



Bezeq - The Israel Telecommunications Corp. Ltd.

(the "Company")

December 6, 2022

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

Dear Madam/Sir,

Immediate Report – Renewal of the Collective Agreements at Pelephone and Bezeq International

Further to sections 1.1.5, 3.9.4, 3.9.5, and 4.8 of the chapter Description of Company Operations in the Company's Periodic Report for 2021, regarding the subsidiaries Pelephone Communications Ltd. ("Pelephone") and Bezeq International Ltd. ("Bezeq International") and the updates to these sections in the Company's financial reports for the third quarter of 2022 dated November 16, 2022, and further to the Company's Supplementary Immediate Report dated November 13, 2022 regarding the voluntary retirement plan at Bezeq International, the Company reports that on December 6, 2022, Pelephone and Bezeq International signed, separately, the renewal of the existing collective agreements between them and the Histadrut New Federation of Labor and the employees' representatives for the period from December 6, 2022 to December 31, 2025 (the "Agreements" and the "Agreement Period", respectively).

The Agreements include salary increases and bonuses, improved fringe benefits, and the cancellation of the labor disputes announced by the Histadrut New Federation of Labor and the employees' representatives, while maintaining industrial peace during the Agreement Period regarding the issues therein.

Over the Agreement Period, the total estimated additional cost of the agreement at Bezeq International, over and above the estimated cost of voluntary retirement of NIS 70 million (as reported on November 13, 2022), amounts to NIS 28 million.

The total estimated cost of the agreement at Pelephone, including the voluntary retirement of employees whose retirement has been approved, amounts to NIS 71 million.

After signing the renewal of the Agreements as set out above, Pelephone and Bezeq International are expected to record one-time expenses amounting to NIS 30 million and NIS 69 million, respectively, in the fourth quarter of 2022. These expenses include expenses for employee retirement and for a one-time signing bonus.

Pelephone and Bezeq International believe that the estimated cost of the agreement for each of them is forward-looking information, as defined in the Israel Securities Law, 1968, based, among other things, on their assumptions regarding how and to what extent the retirement plan will be implemented and other terms and conditions set out in the Agreements. These



estimates may not materialize, or may materialize in a way that is different than expected, depending, among other things, on how and to what extent the agreements and the retirement plan will be implemented, taking into account the needs of Pelephone and Bezeq International and their ability to implement their plans and fulfill the additional terms and conditions set out in the Agreements.

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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