



Bezeq – The Israeli Telecommunications Corp. Ltd.
(the “Company”)

July 14, 2025

Attn.

Israel Securities Authority

Tel Aviv Stock Exchange Ltd.

Immediate Report - Entry into a Preliminary Non-Binding Memorandum of Understanding for the Acquisition of Exelera Telecom Ltd.

Further to the Company’s report dated July 2, 2025 (the “Initial Report”) regarding the Company’s consideration of establishing a new submarine cable to connect Israel to a strategic landing point in Europe, the Company hereby announces that on July 14, 2025, it signed a non-binding¹ memorandum of understanding (the “MoU”) for the acquisition of 100% of the issued and outstanding share capital (on a fully diluted basis) of Exelera Telecom Ltd. (“Exelera”) from its shareholders (the “Sellers”). This potential acquisition is being evaluated, among other things, as an alternative to the initiative described in the Initial Report.

Exelera is a private company incorporated in Israel², engaged, among other activities, in the provision of telecommunication services via an international telecommunications network based on a fiber-optic submarine cable, and operates a landing station in Israel.³

Should the transaction be completed, the consideration will amount to USD 160 million (subject to customary adjustments) (the “Consideration”). An additional future payment of up to USD 10 million may be added, contingent upon the fulfillment of agreed conditions.

The transaction is subject to standard conditions precedent, including: completion of due diligence; consent of all Sellers to sell their shares; execution of a detailed agreement between the parties by the end of the exclusivity period during which the Sellers and Exelera are bound (75 days from the date of signing the MoU) (the “Exclusivity Period”); approval by the Company’s authorized corporate bodies; and receipt of all required third-party and legal approvals (including the approval of the Anti-Trust Authority and the Ministry of Communications).

It should be clarified that if a detailed agreement is not signed by the end of the Exclusivity Period with respect to the transaction described in the MoU, and unless “Exempting Circumstances” (as defined in the MoU) apply, and subject to the receipt of all required approvals and the absence of any legal impediment, the Company will acquire from the Sellers shares representing, at the time of the sale, 4.9% of Exelera’s issued share capital (on a fully diluted basis) in consideration for USD 7.5 million (the “Alternative Transaction Shares”).

¹ Except with respect to the Alternative Transaction Shares (the acquisition of which is subject, among other things, to the absence of “Exempting Circumstances”) and the Exclusivity Period, as detailed below.

² Controlled by Aluma Infrastructure Fund (2020) Ltd., whose shares are publicly traded on the Tel Aviv Stock Exchange.

³ The acquisition does not include additional activities of Exelera that are conducted through two companies in which Exelera holds partial ownership, and which will be separated prior to the completion of the transaction.



The Alternative Transaction Shares will be subject, among other things, to PUT and CALL options for the Company and the Sellers, respectively, at prices (no less than USD 7.5 million) and on terms set forth in the MoU.

It should be emphasized that there is no certainty regarding the execution of a detailed agreement between the parties and/or the completion of the transaction described in the MoU, which is subject to the fulfillment of various conditions precedent that have not yet been met as of this date. Some of the information in this report constitutes forward-looking information as defined in the Israeli Securities Law, 1968, based on information currently available to the Company's management and its assessments. There is no certainty that such information will be realized, in whole or in part, or that it will materialize in a manner materially different from what was anticipated, due to factors beyond the Company's control, including the parties' failure to reach a full commercial agreement, lack of third-party and regulatory approvals, and/or non-fulfillment of all required conditions for completion of the transaction.

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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