

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

Discount Investment Corporation Ltd,

Immediate report dated January 13, 2020 - reference number: 2020-01-005190

Subject: PBC - Letter from the Ministry of Justice - Gav Yam

Further to that stated in Note 3.B to the financial statements of Discount Investment Corporation Ltd. (the "**Company**") as of September 30, 2019 (the "**Q3 Reports**"), regarding the implications of the Law to Promote Competition and Reduce Concentration, 5774-2013 (the "**Concentration Law**") on certain holdings of the Company, and regarding the sale of shares of Bayside Land Corporation Ltd. ("**Gav Yam**") by Property & Building Corporation Ltd. ("**PBC**"), the Company hereby reports that PBC reported that on January 12, 2019, it received a letter from the Ministry of Justice, in which it was stated that it was not convinced that the relevant set of circumstances indicates that PBC no longer holds control of Gav Yam. Therefore, the Ministry of Justice believes that PBC may be considered as breaching the provisions of section 21 of the Concentration Law, since it continues to control, in theory, an "other tier company" (as defined in the Concentration Law).

In the letter, it was noted that the Ministry of Justice is considering petitioning the court with a motion to appoint a trustee to sell PBC's holdings in Gav Yam, in accordance with section 22 of the Concentration Law, and PBC was invited to present its position prior to the drafting of the foregoing petition.

PBC clarified in its report that its position, as expressed in Note 3.A.2.J. to the Company's Q3 reports, according to which it no longer holds control of Gav Yam, remains unchanged, and that it intends to present and explain its foregoing position to all of the relevant entities as soon as possible.

It is noted that the Company holds approximately 68.8% of PBC.
