



Bezeq – The Israel Telecommunication Corp. Ltd.
("Company")

August 13, 2020

Attn:
The Israel Securities Authority

Attn:
The Tel Aviv Stock Exchange

Immediate Report – Pelephone Awarded Frequencies in the 5G Tender

Further to the Company's immediate report of July 15, 2019 regarding publication of a tender by the Ministry of Communications to allocate additional frequency ranges, including 5G frequencies, and further to the description in sections 3.8.2 and 3.18.5 of the chapter titled "Description of the Company's Business" in the Company's periodic report for 2019, an immediate report is hereby issued, stating that in the evening of August 12, 2020, the Company's offices received notice from its subsidiary, Pelephone Communications Ltd. (hereinafter "**Pelephone**"), that it was notified by the Tenders Committee to the effect that it had been awarded a cluster of frequencies pursuant to its participation in Tender 2019/015 for mobile radio telephone services in advanced bandwidths ("**the Tender**"), as follows:

1. It was awarded 10 Mega in the 700 MHz range (for a period of 15 years); 20 Mega in the 2600 MHz range (for a period of 10 years); and 100 Mega in the 3500 MHz range (for a period of 10 years). The period of the license does not change by virtue of the Tender, and will be renewable under the terms of the license (hereinafter: "**Allocation of the Frequencies**"). It is noted that the frequencies awarded to Pelephone are for the exclusive use of the Pelephone network, which will give the Pelephone network a competitive edge. It is also noted that companies that do not own existing networks were not awarded frequencies.
2. The awarding of the Allocation of the Frequencies to Pelephone incurs a total cost of NIS 88,230,000, with the date of payment defined in advance as September 2022. In this context, it is noted that in the framework of the Tender it was also established that incentives may be received, as specified in the Company's previous reports mentioned above, including receipt of a conditional grant in respect of deployment of 5G sites on the basis of the conditions specified in the Tender, the amount of which, for all Tender awardees, can reach a sum total of NIS 200 million.

Receipt of a new license based on the award result is subject to the approval of the Minister of Communications as set out in the terms of the Tender.

The aforesaid Allocation of the Frequencies will facilitate support for growth in 4G Internet volume and offering of 5G services in the future at much higher Internet speeds than current speeds, which in turn, will enable expansion of the range of advanced uses of the cellular network, such as smart cities, IOT services, mission-critical, low-latency services, private networks, etc., and all this in order to provide a competitive solution in the market, which will incur ongoing investments.

Sincerely,

Bezeq – The Israel Telecommunication Corp. 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.