



Supplementary Immediate Report

Legal Structural Change of Bezeq Group - Partnerships of Subsidiaries

Tel Aviv, Israel – January 29, 2020 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ) provides an update today further to the Company's Immediate Report dated February 14, 2019 and further to section 1.1.4 of the Chapter on the Description of the Company's Operations in the 2018 Periodic Report and the update to this section in the Company's Q3 2019 Periodic Report, concerning the application of each of the subsidiaries, Pelephone Communications Ltd, Bezeq International Ltd and DBS Satellite Services (1998) Ltd ("the Subsidiaries") to receive approval from the Ministry of Communications for a change in the corporate structure whereby the entire operations and assets of each of the Subsidiaries would be transferred to a separate limited partnership wholly owned by the Company ("the Application").

The Company received a letter from the Ministry of Communications that at this time it was not possible to approve the Application. This was for the following reasons, among others, that the Company believes are mistaken:

There is no room to take interim decisions that might impact on the issue of structural separation in the Group and to change the existing range of incentives, while the issue of the obligation of structural separation applied to the Group is currently being examined by a special team at the Ministry of Communications. As part of its examination, a broad range of alternatives are being assessed - from cancellation of the obligation of separation to strengthening the separation. In addition, in the Ministry's opinion, this is a material change in the Group's operations and not a technical change of the corporate structure.

As noted by the Company, nothing in the Company's Application (and in the Ministry's current response) represents a change in the Company's position concerning cancellation of the structural separation (see section 1.7.2.1 in the Description of the Company's Operations in the 2018 Periodic Report and the update of that section in the Q3 2019 Report). The Company will consider its steps in respect of the Ministry's letter.

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.