



Bezeq - The Israel Telecommunications Corp. Ltd.

(the "Company")

February 1, 2024

Attn.
Israel Securities Authority
The Tel Aviv Stock Exchange Ltd.

Re: **Immediate Report — Signing a settlement for a conditional stay of proceedings**

1. Further to the Company's immediate report of December 23, 2020, among other things, regarding the notice of the Prosecutor's Office that is was considering prosecuting the Company and holding a hearing on suspicions of bribery (an offense under Section 291 of the Penal Code, 1977 (the "Penal Code") together with Section 23 of the Penal Law, and reporting with intent to mislead a reasonable investor (an offense under Section 53(A)(4) of the Israel Securities Law, 1968 (the "Israel Securities Law") together with Section 23 of the Penal Law, and further to the update in section 1.1.5.2 of the Description of the Company's Periodic Report for 2022, regarding a hearing on the subject, an immediate report is hereby issued that on February 1, 2024, the State of Israel (through the Tel Aviv District Attorney (Taxation and Economy) and the Company signed a settlement for a conditional stay of proceedings in accordance with Article B of Chapter I(1) of the Israel Securities Law (the "Settlement").
2. In accordance with the Settlement, the State of Israel will not file an indictment in the case of the Company for any of the suspicions investigated in the case, provided that the suspect fulfills its obligations under the Settlement, as follows: (1) payment of an amount of NIS 800,000; (2) refraining from any statement that knowingly does not conform with or contradicts the Settlement and the facts admitted by the Company under the Settlement.

As part of the Settlement, the State of Israel also informed the Company that it decided to close the investigation in the case of Walla! Communications Ltd. ("Walla"), which was fully owned by Bezeq at the times relevant to the suspicions.

3. In the Settlement, the Company admitted the facts set out therein, as follows:
 - 3.1. In the relevant period, between 2012 and 2016, Shaul Elovitch ("Elovitch") was the controlling shareholder of Bezeq Group. Walla, which, in the relevant period, was a wholly-owned subsidiary of the Company, managed the Walla! News website.



- 3.2. Elovitch and other Bezeq representatives worked with Director General of the Ministry of Communications Shlomo Filber to advance the cancellation of the structural separation in Bezeq Group.
 - 3.3. On December 22, 2016, Shlomo Filber ("Filber") sent the Company a letter regarding cancellation of the structural separation obligation in Bezeq Group, which he drew up in coordination with Bezeq representatives, with the knowledge of Elovitch and the Company's CEO at the time, Stella Handler ("Handler"). The letter included the misleading information, according to which the obligation to hold a hearing before cancellation of the corporate separation in Bezeq was omitted, and a misleading representation was presented, according to which both the cancellation of the corporate separation and the cancellation of the structural separation are at an advanced stage and have a higher feasibility than actually exists.
 - 3.4. On December 23, 2016, the Company issued an immediate report on the submission of the letter and its contents. This report included the misleading information in the letter of the Ministry of Communications. Elovitch and Handler were aware that the letter from the Communications Ministry contained the misleading information and that it would be reported to the public. The following day, the Ministry of Communications published a clarification that the corporate separation will be cancelled after a hearing, and consequently, the Company issued a report clarifying this part of the previous report.
4. It should be noted that it arises from the Settlement that the suspicions against the Company are due to the acts and/or omissions of Elovitch and Handler, who were involved in the acts described in the Settlement and who no longer serve in the Company.

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.

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