

REFINITIV

# DELTA REPORT

## 10-Q

DKL - DELEK LOGISTICS PARTNERS,  
10-Q - JUNE 30, 2023 COMPARED TO 10-Q - MARCH 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 983

■ CHANGES	230
■ DELETIONS	302
■ ADDITIONS	451

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 **3/31/ 6/30/2023**

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

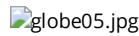
Commission file number 001-35721

**DELEK LOGISTICS PARTNERS, LP**

(Exact name of registrant as specified in its charter)

Delaware

45-5379027



(State or other jurisdiction of incorporation or organization)

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

310 Seven Springs Way, Suite 500

Brentwood

Tennessee

37027

(Address of principal executive offices)

(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)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Units Representing Limited Partnership Interests	DKL	New York Stock Exchange

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

At **May 2, 2023** August 1, 2023, there were **43,575,120** 43,586,176 common limited partner units outstanding.

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Financial Statements

## Part I - FINANCIAL INFORMATION

### Item 1. Financial Statements

#### Delek Logistics Partners, LP

Condensed Consolidated Balance Sheets (Unaudited)  
(in thousands, except unit and per unit data)

		<u>March 31, 2023</u>	<u>December 31, 2022</u>		<u>June 30, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>	<b>ASSETS</b>			<b>ASSETS</b>		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 10,964	\$ 7,970	Cash and cash equivalents	\$ 7,715	\$ 7,970
Accounts receivable	Accounts receivable	60,536	53,314	Accounts receivable	65,844	53,314
Accounts receivable from related parties	Accounts receivable from related parties			Accounts receivable from related parties	7,402	—
Inventory	Inventory	2,656	1,483	Inventory	3,078	1,483
Other current assets	Other current assets	2,772	2,463	Other current assets	1,395	2,463
Total current assets	Total current assets	<u>76,928</u>	<u>65,230</u>	Total current assets	<u>85,434</u>	<u>65,230</u>
Property, plant and equipment:	Property, plant and equipment:			Property, plant and equipment:		
Property, plant and equipment	Property, plant and equipment	1,273,942	1,240,684	Property, plant and equipment	1,291,972	1,240,684
Less: accumulated depreciation	Less: accumulated depreciation	(332,814)	(316,680)	Less: accumulated depreciation	(350,233)	(316,680)
Property, plant and equipment, net	Property, plant and equipment, net	<u>941,128</u>	<u>924,004</u>	Property, plant and equipment, net	<u>941,739</u>	<u>924,004</u>

Equity method investments	Equity method investments	243,273	257,022	Equity method investments	242,747	257,022
Customer relationship intangible, net	Customer relationship intangible, net	194,914	199,440	Customer relationship intangible, net	190,388	199,440
Marketing contract intangible, net	Marketing contract intangible, net	107,563	109,366	Marketing contract intangible, net	105,760	109,366
Rights-of-way, net	Rights-of-way, net	56,397	55,990	Rights-of-way, net	57,006	55,990
Goodwill	Goodwill	27,051	27,051	Goodwill	27,051	27,051
Operating lease right-of-use assets	Operating lease right-of-use assets	24,882	24,788	Operating lease right-of-use assets	22,635	24,788
Other non-current assets	Other non-current assets	19,481	16,408	Other non-current assets	19,796	16,408
Total assets	Total assets	\$ 1,691,617	\$ 1,679,299	Total assets	\$ 1,692,556	\$ 1,679,299
<b>LIABILITIES AND DEFICIT</b>	<b>LIABILITIES AND DEFICIT</b>			<b>LIABILITIES AND DEFICIT</b>		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable	Accounts payable	\$ 23,097	\$ 57,403	Accounts payable	\$ 14,510	\$ 57,403
Accounts payable to related parties	Accounts payable to related parties	4,477	6,055	Accounts payable to related parties	—	6,055
Current portion of long-term debt	Current portion of long-term debt	15,000	15,000	Current portion of long-term debt	15,000	15,000
Interest payable	Interest payable	16,552	5,308	Interest payable	5,305	5,308
Excise and other taxes payable	Excise and other taxes payable	4,349	8,230	Excise and other taxes payable	7,338	8,230
Current portion of operating lease liabilities	Current portion of operating lease liabilities	8,132	8,020	Current portion of operating lease liabilities	8,168	8,020
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	6,367	6,202	Accrued expenses and other current liabilities	6,123	6,202
Total current liabilities	Total current liabilities	77,974	106,218	Total current liabilities	56,444	106,218
Non-current liabilities:	Non-current liabilities:			Non-current liabilities:		
Long-term debt, net of current portion	Long-term debt, net of current portion	1,693,200	1,646,567	Long-term debt, net of current portion	1,729,338	1,646,567
Operating lease liabilities, net of current portion	Operating lease liabilities, net of current portion	12,175	12,114	Operating lease liabilities, net of current portion	10,478	12,114
Asset retirement obligations	Asset retirement obligations	9,509	9,333	Asset retirement obligations	9,685	9,333
Other non-current liabilities	Other non-current liabilities	16,181	15,767	Other non-current liabilities	16,113	15,767
Total non-current liabilities	Total non-current liabilities	1,731,065	1,683,781	Total non-current liabilities	1,765,614	1,683,781
Equity (Deficit):	Equity (Deficit):			Equity (Deficit):		
Common unitholders - public; 9,263,842 units issued and outstanding at March 31, 2023 (9,257,305 at December 31, 2022)		170,522	172,119			
Common unitholders - Delek Holdings; 34,311,278 units issued and outstanding at March 31, 2023 (34,311,278 at December 31, 2022)		(287,944)	(282,819)			

Common unitholders - public; 9,274,898 units issued and outstanding at June 30, 2023 (9,257,305 at December 31, 2022)			Common unitholders - public; 9,274,898 units issued and outstanding at June 30, 2023 (9,257,305 at December 31, 2022)	167,760	172,119
Common unitholders - Delek Holdings; 34,311,278 units issued and outstanding at June 30, 2023 (34,311,278 at December 31, 2022)			Common unitholders - Delek Holdings; 34,311,278 units issued and outstanding at June 30, 2023 (34,311,278 at December 31, 2022)	(297,262)	(282,819)
Total deficit	Total deficit	(117,422)	Total deficit	(129,502)	(110,700)
Total liabilities and deficit	Total liabilities and deficit	\$ 1,691,617	Total liabilities and deficit	\$ 1,692,556	\$ 1,679,299

See accompanying notes to the condensed consolidated financial statements

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Financial Statements

## Delek Logistics Partners, LP

Condensed Consolidated Statements of Comprehensive Income (Unaudited)  
(In thousands, except unit and per unit data)

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
<b>Net revenues</b>	<b>Net revenues</b>			<b>Net revenues</b>				
Affiliate <sup>(1)</sup>	Affiliate <sup>(1)</sup>	\$ 124,999	\$ 123,754	Affiliate <sup>(1)</sup>	\$ 132,993	\$ 124,366	\$ 257,992	\$ 248,120
Third Party	Third Party	118,526	82,827	Third Party	113,918	142,384	232,444	225,211
Net revenues	Net revenues	243,525	206,581	Net revenues	246,911	266,750	490,436	473,331
<b>Cost of sales:</b>	<b>Cost of sales:</b>			<b>Cost of sales:</b>				
Cost of materials and other - affiliate <sup>(1)</sup>	Cost of materials and other - affiliate <sup>(1)</sup>	91,071	105,885	Cost of materials and other - affiliate <sup>(1)</sup>	92,042	143,730	183,113	249,615
Cost of materials and other - third party	Cost of materials and other - third party	35,025	20,309	Cost of materials and other - third party	36,083	32,630	71,108	52,939
Operating expenses (excluding depreciation and amortization presented below)	Operating expenses (excluding depreciation and amortization presented below)	24,215	17,543	Operating expenses (excluding depreciation and amortization presented below)	28,476	20,284	52,691	37,827

Depreciation and amortization	Depreciation and amortization	19,764	9,861	Depreciation and amortization	22,469	12,948	42,233	22,809
Total cost of sales	Total cost of sales	170,075	153,598	Total cost of sales	179,070	209,592	349,145	363,190
Operating expenses related to wholesale business (excluding depreciation and amortization presented below)	Operating expenses related to wholesale business (excluding depreciation and amortization presented below)	525	564	Operating expenses related to wholesale business (excluding depreciation and amortization presented below)	480	705	1,005	1,269
General and administrative expenses	General and administrative expenses	7,510	5,095	General and administrative expenses	6,611	13,773	14,121	18,868
Depreciation and amortization	Depreciation and amortization	1,341	474	Depreciation and amortization	1,258	474	2,599	948
Loss on disposal of assets		142	12					
(Gain) loss on disposal of assets								(Gain) loss on disposal of assets (455) — (313) 12
Total operating costs and expenses	Total operating costs and expenses	179,593	159,743	Total operating costs and expenses	186,964	224,544	366,557	384,287
Operating income	Operating income	63,932	46,838	Operating income	59,947	42,206	123,879	89,044
Interest expense, net	Interest expense, net	32,581	14,250	Interest expense, net	35,099	16,812	67,680	31,062
Income from equity method investments	Income from equity method investments	(6,316)	(7,026)	Income from equity method investments	(7,285)	(7,073)	(13,601)	(14,099)
Other income, net	Other income, net	(2)	(1)	Other income, net	(19)	(2)	(21)	(3)
Total non-operating expenses, net	Total non-operating expenses, net	26,263	7,223	Total non-operating expenses, net	27,795	9,737	54,058	16,960
Income before income tax expense	Income before income tax expense	37,669	39,615	Income before income tax expense	32,152	32,469	69,821	72,084
Income tax expense	Income tax expense	302	101	Income tax expense	256	305	558	406
Net income attributable to partners	Net income attributable to partners	\$ 37,367	\$ 39,514	Net income attributable to partners	\$ 31,896	\$ 32,164	\$ 69,263	\$ 71,678
Comprehensive income attributable to partners	Comprehensive income attributable to partners	\$ 37,367	\$ 39,514	Comprehensive income attributable to partners	\$ 31,896	\$ 32,164	\$ 69,263	\$ 71,678

Net income per limited partner unit:		Net income per limited partner unit:		Net income per limited partner unit:		Net income per limited partner unit:	
Basic	Basic	\$ 0.86	\$ 0.91	Basic	\$ 0.73	\$ 0.74	\$ 1.59
Diluted	Diluted	\$ 0.86	\$ 0.91	Diluted	\$ 0.73	\$ 0.74	\$ 1.59
Weighted average limited partner units outstanding:		Weighted average limited partner units outstanding:		Weighted average limited partner units outstanding:		Weighted average limited partner units outstanding:	
Basic	Basic	43,569,963	43,471,536	Basic	43,577,428	43,475,931	43,573,716
Diluted	Diluted	43,585,297	43,481,572	Diluted	43,597,282	43,502,983	43,591,726
Cash distributions per common limited partner unit		Cash distributions per common limited partner unit		Cash distributions per common limited partner unit		Cash distributions per common limited partner unit	
		\$ 1.025	\$ 0.980		\$ 1.035	\$ 0.985	\$ 2.060

(1) See Note 3 for a description of our material affiliate revenue and purchases transactions.

See accompanying notes to the condensed consolidated financial statements

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Financial Statements

## Delek Logistics Partners, LP

Condensed Consolidated Statements of Partners' Equity (Deficit) (Unaudited)  
(in thousands)

	Common - Delek			Common - Delek		
	Common - Public	Holdings	Total	Common - Public	Holdings	Total
<b>Balance as of December 31, 2022</b>	\$ 172,119	\$ (282,819)	\$ (110,700)			
<b>Balance as of March 31, 2023</b>				<b>Balance as of March 31, 2023</b>		
Cash distributions	(9,442)	(34,998)	(44,440)	Cash distributions	(9,496)	(44,664)
Net income attributable to partners	7,940	29,427	37,367	Net income attributable to partners	6,783	31,896
Other	(95)	446	351	Other	(49)	688
<b>Balance as of March 31, 2023</b>	<b>\$ 170,522</b>	<b>\$ (287,944)</b>	<b>\$ (117,422)</b>	<b>Balance as of June 30, 2023</b>	<b>\$ 167,760</b>	<b>\$ (297,262)</b>
<b>Balance as of June 30, 2023</b>						

	Common - Delek			Common - Delek		
	Common - Public	Holdings	Total	Common - Public	Holdings	Total
<b>Balance as of December 31, 2021</b>	\$ 166,067	\$ (270,059)	\$ (103,992)			

Balance as of Balance as of March 31, 2022				Balance as of Balance as of March 31, 2022				
Cash distributions	Cash distributions	(8,570)	(33,830)	(42,400)	Cash distributions	(8,980)	(33,624)	(42,604)
Net income attributable to partners	Net income attributable to partners	8,328	31,186	39,514	Net income attributable to partners	6,785	25,379	32,164
Delek Holdings unit sale to public		5,110	(5,110)	—				
Other	Other	(239)	595	356	Other	110	393	503
<b>Balance as of March 31, 2022</b>		<b>\$ 170,696</b>	<b>\$ (277,218)</b>	<b>\$ (106,522)</b>				
Balance as of Balance as of June 30, 2022				Balance as of Balance as of June 30, 2022				
						\$ 168,611	\$ (285,070)	\$ (116,459)

	Common - Public	Common - Delek Holdings	Total
<b>Balance as of December 31, 2022</b>	\$ 172,119	\$ (282,819)	\$ (110,700)
Cash distributions	(18,938)	(70,166)	(89,104)
Net income attributable to partners	14,723	54,540	69,263
Other	(144)	1,183	1,039
<b>Balance as of June 30, 2023</b>	<b>\$ 167,760</b>	<b>\$ (297,262)</b>	<b>\$ (129,502)</b>

	Common - Public	Common - Delek Holdings	Total
<b>Balance as of December 31, 2021</b>	\$ 166,067	\$ (270,059)	\$ (103,992)
Cash distributions	(17,550)	(67,454)	(85,004)
Net income attributable to partners	15,113	56,565	71,678
Delek Holdings unit sale to public	5,110	(5,110)	—
Other	(129)	988	859
<b>Balance as of June 30, 2022</b>	<b>\$ 168,611</b>	<b>\$ (285,070)</b>	<b>\$ (116,459)</b>

See accompanying notes to the condensed consolidated financial statements

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Financial Statements

## Delek Logistics Partners, LP

Condensed Consolidated Statements of Cash Flows (Unaudited)  
(in thousands)

	Cash flows from operating activities:	Three Months Ended March 31,		Cash flows from operating activities:	Six Months Ended June 30,	
		2023	2022		2023	2022
Net income	Net income	\$ 37,367	\$ 39,514	Net income	\$ 69,263	\$ 71,678

Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:			Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	Depreciation and amortization	21,105	10,335	Depreciation and amortization	44,832	23,757
Non-cash lease expense	Non-cash lease expense	2,200	1,798	Non-cash lease expense	4,447	11,484
Amortization of customer contract intangible assets	Amortization of customer contract intangible assets	1,803	1,803	Amortization of customer contract intangible assets	3,605	3,606
Amortization of deferred revenue	Amortization of deferred revenue	(444)	(444)	Amortization of deferred revenue	(887)	(888)
Amortization of deferred financing costs and debt discount	Amortization of deferred financing costs and debt discount	1,127	847	Amortization of deferred financing costs and debt discount	2,316	1,776
Income from equity method investments	Income from equity method investments	(6,316)	(7,026)	Income from equity method investments	(13,601)	(14,099)
Dividends from equity method investments	Dividends from equity method investments	9,238	6,613	Dividends from equity method investments	17,049	13,717
Other non-cash adjustments	Other non-cash adjustments	780	492	Other non-cash adjustments	1,707	1,118
Changes in assets and liabilities:	Changes in assets and liabilities:			Changes in assets and liabilities:		
Accounts receivable	Accounts receivable	2,165	(4,966)	Accounts receivable	(3,143)	300
Inventories and other current assets	Inventories and other current assets	(1,482)	112	Inventories and other current assets	(1,664)	263
Accounts payable and other current liabilities	Accounts payable and other current liabilities	(36,430)	14,157	Accounts payable and other current liabilities	(46,245)	(2,142)
Accounts receivable/payable to related parties	Accounts receivable/payable to related parties	(1,578)	(14,141)	Accounts receivable/payable to related parties	(13,457)	27,068
Non-current assets and liabilities, net	Non-current assets and liabilities, net	(345)	(1,174)	Non-current assets and liabilities, net	(420)	(4,581)
Net cash provided by operating activities	Net cash provided by operating activities	29,190	47,920	Net cash provided by operating activities	63,802	133,057
<b>Cash flows from investing activities:</b>	<b>Cash flows from investing activities:</b>			<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	Purchases of property, plant and equipment	(27,837)	(10,613)	Purchases of property, plant and equipment	(55,421)	(35,506)
Proceeds from sales of property, plant and equipment	Proceeds from sales of property, plant and equipment	—	12	Proceeds from sales of property, plant and equipment	455	11
Purchases of intangible assets	Purchases of intangible assets	(582)	(2,425)	Purchases of intangible assets	(1,367)	(3,797)
Business Combination, net of cash acquired				Business Combination, net of cash acquired		(621,772)
Distributions from equity method investments	Distributions from equity method investments	1,440	550	Distributions from equity method investments	1,440	1,737
Net cash used in investing activities	Net cash used in investing activities	(26,979)	(12,476)	Net cash used in investing activities	(54,893)	(659,327)
<b>Cash flows from financing activities:</b>	<b>Cash flows from financing activities:</b>			<b>Cash flows from financing activities:</b>		

Distributions to common unitholders - public	Distributions to common unitholders - public	(9,442)	(8,570)	Distributions to common unitholders - public	(18,938)	(17,550)
Distributions to common unitholders - Delek Holdings	Distributions to common unitholders - Delek Holdings	(34,998)	(33,830)	Distributions to common unitholders - Delek Holdings	(70,166)	(67,454)
Proceeds from revolving facility	Proceeds from revolving facility	143,500	113,600	Proceeds from revolving facility	238,500	867,500
Payments on revolving facility	Payments on revolving facility	(93,400)	(107,500)	Payments on revolving facility	(148,000)	(244,600)
Payments on term loan debt	Payments on term loan debt	(3,750)	—	Payments on term loan debt	(7,500)	—
Deferred financing costs paid	Deferred financing costs paid	(400)	—	Deferred financing costs paid	(1,603)	(701)
Payments on financing lease liabilities	Payments on financing lease liabilities	(727)	(710)	Payments on financing lease liabilities	(1,457)	(1,407)
Net cash provided by (used in) financing activities		783	(37,010)			
<b>Net increase (decrease) in cash and cash equivalents</b>		2,994	(1,566)			
Net cash (used in) provided by financing activities				Net cash (used in) provided by financing activities	(9,164)	535,788
<b>Net (decrease) increase in cash and cash equivalents</b>				<b>Net (decrease) increase in cash and cash equivalents</b>	(255)	9,518
Cash and cash equivalents at the beginning of the period	Cash and cash equivalents at the beginning of the period	7,970	4,292	Cash and cash equivalents at the beginning of the period	7,970	4,292
Cash and cash equivalents at the end of the period	Cash and cash equivalents at the end of the period	10,964	2,726	Cash and cash equivalents at the end of the period	7,715	13,810
<b>Supplemental disclosures of cash flow information:</b>	<b>Supplemental disclosures of cash flow information:</b>			<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the period for:	Cash paid during the period for:			Cash paid during the period for:		
Interest	Interest	\$ 20,210	\$ 2,110	Interest	\$ 65,367	\$ 28,275
Income taxes				Income taxes	\$ 20	\$ 40
<b>Non-cash investing activities:</b>	<b>Non-cash investing activities:</b>			<b>Non-cash investing activities:</b>		
Increase (decrease) in accrued capital expenditures and other		\$ 8,258	\$ (1,527)			
Increase in accrued capital expenditures and other				Increase in accrued capital expenditures and other	\$ 53	\$ 306
<b>Non-cash financing activities:</b>	<b>Non-cash financing activities:</b>			<b>Non-cash financing activities:</b>		

Non-cash lease liability arising from obtaining right of use assets during the period	Non-cash lease liability arising from obtaining right of use assets during the period	\$ 3,456	\$ —	Non-cash lease liability arising from obtaining right of use assets during the period	\$ 3,456	\$ 8,433
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See accompanying notes to the condensed consolidated financial statements

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Notes to Condensed Consolidated Financial Statements (Unaudited)

## Delek Logistics Partners, LP

### Notes to the Condensed Consolidated Financial Statements (Unaudited)

#### 1. Organization and Basis of Presentation

As used in this report, the terms "Delek Logistics Partners, LP," the "Partnership," "we," "us," or "our" may refer to Delek Logistics Partners, LP, one or more of its consolidated subsidiaries or all of them taken as a whole.

The Partnership is a Delaware limited partnership formed in April 2012 by Delek US Holdings, Inc. ("Delek Holdings") and its subsidiary Delek Logistics GP, LLC, our general partner (our "general partner"). On April 8, 2022, DKL Delaware Gathering, LLC, a subsidiary of the Partnership, entered into a Membership Interest Purchase Agreement (the "3 Bear Purchase Agreement") with 3 Bear Energy – New Mexico LLC (the "Seller") to purchase 100% of the limited liability company interests in 3 Bear Delaware Holding – NM, LLC ("3 Bear") (subsequently renamed to Delek DKL Delaware Gathering – NM, LLC ("Delaware Gathering")), related to the Seller's crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin of New Mexico (the "Delaware Gathering Acquisition"). The Delaware Gathering Acquisition was completed on June 1, 2022 (the "Acquisition Date").

The Partnership provides gathering, pipeline and other transportation services primarily for crude oil and natural gas customers, storage, wholesale marketing and terminalling services primarily for intermediate and refined product customers, and water disposal and recycling services through its owned assets and joint ventures located primarily in the Permian Basin (including the Delaware sub-basin) and other select areas in the Gulf Coast region. A substantial majority of our existing assets are both integral to and dependent upon the success of Delek Holdings' refining operations, as many of our assets are contracted exclusively to Delek Holdings in support of its Tyler, El Dorado and Big Spring refineries.

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 financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022 (our "Annual Report on Form 10-K"), filed with the U.S. Securities and Exchange Commission (the "SEC") on March 1, 2023 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 notes thereto for the year ended December 31, 2022 included in our Annual Report on Form 10-K.

All adjustments necessary for a fair presentation of the financial position and the results of operations for the interim periods presented have been included. All intercompany accounts and transactions have been eliminated. Such intercompany transactions do not include those with Delek Holdings or our general partner, which are presented as related parties in these accompanying condensed consolidated financial statements. 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.

#### Reclassifications

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

#### 2. Acquisitions

##### Delaware Gathering (formerly 3 Bear)

We completed the Delaware Gathering Acquisition on June 1, 2022, in which we 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 purchase price for the Delaware Gathering Acquisition was \$628.3 million. The Delaware Gathering Acquisition was financed through a combination of cash on hand and borrowings under the DKL Credit Facility.

For the three and six months ended March 31, 2023 and 2022, June 30, 2023, we incurred no incremental direct acquisition and integration costs.

Our consolidated financial For the three and operating results reflect the Delaware Gathering Acquisition operations beginning June 1, 2022. Our results of operations included revenue and net income of \$44.3 six months ended June 30, 2022, we incurred \$6.2 million and \$11.5 \$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 the three months ended March 31, 2023, these periods.

The Delaware Gathering Acquisition was accounted for using the acquisition method of accounting, whereby the 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.

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## Notes to Condensed Consolidated Financial Statements (Unaudited)

### Determination of Purchase Price

The table below presents the purchase price (in thousands):

Base purchase price:	\$	624,700
<i>Add:</i> closing net working capital (as defined in the 3 Bear Purchase Agreement)		3,600
<i>Less:</i> closing indebtedness (as defined in the 3 Bear Purchase Agreement)		(80,618)
Cash paid for the adjusted purchase price		547,682
Cash paid to payoff 3 Bear credit agreement (as defined in the 3 Bear Purchase Agreement)		80,618
Purchase price	\$	628,300

### Purchase Price Allocation

The following table summarizes the final fair values of assets acquired and liabilities assumed in the Delaware Gathering Acquisition as of June 1, 2022 (in thousands):

Assets acquired:		
Cash and cash equivalents	\$	2,678
Accounts receivables, net		28,859
Inventories		1,836
Other current assets		986
Property, plant and equipment		382,799
Operating lease right-of-use assets		7,427
Goodwill		14,848
Customer relationship intangible, net		210,000
Rights-of-way		13,490
Other non-current assets		500
Total assets acquired		663,423
Liabilities assumed:		
Accounts payable		8,020
Accrued expenses and other current liabilities		22,382
Current portion of operating lease liabilities		1,029
Asset retirement obligations		2,261
Operating lease liabilities, net of current portion		1,431
Total liabilities assumed		35,123
Fair value of net assets acquired	\$	628,300

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 March 31, 2023. 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.

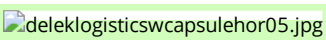
The fair values discussed above were based on significant inputs that are not observable in the market and, therefore, represent Level 3 measurements.

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

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#### Notes to Condensed Consolidated Financial Statements (Unaudited)

The goodwill recognized in the Delaware Gathering 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 Delaware Gathering Acquisition is included in the Gathering and Processing segment.

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#### Notes to Condensed Consolidated Financial Statements (Unaudited)

### Unaudited Pro Forma Financial Information

The following table summarizes the unaudited pro forma financial information of the Partnership assuming the Delaware Gathering 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 Delaware Gathering 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 Delaware Gathering Acquisition, (ii) incremental depreciation resulting from the estimated fair values of acquired property, plant and equipment, (iii) incremental amortization resulting from the estimated fair value of the 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 Delaware Gathering Acquisition. The unaudited pro forma financial information is not necessarily indicative of the results of operations that would have been achieved had the Delaware Gathering Acquisition been effective as of the date 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 thousands, except per unit data)	Three Months Ended March 31,	
	2022	
Net sales	\$	256,940
Net income attributable to partners	\$	29,881
Net income per limited partner unit:		
Basic income per unit	\$	0.69
Diluted income per unit	\$	0.69

(in thousands, except per unit data)	Three Months Ended June 30, 2022		Six Months Ended June 30, 2022	
	Net sales	\$	314,909	\$
Net income attributable to partners	\$	35,511	\$	65,392
Net income per limited partner unit:				
Basic income per unit	\$	0.82	\$	1.50
Diluted income per unit	\$	0.82	\$	1.50

### 3. Related Party Transactions

## Commercial Agreements

The Partnership has a number of long-term, fee-based commercial agreements with Delek Holdings under which we provide various services, including crude oil gathering and crude oil, intermediate and refined products transportation and storage services, and marketing, terminalling and offloading services to Delek Holdings. Most of these agreements have an initial term ranging from five to ten years, which may be extended for various renewal terms at the option of Delek Holdings. The fees under each agreement are payable to us monthly by Delek Holdings or certain third parties to whom Delek Holdings has assigned certain of its rights and are generally subject to increase or decrease on July 1 of each year, by the amount of any change in various inflation-based indices, however, in no event will the fees be adjusted below the amount initially set forth in the applicable agreement.

Under each of these agreements, we are required to maintain the capabilities of our pipelines and terminals, such that Delek Holdings may throughput and/or store, as the case may be, specified volumes of crude oil, intermediate and refined products.

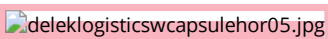
See our Annual Report on Form 10-K for a more complete description of our material commercial agreements and other agreements with Delek Holdings.

## Other Agreements with Delek Holdings

In addition to the commercial agreements described above, the Partnership has entered into the following agreements with Delek Holdings:

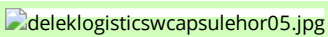
### Omnibus Agreement

The Partnership entered into an omnibus agreement with Delek Holdings, our general partner, Delek Logistics Operating, LLC, Lion Oil Company, LLC and certain of the Partnership's and Delek Holdings' other subsidiaries on November 7, 2012, which has been amended and restated from time to time in connection with acquisitions from Delek Holdings (collectively, as amended and restated, the "Omnibus Agreement"). The Omnibus Agreement governs the provision of certain operational services and reimbursement obligations, among other matters, between the Partnership and Delek Holdings, and obligates us to pay an annual fee of \$4.3 million to Delek Holdings for its provision of centralized corporate services to the Partnership.

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### Notes to Condensed Consolidated Financial Statements (Unaudited)

Pursuant to the terms of the Omnibus Agreement, we are reimbursed by Delek Holdings for certain capital expenditures. These amounts are recorded in other long-term liabilities and are amortized to revenue over the life of the underlying revenue agreement corresponding to the asset. There was no reimbursement by Delek Holdings during the three and six months ended March 31, 2023, June 30, 2023. We were reimbursed a nominal amount by Delek Holdings during the three and six months ended March 31, 2022, June 30, 2022. Additionally, we are reimbursed or indemnified, as the case may be, for costs incurred in excess of certain amounts related to certain asset failures, pursuant to the terms of the Omnibus Agreement. As of March 31, 2023, June 30, 2023 and December 31, 2022, there was no receivable from related parties for these matters. These reimbursements are recorded as reductions to operating expenses. There were no reimbursements for these matters in each of the three and six month periods ended March 31, 2023, June 30, 2023 and 2022.

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### Notes to Condensed Consolidated Financial Statements (Unaudited)

### Other Transactions

The Partnership manages long-term capital projects on behalf of Delek Holdings pursuant to a construction management and operating agreement (the "DPG Management Agreement") for the construction of gathering systems in the Permian Basin. The majority of the gathering systems have been constructed, however, additional costs pertaining to a pipeline connection that was not acquired by the Partnership continue to be incurred and are still subject to the terms of the DPG Management Agreement. The Partnership is also considered the operator for the project and is responsible for oversight of the project design, procurement and construction of project segments and provides other related services. Pursuant to the terms of the DPG Management Agreement, the Partnership receives a monthly operating services fee and a construction services fee, which includes the Partnership's direct costs of managing the project plus an additional percentage fee of the construction costs of each project segment. The agreement extends through December 2023. Total fees paid to the Partnership were \$0.4 million for both the three months ended March 31, 2023, June 30, 2023 and 2022, respectively, and \$0.8 million for both the six months ended June 30, 2023 and 2022, respectively, which are recorded in affiliate revenue in our condensed consolidated statements of income. Additionally, the Partnership incurs the costs in connection with the construction of the assets and is subsequently reimbursed by Delek Holdings. Amounts reimbursable by Delek Holdings are recorded in accounts receivable from related parties.

## Summary of Transactions

Revenues from affiliates consist primarily of revenues from gathering, transportation, storage, offloading, Renewable Identification Numbers, wholesale marketing and products terminalling services provided primarily to Delek Holdings based on regulated tariff rates or contractually based fees and product sales. Affiliate operating expenses are primarily comprised of amounts we reimburse Delek Holdings, or our general partner, as the case may be, for the services provided to us under the Partnership Agreement. These expenses could also include reimbursement and indemnification amounts from Delek Holdings, as provided under the Omnibus Agreement. Additionally, the Partnership is required to reimburse Delek Holdings for direct or allocated costs and expenses incurred by Delek Holdings on behalf of the Partnership and for charges Delek Holdings incurred for the

management and operation of our logistics assets, including an annual fee for various centralized corporate services, which are included in general and administrative expenses. In addition to these transactions, we purchase refined products and bulk biofuels from Delek Holdings, the costs of which are included in cost of materials and other. other-affiliate. A summary of revenue, purchases and expense transactions with Delek Holdings and its affiliates are as follows (in thousands):

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Revenues	Revenues	\$ 124,999	\$ 123,754	Revenues	\$ 132,993	\$ 124,366	\$ 257,992	\$ 248,120
Purchases	Purchases	\$ 91,071	\$ 105,885	Purchases	\$ 92,042	\$ 143,730	\$ 183,113	\$ 249,615
Operating and maintenance expenses	Operating and maintenance expenses	\$ 8,823	\$ 11,476	Operating and maintenance expenses	\$ 13,812	\$ 11,787	\$ 31,798	\$ 23,263
General and administrative expenses	General and administrative expenses	\$ 12,215	\$ 3,068	General and administrative expenses	\$ 4,618	\$ 3,084	\$ 7,879	\$ 6,152

### Quarterly Cash Distributions

In February 2023, we paid quarterly cash distributions of \$44.4 million, of which \$35.0 million were paid to Delek Holdings. In February 2022, we paid quarterly cash distributions of \$42.4 million, of which \$33.8 million were paid to Delek Holdings.

Date of Distribution	Distributions paid to Delek Holdings (in thousands)	
February 9, 2023	\$	34,998
May 15, 2023	\$	35,169
August 14, 2023 (i)	\$	35,512
<b>Total</b>	\$	<b>105,679</b>
February 8, 2022	\$	33,829
May 12, 2022	\$	33,625
August 11, 2022	\$	33,797
<b>Total</b>	\$	<b>101,251</b>

(i) On April 28, 2023 July 26, 2023, the board of directors of our general partner declared a this quarterly cash distribution totaling \$44.7 million, based on the available cash as of the date of determination, for the end of the first quarter of 2023, payable on May 15, 2023, of which \$35.2 million is expected to be paid to Delek Holdings. determination.

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### Notes to Condensed Consolidated Financial Statements (Unaudited)

#### 4. Revenues

We generate revenue by charging fees for gathering, transporting, offloading and storing crude oil; for storing intermediate products and feed stocks; for distributing, transporting and storing refined products; for marketing refined products output of Delek Holdings' Tyler and Big Spring refineries; and for wholesale marketing in the West Texas area. A significant portion of our revenue is derived from long-term commercial agreements with Delek Holdings, which provide for annual fee adjustments for increases or decreases in the CPI, PPI or the FERC index (refer to Note 3 for a more detailed description of these agreements). In addition to the services we provide to Delek Holdings, we also generate substantial revenue from crude oil, intermediate and refined products transportation services for, and terminalling and marketing services to, third parties primarily in Texas, New Mexico, Tennessee and Arkansas. Certain of these services are provided pursuant to contractual agreements with third parties. Payment terms require customers to pay shortly after delivery and do not contain significant financing components.

The majority of our commercial agreements with Delek Holdings meet the definition of a lease because: (1) performance of the contracts is dependent on specified property, plant or equipment and (2) it is remote that one or more parties other than Delek Holdings will take more than a minor amount of the output associated with the specified property, plant or equipment. As part of our adoption of ASC 842, Leases ("ASC 842"), we applied the permitted practical expedient to not separate lease and non-lease components under the predominance principle to designated asset classes associated with the provision of logistics services. We have determined that the predominant component of the related agreements currently in effect is the lease component. Therefore, the combined component is accounted for under the applicable lease accounting guidance. Of our \$941.1

million \$941.7 million net property, plant, and equipment balance as of March 31, 2023 June 30, 2023, \$338.2 million \$339.7 million is subject to operating leases under our commercial agreements. These agreements do not include options for the lessee to purchase our leased assets, nor do they include any material residual value guarantees or material restrictive covenants.

The following table represents a disaggregation of revenue for the gathering and processing, wholesale marketing and terminalling, and storage and transportation segments for the periods indicated (in thousands):

	Three Months Ended June 30, 2023			
	Gathering and Processing	Wholesale Marketing and Terminalling		Consolidated
		Storage and Transportation		
Service Revenue - Third Party	\$ 17,270	\$ —	\$ 3,112	\$ 20,382
Service Revenue - Affiliate (1)	2,121	10,886	14,335	27,342
Product Revenue - Third Party	26,785	66,751	—	93,536
Product Revenue - Affiliate	3,673	28,892	—	32,565
Lease Revenue - Affiliate	43,388	12,298	17,400	73,086
<b>Total Revenue</b>	<b>\$ 93,237</b>	<b>\$ 118,827</b>	<b>\$ 34,847</b>	<b>\$ 246,911</b>

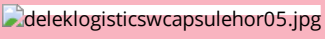
	Three Months Ended June 30, 2022			
	Gathering and Processing	Wholesale Marketing and Terminalling		Consolidated
		Storage and Transportation		
Service Revenue - Third Party	\$ 1,579	\$ —	\$ 3,733	\$ 5,312
Service Revenue - Affiliate (1)	4,011	8,242	—	12,253
Product Revenue - Third Party	17,642	119,430	—	137,072
Product Revenue - Affiliate	2,963	26,843	—	29,806
Lease Revenue - Affiliate	38,631	11,025	32,651	82,307
<b>Total Revenue</b>	<b>\$ 64,826</b>	<b>\$ 165,540</b>	<b>\$ 36,384</b>	<b>\$ 266,750</b>

	Three Months Ended March 31, 2023					Six Months Ended June 30, 2023				
	Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Consolidated		Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Consolidated	
Service Revenue - Third Party	\$ 13,179	\$ —	\$ 297	\$ 13,476		\$ 30,449	\$ —	\$ 3,409	\$ 33,858	
Service Revenue - Affiliate (1)	4,301	9,271	20,609	34,181		6,422	20,157	34,944	61,523	
Product Revenue - Third Party	26,492	78,558	—	105,050		53,277	145,309	—	198,586	
Product Revenue - Affiliate	4,670	979	—	5,649		8,343	43,150	—	51,493	
Lease Revenue - Affiliate	43,790	23,501	17,878	85,169		87,178	22,520	35,278	144,976	
<b>Total Revenue</b>	<b>\$ 92,432</b>	<b>\$ 112,309</b>	<b>\$ 38,784</b>	<b>\$ 243,525</b>		<b>\$ 185,669</b>	<b>\$ 231,136</b>	<b>\$ 73,631</b>	<b>\$ 490,436</b>	

	Three Months Ended March 31, 2022			
	Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Consolidated
Service Revenue - Affiliate (1)	\$ 4,004	\$ 8,545	\$ 3,072	\$ 12,549
Product Revenue - Third Party	—	—	—	—
Product Revenue - Affiliate	—	31,746	—	31,746
Lease Revenue - Affiliate	36,330	12,440	30,689	79,459
<b>Total Revenue</b>	<b>\$ 42,044</b>	<b>\$ 130,776</b>	<b>\$ 33,761</b>	<b>\$ 206,581</b>
	Six Months Ended June 30, 2022			
	Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Consolidated
Service Revenue - Third Party	\$ 3,290	\$ —	\$ 6,805	\$ 10,095
Service Revenue - Affiliate (1)	8,015	16,787	—	24,802
Product Revenue - Third Party	17,642	197,474	—	215,116
Product Revenue - Affiliate	2,963	58,589	—	61,552
Lease Revenue - Affiliate	74,960	23,466	63,340	161,766
<b>Total Revenue</b>	<b>\$ 106,870</b>	<b>\$ 296,316</b>	<b>\$ 70,145</b>	<b>\$ 473,331</b>

(1) Net of \$1.8 million of amortization expense for both the three months ended **March 31, 2023** June 30, 2023 and **March 31, 2022** June 30, 2022 and \$3.6 million for the six months ended June 30, 2023 and June 30, 2022, related to a customer contract intangible asset recorded in the wholesale marketing and terminalling segment.

As of **March 31, 2023** June 30, 2023, we expect to recognize approximately **\$1.2 billion** **\$1.3 billion** in lease revenues related to our unfulfilled performance obligations pertaining to the minimum volume commitments and capacity utilization under the non-cancelable terms of our commercial agreements with Delek Holdings. Most of these agreements have an initial term ranging from five to ten years, which may be extended for various renewal terms. We disclose information about remaining performance obligations that have original expected durations of greater than one year.

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Notes to Condensed Consolidated Financial Statements (Unaudited)

Our unfulfilled performance obligations as of **March 31, 2023** **June 30, 2023** were as follows (in thousands):

Remainder of 2023	Remainder of 2023	\$	218,135	Remainder of 2023	\$	164,244
2024	2024		210,897	2024		238,217
2025	2025		185,592	2025		208,949
2026	2026		177,917	2026		199,857
2027 and thereafter	2027 and thereafter		430,886	2027 and thereafter		477,381
<b>Total expected revenue on remaining performance obligations</b>	<b>Total expected revenue on remaining performance obligations</b>	<b>\$</b>	<b>1,223,427</b>	<b>Total expected revenue on remaining performance obligations</b>	<b>\$</b>	<b>1,288,648</b>

## 5. Net Income per Unit

Basic net income per unit applicable to limited partners is computed by dividing limited partners' interest in net income by the weighted-average number of outstanding common units.

Diluted net income per unit applicable to common limited partners includes the effects of potentially dilutive units on our common units. As of **March 31, 2023** **June 30, 2023**, the only potentially dilutive units outstanding consist of unvested phantom units.

Our distributions earned with respect to a given period are declared subsequent to quarter end. Therefore, the table below represents total cash distributions applicable to the period in which the distributions are earned. The expected date of distribution for the distributions earned during the period ended March 31, 2023 is May 15, 2023.

Payments made to our unitholders are determined in relation to actual distributions declared and are not based on the net income allocations used in the calculation of net income per unit. The calculation of net income per unit is as follows (dollars in thousands, except units and per unit amounts):

	Three Months Ended March 31,	
	2023	2022
Net income attributable to partners	\$ 37,367	\$ 39,514
(1) Outstanding common units totaling 22,632 were excluded from the diluted earnings per unit calculation for the three months ended March 31, 2023. There were no outstanding common units excluded from the diluted earnings per unit calculation for the three months ended March 31, 2022.	44,664	42,604
Earnings in deficit of distributions	\$ (7,297)	\$ (3,090)
Limited partners' earnings on common units:		
Distributions	\$ 44,664	\$ 42,604
Allocation of earnings in deficit of distributions	(7,297)	(3,090)
Total limited partners' earnings on common units	\$ 37,367	\$ 39,514
Weighted average limited partner units outstanding:		
Basic	43,569,983	43,471,536
Diluted	43,585,297	43,481,572

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income per limited partner unit:			0.86	0.91
Basic				
Net income attributable to partners	\$ 31,896	\$ 32,164	\$ 69,263	\$ 71,678
Diluted (1)			0.86	0.91
Less: Limited partners' distribution	45,112	42,832	89,776	85,436
Earnings in excess (deficit) of distributions	\$ (13,216)	\$ (10,668)	\$ (20,513)	\$ (13,758)
Limited partners' earnings on common units:				
Distributions	\$ 45,112	\$ 42,832	\$ 89,776	\$ 85,436
Allocation of earnings in excess (deficit) of distributions	(13,216)	(10,668)	(20,513)	(13,758)
Total limited partners' earnings on common units	\$ 31,896	\$ 32,164	\$ 69,263	\$ 71,678
Weighted average limited partner units outstanding:				
Basic	43,577,428	43,475,931	43,573,716	43,473,746
Diluted	43,597,282	43,502,983	43,591,726	43,491,796
Net income per limited partner unit:				

Basic	\$	0.73	\$	0.74	\$	1.59	\$	1.65
Diluted <sup>(1)</sup>	\$	0.73	\$	0.74	\$	1.59	\$	1.65

(1) Outstanding common units totaling 11,180 and 35,383 were excluded from the diluted earnings per unit calculation for the three and six months ended June 30, 2023, respectively. Outstanding common units totaling 2,153 and 1,083 were excluded from the diluted earnings per unit calculation for the three and six months ended June 30, 2022, respectively.

## 6. Long-Term Obligations

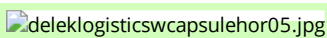
Outstanding borrowings under the Partnership's debt instruments are as follows (in thousands):

		March 31, 2023		December 31, 2022		June 30, 2023		December 31, 2022	
DKL Revolving Facility	DKL Revolving Facility		770,600		720,500	DKL Revolving Facility	\$ 811,000	\$	720,500
DKL Term Facility	DKL Term Facility		296,250		300,000	DKL Term Facility	292,500		300,000
2028 Notes	2028 Notes	\$	400,000	\$	400,000	2028 Notes	400,000		400,000
2025 Notes	2025 Notes		250,000		250,000	2025 Notes	250,000		250,000
Principal amount of long-term debt	Principal amount of long-term debt		1,716,850		1,670,500	Principal amount of long-term debt	1,753,500		1,670,500
Less: Unamortized discount and deferred financing costs	Less: Unamortized discount and deferred financing costs	\$	8,650		8,933	Less: Unamortized discount and deferred financing costs	\$ 9,162		8,933
Total debt, net of unamortized discount and deferred financing costs	Total debt, net of unamortized discount and deferred financing costs	\$	1,708,200		1,661,567	Total debt, net of unamortized discount and deferred financing costs	\$ 1,744,338		1,661,567
Less: Current portion of long-term debt and notes payable	Less: Current portion of long-term debt and notes payable	\$	15,000		15,000	Less: Current portion of long-term debt and notes payable	\$ 15,000		15,000
Long-term debt, net of current portion	Long-term debt, net of current portion	\$	1,693,200	\$	1,646,567	Long-term debt, net of current portion	\$ 1,729,338	\$	1,646,567

### DKL Credit Facility

The DKL Term Facility principal \$300.0 million was drawn on October 13, 2022. This senior secured facility requires four quarterly amortization payments of \$3.8 million in 2023 and three quarterly amortization payments of \$7.5 million in 2024 with final maturity and principal due on October 13, 2024. At the Partnership's option, borrowings bear interest at either the Adjusted Term Secured Overnight Financing Rate benchmark ("SOFR") or U.S. dollar prime rate, plus an applicable margin. The applicable margin is 2.50% for the first year of the DKL Term Facility and 3.00% for the second year for U.S. dollar prime rate borrowings. SOFR rate borrowings include a credit spread adjustment of 0.10% to 0.25% plus an applicable margin of 3.50% for the first year and 4.00% for the second year. At [March 31, 2023](#) [June 30, 2023](#) and December 31, 2022, the weighted average borrowing rate was approximately 8.41% and 7.92%, respectively. The effective interest rate was [8.83%](#) [9.98%](#) as of [March 31, 2023](#) [June 30, 2023](#).

The DKL Revolving Facility has a total capacity of \$900.0 million, including up to \$115.0 million for letters of credit and \$25.0 million in swing line loans. This facility has a maturity date of October 13, 2027 and requires a quarterly unused commitment fee based on average commitment usage, currently at 0.50% per annum. Interest is measured at either the U.S. dollar prime rate plus an applicable margin of 1.00% to 2.00% depending on the Partnership's Total Leverage Ratio (as defined in the DKL Credit Agreement), or a SOFR rate plus a credit spread adjustment of 0.10% or 0.25% and an applicable margin ranging from 2.00% to 3.00% depending on the Partnership's Total Leverage Ratio. As of [March 31, 2023](#) [June 30, 2023](#) and December 31, 2022, the weighted average interest rate was 7.57% and 7.55%, respectively. There were no letters of credit outstanding as of [March 31, 2023](#) [June 30, 2023](#) or December 31, 2022.

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Notes to Condensed Consolidated Financial Statements (Unaudited)

The obligations under the 2022 DKL Credit Facility are secured by first priority liens on substantially all of the Partnership's and its subsidiaries' tangible and intangible assets. The carrying values of outstanding borrowings under the 2022 DKL Credit Facility as of **March 31, 2023**, **June 30, 2023** and December 31, 2022 approximate their fair values.

Our debt facilities contain affirmative and negative covenants and events of default the Partnership considers usual and customary. As of **March 31, 2023**, **June 30, 2023**, we were in compliance with covenants on all of our debt instruments.

### 2028 Notes

Our 2028 Notes are general unsecured senior obligations comprised of \$400.0 million in aggregate principal of 7.125% senior notes maturing June 1, 2028. The 2028 Notes are unconditionally guaranteed jointly and severally on a senior unsecured basis by the Partnership's existing subsidiaries (other than Delek Logistics Finance Corp.) and will be unconditionally guaranteed on the same basis by certain of the Partnership's future subsidiaries. As of **March 31, 2023**, **June 30, 2023**, the effective interest rate was **7.40%**, **7.39%**. The estimated fair value of the 2028 Notes was **\$365.4**, **\$372.1** million and \$359.7 million as of **March 31, 2023**, **June 30, 2023** and December 31, 2022, respectively, measured based upon quoted market prices in an active market, defined as Level 1 in the fair value hierarchy.

### 2025 Notes

Our 2025 Notes are general unsecured senior obligations comprised of \$250.0 million in aggregate principal of 6.75% senior notes maturing on May 15, 2025. The 2025 Notes are unconditionally guaranteed jointly and severally on a senior unsecured basis by the Partnership's existing subsidiaries (other than Delek Logistics Finance Corp.) and will be unconditionally guaranteed on the same basis by certain of the Partnership's future subsidiaries. As of **March 31, 2023**, **June 30, 2023**, the effective interest rate was **7.19%**, **7.17%**. The estimated fair value of the 2025 Notes was **\$244.7**, **\$247.0** million and \$243.4 million as of **March 31, 2023**, **June 30, 2023** and December 31, 2022, respectively, measured based upon quoted market prices in an active market, defined as Level 1 in the fair value hierarchy.

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## Notes to Condensed Consolidated Financial Statements (Unaudited)

### 7. Equity

We had 9,263,842 common limited partner units held by the public outstanding as of March 31, 2023. Additionally, as of March 31, 2023, Delek Holdings owned a 78.7% limited partner interest in us, consisting of 34,311,278 common limited partner units.

#### Equity Activity

The table below summarizes the changes in the number of limited partner units outstanding from December 31, 2022 through **March 31, 2023**, **June 30, 2023**.

	Common - Delek			Common - Delek		
	Common - Public	Holdings	Total	Common - Public	Holdings <sup>(1)</sup>	Total
<b>Balance at December 31, 2022</b>	9,257,305	34,311,278	43,568,583	9,257,305	34,311,278	43,568,583
Unit-based compensation awards <sup>(2)</sup>	6,537	—	6,537	17,593	—	17,593
<b>Balance at March 31, 2023</b>	<u>9,263,842</u>	<u>34,311,278</u>	<u>43,575,120</u>			
<b>Balance at June 30, 2023</b>				<u>9,274,898</u>	<u>34,311,278</u>	<u>43,586,176</u>

<sup>(1)</sup> As of June 30, 2023, Delek Holdings owned a 78.7% limited partner interest in us.

<sup>(2)</sup> Unit-based compensation awards are presented net of **2,196**, **5,371** units withheld for taxes as of **March 31, 2023**, **June 30, 2023**.

#### Issuance of Additional Securities

Our Partnership Agreement authorizes us to issue an unlimited number of additional partnership securities for the consideration and on the terms and conditions determined by our general partner without the approval of the unitholders. Costs associated with the issuance of securities are allocated to all unitholders' capital accounts based on their ownership interest at the time of issuance.

#### Cash Distributions

Our Partnership Agreement sets forth the calculation to be used to determine the amount and priority of available cash distributions that our limited partner unitholders will receive. Our distributions earned with respect to a given period are declared subsequent to quarter end.

The table below summarizes the quarterly distributions related to our quarterly financial results:

Quarter Ended	Total Quarterly Distribution Per Limited Partner Unit	Total Cash Distribution (in thousands)	Date of Distribution	Unitholders Record Date
March 31, 2022	\$0.980	\$42,604	May 12, 2022	May 5, 2022
June 30, 2022	\$0.985	\$42,832	August 11, 2022	August 4, 2022
September 30, 2022	\$0.990	\$43,057	November 10, 2022	November 4, 2022
December 31, 2022	\$1.020	\$44,440	February 9, 2023	February 2, 2023
March 31, 2023	\$1.025	\$44,664	May 15, 2023 <sup>(1)</sup>	May 8, 2023

<sup>(1)</sup> Expected date of distribution.

Quarter Ended	Total Quarterly Distribution Per Limited Partner Unit	Total Cash Distribution (in thousands)
March 31, 2022	\$0.980	\$42,604
June 30, 2022	\$0.985	\$42,832
March 31, 2023	\$1.025	\$44,664
June 30, 2023	\$1.035	\$45,112

## 8. Equity Method Investments

The Partnership owns a 33% membership interest in Red River Pipeline Company LLC ("Red River"), a joint venture operated with Plains Pipeline, L.P. Red River owns a 16-inch crude oil pipeline running from Cushing, Oklahoma to Longview, Texas with capacity of 235,000 bpd.

Summarized financial information for Red River on a 100% basis is shown below (in thousands):

	As of March 31, 2023		As of December 31, 2022	
Current Assets	\$	28,249	\$	33,365
Non-current Assets	\$	392,238	\$	394,267
Current liabilities	\$	4,932	\$	5,144
Revenues	\$	18,952	\$	22,686
Gross profit	\$	11,487	\$	15,601
Operating income	\$	11,294	\$	15,419
Net income	\$	11,473	\$	15,396

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### Notes to Condensed Consolidated Financial Statements (Unaudited)

	As of June 30, 2023		As of December 31, 2022	
Current Assets	\$	29,766	\$	33,365
Non-current Assets	\$	390,251	\$	394,267
Current liabilities	\$	6,069	\$	5,144
	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues	\$ 18,429	\$ 21,449	\$ 37,381	\$ 44,135
Gross profit	\$ 11,210	\$ 13,665	\$ 22,697	\$ 29,266
Operating income	\$ 12,054	\$ 13,493	\$ 23,348	\$ 28,912

Net income		\$ 12,220	\$ 13,481	\$ 23,693	\$ 28,877
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We have two additional joint ventures that have constructed separate crude oil pipeline systems and related ancillary assets, which are serving third parties and subsidiaries of Delek Holdings. We own a 50% membership interest in the entity formed with an affiliate of Plains All American Pipeline, L.P. ("CP LLC") to operate one of these pipeline systems and a 33% membership interest in the entity formed with Andeavor Logistics Rio Pipeline LLC ("Andeavor Logistics"), formerly known as Rangeland Energy II, LLC ("Rangeland Energy") to operate the other pipeline system.

Combined summarized financial information for these two equity method investees on a 100% basis is shown below (in thousands):

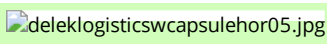
		As of March 31, 2023	As of December 31, 2022		As of June 30, 2023	As of December 31, 2022
Current assets	Current assets	\$ 18,049	\$ 18,888	Current assets	\$ 21,449	\$ 18,888
Non-current assets	Non-current assets	\$ 228,008	\$ 231,898	Non-current assets	\$ 226,320	\$ 231,898
Current liabilities	Current liabilities	\$ 1,740	\$ 1,973	Current liabilities	\$ 2,370	\$ 1,973

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Revenues	Revenues	\$ 12,146	\$ 8,895	Revenues	\$ 13,025	\$ 11,558	\$ 25,171	\$ 20,453
Gross profit	Gross profit	\$ 7,820	\$ 4,238	Gross profit	\$ 8,375	\$ 7,220	\$ 16,195	\$ 11,458
Operating income	Operating income	\$ 6,646	\$ 3,568	Operating income	\$ 7,278	\$ 6,622	\$ 13,924	\$ 10,190
Net Income	Net Income	\$ 6,746	\$ 3,569	Net Income	\$ 7,405	\$ 6,626	\$ 14,151	\$ 10,195

The Partnership's investments in these three entities were financed through a combination of cash from operations and borrowings under the DKL Credit Facility. The Partnership's investment balances in these joint ventures were as follows (in thousands):

		As of March 31, 2023	As of December 31, 2022		As of June 30, 2023	As of December 31, 2022
Red River	Red River	\$ 141,557	\$ 149,635	Red River	\$ 140,940	\$ 149,635
CP LLC	CP LLC	60,332	64,056	CP LLC	60,241	64,056
Andeavor Logistics	Andeavor Logistics	41,384	43,331	Andeavor Logistics	41,566	43,331
<b>Total Equity Method Investments</b>	<b>Total Equity Method Investments</b>	<b>\$ 243,273</b>	<b>\$ 257,022</b>	<b>Total Equity Method Investments</b>	<b>\$ 242,747</b>	<b>\$ 257,022</b>

We do not consolidate any part of the assets or liabilities or operating results of our equity method investees. Our share of net income or loss of the investees will increase or decrease, as applicable, the carrying value of our investments in unconsolidated affiliates. With respect to our equity method investments, we determined that these entities do not represent variable interest entities and consolidation is not required. We have the ability to exercise significant influence over each of these joint ventures through our participation in the management committees, which make all significant decisions. However, since all significant decisions require the consent of the other investor(s) without regard to economic interest, we have determined that we have joint control and have applied the equity method of accounting. Our investment in these joint ventures is reflected in our investments in pipeline joint ventures segment.

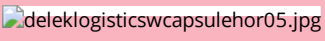
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Notes to Condensed Consolidated Financial Statements (Unaudited)

## 9. Segment Data

We aggregate our operating segments into four reportable segments: (i) gathering and processing; (ii) wholesale marketing and terminalling; (iii) storage and transportation; and (iv) investment in pipeline joint ventures. Operations that are not specifically included in the reportable segments are included in Corporate and other segment.

During the fourth quarter 2022, we realigned our reportable segments for financial reporting purposes to reflect changes in the manner in which our chief operating decision maker, or CODM, assesses Chief Operating Decision Maker ("CODM") uses financial information for decision-making purposes, to make key operating decisions and assess performance. The change changes primarily represents reporting the operating results of our pipeline operations and legacy gathering assets and the operating results of the Delaware Gathering operations within a new reportable segment called gathering and processing. Prior to this change, the pipeline operations and legacy gathering assets were reported as part of the pipelines and transportation segment. The remaining operations of the former pipelines and transportation reportable segment was renamed to storage and transportation. We are also now segregating out certain non-segment specific Unallocated corporate costs, and expenses and, when applicable, immaterial operating segments that may not fit into our existing reportable segments as Corporate and Other activities. Corporate and Other primarily includes including general and administrative expenses, interest expense and depreciation and amortization. Amortization, are now presented in corporate and other. Additionally, the CODM determined that Segment EBITDA is the key performance measure for planning and forecasting purposes and discontinued the use of contribution margin Contribution Margin as a measure of performance. While this reporting change did not change our consolidated results, segment data for previous years has been restated and is consistent with the current year presentation throughout the financial statements and the accompanying notes.

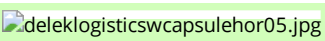
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**Notes EBITDA is an important measure used by management to Condensed Consolidated Financial Statements (Unaudited)**

Segment evaluate the financial performance of our core operations. EBITDA should is not be considered a substitute for results prepared in accordance with GAAP and should not be considered alternatives to net income (loss), which is measure, but the most directly comparable financial measure to components of EBITDA are computed using amounts that is are determined in accordance with GAAP. Segment A reconciliation of EBITDA as determined and measured by us, should also not be compared to similarly titled measures reported by other companies.

The disaggregated financial results for Net Income is included in the reporting segments have been prepared using a management approach, which is consistent with the basis and manner in which management internally disaggregates financial information for the purposes of assisting internal operating decisions. The CODM evaluates performance based upon EBITDA, tables below. We define EBITDA for any period as net income (loss) before net interest expense, income tax expense, depreciation and amortization expense, including amortization of customer contract intangible assets, which is included as a component of net revenues in our accompanying condensed consolidated statements of income. Segment EBITDA should not be considered a substitute for results prepared in accordance with GAAP and should not be considered alternatives to net income (loss), which is the most directly comparable financial measure to EBITDA that is in accordance with GAAP. Segment EBITDA, as determined and measured by us, should also not be compared to similarly titled measures reported by other companies.

Assets by segment is not a measure used to assess the performance of the Partnership by the CODM and thus is not disclosed.

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

The following is a summary of business segment operating performance as measured by EBITDA for the periods indicated (in thousands):

	Three Months Ended March 31, 2023							Three Months Ended June 30, 2023								
	(In thousands)	(In thousands)	Wholesale Gathering and Processing	Wholesale Marketing and Terminalling	Investments Storage and Transportation	Investments Joint Ventures	Corporate and Other	Consolidated	(In thousands)	(In thousands)	Wholesale Gathering and Processing	Wholesale Marketing and Terminalling	Investments Storage and Transportation	Investments Joint Ventures	Corporate and Other	Consolidated
Net revenues:	Net revenues:							Net revenues:								
Affiliate (1)		\$ 52,761	\$ 33,751	\$ 38,487	\$ —	\$ —	\$ 124,999			\$ 49,182	\$ 52,076	\$ 31,735	\$ —	\$ —	\$ 132	
Affiliate								Affiliate								
Third party	Third party	39,671	78,558	297	—	—	118,526	Third party	44,055	66,751	3,112	—	—	—	113	
Total revenue	Total revenue	\$ 92,432	\$ 112,309	\$ 38,784	\$ —	\$ —	\$ 243,525	Total revenue	\$ 93,237	\$ 118,827	\$ 34,847	\$ —	\$ —	\$ —	\$ 246	
Segment EBITDA	Segment EBITDA	\$ 55,445	\$ 21,954	\$ 13,422	\$ 6,316	\$ (3,979)	\$ 93,158	Segment EBITDA	\$ 52,663	\$ 27,983	\$ 14,978	\$ 7,285	\$ (10,129)	\$ —	\$ 92	
Depreciation and amortization	Depreciation and amortization	16,447	1,689	2,102	—	867	21,105	Depreciation and amortization	18,801	1,880	2,304	—	742	—	23	

Amortization of customer contract intangible	Amortization of customer contract intangible	—	1,803	—	—	—	1,803	Amortization of customer contract intangible	—	1,802	—	—	—	1,
Interest expense, net	Interest expense, net	—	—	—	—	32,581	32,581	Interest expense, net	—	—	—	—	35,099	35,
Income tax expense	Income tax expense						302	Income tax expense						
Net income	Net income						\$ 37,367	Net income						\$ 31,
Capital spending	Capital spending	\$ 32,789	\$ 3,116	\$ 196	\$ —	\$ —	\$ 36,101	Capital spending	\$ 18,877	\$ (2,712)	\$ 3,215	\$ —	\$ —	\$ 19,

**Three Months Ended June 30, 2022**

(In thousands)	Wholesale						Investments in Pipeline		Consolidated
	Gathering and Processing	Marketing and Terminalling	Storage and Transportation	Joint Ventures	Corporate and Other				
<b>Net revenues:</b>									
Affiliate	\$ 45,605	\$ 46,110	\$ 32,651	\$ —	\$ —	\$ —	\$ —	\$ 124,	
Third party	19,221	119,430	3,733	—	—	—	—	142,	
Total revenue	\$ 64,826	\$ 165,540	\$ 36,384	\$ —	\$ —	\$ —	\$ —	\$ 266,	
Segment EBITDA	\$ 38,497	\$ 18,807	\$ 14,529	\$ 7,073	\$ (14,400)	\$ —	\$ —	\$ 64,	
Depreciation and amortization	8,640	1,668	2,180	—	934	—	—	13,	
Amortization of customer contract intangible	—	1,803	—	—	—	—	—	1,	
Interest expense, net	—	—	—	—	16,812	—	—	16,	
Income tax expense									
Net income								\$ 32,	
Capital spending	\$ 26,630	\$ 96	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 26,	

**Six Months Ended June 30, 2023**

(In thousands)	Wholesale						Investments in Pipeline		Consolidated
	Gathering and Processing	Marketing and Terminalling	Storage and Transportation	Joint Ventures	Corporate and Other				
<b>Net revenues:</b>									
Affiliate	\$ 101,943	\$ 85,827	\$ 70,222	\$ —	\$ —	\$ —	\$ —	\$ 257,	
Third party	83,726	145,309	3,409	—	—	—	—	232,	
Total revenue	\$ 185,669	\$ 231,136	\$ 73,631	\$ —	\$ —	\$ —	\$ —	\$ 490,	
Segment EBITDA	\$ 108,108	\$ 49,937	\$ 28,400	\$ 13,601	\$ (14,108)	\$ —	\$ —	\$ 185,	
Depreciation and amortization	35,248	3,569	4,406	—	1,609	—	—	44,	

Amortization of customer contract intangible	Amortization of customer contract intangible	—	3,605	—	—	—	3,
Interest expense, net	Interest expense, net	—	—	—	—	67,680	67,
Income tax expense	Income tax expense						
Net income	Net income						\$ 69,
Capital spending	Capital spending	\$ 51,666	\$ 404	\$ 3,411	\$ —	\$ —	\$ 55,

Three Months Ended March 31, 2022						
	Wholesale		Investments in			
(1) Affiliate revenue for the wholesale marketing and terminalling segment is presented net of amortization expense pertaining to corporate and	Processing	Terminalling	Transportation	Ventures	Other	Consolidated
Affiliate (1)	\$ 40,334	\$ 52,731	\$ 30,689	\$ —	\$ —	\$ 123,754
Third party	1,710	10,043	3,072	—	—	24,825
Total revenue	\$ 42,044	\$ 130,776	\$ 33,761	\$ —	\$ —	\$ 206,581
Six Months Ended June 30, 2022						
Segment EBITDA	\$ 32,081	\$ 20,734	\$ 11,108	\$ 7,026	\$ (4,946)	\$ 66,003
Depreciation and amortization	5,841	1,378	2,096	—	1,020	10,335
Amortization of customer contract intangible (In thousands)	—	1,803	—	—	—	1,803
Interest expense, net	—	—	—	—	14,250	14,250
Income tax expense	85,938	98,842	63,340	—	—	248,120
Net income	20,932	197,474	6,805	—	—	325,211
Total revenue	\$ 106,870	\$ 296,316	\$ 70,145	\$ —	\$ —	\$ 473,331
Capital spending	8,855	231	—	—	—	9,086
Segment EBITDA	\$ 70,578	\$ 39,541	\$ 25,637	\$ 14,099	\$ (19,346)	\$ 130,509
Depreciation and amortization	14,481	3,046	4,276	—	1,954	23,757
Amortization of customer contract intangible	—	3,606	—	—	—	3,606
Interest expense, net	—	—	—	—	31,062	31,062
Income tax expense	—	—	—	—	—	406
Net income	—	—	—	—	—	\$ 71,678
Capital spending	\$ 35,485	\$ 327	\$ —	\$ —	\$ —	\$ 35,812

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Notes to Condensed Consolidated Financial Statements (Unaudited)

## 10. 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. See "Crude Oil and Other Releases" below for discussion of an enforcement action.

### 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 Environmental Protection Agency (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 and pollution prevention measures, as well as the safe operation of our 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 terminals, pipelines, saltwells, trucks 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, surface water and groundwater contamination, air pollution, personal injury and property damage allegedly caused by substances which we may have handled, used, released or disposed of, transported, or that relate to pre-existing conditions for which we may have assumed responsibility. We believe that our current operations are in substantial compliance with existing environmental and safety requirements. However, there have been and we expect that there will continue to be ongoing discussions about environmental and safety matters between us and federal and state authorities, including the receipt and response to 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 to comply with existing and new requirements, as well as evolving interpretations and enforcement of existing laws and regulations.

Releases of hydrocarbons or hazardous substances into the environment could, to the extent the event is not insured, or is not a reimbursable event under the Omnibus Agreement, subject us to substantial expenses, including costs to respond to, contain and remediate a release, to comply with applicable laws and regulations and to resolve claims by governmental agencies or other persons for personal injury, property damage, response costs, or natural resources damages.

#### Crude Oil and Other Releases

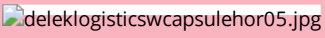
During the three months ended March 31, 2023, there were no significant releases.

In August 2021, a release of finished product from our Greenville pipeline occurred near Dixon, Texas (the "Greenville Dixon Release"). Cleanup operations, site maintenance and remediation of this release have been substantially completed, where such costs incurred as of March 31, 2023 totaled \$4.7 million. We believe any additional costs associated with this release will be immaterial.

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 2023 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. Regulatory authorities could require additional remediation based on the results of our remediation efforts. We may incur additional expenses as a result of further scrutiny by regulatory authorities and continued compliance with laws and regulations to which our assets are subject. As of March 31, 2023, we have accrued \$0.3 million for remediation and other such matters related to these releases.

Expenses incurred for the remediation of these crude oil and other releases are included in operating expenses in our condensed consolidated statements of income and comprehensive income. The majority of our releases have been subsequently reimbursed by Delek Holdings pursuant to the terms of the Omnibus Agreement, with the exception of the Greenville Dixon Release noted above as it is not covered under the Omnibus Agreement. Reimbursements are recorded as a reduction to operating expense. We do not believe the total costs associated with these events, whether alone or in the aggregate, including any fines or penalties and net of available insurance, indemnification or reimbursement, will have a material adverse effect upon our business, financial condition or results of operations.

During the three months ended March 31, 2023, we recorded a nominal amount of crude oil and other releases remediation expenses, net of reimbursable expenses. During the three months ended March 31, 2022 there were no crude oil and other releases remediation expenses, net of reimbursable expenses.

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### Notes to Condensed Consolidated Financial Statements (Unaudited)

#### 11. Leases

We lease certain pipeline and transportation equipment. 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.

Certain leases also include options to purchase the leased equipment.

Certain of our lease agreements include rates based on equipment usage and others include rate inflationary indices based increases. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The following table presents additional information related to our operating leases in accordance ASC 842:

(in thousands)	Three Months Ended March 31,	
	2023	2022
<b>Lease Cost</b> <sup>(1)</sup>		
Operating lease cost	\$ 3,232	\$ 2,641
Short-term lease cost	363	319
Variable lease costs	695	936
<b>Total lease cost</b>	<b>\$ 4,290</b>	<b>\$ 3,896</b>
<b>Other Information</b>		

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ (3,232)	\$ (2,641)
Leased assets obtained in exchange for new operating lease liabilities	\$ 2,294	\$ —
Leased assets obtained in exchange for new financing lease liabilities	\$ 1,162	\$ —
	<b>As of March 31,</b>	
	<b>2023</b>	<b>2022</b>
Weighted-average remaining lease term (years) for operating leases	3.5	3.2
Weighted-average discount rate <sup>(2)</sup> operating leases	6.9 %	5.8 %
Weighted-average remaining lease term (years) for finance lease	2.4	1.9
Weighted-average discount rate <sup>(2)</sup> finance lease	4.3 %	1.9 %

(1) Includes an immaterial amount of financing lease.

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

## 12.11. Subsequent Events

### Distribution Declaration

On April 28, 2023 July 26, 2023, our general partner's board of directors declared a quarterly cash distribution of \$1.025 \$1.035 per unit, payable on May 15, 2023 August 14, 2023, to unitholders of record on May 8, 2023 August 7, 2023.

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## 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 U.S. Securities and Exchange Commission ("SEC") on March 1, 2023 (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. See "Forward-Looking Statements" below for a discussion of the factors that could cause actual results to differ materially from those projected in these statements.

Unless otherwise noted or the context requires otherwise, references in this report to "Delek Logistics Partners, LP," the "Partnership," "we," "us," or "our" or like terms, may refer to Delek Logistics Partners, LP, one or more of its consolidated subsidiaries or all of them taken as a whole. Unless otherwise noted or the context requires otherwise, references in this report to "Delek Holdings" refer collectively to Delek US Holdings, Inc. and any of its subsidiaries, other than the Partnership and its subsidiaries and its general partner.


The Partnership announces material information to the public about the Partnership, its products and services and other matters through a variety of means, including filings with the Securities and Exchange Commission, press releases, public conference calls, the Partnership's website ([www.deleklogistics.com](http://www.deleklogistics.com)), the investor relations section of the website ([ir.deleklogistics.com](http://ir.deleklogistics.com)), the news section of its website ([www.deleklogistics.com/news](http://www.deleklogistics.com/news)), and/or social media, including its Twitter account (@DelekLogistics). The Partnership 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 (the "Securities Act"), and Section 21E of the 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 regarding the effect, impact, potential duration or other implications of, or expectations expressed with respect to, the actions of members of the Organization of Petroleum Exporting Countries ("OPEC") and other leading oil producing countries (together with OPEC, "OPEC+") with respect to oil production and pricing, and statements regarding our efforts and plans in response to such events, the information concerning our possible future results of operations, business and growth strategies, financing plans, expectations that regulatory developments or other matters 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, 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:

- our substantial dependence on Delek Holdings or its assignees and their support of and respective ability to pay us under our commercial agreements;
- our future coverage, leverage, financial flexibility and growth, and our ability to improve performance and achieve distribution growth at any level or at all;
- Delek Holdings' future growth, **strategic priorities**, financial performance, share repurchases, crude oil supply pricing and flexibility and product distribution;
- industry dynamics, including Permian Basin growth, ownership concentration, efficiencies and takeaway capacity;
- the age and condition of our assets and operating hazards and other risks incidental to transporting, storing and gathering crude oil, intermediate and refined products, including, but not limited to, costs, penalties, regulatory or legal actions and other effects related to spills, releases and tank failures;
- changes in insurance markets impacting costs and the level and types of coverage available;
- the timing and extent of changes in commodity prices and demand for refined products and the impact of the COVID-19 Pandemic on such demand;
- the wholesale marketing margins we are able to obtain and the number of barrels of product we are able to purchase and sell in our West Texas wholesale business;
- the suspension, reduction or termination of Delek Holdings' or its assignees' or third-party's obligations under our commercial agreements including the duration, fees or terms thereof;
- the results of our investments in joint ventures;
- the ability to secure commercial agreements with Delek Holdings or third parties upon expiration of existing agreements;

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## Management's Discussion and Analysis

- the possibility of inefficiencies, curtailments, or shutdowns in refinery operations or pipelines, whether due to infection in the workforce or in response to reductions in demand as a result of **the COVID-19 Pandemic; a public health crisis;**
- disruptions due to equipment interruption or failure, or other events, including terrorism, sabotage or cyber-attacks, at our facilities, Delek Holdings' facilities or third-party facilities on which our business is dependent;
- changes in the availability and cost of capital of debt and equity financing;
- our reliance on information technology systems in our day-to-day operations;
- changes in general economic conditions, including uncertainty regarding the timing, pace and extent of economic recovery in the United States due to **the COVID-19 Pandemic governmental fiscal policy or future pandemics; a public health crisis;**
- the effects of existing and future laws and governmental regulations, including, but not limited to, the rules and regulations promulgated by the Federal Energy Regulatory Commission ("FERC") and state commissions and those relating to environmental protection, pipeline integrity and safety as well as current and future restrictions on commercial and economic activities in response to **the COVID-19 Pandemic; a public heal;**
- significant operational, investment or other changes required by existing or future environmental statutes and regulations, including international agreements and national or regional **legislation societal, legislation;** and regulatory measures to limit or reduce greenhouse gas emissions;
- competitive conditions in our industry including capacity overbuild in areas where we operate;
- actions taken by our customers and competitors;
- the demand for crude oil, refined products and transportation and storage services;
- our ability to successfully implement our business plan;
- inability to complete growth projects on time and on budget;
- our ability to successfully **complete acquisitions and integrate acquired businesses; businesses, and to achieve the anticipated benefits therefrom;**
- disruptions due to acts of God, natural disasters, casualty losses, severe weather patterns, such as freezing conditions, cyber or other attacks on our electronic systems, and other matters beyond our control which might cause damage to our pipelines, terminal facilities and other assets and could impact our operating results through increased costs and/or loss of revenue;
- changes in the price of RINs could affect our results of operations;
- future decisions by OPEC+ regarding production and pricing and disputes between OPEC+ regarding such;
- changes or volatility in interest and inflation rates;
- labor relations;
- large customer defaults;
- changes in tax status and regulations;

- the effects of future litigation or environmental liabilities that are not covered by insurance; and
- other factors discussed elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K.

Many of the foregoing risks and uncertainties are, and will be, exacerbated by any worsening of the global business and economic environment. 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 results or future period trends. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition.

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 results or future period trends. We can give no assurances that any of the events anticipated by the 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.

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## Executive Summary: Management's View of Our Business and Strategic Overview

### Management's View of Our Business

The Partnership primarily owns and operates crude oil, intermediate and refined products logistics and marketing assets as well as crude oil and natural gas gathering and water processing assets. We gather, transport, offload and store crude oil and intermediate products and market, distribute, transport and store refined products primarily in select regions of the southeastern United States and Texas for Delek Holdings and third parties. In June 2022, we acquired 100% of the interest in 3 Bear Delaware Holding – NM, LLC ("3 Bear") (subsequently renamed to **Delek DKL Delaware Gathering - NM, LLC** ("Delaware Gathering")), which expands our third-party revenue and includes crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin of New Mexico (the "Delaware Gathering Business"). As we continue the process of integrating these operations into our existing businesses and assessing the long-term impact to our business, management (including the designated Chief Operating Decision Maker or "CODM") has changed the way that the business is managed and reviewed, including from a financial reporting perspective. As a result, effective in the fourth quarter 2022, we have revised our reportable segments accordingly. The new reportable segments consist of Gathering and Processing, Wholesale Marketing and Terminalling, Storage and Transportation, and Investments in Pipeline Joint Ventures. The primary change in our segmentation as compared to prior presentations is that, now that we have substantially expanded our gathering activities, certain legacy gathering activities and operations are now managed as part of the Gathering and Processing segment. Additionally, we are also now segregating out certain non-segment specific costs and expenses and, when applicable, immaterial operating segments that may not fit into our existing reportable segments as Corporate and Other activities. A substantial portion of our existing assets are both integral to and dependent upon the success of Delek Holdings' refining operations, as many of our pipeline usage and gathered crude oil barrels are contracted either primarily or exclusively to Delek Holdings in support of its Tyler, El Dorado and Big Spring refineries.

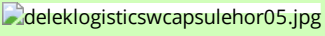
The Partnership is not a taxable entity for federal income tax purposes or the income taxes of those states that follow the federal income tax treatment of partnerships. Instead, for purposes of such income taxes, each partner of the Partnership is required to take into account its share of items of income, gain, loss and deduction in computing its federal and state income tax liabilities, regardless of whether cash distributions are made to such partner by the Partnership. The taxable income reportable to each partner takes into account differences between the tax basis and the fair market value of our assets and financial reporting bases of assets and liabilities, the acquisition price of the partner's units and the taxable income allocation requirements under the Partnership's Second Amended and Restated Agreement of Limited Partnership, as amended (the "Partnership Agreement").

### Business and Economic Environment Overview

During much of **three six** months ended **March 31, 2023** **June 30, 2023**, domestic markets have experienced an elevated hydrocarbon pricing environment **that** has resulted in a strong demand for hydrocarbons and presented an opportunity for the Partnership to leverage its extensive network of logistics assets, resulting in increased throughputs and higher utilization as compared to the prior year. Additionally, the successful integration of **Delek Delaware Gathering** further diversifies our logistics customer base to include significantly more third-party customers, **and** it allows us to provide comprehensive logistics services in the Delaware Basin, while also serving as a funnel into our existing midstream Permian activities. As producers continue to ramp up production within the Permian Basin, the Partnership is well positioned to continue to add value through our gathering and processing services as a result of integrating our Delaware Gathering operations which complement our existing Midland Gathering System assets. Our positioning allows our customers the ability to control quality and adds optionality to place barrels in a variety of markets. Through our joint venture projects, we have increased our supply network to take advantage of growth opportunities in expanding markets and added additional flexibility which has delivered realized value through the entire Delek Logistics system. **As** While we experienced a result, we saw an increase **\$2.4 million** decrease in net income for the six months ended **June 30, 2023**, our EBITDA (as defined in "Non GAAP Measures" section below) of **\$27.2 million** increased **\$55.4 million** in 2023 as compared to 2022. Our gathering and processing segment which had segment EBITDA of **\$55.4 million** **\$108.1 million** in 2023 compared to **\$32.1 million** **\$70.6 million** in 2022, benefited from additional EBITDA associated with the Delaware Gathering **Acquisition**. **Acquisition** as well new connections in our Midland Gathering operations. Our wholesale marketing and terminalling segment saw a **\$1.2 million** **\$10.4 million** increase in segment EBITDA. **Segment** EBITDA for our investments in pipeline joint ventures decreased by **\$0.7 million** **\$0.5 million**. See the "Results of Operations" section below for further discussion.

Looking forward, concerns about inflation and a possible economic downturn as well as initiatives to reduce carbon footprints through energy transition to renewables have softened the forward demand expectations for hydrocarbons and natural gas. That said, we are well positioned to manage through an economic downturn because of built-in recessionary protections which include minimum volume commitments on throughput and dedicated acreage agreements. **Furthermore, the Partnership will benefit from**

inflationary-linked rate increases effective July 1, 2023, as discussed further below. Additionally, the Partnership has embraced opportunities to enhance our environmental stewardship. It is expected that renewables, other than hydrocarbons, will continue to grow as a percentage of total energy consumption; however, a material reduction in the reliance on oil and gas for energy consumption is unlikely in the near term. Therefore, as we look forward to the second half of 2023, we expect that liquid transportation fuels will continue to be in high demand, and we expect to continue to leverage the strength of our cash flows and balance sheet in order to continue maximizing unitholder returns and the long-term prospects for return on investment.

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### Contractual Rate Adjustments to Keep Pace with Inflation

On July 1, 2023, the tariffs on certain of our FERC regulated pipelines and the throughput fees and storage fees under certain of our agreements with Delek Holdings and third parties that are subject to adjustments using FERC indexing increased by approximately 13.3%, which was the amount of the change in the FERC oil pipeline index. The tariff on FERC regulated system acquired from Delaware Gathering (formerly 3 Bear) will be adjusted as of January 1, 2023, but adjustments under agreement already in place will be capped at 3.0%. Under certain of our agreements with Delek Holdings and third parties, the fees that are subject to adjustments using the consumer price index increased 17.6% and the fees that are subject to adjustments using the producer price index increased approximately 18.9%. These adjustments allow us to maintain compliance with FERC regulations as well as to ensure that our results are reflective of current market conditions.

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### Segment Overview

We aggregate our operating segments into four reportable segments: (i) gathering and processing; (ii) wholesale marketing and terminalling; (iii) storage and transportation; and (iv) investment in pipeline joint ventures. Operations that are not specifically included in the reportable segments are included in Corporate and other, consisting primarily of general and administrative expenses, interest expense and depreciation and amortization.

#### Gathering and Processing

The operational assets in our gathering and processing segment, consist of assets acquired in connection with the Midland Gathering Assets Acquisition, including approximately 200 miles of gathering assets, approximately 65 tank battery connections, terminals with total storage capacity of approximately 650,000 barrels and applicable rights-of-way assets, as well as operational assets we acquired in connection with the Delaware Gathering Acquisition, consist of 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 located primarily in the Delaware Basin ("Delaware Gathering Assets"). The Midland Gathering Assets support our crude oil gathering activities which primarily serves Delek Holdings refining needs throughout the Permian Basin. The Delaware Gathering Assets support our 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, and serving primarily third-party producers and customers. Finally, our gathering and processing assets are integrated with our pipeline assets, which we use to transport gathered crude oil as well as provide other crude oil, intermediate and refined products transportation in support of Delek Holdings' refining operations in Tyler, Texas, El Dorado, Arkansas and Big Spring, Texas, as well as to certain third parties. In providing these services, we do not take ownership of the refined products or crude oil that we transport. While we do not take ownership of gas that is gathered we sell the processed gas at a market price which we remit to the producer, net of our fees. Therefore, we are not directly exposed to changes in commodity prices with respect to this operating segment. The combination of these operational assets provides a comprehensive, integrated midstream service offering to producers and customers.

#### Wholesale Marketing and Terminalling

Our wholesale marketing and terminalling segment provides wholesale marketing and terminalling services to Delek Holdings' refining operations and to independent third parties from whom we receive fees for marketing, transporting, storing and terminalling refined products and to whom we wholesale market refined products. In providing certain of these services, we take ownership of the products and are therefore exposed to market risks related to the volatility of commodity and refined product prices in our West Texas operations, which depend on many factors, including demand and supply of refined products in the West Texas market, the timing of refined product deliveries and downtime at refineries in the surrounding area.

#### Storage and Transportation

The operational assets in our storage and transportation segment consist of tanks, offloading facilities, trucks and ancillary assets, which provide crude oil, intermediate and refined products transportation and storage services primarily in support of Delek Holdings' refining operations in Tyler, Texas, El Dorado, Arkansas and Big Spring, Texas.

Additionally, the assets in this segment provide crude oil transportation services to certain third parties. In providing these services, we do not take ownership of the products or crude oil that we transport or store. Therefore, we are not directly exposed to changes in commodity prices with respect to this operating segment.

### Investments in Pipeline Joint Ventures

The Partnership owns a portion of three joint ventures (accounted for as equity method investments) that have constructed separate crude oil pipeline systems and related ancillary assets primarily in the Permian Basin and Gulf Coast regions and with strategic connections to Cushing, Midland and other key exchange points, which provide crude oil and refined product pipeline transportation to third parties and subsidiaries of Delek Holdings.

### Corporate and Other

The corporate and other segment primarily consists of general and administrative expenses not allocated to a reportable segment, interest expense and depreciation and amortization. When applicable, it may also contain operating segments that are not reportable and do not meet the criteria for aggregation with any of our existing reportable segments.

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## Strategic Overview

### Long-Term Strategic Objectives

The Partnership's **Long-Term Strategic Objectives** have been focused on maintaining stable cash flows and to grow the quarterly distributions paid to our unitholders over time. To that end, we have been focused on growing our asset base within our geographic area through acquisitions, project development, joint ventures, enhancing our existing systems and lowering our carbon footprint, as we continued to evaluate ways to provide Delek Holdings with logistics services and look for ways to reduce our reliance on Delek Holdings as our primary customer.

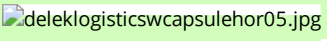
### 2023 Strategic Focus Areas

In service to these overarching Long-Term Strategic Objectives, as we began 2023, we focused on the following **Strategic Focus Areas**:

- *Generate Stable Cash Flow.* Continue to pursue opportunities to provide logistics, marketing and other services to Delek Holdings and third parties pursuant to long-term, fee-based contracts. In new service contracts, endeavor to include minimum volume throughput or other commitments, similar to those included in our current commercial agreements with Delek Holdings.
- *Focus on Growing Our Business.* Continue to evaluate and pursue opportunities to grow our business through both strategic acquisitions and expansion and construction projects, both internally funded or in combination with potential external partners and through investments in joint ventures. Additionally, where possible, leverage our strong relationship with Delek Holdings to enhance our opportunities to grow our business.
  - *Pursue Acquisitions.* Pursue strategic acquisitions that both complement our existing assets and provide attractive returns for our unitholders, with a focus on expanding our third-party business. Leverage our current asset base, and our knowledge of the regional markets in which we operate, to target and complete attractive third-party acquisitions.
  - *Investments in Joint Ventures.* Continue to focus on leveraging and, when appropriate, expanding our investments in joint ventures, which have contributed to our initiative to grow our midstream business while increasing our crude oil sourcing flexibility.
- *Engage in Mutually Beneficial Transactions with Delek Holdings.* Delek Holdings has granted us a right of first offer on certain logistics assets. We intend to review our right to purchase any such assets as they are offered to us under the terms of the right of first offer, from time to time. Delek Holdings is also required, under certain circumstances, to offer us the opportunity to purchase additional logistics assets that Delek Holdings may acquire or construct in the future. Further, continue to evaluate additional growth opportunities through subsequent dropdowns of logistics assets acquired or developed by Delek Holdings, while factoring in associated impact on our capital structure and critically evaluating anticipated return on investment.
- *Pursue Attractive Expansion and Construction Opportunities.* Continue to evaluate, and when appropriate in the context of our return on investment and risk assessment criteria, pursue organic growth opportunities that complement our existing businesses or that provide attractive returns within or outside our current geographic footprint. Continue to evaluate potential opportunities to make capital investments that will be used to expand our existing asset base through the expansion and construction of new logistics assets to support growth of any of our customers', including Delek Holdings', businesses and from increased third-party activity. These construction projects may be developed either through joint venture relationships or by us acting independently, depending on size and scale.
- *Optimize Our Existing Assets and Expand Our Customer Base.* Continue seeking to enhance the profitability of our existing assets by adding incremental throughput volumes, improving operating efficiencies and increasing system-wide utilization. Additionally, continue to seek opportunities to further diversify our customer base by increasing third-party throughput volumes running through certain of our existing systems and expanding our existing asset portfolio to service more third-party customers.
- *Expand our ESG Consciousness and Lower Our Carbon Footprint.* Continue to look for ways to grow our business whilst staying conscious of and minimizing the negative environmental impact, while also seeking opportunities to invest in innovative technologies that will reduce our carbon emissions as we achieve our growth objectives and sustainably improve unitholder returns. We expect to achieve this objective through ESG-Conscious Investments with Clear Value Propositions and Sustainable Returns.

## Commercial Agreements with Delek Holdings


The Partnership has a number of long-term, fee-based commercial agreements with Delek Holdings under which we provide various services, including crude oil gathering, crude oil, intermediate and refined products transportation and storage services, and marketing, terminalling and offloading services to Delek Holdings, and Delek Holdings commits to provide us with minimum monthly throughput volumes of crude oil, intermediate and refined products. Generally, these agreements include minimum quarterly volume, revenue or throughput commitments and have tariffs or fees indexed to inflation-based indices, provided that the tariffs or fees will not be decreased below the initial amount. See our Annual Report on Form 10-K filed with the SEC on March 1, 2023 for a discussion of our material commercial agreements with Delek Holdings.

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Management's Discussion and Analysis

## Other Transactions

The Partnership manages long-term capital projects on behalf of Delek Holdings pursuant to a construction management and operating agreement (the "DPG Management Agreement") for the construction of gathering systems in the Permian Basin (the "Delek Permian Gathering

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Management's Discussion and Analysis

Project"). The majority of the gathering systems has been constructed, however, additional costs pertaining to a pipeline connection that was not acquired by the Partnership continue to be incurred and are still subject to the terms of the DPG Management Agreement. The Partnership is also considered the operator for the project and is responsible for the oversight of the project design, procurement and construction of project segments and for providing other related services. See Note 3 to our accompanying condensed consolidated financial statements for additional information on the DPG Management Agreement.

## How We Evaluate Our Operations

We use a variety of financial and operating metrics to analyze our segment performance. These metrics are significant factors in assessing our operating results and profitability and include:

- volumes (including pipeline throughput and terminal volumes)
- operating and maintenance expenses
- cost of materials and other
- EBITDA and distributable cash flow (as such terms are defined below)
- net income of joint ventures

## Volumes

The amount of revenue we generate primarily depends on the volumes of crude oil and refined products that we handle in our pipeline, transportation, terminalling, storage and marketing operations. These volumes are primarily affected by the supply of and demand for crude oil, intermediate and refined products in the markets served directly or indirectly by our assets. Although Delek Holdings has committed to minimum volumes under certain of the commercial agreements, as described above, our results of operations will be impacted by:

- Delek Holdings' utilization of our assets in excess of its minimum volume commitments;
- our ability to identify and execute acquisitions and organic expansion projects and capture incremental volume increases from Delek Holdings or third parties;
- our ability to increase throughput volumes at our refined products terminals and provide additional ancillary services at those terminals;
- our ability to identify and serve new customers in our marketing and trucking operations; and
- our ability to make connections to third-party facilities and pipelines.

## Operating and Maintenance Expenses

We seek to maximize the profitability of our operations by effectively managing operating and maintenance expenses. These expenses include the costs associated with the operation of owned terminals and pipelines and terminalling expenses at third-party locations, excluding depreciation and amortization. These costs primarily include outside services, allocated employee costs, repairs and maintenance costs and energy and utility costs. Operating expenses related to the wholesale business are excluded from cost of sales because they primarily relate to costs associated with selling the products through our wholesale business. These expenses generally remain relatively stable across broad ranges of throughput volumes, but can fluctuate from period to period depending on the mix of activities performed during that period and the timing of said expenses. Additionally, compliance with federal, state and local laws and regulations relating to the protection of the environment, health and safety may require us to incur additional expenditures. We will seek to manage our maintenance expenditures on our pipelines and terminals by scheduling maintenance over time to avoid significant variability in our maintenance expenditures and minimize their impact on our cash flow.

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### **Cost of Materials and Other**

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These costs include:

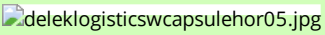
- (i) all costs of purchased refined products in our wholesale marketing and terminalling segment, as well as additives and related transportation of such products;
- (ii) costs associated with the operation of our trucking assets, which primarily include allocated employee costs and other costs related to fuel, truck leases and repairs and maintenance;
- (iii) the cost of pipeline capacity leased from any third parties; and
- (iv) gains and losses related to our commodity hedging activities.

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### **Financing**

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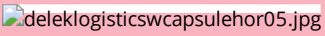
The Partnership anticipates paying a cash distribution to its unitholders at a distribution rate of \$1.025-\$1.035 per unit for the quarter ended March 31, 2023-June 30, 2023 (\$4.10-\$4.140 per unit on an annualized basis). Our Partnership Agreement requires that the Partnership distribute all of its available cash (as

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Management's Discussion and Analysis

defined in the Partnership Agreement) to its unitholders quarterly. As a result, the Partnership expects to fund future capital expenditures primarily from operating cash flows, borrowings under our revolving credit facility and any potential future issuances of equity and debt securities. See Note 7 to the accompanying condensed consolidated financial statements for further discussion.

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Management's Discussion and Analysis

### **How We Evaluate Our Investments in Pipeline Joint Ventures**

We make strategic investments in pipeline joint ventures generally when it provides an economic benefit in terms of pipeline access we can use for our existing or future customers and when we expect a rate of return that meets our internal investment criteria. Our existing investments in pipeline joint ventures all provide a combination of strategic benefit and return on investment. The strategic benefit for each is described below:

- The RIO Pipeline is positioned in the Delaware Basin and benefits from drilling activity in the area, while also offering producers and shippers connections to Midland, Texas takeaway pipelines;
- The Caddo Pipeline provides crude oil logistics connectivity for shippers from Longview, Texas area to Shreveport, Louisiana area; and
- The Red River Pipeline provides crude oil transportation and optionality from Cushing, Oklahoma to Longview, Texas area and connectivity to our Caddo JV along with DKL's Paline pipeline for access to Gulf Coast markets. It also has additional expansion optionality.

### **Market Trends**

Fluctuations in crude oil, natural gas and NGLs prices and the prices of related refined and other hydrocarbon products impact operations in the midstream energy sector. For example, the prices of each of these products have the ability to influence drilling activity in many basins and the amounts of capital spending that crude oil exploration and production companies incur to support future growth. Exploration and production activities have a direct impact on volumes transported through our gathering assets in the geologic basins in which we operate. Additionally, the demand for hydrocarbon-based refined products and related crack spreads significantly impact production decisions of our refining customers and likewise throughputs on our pipelines and other logistics assets. Finally, fluctuations in demand and commodity prices for refined products, as well as the value attributable to RINs, directly impacts our wholesale marketing operations, where we are subject to short-term commodity price fluctuations at the rack.

Most of the logistics services we provide (including transportation, gathering and processing services) are subject to long-term fee-based contracts with minimum volume commitments or long-term dedicated acreage agreements which mitigate most of our short-term financial risk to price and demand volatility. However, sustained depressed demand/prices over the longer term could not only curb exploration and production expansion opportunities under our agreements, it could also impact our customers' willingness or ability to renew commercial agreements or result in liquidity or credit constraints that could impact our longer term relationship with them. That said, our recent expansion of our gas processing capabilities have improved both our customer and geographic diversification which lowers concentration risk in those areas, in addition to adding service offerings to our portfolio. Furthermore, our dedicated acreage agreements provide significant growth opportunities in strong economic conditions (e.g., high demand/high commodity prices) without incremental customer acquisition cost. Given all of these factors, we believe that we continue to be strategically positioned, even in tougher market conditions, to sustain positive operating results and cash flows and to continue developing profitable growth projects that are needed to support future distribution growth. The charts on the following page provide historical commodity pricing statistics for crude oil, refined product and natural gas.

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## Management's Discussion and Analysis

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## Management's Discussion and Analysis

### 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 financial information presented in accordance with United States ("U.S.") Generally Accepted Accounting Principles ("GAAP"). These financial and operational non-GAAP measures include:

- **Earnings before interest, taxes, depreciation and amortization ("EBITDA")** - calculated as net income before net interest expense, income tax expense, depreciation and amortization expense, including amortization of customer contract intangible assets, which is included as a component of net revenues in our accompanying condensed consolidated statements of income.
- **Distributable cash flow** - calculated as net cash flow from operating activities plus or minus changes in assets and liabilities, less maintenance capital expenditures net of reimbursements and other adjustments not expected to settle in cash. The Partnership believes this is an appropriate reflection of a liquidity measure by which users of its financial statements can assess its ability to generate cash.

EBITDA and distributable cash flow are non-GAAP supplemental financial measures that management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- our operating performance as compared to other publicly traded partnerships in the midstream energy industry, without regard to historical cost basis or, in the case of EBITDA, financing methods;
- the ability of our assets to generate sufficient cash flow to make distributions to our unitholders;
- our ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

We believe that the presentation of EBITDA and distributable cash flow provide information useful to investors in assessing our financial condition and results of operations. EBITDA and distributable cash flow should not be considered alternatives to net income, operating income, cash flow from operating activities or any other measure of financial

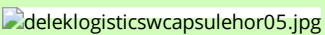
performance or liquidity presented in accordance with GAAP. EBITDA and distributable cash flow have important limitations as analytical tools, because they exclude some, but not all, items that affect net income and net cash provided by operating activities. Additionally, because EBITDA and distributable cash flow may be defined differently by other partnerships in our industry, our definitions of EBITDA and distributable cash flow may not be comparable to similarly titled measures of other partnerships, thereby diminishing their utility. See below for a reconciliation of EBITDA and distributable cash flow to their most directly comparable GAAP financial measures.

## Non-GAAP Reconciliations

The following table provides a reconciliation of EBITDA and distributable cash flow (which are defined above) to the most directly comparable GAAP measure, or net income and net cash from operating activities, respectively.

<b>Reconciliation of net income to EBITDA (in thousands)</b>		<b>Reconciliation of net income to EBITDA (in thousands)</b>		<b>Reconciliation of net income to EBITDA (in thousands)</b>					
		<b>Three Months Ended March 31,</b>				<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
		<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	
<b>Net income</b>	<b>Net income</b>	\$ 37,367	\$ 39,514	<b>Net income</b>	\$ 31,896	\$ 32,164	\$ 69,263	\$ 71,678	
Add:	Add:			Add:					
Income tax expense	Income tax expense	302	101	Income tax expense	256	305	558	406	
Depreciation and amortization	Depreciation and amortization	21,105	10,335	Depreciation and amortization	23,727	13,422	44,832	23,757	
Amortization of customer contract intangible assets	Amortization of customer contract intangible assets	1,803	1,803	Amortization of customer contract intangible assets	1,802	1,803	3,605	3,606	
Interest expense, net	Interest expense, net	32,581	14,250	Interest expense, net	35,099	16,812	67,680	31,062	
<b>EBITDA</b>	<b>EBITDA</b>	<b>\$ 93,158</b>	<b>\$ 66,003</b>	<b>EBITDA</b>	<b>\$ 92,780</b>	<b>\$ 64,506</b>	<b>\$ 185,938</b>	<b>\$ 130,509</b>	
<b>Reconciliation of net cash from operating activities to distributable cash flow (in thousands)</b>		<b>Reconciliation of net cash from operating activities to distributable cash flow (in thousands)</b>		<b>Reconciliation of net cash from operating activities to distributable cash flow (in thousands)</b>					
		<b>Three Months Ended March 31,</b>				<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
		<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	
<b>Net cash provided by operating activities</b>	<b>Net cash provided by operating activities</b>	\$ 29,190	\$ 47,920	<b>Net cash provided by operating activities</b>	\$ 34,612	\$ 85,137	\$ 63,802	\$ 133,057	
Changes in assets and liabilities	Changes in assets and liabilities	37,670	6,012	Changes in assets and liabilities	27,259	(26,920)	64,929	(20,908)	
Distributions from equity method	Distributions from equity method			Distributions from equity method					
investments in investing activities	investments in investing activities	1,440	550	investments in investing activities	—	1,187	1,440	1,737	
Non-cash lease expense	Non-cash lease expense	(2,200)	(1,798)	Non-cash lease expense	(2,247)	(9,686)	(4,447)	(11,484)	
Regulatory capital expenditures (1)	Regulatory capital expenditures (1)	(4,246)	(807)	Regulatory capital expenditures (1)	391	(233)	(3,855)	(1,040)	

Reimbursement from (refund to) Delek Holdings for capital expenditures (2)	Reimbursement from (refund to) Delek Holdings for capital expenditures (2)	337	(15)	Reimbursement from (refund to) Delek Holdings for capital expenditures (2)	674	1	1,011	(14)			
Accretion of asset retirement obligations	Accretion of asset retirement obligations	(176)	(124)	Accretion of asset retirement obligations	(176)	(123)	(352)	(247)			
Deferred income taxes	Deferred income taxes	(111)	—	Deferred income taxes	(518)	—	(629)	—			
Loss on disposal of assets		(142)	(12)								
Gain (loss) on disposal of assets							Gain (loss) on disposal of assets	455	—	313	(12)
<b>Distributable cash flow</b>	<b>Distributable cash flow</b>	<b>\$ 61,762</b>	<b>\$ 51,726</b>	<b>Distributable cash flow</b>	<b>\$ 60,450</b>	<b>\$ 49,363</b>	<b>\$ 122,212</b>	<b>\$ 101,089</b>			

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## Management's Discussion and Analysis

- Regulatory capital expenditures represent cash expenditures (including for the addition or improvement to, or the replacement of, our capital assets, and for the acquisition of existing, or the construction or development of new, capital assets) made to maintain our long-term operating income or operating capacity. Examples include expenditures for the repair, refurbishment and replacement of pipelines and terminals, to maintain equipment reliability, integrity and safety and to address environmental laws and regulations.
- For the three and six months ended **March 31, 2023**, **June 30, 2023** and 2022, Delek Holdings reimbursed us for certain capital expenditures pursuant to the terms of the Omnibus Agreement (as defined in Note 3 to our accompanying condensed consolidated financial statements).

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## Management's Discussion and Analysis

### Summary of Financial and Other Information

A discussion and analysis of the factors contributing to our results of operations is presented below. The financial statements, together with the following information, are intended to provide investors with a reasonable basis for assessing our historical operations, but should not serve as the only criteria for predicting our future performance.

The following table and discussion present a summary of our consolidated results of operations for the three and six months ended **March 31, 2023**, **June 30, 2023** and 2022, including a reconciliation of net income to EBITDA and net cash flow provided by operating activities to distributable cash flow.

#### Statement of Operations Data (in thousands, except unit and per unit amounts)

		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022	2023	2022
<b>Statement of Operations Data:</b>	<b>Statement of Operations Data:</b>						
<b>Net revenues:</b>	<b>Net revenues:</b>						
Gathering and Processing	Gathering and Processing	\$ 92,432	\$ 42,044	\$ 93,237	\$ 64,826	\$ 185,669	\$ 106,870

Wholesale marketing and terminalling	Wholesale marketing and terminalling	112,309	130,776	Wholesale marketing and terminalling	118,827	165,540	231,136	296,316
Storage and transportation	Storage and transportation	38,784	33,761	Storage and transportation	34,847	36,384	73,631	70,145
<b>Total</b>	<b>Total</b>	<b>243,525</b>	<b>206,581</b>	<b>Total</b>	<b>246,911</b>	<b>266,750</b>	<b>490,436</b>	<b>473,331</b>
Operating costs and expenses:	Operating costs and expenses:			Operating costs and expenses:				
Cost of materials and other	Cost of materials and other	126,096	126,194	Cost of materials and other	128,125	176,360	254,221	302,554
Operating expenses (excluding depreciation and amortization)	Operating expenses (excluding depreciation and amortization)	24,215	17,543	Operating expenses (excluding depreciation and amortization)	28,476	20,284	52,691	37,827
Depreciation and amortization	Depreciation and amortization	19,764	9,861	Depreciation and amortization	22,469	12,948	42,233	22,809
Total cost of sales	Total cost of sales	170,075	153,598	Total cost of sales	179,070	209,592	349,145	363,190
Operating expenses related to wholesale business (excluding depreciation and amortization presented below)	Operating expenses related to wholesale business (excluding depreciation and amortization presented below)	525	564	Operating expenses related to wholesale business (excluding depreciation and amortization presented below)	480	705	1,005	1,269
General and administrative expenses	General and administrative expenses	7,510	5,095	General and administrative expenses	6,611	13,773	14,121	18,868
Depreciation and amortization	Depreciation and amortization	1,341	474	Depreciation and amortization	1,258	474	2,599	948
Loss on disposal of assets		142	12					
(Gain) loss on disposal of assets							(Gain) loss on disposal of assets	(455) — (313) 12
Total operating costs and expenses	Total operating costs and expenses	179,593	159,743	Total operating costs and expenses	186,964	224,544	366,557	384,287
Operating income	Operating income	63,932	46,838	Operating income	59,947	42,206	123,879	89,044
Interest expense, net	Interest expense, net	32,581	14,250	Interest expense, net	35,099	16,812	67,680	31,062
Income from equity method investments	Income from equity method investments	(6,316)	(7,026)	Income from equity method investments	(7,285)	(7,073)	(13,601)	(14,099)
Other income, net	Other income, net	(2)	(1)	Other income, net	(19)	(2)	(21)	(3)

Total non-operating costs and expenses	Total non-operating costs and expenses	26,263	7,223	Total non-operating costs and expenses	27,795	9,737	54,058	16,960
Income before income tax expense	Income before income tax expense	37,669	39,615	Income before income tax expense	32,152	32,469	69,821	72,084
Income tax expense	Income tax expense	302	101	Income tax expense	256	305	558	406
Net income attributable to partners	Net income attributable to partners	37,367	39,514	Net income attributable to partners	31,896	32,164	69,263	71,678
Comprehensive income attributable to partners	Comprehensive income attributable to partners	\$ 37,367	\$ 39,514	Comprehensive income attributable to partners	\$ 31,896	\$ 32,164	\$ 69,263	\$ 71,678
<b>EBITDA<sup>(1)</sup></b>	<b>EBITDA<sup>(1)</sup></b>	<b>\$ 93,158</b>	<b>\$ 66,003</b>	<b>EBITDA<sup>(1)</sup></b>	<b>\$ 92,780</b>	<b>\$ 64,506</b>	<b>\$ 185,938</b>	<b>\$ 130,509</b>
Net income per limited partner unit:	Net income per limited partner unit:			Net income per limited partner unit:				
Basic	Basic	\$ 0.86	\$ 0.91	Basic	\$ 0.73	\$ 0.74	\$ 1.59	\$ 1.65
Diluted	Diluted	\$ 0.86	\$ 0.91	Diluted	\$ 0.73	\$ 0.74	\$ 1.59	\$ 1.65
Weighted average limited partner units outstanding:	Weighted average limited partner units outstanding:			Weighted average limited partner units outstanding:				
Basic	Basic	43,569,963	43,471,536	Basic	43,577,428	43,475,931	43,573,716	43,473,746
Diluted	Diluted	43,585,297	43,481,572	Diluted	43,597,282	43,502,983	43,591,726	43,491,796

(1) For a definition of EBITDA, please see "Non-GAAP Measures" above.

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## Management's Discussion and Analysis

### Results of Operations

A discussion and analysis of the factors contributing to our results of operations is presented below. The financial statements, together with the following information, are intended to provide investors with a reasonable basis for assessing our historical operations but should not serve as the only criteria for predicting our future performance.

Effective in the fourth quarter 2022, we have revised our reportable segments accordingly. The new reportable segments consist of Gathering and Processing, Wholesale Marketing and Terminalling, Storage and Transportation, and Investments in Pipeline Joint Ventures. The primary change in our segmentation as compared to prior presentations is that, now that we have substantially expanded our gathering activities, certain legacy gathering activities and operations are now managed as part of the Gathering and Processing segment. Additionally, we are also now segregating out certain non-segment specific costs and expenses and, when applicable, immaterial operating segments that may not fit into our existing reportable segments as Corporate and Other activities.

### Consolidated Results of Operations — Comparison of the three and six months ended March 31, 2023 June 30, 2023 compared to the three and six months ended March 31, 2022 June 30, 2022

The table below presents a summary of our consolidated results of operations. The discussion immediately following presents the consolidated results of operations (in thousands):

	Three Months Ended March 31,	Three Months Ended June 30,	Six Months Ended June 30,
			Consolidated

		2023	2022		2023	2022	2023	2022
<b>Net revenues:</b>	<b>Net revenues:</b>			<b>Net revenues:</b>				
Affiliate	Affiliate	\$ 124,999	\$ 123,754	Affiliate	\$ 132,993	\$ 124,366	\$ 257,992	\$ 248,120
Third-Party	Third-Party	118,526	82,827	Third-Party	113,918	142,384	232,444	225,211
<b>Total</b>	<b>Total</b>	<b>243,525</b>	<b>206,581</b>	<b>Total</b>	<b>246,911</b>	<b>266,750</b>	<b>490,436</b>	<b>473,331</b>
<b>Consolidated</b>	<b>Consolidated</b>			<b>Consolidated</b>				
Cost of materials and other	Cost of materials and other	126,096	126,194	Cost of materials and other	128,125	176,360	254,221	302,554
Operating expenses (excluding depreciation and amortization presented below)	Operating expenses (excluding depreciation and amortization presented below)	24,740	18,107	Operating expenses (excluding depreciation and amortization presented below)	28,956	20,989	53,696	39,096
General and administrative expenses	General and administrative expenses	7,510	5,095	General and administrative expenses	6,611	13,773	14,121	18,868
Depreciation and amortization	Depreciation and amortization	21,105	10,335	Depreciation and amortization	23,727	13,422	44,832	23,757
Other operating income, net	Other operating income, net	142	12	Other operating income, net	(455)	—	(313)	12
<b>Operating income</b>	<b>Operating income</b>	<b>\$ 63,932</b>	<b>\$ 46,838</b>	<b>Operating income</b>	<b>\$ 59,947</b>	<b>\$ 42,206</b>	<b>\$ 123,879</b>	<b>\$ 89,044</b>
Interest expense, net	Interest expense, net	32,581	14,250	Interest expense, net	35,099	16,812	67,680	31,062
Income from equity method investments	Income from equity method investments	(6,316)	(7,026)	Income from equity method investments	(7,285)	(7,073)	(13,601)	(14,099)
Other (income) expense, net		(2)	(1)					
Other expense, net							Other expense, net	(19) (2) (21) (3)
<b>Total non-operating expenses, net</b>	<b>Total non-operating expenses, net</b>	<b>26,263</b>	<b>7,223</b>	<b>Total non-operating expenses, net</b>	<b>27,795</b>	<b>9,737</b>	<b>54,058</b>	<b>16,960</b>
Income before income tax expense	Income before income tax expense	37,669	39,615	Income before income tax expense	32,152	32,469	69,821	72,084
Income tax expense	Income tax expense	302	101	Income tax expense	256	305	558	406
<b>Net income attributable to partners</b>	<b>Net income attributable to partners</b>	<b>\$ 37,367</b>	<b>\$ 39,514</b>	<b>Net income attributable to partners</b>	<b>\$ 31,896</b>	<b>\$ 32,164</b>	<b>\$ 69,263</b>	<b>\$ 71,678</b>

## Net Revenues

### Q1 Q2 2023 vs. Q1 Q2 2022

Net revenues decreased by \$19.8 million, or 7.4%, in the second quarter of 2023 compared to the second quarter of 2022, primarily driven by the following:

- decreased revenue of \$50.9 million in our West Texas marketing operations primarily driven by decreases in the average sales prices per gallon and the average volumes sold:
  - the average sales prices per gallon of gasoline and diesel sold decreased by \$0.93 per gallon and \$1.53 per gallon, respectively; and
  - the average volumes of gasoline and diesel sold decreased by 0.6 million gallons and 1.5 million gallons, respectively.
- partially offset by an increase in revenue as a result of our Delaware Gathering operations, which began in June 2022.

### YTD 2023 vs. YTD 2022

Net revenues increased by \$36.9 million \$17.1 million, or 17.9% 3.6%, in the three six months ended March 31, 2023 June 30, 2023 compared to the three six months ended March 31, 2022 June 30, 2022. The increase was primarily driven by the following:

- increased revenues of \$44.3 million increase in revenue as a result of our Delaware Gathering operations, which began in June 2022;

- increase in volumes associated with Midland Gathering operations due to new connections finalized during 2022;
- increase in trucking transportation revenue primarily due to new third-party revenue streams; and
- partially offset by decreased revenue of \$66.3 million in our West Texas marketing operations primarily driven by decreases in the average sales prices per gallon and the average volumes of gasoline and diesel sold in our West Texas marketing operations:
  - the average sales prices per gallon of gasoline and diesel sold decreased by \$0.33 \$0.58 per gallon and \$0.04 \$0.79 per gallon, respectively; and
  - the volume average volumes of gasoline and diesel sold decreased by 2.8 million 3.4 million gallons and 0.9 million 2.4 million gallons, respectively.

### Cost of Materials and Other

#### Q1 Q2 2023 vs. Q1 Q2 2022

Cost of materials and other decreased by \$0.1 million \$48.2 million, or 0.1% 27.4%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three months ended March 31, 2022, second quarter of 2022, primarily driven by the following:

- increase decrease in cost costs of materials and other of \$22.6 million \$53.2 million in our West Texas marketing operations primarily driven by decreases in the average cost per gallon and the average volumes of gasoline and diesel sold:
  - the average cost per gallon of gasoline and diesel sold decreased by \$0.32 per gallon and \$0.12 per gallon, respectively; and
  - the average volumes of gasoline and diesel sold decreased by 0.6 million gallons and 1.5 million gallons, respectively.
- partially offset by increase in costs of materials and other as a result of our Delaware Gathering operations, which began in June 2022; 2022.

#### YTD 2023 vs. YTD 2022

Cost of materials and other decreased by \$48.3 million, or 16.0%, in the six months ended June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by the following:

- partially offset decrease in costs of materials and other of \$69.4 million in our West Texas marketing operations primarily driven by decreases in the average cost per gallon and the average volumes of gasoline and diesel sold in our West Texas marketing operations:
  - the average cost per gallon of gasoline and diesel sold decreased by \$0.22 \$0.27 per gallon and \$0.10 \$0.11 per gallon, respectively; and
  - the average volumes of gasoline and diesel sold decreased by 2.8 million 3.4 million gallons and 0.9 million 2.4 million gallons, respectively.
- partially offset by increase in cost of materials and other as a result of our Delaware Gathering operations, which began in June 2022.

### Operating Expenses

#### Q1 Q2 2023 vs. Q1 Q2 2022

Operating expenses increased by \$6.6 million \$8.0 million, or 36.6% 38.0%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022, primarily driven by incremental expenses associated with our Delaware Gathering operations which began in June 2022.

#### YTD 2023 vs. YTD 2022

Operating expenses increased by \$14.6 million, or 37.3%, in the six months ended March 31, 2022 June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by operating incremental expenses associated with our Delaware Gathering operations which began in June 2022.

### General and Administrative Expenses

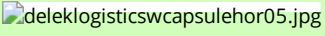
#### Q1 Q2 2023 vs. Q1 Q2 2022

General and administrative expenses increased decreased by \$2.4 million \$7.2 million, or 47.4% 52.0%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022 primarily due to higher outside services associated with the Delaware Gathering Acquisition in the prior year.

#### YTD 2023 vs. YTD 2022

General and administrative expenses decreased by \$4.7 million, or 25.2%, in the six months ended March 31, 2023 June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by additional expenses the following:

- higher outside services associated with our the Delaware Gathering operations which began Acquisition in June 2022, the prior year; and
- partially offset by lower allocated employee related expenses.

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### Depreciation and Amortization

#### Q1 Q2 2023 vs. Q1 Q2 2022

Depreciation and amortization increased by \$10.8 million \$10.3 million, or 104.2% 76.8%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022, primarily driven by the following:

- depreciation amortization associated with assets acquired as part of the Delaware Gathering Acquisition; and
- depreciation associated with new projects in-serviced during the period.

#### YTD 2023 vs. YTD 2022

Depreciation and amortization increased by \$21.1 million, or 88.7%, in the six months ended March 31, 2023 June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by the following:

- the acquisition of property, plant and equipment and customer relationship intangible as part of the Delaware Gathering Acquisition; Acquisition; and
- depreciation associated with new projects in-serviced during the period.

### Interest Expense

#### Q1 Q2 2023 vs. Q1 Q2 2022

During the three second quarter of 2023 we incurred \$35.1 million of interest expense, compared to \$16.8 million during the second quarter of 2022, an increase of \$18.3 million, or 108.8%. This increase was primarily driven by the following:

- increased borrowings under the DKL Credit Facility; and
- higher floating interest rates applicable to the DKL Credit Facility.

#### YTD 2023 vs. YTD 2022

During the six months ended March 31, 2023 June 30, 2023 we incurred \$32.6 \$67.7 million of interest expense, compared to \$14.3 \$31.1 million during the three six months ended March 31, 2022 June 30, 2022, an increase of \$18.3 million \$36.6 million, or 128.6% 117.9%. This increase was primarily driven by the following:

- increased borrowings under the DKL Credit Facility to fund the Delaware Gathering Acquisition; and
- increase in higher floating interest rates applicable to the DKL Credit Facility and DKL Term Facility.

### Results from Equity Method Investments

#### Q1 Q2 2023 vs. Q1 Q2 2022

We recognized income of \$7.3 million from equity method investments during the second quarter of 2023 compared to \$7.1 million for the second quarter of 2022, an increase of \$0.2 million, or 3.0%. This increase was primarily driven by the following:

- increase in income from our Rio equity method investment due to higher throughput volumes and resulting revenue increases.

#### YTD 2023 vs. YTD 2022

During the three six months ended March 31, 2023 June 30, 2023 we recognized income of \$6.3 \$13.6 million from equity method investments, compared to \$7.0 \$14.1 million during the three six months ended March 31, 2022 June 30, 2022, a decrease of \$0.7 million \$0.5 million, or 10.1% 3.5%. This decrease was primarily driven by the following:

- decrease in income from our Red River and Caddo CP LLC equity method investments due to lower throughput volumes and resulting revenue increases; investments; and
- partially offset by an increase in income from our Rio Andeavor Logistics equity method investment. investment due to higher throughput volumes and resulting revenue increases.

## Operating Segments

We review operating results in four reportable segments: (i) gathering and processing; (ii) wholesale marketing and terminalling; (iii) storage and transportation; and (iv) investments in pipeline joint ventures. Decisions concerning the allocation of resources and assessment of operating performance are made based on this segmentation. Management measures the operating performance of each reportable segment based on the segment EBITDA, except for the investments in pipeline joint ventures segment, which is measured based on net income. Segment reporting is discussed in more detail in Note 9 to our accompanying condensed consolidated financial statements.

### Gathering and Processing Segment

Our gathering and processing segment assets provide crude oil gathering services to Delek Holdings and third parties. These assets include:

- the pipeline assets used to support Delek Holdings' El Dorado refinery (the "El Dorado Assets")
- the gathering system that supports transportation of crude oil to the El Dorado Refinery (the "El Dorado Gathering System")
- the Paline Pipeline System
- the East Texas Crude Logistics System
- the Tyler-Big Sandy Pipeline
- the Greenville-Mount Pleasant Pipeline
- refined product pipeline capacity leased from Enterprise TE Products Pipeline Company ("Enterprise") that runs from El Dorado, Arkansas to our Memphis terminal and the Big Spring Pipeline
- pipelines acquired in the Big Spring Logistics Assets Acquisition
- assets acquired in the Midland Gathering Assets Acquisition
- assets acquired in the Delaware Gathering Acquisition

The following tables and discussion present the results of operations and certain operating statistics of the gathering and processing segment for the three and six months ended March 31, 2023, June 30, 2023 and 2022:

		Gathering and Processing							
		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,			
		2023	2022	2023	2022	2023	2022		
Net Revenues	Net Revenues	\$92,432	\$42,044	Net Revenues	\$93,237	\$64,826	\$185,669	\$106,870	
Cost of materials and other	Cost of materials and other	\$23,024	\$1,274	Cost of materials and other	\$21,857	\$15,207	\$44,881	\$16,481	
Operating expenses (excluding depreciation and amortization)	Operating expenses (excluding depreciation and amortization)	\$14,222	\$8,782	Operating expenses (excluding depreciation and amortization)	\$20,631	\$10,927	\$34,853	\$19,709	
Segment EBITDA	Segment EBITDA	\$55,445	\$32,081	Segment EBITDA	\$52,663	\$38,497	\$108,108	\$70,578	
Throughputs (average bpd)	Throughputs (average bpd)				Throughputs (average bpd)				
	Three Months Ended March 31,				Three Months Ended June 30,		Six Months Ended June 30,		
	2023	2022			2023	2022	2023	2022	
<b>El Dorado Assets:</b>	<b>El Dorado Assets:</b>				<b>El Dorado Assets:</b>				
Crude pipelines (non-gathered)	Crude pipelines (non-gathered)	63,528	72,872	Crude pipelines (non-gathered)	61,260	84,699	62,131	78,818	
Refined products pipelines to Enterprise Systems	Refined products pipelines to Enterprise Systems	55,003	59,522	Refined products pipelines to Enterprise Systems	44,966	64,821	49,957	62,186	

El Dorado Gathering System	El Dorado Gathering System	13,872	16,156	El Dorado Gathering System	13,041	17,961	13,509	17,064
East Texas Crude Logistics System	East Texas Crude Logistics System	10,508	16,056	East Texas Crude Logistics System	30,666	19,942	26,690	18,010
Midland Gathering System	Midland Gathering System	222,112	100,325	Midland Gathering System	221,876	101,236	221,993	100,783
Plains Connection System	Plains Connection System	240,597	162,007	Plains Connection System	255,035	154,086	247,856	158,025


Delaware Gathering Assets Volumes				
	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>
Natural Gas Gathering and Processing (Mcf <sup>(2)</sup> )	73,309	51,292	74,008	51,292
Crude Oil Gathering (bpd <sup>(3)</sup> )	117,017	78,011	110,408	78,011
Water Disposal and Recycling (bpd <sup>(3)</sup> )	127,195	57,625	107,848	57,625

<sup>(1)</sup> Delaware Gathering Assets Volumes for the three and six months ended June 30, 2022 are for period from June 1 through June 30, 2022 we owned Delaware Gathering Assets.

	Three Months Ended March 31, 2023
Natural Gas Gathering and Processing (Mcf <sup>(1)</sup> )	74,716
Crude Oil Gathering (bpd <sup>(2)</sup> )	103,725
Water Disposal and Recycling (bpd <sup>(2)</sup> )	88,182

<sup>(1)</sup> <sup>(2)</sup> Mcfd - average thousand cubic feet per day.

<sup>(2)</sup> <sup>(3)</sup> bpd - average barrels per day.

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Management's Discussion and Analysis

## Comparison of the three and six months ended March 31, 2023 June 30, 2023 compared to the three and six months ended March 31, 2022 June 30, 2022

### Net Revenues

Q1 Q2 2023 vs. Q1 Q2 2022

Net revenues for the gathering and processing segment increased by \$50.4 million, \$28.4 million, or 119.8% 43.8%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022, driven primarily by the following:

- increase in revenue of \$26.7 million as a result of our Delaware Gathering operations, which began in June 2022; and
- increase in volumes associated with Midland Gathering operations due to new connections finalized during 2022.

### YTD 2023 vs. YTD 2022

Net revenues for the gathering and processing segment increased by \$78.8 million, or 73.7%, in the six months ended March 31, 2022 June 30, 2023 compared to the six months ended June 30, 2022, driven primarily by the following:

- increased revenues increase in revenue of \$44.3 million \$71.0 million as a result of our Delaware Gathering operations, which began in June 2022; and

- increase in volumes associated with Midland Gathering operations due to new connections finalized during 2022.

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### Cost of Materials and Other

#### Q1 Q2 2023 vs. Q1 Q2 2022

Cost of materials and other for the gathering and processing segment increased by \$21.8 million, \$6.7 million, or 1,707.2% 43.7%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022, driven primarily by the following:

- increase in cost of materials and other as a result of our Delaware Gathering operations which began in June 2022.

#### YTD 2023 vs. YTD 2022

Cost of materials and other for the gathering and processing segment increased by \$28.4 million, or 172.3%, in the six months ended March 31, 2022 June 30, 2023 compared to the six months ended June 30, 2022, driven primarily by the following:

- increase in cost of materials and other totaling \$22.6 million as a result of our Delaware Gathering operations which began in June 2022.

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### Operating Expenses

#### Q1 Q2 2023 vs. Q1 Q2 2022

Operating expenses for the gathering and processing segment increased by \$5.4 million, \$9.7 million, or 61.9% 88.8%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022, driven primarily by the following:

- increase due to additional expenses associated with our Delaware Gathering operations, which began in June 2022.

#### YTD 2023 vs. YTD 2022

Operating expenses for the gathering and processing segment increased by \$15.1 million, or 76.8%, in the six months ended March 31, 2022 June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by the following:

- increase due to additional expenses associated with our Delaware Gathering operations, which began in June 2022.

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### EBITDA

#### Q1 Q2 2023 vs. Q1 Q2 2022

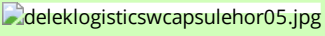
EBITDA increased by \$23.4 million \$14.2 million, or 72.8% 36.8%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022, driven primarily by the following:

- additional EBITDA associated with the Delaware Gathering operations, which began in June 2022; and
- increase in throughput associated with new connections in our Midland Gathering operations.

#### YTD 2023 vs. YTD 2022

EBITDA increased by \$37.5 million, or 53.2%, in the six months ended March 31, 2022 June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by the following:

- Additional additional EBITDA associated with the Delaware Gathering operations, which began in June 2022; and

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Management's Discussion and Analysis

- increase in throughput associated with new connections in our Midland Gathering operations.

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Management's Discussion and Analysis

## Wholesale Marketing and Terminalling Segment

We use our wholesale marketing and terminalling assets to generate revenue by providing wholesale marketing and terminalling services to Delek Holdings' refining operations and to independent third parties.

The following tables and discussion present the results of operations and certain operating statistics of the wholesale marketing and terminalling segment for the three and six months ended March 31, 2023, June 30, 2023 and 2022:

		Wholesale Marketing and Terminalling					
		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022	2023	2022
Net Revenues	Net Revenues	\$ 112,309	\$ 130,776	\$ 118,827	\$ 165,540	\$ 231,136	\$ 296,316
Cost of materials and other	Cost of materials and other	\$ 87,482	\$ 106,832	\$ 88,910	\$ 143,185	\$ 176,392	\$ 250,017
Operating expenses (excluding depreciation and amortization presented below)	Operating expenses (excluding depreciation and amortization presented below)	\$ 4,608	\$ 4,532	\$ 3,848	\$ 4,854	\$ 8,456	\$ 9,386
Segment EBITDA	Segment EBITDA	\$ 21,954	\$ 20,734	\$ 27,983	\$ 18,807	\$ 49,937	\$ 39,541

		Operating Information					
		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022	2023	2022
East Texas - Tyler Refinery sales volumes (average bpd) <sup>(1)</sup>	East Texas - Tyler Refinery sales volumes (average bpd) <sup>(1)</sup>	34,816	70,578	69,310	63,502	52,158	67,021
Big Spring marketing throughputs (average bpd)	Big Spring marketing throughputs (average bpd)	78,380	75,549	75,164	78,634	76,763	77,100
West Texas marketing throughputs (average bpd)	West Texas marketing throughputs (average bpd)	8,696	9,913	9,985	10,073	9,454	9,994
West Texas marketing gross margin per barrel	West Texas marketing gross margin per barrel	\$ 2.58	\$ 3.04	\$ 3.23	\$ 2.67	\$ 2.89	\$ 2.85
Terminalling throughputs (average bpd) <sup>(2)</sup>	Terminalling throughputs (average bpd) <sup>(2)</sup>	93,305	137,622	134,323	130,002	113,926	136,808

(1)Excludes jet fuel and petroleum coke.

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

## Comparison of the three and six months ended March 31, 2023 June 30, 2023 compared to the three and six months ended March 31, 2022 June 30, 2022

### Net Revenues

#### Q1 Q2 2023 vs. Q1 Q2 2022

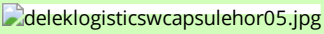
Net revenues for the wholesale marketing and terminalling segment decreased by \$18.5 million, \$46.7 million, or 14.1% 28.2%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022, driven primarily by the following:

- decreased revenue of \$50.9 million in our West Texas marketing operations primarily driven by decreases in the average sales prices per gallon and the average volumes sold:
  - the average sales prices per gallon of gasoline and diesel sold decreased by \$0.93 per gallon and \$1.53 per gallon, respectively; and
  - the average volumes of gasoline and diesel sold decreased by 0.6 million gallons and 1.5 million gallons, respectively.

#### YTD 2023 vs. YTD 2022

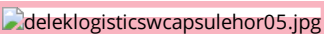
Net revenues for the wholesale marketing and terminalling segment decreased by \$65.2 million, or 22.0%, in the six months ended March 31, 2022 June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by the following:

- decreased revenue of \$66.3 million in our West Texas marketing operations primarily driven by decreases in the average sales prices per gallon and the average volumes of gasoline and diesel sold in our West Texas marketing operations:
  - the average sales prices per gallon of gasoline and diesel sold decreased by \$0.33 \$0.58 per gallon and \$0.04 \$0.79 per gallon, respectively; and
  - the average volumes of gasoline and diesel sold decreased by 2.8 million 3.4 million gallons and 0.9 million 2.4 million gallons, respectively.

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Management's Discussion and Analysis

The following charts show summaries of the average sales prices per gallon of gasoline and diesel and refined products volume impacting our West Texas operations for the three and six months ended March 31, 2023 June 30, 2023 and 2022.

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Management's Discussion and Analysis

### Cost of Materials and Other

#### Q1 Q2 2023 vs. Q1 Q2 2022

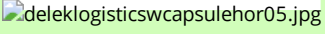
Cost of materials and other for the wholesale marketing and terminalling segment decreased by \$54.3 million, or 37.9%, in the second quarter of 2023 compared to the second quarter of 2022, driven primarily by the following:

- decreased costs of materials and other of \$53.2 million in our West Texas marketing operations primarily driven by decreases in the average cost per gallon and the average volumes of gasoline and diesel sold:
  - the average cost per gallon of gasoline and diesel sold decreased by \$0.32 per gallon and \$0.12 per gallon, respectively; and
  - the average volumes of gasoline and diesel sold decreased by 0.6 million gallons and 1.5 million gallons, respectively.

#### YTD 2023 vs. YTD 2022


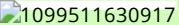
Cost of materials and other for the wholesale marketing and terminalling segment decreased by \$19.4 million \$73.6 million, or 18.1% 29.4%, in the three six months ended March 31, 2023 June 30, 2023 compared to the three six months ended March 31, 2022 June 30, 2022, primarily driven by the following:

- decreased costs of materials and other of \$69.4 million in our West Texas marketing operations primarily driven by decreases in the average cost per gallon and the average volumes of gasoline and diesel sold in our West Texas marketing operations:
  - the average cost per gallon of gasoline and diesel sold decreased by \$0.22 \$0.27 per gallon and \$0.10 \$0.11 per gallon, respectively; and
  - the average volumes of gasoline and diesel sold increased decreased by 2.8 million 3.4 million gallons and 0.9 million 2.4 million gallons, respectively.

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## Management's Discussion and Analysis

The following chart shows a summary of the average prices per gallon of gasoline and diesel purchased in our West Texas operations for the three and six months ended March 31, 2023 June 30, 2023 and 2022. Refer to the Refined Products Volume - Gallons chart above for a summary of volumes impacting our West Texas operations.

### Operating Expenses

#### Q1 Q2 2023 vs. Q1 Q2 2022

Operating expenses for the wholesale marketing and terminalling segment increased decreased by \$0.1 million, \$1.0 million, or 1.7% 20.7%, in the three months ended March 31, 2023 second quarter of 2023 compared to the three second quarter of 2022, driven primarily by the following:

- decrease in outside service costs.

#### YTD 2023 vs. YTD 2022

Operating expenses for the wholesale marketing and terminalling segment decreased by \$0.9 million, or 9.9%, in the six months ended March 31, 2022 June 30, 2023 compared to the six months ended June 30, 2022, driven primarily by the following:

- decrease in allocated employee related costs.

### EBITDA

#### Q1 Q2 2023 vs. Q1 Q2 2022

EBITDA increased by \$9.2 million, or 48.8%, in the second quarter of 2023 compared to the second quarter of 2022, driven primarily by the following:

- Increase in terminalling throughputs and East Texas - Tyler refinery sales volumes;
- increase in gross margin per barrel associated with our West Texas operations; and
- partially offset by a decrease in volumes sold in our West Texas operations.

#### YTD 2023 vs. YTD 2022

EBITDA for the wholesale marketing and terminalling segment increased by \$1.2 million \$10.4 million, or 5.9% 26.3%, in the three six months ended March 31, 2023 June 30, 2023 compared to the three six months ended March 31, 2022 June 30, 2022.

- increase in gross margin per barrel associated with our West Texas operations; and
- partially offset by a decrease in volumes sold in our West Texas operations.

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## Management's Discussion and Analysis

### Storage and Transportation Segment

Our storage and transportation segment assets provide transportation and storage services to Delek Holdings and third parties. These assets include:

- El Dorado Rail Offloading Racks

- the El Dorado Tank Assets
- the Tyler Tank Assets and Tyler Crude Tank
- storage assets acquired in the Big Spring Logistics Assets Acquisition
- assets acquired in the Trucking Assets Acquisition
- Greenville Storage Facility

Additionally, we own or lease 264 tractors and 353 trailers used to haul primarily crude oil and other products for related and third parties.

The following tables and discussion present the results of operations and certain operating statistics of the storage and transportation segment for the three and six months ended March 31, 2023, June 30, 2023 and 2022:

		Storage and Transportation							
		Three Months Ended March 31, 2023		Three Months Ended June 30, 2023		Three Months Ended June 30, 2022		Six Months Ended June 30, 2022	
Net revenues	Net revenues	\$38,784	\$33,761	\$34,847	\$36,384	\$73,631	\$70,145		
Cost of materials and other	Cost of materials and other	\$18,604	\$18,328	\$17,333	\$17,233	\$35,937	\$35,561		
Operating expenses (excluding depreciation and amortization presented below)	Operating expenses (excluding depreciation and amortization presented below)	\$5,560	\$4,176	\$4,105	\$4,766	\$9,665	\$8,942		
Segment EBITDA	Segment EBITDA	\$13,422	\$11,108	\$14,978	\$14,529	\$28,400	\$25,637		

## Comparison of the three and six months ended March 31, 2023, June 30, 2023 compared to the three and six months ended March 31, 2022, June 30, 2022

### Net Revenues

#### Q1 Q2 2023 vs. Q1 Q2 2022

Net revenues for the storage and transportation segment decreased by \$1.5 million, or 4.2%, in the second quarter of 2023 compared to the second quarter of 2022, primarily driven by the following:

- Decrease in trucking revenue primarily as a result of lower production at Delek Holding's refineries; and
- partially offset by an increase in storage revenue primarily due to rate increases.

#### YTD 2023 vs. YTD 2022

Net revenues for the storage and transportation segment increased by \$5.0 million/\$3.5 million, or 14.9%/5.0%, in the three six months ended March 31, 2023/June 30, 2023 compared to the three six months ended March 31, 2022/June 30, 2022, driven primarily by the following:

- increase/increase in trucking/transportation/storage revenue primarily due to new third-party revenue streams, rate increases.

### Cost of Materials and Other

#### Q1 Q2 2023 vs. Q1 Q2 2022

Cost of materials and other for the storage and transportation segment increased by \$0.3 million, \$0.1 million, or 1.5%/0.6%, in the three months ended March 31, 2023/second quarter of 2023 compared to the three months ended March 31, 2022/second quarter of 2022.

### Operating Expenses

#### Q1 YTD 2023 vs. Q1 YTD 2022

Operating expenses/ Cost of materials and other for the storage and transportation segment increased by \$1.4 million/\$0.4 million, or 33.1%/1.1%, in the three six months ended March 31, 2023/June 30, 2023 compared to the three six months ended March 31, 2022, primarily driven by the following:

- increases in lease expense.

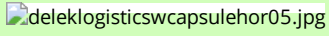
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## EBITDA

### Q1 2023 vs. Q1 2022

EBITDA increased by \$2.3 million, or 20.8%, in the three months ended March 31, 2023 compared to the three months ended March 31, 2022, primarily driven by the following:

- Additional third-party revenue streams from trucking transportation, June 30, 2022.
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Management's Discussion and Analysis

## Operating Expenses

### Q2 2023 vs. Q2 2022

Operating expenses for the storage and transportation segment decreased by \$0.7 million, or 13.9%, in the second quarter of 2023 compared to the second quarter of 2022, driven primarily by decrease in contract services.

### YTD 2023 vs. YTD 2022

Operating expenses for the storage and transportation segment increased by \$0.7 million, or 8.1%, in the six months ended June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by an increase in repairs and maintenance costs.

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## EBITDA

### Q2 2023 vs. Q2 2022

EBITDA increased by \$0.4 million, or 3.1%, in the second quarter of 2023 compared to the second quarter of 2022.

### YTD 2023 vs. YTD 2022

EBITDA increased by \$2.8 million, or 10.8%, in the six months ended June 30, 2023 compared to the six months ended June 30, 2022, primarily driven by increase in storage revenue primarily due to rate increases.

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Management's Discussion and Analysis

## Investments in Pipeline Joint Ventures Segment

The Investments in Pipeline Joint Ventures segment relates to strategic Joint Venture investments, accounted for as equity method investments, to support the Delek Holdings operations in terms of offering connection to takeaway pipelines, alternative crude supply sources and flow of high quality crude oil to the Delek Holdings refining system. As a result, Delek Holdings is a major shipper and customer on certain of the Joint Venture pipelines, with minimum volume commitment ("MVC") agreements, which cushion the Joint Venture entities during periods of low activity. The other Joint Venture owners are usually major shippers on the pipelines resulting in a majority of the revenue of the Joint Venture entities coming from MVC agreements with related entities.

Investments in pipeline joint ventures segment include the Partnership's joint ventures investments described in Note 8 to our accompanying condensed consolidated financial statements.

Refer to Consolidated Results of Operations above for details and discussion of the investments in pipeline joint ventures segment for the three and six months ended March 31, 2023 and June 30, 2023.

## Liquidity and Capital Resources

### Sources of Capital

We consider the following when assessing our liquidity and capital resources:

- (i) cash generated from operations;
- (ii) borrowings under our revolving credit facility;
- (iii) potential issuance of additional debt securities, equity;
- (iii) (iv) potential issuance of additional equity, debt securities; and
- (iv) (v) potential sale of assets.

At March 31, 2023, June 30, 2023, our total liquidity amounted to \$140.4 million, \$96.7 million, comprised of \$129.4 million, \$89.0 million in unused credit commitments under the DKL Credit Facility and \$11.0 million, \$7.7 million in cash and cash equivalents. We have the ability to increase the DKL Credit Facility to \$1.0 billion subject to receiving increased or new commitments from lenders and meeting certain requirements under the credit facility. Historically, we have generated adequate cash from operations to fund ongoing working capital requirements, pay quarterly cash distributions and operational capital expenditures, and we expect the same to continue in the foreseeable future. Other funding sources, including the issuance of additional debt securities, have been utilized to fund growth capital projects such as dropdowns and other acquisitions. In addition, we have historically been able to source funding at rates 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 rates that are sustainable and profitable for the Partnership. However, there can be no assurances regarding the availability of any future financings or additional credit facilities or whether such financings or additional credit facilities can be made available on terms that are acceptable to us.

We believe we have sufficient financial resources from the above sources to meet our funding requirements in the next 12 months, including working capital requirements, quarterly cash distributions and capital expenditures. Nevertheless, our ability to satisfy working capital requirements, to service our debt obligations, to fund planned capital expenditures, or to pay distributions 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 crude oil prices, some of which are beyond our control.

If market conditions were to change, for instance due to the uncertainty created by 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.

We continuously review our liquidity and capital resources. If market conditions were to change, for instance due to a significant decline in crude oil prices, and our revenue was reduced significantly or operating costs were to increase significantly, our cash flows and liquidity could be reduced. Additionally, it could cause the rating agencies to lower our credit ratings. There are no ratings triggers that would accelerate the maturity of any borrowings under our debt agreements. Such actions include seeking alternative financing solutions and enacting cost reduction measures. Refer to the Business Overview section of this MD&A for a complete discussion of the uncertainties identified by management and the actions taken to respond to these uncertainties.

We believe we were in compliance with the covenants in all our debt facilities as of March 31, 2023, June 30, 2023. See Note 6 to our condensed consolidated financial statements for a complete discussion of our third-party indebtedness.

### Cash Distributions

On April 28, 2023, July 26, 2023, the board of directors of our general partner declared a distribution of \$1.025, \$1.035 per common unit (the "Distribution"), which equates to approximately \$44.7 million, \$45.1 million per quarter, or approximately \$178.7 million, \$180.4 million per year, based on the number of common units outstanding as of May 8, 2023, August 7, 2023. The Distribution will be paid on May 15, 2023, August 14, 2023 to common unit holders of record on May 8, 2023, August 7, 2023 and represents a 4.6%, 5.1% increase over the first, second quarter 2023, 2022 distribution. We have set a distribution growth guidance of 5% for the full year 2023. This increase in the distribution is consistent with our intent to maintain an attractive distribution growth profile over the long term. Although our Partnership Agreement requires that we distribute all of our available cash each quarter, we do not otherwise have a legal obligation to distribute any particular amount per common unit.

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The table below summarizes the quarterly distributions related to the periods indicated; our quarterly financial results:

Quarter Ended	Total Quarterly Distribution Per Limited Partner Unit	Total Quarterly Distribution Per Limited Partner Unit, Annualized	Total Cash Distribution (in thousands)	Date of Distribution	Unitholders Record Date
March 31, 2022	\$0.980	\$3.92	\$42,604	May 12, 2022	May 5, 2022
June 30, 2022	\$0.985	\$3.94	\$42,832	August 11, 2022	August 4, 2022
September 30, 2022	\$0.990	\$3.96	\$43,057	November 10, 2022	November 4, 2022
December 31, 2022	\$1.020	\$4.08	\$44,440	February 9, 2023	February 2, 2023
March 31, 2023	\$1.025	\$4.10	\$44,664	May 15, 2023 <sup>(1)</sup>	May 8, 2023

(1) Expected date of distribution

Quarter Ended	Total Quarterly Distribution Per Limited Partner Unit	Total Cash Distribution (in thousands)
March 31, 2022	\$0.980	\$42,604
June 30, 2022	\$0.985	\$42,832
March 31, 2023	\$1.025	\$44,664
June 30, 2023	\$1.035	\$45,112

## Cash Flows

The following table sets forth a summary of our consolidated cash flows for the **three six** months ended **March 31, 2023** **June 30, 2023** and 2022 (in thousands):

	Three Months Ended March 31,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$ 29,190	\$ 47,920	\$ 63,802	\$ 133,057
Net cash used in investing activities	(26,979)	(12,476)	(54,893)	(659,327)
Net cash provided by (used in) financing activities	783	(37,010)		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ 2,994</b>	<b>\$ (1,566)</b>		
Net cash (used in) provided by financing activities			(9,164)	535,788
<b>Net (decrease) increase in cash and cash equivalents</b>			<b>\$ (255)</b>	<b>\$ 9,518</b>

### Operating Activities

Net cash provided by operating activities decreased by **\$18.7 million** **\$69.3 million** for the **three six** months ended **March 31, 2023** **June 30, 2023** compared to the **three six** months ended **March 31, 2022** **June 30, 2022**. The cash receipts from customer activities increased by **\$44.1 million** **\$13.7 million** and cash payments to suppliers and for allocations to Delek Holdings for salaries increased by **\$47.3 million** **\$49.2 million**. In addition, cash dividends received from equity method investments increased by **\$2.6 million** **\$3.3 million** and cash paid for debt interest increased by **\$18.1 million** **\$37.1 million**.

### Investing Activities

Net cash used in investing activities **increased** **decreased** by **\$14.5 million** **\$604.4 million** during the **three six** months ended **March 31, 2023** **June 30, 2023** compared to the **three six** months ended **March 31, 2022** **June 30, 2022**, primarily due to the Delaware Gathering Acquisition, effective June 1, 2022, which was partially financed through borrowings under the DKL Credit Facility amounting to \$621.8 million. **Purchases** There were no acquisitions during the six months ended June 30, 2023. In addition, there was a \$2.4 million decrease in purchases of intangibles. Such decrease was partially offset by purchases of property, plant and equipment increased \$17.2 million by \$19.9 million primarily associated with growth projects in our gathering and processing segment. Such increase was partially offset by \$1.8 million decrease in purchases of intangibles and \$0.9 million increase in distributions received from equity method investments.

### Financing Activities

Net cash provided by financing activities **increased** **decreased** by **\$37.8 million** **\$545.0 million** for the **three six** months ended **March 31, 2023** **June 30, 2023** compared to the **three six** months ended **March 31, 2022** **June 30, 2022**. This increase decrease was primarily driven by net borrowings under the revolving credit facility which **increased** **\$44.0 million**. **Partially offsetting this increase** **decreased** by \$532.4 million, primarily associated with financing of the Delaware Gathering Acquisition in the prior year. Also contributing to the decrease was an increase in net payments on the term loan of **\$3.8 million** **\$7.5 million** and a **\$2.0 million** **\$4.1 million** increase in cash distributions paid.

### Debt Overview

As of **March 31, 2023** **June 30, 2023**, we had total indebtedness of **\$1,716.9 million** **\$1,753.5 million**. The increase of **\$46.1 million** **\$83.2 million** in our long-term debt balance compared to the balance at December 31, 2022 resulted from the borrowings under the DKL Credit Facility during the **three six** months ended **March 31, 2023** **June 30, 2023**. As of **March 31, 2023** **June 30, 2023**, our total indebtedness consisted of:

- An aggregate principal amount of **\$770.6 million** **\$811.0 million** under the DKL Revolving Facility ("revolving credit facility"), due on October 13, 2027, with an average borrowing rate of 7.57%, which was amended and restated on October 13, 2022.
- An aggregate principal amount of **\$296.3 million** **\$292.5 million**, under the DKL Term Facility, due on October 13, 2024, with an average borrowing rate of 8.41%.
- An aggregate principal amount of \$250.0 million, under the 2025 Notes (6.75% senior notes), due in 2025, with an effective interest rate of **7.19%** **7.17%**.
- An aggregate principal amount of \$400.0 million, under the 2028 Notes (7.125% senior notes), due in 2028, with an effective interest rate of **7.40%** **7.39%**.

We believe we were in compliance with the covenants in all debt facilities as of **March 31, 2023** **June 30, 2023**. See Note 6 to our condensed consolidated financial statements for a complete discussion of our third-party indebtedness.

### Agreements Governing Certain Indebtedness of Delek Holdings

Delek Holdings' level of indebtedness, the terms of its borrowings and any future credit ratings could adversely affect our ability to grow our business, our ability to make cash distributions to our unitholders and our credit profile. Our current and future credit ratings may also be affected by Delek Holdings' level of indebtedness, financial performance and credit ratings.

### Capital Spending

A key component of our long-term strategy is our capital expenditure program, which includes strategic consideration and planning for the timing and extent of regulatory maintenance, sustaining maintenance, and growth capital projects. These categories are described below:

- Regulatory maintenance projects in the gathering and processing segment are those expenditures expected to be spent on certain of our pipelines to maintain their operational integrity pursuant to applicable environmental and other regulatory requirements. Regulatory projects in the wholesale marketing and terminalling segment relates to scheduled maintenance and improvements on our terminalling tanks and racks at certain of our terminals in order to maintain environmental and other regulatory compliance. These expenditures have historically been and will continue to be financed through cash generated from operations.
- Sustaining capital expenditures represent capitalizable expenditures for the addition or improvement to, or the replacement of, our capital assets, and for the acquisition of existing, or the construction or development of new, capital assets made to maintain our long-term operating income or operating capacity. Examples of sustaining capital expenditures are expenditures for the repair, refurbishment and replacement of pipelines, tanks and terminals, to maintain equipment reliability, integrity and safety and to maintain compliance with environmental laws and regulations. Delek Holdings has agreed to reimburse us with respect to certain assets it has transferred to us pursuant to the terms of the Omnibus Agreement (as defined in Note 4 to our accompanying consolidated financial statements). When not provided for under reimbursement agreements, such activities are generally funded by cash generated from operations.
- Growth projects include those projects that do not fall into one of the two categories above, and could include committed expansion projects under contracts with customers as well as other incremental growth projects, but are generally expected to produce incremental cash flows in accordance with our internal return on invested capital policy. Depending on the magnitude, funding for such projects may include cash generated from operations, borrowings under existing credit facilities, or issuances of additional debt or equity securities.

The following table summarizes our actual capital expenditures, including any material capital expenditure payments made or forecasted to be made in advance of receipt of goods and materials, for the three six months ended March 31, 2023 June 30, 2023 and planned capital expenditures for the full year 2023 by segment and by major category:

(in thousands)	(in thousands)	Full Year 2023 Forecast	Three Months Ended March 31, 2023	(in thousands)	Full Year 2023 Forecast	Six Months Ended June 30, 2023
<b>Gathering and Processing</b>						
Regulatory	Regulatory	\$ —	\$ —	Regulatory	\$ —	\$ —
Sustaining	Sustaining	—	—	Sustaining	—	—
Growth	Growth	64,075	32,789	Growth	59,975	51,666
<b>Gathering and Processing Segment Total</b>	<b>Gathering and Processing Segment Total</b>	<b>\$ 64,075</b>	<b>\$ 32,789</b>	<b>Gathering and Processing Segment Total</b>	<b>\$ 59,975</b>	<b>\$ 51,666</b>
<b>Wholesale Marketing and Terminalling</b>						
Regulatory	Regulatory	\$ 10,475	\$ 61	Regulatory	\$ 9,375	\$ 79
Sustaining	Sustaining	3,000	2,931	Sustaining	—	(925)
Growth	Growth	125	124	Growth	6,125	1,250
<b>Wholesale Marketing and Terminalling Segment Total</b>	<b>Wholesale Marketing and Terminalling Segment Total</b>	<b>\$ 13,600</b>	<b>\$ 3,116</b>	<b>Wholesale Marketing and Terminalling Segment Total</b>	<b>\$ 15,500</b>	<b>\$ 404</b>
<b>Storage and Transportation</b>						
Regulatory	Regulatory	\$ 2,625	\$ 24	Regulatory	\$ 3,600	\$ 1,148

Sustaining	Sustaining	1,000	172	Sustaining	2,200	2,263
Growth	Growth	—	—	Growth	—	—
<b>Storage and Transportation Segment Total</b>	<b>Storage and Transportation Segment Total</b>	<b>\$ 3,625</b>	<b>\$ 196</b>	<b>Storage and Transportation Segment Total</b>	<b>\$ 5,800</b>	<b>\$ 3,411</b>
<b>Total Capital Spending</b>	<b>Total Capital Spending</b>	<b>\$ 81,300</b>	<b>\$ 36,101</b>	<b>Total Capital Spending</b>	<b>\$ 81,275</b>	<b>\$ 55,481</b>

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. For example, we may experience increases in the cost of and/or timing to obtain necessary equipment required for our continued compliance with government regulations or to complete improvement projects. Additionally, the scope and cost of employee or contractor labor expense related to installation of that equipment could increase from our projections.

### Off-Balance Sheet Arrangements

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

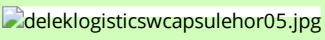
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Management's Discussion and Analysis

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Impact of Changing Prices

Our revenues and cash flows, as well as estimates of future cash flows, are sensitive to changes in commodity prices. Shifts in the cost of crude oil, natural gas, NGLs, refined products and ethanol and related selling prices of these products can generate changes in our operating margins.

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Management's Discussion and Analysis

### Interest Rate Risk

Debt that we incur under the DKL Credit Facility bears interest at floating rates and will expose us to interest rate risk. The outstanding floating rate borrowings totaled approximately **\$1,066.9 million** **\$1,103.5 million** as of **March 31, 2023** **June 30, 2023**. The annualized impact of a hypothetical one percent change in interest rates on our floating rate debt outstanding as of **March 31, 2023** **June 30, 2023** would be to change interest expense by approximately **\$10.7 million** **\$11.0 million**.

### Inflation

Inflationary factors, such as increases in the costs of our inputs, operating expenses, and interest rates may adversely affect our operating results. During the first **quarterly period** **in half of 2023**, our results of operations were negatively affected by higher natural gas costs, higher labor costs and supply chain disruptions, in part, by the uncertain economic environment, and macroeconomic and geopolitical events and trends. We expect these cost pressures and supply chain challenges to continue **into through** fiscal year 2023. In addition, current or future governmental policies may increase the risk of inflation, which could further increase costs and 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 do not increase in line with increases in costs.

## ITEM 4. CONTROLS AND PROCEDURES

### Evaluation of Disclosure 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 Principal 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 Principal 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 condensed consolidated financial statements as of March 31, 2023. As permitted by SEC guidance for newly acquired businesses, management's assessment of our 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 38.4% of the total assets

of the Partnership as of March 31, 2023 and approximately 18.2% of total revenues of the Partnership for the three months ended March 31, 2023. Other than our internal controls for 3 Bear, there 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 first second quarter of 2023 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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Other Information

## 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 10 to our accompanying condensed consolidated financial statements, which is incorporated by reference in this Item 1, for additional information.

### ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors identified in the Partnership's fiscal 2022 Annual Report on Form 10-K.

### ITEM 5. OTHER INFORMATION

#### None Rule 10b5-1 Trading Plans

During the quarter ended June 30, 2023, none of the Partnership's directors or officers (as defined in Rule 16a-1(f)) adopted or terminated any contract, instruction or written plan for the purchase or sale of Partnership any securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

### ITEM 6. EXHIBITS

Exhibit No.	Description
<a href="#">31.1</a>	# <a href="#">Certification of Delek Logistics GP, LLC's Principal Executive Officer pursuant to Rule 13a-14(a)/15(d)-14(a) under the Securities Exchange Act of 1934, as amended.</a>
<a href="#">31.2</a>	# <a href="#">Certification of Delek Logistics GP, LLC's Chief Financial Officer pursuant to Rule 13a-14(a)/15(d)-14(a) under the Securities Exchange Act of 1934, as amended.</a>
<a href="#">32.1</a>	<a href="#">Certification of Delek Logistics GP, LLC's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
	##
<a href="#">32.2</a>	## <a href="#">Certification of Delek Logistics GP, LLC'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.</a>
101	The following materials from Delek Logistics Partners, LP's Quarterly Report on Form 10-Q for the quarterly period ended <a href="#">March 31, 2023</a> <a href="#">June 30, 2023</a> , formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of <a href="#">March 31, 2023</a> <a href="#">June 30, 2023</a> and December 31, 2022 (Unaudited), (ii) Condensed Consolidated Statements of Income and Comprehensive Income for the three and six months ended <a href="#">March 31, 2023</a> <a href="#">June 30, 2023</a> and 2022 (Unaudited), (iii) Condensed Consolidated Statement of Partners' Equity (Deficit) for the three and six months ended <a href="#">March 31, 2023</a> <a href="#">June 30, 2023</a> and 2022 (Unaudited), (iv) Condensed Consolidated Statements of Cash Flows for the <a href="#">three six</a> months ended <a href="#">March 31, 2023</a> <a href="#">June 30, 2023</a> and 2022 (Unaudited), and (v) Notes to Condensed Consolidated Financial Statements (Unaudited).
104	The cover page from Delek Logistics Partners, LP's Quarterly Report on Form 10-Q for the quarter ended <a href="#">March 31, 2023</a> <a href="#">June 30, 2023</a> has been formatted in Inline XBRL.
#	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 Logistics Partners, LP

By: Delek Logistics GP, LLC  
Its General Partner

By: /s/ Avigal Soreq  
Avigal Soreq  
Director and President  
(Principal Executive Officer)

By: /s/ Reuven Spiegel  
Reuven Spiegel  
Director, 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: May 9, 2023 August 8, 2023

EXHIBIT 31.1

**Certification by Principal 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 Logistics Partners, LP;
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

(Principal Executive Officer) of Delek Logistics GP, LLC (the general partner of Delek Logistics Partners, LP)

Dated: **May 9, 2023** August 8, 2023

**EXHIBIT 31.2**

**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 Logistics Partners, LP;

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) of Delek Logistics GP, LLC (the  
general partner of Delek Logistics Partners, LP)

Dated: May 9, 2023 August 8, 2023

EXHIBIT 32.1

**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 Logistics Partners, LP (the "Partnership") on Form 10-Q for the quarterly period ended March 31, 2023 June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Avigal Soreq, President of Delek Logistics GP, LLC, the general partner of the Partnership, 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 Partnership.

By: /s/ Avigal Soreq  
Avigal Soreq,  
President  
(Principal Executive Officer) of Delek Logistics GP, LLC  
(the general partner of Delek Logistics Partners, LP)

Dated: May 9, 2023 August 8, 2023

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

EXHIBIT 32.2

**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 Logistics Partners, LP (the "Partnership") on Form 10-Q for quarterly period ended March 31, 2023 June 30, 2023, 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 Delek Logistics GP, LLC, the general partner of the Partnership, 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 Partnership.

By: /s/ Reuven Spiegel  
Reuven Spiegel,  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer) of Delek Logistics GP, LLC (the  
general partner of Delek Logistics Partners, LP)

Dated: May 9, 2023 August 8, 2023

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



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