

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

Discount Investment Corporation Ltd.

Immediate report dated October 7, 2020 - reference number: 2020-01-109155

Subject: Agreement Between IDB Development's Trustee and the Temporary Receivers

Further to the immediate report of Discount Investment Corporation Ltd. ("**The Company**") dated 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, temporary receivers were appointed ("**The temporary receivers**") over shares in the Company that are owned by Dolphin IL Investments Ltd. ("**Dolphin IL**"), which are charged in support of bondholders (Series 14) ("**Bondholders Series 14**") of IDB Development Corporation Ltd. (A company that was, until recently, a company controlled by the controlling shareholder in the Company – "**IDB Development**") (which constitute approximately 70.2% of the Company's issued share capital: "**The shares that are charged**"); of October 1, 2020, regarding the Petition by the temporary receivers to the Court, for the replacement of directors in the Company, of October 5, 2020, regarding a preliminary response (request for clarification), which the Company has submitted on this matter; and regarding petitions by the Trustee that has been appointed for IDB Development ("**The Trustee**"), to instruct, inter alia, his attachment to the temporary receivership processes (which was accepted); for the giving of instructions for the enforcement of specific liens and the appointment of receivers as well as the appointment of temporary receivers over the assets that are charged, which have been registered in support of IDB Development (as set forth in the Company's report of October 5, 2020).

The Company updates that on October 6, 2020, the Trustee and the Receivers submitted notification to the Court on an agreement between them and a petition for the ratification thereof, within the framework of which, the following agreements were included, inter alia: (1) The temporary receivers will be appointed as the permanent receivers of the shares that are charged; (2) the Trustee will be appointed as a temporary receiver and as a permanent receiver over 17,158,241 ordinary shares of the Company, which constitute approximately 12% of the issued share capital ("**The Trustee's shares**"); (3) the Trustee will withdraw his petition for his appointment as the receiver of the shares that are charged; (4) the Trustee agrees to the temporary receiver's petition for the replacement of directors in the Company subject to a change in the petition such that instead of CPA Ungar, the appointment of Ms. Osnat Hillel Fine will be requested (see the abovementioned report by the Company for addition details regarding this petition); (5) agreements on the matter of the process of an invitation to propose proposals for the acquisition of the shares that are charged (within 21 days from the time of the publication of the proposal; the temporary receivers will be entitled to defer that timing), which it will invite the proposers to also include a proposal for the acquisition of the Trustee's shares in their proposals, without this constituting a condition for the submission of a proposal for the acquisition of the shares that are charged, and also that the Trustee will be a partner in the process of the invitation to propose proposals.

In its decision of October 6, 2020, the Court gave the validity of a ruling to the abovementioned agreements, without detracting from possible claims by other respondents in relation to the following petitions: the Trustee's and the bondholders (Series 14)'s petitions for the enforcement of the liens; the trustee's petition for his appointment as temporary receiver over the Trustee's shares; and the receivers' petition for the replacement of directors in the Company. The trustee's petition for his appointment as an additional receiver over the shares that are charged was deleted as requested.
