



## Bezeq the Israeli Telecommunication Corp. Ltd. ("the Company")

January 17, 2021

The Israeli Securities Authority

The Tel Aviv Stock Exchange

### Re: Second supplementary immediate report – Consolidated Motion to Certify a Class Action Lawsuit

Further to the Company's immediate report dated November 13, 2020 concerning a motion for approval of a class action lawsuit, which pertains to the balance of assets in the books of the subsidiary, Bezeq International Ltd. ("**the Original Motion**"), and a supplementary report to the aforementioned report dated January 14, 2021 regarding the cancellation of the Original Motion in view of filing of a consolidated motion in the same matter ("**the Consolidated Motion**"), an additional supplementary report is hereby provided that on January 17, 2021 the Company received the Consolidated Motion that was filed with the Tel Aviv District Court on January 12, 2021.

The Consolidated Motion was filed by two private individuals ("**the Applicants**"), both claiming to hold Company shares, one of whom also holds shares of the controlling shareholder of the Company, B Communications Ltd. ("**B-Com**"). It was filed against the Company, B-Com and 90 additional respondents, including past and present officers of the Company, B-Com and the Company's subsidiary, Bezeq International Ltd. ("**Bezeq International**") as well as the independent auditing firm ("**the Respondents**").

The Consolidated Motion concerns alleged damages caused to the Applicants and the members of represented groups (as set forth below), as a result of acts and omissions committed by the Respondents, who violated provisions of the law, *inter alia* because the Company and B-Com included misleading details in their reports, and the Respondents failed to disclose to investors material information which, allegedly, they were required to disclose in accordance with the provisions of the law, in connection with a report made by the Company and B-Com dated November 9, 2020 concerning discrepancies amounting to hundreds of millions of shekels in the books of Bezeq International.

The definition of class members under the motion is as follows:

- A. Anyone who purchased Company shares from March 9, 2003 (the date of publication of the annual report for 2002) until November 9, 2020, and held them on November 9, 2020, except for the Respondents or anyone on their behalf.
- B. Anyone who purchased B-Com shares on the Tel Aviv Stock Exchange from October 25, 2009 until November 9, 2020, except for the Respondents or anyone on their behalf.



According to the economic opinion attached to the motion, following the immediate report dated November 9, 2020, which was published by the Company and B-Com, the Company's share price fell by 5.26%-5.40% (it is noted that the motion further claimed that according to an additional opinion attached thereto, the damage to the Company's shareholders, exceeds the decline in the value of the shares, and is at a rate of 7%), and B-Com's share price fell by 9.07%-9.36%. Accordingly, it was claimed that the damage caused to the Applicants is the sum of multiplying the number of shares held by the members of the said groups by the rate of decline in the shares of the Company and B-Com.

The Company is studying the motion and at this stage is unable to estimate the chances of the lawsuit.

Sincerely,

Bezeq the Israeli 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.*