



December 17, 2025

B Communications Ltd.
(“The Company”)

To
Securities Authority
Via Magna

To
Tel Aviv Stock Exchange Ltd.
Via Magna

Dear Sir / Madam,

Re: Interim Distribution Within the Framework of a Voluntary Liquidation Proceeding

Further to the approval of the Company’s general meeting of shareholders on December 17, 2025, regarding the voluntary liquidation of the Company and the appointment of Mr. Tomer Raved (“**the Trustee**”), the Company’s CEO, as trustee for the implementation of the liquidation proceedings¹, the Company is pleased to announce that, pursuant to the powers granted to him by the aforementioned shareholders’ meeting, on December 17, 2025, prior to the completion of the liquidation process and after having determined that it would not adversely affect the proper management of the voluntary liquidation proceedings, the Trustee decided to carry out an interim cash distribution in the amount of NIS 2,785.5 million (hereinafter: “**the Interim Distribution**”).

Further details regarding the aforementioned interim distribution are provided below:

1. The securities entitled to participate in the interim distribution are the Company’s ordinary shares, Security No.: 1107663. Based on the Company’s issued and paid-up share capital, the distribution amount per security is NIS 26.5 per share.
2. The record date for the interim distribution (the ex-date) is January 1, 2026.
3. The payment date for the interim distribution is January 8, 2026.
4. The interim distribution described in this report is made in the course of the Company’s voluntary liquidation and is therefore classified as a capital gain. Accordingly, the applicable tax withholding rates on the interim distribution are as follows:

	% of Interim Distribution	Individuals	Companies	Foreign Residents
Distribution classified as a capital gain	100%	25%	23%	0%

¹ As reported as part of the results of the Company’s shareholders’ meeting held on December 17, 2025 (reference no.: 2025-01-100708).

5. Further details regarding the Trustee's decision on the interim distribution:

The Trustee examined the interim distribution and found that the distribution as described does not impair the proper management of the liquidation proceedings, *inter alia*, in light of the assessment of the Company's existing and future obligations and an estimate of the operational expenses required until the completion of the voluntary liquidation process.

For the proper management of the voluntary liquidation and following the aforementioned assessment, the Trustee determined that an amount of approximately NIS 60 million, which will remain in the Company's accounts after the interim distribution, is sufficient to cover the Company's obligations and expected operational expenses.

It should be noted that the data and estimates referred to above, on which the Trustee relied, constitute forward-looking information as defined in the Israeli Securities Law, 5728-1968. These expectations and estimates may not materialize, in whole or in part, or may materialize differently than anticipated, *inter alia*, due to reliance on external factors beyond the Company's control.

Regards,

B Communications Ltd.

By: Tomer Raved, CEO