

Convenience translation
In any case of inconsistency, the immediate report in Hebrew shall prevail

Discount Investment Corporation Ltd.

Immediate report dated September 21, 2020 - reference number: 2020-01-103293

Subject: Immediate Repayment of bonds (Series 14) of IDB Development; and an application for a procedural order by the trustee for the Bondholders (Series 9) of IDB Development

Further to what is stated in Section 3.2 of the Part A of the periodic report of Discount Investment Corporation for the year 2019 ("**The periodic report**") regarding the possible impacts of the state of IDB Development Corporation Ltd., a company that is controlled by the controlling shareholder in the Company ("**IDB Development**") on the Company and on its investee companies, and to what is stated in Section 20.17 of the periodic report in connection with the financial position of IDB Development as a risk factor for the Company, the Company updates that on September 21, 2020, the trustee for the bonds (Series 14) of IDB Development published an immediate report on the results of a meeting, pursuant to which a meeting of the holders of the bonds (Series 14) of IDB Development ("**IDB Development's bonds (Series 14)**") approved making the entire uncleared balance of IDB Development's bonds (Series 14) repayable immediately.

See Section 3.2 of the periodic report for details in connection with a lien on shares in the Company in support of the holders of IDB Development's bonds (Series 14). See Section 8.19.2.1, 9.5.1.12, 9.12 and 12 of the periodic report for additional details in connection with the impact of the covenants on a change of control in IDB Development on the Company's position, on its business and on the Company's and its investee companies' relationships with the holders of the bonds and their ancillary corporations, and this, inter alia, as a result of the provisions that are determined in Cellcom Israel Ltd.'s license as well as the existence of provisions in the Company's and its investee companies' credit agreements, opposite the holders of their bonds and opposite the banks and financial institutions that provide them with credit for calling immediate repayment in certain circumstances.

In addition, the Company updates that IDB Development has reported that a petition has been submitted in the District Court in Tel-Aviv-Jaffa ("**The Court**") by a creditor for the granting of an order for the opening of proceedings by the Trustee for the holders of the Company's Bonds (Series 9) ("**The petition**"). Within the framework of the petition, the Court was requested to grant an order for the opening of proceedings for the Company pursuant to Section 18 of the Insolvency and Economic Rehabilitation Law, 5778 – 2018 ("**The Law**"); to instruct the appointment of a trustee for the Company pursuant to Section 33 of the Law and to afford him the authorities that are determined in Sections 41 – 56 of the Law, whilst expropriating the authorities that are held by the Company's bodies pursuant to Section 43 of the Law, and also to give the trustee all of the other authorities that are required for the purpose of the execution of his role pursuant to the provisions of the Law; To give any just, appropriate and required remedy in the circumstances of the case pursuant to the Court's judgment. According to the IDB Development's report, a hearing on the Petition has been set for September 24, 2020.
