

Convenience translation

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

**Discount Investment Corporation Ltd.**

Immediate report dated August 25, 2020 - reference number: 2020-01-094140

**Subject: Cellcom - Completion of Acquisition of Golan Telecom**

Further to that stated in Note 33.D to the financial statements of Discount Investment Corporation Ltd. (the "**Company**") for 2019, regarding the engagement of Cellcom Israel Ltd. ("**Cellcom**") with Golan Telecom Ltd. ("**Golan Telecom**") and Golan Telecom's shareholders, in a binding memorandum of understanding for the acquisition of the entire issued share capital of Golan Telecom (the "**Parties**" and the "**Transaction**") and Note 3.a.2.c to the financial statements of the Company as of 30.6.2020 regarding the approval by the Competition Authority and Ministry of Communications of the transaction, the Company hereby updates that Cellcom reported on August 26, 2020, that the parties completed the transaction based on the said memorandum of understanding (subject to certain modifications), for a total consideration of approximately NIS 545 million, and in addition an amount equal to the cash and cash equivalents of Golan Telecom as of the closing date of the transaction less financial liabilities, which were paid in full by Cellcom to Golan's Telecom Shareholders in cash.

In addition, Cellcom stated in its report, as previously reported by it, Golan's Mobile Network Operator license was replaced with an Mobile Virtual Network Operator license for an interim period, following the deposit of a bank guarantee by Golan Telecom with the Ministry of Communications, in the amount of approximately NIS 75 million, in respect of the demand of the Ministry of Communications that Golan will return certain monetary benefits previously received from the Ministry of Communications, which Golan Telecom disagrees with. Cellcom further stated in the report that the sellers will not be responsible for the results of the said dispute.

It is noted that the Company holds approximately 46.1% of Cellcom's issued share capital, and approximately 48.3% of its voting rights.

\*\*\*