



## **Immediate Report**

### **S&P Global Ratings Maalot Affirms iAA- Credit Rating for Bezeq; Raises Outlook to Stable Due to Expected Stability in Coverage Ratios**

**Tel Aviv, Israel – May 4, 2020** – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ), announced today that the Israeli credit rating agency, S&P Global Ratings Maalot ("S&P"), affirmed its credit rating of iAA- for Bezeq and raised its outlook from negative to stable.

The rating reflects S&P's recognition that the expected economic recession following the outbreak of the coronavirus (COVID-19) and the continued competitive Israeli telecommunications market environment will result in the ongoing decrease in the Company's operating data, revenues and EBITDA.

However, S&P believes that the Company's actions taken to reduce its financial debt and increase financial flexibility will have a significant positive impact during this period.

The stable rating outlook reflects S&P's assessment that in the next 12 months, Bezeq will maintain its competitive position in the Israeli telecommunications market, with lower operational performance and profitability but which are appropriate to the current rating. In addition, the Company is expected to maintain adequate liquidity and coverage ratios that are appropriate to the current rating, despite the expected erosion of operating data and cash flows.

*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.*