



“Bezeq” The Israel Telecommunication Corp Limited
(“The Company”)

August 23, 2021

Attn.

Israel Securities Authority

Attn.

The Tel-Aviv Stock Exchange Ltd

Dear Sir/Madam

Supplementary Immediate Report
Settlement Agreement in Class Action against Pelephone

Further to the Company's supplementary immediate report dated July 4, 2017, and the description in section 3.16.1(A) of the chapter on Description of the Corporation's Business in the Company's periodic report for 2020 with regard to a claim and motion to certify as a class action filed against its subsidiary, Pelephone Communications Ltd. (“**Pelephone**”), in which it was alleged that Pelephone unlawfully collected VAT from customers who consume cellular services during their stay outside of Israel, an additional supplementary immediate report is hereby issued.

On August 22, 2021, the Company received notice from Pelephone with regard to a ruling that was handed confirming a settlement arrangement between Pelephone, the Applicants and the State, under which Pelephone will be required to pay an amount of NIS 300,000 (with the addition of VAT) for partial expenses involved in executing the settlement arrangement, and will not bear any additional expenses.

Yours sincerely,

“Bezeq” The Israel Telecommunication Corp Limited

The above information constitutes a translation of the Immediate Report published by the Company. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law, and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only.