange upon which the shares of the corporation are listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on any of the committees of the Board of Directors.

(a) A stockholder providing notice under this Section 2.02 shall update such notice, if necessary, so that the information provided or required to be provided in such notice shall continue to be true and correct (i) as of the record date for the meeting and (ii) as of the date that is 10 business days prior to the meeting (or any postponement or adjournment thereof), and such update shall be delivered to, or mailed and received by, the Secretary of the corporation no later than five business days after the record date for the meeting (in the case of an update required to be made as of the record date) and not later than seven business days prior to the date of the meeting, if practicable or, if not practicable, on the first practicable date prior to the

meeting or any adjournment or postponement thereof (in the case of an update required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof).

(b) If information submitted pursuant to this Section 2.02 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate in any respect, such information may be deemed not to have been provided in accordance with this Section 2.02. Any such stockholder shall notify the corporation of any inaccuracy or change in any such information within two business days of becoming aware of such inaccuracy or change. Upon written request by the Secretary or the Board of Directors, any such stockholder shall provide, within five business days of delivery of such request (or such other period as may be specified in such request), (i) written verification, reasonably satisfactory to the Board of Directors or any authorized officer of the corporation, to demonstrate the accuracy of information submitted by the stockholder pursuant to this Section 2.02, and (ii) update any information (including, if requested by the corporation, written confirmation by such stockholder that such stockholder continues to intend to bring such nomination or other business proposal before the meeting) submitted by the stockholder pursuant to this Section 2.02 as of an earlier date. If a stockholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested shall be deemed not to have been provided in accordance with this Section 2.02.

(c) For purposes of this Section 2.02, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to the Exchange Act or furnished by the corporation to stockholders.

(d) Notwithstanding the foregoing provisions of this Section 2.02, a stockholder also shall comply with all applicable legal requirements and the Exchange Act and the rules and regulations thereunder with respect to the nomination of persons for election to the Board of Directors or the proposal of business to be considered by the stockholders at a meeting of stockholders. Nothing in this Section 2.02 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, or the right of the corporation to omit the proposal from, any proxy statement filed by the corporation with the Securities and Exchange Commission pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 2.02 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

(e) Notwithstanding anything in these bylaws to the contrary, except as otherwise determined by the chairman of the meeting, if the stockholder giving notice as provided for in this Section 2.02 does not appear in person or by proxy at such meeting to present each nominee for election as a director or the proposed business, as applicable, such matter shall not be considered at the meeting.

(f) Only such persons who are nominated in accordance with the procedures set forth in these bylaws shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth herein. Except as otherwise provided by law, the corporation’s certificate of incorporation, as amended or restated (the “Certificate of Incorporation”) or these bylaws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth herein and, if

any proposed nomination or business was not made or proposed in compliance these bylaws, to declare that such non-compliant proposal or nomination be disregarded.

(g) As used in these bylaws, “affiliate” and “associate” each have the respective meanings set forth in Rule 12b-2 promulgated under the Exchange Act. A “Stockholder Associated Person” of any stockholder shall mean (i) any person who is a member of a “group” (as such term is used in Rule 13d-5 of the Exchange Act) with or otherwise acting in concert with such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depository), (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person and beneficially owns, directly or indirectly, shares of stock of the corporation, (iv) any person that directly or indirectly through one or more intermediaries, controls such stockholder or any Stockholder Associated Person, and (v) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A promulgated under the Exchange Act, or any successor instructions) with such stockholder or other Stockholder Associated Person in respect of any proposals or nominations, as applicable.

Section 1.01 *Voting List.* The officer who has charge of the stock ledger of the corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a specific place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 1.02 *Special Meeting.* Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by applicable law or by the Certificate of Incorporation, may be called by the Chairman of the Board or the President from time to time, and shall be called by the Secretary upon written request by a majority of the Board of Directors. Such request shall state the purposes of the proposed meeting. No business other than that stated in the corporation’s notice of a special meeting of stockholders shall be transacted at such special meeting.

Section 1.03 *Notice of Meeting.* Written notice of the annual meeting of stockholders and each special meeting of stockholders, stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meetings, and, in the case of a special meeting, the purpose or purposes thereof, shall be given to each stockholder entitled to vote thereat, not less than 10 nor more than 60 days before the meeting, unless allowed by applicable law and in accordance with Section 5.01 herein.

Section 1.04 *Quorum; Adjournment.* The holders of a majority of the shares of all classes of the corporation’s capital stock issued and outstanding and entitled to vote thereat,

present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders, except as otherwise provided by applicable law or by the Certificate of Incorporation. Notwithstanding the other provisions of the Certificate of Incorporation or these bylaws, the Board, the chairman of the stockholders meeting or the holders of a majority of the shares of the corporation's capital stock entitled to vote thereat, present in person or represented by proxy, whether or not a quorum is present, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If a quorum is present at the original duly organized meeting of stockholders, it shall also be deemed present at an adjourned session of such meeting.

Section 1.05 *Majority Voting.* Except as otherwise provided by applicable law, the Certificate of Incorporation, or these bylaws, when a quorum is present or represented at any meeting, a nominee for director shall be elected to the Board of Directors if a majority of the votes cast are in favor of such nominee's election; provided, however, that, if the election is a contested election (as described below), directors shall be elected by a plurality of the votes cast at such meeting. For purposes of this provision, a majority of votes cast shall mean that the number of votes cast "for" a nominee's election exceeds the number of votes cast "against" that nominee's election. The following shall not be votes cast: (a) a share whose ballot is marked as "withheld"; (b) a share otherwise present at the meeting but for which there is an abstention; and (c) a share otherwise present at the meeting for which a stockholder gives no authority or direction.

A contested election is one in respect of which (i) the Secretary has received a notice that a stockholder (or group of stockholders) has nominated a person for election to the Board in compliance with the advance notice requirements for stockholder nominees for director set forth in Section 2.02; and (ii) such nomination has not been withdrawn by such stockholder (or group of stockholders) on or prior to the fourteenth day preceding the date the corporation first mails its notice of meeting for such meeting to the stockholders.

Section 1.06 *Voting Rights and Proxies.* Every stockholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such stockholder or by a transmission permitted by law and filed with the Secretary of the corporation before, or at the time of, the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Every proxy must be appointed in accordance with the Delaware General Corporation Law. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless made irrevocable by law. If such instrument shall designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the same portion of the shares as he is of the proxies representing such shares.

Section 1.07 *Voting of Stock of Certain Holders.* Shares of the corporation's capital stock standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent, or proxy as the bylaws or equivalent organizational documents of such corporation may prescribe, or in the absence of such provision, as the Board of Directors of such corporation may determine. Shares standing in the name of a deceased person may be voted by the executor or administrator of such deceased person, either in person or by proxy. Shares standing in the

name of a guardian, conservator, or trustee may be voted by such fiduciary, either in person or by proxy, but no such fiduciary shall be entitled to vote shares held in such fiduciary capacity without a transfer of such shares into the name of such fiduciary. Shares standing in the name of a receiver may be voted by such receiver. A stockholder whose shares are pledged shall be entitled to vote such shares, unless in the transfer by the pledgor on the books of the corporation, the stockholder has expressly empowered the pledgee to vote thereon, in which case only the pledgee, or the stockholder's proxy, may represent the stock and vote thereon.

Section 1.10 *Treasury Stock*. The corporation shall not vote, directly or indirectly, shares of its own capital stock owned by it; and such shares shall not be counted in determining the total number of outstanding shares of the corporation's capital stock and for quorum purposes.

Section 1.11 *Record Date*. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting of stockholders, nor more than 60 days prior to the time for such other action as described above. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.12 *Inspectors of Elections; Opening and Closing the Polls*. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at each meeting of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath to faithfully execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

Section 1.13 *Conduct of Meetings*. Meetings of stockholders shall be presided over by any person determined by the Board or, in the absence of such determination, by the Chairman of the Board or the Chairman of the Board's designee. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it deems appropriate. Except to the extent inconsistent with such rules and regulations, the chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of the chairman of the meeting and without any action by the stockholders, are appropriate for the conduct of the meeting, including (i)

restricting admission to the time set for the commencement of the meeting; (ii) limiting attendance at the meeting to stockholders of record, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (iii) limiting participation at the meeting on any matter to stockholders of record entitled to vote on such matter, their duly authorized proxies and other such individuals as the chairman of the meeting may determine; (iv) limiting the time allotted to questions or comments; (v) determining when and for how long the polls should be open and when the polls should be closed; (vi) maintaining order and security at the meeting; (vii) removing any stockholder or any other individual who refuses to comply with the meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (viii) concluding the meeting or adjourning the meeting, whether or not a quorum is present, to a later date and time and at the same or a different place, which may be announced at the meeting; (ix) restricting the use of audio/video recording devices, cell phones and other electronic device; and (x) complying with any state or local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Article III. BOARD OF DIRECTORS

Section 1.01 Powers. The business and affairs of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by applicable law or by the Certificate of Incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

Section 1.02 Number, Election and Term. Except as otherwise provided in the Certificate of Incorporation, the number of directors that shall constitute the whole Board of Directors shall be not fewer than three nor more than fifteen. No more than a minority of the number of Directors necessary to constitute a quorum of the Board (and any committee thereof), whether under Section 3.07 herein, Section 3.10 herein or otherwise, shall be Non-U.S. Citizens (as defined in the Certificate of Incorporation). Such number of directors shall from time to time be fixed and determined by the directors and shall be set forth in the notice of any meeting of stockholders held for the purpose of electing directors. The directors shall be elected at the annual meeting of stockholders, except as provided in Section 3.03, and each director elected shall hold office until his or her successor shall be elected and qualified or until such director's earlier resignation or removal. Directors need not be residents of the State of Delaware or stockholders of the corporation. Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation. Upon request of the corporation, each nominee for director shall provide the Secretary of the corporation a signed a completed written questionnaire with respect to the background and qualifications of such nominee in the form required by the corporation (the "Director Questionnaire"), and each nominee for director must attest to the accuracy of information provided in the Director Questionnaire.

"Electronic transmission," as used in these bylaws, means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by the recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 1.03 Vacancies, Additional Directors, and Removal From Office. If any vacancy occurs in the Board of Directors caused by death, resignation, retirement, disqualification, or removal from office of any director, or otherwise, or if any new directorship is created by an increase in the authorized number of directors as provided in Section 3.02 or otherwise, a majority of the directors then in office, though less than a quorum, or a sole remaining director, may choose a successor or fill the newly created directorship. Any director

so chosen shall hold office until the next election and until his or her successor shall be duly elected and qualified, unless sooner displaced.

Section 1.04 *Regular Meeting*. A regular meeting of the Board of Directors shall be held each year, without other notice than this bylaw, at the place of, and immediately following, the annual meeting of stockholders; and other regular meetings of the Board of Directors shall be held each year, at such time and place as the Board of Directors may provide, by resolution, either within or without the State of Delaware, without other notice than such resolution. Unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

Section 1.05 *Special Meeting*. A special meeting of the Board of Directors may be called by the Chairman of the Board or by the President of the corporation and shall be called by the Secretary on the written request of any two directors. The Chairman of the Board or President so calling, or the directors so requesting, any such meeting shall fix the time and any place, either within or without the State of Delaware, as the place for holding such meeting. Special meeting may also be held by means of conference telephone or other communications equipment as set forth in Section 3.04.

Section 1.06 *Notice of Special Meeting*. Notice of special meetings of the Board of Directors shall be given to each director in writing by hand delivery, first-class mail, overnight mail or courier service, confirmed facsimile transmission or electronic transmission or orally by telephone at least 24 hours prior to the time of such meeting; provided, however, that if the Chairman of the Board determines in good faith that it is necessary to hold a special meeting sooner, the Chairman of the Board may provide less than 24 hours' notice. Notice shall be given in accordance with Section 5.01. Any director may waive notice of any meeting in accordance with Section 5.02. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, except that notice shall be given of any proposed amendment to the bylaws if it is to be adopted at any special meeting or with respect to any other matter where notice is required under applicable law.

Section 1.07 *Quorum*. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, by the Certificate of Incorporation or by these bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 1.08 *Action Without Meeting*. Unless otherwise restricted by the Certificate of Incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof as provided in Article IV of these bylaws, may be taken without a meeting if all the members of the Board of Directors or of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 1.09 *Compensation*. The Board of Directors shall have authority to determine from time to time the amount of compensation, if any, that shall be paid to its members for their services as directors and as members of standing or special committees of the Board of Directors. The Board of Directors shall also have power, in its discretion, to provide for and to pay to directors rendering services to the corporation not ordinarily rendered by directors as such, special compensation appropriate to the value of such services as determined by the Board of Directors from time to time. No provision of these bylaws shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 1.10 *Emergency Bylaws*. Notwithstanding anything to the contrary in the Certificate of Incorporation or these bylaws, in the event there is any emergency, disaster or catastrophe, as referred to in Section 110 of the Delaware General Corporation Law (or any successor section), or other similar emergency condition (each, an “emergency”), and a quorum of the Board of Directors cannot readily be convened for action, this Section 3.10 shall apply.

(a) Any director may call a meeting of the Board of Directors by any feasible means and with such advance notice as circumstances permit in the judgment of the person calling the meeting. Neither the business to be transacted nor the purpose of any such meeting need be specified in the notice thereof.

(b) One-third of the directors shall constitute a quorum, which may in all cases act by majority vote.

(c) Directors may take action to appoint one or more of the director or directors to membership on any standing or temporary committees of the Board of Directors as they deem advisable. Directors may also take action to designate one or more of the officers of the corporation to serve as directors of the corporation while this Section 3.10 applies.

(d) To the extent that it considers it practical to do so, the Board of Directors shall manage the business of the corporation during an emergency in a manner that is consistent with the Certificate of Incorporation and these bylaws. It is recognized, however, that in an emergency it may not always be practical to act in this manner and this Section 3.10 is intended to and does hereby empower the Board of Directors with the maximum authority possible under the Delaware General Corporation Law, and all other applicable law, to conduct the interim management of the affairs of the corporation in an emergency in what it considers to be in the best interests of the corporation.

(e) No director, officer or employee acting in good faith in accordance with this Section 3.10 or otherwise pursuant to Section 110 of the Delaware General Corporation Law (or any successor section) shall be liable except for willful misconduct.

(f) This Section 3.10 shall continue to apply until such time following the emergency when it is feasible for at least a majority of the directors of the corporation immediately prior to the emergency to resume management of the business of the corporation.

(g) The Board of Directors may modify, amend or add to the provisions of this Section 3.10 in order to make any provision that may be practical or necessary given the circumstances of the emergency.

(h) The provisions of this Section 3.10 shall be subject to repeal or change by further action of the Board of Directors or by action of the stockholders, but no such repeal or change shall modify the provisions of paragraph (e) hereof with regard to action taken prior to the time of such repeal or change.

Article IV.
COMMITTEES OF THE BOARD OF DIRECTORS

Section 1.01 *Designation, Powers and Name.* The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees of the Board of Directors, including, if the Board of Directors shall so determine, an Executive Committee, each such committee to consist of one or more of the directors of the corporation in accordance with applicable laws; provided, however, that no person who is not a U.S. Citizen (as defined in the Certificate of Incorporation) may exercise or be delegated any authority or duties that in any way relate to the exercise of authority or performance of duties associated with the functions of the Chairman or the President nor may such person be granted or delegated any authority to bind the Corporation. The committee shall have and may exercise such of the powers of the Board of Directors in the management of the business and affairs of the corporation as may be provided in such resolution but no such committee shall have the power or authority to (a) approve, adopt or recommend to the stockholders any action or matter (other than the election or removal of directors) required by applicable law to be submitted to the stockholders for approval or (b) adopt, amend or repeal any of these bylaws. The committee may authorize the seal of the corporation to be affixed to all papers that may require it. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Section 1.02 *Minutes.* Each committee of the Board of Directors shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

Section 1.03 *Compensation.* Members of committees may be allowed compensation for serving on such committees, if the Board of Directors shall so determine, in accordance with Section 3.09.

Article V.
NOTICE

Section 1.04 *General.* Whenever under the provisions of applicable law, the Certificate of Incorporation or these bylaws, notice is required to be given to any director, member of any committee, or stockholder, such notice need not be delivered personally, but may be given in writing and or mailed to such director, member, or stockholder; provided, however, that in the case of a director or a member of any committee such notice may be given orally by telephone, overnight mail or courier service, facsimile transmission, electronic mail or similar medium of communication; provided further that in the case of a stockholder, notice may be given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. If mailed, notice to a director, member of a committee, or stockholder shall be deemed to be given five days after deposit in the United States mail first class in a sealed envelope, with postage thereon prepaid, addressed, in the case of a stockholder, to the stockholder at the stockholder's address as it appears on the records of the corporation or, in the case of a director or a member of a committee, to such person at his or her business address. If given by overnight mail or courier service, such notice shall be deemed adequately delivered 24 hours after it was delivered to the overnight mail or courier service company. If sent by facsimile transmission, notice to a director or member of a committee shall be deemed to be given when the facsimile is transmitted and notice to a stockholder shall be deemed to be given when directed to a number at which the stockholder has consented to receive notice. If sent by e-mail transmission, notice to a director

or member of a committee shall be deemed to be given when the e-mail is transmitted and notice to a stockholder shall be deemed to be given when directed to an electronic mail address at which the stockholder has consented to receive notice. If posted on an electronic network together with separate notice to the stockholder of such specific posting, notice to a stockholder shall be deemed given upon the later of (a) such posting and (b) the giving of such separate notice; and if sent by any other form of electronic transmission, notice shall be deemed given to a stockholder when directed to the stockholder, in accordance with the stockholder's consent.

Section 1.05 *Waiver*. Whenever notice is required to be given under applicable law, the Certificate of Incorporation, or these bylaws, a written waiver, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. Attendance of a person at a meeting shall constitute waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or a committee thereof need be specified in any waiver of notice of such meeting.

Article VI. OFFICERS

Section 1.06 *Officers*. The officers of the corporation shall be a Chairman of the Board and a Vice Chairman of the Board (if such offices are created by the Board of Directors), a Chief Executive Officer, a President, a Chief Financial Officer, one or more Vice Presidents, any one or more of which may be designated Executive Vice President or Senior Vice President, a Secretary and a Treasurer. No person who is not a U.S. Citizen may exercise or be delegated any authority or duties that in any way relate to the exercise of authority or performance of duties associated with the functions of the Chairman or the President nor may such person be granted or delegated any authority to bind the Corporation. The Board of Directors may appoint such other officers and agents, including Chief Operating Officer, Assistant Vice Presidents, Assistant Secretaries, and Assistant Treasurers, in each case as the Board of Directors shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined by the Board. Any two or more offices may be held by the same person. No officer shall execute, acknowledge, verify or countersign any instrument on behalf of the corporation in more than one capacity, if such instrument is required by law, by these bylaws or by any act of the corporation to be executed, acknowledged, verified, or countersigned by two or more officers. The Chairman of the Board and Vice Chairman of the Board shall be elected from among the directors. With the foregoing exceptions, none of the other officers need be a director, and none of the officers need be a stockholder of the corporation.

Section 1.07 *Election and Term of Office*. The officers of the corporation shall be elected annually by the Board of Directors at its first regular meeting held after the annual meeting of stockholders or as soon thereafter as conveniently possible. Each officer shall hold office until his or her successor shall have been elected and qualified or until the effective date of his or her earlier resignation or removal, or until he or she shall cease to be a director in the case of the Chairman of the Board and the Vice Chairman of the Board.

Section 1.08 *Removal and Resignation*. Any officer or agent elected or appointed by the Board of Directors may be removed without cause by the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the corporation shall be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any officer may resign at any time upon written notice to the corporation.

Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 1.09 *Vacancies*. Any vacancy occurring in any office of the corporation by death, resignation, removal, or otherwise, may be filled by the Board of Directors.

Section 1.010 *Salaries*. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors or a committee thereof or pursuant to the direction of the Board of Directors or a committee thereof; and no officer shall be prevented from receiving such salary by reason of his or her also being a director.

Section 1.011 *Chairman of the Board*. The Chairman of the Board (if such office is created by the Board of Directors) shall preside at all meetings of the Board of Directors or of the stockholders of the corporation. The Chairman of the Board shall formulate and submit to the Board of Directors or the Executive Committee matters of general policy for the corporation and shall perform such other duties as usually appertain to the office or as may be prescribed by the Board of Directors or the Executive Committee. The Chairman and any other person who chairs a meeting of the Board shall be a U.S. Citizen.

Section 1.012 *Vice Chairman of the Board*. The Vice Chairman of the Board (if such office is created by the Board of Directors) shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board. The Vice Chairman of the Board shall perform such other duties as from time to time may be prescribed by the Board of Directors or the Executive Committee or assigned by the Chairman of the Board. The Vice Chairman shall be a U.S. Citizen.

Section 1.013 *Chief Executive Officer*. The Chief Executive Officer shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control the business and affairs of the corporation. In the absence of the Chairman of the Board or the Vice Chairman of the Board (if such offices are created by the Board), the Chief Executive Officer shall preside at all meetings of the Board of Directors and of the stockholders. The Chief Executive Officer may also preside at any such meeting attended by the Chairman of the Board or Vice Chairman of the Board if he or she is so designated by the Chairman of the Board or, in the Chairman of the Board's absence, by the Vice Chairman. The Chief Executive Officer shall have the power to appoint and remove subordinate officers, agents and employees, except those elected or appointed by the Board of Directors. The Chief Executive Officer shall keep the Board of Directors and the Executive Committee fully informed and shall consult them concerning the business of the corporation. He or she may sign, with the Treasurer, Secretary or any other officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation and any deeds, bonds, mortgages, contracts, checks, notes, drafts, or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated by these bylaws or by the Board of Directors to some other officer or agent of the corporation, or shall be required by law to be otherwise executed. The Chief Executive Officer shall vote, or give a proxy to any other officer of the corporation to vote, all shares of stock of any other corporation standing in the name of the corporation and in general he or she shall perform all other duties normally incident to the office of Chief Executive Officer and such other duties as may be prescribed by the stockholders, the Board of Directors, or the Executive Committee from time to time. The Chief Executive Officer shall be a U.S. Citizen.

Section 1.014 *President*. The President shall be the chief operating officer of the corporation, subject to the control of the Board of Directors, and shall have general and active management and control of the day-to-day business and affairs of the corporation and shall

report directly to the Chief Executive Officer, if the Board of Directors creates such a position. The President shall perform such other duties as from time to time are assigned to him or her by the Chief Executive Officer, the Board of Directors or the Executive Committee. In the absence of the Chief Executive Officer, or in the event of his or her inability or refusal to act, the President shall perform the duties and exercise the powers of the Chief Executive Officer. The President shall perform such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the Board of Directors or the Executive Committee. The President shall be a U.S. Citizen.

Section 1.10 *Chief Financial Officer*. The Chief Financial Officer shall serve as the principal advisor to the corporation in all matters relating to financial risks, financial planning and record-keeping. The Chief Financial Officer shall report directly to the Chief Executive Officer. The Chief Financial Officer shall be responsible for and shall direct agents and employees in the performance of all financial duties and services for and on behalf of the corporation. The Chief Financial Officer shall perform such other duties and exercise such other powers as are commonly incidental to the office of the Chief Financial Officer, and such other duties as from time to time are assigned to him or her by the Chief Executive Officer, the Board of Directors or the Executive Committee.

Section 1.11 *Vice Presidents*. In the absence of the President, or in the event of his or her inability or refusal to act, the Executive Vice President (or in the event there shall be no Vice President designated Executive Vice President, any Vice President designated by the Board) shall perform the duties and exercise the powers of the President. Any Vice President may sign, with the Secretary or Assistant Secretary, certificates for shares of the corporation. The Vice Presidents shall perform such other duties as from time to time may be assigned to them by the Chief Executive Officer, the President, the Board of Directors or the Executive Committee.

Section 1.12 *Secretary*. The Secretary shall (a) keep the minutes of the meetings of the stockholders, the Board of Directors and committees of the Board of Directors; (b) see that all notices are duly given in accordance with the provisions of these bylaws and as required by law; (c) be custodian of the corporate records and of the seal of the corporation, and see that the seal of the corporation or a facsimile thereof is affixed to all certificates for shares prior to the issue thereof and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; (d) keep or cause to be kept a register of the post office address of each stockholder which shall be furnished by such stockholder; (e) sign with the President, or an Executive Vice President or Vice President, certificates for shares of the corporation, the issue of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general, perform all duties normally incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chief Executive Officer, the President, the Board of Directors or the Executive Committee.

Section 1.13 *Treasurer*. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Section 7.03 of these bylaws; (c) prepare, or cause to be prepared, for submission at each regular meeting of the Board of Directors, at each annual meeting of the stockholders, and at such other times as may be required by the Board of Directors, the Chief Executive Officer, the President or the Executive Committee, a statement of financial condition of the corporation in such detail as may be required; and (d) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to

time may be assigned to him by the Chief Executive Officer, the President, the Chief Financial Officer, the Board of Directors or the Executive Committee.

Section 1.14 *Assistant Secretary and Treasurer.* The Assistant Secretaries and Assistant Treasurers shall, in general, perform such duties as shall be assigned to them by the Chief Financial Officer, the Secretary or the Treasurer, respectively, or by the President, the Board of Directors, or the Executive Committee. The Assistant Secretaries and Assistant Treasurers shall, in the absence of the Secretary or Treasurer, respectively, perform all functions and duties which such absent officers may delegate, but such delegation shall not relieve the absent officer from the responsibilities and liabilities of his or her office. The Assistant Secretaries may sign, with the President or a Vice President, certificates for shares of the corporation, the issue of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

Article VII. CONTRACTS, CHECKS AND DEPOSITS

Section 1.01 *Contracts.* Subject to the provisions of Section 6.01, the Board of Directors may authorize any officer, officers, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 1.02 *Checks.* All checks, demands, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers or such agent or agents of the corporation, and in such manner, as the Board of Directors may determine.

Section 1.03 *Deposits.* All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Article VIII. CERTIFICATES OF STOCK

Section 1.01 *Issuance.* Each stockholder of this corporation shall be entitled to a certificate or certificates representing the number of shares of capital stock registered in his or her name on the books of the corporation unless the Board of Directors has provided by resolution or resolutions that some or all of any or all classes of shares of the corporation stock shall be uncertificated shares. The certificates shall be in such form as may be determined by the Board of Directors, shall be issued in numerical order and shall be entered in the books of the corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. If any certificate is countersigned (1) by a transfer agent other than the corporation or any employee of the corporation or (2) by a registrar other than the corporation or any employee of the corporation, any other signature on the certificate may be a facsimile.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences, and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of such preferences and rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class of

stock; provided that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate, a statement that the corporation will furnish such information without charge to each stockholder who so requests. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in the case of a lost, stolen, destroyed, or mutilated certificate a new one may be issued therefor upon such terms and with such indemnity, if any, to the corporation as the Board of Directors may prescribe. Certificates shall not be issued representing fractional shares of stock.

Section 1.02 *Lost Certificates*. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 1.03 *Transfers*. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books. Transfers of shares shall be made only on the books of the corporation by the registered holder thereof, or by his or her attorney thereunto authorized by power of attorney and filed with the Secretary of the corporation or the transfer agent.

Section 1.04 *Registered Stockholders*. The corporation shall be entitled to treat the holder of record of any share or shares of the corporation's capital stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 8.05 *Dual Stock Certificate System; Restrictions on Transfer*.

(a) If the Board of Directors has determined pursuant to the Certificate of Incorporation to use a dual stock certificate system, the Company shall instruct its transfer agent to maintain two separate stock records for each class or series of its capital stock: (i) a record of shares owned by U.S. Citizens; and (ii) a record of shares owned by Non-U.S. Citizens.

(b) Certificates representing shares of each class or series of the capital stock of the Company shall be marked either "U.S. Citizen" or "Non-U.S. Citizen", but shall be identical in all other respects. Shares owned by U.S. Citizens shall be represented by U.S. Citizen certificates, and shares owned by Non-U.S. Citizens shall be represented by Non-U.S. Citizen certificates. Whether shares are owned by U.S. Citizens or by Non-U.S. Citizens shall be determined in accordance with the Certificate of Incorporation.

(c) Without limiting the applicable provisions of the Certificate of Incorporation, shares of any class or series of capital stock represented by a U.S. Citizen certificate, or

represented by a Non-U.S. Citizen certificate determined by the Company to be held by or on behalf of a U.S. Citizen, may not be transferred, and shares of any class or series of the capital stock of the Company may not be issued (upon original issuance), to a Non-U.S. Citizen or a holder of record that will hold such shares for or on behalf of a Non-U.S. Citizen if, upon completion of such transfer or issuance, Non-U.S. Citizens will own shares of such class or series of the capital stock represented by Non-U.S. Citizen certificates and represented by U.S. Citizen certificates determined by the Company to be held by or on behalf of Non-U.S. Citizens in excess of the applicable Permitted Percentage (as defined in the Certificate of Incorporation) for such class or series.

Article IX. DIVIDENDS

Section 1.01 *Declaration.* Subject to the provisions of the Certificate of Incorporation, the Board of Directors may declare dividends with respect to the shares of the corporation's capital stock at any regular or special meeting, pursuant to applicable law. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the Certificate of Incorporation.

Section 1.02 *Reserve.* Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interest of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

Article X. INDEMNIFICATION AND INSURANCE

Section 1.05 *Third Party Actions.* The corporation shall indemnify any director or officer of the corporation, and may indemnify any other person, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Section 1.06 *Actions by or in the Right of the Corporation.* The corporation shall indemnify any director or officer and may indemnify any other person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation,

partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Chancery or such other court shall deem proper.

Section 1.07 *Mandatory Indemnification*. To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 10.01 and Section 10.02, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 1.08 *Determination of Conduct*. Any indemnification under Section 10.01 or Section 10.02 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 10.01 or Section 10.02. Such determination shall be made (a) by a majority vote of directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (b) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (d) by the stockholders.

Section 1.09 *Payment of Expenses in Advance*. Expenses (including attorney's fees) incurred by an officer or director in defending a civil, criminal, administrative or investigative action, suit, or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this Article X. Any such expenses incurred by an employee or agent of the corporation at its discretion may be paid by the corporation upon receipt of such an undertaking.

Section 1.010 *Indemnity Not Exclusive*. The indemnification and advancement of expenses provided or granted hereunder shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, any other bylaw, agreement, vote of stockholders, or disinterested directors or otherwise, both as to action in a person's official capacity and as to action in another capacity while holding such office.

Section 1.011 *Definitions*. For purposes of this Article X:

(a) "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee, or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same

position under this Article X with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued;

(b) “other enterprises” shall include employee benefit plans;

(c) “fines” shall include any excise taxes assessed on a person with respect to any employee benefit plan;

(d) “serving at the request of the corporation” shall include any service as a director, officer, employee, or agent of the corporation that imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and

(e) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this Article X.

Section 1.04 *Continuation of Indemnity*. The indemnification and advancement of expenses provided by or granted pursuant to this Article X shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 1.05 *Insurance, Contracts and Funding*. The corporation may purchase and maintain insurance on behalf of any person who was or is a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person’s status as such, whether or not the corporation would have the power to indemnify such person against such liability under the Delaware General Corporation Law. The corporation, without further stockholder approval, may enter into contracts with any director, officer, employee or agent in furtherance of the provisions of this Section 10.09 and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure that payment of such amounts as may be necessary to effect indemnification as provided in this Section 10.09.

Article XI. MISCELLANEOUS

Section 1.012 *Seal*. The corporate seal, if one is authorized by the Board of Directors, shall have inscribed thereon the name of the corporation, and the words “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 1.013 *Books*. The books of the corporation may be kept (subject to applicable law) outside the State of Delaware at the offices of the corporation, or at such other place or places as may be designated from time to time by the Board of Directors.

Article XII. AMENDMENT

Except as otherwise provided by the Certificate of Incorporation, the Board of Directors is expressly authorized to adopt, alter, amend or repeal any and all of the bylaws of the corporation and the bylaws of the corporation may be adopted, altered, amended or repealed by

the affirmative vote of the holders of at least sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of all of the outstanding shares of capital stock of the corporation entitled to vote thereon, voting together as a single class.

FOURTH AMENDMENT
TO THE
DELEK US HOLDINGS, INC.
2016 LONG-TERM INCENTIVE PLAN

THIS FOURTH AMENDMENT TO THE DELEK US HOLDINGS, INC. 2016 LONG-TERM INCENTIVE PLAN (this “**Fourth Amendment**”) is effective as of May 3, 2022. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Plan (as defined below), and all section references shall refer to the Plan.

RECITALS

WHEREAS, Delek US Holdings, Inc. (the “**Company**”) currently awards long-term compensation to certain non-employee directors, employees and consultants under its 2016 Long-Term Incentive Plan, as amended by that certain First Amendment dated as of May 8, 2018, that certain Second Amendment dated as of May 5, 2020, and that certain Third Amendment dated as of June 9, 2021 (as amended, the “**Plan**”);

WHEREAS, the Plan reserves 14,235,000 shares of Common Stock for issuance in connection with awards granted thereunder;

WHEREAS, the Company desires to amend the Plan to increase the number of shares of Common Stock reserved for issuance under the Plan by 760,000 shares;

WHEREAS, this Fourth Amendment requires the approval of the Company’s stockholders; and

WHEREAS, the Board, based upon the recommendation of the Compensation Committee of the Board, which committee has previously been appointed by the Board pursuant to Section 5 to administer the Plan (the “**Committee**”), has determined that it is in the best interests of the Company, subject to the approval of the Company’s stockholders at the Company’s 2022 Annual Meeting of Stockholders, to amend the Plan to increase the number of shares of Common Stock reserved for issuance under the Plan by an additional 760,000 shares, from 14,235,000 shares to 14,995,000 shares, and to amend the Plan as set forth in this Fourth Amendment.

NOW, THEREFORE, the Plan shall be amended effective as of the date hereof as follows:

1. Paragraph 4 of the Plan is deleted in its entirety and replaced with the following:

4. Common Stock Available for Awards. Subject to the provisions of Paragraph 16 hereof, there shall be available for Awards granted wholly or partly in Common Stock (including rights or options which may be exercised for or settled in Common Stock) during the term of this Plan an aggregate of 14,995,000 shares of Common Stock (the “**Maximum Share Limit**”), all of which may be used for the granting of ISOs. The Board and the appropriate officers of the Company are authorized to take from time to time whatever actions are necessary, *and* to file required documents with governmental authorities and stock exchanges and transaction reporting systems, to make shares of Common Stock available for issuance pursuant to Awards. Each Award settled in shares of Common Stock other than a Stock Option or SAR shall be counted against the Maximum Share Limit as 2.28 shares and each Stock Option or SAR shall be counted against the Maximum Share Limit as one share. Any shares of Common Stock subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of shares of Common Stock related to such Award shall not count against the Maximum Share Limit and will again be available for issuance under the Plan. Any shares of Common Stock that again become available for future grants pursuant to this Paragraph 4 shall be added back as one share if such shares were subject to Stock Options or Stock Appreciation Rights and as 2.28 shares if such shares were subject to other Awards. Notwithstanding anything to the contrary contained herein: shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of a Stock Option, (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation with respect to any Stock Option or SAR, (c) shares covered by a stock-settled SAR or other Awards that were not issued upon the settlement of the Award, or (d) shares repurchased by the Company on the open market with proceeds from the exercise of Stock Options or SARs. Shares of Common Stock delivered under the Plan as an Award or in settlement of an Award issued or made (a) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an entity acquired in a merger or other acquisition or (b) as a post-transaction grant under such a plan or arrangement of an acquired entity shall not reduce or be counted against the maximum number of shares of Common Stock available for delivery under the Plan, to the extent that the exemption for transactions in connection with mergers and acquisitions from the stockholder approval requirements of the New York Stock Exchange for equity compensation plans applies. The Committee may from time to time adopt and observe such rules and procedures concerning the counting of shares against the Maximum Share Limit or any sub limit as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national stock exchange on which the Common Stock is listed or any applicable regulatory requirement.

2. Except as modified herein, all other terms and conditions of the Plan shall remain in full force and effect. In the event of a conflict between this Fourth Amendment and the Plan, this Fourth Amendment shall control.

IN WITNESS WHEREOF, the undersigned has executed this Fourth Amendment to the Plan, to be effective as of the date first written above.

DELEK US HOLDINGS, INC.

By: /s/ Denise McWatters

Name: Denise McWatters

Title: Executive Vice President, General Counsel and Secretary

**Certification by Chief Executive Officer pursuant to
Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Avigal Soreq, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delek US Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Avigal Soreq

Avigal Soreq,

President and Chief Executive Officer
(Principal Executive Officer)

Dated: August 5, 2022

**Certification by Chief Financial Officer pursuant to
Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Reuven Spiegel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delek US Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Reuven Spiegel

Reuven Spiegel,
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: August 5, 2022

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Delek US Holdings, Inc. (the "Company") on Form 10-Q for the three months ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Avigal Soreq, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, and to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Avigal Soreq

Avigal Soreq,

President and Chief Executive Officer

(Principal Executive Officer)

Dated: August 5, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Delek US Holdings, Inc. (the "Company") on Form 10-Q for the three months ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Reuven Spiegel, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, and to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Reuven Spiegel
Reuven Spiegel,
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: August 5, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.