



## Bezeq - The Israel Telecommunications Corp. Ltd.

(“The Company”)

March 17, 2022

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

Dear Madam/Sir,

**Re: Supplementary Immediate Report - Alternative Outline for Structural Change in Subsidiaries Bezeq International and ‘yes’**

Further to the Company’s immediate reports dated March 25, 2021, May 26, 2021, and August 12, 2021, regarding the structural change plan adopted by the Company and its subsidiaries Bezeq International Ltd. (hereinafter - “**Bezeq International**”) and DBS Satellite Services (1998) Ltd. (hereinafter - “**yes**”) (jointly - the “**Subsidiaries**”), in which Bezeq International’s consumer activity was due to be merged with ‘yes’ and Bezeq International’s ICT activity was due to spin off into a new wholly-owned subsidiary of the Company (hereinafter - the “**Merger/Spin-off Plan**”), and regarding an update on this matter in the Description of the Corporation’s Business chapter in the Company’s quarterly report for the period ended September 30, 2021, the Company wishes to report that on March 16, 2022, the Company Board of Directors decided, pursuant to the resolutions passed on that day in the Subsidiaries’ Boards of Directors, to approve cancellation of the Merger/Spin-off Plan, and to approve an alternative outline, a plan for whose implementation is to be presented within 60 days to the Subsidiaries’ Board of Directors, according to which Bezeq International’s consumer sector ISP activity will be reduced following the cancellation of the separation of the broadband infrastructure service and the internet access service (ISP), and ISP activity will be established at ‘yes’ for the sale of “Triple Play” packages to customers, with a view to attaining, as far as possible, the strategic, business and financial objectives that formed the basis for the decision to move ahead with the structural change (hereinafter - the “**Alternative Outline**”).

According to this Alternative Outline, the business objectives that formed the basis of the Merger/Spin-off Plan will be attained, as ‘yes’ is due to become a sales arm for the “Triple Play” package, combining fiber-optics and television, and on conclusion of this move, Bezeq International will become a growth-focused ICT company. Moreover, this Alternative Outline



has the potential to effect a substantial reduction in costs and Bezeq International ISP investments, in parallel to an accelerated reduction in this activity.

The Company and its Subsidiaries are currently unable to estimate whether or not all the requisite conditions will be in place to implement the Alternative Outline, nor when they will be ready, insofar as they shall be, and accordingly there can be no certainty as to whether the Alternative Outline will in fact materialize in the manner described above or at all.

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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