



Bezeq - The Israel Telecommunication Corp. Ltd.
("the Company")

February 28, 2021

To
Israel Securities Authority

To
Tel Aviv Stock Exchange Ltd.

Dear Sir/Madam,

Immediate Report - Sale of Real Estate

An Immediate report is hereby being provided, that on February 25, 2021, the Company entered into an agreement to sell real estate on 8 Harakevet Street, Tel Aviv ("**the Asset**") to the Azrieli Group Ltd. ("**the Buyer**") for a total of NIS 180 million + VAT. The Asset was under the joint ownership of the Company and the Israel Postal Company, and the sales agreement includes the purchase of the Israel Postal Company's share by the Company and the sale of this share together with the Company's share - to the Buyer. The full proceeds were paid by the Buyer when signing the Agreement.¹

The Company is expected to record in its financial reports for the first quarter of 2021 a capital gain of approximately NIS 125 million before tax due to the sale of the Asset (after withholding the cost of purchasing the Israel Postal Company's share, Purchase Tax, miscellaneous expenses and net depreciated cost to the Company).

The information included in this immediate report regarding the recording of a capital gain due to the sale of the Asset is forward-looking information as per its definition in the Securities Law, 5728-1968 and is based, *inter alia*, on the above and on the Company's estimates regarding the completion of the Agreement, the transaction costs, taxes and surcharges in connection with the transaction, and also miscellaneous costs to the Company related to the Asset. The information may not materialize in full insofar as the Company's said estimates might materialize differently than expected.

Sincerely,

Bezeq - The Israel Telecommunication Corp. Ltd.

¹ The full proceeds, with the exception of the VAT were deposited in escrow to guarantee various liabilities of the Company. The trustee will remit the trust funds to the Company in accordance with the instructions in the Agreement.



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.