



BEZEQ THE ISRAELI TELECOMMUNICATION CORP. LTD.  
("the Company" or "Bezeq")

September 30, 2025

To:

Israel Securities Authority Via MAGNA

Tel Aviv Stock Exchange Ltd. ("the Stock Exchange") Via MAYA

## **Private Placement Report - Allocation of Warrants under the Employee Option Plan**

Further to the outline published by the Company on December 28, 2023 (Reference No.: 2023-01-143088) ("the Outline") and the approval of the Company's Compensation Committee on September 29, 2025 for the allocation subject to this report, the Company is honored to report a non-material private allocation of 165,672 warrants (not listed for trading) exercisable into up to 165,672 ordinary shares of the Company, constituting approximately 0.006% of the Company's share capital and voting rights (0.006% on a fully diluted basis), subject to the approval of the Stock Exchange for the listing for trading of the shares resulting from the exercise of the warrants, as follows:

### **1. The Offerees**

- The above-mentioned warrants will be allocated under the Outline to up to three offerees who are managers and employees of the Company and its subsidiaries. Employer-employee relationships exist between all the offerees and the Company or its subsidiaries, as applicable.

### **2. Terms of the Warrants**

- The terms of the warrants will be identical to the terms of the warrants allocated under the "current allocation" as defined in the Outline and as detailed in the Outline, subject to the following changes:
  - **A. Vesting Period**
    - The warrants will vest in four (4) equal tranches, with the first tranche vesting on October 1, 2026, and each subsequent tranche vesting at the end of one year after the previous tranche has vested, subject to the other vesting conditions set forth in the Outline.
  - **B. Exercise Price**
    - The warrants will be allocated in two grants, with each grant, constituting half (1/2) of the total warrants, vesting in four (4) equal tranches as stated in section A above. The exercise price and target price (the condition for exercising each grant) will be as follows:

Number of Warrants	Grant	Exercise Price <sup>101</sup>	Target Price (Condition for Exercise) <sup>102</sup>
165,672	Grant 1	NIS 6.23	NIS 7.5
	Grant 2	NIS 6.85	NIS 8.5

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Image alt: Bezeq Logo

It is clarified that both grants will be allocated simultaneously, and that the division into two grants is intended to set different exercise prices and target prices for each grant, as detailed in the table above.

The exercise price and the price condition for exercise are subject to adjustments as detailed in section 2.5.6 of the Outline.

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**C. Expiry Date**

The warrants will expire at the end of seven (7) years from the date of approval of the allocation of the warrants by the Company's Compensation Committee.

The other terms of the warrants are identical to the terms of the warrants allocated in the "current allocation" as detailed in the Outline.

### **3. Consideration**

The warrants will be allocated without consideration, as part of the Company's equity compensation plan, as described in the Outline.

### **4. Conditions for Allocation**

The allocation of the warrants is subject to the approval of the Stock Exchange for the listing for trading of the shares resulting from the exercise of the warrants. As of the date of this report, such approval has not yet been received.

### **5. Transfer Restrictions and Other Main Terms Regarding the Issuance and Transfer of Shares or Warrants**

For details, see sections 2.8 and 2.5.3 of the Outline.

### **6. Agreements Between the Offerees**

To the best of the Company's knowledge after checking with the offerees, the Company is not aware of any agreements, whether written or oral, between the offerees and shareholders of the Company or between the offerees, all or some of them, among themselves or with others, regarding the purchase or sale of the Company's securities or regarding voting rights therein.

Respectfully,

BEZEQ THE ISRAELI TELECOMMUNICATION CORP. LTD.

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### **FOOTNOTE:**

<sup>101</sup> The figure refers to the percentage of the Company's share capital and voting rights on a fully diluted basis.

<sup>102</sup> The offerees are employees and managers of the Company and its subsidiaries, and employer-employee relationships exist.

<sup>103</sup> The exercise price and target price are detailed in the table.

<sup>104</sup> The target price is the condition for the exercise of each grant.

<sup>201</sup> The percentage that the shares resulting from the exercise of the warrants will constitute on a fully diluted basis is before the allocation subject to this report and excluding the net exercise mechanism of the warrants, which is a net exercise mechanism (as detailed in the Outline), therefore the actual number of shares to be issued, as well as the holding percentage in the capital and voting power on a fully diluted basis after the exercise of the warrants, may be lower than stated above. After the allocation subject to this report, the Company's issued and paid-up capital is expected to be 2,772,960,866 shares (2,823,370,838 shares on a fully diluted basis). As stated in the Outline, the shares resulting from the exercise of the warrants will be registered in the name of the Company in the records of the Stock Exchange or another company serving as the registration company for the Company at that time.

<sup>202</sup> It is clarified that the offerees are not interested parties as defined in section 270(5) of the Companies Law, 1999 ("the Companies Law"), and will not become interested parties as a result of the allocation subject to this report (including on a fully diluted basis).

<sup>203</sup> "Exercise Price" - In accordance with the Company's compensation policy, the exercise price of the warrants for the purpose of calculating the benefit component shall not be less than the average closing price of Bezeq's share on the Stock Exchange during the thirty (30) trading days preceding the date of approval of the allocation of the warrants by the Board of Directors of Bezeq or by a Board committee authorized to approve the allocation under section 288 of the Companies Law, or the closing price of Bezeq's share on the Stock Exchange at the end of the trading day preceding the date of the Board or Board committee decision regarding the allocation of the warrants, whichever is higher, unless otherwise approved by the Company's general meeting.

<sup>204</sup> "Condition for Exercise" - The average closing price of the Company's share during a period of at least thirty (30) consecutive trading days on the Stock Exchange preceding the examination date is equal to or higher than the price specified in the table above. It is emphasized that there is no requirement for the price condition for exercise to be met at the actual exercise date, but it must be met during the period after the vesting date of the warrant and until the expiry date (and before the actual exercise date), even if it is not met at the actual exercise date.