



August 13, 2025

B COMMUNICATIONS LTD

("The Company")

To:

Israel Securities Authority
Via MAGNA

Tel Aviv Stock Exchange Ltd.
Via MAGNA

Dear Sir/Madam,

Re: Notice Regarding Full Early Redemption of Bonds (Series 7 of the Company)

Pursuant to the provisions of the deed of trust for the bonds (Series 7 of the Company), the Company is pleased to announce that, following the immediate report published by it on August 11, 2025 regarding the sale of shares of its subsidiary – BEZEQ THE ISRAELI TELECOMMUNICATION CORP. LTD., the Company's Board of Directors has decided to carry out a full early redemption, at the Company's initiative, of the bonds (Series 7), which will be executed on August 31, 2025 (the "Early Redemption Date").

Early Redemption of Bonds (Series 7)

1. Pursuant to the provisions of the deed of trust for the bonds (Series 7) published by the Company on September 16, 2024 (Reference No.: 2024-01-603685), the Company is entitled to carry out an early redemption, full or partial, of the bonds.

This is an unofficial AI generated translation of the official Hebrew version and has no binding force. The only binding version is the official Hebrew version. For more information, please review the legal disclaimer.

2. The bonds (Series 7) are due for repayment (principal) in a single payment, which will be paid on November 30, 2029. The bonds (Series 7) bear a fixed annual interest rate of 5.5%. The bonds (principal and interest) are not linked to any indexation base.

3. As of this date, the outstanding principal balance of the bonds (Series 7) in circulation is NIS 1,009,177,103 par value.

4. The amount to be paid to the holders of the bonds (Series 7):

- **A.** Pursuant to the provisions of Section 9.2(ya) of the terms beyond the page, the amount to be paid to the holders of the bonds (Series 7) in the case of early redemption from the proceeds of the sale of BEZEQ THE ISRAELI TELECOMMUNICATION CORP. LTD. shares (whether pledged shares or not), will be the early redemption price equal to the liability value of the bonds (Series 7) subject to early redemption, i.e., principal plus interest up to the actual early redemption date.
- **B.** Pursuant to the provisions of Section 9.2(y) of the terms beyond the page, the amount to be paid to the holders of the bonds (Series 7), not from the proceeds of the sale of BEZEQ THE ISRAELI TELECOMMUNICATION CORP. LTD. shares, will be the higher of the following:
 - (a) The market value of the bonds (Series 7) subject to early redemption, which will be determined according to the average adjusted closing price of the bonds (Series 7) in the thirty (30) trading days preceding the date of the Board of Directors' decision regarding the early redemption;
 - (b) The liability value of the bonds (Series 7) subject to early redemption, i.e., principal plus interest up to the actual early redemption date;
 - (c) The remaining cash flowof the bonds subject to early redemption (principal plus interest) discounted at the government bond yield (as defined in the terms beyond the page) plus an interest rate of 1.5%.

According to Section 4(B) above, with respect to the portion of the early redemption not paid from the proceeds of the sale of BEZEQ THE ISRAELI TELECOMMUNICATION CORP. LTD. shares, the highest amount among the alternatives listed in Section 9.2(y) is as per alternative (a) above.

5. In light of the above, on the early redemption date, the Company will pay the holders of the bonds (Series 7) the principal and interest amounts as detailed below:

Amount to be Paid	
(in NIS)	
Principal of the bonds (Series 7), par value subject to early redemption	1,009,177,103
Nominal interest rate for the period from the previous interest payment date (May 31, 2025) until the early redemption date	1.51962%
Nominal interest amount to be paid on the early redemption date	15,335,648
Total to be paid for each 1 NIS par value redeemed	1.0151962

6. Pursuant to the provisions of the Stock Exchange regulations, those entitled to the full early redemption of the bonds (Series 7) will be those holding the bonds (Series 7) on the early redemption date.

Tax will be withheld at source from the above redemption amounts as required by law by the members of the Stock Exchange.

Sincerely,

B COMMUNICATIONS LTD

By: Tomer Rabid, CEO

FOOTNOTE:

¹⁰¹ Reference No.: 2025-01-059548.