



**Bezeq – The Israel Telecommunication Corp. Ltd.
("Company")**

February 7, 2021

The Israel Securities Authority

The Tel Aviv Stock Exchange

**Immediate Supplementary Report – External Investigator's Findings Regarding Unexplained
Asset Balances in the Books of Bezeq International**

Further to the Company's immediate supplementary reports of November 18, 2020 and November 30, 2020, and to Chapter 2 of the Board of Directors Report in the Company's quarterly report for the third quarter of 2020 ("**Q3 2020 Report**"), in which the Company reported, *inter alia*, the board of directors' decision to appoint an independent external investigator to examine unexplained net balances in the books of the subsidiary Bezeq International Ltd. ("**Bezeq International**"), the Company hereby reports that on February 4, 2020, the investigating team of Fahn Kanne & Co., headed by Mickey Blumenthal, CPA ("**External Investigator**"), presented the findings of its investigation report ("**Investigation Report**") to the Company's board of directors.

The Investigation Report does not contain new findings beyond the information provided by the Company in the Q3 2020 Report regarding the discrepancies that were found between the assets and liabilities recorded in the books of Bezeq International and the actual assets and liabilities, or regarding the effects of those discrepancies on Bezeq International's financial results as presented in the Company's financial statements as of September 30, 2020 and in its restated financial statements as of December 31, 2019 and September 30, 2019.

Following a discussion of the Investigation Report's findings and conclusions, both the Company's board of directors and Bezeq International's board of directors decided to adopt the report's findings and to implement its recommendations, as part of the correction plan that Bezeq International's management began carrying out immediately upon learning of the discrepancies.

Bezeq International's board of directors also decided to act within the law to terminate the employment of several employees in its finance department (who are not company officers) who were involved in the events under investigation. It should be noted that the Investigation Report states that the investigation findings and the audit conducted by the External Investigator do not indicate any suspicion of embezzlement during the investigation period.

In addition, the Company's board of directors decided to authorize its Audit Committee to continue deliberating on the Investigation Report's findings and recommendations, as well as to monitor implementation of the recommendations, consider the implications for the topics of audit and control, and examine the need to draw further conclusions and take additional steps.



Sincerely,

Bezeq – The Israel Telecommunication Corp. Ltd.

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.