

Convenience translation

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

## **IDB Development Corporation Ltd,**

Immediate report dated July 16, 2020 - reference number: 2020-01-075912

### **Subject: Signature on a loan agreement with a guarantee from the State - Israir**

Further to what is stated in Note 3.C.4 to the financial statements of IDB Development Corporation Ltd. ("The Company") as of March 31, 2020, regarding the approval of the Ministry of Finance and the lending bank (as defined in that note) for making a loan available to Israir Aviation and Tourism Ltd. (a company that is wholly owned (indirectly) by the Company - "Israir"), under the terms that were set forth in the said note (i.e. – a loan with a guarantee from the State at a rate of 75%, bearing interest at a rate of Prime + 1.5% a year, for a period of 7 years, where there will be no repayments of principal in the first year and a half, the Company updates that on 15.7.2020, a loan agreement was signed between Israir and a banking corporation, pursuant to which a loan of NIS 75 million will be made available to Israir.

In addition, further to what is stated in the same note regarding Israir's approach to the Ministry of Finance for the purpose of increasing the amount of the loan, the Company updates that pursuant to an indication that Israir has received from the Ministry of Finance, it is taking action for the signing of an additional loan agreement with a guarantee from the State (at an additional rate) from an additional banking corporation, in an additional amount of NIS 65 million. The information that is presented above, regarding the possibility of the making available of the additional loan is forward looking information, in respect of which there is no certainty that it will be realized, and it is dependent upon various factors that are not under the Company's control.

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