

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

Discount Investment Corporation Ltd,

Immediate report dated October 5, 2020 - reference number: 2020-01-108009

Subject: Petition by the receivers in connection with the replacement of directors in the Company – preliminary response by the Company (request for clarification)

Further to the immediate report that was made by Discount Investment Corporation Ltd. ("**The Company**") on September 25, 2020, regarding the ruling that had been handed down by the District Court in Tel-Aviv-Jaffa ("**The Court**"), pursuant to which, inter alia, Attorneys Ra'anana Kalir and Alon Benyamini were appointed to the position of temporary receivers ("**The temporary receivers**") over shares in the Company that are charged in support of holders of the bonds (Series 14) of IDB Development Corporation Ltd. (which constitute approximately 70.2% of the Company's issued share capital: "**The shares that are charged**"), and also further to the Company's immediate report of October 1, 2020, regarding the Petition by the temporary receivers to the Court, for the replacement of directors in the Company ("**The petition**"),

The Company updates that on October 4, 2020, the Company submitted a preliminary response (request for clarification) to the Petition ("**The preliminary response**"). Within the framework of the preliminary response, the Company requested the Court's instruction/ clarification on the matter of the Ministry of Communications' approval (which is in connection with the Company's control over Cellcom Israel Ltd.) and it mentioned that in its opinion, it will not be possible to accept the receivers' claim that they have the authority to demand what is requested in the Petition, without a clarifying instruction from the Honorable Court on the subject of the significance of the appointment being subject to the approval of the Ministry of Communications.

The Company further mentioned that after the receipt of the Court's instruction/ clarification on the matter of the Ministry of Communications' approval, the Company's Board of Directors will convene once again in order to discuss what is requested by the temporary receivers and to make the appropriate decisions.
