



First initiative in the implementation of Bezeq Group's growth strategy

Bezeq Group purchases 70% of the shares of CloudEdge- a company that specializes in advanced cloud solutions

- **Mr. Gil Sharon, Chairman of Bezeq's Board of Directors:** "This is part of the strategic initiative we launched a few weeks ago, with the aim of transforming Bezeq International's computing and integration operations into an independent company that will become a leader in the IT sector"

Holon, Israel – December 19, 2021 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ), Israel's leading telecommunications provider, has announced today that the Bezeq Group, through Bezeq International, signed a memorandum of understanding for the purchase of 70% of the shares of the cloud computing company, CloudEdge, from its controlling shareholder, Softwatch (an Ewave Group company). The Company's founders will continue holding the remaining shares (30%).

CloudEdge was founded about four years ago by Nisim Kaspi, Ariel Munafu, Avihai Hajaj and Oshri Dahan, in partnership with the Ewave Group. Within a short time of being founded, the Company had amassed vast amounts of expertise and become one of the most significant entities in the field of public cloud computing, and a trusted Microsoft partner. The Company specializes in providing Microsoft's Azure, Office 365 and Cloud Security solutions to companies migrating to cloud computing. Within a four-year period the Company had built up a significant customer base drawn from a range of sectors, including government ministries, finance, startup companies and more.

For the past several months, the Bezeq Group has been promoting an initiative comprising the spin-off of Bezeq International, and the transformation of the Business Division, which specializes in the provision of ICT services to businesses, into a computing and integration company. The purpose of the initiative, led by the Chairman of the Group's Board of Directors, Mr. Gil Sharon, was to set up a leading Israeli ICT services company that will focus on the sector's growth areas such as cloud solutions, information and cyber security, and data center services, alongside traditional activities such as system and communication services integration. Sharon stated his intention of making several targeted acquisitions of companies possessing unique capabilities.

Following the acquisition, Mr. Sharon said: "The acquisition of CloudEdge is part of the strategic initiative we launched a few weeks ago, with the aim of transforming Bezeq International's computing and integration operations into an independent company that will become a sector leader".

Sharon added, "The purpose of the CloudEdge acquisition was to complement and enhance our cloud computing capabilities. This is a fast-growing field, due to, among other things, the



“Nimbus” public sector tender, as a result of which Israel became of interest to global cloud computing companies operating in this highly-specialized area. Therefore, we decided to accelerate our growth in this field by making a number of targeted acquisitions. We identified in CloudEdge extraordinary capabilities, which, together with Bezeq International’s capabilities and market-leading position, will lead to fast growth”.

Rafi Gabay, CEO and founder of Ewave Group, said that “the three years that have passed since the acquisition of CloudEdge by the Ewave Group are an eternity in the technology world, and especially when it comes to cloud computing. During this period, we set-up a stable and active company that amassed the expertise needed to weather the challenges companies face when migrating to cloud computing. The CloudEdge acquisition will facilitate Bezeq Group’s further penetration into the Israeli public cloud market, which is one of the fastest-growing markets in the Israeli organizational technology sphere”.

Nisim Kaspi, co-CEO and one of CloudEdge’s founders said: “We believe, that our relationship with the Bezeq Group, through Bezeq International, will truly benefit both parties. This relationship will give us access to the Bezeq Group’s wide range of business customers, and at the same time provide Bezeq International with many new cloud computing capabilities; all this comes at a time when technology giants such as Microsoft are opening new cloud computing centers in Israel”.

CloudEdge is a second-tier company of the Ewave Group, which is owned by Rafi Gabay and Oren Shuster and is comprised of 19 subsidiaries operating in the fields of IT, medical technologies and real estate. The group has approx. 1,000 employees in Israel and around the world; it is comprised, among other things, of technology companies specializing in mobile apps, Internet of Things (IoT), cloud computing, integration and more.

* The transaction is subject to completion of due diligence, approval of the merger by the Israel Anti-Trust Authority and the signing of detailed agreements.

About "Bezeq" The Israel Telecommunication Corp.

Bezeq is Israel's leading telecommunications service provider. Established in 1984, the Company has led Israel into the new era of communications, based on the most advanced technologies and services. Bezeq and its subsidiaries offer the full range of communications services including domestic, international and cellular phone services; broadband Internet, and other data communications; satellite and Internet based multi-channel TV; and corporate networks. For more information about Bezeq please visit the corporate website at www.bezeq.co.il.

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