



December 12, 2021

**The Phoenix Holdings Ltd. ("The Company")**

<b>To</b> <b>The Securities Authority</b> <a href="http://www.isa.gov.il">www.isa.gov.il</a>	<b>To</b> <b>The Tel Aviv Stock Exchange Ltd.</b> <a href="http://www.tase.co.il">www.tase.co.il</a>
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Dear Madam/Sir,

**Re: Notice of Conditional Full Early Redemption of the Company's Bonds (Series 3) and Issuance Examination of New Series of Bonds**

The Company is hereby announcing about the Company's BOD decision dated December 9, 2021, regarding the full conditional early redemption of the Company's Bonds (Series 3), initiated by the Company, in the total amount of NIS 283,770,005 (reflecting a payment of 1.04254 NIS in respect of each NIS 1 par value of the Company's Bonds (Series 3)), to be executed on January 4<sup>th</sup> 2022 ("**Early Redemption Amount**", "**Early Redemption Day**" and "**Early Redemption**", respectively), after and subject to the completion of the public offering (as the term is defined below) which the Company is examining, and all as detailed below:

**1. Condition precedent for the execution of the early redemption:**

- 1.1. The Early Redemption is conditional and is subject to the completion of a raising of debt (prior to the Early Redemption Day) which the Company is considering, by publishing a shelf bidding report, according to which the public will be offered, in a uniform offer, new series of bonds, which will be listed for trading on the Tel Aviv Stock Exchange Ltd., by virtue of the shelf prospectus<sup>1</sup> ("TASE", "The New Bonds", "The Condition Precedent" and "The Public Offering", respectively).
- 1.2. The deed of trust draft for the New Bonds as well as the summary of stipulations in the issuance was attached to the Hebrew Immediate Report ("The First Draft").<sup>2</sup> It shall be clarified that the First Draft constitutes only a draft, and it may change, even substantially, and the binding wording of the deed of trust for the New Bonds will be the wording to be attached to the shelf offering report (insofar as it is published). It shall also be clarified that the deed of trust for the New Bonds (insofar as it is signed) will enter into force only with, and subject to the issuance of the New Bonds (insofar as they are issued).

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<sup>1</sup> The Company's shelf prospectus published on August 15, 2019, dated August 16, 2019 (Reference No.: 2019-01-070590) (This information constitutes inclusion by way of reference), which was extended until August 15, 2022, under a permit from the Securities Authority (See the Company's Immediate Report published on August 8, 2021 (Reference No: 2021-01-062545) (This information constitutes inclusion by way of reference) ("**Shelf Prospectus**")).

<sup>2</sup> In case you would like to receive an English version of the full and final Deed of Trust draft that will be published by the Company in the near future please contact: [IR@fnx.co.il](mailto:IR@fnx.co.il).



It shall be emphasized that as of the date of this Immediate Report, the date of the Public Offering, the scope and terms of the New Bonds that will be offered to the public (if and insofar as they are offered), have not yet been fully determined, and what is stated in this Immediate Report does not impose any obligation on the part of the Company to act to offer the said New Bonds. It shall also be clarified that the publication of the shelf offering report is subject to all approvals required by law, including approval from the Company's BOD (including in relation with the terms and structure of the Public Offering and including in relation with the publication of the shelf offering report), approval of the TASE for listing the New Bonds for trading and approval of a rating of the New Bonds, and the publication of a shelf offering report. Accordingly, there is no certainty that the Public Offering will be realized.

**Nothing in this Immediate Report constitutes a public offering or an invitation to purchase securities of the Company and any such offer, insofar as it is made, shall be specified in the framework of a shelf offering report to be published by the Company, insofar as it is published.**

**2. Details regarding the early redemption**

2.1. In accordance with the provisions of section 6.2 of the Company's Bonds (Series 3), which was attached to the Company's shelf offering report, published on January 22, 2018 (Reference No.: 2018-01-007317) (This information constitutes inclusion by way of reference) ("**Deed of trust for Bonds (Series 3)**"), the Company may make early (full or partial) redemption of the Company's Bonds (Series 3).

The Early Redemption amount is determined in accordance with alternative No. 3 in section 6.2.9 of the Deed of trust for Bonds (Series 3), which is the highest alternative among the alternatives in the said section, that is - the market value of the Bonds (Series 3) balance which been determined according to the average closing price of the bonds on the 30 trading days before the BOD decision to do the Early Redemption.

**2.2. Below are details regarding the Early Redemption Amount:**

The balance of Bonds (Series 3) fund of the Company in turnover, which is due for Early Redemption	NIS 272,191,000 par value
Interest rate for the period from the date of payment of the previous interest (July 31, 2021) until the date of Early Redemption	0.95%
The amount of interest to be paid on the early Redemption Day	NIS 2,599,163
Additional payment for Early Redemption	NIS 8,979,842
<b>Early Redemption amount<sup>3</sup></b>	<b>NIS 283,770,005</b>

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<sup>3</sup> As of the date of this Immediate Report, the interest and the additional interest for the Early Redemption is calculated in respect of the outstanding balance of the Company's Bonds (Series 3), reflect a rate of 4.2540%.

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**The Hebrew immediate report which was published on December 9,2021 is the binding report-**



- 2.3. Withholding tax will be lawfully deducted from the Early Redemption Amount by the members of the TASE
- 2.4. Payment of the Early Redemption will be made to the holders of the Company's Bonds (Series 3), who will be registered in the Register of the Company's Bonds' Holders on the Early Redemption Day will be against the delivery of the Company's Bonds (Series 3) certificate.
- 2.5. Upon making the Early Redemption, the Company's full liabilities to the holders of the Company's Bonds (Series 3) will end, the Company's Bonds (Series 3) will be delisted from trading on the TASE, and the holders of the Company's Bonds (Series 3) will not be entitled to any payment from the Company.

**It is hereby clarified that insofar as the condition precedent is not met, the full conditional Early Redemption of the Company's Bonds (Series 3) will not be made in accordance with this notice.**

Respectfully,

**The Phoenix Holdings Ltd.**

c/o Attorney Menachem Neeman, Chief Legal Counsel and Secretary of the Company  
and Eli Schwartz, Chief Financial Officer