

Bezeq Group

2024

Investor Presentation

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Bezeq's Compass – Strategic Update

Bezeq Group | Key Strategy Implementation Status

01

Fiber as growth engine

Bezeq is leading the fiber revolution in Israel:

- 2.64m homes passed today
- Take-up: 850k subscribers, 32% today
- Consistent increase in broadband retail ARPU



02

yes bundle as a growth engine to accelerate fiber growth

- yes reached over 80k fiber subscribers today, 10% of Group subscribers



03

5G as revenue growth driver

Pelephone is leading the 5G revolution in Israel :

- 1.3m 5G subscribers today, 55% of Pelephone postpaid subscribers
- Positive contribution to ARPU



04

Developing a leading ICT company

Bezeq Intl is in a long-term transformation process:

- Focus on growing ICT market
- Collective agreement allows for employee retirement and streamlining



05

Business portfolio diversification to create additional growth sources

- Entrance into the electricity supply sector which is undergoing a significant reform



06

Maintain balanced capital structure and dividend distributions

- Bezeq returned to significant dividend distributions
- Upgrade to 80% payout ratio as of 2025
- Credit rating upgrade to AA

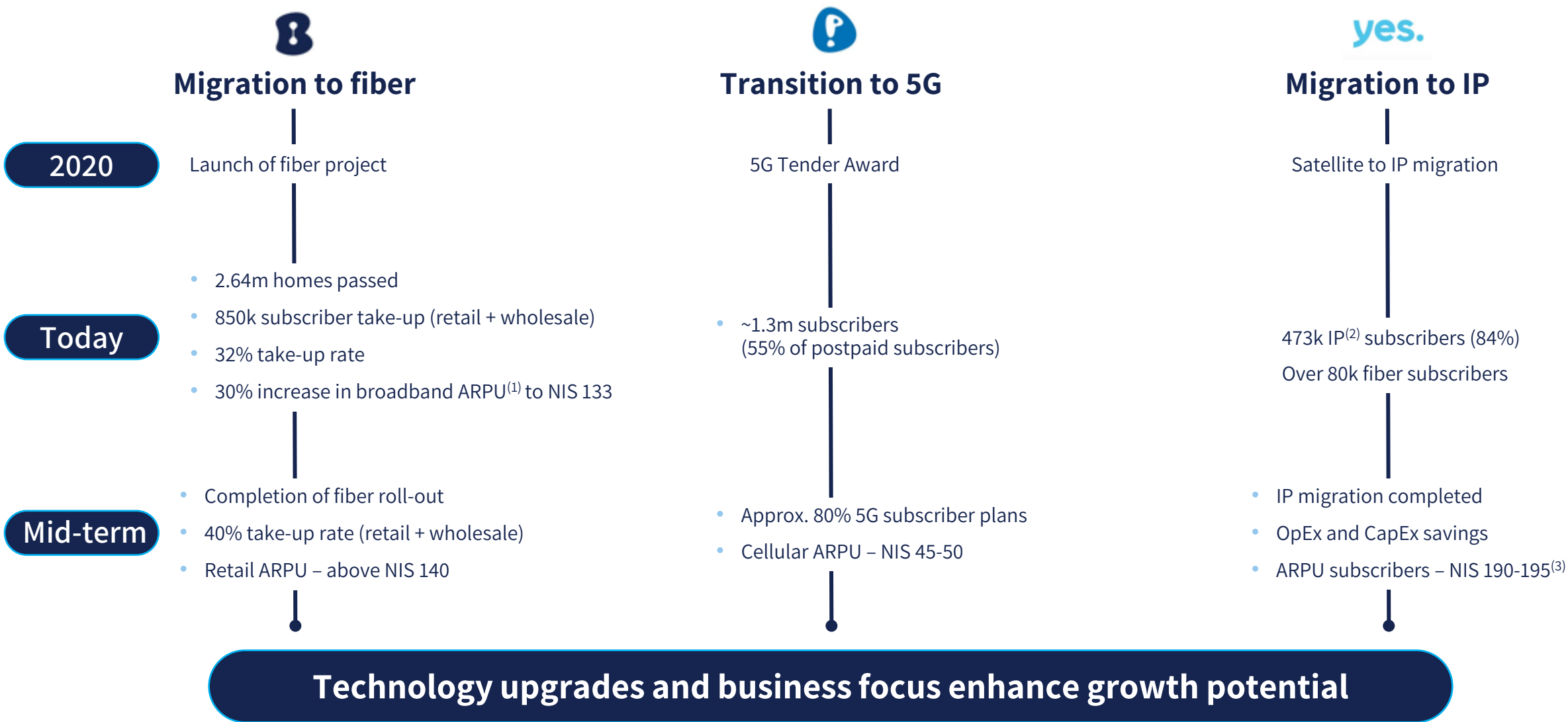


The group is successfully implementing the growth strategy it has outlined





Bezeq's Compass | Technological & Business Roadmap



⁽¹⁾ As compared to Q4-2020

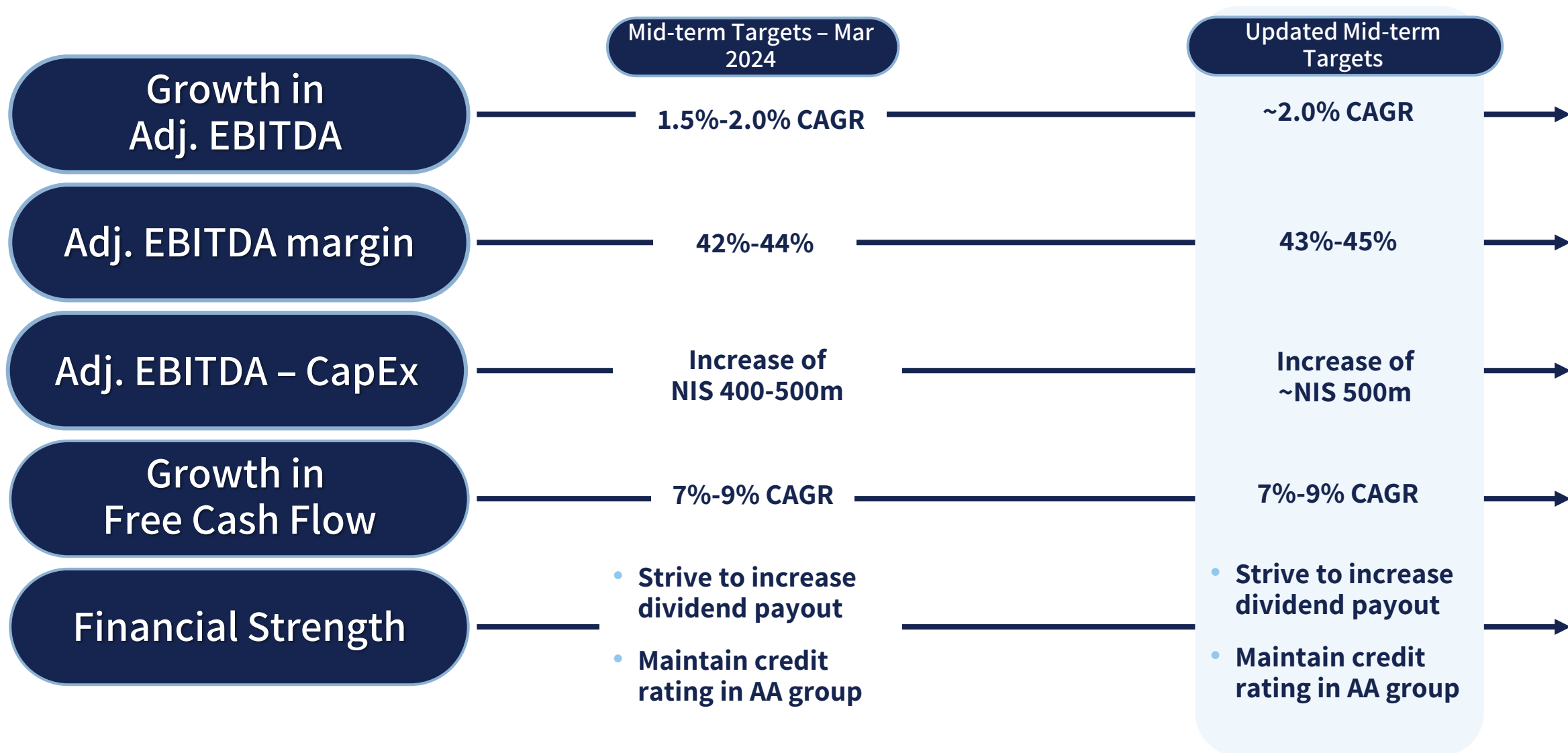
⁽²⁾ IP subscribers - the number of yes subscribers viewing IP broadcasting through the yes+ and STINGTV services. This includes subscribers that use satellite services as well

⁽³⁾ ARPU subscribers includes TV and fiber activity. There is no change to the ARPU TV mid-term target of NIS 155-160 published in Mar-2024





Bezeq's Compass| Financial Highlights



Bezeq Group | 2024 Summary



1.3% growth in core revenues⁽¹⁾ to NIS 7.73 billion, due to growth in Pelephone and Bezeq Fixed-Line



Continued growth in strategic drivers – 43% increase in fiber take-up, 6% in retail broadband ARPU to 133 and 20% in 5G postpaid subscriber plans



2% growth in Bezeq Group retail broadband subscribers⁽²⁾ while fiber infrastructure take-up reaches 32%



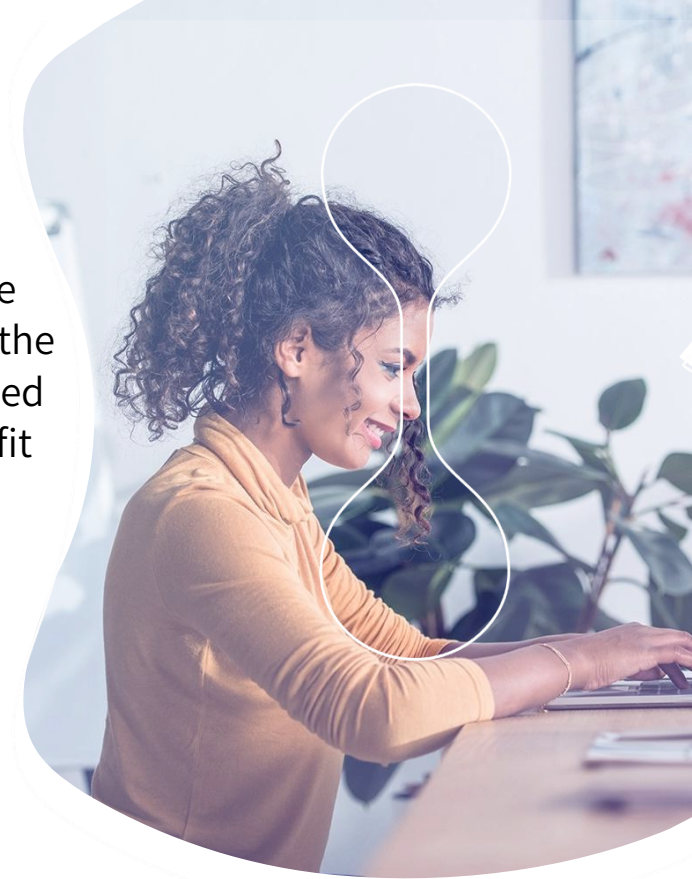
Adj. EBITDA in 2024 was impacted by the war's impact on roaming revenues and the decrease in telephony revenues. Adjusted EBITDA rose 5.9% and Adjusted Net Profit grew 23.3% in Q4-2024



Dividend policy upgraded to 80% of net profit as of 2025, following an increase in credit rating and decrease in net debt to NIS 4.95 billion



Rational regulatory environment with an emphasis on the wholesale broadband market and efforts to remove structural separation



Bezeq Group is executing on its strategy while focusing on growth

All results are compared to Q4-2023 unless otherwise stated

⁽¹⁾ Group revenues excluding Bezeq Fixed-Line telephony revenues, Pelephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues

⁽²⁾ Bezeq Fixed-Line retail broadband + yes fiber bundle subscribers

Bezeq Group | 2024 Summary

Core Revenues⁽¹⁾
NIS **7.73** billion

↑ 1.3%

Adj. EBITDA⁽²⁾
NIS **3.72** billion
Adjusted EBITDA margin of **41.8%**

↓ 2.6%

Adj. Net Profit⁽²⁾
NIS **1.27** billion

↓ 4.7%

After adjusting for the impact of the war on roaming revenues:

↑ 1.7%

↓ 1.8%

↓ 2.9%

Free Cash Flow
NIS **1.27** billion

↓ 2.4%

Decrease in Net Debt
NIS **250** million

↓ 4.8%

⁽¹⁾ Total Group revenues excluding Bezeq Fixed-Line telephony revenues, Telephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues

⁽²⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation



Bezeq Group | 2024 Summary (cont'd)



Fiber Net Adds

245k

(retail and wholesale)

Retail Broadband ARPU

NIS **130**

↑ 5.7%

Fiber Subscribers

850k⁽¹⁾

(retail and wholesale)

Homes Passed

2.64 million⁽¹⁾

Cellular subscribers

2.63 million

↑ 0.6%

5G subscriber plans

1.3 million⁽¹⁾

(55% of postpaid subscribers)

55k

Net postpaid
subscriber adds



Cellular ARPU⁽³⁾

NIS **45**

↑ 2.3%

Cellular Service Revenues⁽³⁾

NIS **1.4** billion

↑ 1.3%

yes.

Revenues

NIS **1.27** billion

↓ 3.4%

TV subscribers

562k

↓ 2.1%

84% IP subscribers^{(1) (3)}

ARPU subscribers⁽⁴⁾

NIS **185**

↓ 0.5%

⁽¹⁾ As of reporting date

⁽²⁾ Unless otherwise stated, Telephone revenues and ARPU in this presentation excl. interconnect fees

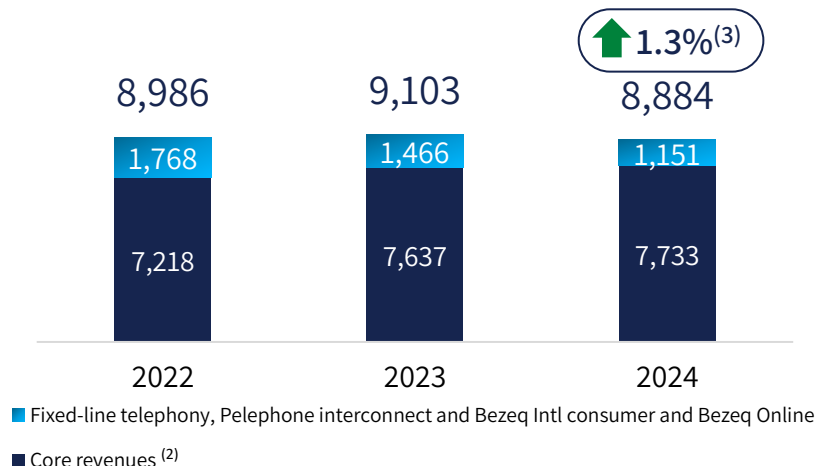
⁽³⁾ IP subscribers - the number of yes subscribers viewing IP broadcasting through the yes+ and STINGTV services. This includes subscribers that use satellite services as well

⁽⁴⁾ ARPU subscribers includes TV and fiber activity

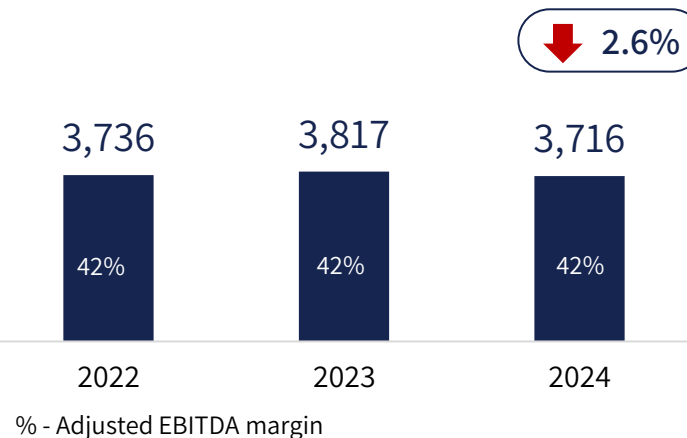


Bezeq Group | 2024 Key Financial Highlights | NIS million

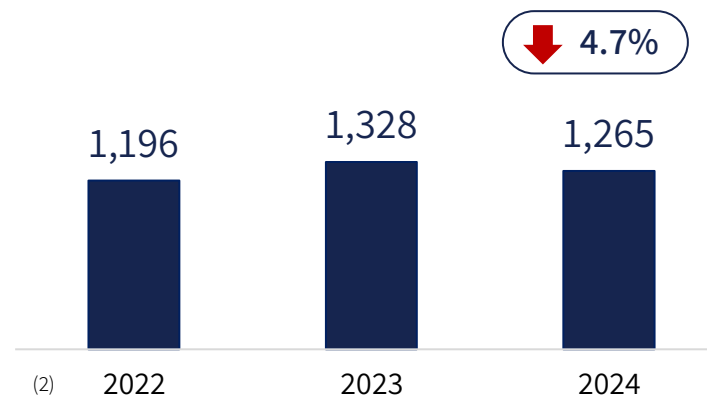
Revenues



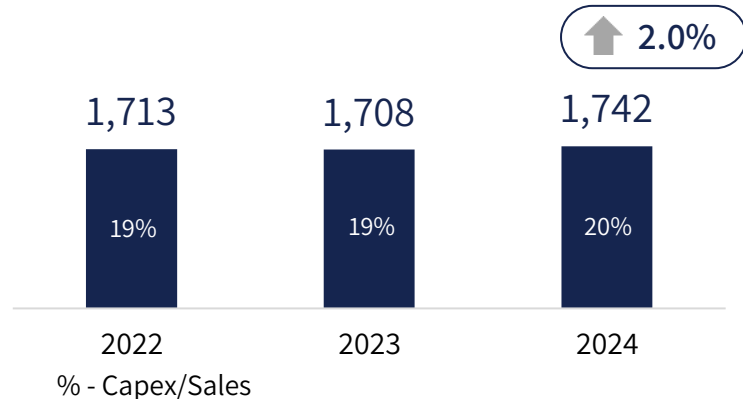
Adjusted EBITDA⁽¹⁾



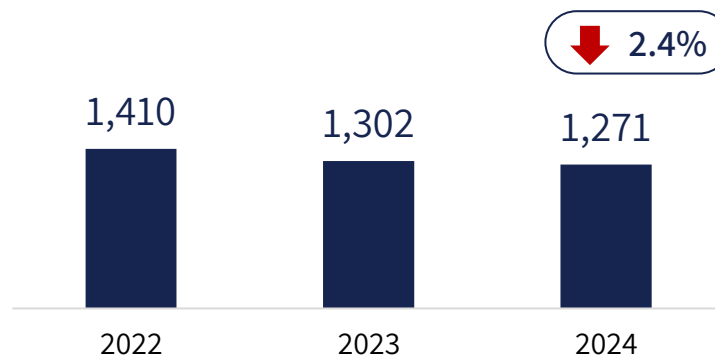
Adjusted Net Profit⁽¹⁾



CapEx



Free Cash Flow



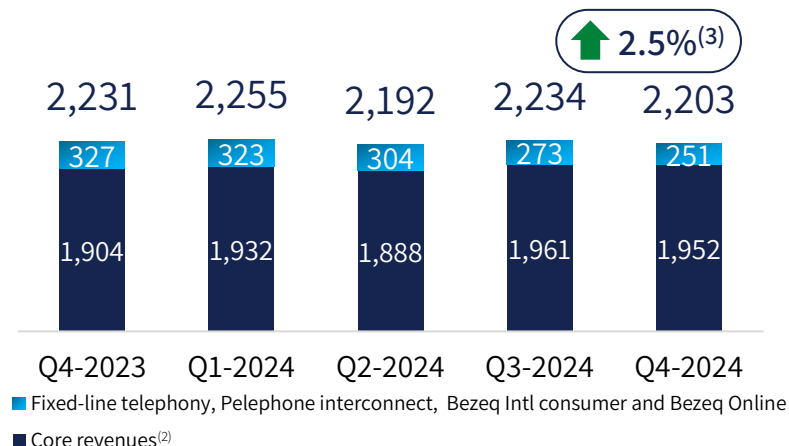
- Core revenues⁽²⁾ increased 1.3% due to higher core revenues of Telephone and Bezeq Fixed-Line
- Profitability metrics were impacted by lower telephony revenues due to the MOC tariff reduction and the impact of the war on roaming revenues
- Free cash flow was impacted by the increase in CapEx

⁽¹⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation
⁽²⁾ Total Group revenues exc. Bezeq Fixed-Line telephony revenues, Telephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues
⁽³⁾ % change in core revenues

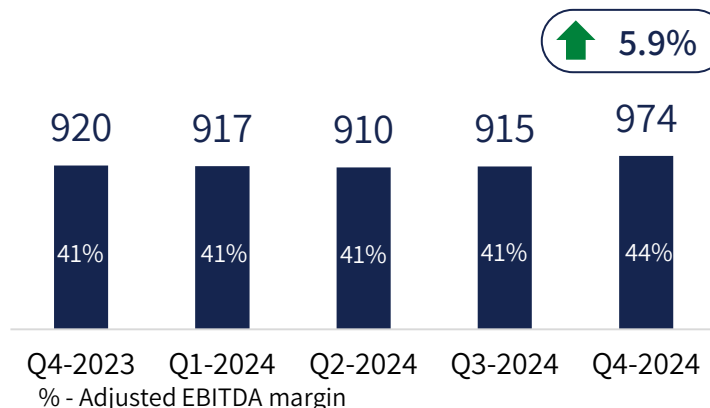


Bezeq Group | Q4-2024 Key Financial Highlights | NIS million

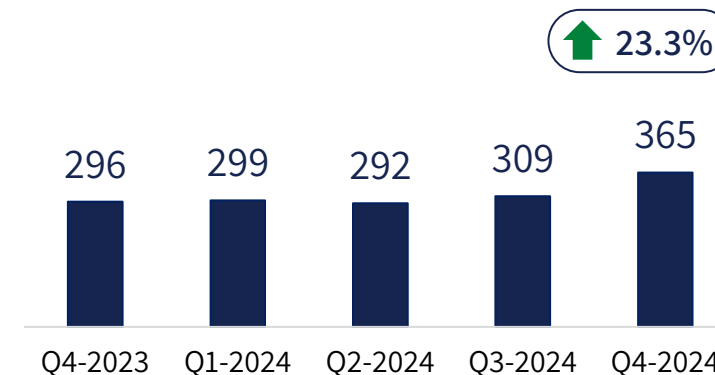
Revenues



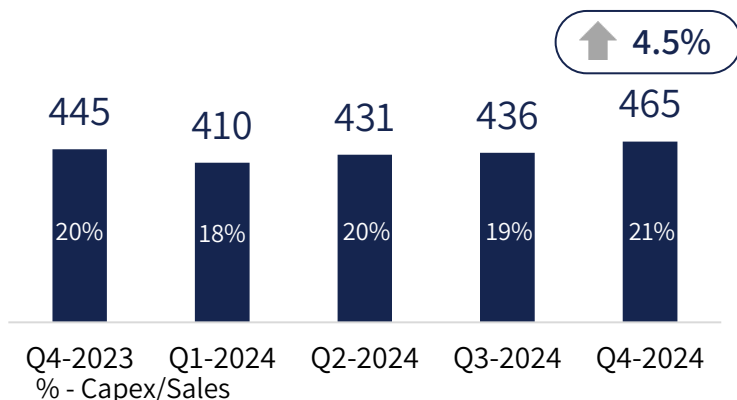
Adjusted EBITDA ⁽¹⁾



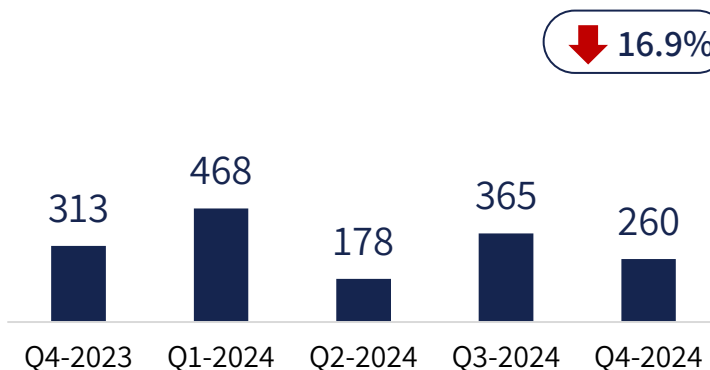
Adjusted Net Profit ⁽¹⁾



CapEx



Free Cash Flow



- Core revenues⁽²⁾ increased 2.5% due to higher revenues at Telephone
- Adj. EBITDA and Adj. Net Profit were positively impacted by improved business results in Telephone and the reversal of the provision for the universal fiber fund
- Free cash flow was impacted by lower free cash flow in Telephone and yes due to timing differences in working capital

⁽¹⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation

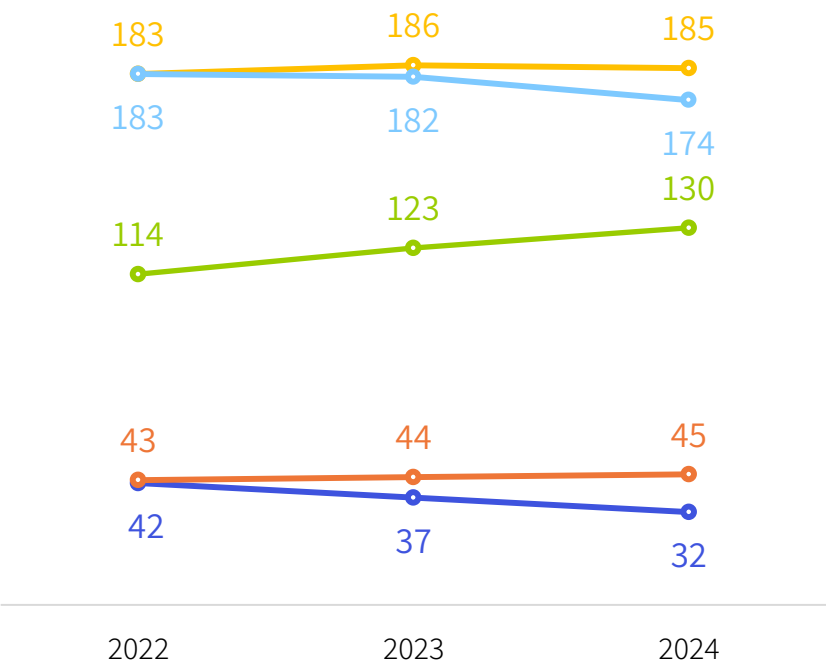
⁽²⁾ Total Group revenues exc. Bezeq Fixed-Line telephony revenues, Telephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues

⁽³⁾ % change in core revenues



Bezeq Group | Key Annual Operational Metrics

ARPU (NIS)



6% increase in retail broadband ARPU vs. 2022

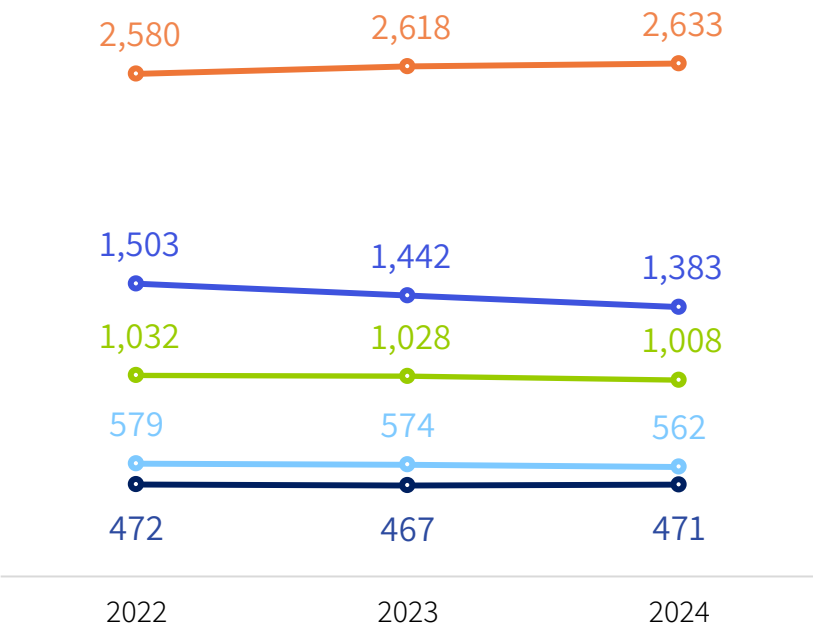
Stable yes ARPU subscribers⁽¹⁾ due to fiber growth

Increase in Telephone ARPU due to transition to 5G plans

Decrease in ARPL telephony due to

MOC reduction in tariffs

Subscribers (end of period, in thousands)



Stable wholesale broadband subscribers

Continued decrease in telephony subscribers

Decrease in retail broadband subscribers

Continued decrease in yes subscribers

Continued increase in cellular subscribers

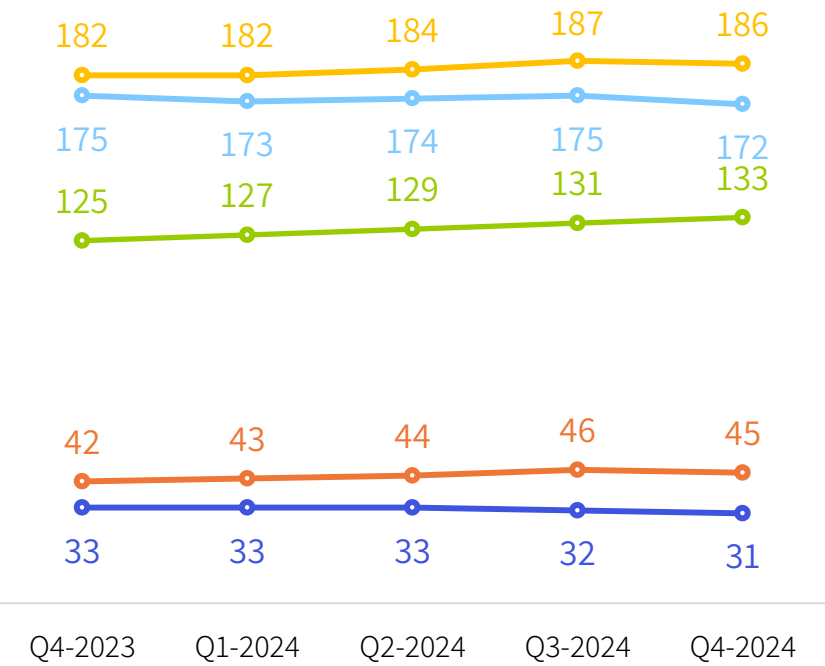
● yes TV ● yes subscribers⁽¹⁾ ● Wholesale broadband Infrastructure ● Retail broadband Infrastructure ● Telephony ● Cellular

⁽¹⁾ ARPU subscribers includes TV and fiber activity



Bezeq Group | Key Quarterly Operational Metrics

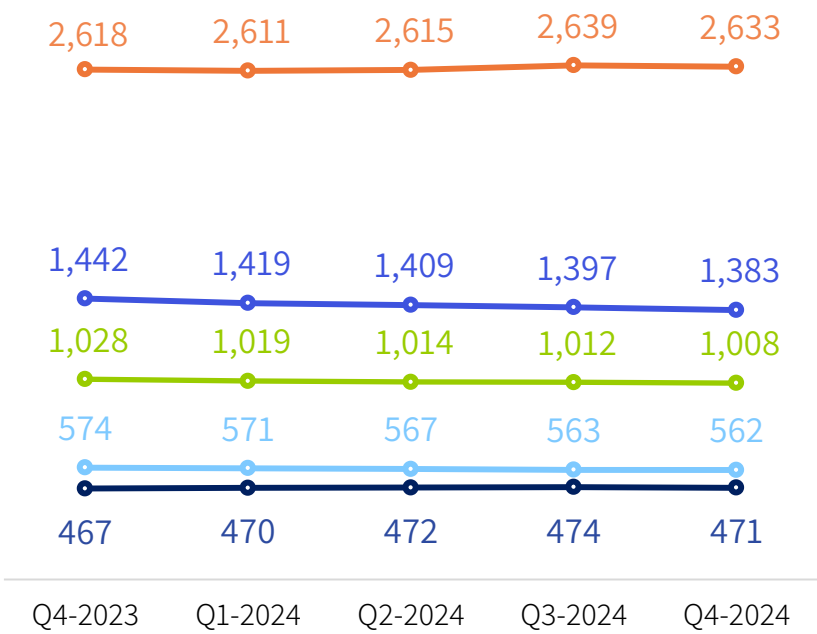
ARPU (NIS)



6% Y-o-Y increase in retail broadband ARPU

Increase in yes ARPU subscribers⁽¹⁾ Y-o-Y due to fiber growth

Subscribers (end of period, in thousands)



Continued increase in cellular subscribers year-over-year

Moderating decline in retail broadband subscribers

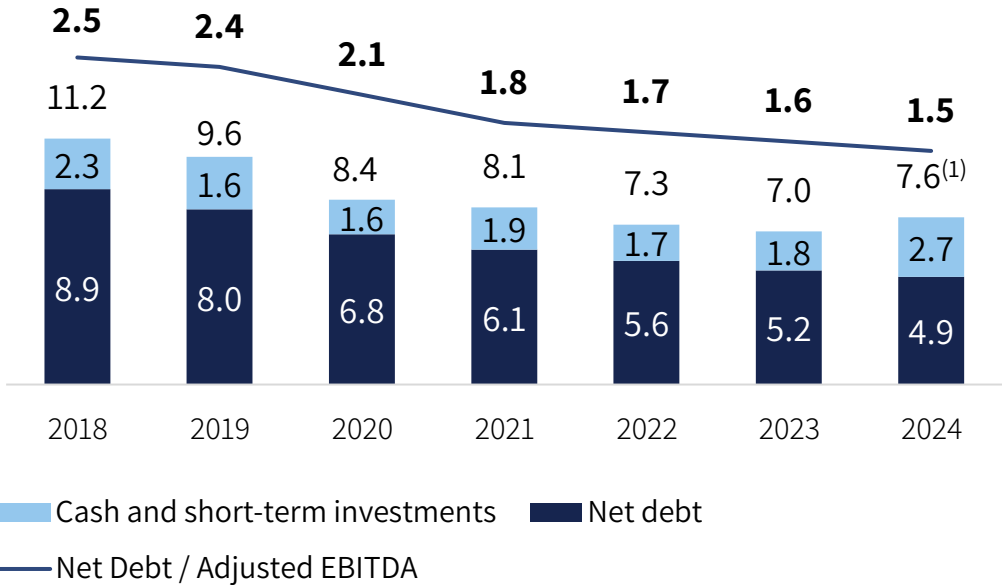
● yes TV ● yes subscribers⁽¹⁾ ● Wholesale broadband Infrastructure ● Retail broadband Infrastructure ● Telephony ● Cellular

⁽¹⁾ ARPU subscribers includes TV and fiber activity



Bezeq Group | Financial Debt

Financial Debt (NIS billion)



The Group maintains its high credit rating, within the AA group

Decrease in net debt

- Decrease of NIS 250 million, or 4.8%, to NIS 4.95 billion

Net debt/Adjusted EBITDA ratio – 1.5 times, the lowest since 2010

Debt ratings

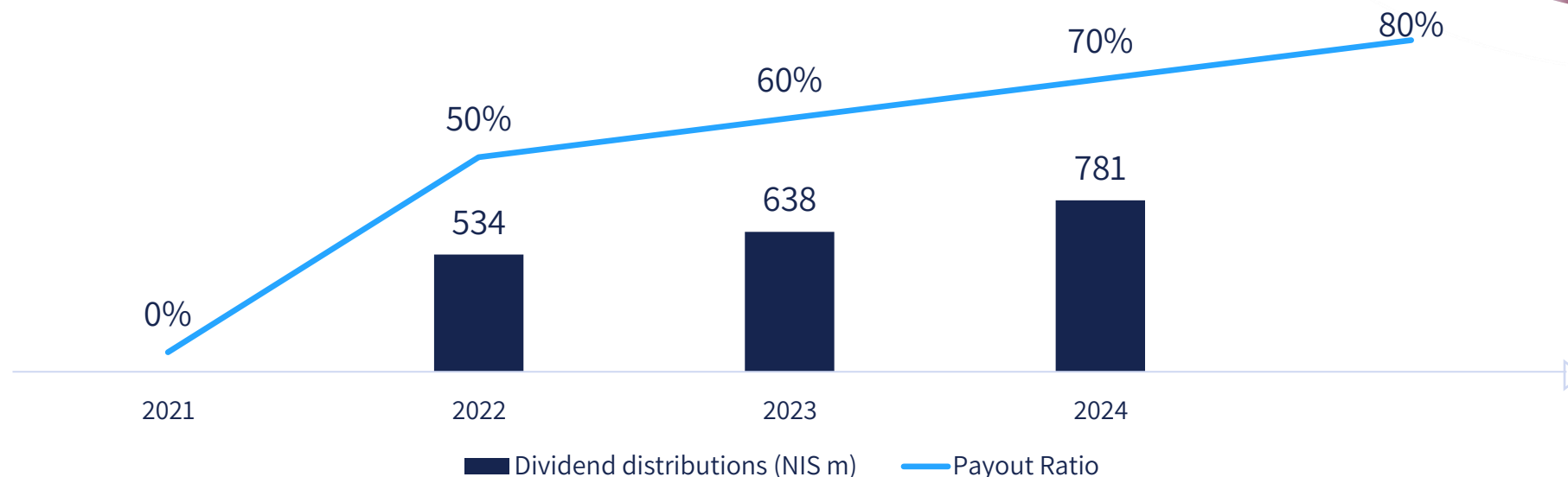
Rating Agency	Rating	Outlook
S&P Global Maalot	ilAA	Stable
Midroog	Aa2.il	Stable

⁽¹⁾ The increase in gross debt and cash balances in 2024 was due to debt raised in the fourth quarter of the year to cover Bezeq’s financing needs in FY 2025



Bezeq Group | Dividend Policy Update

- **The Company's Board of Directors updated its dividend distribution policy**, according to which the Company will distribute to its shareholders on a semi-annual basis, a cash dividend of **80% of the semi-annual profit (after tax)**
- Further to the dividend policy, the Company's Board of Directors recommended to the General Meeting of Shareholders a **dividend distribution in a total amount of NIS 392 million**, which as of the date of the approval of this resolution equaled to **NIS 0.14 per share**
- The recommended dividend reflects a yield of approx. **5% on an annual basis**



Bezeq Group | 2025 Guidance



2024 Outlook



2024 Results



2025 Outlook⁽³⁾

Adj. EBITDA ⁽¹⁾	NIS 3.8 billion	NIS 3.72 billion	✗	NIS 3.7 billion
Adj. net profit ⁽¹⁾	NIS 1.2 billion	NIS 1.27 billion	✓	NIS 1.2 billion
CapEx	NIS 1.8-1.9 billion	NIS 1.74 billion	✓	NIS 1.75 billion
Fiber deployment	2.5 million households	2.57 million households	✓	2.9 million households
Financial stability	Maintain High Credit Rating, within the AA group	Rating upgrade from AA minus to AA		Maintain High Credit Rating, within the AA group

⁽¹⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation

⁽²⁾ The Company will report, as required, deviations of more/less than 10% of the financial amounts stated in the outlook (Adjusted net profit, Adjusted EBITDA and CapEx)



Bezeq Group | Mid-Term Targets

Mid-term Targets Mar 2024

Updated Mid-term Targets

Financial Metrics	Core revenues		2%-3% CAGR
	Adj. EBITDA ⁽¹⁾	1.5% - 2.0% CAGR	~2.0% CAGR
	Adj. EBITDA Margin	42%-44%	43%-45%
	CapEx (gross)	16%-18% CapEx/Sales	Unchanged
	Adj. EBITDA less CapEx	Increase of NIS 400-500 million	Increase of ~ NIS 500 million
	Free cash flow AL	7%- 9% CAGR	Unchanged
	Financial stability	Maintain High Credit Rating within the AA group	Unchanged
	Dividend	Strive to increase dividend payout (subject to maintaining credit rating within the AA group)	Unchanged
Operating Metrics	Fiber take-up	Take-up rate of ~40% (retail + wholesale)	Unchanged
	ARPU – Retail Internet	Above NIS 140	Unchanged
	ARPU - Pelephone	NIS 45-50, excl. interconnect	Unchanged
	ARPU subscribers – yes		NIS 190-195 ⁽²⁾

(1) After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation

(2) ARPU TV of NIS 155-160 provided in March 2024 targets is unchanged



Bezeq Group - ESG



Environmental

Net Zero Target - in GHG emissions by 2050

Scope 3 calculation and management of the company's carbon footprint

Energy Efficiency

- Saving up to 20% in water and energy consumption
- Transition to 5G
- Cell site sharing with mobile operators

Waste Management

- Recycling program and waste separation, end-user and network equipment
- Doubled recycling volume to 95 tons in two years

Green Transportation - 70% of the vehicle fleet are hybrid

Environmental Resilience - Strengthening infrastructure for continuous service amid climate change



Social

Full gender equality target across management tiers, and at least 40% women at the Board of Directors by 2030 (Status⁽¹⁾: 33% in board and 39% in management)

Signing the **UN Women's Empowerment Principles** (WEPs)

Diversity, Equity & Inclusion target: 20% by 2030 (Status⁽¹⁾: 12%)

Digital Accessibility:

- Fiber infrastructure reaches ~85% of households
- Leading in 5G subscriber plans
- Investing in bridging the digital divide

Cybersecurity & Privacy: Compliance with strict standards

Supporting Stakeholders During the War-

- Rapid connection of thousands of shelters
- Non-billing of customers in evacuated areas
- Comprehensive support package for employees, including grants for reservists



Governance

Group ESG Management High Ratings

- Maala: Platinum+
- MSCI: AA

Publication of **annual ESG report** according to GRI and SASB standards since 2019

Ethics, Fairness, and Corruption Prevention

- Acting with fairness and in accordance with ethical principles towards all stakeholders, including the prevention of corruption
- Transparent mid-term compensation policy

Responsible Supply Chain – Integration of environmental and social considerations in selection of suppliers, including the signing of an ethical code

Corporate Governance and Regulatory Compliance – Management and control processes to ensure compliance with legal and regulatory requirements

⁽¹⁾ As of most recent ESG report (2023)



Bezeq Fixed-Line | 2024 Summary



Fixed-Line core revenues⁽¹⁾ increased 1.0% to NIS 3.80 billion, mainly due to higher revenues from broadband services and transmission and data communications



Adj. EBITDA decreased 1.6%, primarily due to lower telephony revenues resulting from the MOC tariff reduction



Strong Q4-2024: Adj. EBITDA grew 3.0%; Adj. Net Profit 9.1% and Free Cash Flow 13.5%



Retail fiber customers reached 547k as of today, with 6.4% growth in retail broadband ARPU reaching NIS 133 in Q4-2024



Fiber network homes passed reached 2.6m with 850k take-up (32%)⁽²⁾

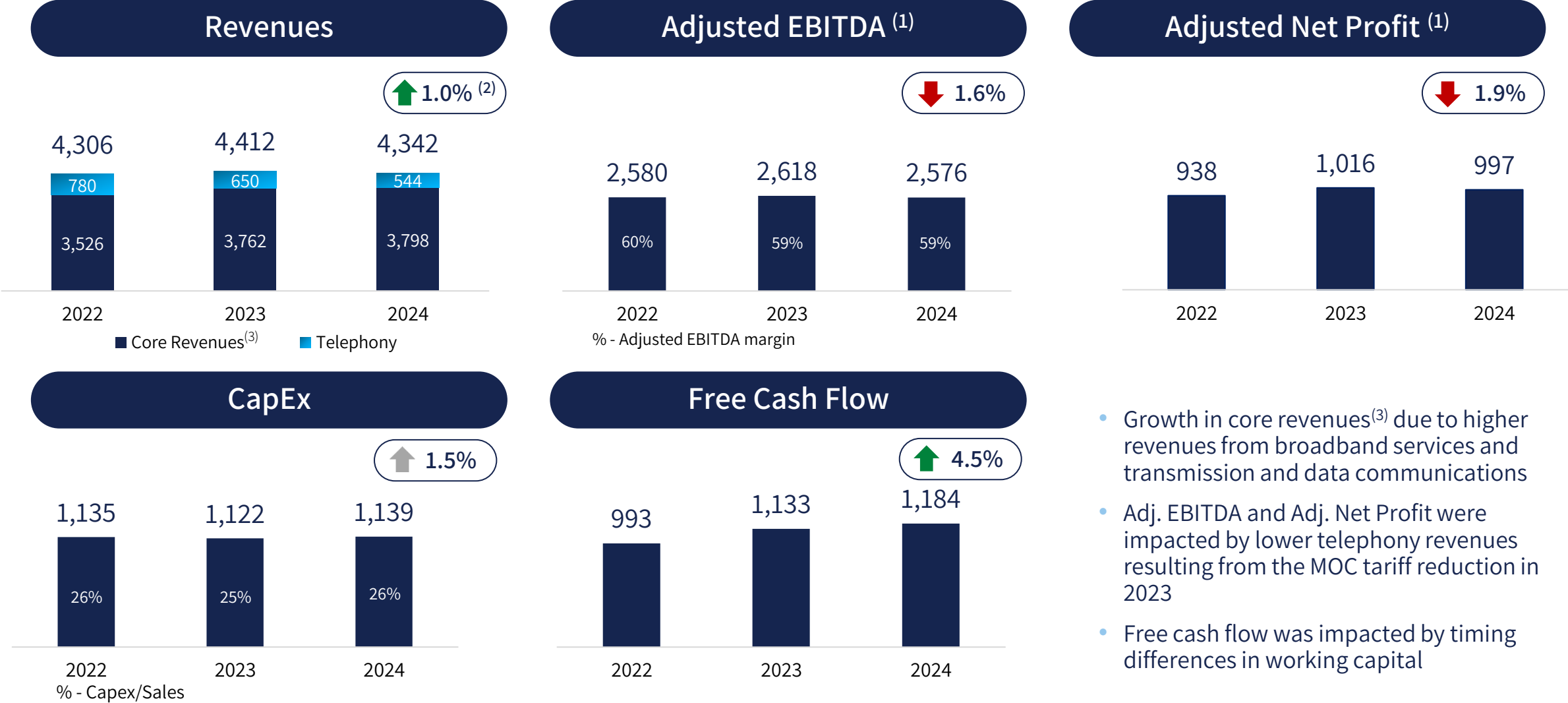


⁽¹⁾ Total Fixed-Line revenues excluding telephony revenues

⁽²⁾ Retail and wholesale, as of reporting date



Bezeq Fixed-Line | 2024 Key Financial Highlights | NIS million



- Growth in core revenues⁽³⁾ due to higher revenues from broadband services and transmission and data communications
- Adj. EBITDA and Adj. Net Profit were impacted by lower telephony revenues resulting from the MOC tariff reduction in 2023
- Free cash flow was impacted by timing differences in working capital

⁽¹⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation

⁽²⁾ % change in core revenues

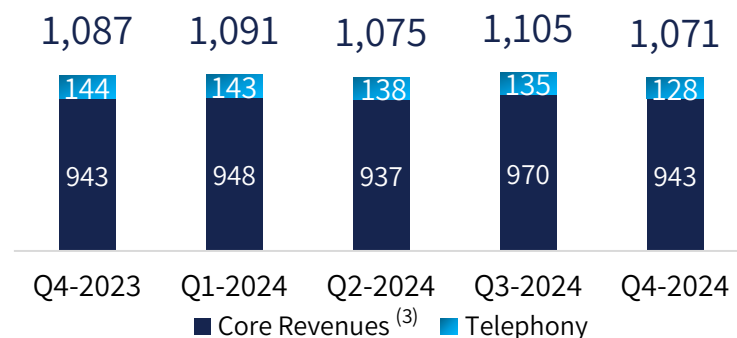
⁽³⁾ Fixed-line revenues excluding telephony revenues



Bezeq Fixed-Line | Q4-2024 Key Financial Highlights | NIS million

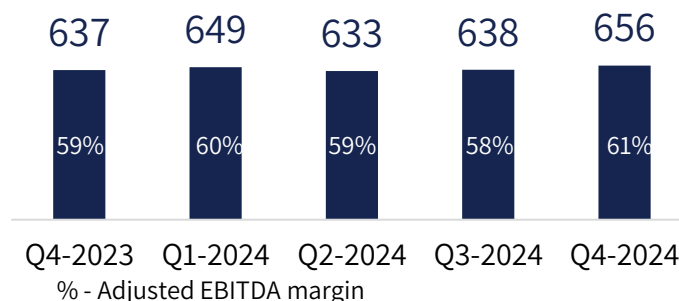
Revenues

Unchanged ⁽²⁾



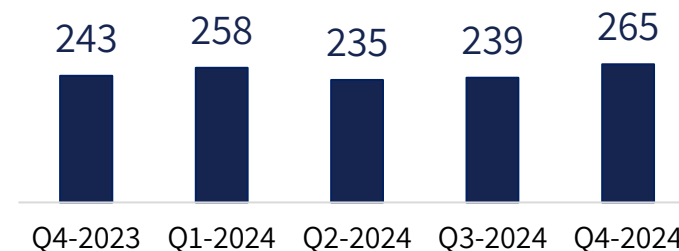
Adjusted EBITDA ⁽¹⁾

↑ 3.0%



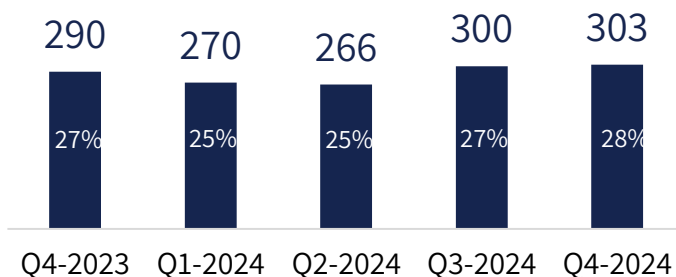
Adjusted Net Profit ⁽¹⁾

↑ 9.1%



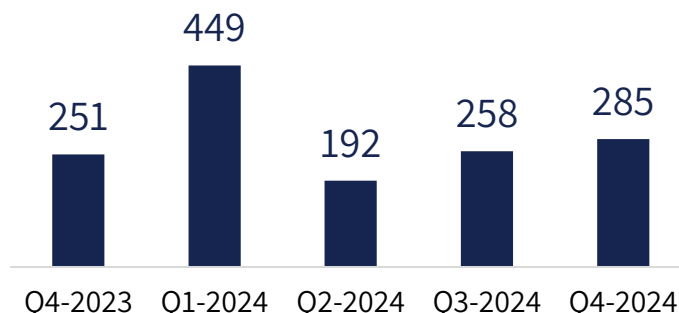
CapEx

↑ 4.5%



Free Cash Flow

↑ 13.5%



- Stable core revenues⁽³⁾, mainly due to higher revenues from broadband services
- Adj. EBITDA and Adj. Net Profit growth due to the reversal of the provision for the universal fiber fund, as well as lower operating and salary expenses
- Free cash flow was positively impacted by timing differences in working capital

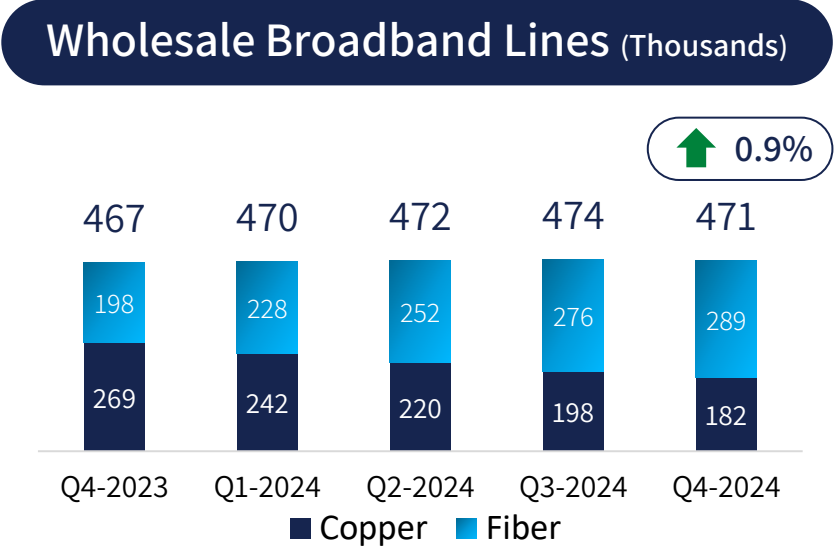
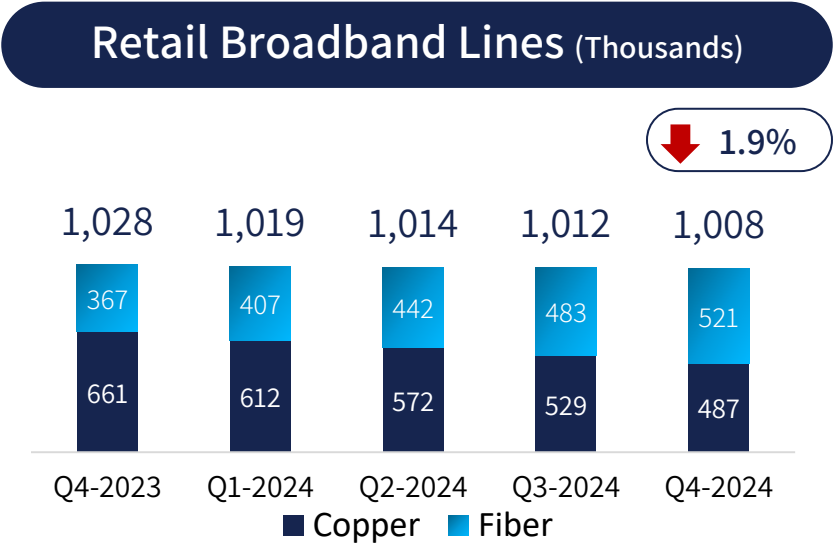
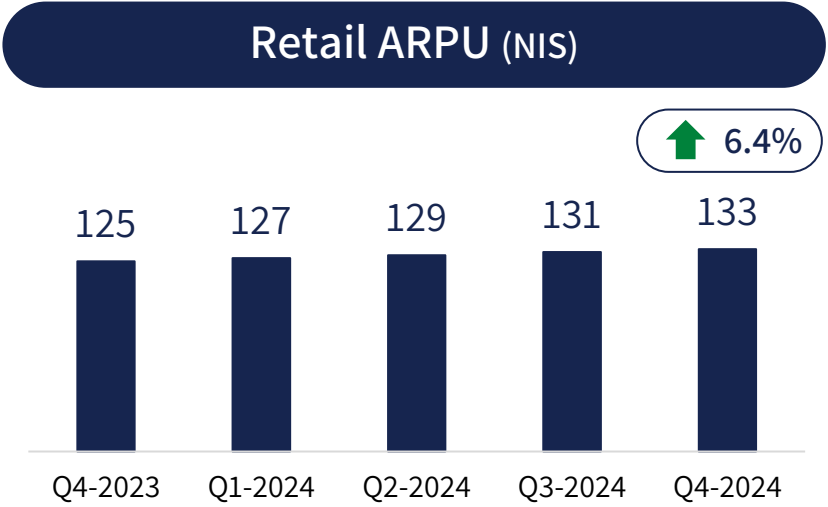
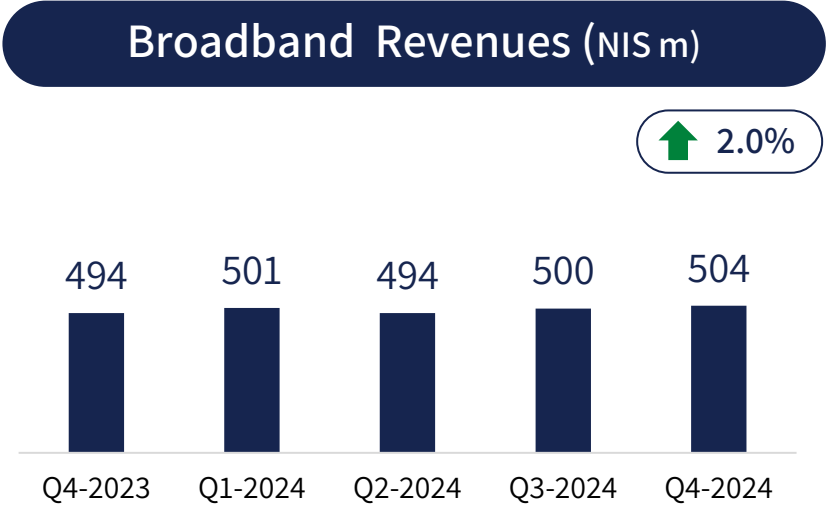
⁽¹⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation

⁽²⁾ % change in core revenues

⁽³⁾ Fixed-line revenues excluding telephony revenues



Bezeq Fixed-Line | Q4-2024 Broadband Internet

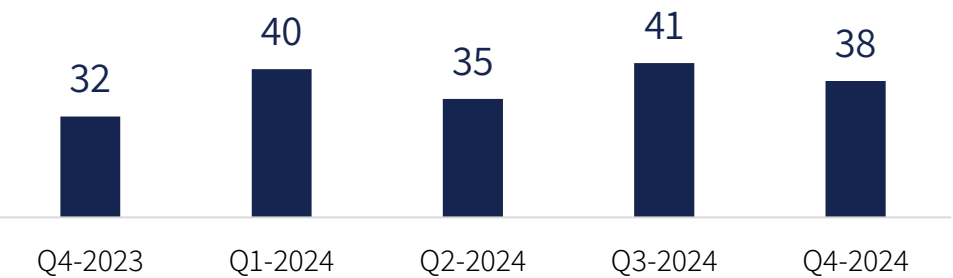


- Continued increase in fiber take-up to 32%
- Continued growth in broadband retail ARPU, positively impacted by fiber net adds
- Growth in revenues from broadband services, despite a decrease in wholesale tariffs for use of the passive network

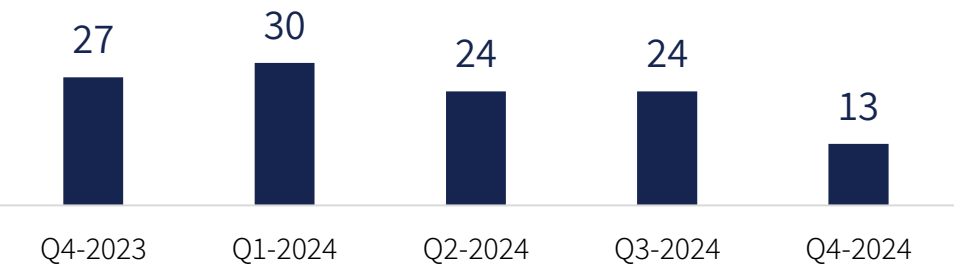


Bezeq Fixed-Line | Fiber Take-Up – Retail and Wholesale

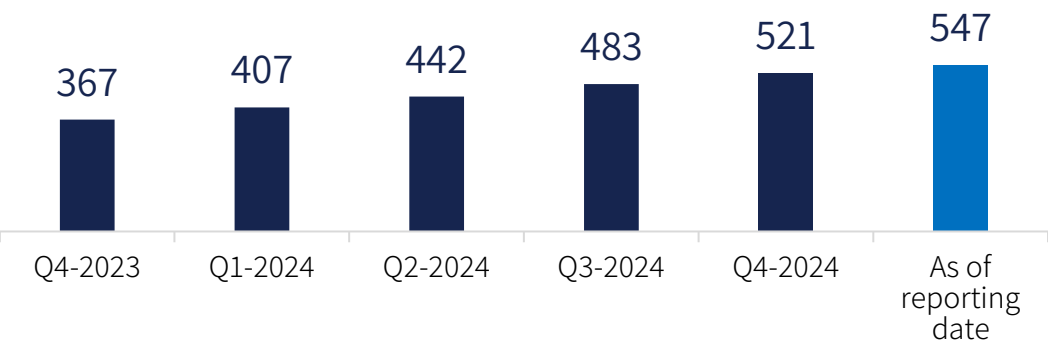
Retail Fiber – Net Adds (Thousands)



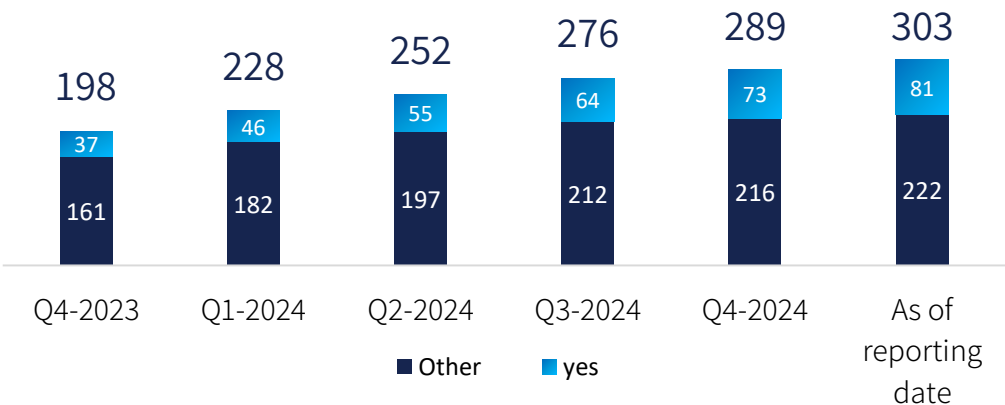
Wholesale Fiber – Net Adds (Thousands)



Total Retail Fiber Take-Up (Thousands)



Total Wholesale Fiber Take-Up (Thousands)



Fiber subscribers represent 52% of total retail subscribers

46% y-o-y increase in wholesale take-up

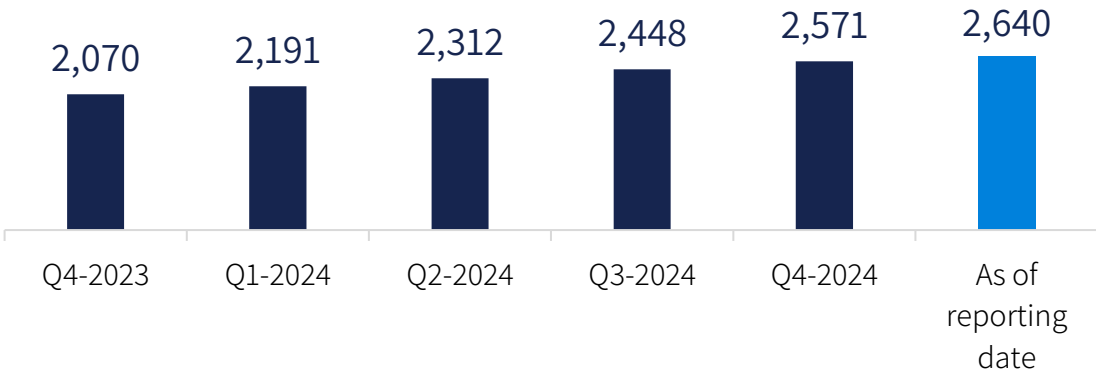


Bezeq Fixed-Line | Continued Fiber Deployment and Take-Up Focus

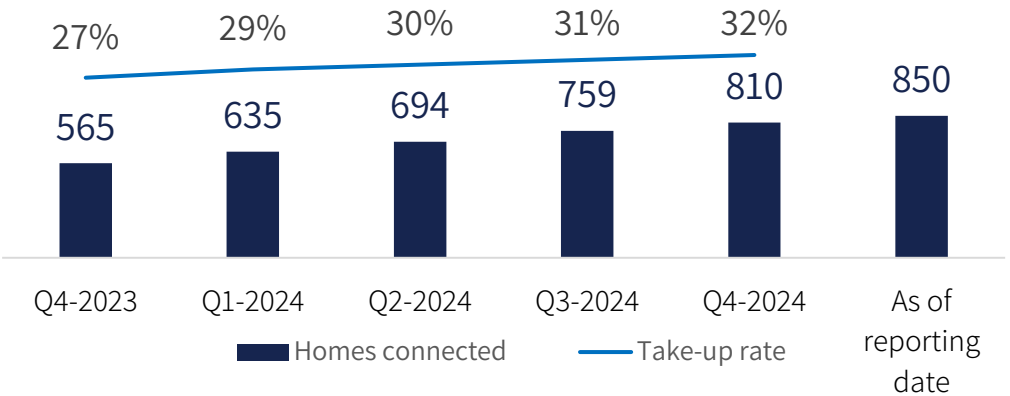
Total Fiber Net Adds (thousands, Retail and Wholesale)



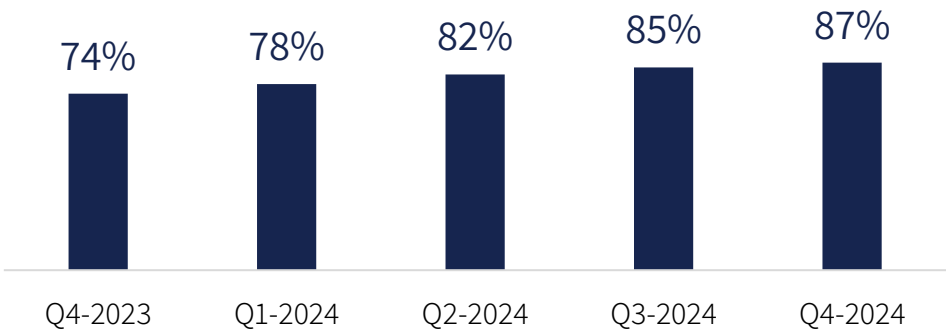
Homes Passed (thousands)



Total Fiber Take-Up (thousands, Retail and Wholesale)



Customers with Unified Broadband Service (% of total retail customers)



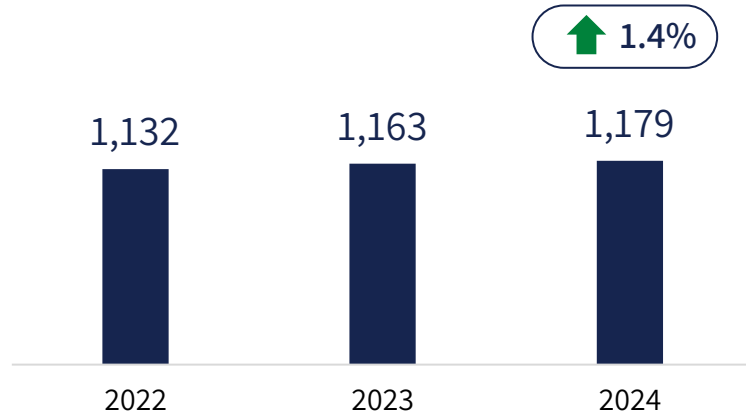
Over 800k active subscribers on Bezeq's fiber network

~2.6m homes passed

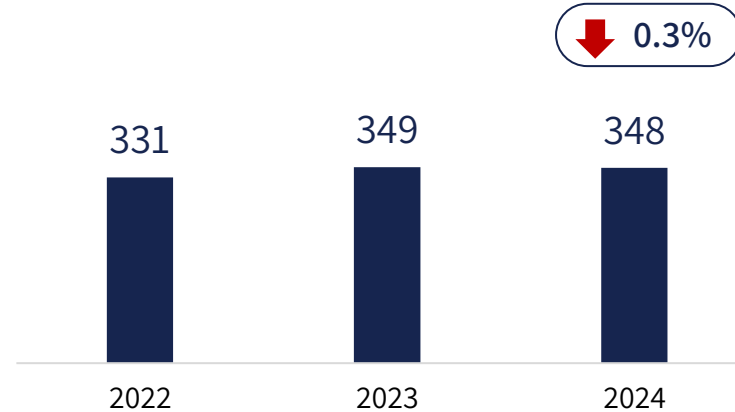


Bezeq Fixed-Line | Data, Telephony, Cloud & Digital Revenues | NIS million

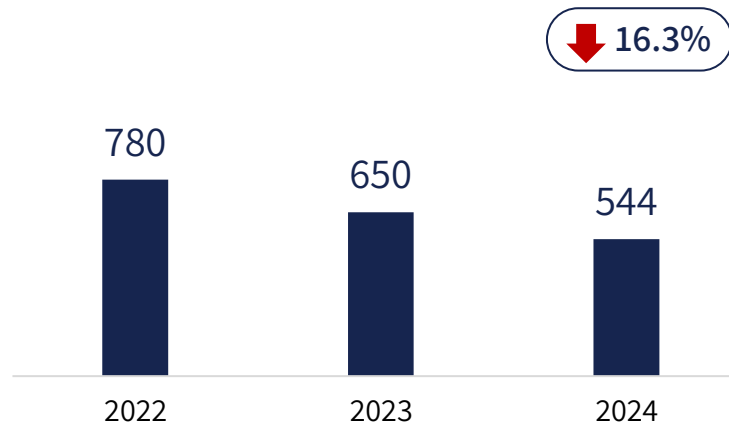
Transmission & Data



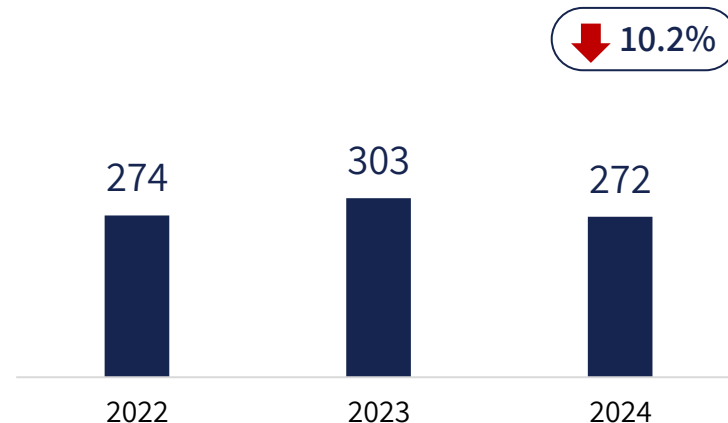
Cloud & Digital



Telephony



Other

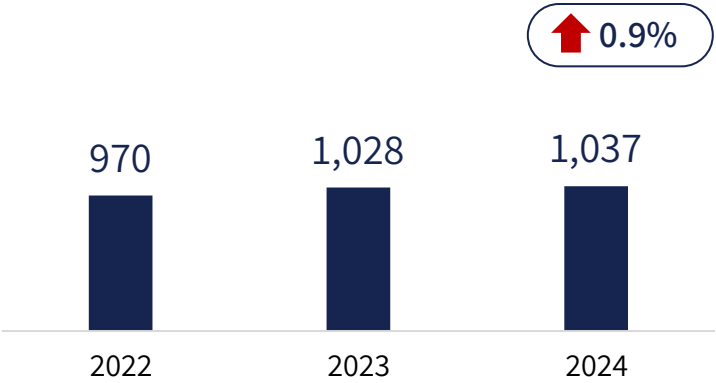


- Continued growth in revenues from transmission and data communications, partially offset by lower revenues from ISP companies
- Moderate decrease in cloud & digital revenues due to lower revenues from business directory services, offset by higher revenues from cloud services
- Lower telephony revenues, mainly due to MOC tariff reduction. Telephony revenues represented 12.5% of total Fixed-Line revenues in 2024
- Other revenues were impacted by lower revenues from infrastructure projects, including completion of the Blue-Raman submarine cable in 2023

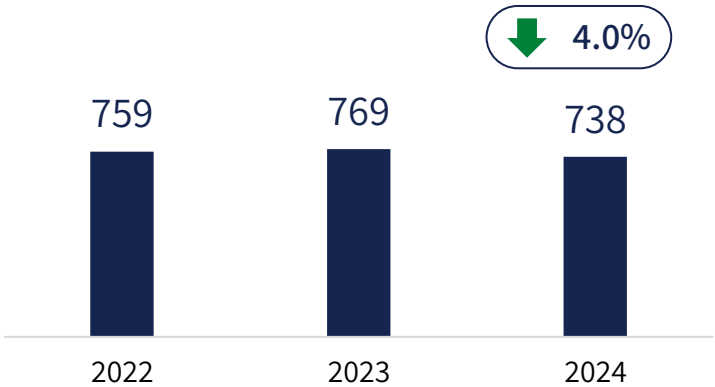


Bezeq Fixed-Line | Operating Expenses | NIS million

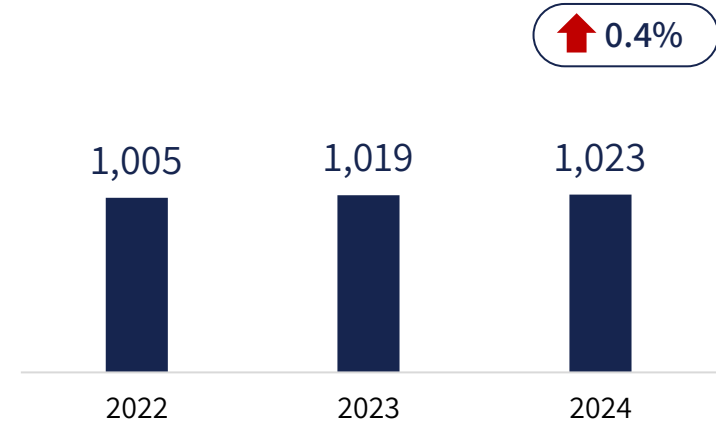
Salaries



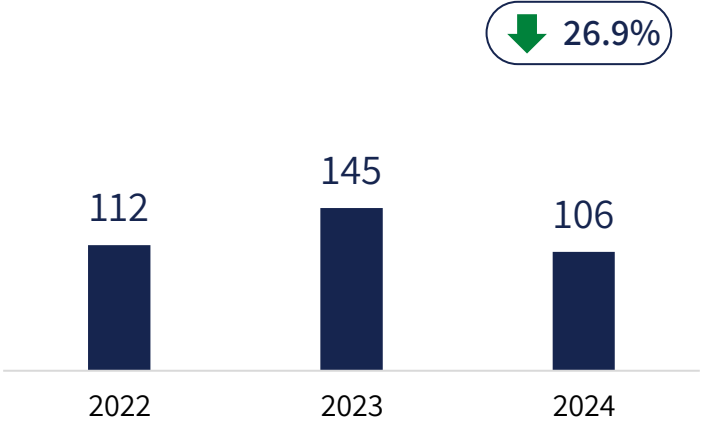
Operating Expenses



Depreciation & Amortization



Other Expenses (Income)



- Moderate salary expense increase due to salary adjustments and employee recruitment, partially offset by employee retirement and reimbursement received from National Insurance for employees in military reserve duty
- Operating expenses decreased due to lower subcontractor and equipment expenses as well as lower interconnect fees to telecom operators due to a decrease in tariffs
- Other expenses decreased due to a one-time provision for a future grant to employees recorded in 2023



Pelephone | 2024 Summary



Highest revenues from services⁽³⁾ in seven years, reaching NIS 1.4 billion, an increase of 1.3%, despite the impact of the war on roaming revenues (NIS 65m)



Adjusted EBITDA rose 1.3% to NIS 760 million. After adjusting for the impact of the war, Adjusted EBITDA would have increased by 5%



ARPU in Q4-2024 was NIS 45, a Y-o-Y increase of NIS 3



5G subscriber plans grew by 208k reaching 1.3 million (55% of postpaid subscribers)⁽¹⁾, alongside growth of 55k in postpaid subscribers⁽²⁾



**Growth in revenues from services (exc. interconnect fees)
despite impact of war on roaming services**

(1) As of reporting date

(2) Compared to Q3-2024

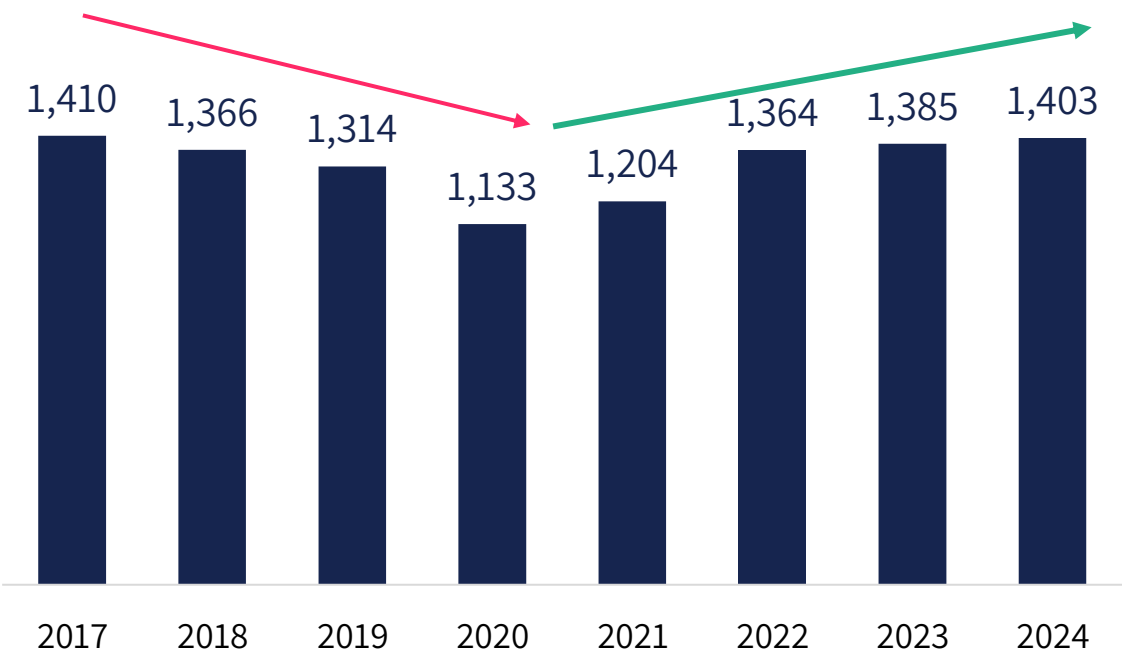
(3) Unless otherwise stated, Pelephone revenues and ARPU in this presentation excl. interconnect fees



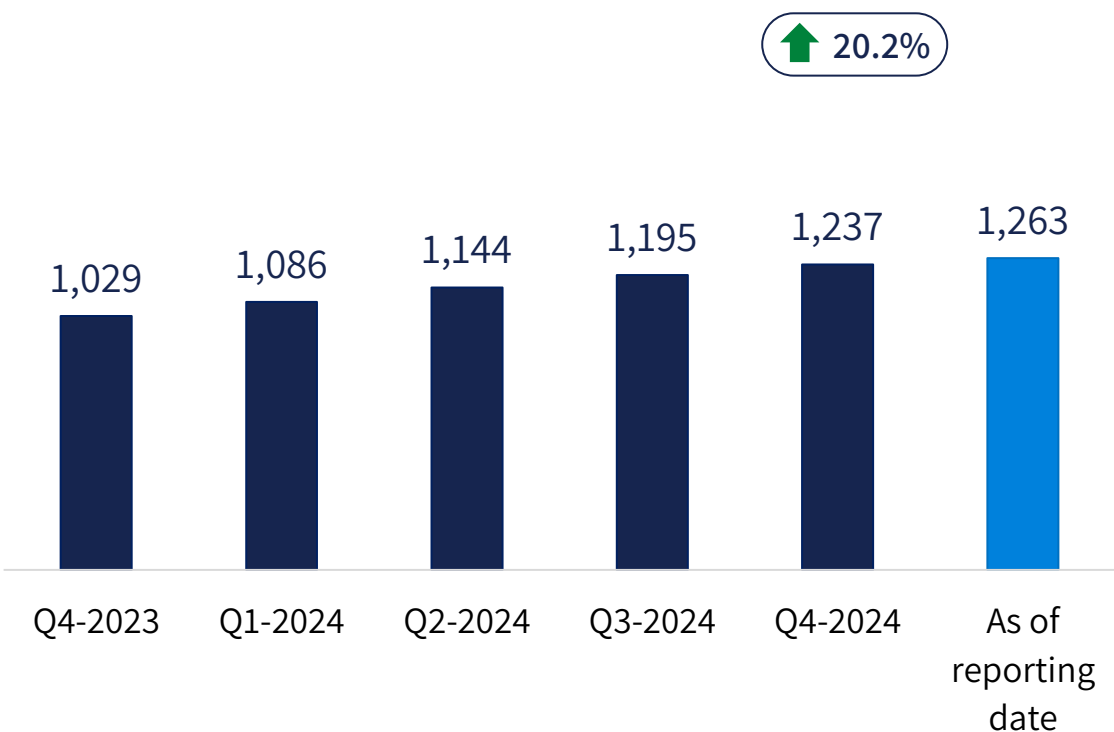
Pelephone | Highest Service Revenues Since 2017

Growth in Service Revenues Despite War Impact

Revenues from Services (NIS Million)



Subscribers on 5G Plans (Thousands)

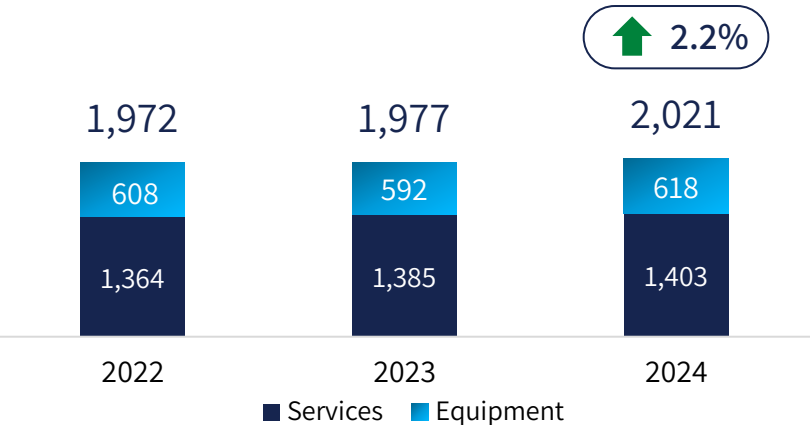


Subscribers on 5G plans represent 55% of postpaid subscribers

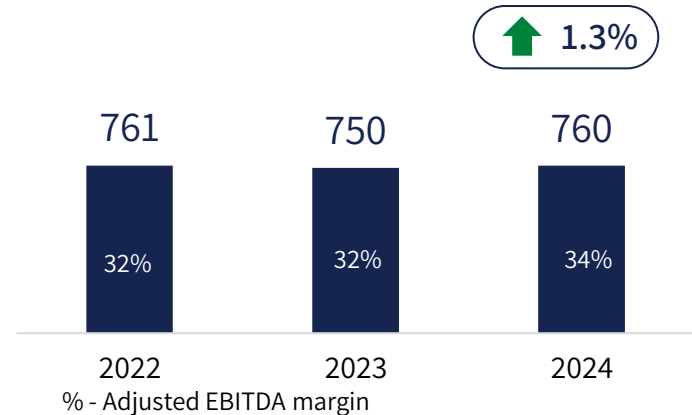


Pelephone | 2024 Key Financial Highlights | NIS million

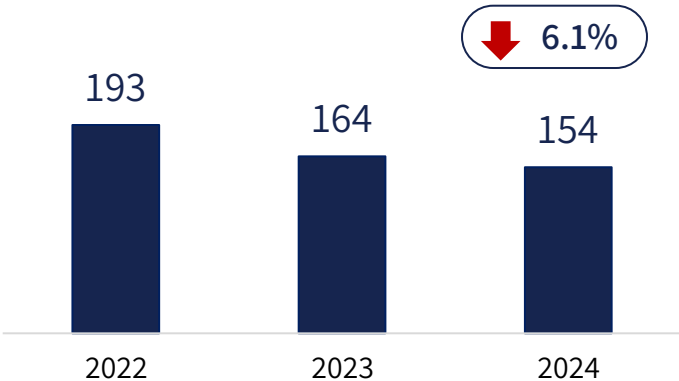
Revenues



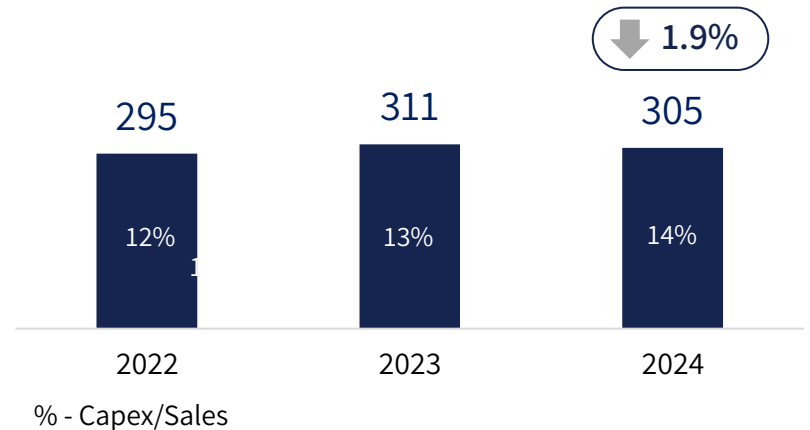
Adjusted EBITDA ⁽¹⁾



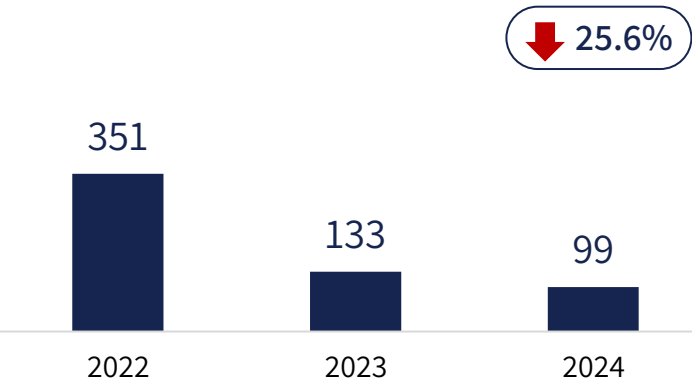
Adjusted Net Profit ⁽¹⁾



CapEx



Free Cash Flow



- Growth in revenues from services and equipment sales despite the impact of the war on roaming revenues (estimated at NIS 65 million)
- After adjusting for the impact of the war on roaming revenues, Adjusted EBITDA would have increased by 5%
- Free cash flow was impacted by timing differences in working capital, including the timing of equipment payments

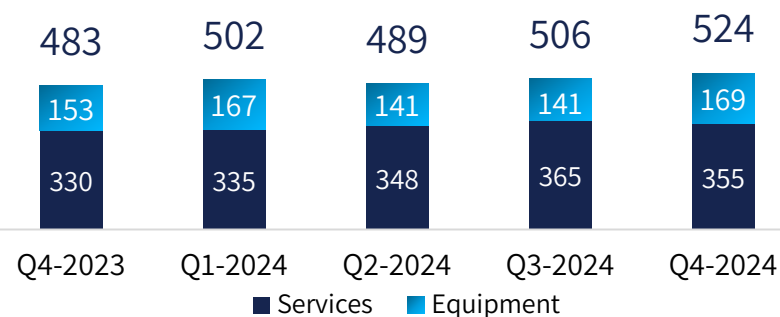
⁽¹⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation



Pelephone | Q4-2024 Key Financial Highlights | NIS million

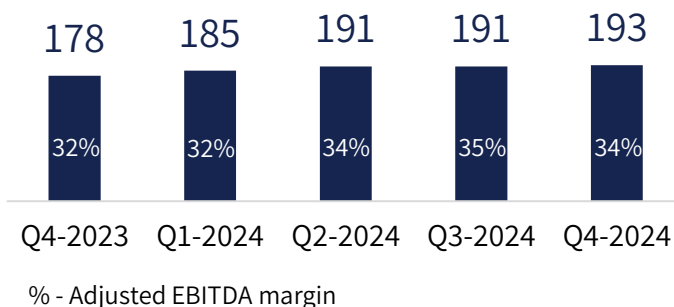
Revenues

↑ 8.5%



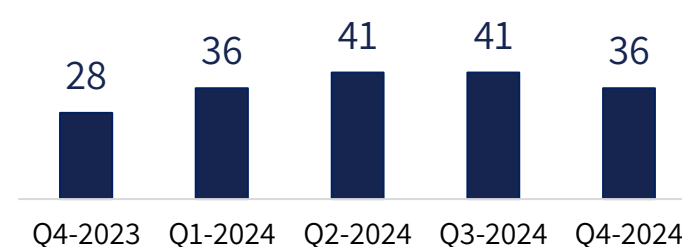
Adjusted EBITDA ⁽¹⁾

↑ 8.4%



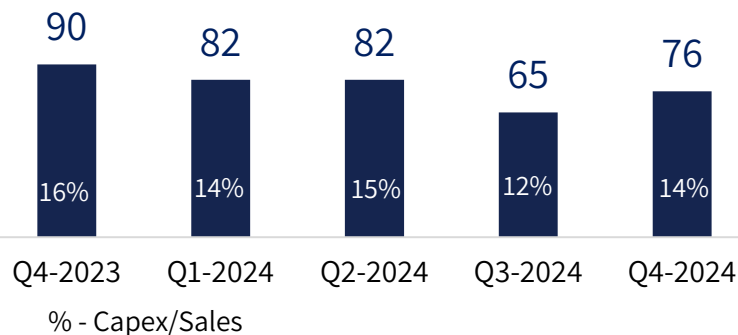
Adjusted Net Profit ⁽¹⁾

↑ 28.6%



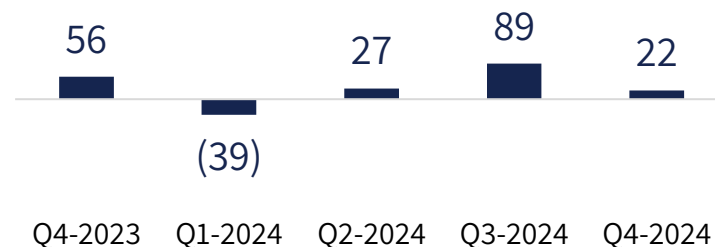
CapEx

↓ 15.6%



Free Cash Flow

↓ 60.7%



- Revenues increased due to higher roaming revenues compared to the corresponding quarter which were impacted by the war, and continued growth in 5G subscriber plans and total postpaid subscribers
- Adj. EBITDA and Adj. Net Profit mainly due to higher revenues and the reversal of the provision for the universal fiber fund
- Free cash flow was negatively impacted by timing differences in working capital

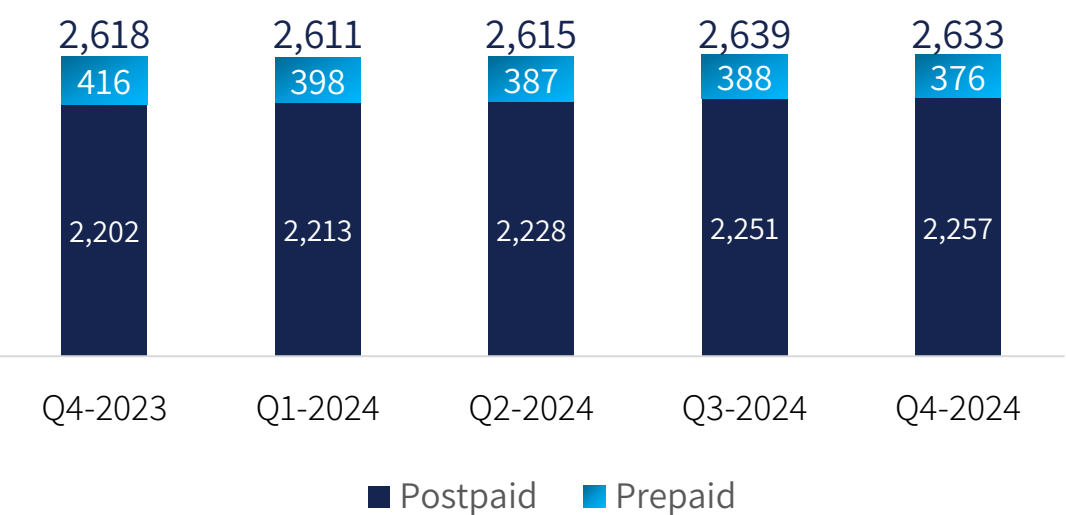
⁽¹⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation



Pelephone | Q4-2024 Key Operational Metrics

Subscribers (Thousands)

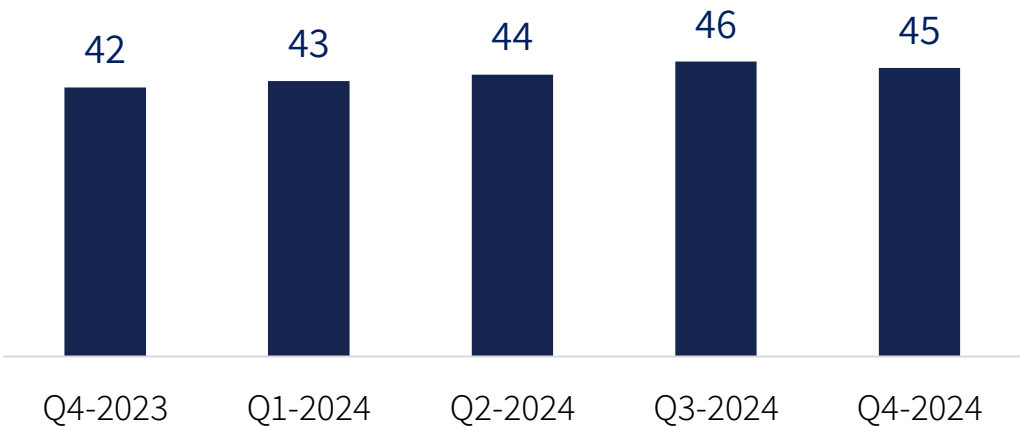
↑ 0.6%



- Continued increase in postpaid subscribers, including 5G subscriber plans
- Lower prepaid subscribers due to war impact

ARPU (NIS)

↑ 7.1%



- ARPU increased NIS 3 year-over-year, due to higher ARPU from cellular plans and roaming services



yes | 2024 Summary



Revenues decreased 3.4% due to increased competition and the war, mainly the non-billing of customers in the line of conflict (impact of NIS 20m in 2024), partially offset by higher revenues from the TV + fiber bundle



Continued acceleration of migration from satellite to IP⁽²⁾ with over 473k customers watching TV through IP broadcasting⁽¹⁾ (84% of total subscribers)



Quarterly ARPU subscribers⁽³⁾ increased NIS 4 year-over-year to NIS 186 due to higher revenues from the TV + fiber bundle



Continued growth in fiber subscribers reaching over 80k⁽¹⁾, 17% of total IP subscribers



⁽¹⁾ As of reporting date

⁽²⁾ IP subscribers - the number of yes subscribers viewing IP broadcasting through the yes+ and STINGTV services. This includes subscribers that use satellite services as well

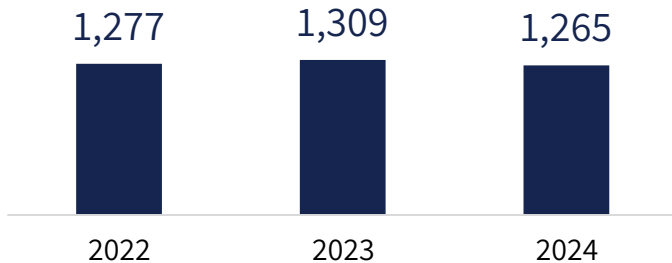
⁽³⁾ ARPU subscribers includes TV and fiber activity



yes | 2024 Key Financial Highlights | NIS Million

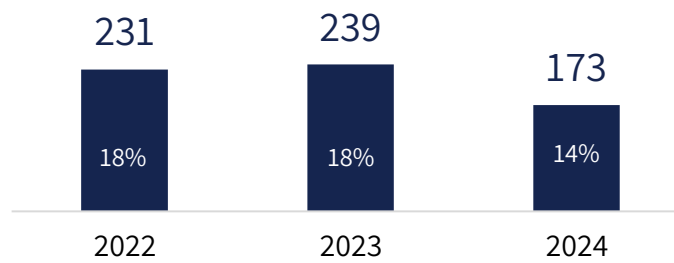
Revenues

↓ 3.4%



Adjusted EBITDA⁽¹⁾

↓ 27.6%



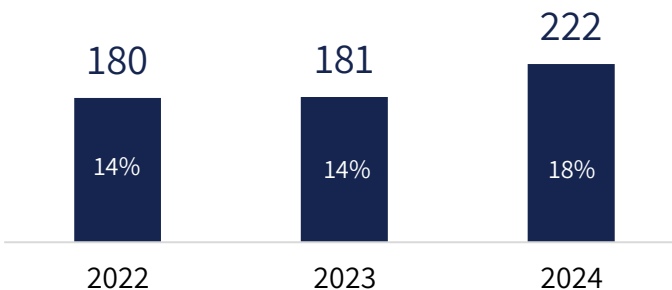
% - Adjusted EBITDA margin

Adjusted Net Profit⁽¹⁾



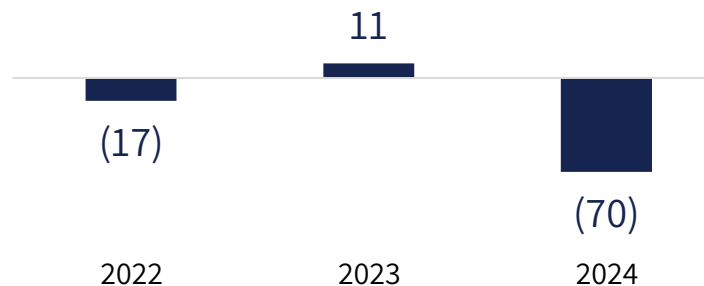
CapEx

↑ 22.7%



% - Capex/Sales

Free Cash Flow



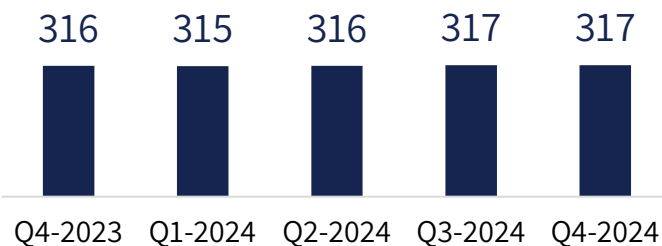
- Revenues were impacted by increased competition and the impact of the war, mainly the non-billing of customers in the line of conflict, offset by higher revenues from the TV + fiber bundle
- Adj. EBITDA and Adj. Net Profit were mainly impacted by the decrease in revenues
- Free cash flow was mainly impacted by the decrease in profitability and an increase in CapEx, due to the transition to IP, among others



yes | Q4-2024 Key Financial Highlights | NIS Million

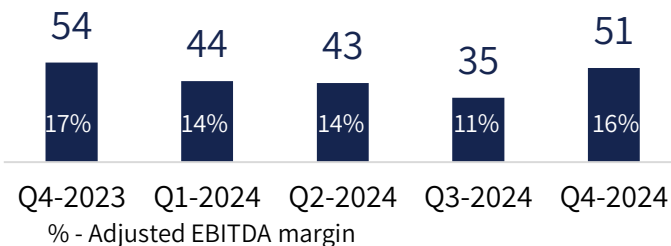
Revenues

↑ 0.3%



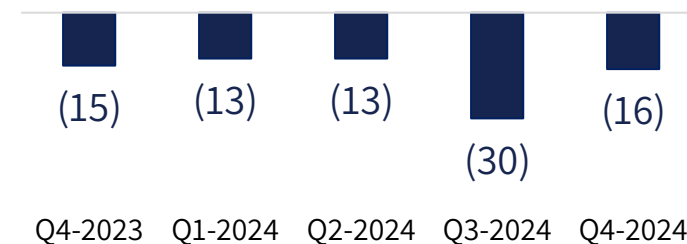
Adjusted EBITDA⁽¹⁾

↓ 5.6%



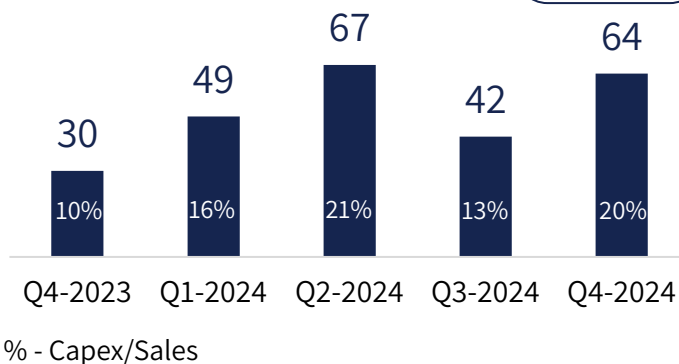
Adjusted Net Profit⁽¹⁾

↓ 6.7%



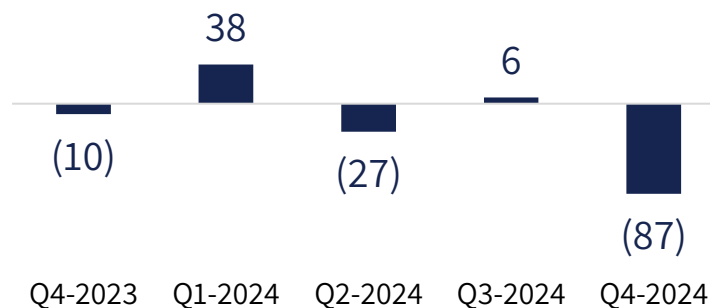
CapEx

↑ 113.3%



Free Cash Flow

↑ 770%



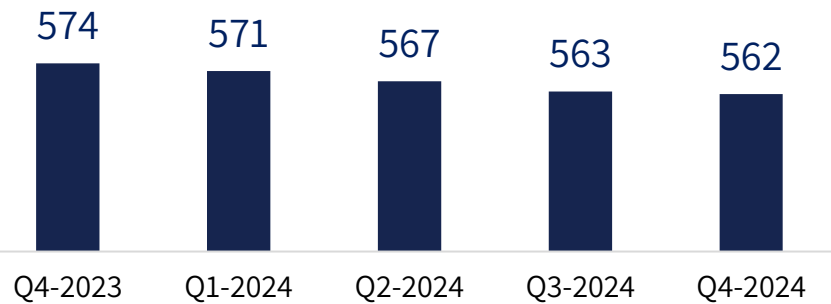
- Stable revenues due to higher revenues from the TV + fiber bundle
- Free cash flow was impacted by timing differences in working capital and higher CapEx



yes | Q4-2024 Key Operational Metrics

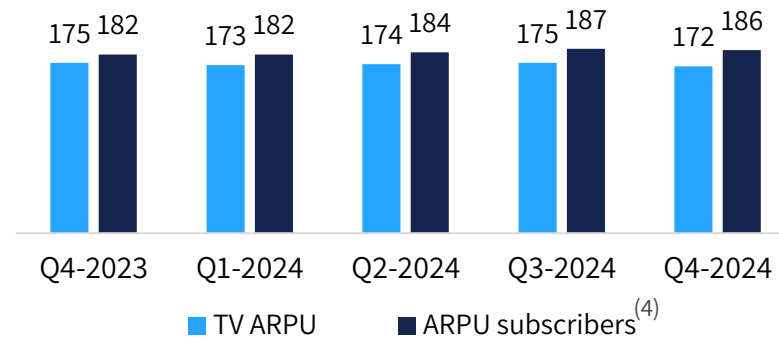
Subscribers (Thousands)

↓ 2.1%



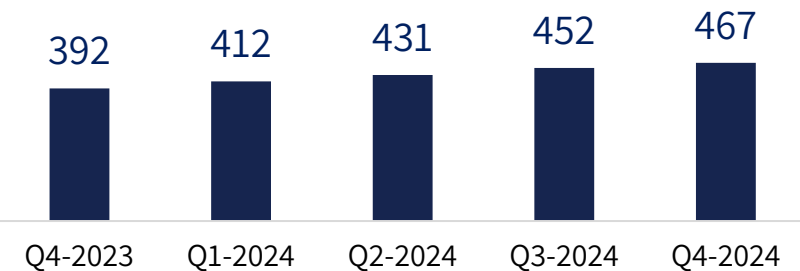
ARPU (NIS)

↑ 2.2%⁽³⁾



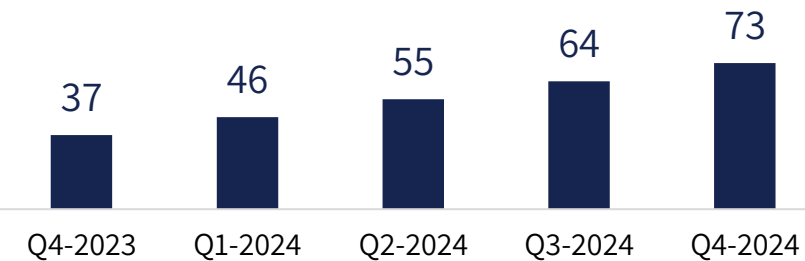
IP Subscribers⁽¹⁾ (Thousands)

↑ 19.1%



Fiber Subscribers (Thousands)

↑ 97.3%



- Decrease in subscribers due to increased competition
- Higher ARPU subscribers⁽⁴⁾ due to higher revenues from fiber plans
- Continued growth in IP subscribers to 84% of yes subscribers⁽²⁾
- Continued growth in fiber subscribers

⁽¹⁾ IP subscribers - number of yes subscribers viewing IP broadcasting through the yes+ and STINGTV services. This includes subscribers that use satellite services as well

⁽²⁾ As of reporting date

⁽³⁾ % change in ARPU subscribers

⁽⁴⁾ ARPU subscribers includes TV and fiber activity



Bezeq International | 2024 Summary



Continued transition from consumer ISP focus to development of ICT business activity: communications, data centers, integration, public cloud and cyber



Revenues decreased 9%, mainly due to a decrease in the ISP consumer activity further to the regulatory reform in unified Internet services



Cost savings following reduction in consumer ISP activity



Adj. Net Profit rose 2%, to NIS 52 million



Free cash flow reached NIS 51 million, compared to NIS 26 million in 2023, mainly due to timing differences in working capital, a decrease in CapEx and lower employee severance payments compared to 2023

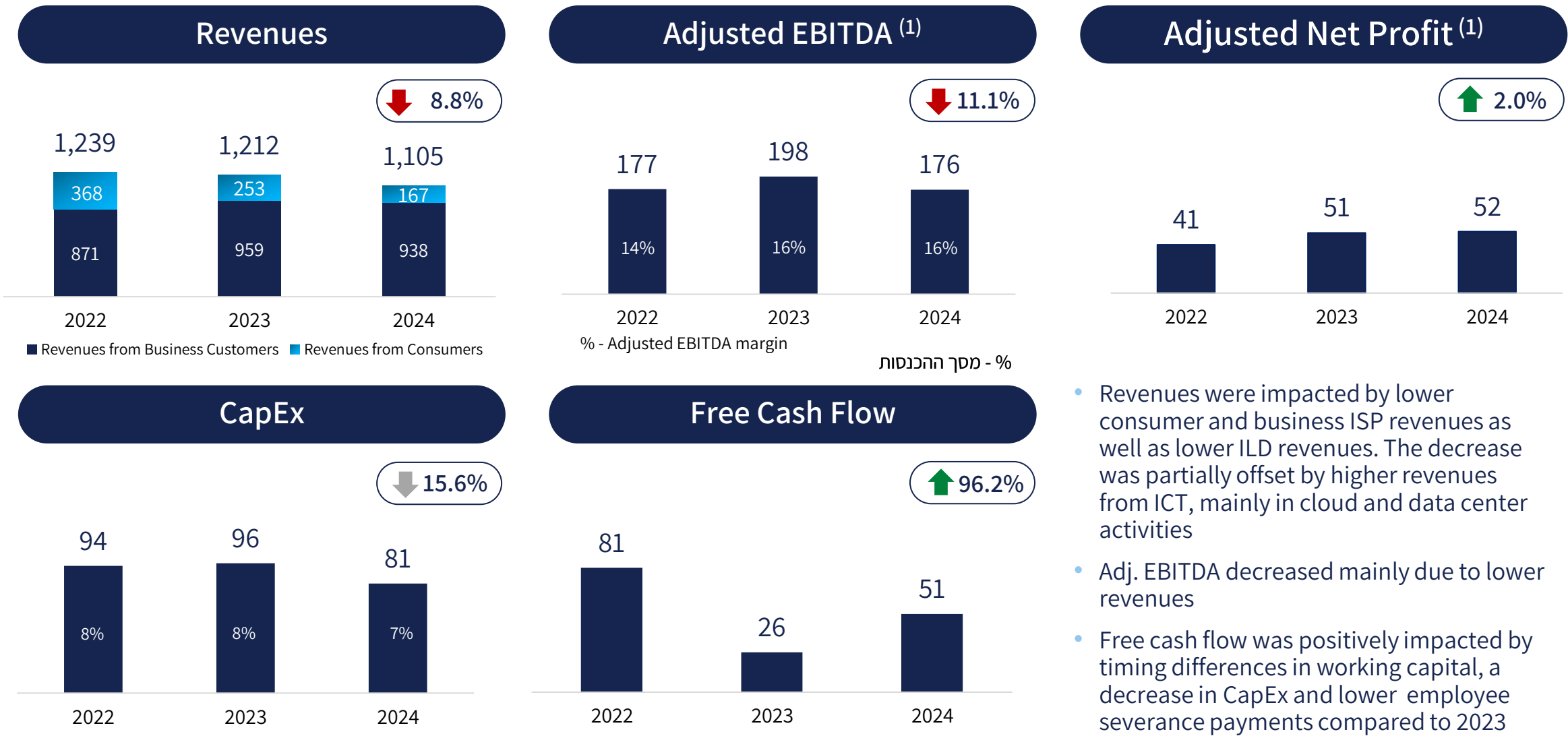


Agreement signed for employee retirement from 2025 - 2027



Bezeq International | 2024 Key Financial Highlights |

NIS Million



⁽¹⁾ After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation

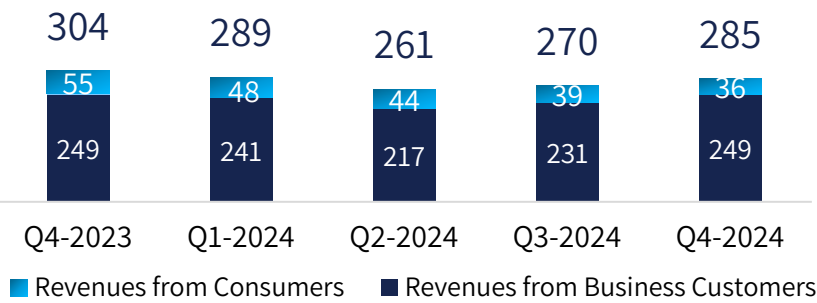


Bezeq International | Q4-2024 Key Financial Highlights |

NIS Million

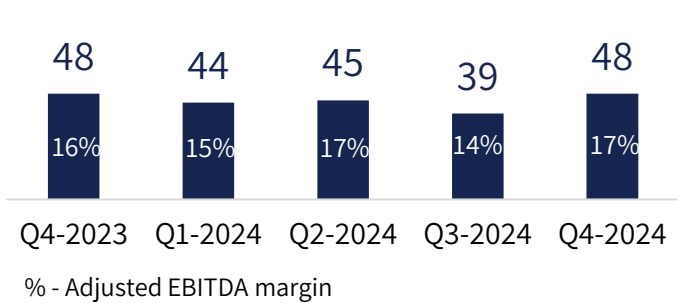
Revenues

↓ 6.3%

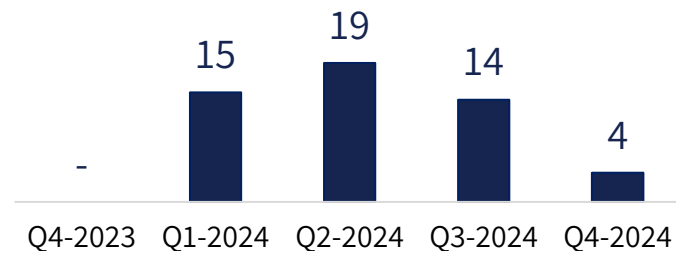


Adjusted EBITDA ⁽¹⁾

Unchanged

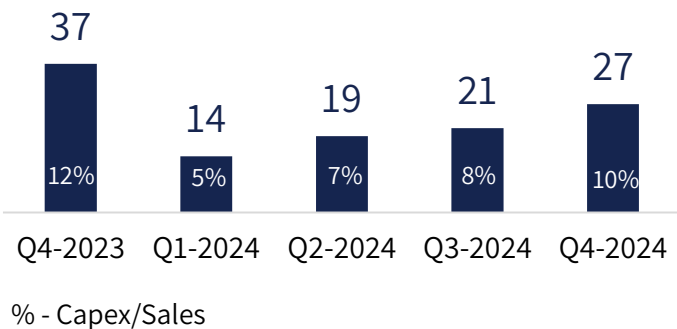


Adjusted Net Profit ⁽¹⁾

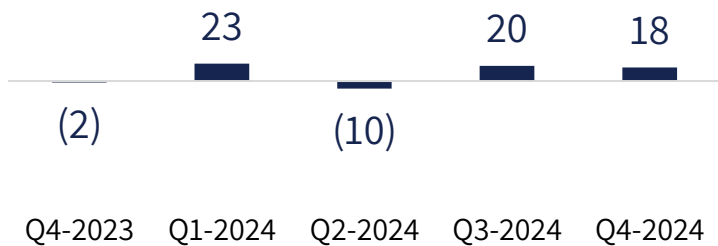


CapEx

↓ 27.0%



Free Cash Flow



- Revenues and free cash flow in Q4-2024 were similar to trends in FY-2024
- Stable Adj. EBITDA due to lower operating expenses



Bezeq Group | 2024 Summary



1.3% growth in core revenues⁽¹⁾ to NIS 7.73 billion, due to growth in Pelephone and Bezeq Fixed-Line



Continued growth in strategic drivers – 43% increase in fiber take-up, 6% in retail broadband ARPU to 133 and 20% in 5G postpaid subscriber plans



2% growth in Bezeq Group retail broadband subscribers⁽²⁾ while fiber infrastructure take-up reaches 32%



Adj. EBITDA in 2024 was impacted by the war's impact on roaming revenues and the decrease in telephony revenues. Adjusted EBITDA rose 5.9% and Adjusted Net Profit grew 23.3% in Q4-2024



Dividend policy upgraded to 80% of net profit as of 2025, following an increase in credit rating and decrease in net debt to NIS 4.95 billion



Rational regulatory environment with an emphasis on the wholesale broadband market and efforts to remove structural separation



Bezeq Group is executing on its strategy while focusing on growth

⁽¹⁾ Group revenues excluding Bezeq Fixed-Line telephony revenues, Pelephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues

⁽²⁾ Bezeq Fixed-Line retail broadband + yes fiber bundle subscribers



Thank You!

For more information please visit us
ir.bezeq.co.il