



Bezeq - The Israel Telecommunications Corp. Ltd.

(the "Company")

December 12, 2022

Attn.
Israel Securities Authority
The Tel Aviv Stock Exchange Ltd.

Dear Madam/Sir,

Re: Immediate Report – Extension of the tax ruling

Further to the Company's Immediate Report of September 18, 2016, regarding the tax ruling in an agreement that includes preliminary approval of the Israel Tax Authority for tax purposes for the merger of the subsidiary DBS Satellite Services (1998) Ltd. ("DBS") with and into the Company, in accordance with Section 103b of the Income Tax Ordinance and the Company's updates in its reports regarding the extension of the approval that was valid until December 31, 2022 (the "Tax Ruling"), an Immediate Report is hereby issued that on December 11, 2022, the Company received a letter from the Israel Tax Authority, which, at the Company's request, extends the validity of the Tax Ruling by one year until December 31, 2023.

It should be noted that the letter from the Israel Tax Authority includes a statement similar to that in its letter from the previous year, according to which, due to the fact that there were no material developments regarding cancellation of the structural separation between the Company and DBS, and the long time that has elapsed since the Tax Ruling was issued, the Israel Tax Authority will consider not extending the validity of the Tax Ruling beyond December 31, 2023, provided that there are no material developments in 2023 regarding cancellation of the structural separation. The Company believes that it is entitled to an extension of the Israel Tax Authority's approval in accordance with the terms of the Tax Ruling, and in any event, even if the validity of the Tax Ruling is not extended, the Company will be able to apply for a new tax ruling in place of the Tax Ruling. It is further noted that the Company is continuing to work with the regulatory entities to cancel the structural separation.

On this matter, see also Note 7.2.1 to the Company's annual consolidated financial statements for 2021.

Yours sincerely,

"Bezeq" The Israel Telecommunication Corp Limited

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.

Bezeq - The Israel Telecommunications Corp. Ltd.
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