



“Bezeq” The Israel Telecommunication Corp Limited

(“The Company”)

October 5, 2021

Attn.
Israel Securities Authority

Attn.
The Tel-Aviv Stock Exchange Ltd

Dear Sir/Madam,

Immediate Supplementary Report – Hearing to Amend the Arrangement for Sharing of Passive Infrastructures

An immediate report is hereby provided that on October 4, 2021, the Company received hearing documents regarding amendment of the arrangement for sharing of passive infrastructures. According to the documents, the Ministry of Communications is considering allowing special broadband infrastructure license holders (in addition to general license holders) to use the passive infrastructures of general domestic operators (including the Company's), whereby special license holders may only use passive infrastructures in the incentive fund areas (areas where the operator has chosen not to deploy an advanced network and for which funding will be allocated from the incentive fund), and under terms and conditions to be determined in the future.

This hearing also follows on the decision of the Minister of Communications dated October 13, 2020, in which the threshold requirements for obtaining a license to provide broadband infrastructure services were lowered. As a result, the Ministry began to grant special licenses for broadband infrastructure (regarding this matter, see the Company's immediate report dated October 15, 2020 as well as Section 2.6.3.6 to the Description of the Corporation's Business in the Company's Periodic Report for 2020).

The granting of special broadband license holders the ability to make use, as aforesaid, of the Company's passive infrastructures may increase the speed of the broadband infrastructure's deployment by special license holders and the customers' transitioning to them in the incentive areas. On the other hand, the special license holders will pay the Company a fee for use of its passive infrastructure. Accordingly, the Company is currently unable to assess the overall effect of the amendment of the said arrangement, if and to the extent that it is carried out.

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.

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