



Immediate Report

Expected Impairment of Value of Subsidiary

Tel Aviv, Israel – February 28, 2020 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ) (the "Company") announced today that as part of its preparations and those of its subsidiaries for the 2019 financial statements, on February 27, 2020 the subsidiary Bezeq International Ltd ("Bezeq International") received an initial indication from its external appraisers that there was expected to be an impairment of value of Bezeq International as compared with its book value, which will cause a write off of an estimated NIS 80 million on the Company's books (after tax). This amount is being reviewed, is not audited, and in the end might be appraised differently. The impairment of value is expected to be implemented in the Company's 2019 financial statements.

It should be noted that even after the expected recording of an impairment of value in the Company's books there is not expected to be a change in the Company's outlook for 2019.

Part of the information included in this report is forward looking information in the meaning of the term in the Securities Law, 1968, and it is based, *inter alia*, on estimates and forecasts concerning future trends in the markets applicable to Bezeq International, and the impact of these on the value of Bezeq International. Accordingly, the information may not come about in whole or in part, if the Company's estimates and forecasts will come about differently from expected.

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.