

Convenience translation

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

Discount Investment Corporation Ltd,

Immediate report dated March 18, 2020 - reference number: 2020-01-026535

Subject: The Impact of the Spread of the Corona Virus

Discount Investment Company Ltd. (the "**Company**") reports that Company management systematically monitors the impact of the spread of the Corona virus (**CODVI-19, "Corona Virus"**), worldwide, including in Israel, its impact and effects on its operations (including the operations of the Company's investee companies).

In the short-term, stock markets and bonds are trading sharply downwards, and there is concern of a slowdown in global economic activity. Said can also affect consumption habits and scope in various sectors of the economy, and cause serious harm to them (such as in the telecommunications, commerce, services and real estate sectors - where the Company operates through its investees), which may affect, inter alia, roaming services of Cellcom Israel Ltd. (a subsidiary of the Company), for providing services to customers, service installations, operations, and maintenance, the supply of products and their prices. In addition, as part of the global response to the Coronavirus and attempts to curb its spread, many countries (following recommendations of health agencies and medical practitioners) are adopting a method of isolating individuals and even certain population groups that come under definitions that change dynamically. In addition, there is the possibility of reducing movements between borders, a significant decrease in air traffic, and a slowdown in maritime transport. These measures could also have a material impact on the availability of human resources and equipment for operations of the Company's investees, a shortage of the supply of raw materials, and building materials and could lead to a delay in operations schedules.

In addition, said consequences might have adverse effects on the liquidity of the Company and its investees, their financial condition, their credit ratings, their ability to distribute dividends, and their ability to raise capital for their operations, as required, as well as on their financing terms. More so, the continued financial crisis caused by the ongoing spread of the Coronavirus may also have an impact on the Company's compliance with financial terms and conditions that it is committed to under its Series J Debentures (which constitute grounds for adjustments in interest rates, only), in terms of net asset value and leverage.

The Coronavirus's potential for damage to growth and the global economy, the degradation of human resources availability and lack of equipment, depends on the degree of speed and ability to limit its spread throughout the world. At this point in time, the Company cannot estimate the duration and intensity of the crisis and its full impact, if any, on the operations of the Company, its investee companies, and results.

It should be noted, that the Company's estimates and hypotheses regarding the possible consequences of the continued spread of the Coronavirus constitute forward-looking information, based, inter alia, on the Company's evaluations and estimates as of the date of this report, which are based on publications in Israel and in the world on this issue, and on the relevant authorities' guidelines, and any realization of said is not certain and is not within the control of the Company or its investee companies. These assessments may not materialize or materialize materially different, inter alia, as changes in the spread of the virus and the guidelines of the relevant authorities in Israel and the world apply.
