



Immediate Report

Letter from the Ministry of Communications to Pelephone regarding the 850 MHz Band Frequencies

Tel Aviv, Israel – February 6, 2020 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ) (the “Company”) provides an update today further to section 3.8.2.4 of the Chapter on the Description of the Company's Operations in the 2018 Periodic Report regarding discussions between the subsidiary company, Pelephone Communications Ltd. (“Pelephone”) and the Israeli Ministry of Communications (“MOC”).

Pelephone has informed the Company that it has received a letter from the MOC announcing the MOC's intention to implement an outline for the replacement of the 850 MHz frequencies used by Pelephone. According to the MOC's position, this outline is required in light of the electromagnetic interference caused to neighboring countries due to the failure to adjust the allocation of cellular frequencies in Israel to the frequency band according to European standards and the region in which the State of Israel is located. The key highlights of the outline are as follows:

1. Pelephone will receive frequencies in the 800 MHz band in place of the 850 MHz frequencies.
2. In the first phase, and for the treatment of the above interruptions, the amount of 850 MHz frequencies used by Pelephone will be reduced to 5MHz (instead of the current 10 MHz) as of May 31, 2020.

Reducing the amount of 850 MHz frequencies as mentioned may cause damage to the service provided by Pelephone and, at this stage, Pelephone is unable to estimate the extent of the damage. Pelephone is examining the issue and preparing to minimize the damage, if such will be caused.

Pelephone has been requested to submit to the MOC its views regarding a number of issues by February 20, 2020.

Pelephone's assessments, as described above, are forward-looking information, within the meaning of that term under the Israeli Securities Law, 5728-1968. These assessments may not materialize, materialize partially or materialize in a manner significantly different from the foregoing assessments, depending, *inter alia*, on the actual application of the outline and on the condition of Pelephone's network.

Bezeq The Israel Telecommunication Corporation 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.