



16.06.2021

The Phoenix Holdings Ltd. ("the Company")

To	To
The Securities Authority	The Tel Aviv Stock Exchange Ltd.
www.isa.gov.il	www.tase.co.il

Re: Acquisition of Control of Gama Management and Clearing Ltd. as Part of a Prospectus for Completion of a Sale Offer and Initial Public Offering of Shares - Immediate Report

The Company is hereby announce that on June 16, 2021, Gama Management and Clearing Ltd. (hereinafter "**Gama**") issued a supplementary notice, following the Prospectus for completion of a sale Offer and initial public offering of shares (hereinafter "the **Offer**"), and listing of Gama shares on the TASE, which was published by Gama on May 31, 2021 (The Prospectus together with the supplementary notice will be hereinafter referred to as "the **Prospectus**").

As of the date of this report and prior to the execution of the Offer according to the Prospectus, the Company holds, indirectly, through The Phoenix Investments and Finance Ltd. (hereinafter "**The Phoenix Investments**"), at a rate of 49% of Gama's issued and paid-up capital.

In accordance with the Prospectus, a public sale offer will be made by the shareholders in Gama, who are not The Phoenix Investments (hereinafter "the **Selling Shareholders**"), in the amount of approximately 19.9% of Gama's issued capital, after the Offer, in exchange for a total amount of approximately NIS 153 million, and in addition, shares will be issued to the public by Gama in the amount of approximately 6.5% of Gama's issued capital, after the Offer, in exchange for a total amount of approximately 50 million NIS. At the same time as the Offer is made according to the Prospectus, The Phoenix Investments will acquire additional shares in Gama (hereinafter the "**Acquired Shares**"), from the Selling Shareholders, and thus, after the Offer and the acquisition of the Acquired Shares, The Phoenix Investments will hold approximately 61.6% of Gama's issued and paid-up capital and voting rights therein (approximately 60% in full dilution) and will become the controlling shareholder in Gama.

In exchange for the Acquired Shares, The Phoenix Investments will pay a total of approximately NIS 124 million. Following the execution of the Offer and the acquisition of the Acquired Shares, the Company is expected to have a one-time profit of approximately NIS 230 million (after tax), as a result of becoming the controlling shareholder in Gama.



The completion of the Offer, the acquisition of the Acquired Shares by The Phoenix Investments and the listing of Gama shares for trading on the TASE, is expected to take place in the coming days.

It should also be noted, that on the date of the Offer, an amendment to the loan agreement made by The Phoenix Investments to Gama, in the amount of a principal of NIS 50 million, will come into force. Prior to the amendment of the agreement, the repayment of the loan principal was subject to the repayment of all Gama's liabilities in respect of loans provided to it by financing bodies. The amendment to the agreement stipulates that the loan will be subordinated to Gama's liabilities to the financing bodies, but that the loan principal will be repaid in 6 equal annual installments, with the first installment to be made in October 2022, provided that prior to the repayment at the expense of the loan principal, there will be no impediment in terms of the financing bodies under the terms of the subordination letter to the repayment at the expense of the loan principal.

Respectfully,

The Phoenix Holdings Ltd.
c/o Attorney Meni Neeman, Legal Counsel
and Secretary of the Company