

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: 2020-01-108336

Subject: Petitions by the Trustee for IDB Development from the Court

Further to the immediate report that were 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, temporary receivers ("**The temporary receivers**") were appointed over shares in the Company that are owned by Dolphin IL Investments Ltd. ("**Dolphin IL**") that are charged in support of holders of the bonds (Series 14) of IDB Development Corporation Ltd. (A company that was, until recently, under the control of 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**"); 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, to the Company's immediate report of October 5, 2020, regarding a preliminary response (request for clarification), which the Company has submitted on this matter; and further to the Company's immediate report of October 4, 2020 regarding a proposal that had been submitted by a private company, which is wholly owned by Dolphin IL to the Court, to enable it to purchase and the redeem the shares that are charged ("**The Dolphin Petition**") –

The Company updates that on October 4, 2020, the Trustee that had been appointed for IDB Development ("**The Trustee**") submitted an urgent petition to instruct his attachment to the temporary receivership proceedings and to set a time for the submission of his position on the petitions that have been submitted in the temporary receivership proceedings, and this before the Court makes a decision on the temporary receivers' petition to realize the shares that are charged and their petition for the replacement of directors in the Company, as well as Dolphin's petition. In accordance with a decision by the Court, the Trustee has been attached to the abovementioned proceedings.

The Trustee further submitted (inter alia) an urgent petition for the giving of instructions for the enforcement of specific liens and the appointment of a receiver, within the framework of which he requested that the Court give orders for the exercise of the liens that have been registered in support of IDB Development, as will be set forth below, and the Trustee also submitted an urgent petition for his appointment as temporary receiver over the following assets that are charged, which have been registered in support of IDB Development, which include: (1) the exercise of a first ranking lien on 17,158,241 regular shares in the Company, which constitute approximately 12% of its issued capital; (2) the exercise of a second ranking lien over the shares that are charged. Within the framework of the petitions that have been submitted by the Trustee to the Court, the Court has been requested to instruct further that the Trustee (also as temporary receiver) be afforded all of the authorities that are relevant to the matter of the realization of the assets that are charged, which includes, inter alia, acting as a shareholder in the Company.

See Note 3.A.2.(c) to the Company's financial statements as at December 31, 2019 for details regarding liens that have been registered on shares in the Company, at various rankings, within the framework of a transaction that was completed in November 2017, between IDB Development and Dolphin IL, within the framework of which IDB Development sold all of its holdings in shares in DIC to Dolphin IL.

In addition, the Company updates that on October 5, 2020, the Trustee for the Bonds (Series 15) of IDB Development submitted his response to Dolphin's Petition, in which he claimed that the Petition should be dismissed out of hand.
