



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

June 27, 2021

Attn.

Israel Securities Authority

Attn.

The Tel-Aviv Stock Exchange Ltd

Dear Sir/Madam,

**Immediate Report**

**“Sakia” - Filing of Claim by the Company against the Israel Lands Authority**

Further to section 2.7.4.4 of the chapter containing a description of the Company's business operations in the Company's 2020 periodic report concerning the Sakia property and the Company's immediate reports dated May 22, 2018 concerning a demand for payment of permit fees of NIS 148 million plus VAT from the Israel Lands Authority for the plan for betterment of the property, and dated August 6, 2018 concerning the demand for the payment of a betterment levy of NIS 143.5 million from the Or Yehuda Local Planning & Building Committee for realization of the property through sale, an immediate report is hereby provided.

On June 27, 2021 the Company filed at the Tel-Aviv District Court a claim against the Israel Lands Authority to return all the money paid as permit fees and betterment levy in the overall amount of NIS 217 million to the Israel Lands Authority and to receive declarative relief whereby the Israel Lands Authority must pay the Company every amount that will be decided, if decided, from a bank guarantee of NIS 75 million that the Company provided to the Or Yehuda Local Planning & Building Committee to guarantee the balance of the betterment levy. In the claim, the Company argues that it is not liable for a payment of permit fees and betterment levy since in accordance with the provisions of the compromise agreement signed between the Company and the Israel Lands Authority and the State of Israel, it was entitled to receive the lease contract in respect of the Sakia property after it had undergone appreciation according to the plan and without payment to the Israel Lands Authority, and that liability for payment of the betterment levy for the plan, in accordance with the provisions of the compromise agreement, falls to the Israel Lands Authority.

There is no change in the Company's estimates in this matter as stated in its financial statements.

Yours sincerely,

“Bezeq” The Israel Telecommunication Corp Limited