



## Bezeq Facts & Figures Q3 2020 - After Restatement

Three and nine months ending September 30, 2020

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(NIS millions)

		FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
<b>Bezeq Group</b>											
<b>Key Income Statement Metrics</b>											
Revenues		9,789	9,321	2,256	2,224	2,247	2,202	8,929	2,187	2,155	2,178
	QoQ Change				-1.4%	1.0%	-2.0%		-0.7%	-1.5%	1.1%
	YoY Change		-4.8%					-4.2%	-3.1%	-3.1%	-3.1%
Depreciation, amortization & impairment		1,715	2,189	466	478	481	487	1,912	451	459	464
	QoQ Change				2.6%	0.6%	1.2%		-7.4%	1.8%	1.1%
	YoY Change		27.6%					-12.7%	-3.2%	-4.0%	-3.5%
Salaries		2,005	1,992	492	489	474	478	1,933	479	444	474
	QoQ Change				-0.6%	-3.1%	0.8%		0.2%	-7.3%	6.8%
	YoY Change		-0.6%					-3.0%	-2.6%	-9.2%	0.0%
Other operating expenses (income), net		(19)	634	(25)	(414)	39	179	(221)	(3)	(19)	(7)
Loss from impairment of assets		87	1,675	-	951	-	196	1,147	-	-	268
Operating profit (loss)		2,098	(582)	504	(102)	440	8	850	459	511	189
	QoQ Change				N/M	N/M	-98.2%		5637.5%	11.3%	-63.0%
	YoY Change		N/M					N/M	-8.9%	N/M	-57.0%
Finance expenses (income), net		417	435	99	136	205	109	549	34	159	80
	QoQ Change				37.4%	50.7%	-46.8%		-68.8%	367.6%	-49.7%
	YoY Change		4.3%					26.2%	-65.7%	16.9%	-61.0%
Income taxes		453	72	110	1,340	56	(13)	1,493	98	83	83
	QoQ Change				1118.2%	-95.8%	-123.2%		-853.8%	-15.3%	0.0%
	YoY Change		-84.1%					1973.6%	-10.9%	-93.8%	48.2%
Net profit (loss) - reported		1,223	(1,092)	295	(1,579)	177	(87)	(1,194)	327	269	26
	QoQ Change				N/M	N/M	N/M		32700.0%	-17.7%	-90.3%
	YoY Change		N/M					9.3%	10.8%	N/M	-85.3%
ADJUSTED NET PROFIT		1,296	961	286	217	207	203	913	325	252	289
EBITDA, reported		3,813	1,607	970	376	921	495	2,762	910	970	653
	QoQ Change				-61.2%	144.9%	-46.3%		83.8%	6.6%	-32.7%
	YoY Change		-57.9%					71.9%	-6.2%	158.0%	-29.1%
ADJUSTED EBITDA		3,881	3,916	945	913	960	870	3,688	907	951	914
	QoQ Change				-3.4%	5.1%	-9.4%		4.3%	4.9%	-3.9%
	YoY Change		0.9%					-5.8%	-4.0%	4.2%	-4.8%
Earnings Per Share - Diluted (NIS)		0.45	(0.39)	0.11	(0.57)	0.06	(0.03)	(0.43)	0.12	0.10	0.01
Shares Outstanding - Diluted		2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
<b>Operating &amp; General Expenses</b>											
Total operating & general expenses		3,903	3,413	819	822	813	854	3,308	801	760	790
	QoQ Change				0.4%	-1.1%	5.0%		-6.2%	-5.1%	3.9%
	YoY Change		-12.6%					-3.1%	-2.2%	-7.5%	-2.8%
Terminal equipment & materials		867	771	191	181	202	232	806	188	176	189
	QoQ Change				-5.2%	11.6%	14.9%		-19.0%	-6.4%	7.4%
	YoY Change		-11.1%					4.5%	-1.6%	-2.8%	-6.4%
Interconnect & payments to telecom operators		805	789	189	194	193	181	757	185	201	199
	QoQ Change				2.6%	-0.5%	-6.2%		2.2%	8.6%	-1.0%
	YoY Change		-2.0%					-4.1%	-2.1%	3.6%	3.1%
Maintenance of buildings and sites		584	286	68	65	70	68	271	65	46	68
	QoQ Change				-4.4%	7.7%	-2.9%		-4.4%	-29.2%	47.8%
	YoY Change		-51.0%					-5.2%	-4.4%	-29.2%	-2.9%
Marketing & general		595	555	123	118	120	128	489	117	114	117
	QoQ Change				-4.1%	1.7%	6.7%		-8.6%	-2.6%	2.6%
	YoY Change		-6.7%					-11.9%	-4.9%	-3.4%	-2.5%
Services and maintenance by sub-contractors		260	277	70	68	63	69	270	68	71	68
	QoQ Change				-2.9%	-7.4%	9.5%		-1.4%	4.4%	-4.2%
	YoY Change		6.5%					-2.5%	-2.9%	4.4%	7.9%
Vehicle maintenance		156	82	18	20	16	17	71	14	9	14
	QoQ Change				11.1%	-20.0%	6.3%		-17.6%	-35.7%	55.6%
	YoY Change		-47.4%					-13.4%	-22.2%	-55.0%	-12.5%
Content		636	653	160	176	149	159	644	164	143	135
	QoQ Change				10.0%	-15.3%	6.7%		3.1%	-12.8%	-5.6%
	YoY Change		2.7%					-1.4%	2.5%	-18.8%	-9.4%
<b>Ratios</b>											
Net margin		12.5%	-11.7%	13.1%	-71.0%	7.9%	-4.0%	-13.4%	15.0%	12.5%	1.2%
EBITDA margin		39.0%	17.2%	43.0%	16.9%	41.0%	22.5%	30.9%	41.6%	45.0%	30.0%
Capex/Sales		15.6%	18.5%	16.5%	23.6%	14.6%	14.7%	17.4%	15.5%	16.3%	20.3%



(NIS millions)

FY 2017 FY 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 FY 2019 Q1 2020 Q2 2020 Q3 2020

## Bezeq Group

### Key Cash Flow Metrics

<b>Operating cash flow</b>		<b>3,525</b>	<b>3,512</b>	<b>765</b>	<b>624</b>	<b>787</b>	<b>748</b>	<b>2,924</b>	<b>879</b>	<b>561</b>	<b>830</b>
	QoQ Change				-18.4%	26.1%	-5.0%		17.5%	-36.2%	48.0%
	YoY Change		-0.4%					-16.7%	14.9%	-10.1%	5.5%
<b>Capital expenditures, gross (cash flow)</b>		<b>1,530</b>	<b>1,727</b>	<b>373</b>	<b>525</b>	<b>329</b>	<b>324</b>	<b>1,551</b>	<b>338</b>	<b>351</b>	<b>442</b>
	QoQ Change				40.8%	-37.3%	-1.5%		4.3%	3.8%	25.9%
	YoY Change		12.9%					-10.2%	-9.4%	-33.1%	34.3%
<b>Proceeds from sale of assets</b>		<b>98</b>	<b>235</b>	<b>41</b>	<b>341</b>	<b>15</b>	<b>12</b>	<b>409</b>	<b>8</b>	<b>20</b>	<b>3</b>
	QoQ Change				731.7%	-95.6%	-20.0%		-33.3%	150.0%	-85.0%
	YoY Change		139.8%					74.0%	-80.5%	-94.1%	-80.0%
<b>Capital expenditures, net</b>		<b>1,432</b>	<b>1,492</b>	<b>332</b>	<b>184</b>	<b>314</b>	<b>312</b>	<b>1,142</b>	<b>330</b>	<b>331</b>	<b>439</b>
	QoQ Change				-44.6%	70.7%	-0.6%		5.8%	0.3%	32.6%
	YoY Change		4.2%					-23.5%	-0.6%	79.9%	39.8%
<b>Lease payments (IFRS 16)</b>			<b>422</b>	<b>117</b>	<b>90</b>	<b>115</b>	<b>92</b>	<b>414</b>	<b>113</b>	<b>86</b>	<b>106</b>
<b>Free cash flow</b>		<b>2,093</b>	<b>1,598</b>	<b>316</b>	<b>350</b>	<b>358</b>	<b>344</b>	<b>1,368</b>	<b>436</b>	<b>144</b>	<b>285</b>
	QoQ Change				10.8%	2.3%	-3.9%		26.7%	-67.0%	97.9%
	YoY Change		-23.7%					-14.4%	38.0%	-58.9%	-20.4%

### Working Capital

<b>Change in trade &amp; other receivables</b>		<b>206</b>	<b>269</b>	<b>(18)</b>	<b>45</b>	<b>20</b>	<b>56</b>	<b>103</b>	<b>(44)</b>	<b>-</b>	<b>26</b>
<b>Change in inventory</b>		<b>(35)</b>	<b>(5)</b>	<b>(9)</b>	<b>-</b>	<b>4</b>	<b>(14)</b>	<b>(19)</b>	<b>(17)</b>	<b>(3)</b>	<b>10</b>
<b>Change in trade &amp; other payables</b>		<b>9</b>	<b>(132)</b>	<b>6</b>	<b>(176)</b>	<b>50</b>	<b>43</b>	<b>(77)</b>	<b>98</b>	<b>(223)</b>	<b>34</b>
<b>Change in provisions</b>		<b>15</b>	<b>81</b>	<b>(30)</b>	<b>3</b>	<b>(5)</b>	<b>(17)</b>	<b>(49)</b>	<b>-</b>	<b>(3)</b>	<b>(8)</b>
<b>Change in employee benefits</b>		<b>(33)</b>	<b>489</b>	<b>(46)</b>	<b>(52)</b>	<b>(58)</b>	<b>106</b>	<b>(50)</b>	<b>(88)</b>	<b>(78)</b>	<b>(66)</b>
<b>Change in other liabilities</b>		<b>(34)</b>	<b>-</b>	<b>(12)</b>	<b>6</b>	<b>(11)</b>	<b>9</b>	<b>(8)</b>	<b>(7)</b>	<b>-</b>	<b>(5)</b>
<b>Total changes in assets and liabilities</b>		<b>128</b>	<b>702</b>	<b>(109)</b>	<b>(174)</b>	<b>0</b>	<b>183</b>	<b>(100)</b>	<b>(58)</b>	<b>(307)</b>	<b>(9)</b>
<b>Income tax paid, net</b>		<b>446</b>	<b>467</b>	<b>49</b>	<b>104</b>	<b>89</b>	<b>83</b>	<b>325</b>	<b>-</b>	<b>86</b>	<b>78</b>
<b>Interest paid</b>		<b>415</b>	<b>421</b>	<b>5</b>	<b>185</b>	<b>21</b>	<b>181</b>	<b>392</b>	<b>5</b>	<b>154</b>	<b>5</b>
<b>Funds From Operations (FFO)</b>		<b>3,397</b>	<b>2,810</b>	<b>757</b>	<b>708</b>	<b>672</b>	<b>887</b>	<b>3,024</b>	<b>824</b>	<b>782</b>	<b>733</b>



	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
(NIS millions)	2018	2019	2019	2019	2019	2019	2020	2020	2020
<b>Bezeq Group</b>									
<b>Balance Sheet</b>									
Cash & cash equivalents	890	1,265	971	639	400	400	927	708	897
Investments	1,404	1,347	1,944	1,750	1,195	1,195	1,114	1,221	1,306
Trade receivables	1,775	1,752	1,737	1,727	1,677	1,677	1,674	1,698	1,692
Other receivables	284	298	308	341	342	342	357	340	332
Eurocom DBS Ltd., related party	-	-	-	-	-	-	-	-	-
Inventory	97	102	100	94	96	96	109	110	96
Assets held for sale	-	-	-	-	43	43	45	46	46
<b>Total current assets</b>	<b>4,450</b>	<b>4,764</b>	<b>5,060</b>	<b>4,551</b>	<b>3,753</b>	<b>3,753</b>	<b>4,226</b>	<b>4,123</b>	<b>4,369</b>
Trade and other receivables	470	511	535	442	477	477	476	454	525
Broadcasting rights	60	69	59	63	59	59	65	65	67
Right-of-use assets	1,504	1,444	1,394	1,361	1,308	1,308	1,394	1,329	1,276
Fixed assets	6,214	6,215	6,245	6,217	6,039	6,039	6,072	6,076	6,069
Intangible assets	1,919	1,923	977	968	916	916	916	935	952
Deferred tax assets	1,205	1,193	12	18	81	81	61	57	53
Deferred expenses and non-current investments	468	472	474	477	358	358	364	361	233
Investment property	58	58	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>11,898</b>	<b>11,885</b>	<b>9,696</b>	<b>9,546</b>	<b>9,238</b>	<b>9,238</b>	<b>9,348</b>	<b>9,277</b>	<b>9,175</b>
<b>Total assets</b>	<b>16,348</b>	<b>16,649</b>	<b>14,756</b>	<b>14,097</b>	<b>12,991</b>	<b>12,991</b>	<b>13,574</b>	<b>13,400</b>	<b>13,544</b>
Debentures, loans and borrowings	1,542	1,538	1,625	1,126	1,007	1,007	1,002	955	957
Lease liability	445	422	434	427	416	416	415	399	387
Trade and other payables	1,855	2,010	1,600	1,681	1,614	1,614	1,834	1,580	1,669
Current tax liabilities	-	10	20	15	-	-	51	46	46
Liability to Eurocom DBS Ltd.	-	-	-	-	-	-	-	-	-
Employee benefits	581	500	443	365	654	654	587	486	441
Provisions	175	145	148	143	125	125	125	122	113
Dividend payable	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>4,598</b>	<b>4,625</b>	<b>4,270</b>	<b>3,757</b>	<b>3,816</b>	<b>3,816</b>	<b>4,014</b>	<b>3,588</b>	<b>3,613</b>
Loans and debentures	9,637	9,618	9,709	9,393	8,551	8,551	8,535	8,517	8,507
Lease liability	1,106	1,061	1,022	989	969	969	1,049	1,017	971
Employee benefits	445	482	487	539	356	356	314	344	334
Derivative and other liabilities	174	168	163	178	139	139	163	176	342
Deferred tax liabilities	56	54	53	50	43	43	46	46	48
Provisions	38	39	39	39	49	49	50	50	54
<b>Total non-current liabilities</b>	<b>11,456</b>	<b>11,422</b>	<b>11,473</b>	<b>11,188</b>	<b>10,107</b>	<b>10,107</b>	<b>10,157</b>	<b>10,150</b>	<b>10,256</b>
<b>Total equity</b>	<b>294</b>	<b>602</b>	<b>(987)</b>	<b>(848)</b>	<b>(932)</b>	<b>(932)</b>	<b>(597)</b>	<b>(338)</b>	<b>(325)</b>
Gross debt	11,179	11,156	11,334	10,519	9,558	9,558	9,537	9,472	9,464
Cash and short-term investments	2,294	2,612	2,915	2,389	1,595	1,595	2,041	1,929	2,203
Net debt	8,885	8,544	8,419	8,130	7,963	7,963	7,496	7,543	7,261
Net debt / Adjusted EBITDA (ttm)	2.5				2.4	2.4	2.3	2.3	2.2



(NIS millions)

	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
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## Bezeq Group

### Adjusted EBITDA Calculation

EBITDA reported	3,813	1,607	970	376	921	495	2,762	910	970	653
Other operating expenses (income), net	(19)	634	(25)	(414)	39	179	(221)	(3)	(19)	(7)
Loss from impairment of assets	87	1,675	-	951	-	196	1,147	-	-	268
<b>ADJUSTED EBITDA</b>	<b>3,881</b>	<b>3,916</b>	<b>945</b>	<b>913</b>	<b>960</b>	<b>870</b>	<b>3,688</b>	<b>907</b>	<b>951</b>	<b>914</b>

### Adjusted Net Profit Calculation

NET PROFIT reported	1,223	(1,092)	295	(1,579)	177	(87)	(1,194)	327	269	26
Other operating expenses (income), after tax	(14)	492	(9)	(321)	30	139	(161)	(2)	(17)	(5)
Loss from impairment of assets (yes and Walla)	87	1,561	-	-	-	-	-	-	-	-
Loss from impairment of Telephone assets	-	-	-	951	-	-	951	-	-	-
Loss from impairment of Bezeq International	-	-	-	-	-	151	151	-	-	282
Profit from increase in value of Walla assets	-	-	-	-	-	-	-	-	-	(14)
Tax asset write-off	-	-	-	1,166	-	-	1,166	-	-	-
<b>ADJUSTED NET PROFIT</b>	<b>1,296</b>	<b>961</b>	<b>286</b>	<b>217</b>	<b>207</b>	<b>203</b>	<b>913</b>	<b>325</b>	<b>252</b>	<b>289</b>



	<i>NIS Millions</i>										
	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	
<b>Bezeq Group</b>											
<b>Other Operating Expenses (Income), Net</b>											
Profit from increase to controlling stake in yes	-	-	-	-	-	-	-	-	-	-	-
Profit from the sale of shares in Coral Tel Ltd.	-	-	-	-	-	-	-	-	-	-	
Profit from the sale of affiliate	-	(14)	-	-	-	-	-	-	-	-	
Profit from the sale of property, plant and equipment (mainly real estate)	(66)	(1)	(44)	(417)	(11)	(36)	(508)	(9)	4	(6)	
Profit from copper sales	-	-	-	-	-	-	-	-	-	-	
Provision (cancellation)-contingent liabilities, net	-	-	-	-	-	-	-	-	-	-	
Provision (cancellation) for early retirement agreement - Bezeq Fixed-Line	23	547	(25)	1	3	130	109	5	(5)	-	
Provision (cancellation) for collective agreements at Pelephone, Bezeq International and yes	3	12	45	-	45	77	167	-	(5)	-	
Loss from the discontinuation of a software development project	-	-	-	-	-	-	-	-	-	-	
Proceeds from settlement agreements	-	-	-	-	-	-	-	-	(9)	-	
Other (mainly legal claims)	21	90	(1)	2	2	8	11	1	(4)	(1)	
<b>Total other operating expenses (income), net</b>	<b>(19)</b>	<b>634</b>	<b>(25)</b>	<b>(414)</b>	<b>39</b>	<b>179</b>	<b>(221)</b>	<b>(3)</b>	<b>(19)</b>	<b>(7)</b>	

		(NIS millions)									
		FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
		2017	2018	2019	2019	2019	2019	2019	2020	2020	2020
<b>Bezeq Fixed-Line</b>											
<b>Key Income Statement Metrics (Revenues)</b>											
<b>Total Revenues</b>		<b>4,244</b>	<b>4,196</b>	<b>1,043</b>	<b>1,020</b>	<b>1,025</b>	<b>985</b>	<b>4,073</b>	<b>1,018</b>	<b>1,044</b>	<b>1,042</b>
	QoQ Change			1.7%	-2.2%	0.5%	-3.9%		3.4%	2.6%	-0.2%
	YoY Change	-3.2%	-1.1%	-1.9%	-4.1%	-1.7%	-4.0%	-2.9%	-2.4%	2.4%	1.7%
<b>Broadband Internet</b>		<b>1,544</b>	<b>1,596</b>	<b>397</b>	<b>396</b>	<b>393</b>	<b>392</b>	<b>1,578</b>	<b>395</b>	<b>402</b>	<b>408</b>
	QoQ Change			0.3%	-0.3%	-0.8%	-0.3%		0.8%	1.8%	1.5%
	YoY Change	2.9%	3.4%	0.3%	-1.7%	-2.0%	-1.0%	-1.1%	-0.5%	1.5%	3.8%
<b>Telephony</b>		<b>1,281</b>	<b>1,156</b>	<b>269</b>	<b>264</b>	<b>259</b>	<b>247</b>	<b>1,039</b>	<b>248</b>	<b>258</b>	<b>254</b>
	QoQ Change			-4.3%	-1.9%	-1.9%	-4.6%		0.4%	-4.0%	-1.6%
	YoY Change	-8.0%	-9.8%	-10.9%	-9.3%	-8.2%	-12.1%	-10.1%	-7.8%	-2.3%	-1.9%
<b>Transmission &amp; data</b>		<b>975</b>	<b>977</b>	<b>246</b>	<b>238</b>	<b>245</b>	<b>219</b>	<b>948</b>	<b>244</b>	<b>251</b>	<b>250</b>
	QoQ Change			1.2%	-3.3%	2.9%	-10.6%		11.4%	2.9%	-0.4%
	YoY Change	-8.8%	0.2%	-0.4%	-2.5%	0.8%	-9.9%	-3.0%	-0.8%	5.5%	2.0%
<b>Cloud &amp; digital services</b>		<b>230</b>	<b>260</b>	<b>71</b>	<b>68</b>	<b>69</b>	<b>66</b>	<b>274</b>	<b>72</b>	<b>70</b>	<b>71</b>
	QoQ Change			12.7%	-4.2%	1.5%	-4.3%		9.1%	-2.8%	1.4%
	YoY Change	13.3%	13.0%	14.5%	3.0%	0.0%	4.8%	5.4%	1.4%	2.9%	2.9%
<b>Other</b>		<b>214</b>	<b>207</b>	<b>60</b>	<b>54</b>	<b>59</b>	<b>61</b>	<b>234</b>	<b>59</b>	<b>63</b>	<b>59</b>
	QoQ Change			39.5%	-10.0%	9.3%	3.4%		-3.3%	6.8%	-6.3%
	YoY Change	-2.3%	-3.3%	7.1%	-10.0%	22.9%	41.9%	13.0%	-1.7%	16.7%	0.0%
<b>Revenues from Residential Customers</b>		<b>2,232</b>	<b>2,101</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>2,029</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
	% of total revenues	52.6%	50.1%					49.8%			
<b>Revenues from Business Customers</b>		<b>2,012</b>	<b>2,095</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>2,044</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
	% of total revenues	47.4%	49.9%					50.2%			
<b>Key Income Statement Metrics</b>											
<b>Depreciation &amp; amortization</b>		<b>728</b>	<b>850</b>	<b>207</b>	<b>204</b>	<b>225</b>	<b>225</b>	<b>861</b>	<b>212</b>	<b>218</b>	<b>222</b>
	QoQ Change			-4.6%	-1.4%	10.3%	0.0%		-5.8%	2.8%	1.8%
	YoY Change	1.5%	16.8%	-3.3%	-3.3%	3.2%	3.7%	1.3%	2.4%	6.9%	-1.3%
<b>Salaries</b>		<b>891</b>	<b>912</b>	<b>233</b>	<b>231</b>	<b>224</b>	<b>223</b>	<b>911</b>	<b>229</b>	<b>224</b>	<b>225</b>
	QoQ Change			6.4%	-0.9%	-3.0%	-0.4%		2.7%	-2.2%	0.4%
	YoY Change	-0.8%	2.4%	2.2%	-0.4%	-3.9%	1.8%	-0.1%	-1.7%	-3.0%	0.4%
<b>Other operating expenses (income), net</b>		<b>(23)</b>	<b>614</b>	<b>(69)</b>	<b>(423)</b>	<b>(8)</b>	<b>94</b>	<b>(406)</b>	<b>(4)</b>	<b>(2)</b>	<b>(5)</b>
<b>Operating profit (loss)</b>		<b>1,971</b>	<b>1,224</b>	<b>531</b>	<b>875</b>	<b>440</b>	<b>296</b>	<b>2,142</b>	<b>439</b>	<b>464</b>	<b>446</b>
	QoQ Change			<i>N/M</i>	64.8%	-49.7%	-32.7%		48.3%	5.7%	-3.9%
	YoY Change	-5.1%	-37.9%	12.3%	126.1%	-2.4%	<i>N/M</i>	75.0%	-17.3%	-47.0%	1.4%
<b>Finance expenses (income), net</b>		<b>403</b>	<b>470</b>	<b>106</b>	<b>141</b>	<b>207</b>	<b>115</b>	<b>569</b>	<b>49</b>	<b>163</b>	<b>91</b>
	QoQ Change			-9.4%	33.0%	46.8%	-44.4%		-57.4%	232.7%	-44.2%
	YoY Change	-9.4%	16.6%	-12.4%	18.5%	83.2%	-1.7%	21.1%	-53.8%	15.6%	-56.0%
<b>Income taxes</b>		<b>396</b>	<b>187</b>	<b>104</b>	<b>172</b>	<b>58</b>	<b>47</b>	<b>381</b>	<b>95</b>	<b>72</b>	<b>55</b>
	QoQ Change			<i>N/M</i>	65.4%	-66.3%	-19.0%		102.1%	-24.2%	-23.6%
	YoY Change	-0.8%	-52.8%	16.9%	160.6%	-28.4%	<i>N/M</i>	103.7%	-8.7%	-58.1%	-5.2%
<b>Net profit (loss) - reported</b>		<b>1,172</b>	<b>567</b>	<b>321</b>	<b>562</b>	<b>175</b>	<b>134</b>	<b>1,192</b>	<b>295</b>	<b>229</b>	<b>300</b>
	QoQ Change			<i>N/M</i>	75.1%	-68.9%	-23.4%		120.1%	-22.4%	31.0%
	YoY Change	-4.9%	-51.6%	22.1%	178.2%	-31.9%	<i>N/M</i>	110.2%	-8.1%	-59.3%	71.4%
<b>ADJUSTED NET PROFIT (LOSS) (excluding other operating income/expenses)</b>		<b>1,155</b>	<b>1,040</b>	<b>268</b>	<b>236</b>	<b>169</b>	<b>206</b>	<b>879</b>	<b>292</b>	<b>227</b>	<b>296</b>
<b>EBITDA, reported</b>		<b>2,699</b>	<b>2,074</b>	<b>738</b>	<b>1,079</b>	<b>665</b>	<b>521</b>	<b>3,003</b>	<b>651</b>	<b>682</b>	<b>668</b>
	QoQ Change			467.7%	46.2%	-38.4%	-21.7%		25.0%	4.8%	-2.1%
	YoY Change	-3.4%	-23.2%	9.0%	80.4%	-0.6%	300.8%	44.8%	-11.8%	-36.8%	0.5%
<b>ADJUSTED EBITDA (excluding other operating income/expenses)</b>		<b>2,676</b>	<b>2,688</b>	<b>669</b>	<b>656</b>	<b>657</b>	<b>615</b>	<b>2,597</b>	<b>647</b>	<b>680</b>	<b>663</b>
	QoQ Change			4.7%	0.2%	-6.4%	-3.8%		-3.3%	5.1%	-2.5%
	YoY Change	-3.7%	0.4%	-3.7%	-4.5%	-1.5%	-3.8%	-3.4%	-3.3%	3.7%	0.9%
<b>Key Cash Flow Metrics</b>											
<b>Operating cash flow</b>		<b>2,225</b>	<b>2,206</b>	<b>471</b>	<b>416</b>	<b>484</b>	<b>476</b>	<b>1,847</b>	<b>611</b>	<b>334</b>	<b>561</b>
	QoQ Change			-21.5%	-11.7%	16.3%	-1.7%		28.4%	-45.3%	68.0%
	YoY Change	7.8%	-0.9%	-8.7%	-17.9%	-17.0%	-20.7%	-16.3%	29.7%	-19.7%	15.9%
<b>Capital expenditures, gross (cash flow)</b>		<b>825</b>	<b>976</b>	<b>210</b>	<b>333</b>	<b>145</b>	<b>193</b>	<b>881</b>	<b>200</b>	<b>201</b>	<b>272</b>
	QoQ Change			-6.7%	58.6%	-56.5%	33.1%		3.6%	0.5%	35.3%
	YoY Change	-1.1%	18.3%	2.4%	6.4%	-37.8%	-14.2%	-9.7%	-4.8%	-39.6%	87.6%
<b>Proceeds from sale of assets</b>		<b>94</b>	<b>227</b>	<b>39</b>	<b>340</b>	<b>14</b>	<b>14</b>	<b>407</b>	<b>7</b>	<b>19</b>	<b>1</b>
<b>Capital expenditures, net</b>		<b>731</b>	<b>749</b>	<b>171</b>	<b>(7)</b>	<b>131</b>	<b>179</b>	<b>474</b>	<b>193</b>	<b>182</b>	<b>271</b>
	QoQ Change			<i>N/M</i>	-104.1%	-1971.4%	36.6%		7.8%	-5.7%	48.9%
	YoY Change	4.1%	2.5%	-13.6%	-101.9%	-41.8%	<i>N/M</i>	-36.7%	12.9%	<i>N/M</i>	<i>N/M</i>
<b>Lease payments (IFRS 16)</b>		<b>99</b>	<b>99</b>	<b>34</b>	<b>27</b>	<b>25</b>	<b>28</b>	<b>114</b>	<b>32</b>	<b>26</b>	<b>26</b>
<b>Free cash flow</b>		<b>1,494</b>	<b>1,358</b>	<b>266</b>	<b>396</b>	<b>328</b>	<b>269</b>	<b>1,259</b>	<b>386</b>	<b>126</b>	<b>264</b>
	QoQ Change			-58.2%	48.9%	-17.2%	-18.0%		43.5%	-67.4%	109.5%
	YoY Change	9.7%	-9.1%	-6.7%	270.1%	-0.6%	-57.7%	-7.3%	45.1%	-68.2%	-19.5%
<b>Ratios</b>											
<b>Net margin</b>		<b>27.6%</b>	<b>13.5%</b>	<b>30.8%</b>	<b>55.1%</b>	<b>17.1%</b>	<b>13.6%</b>	<b>29.3%</b>	<b>29.0%</b>	<b>21.9%</b>	<b>28.8%</b>
<b>EBITDA margin</b>		<b>63.6%</b>	<b>49.4%</b>	<b>70.8%</b>	<b>105.8%</b>	<b>64.9%</b>	<b>52.9%</b>	<b>73.7%</b>	<b>63.9%</b>	<b>65.3%</b>	<b>64.1%</b>
<b>Capex/Sales</b>		<b>19.4%</b>	<b>23.3%</b>	<b>20.1%</b>	<b>32.6%</b>	<b>14.1%</b>	<b>19.6%</b>	<b>21.6%</b>	<b>19.6%</b>	<b>19.3%</b>	<b>26.1%</b>

		FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	
		2017	2018	2019	2019	2019	2019	2019	2020	2020	2020	
		(NIS millions)										
<b>Bezeq Fixed-Line (cont'd)</b>												
<b>Operating &amp; general expenses</b>												
<b>Total operating &amp; general expenses</b>		<b>677</b>	<b>596</b>	<b>141</b>	<b>133</b>	<b>144</b>	<b>147</b>	<b>565</b>	<b>142</b>	<b>140</b>	<b>154</b>	
	QoQ Change			-16.1%	-5.7%	8.3%	2.1%		-3.4%	-1.4%	10.0%	
	YoY Change	-4.0%	-12.0%	0.7%	-8.3%	0.7%	-12.5%	-5.2%	0.7%	5.3%	6.9%	
<b>Maintenance of buildings and sites</b>		<b>185</b>	<b>143</b>	<b>33</b>	<b>30</b>	<b>35</b>	<b>34</b>	<b>132</b>	<b>30</b>	<b>21</b>	<b>32</b>	
	QoQ Change			-17.5%	-9.1%	16.7%	-2.9%		-11.8%	-30.0%	52.4%	
	YoY Change	-2.1%	-22.7%	-2.9%	-3.2%	-7.9%	-15.0%	-7.7%	-9.1%	-30.0%	-8.6%	
<b>Interconnect &amp; payments to telecom operators</b>		<b>118</b>	<b>108</b>	<b>25</b>	<b>24</b>	<b>25</b>	<b>23</b>	<b>97</b>	<b>25</b>	<b>30</b>	<b>30</b>	
	QoQ Change			-10.7%	-4.0%	4.2%	-8.0%		8.7%	20.0%	0.0%	
	YoY Change	-9.2%	-8.5%	-10.7%	-11.1%	0.0%	-17.9%	-10.2%	0.0%	25.0%	20.0%	
<b>Marketing &amp; general</b>		<b>188</b>	<b>183</b>	<b>39</b>	<b>34</b>	<b>37</b>	<b>36</b>	<b>146</b>	<b>39</b>	<b>41</b>	<b>41</b>	
	QoQ Change			-25.0%	-12.8%	8.8%	-2.7%		8.3%	5.1%	0.0%	
	YoY Change	-3.6%	-2.7%	-2.5%	-30.6%	-11.9%	-30.8%	-20.2%	0.0%	20.6%	10.8%	
<b>Terminal equipment &amp; materials</b>		<b>44</b>	<b>42</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>21</b>	<b>73</b>	<b>20</b>	<b>20</b>	<b>19</b>	
	QoQ Change			50.0%	-5.6%	0.0%	23.5%		-4.8%	0.0%	-5.0%	
	YoY Change	-6.4%	-4.5%	63.6%	70.0%	88.9%	75.0%	73.8%	11.1%	17.6%	11.8%	
<b>Services and maintenance by sub-contractors</b>		<b>73</b>	<b>83</b>	<b>18</b>	<b>19</b>	<b>21</b>	<b>24</b>	<b>82</b>	<b>21</b>	<b>22</b>	<b>24</b>	
	QoQ Change			-21.7%	5.6%	10.5%	14.3%		-12.5%	4.8%	9.1%	
	YoY Change	1.4%	13.7%	-10.0%	-5.0%	5.0%	4.3%	-1.2%	16.7%	15.8%	14.3%	
<b>Vehicle maintenance</b>		<b>69</b>	<b>37</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>35</b>	<b>7</b>	<b>6</b>	<b>8</b>	
	QoQ Change			-38.5%	12.5%	0.0%	0.0%		-22.2%	-14.3%	33.3%	
	YoY Change	-4.2%	-46.4%	14.3%	12.5%	0.0%	-30.8%	-5.4%	-12.5%	-33.3%	-11.1%	





	(NIS millions)	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
<b>Pelephone</b>											
<b>Key Income Statement Metrics (Revenues)</b>											
Total Revenues		2,546	2,443	578	570	612	602	2,362	573	535	545
	QoQ Change			-6.5%	-1.4%	7.4%	-1.6%		-4.8%	-6.6%	1.9%
	YoY Change	-3.2%	-4.0%	-6.6%	-5.3%	1.3%	-2.6%	-3.3%	-0.9%	-6.1%	-10.9%
Service Revenues		1,782	1,755	417	430	446	416	1,709	405	394	396
	QoQ Change			-4.6%	3.1%	3.7%	-6.7%		-2.6%	-2.7%	0.5%
	YoY Change	-2.0%	-1.5%	-3.2%	-1.8%	-0.7%	-4.8%	-2.6%	-2.9%	-8.4%	-11.2%
Equipment Revenues		764	688	161	140	166	186	653	168	141	149
	QoQ Change			-11.0%	-13.0%	18.6%	12.0%		-9.7%	-16.1%	5.7%
	YoY Change	-5.9%	-9.9%	-14.4%	-14.6%	7.1%	2.8%	-5.1%	4.3%	0.7%	-10.2%
Revenues from Private Customers		1,541	1,415	N/A	N/A	N/A	N/A	1,334	N/A	N/A	N/A
	% of total revenues	60.5%	57.9%					56.5%			
Revenues from Business Customers		1,005	1,028	N/A	N/A	N/A	N/A	1,028	N/A	N/A	N/A
	% of total revenues	39.5%	42.1%					43.5%			
<b>Key Income Statement Metrics</b>											
Depreciation & amortization		383	655	157	156	157	163	633	150	151	147
	QoQ Change			-11.3%	-0.6%	0.6%	3.8%		-8.0%	0.7%	-2.6%
	YoY Change	0.8%	71.0%	-0.6%	-1.9%	-2.5%	-7.9%	-3.4%	-4.5%	-3.2%	-6.4%
Salaries		384	379	94	95	89	95	373	90	70	79
	QoQ Change			4.4%	1.1%	-6.3%	6.7%		-5.3%	-22.2%	12.9%
	YoY Change	1.6%	-1.3%	-6.0%	0.0%	-5.3%	5.6%	-1.6%	-4.3%	-26.3%	-11.2%
Operating & general expenses		1,698	1,402	337	324	348	364	1,373	345	326	346
	QoQ Change			-4.8%	-3.9%	7.4%	4.6%		-5.2%	-5.5%	6.1%
	YoY Change	-7.6%	-17.4%	-6.1%	-6.1%	1.2%	2.8%	-2.1%	2.4%	0.6%	-0.6%
Other operating expenses		9	9	-	3	2	77	82	1	(4)	-
Operating profit (loss)		72	(2)	(10)	(8)	16	(97)	(99)	(13)	(8)	(27)
	QoQ Change			150.0%	-20.0%	N/M	N/M		-86.6%	-38.5%	237.5%
	YoY Change	125.0%	N/M	N/M	N/M	N/M	2325.0%	4850.0%	30.0%	0.0%	N/M
Net profit (loss) - reported		95	24	2	2	18	(69)	(47)	(2)	1	(12)
	QoQ Change			0.0%	0.0%	800.0%	N/M		-97.1%	N/M	N/M
	YoY Change	55.7%	-74.7%	-77.8%	-71.4%	200.0%	N/M	-295.8%	N/M	-50.0%	-166.7%
ADJUSTED NET PROFIT (LOSS) (excluding other operating income/expenses and one-time impairment)		102	31	2	4	20	(10)	16	(1)	(2)	(12)
	QoQ Change			-27.8%	115.5%	353.4%	N/M		-87.3%	69.1%	476.9%
	YoY Change		-69.7%	-77.8%	-44.5%	71.6%	N/M	-47.8%	-161.5%	N/M	-161.4%
EBITDA reported		455	653	147	148	173	66	534	137	143	120
	QoQ Change			-15.0%	0.7%	16.9%	-61.8%		107.6%	4.4%	-16.1%
	YoY Change	10.4%	43.5%	-8.1%	-8.1%	8.8%	-61.8%	-18.2%	-6.8%	-3.4%	-30.6%
ADJUSTED EBITDA (excluding other operating income/expenses)		464	662	147	151	175	143	616	138	139	120
<b>Key Cash Flow Metrics</b>											
Operating cash flow		605	770	195	136	200	146	677	164	149	143
	QoQ Change			25.0%	-30.3%	47.1%	-27.0%		12.3%	-9.1%	-4.0%
	YoY Change	4.0%	27.3%	-18.4%	-24.9%	3.1%	-6.4%	-12.1%	-15.9%	9.6%	-28.5%
Capital expenditures, gross (cash flow)		310	310	63	83	72	75	293	65	73	100
	QoQ Change			-19.2%	31.7%	-13.3%	4.2%		-13.3%	12.3%	37.0%
	YoY Change	27.6%	0.0%	-8.7%	-7.8%	-1.4%	-3.8%	-5.5%	3.2%	-12.0%	38.9%
Capital expenditures, net (cash flow)		309	306	63	82	72	75	292	65	73	100
	QoQ Change			-19.2%	30.2%	-12.2%	4.2%		-13.3%	12.3%	37.0%
	YoY Change	28.2%	-1.0%	-8.7%	-8.9%	4.3%	-3.8%	-4.6%	3.2%	-11.0%	38.9%
Lease payments (IFRS 16)		-	259	69	46	76	51	242	67	48	67
Free cash flow		296	205	63	8	52	20	143	32	28	(24)
	QoQ Change			687.5%	-87.3%	550.0%	-61.5%		60.0%	-12.5%	N/M
	YoY Change	-13.2%	-30.7%	-33.7%	-80.5%	-14.8%	150.0%	-30.2%	-49.2%	250.0%	N/M
<b>Ratios</b>											
Net margin		3.7%	1.0%	0.3%	0.4%	2.9%	-11.5%	-2.0%	-0.3%	0.2%	-2.2%
EBITDA margin		17.9%	26.8%	25.4%	25.9%	28.3%	11.0%	22.6%	23.9%	26.7%	22.0%
Capex/Sales		12.2%	12.7%	10.9%	14.6%	11.8%	12.5%	12.4%	11.3%	13.6%	18.3%



(NIS millions)

Q1 2017 Q2 2017 Q3 2017 Q4 2017 FY 2017 FY 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 FY 2019 Q1 2020 Q2 2020 Q3 2020

## Bezeq International

### Key Income Statement Metrics

<b>Total Revenues</b>		<b>384</b>	<b>407</b>	<b>367</b>	<b>379</b>	<b>1,537</b>	<b>1,391</b>	<b>341</b>	<b>339</b>	<b>329</b>	<b>330</b>	<b>1,339</b>	<b>317</b>	<b>314</b>	<b>315</b>
	QoQ Change		6.0%	-9.8%	3.3%			-7.8%	-0.6%	-2.9%	0.3%		-3.9%	-0.9%	0.3%
	YoY Change						-9.5%	-3.1%	0.9%	-1.2%	-10.8%	-3.7%	-7.0%	-7.4%	-4.3%
<b>Revenues from Internet services</b>		N/A	N/A	N/A	N/A	<b>670</b>	<b>659</b>	N/A	N/A	N/A	N/A	<b>632</b>	N/A	N/A	N/A
	% of total revenues					43.6%	47.4%					47.2%			
<b>Revenues from Voice and Business services (Data, ICT, PBX)</b>		N/A	N/A	N/A	N/A	<b>867</b>	<b>732</b>	N/A	N/A	N/A	N/A	<b>707</b>	N/A	N/A	N/A
	% of total revenues					56.4%	52.6%					52.8%			
<b>Revenues from Private Customers</b>		N/A	N/A	N/A	N/A	<b>488</b>	<b>468</b>	N/A	N/A	N/A	N/A	<b>441</b>	N/A	N/A	N/A
	% of total revenues					31.8%	33.6%					32.9%			
<b>Revenues from Business Customers</b>		N/A	N/A	N/A	N/A	<b>1,049</b>	<b>923</b>	N/A	N/A	N/A	N/A	<b>898</b>	N/A	N/A	N/A
	% of total revenues					68.2%	66.4%					67.1%			

### Key Income Statement Metrics

<b>Depreciation &amp; amortization</b>		<b>33</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>135</b>	<b>194</b>	<b>46</b>	<b>46</b>	<b>47</b>	<b>51</b>	<b>190</b>	<b>43</b>	<b>38</b>	<b>42</b>
	QoQ Change		0.0%	3.0%	2.9%			-23.3%	0.0%	2.2%	8.5%		-15.7%	-11.6%	10.5%
	YoY Change						43.7%	7.0%	2.2%	2.2%	-15.0%	-2.1%	-6.5%	-17.4%	-10.6%
<b>Salaries</b>		<b>84</b>	<b>81</b>	<b>81</b>	<b>82</b>	<b>328</b>	<b>300</b>	<b>68</b>	<b>67</b>	<b>64</b>	<b>62</b>	<b>261</b>	<b>64</b>	<b>62</b>	<b>63</b>
	QoQ Change		-3.6%	0.0%	1.2%			-2.9%	-1.5%	-4.5%	-3.1%		3.2%	-3.1%	1.6%
	YoY Change						-8.5%	-19.0%	-10.7%	-9.9%	-11.4%	-13.0%	-5.9%	-7.5%	-1.6%
<b>Operating &amp; general expenses</b>		<b>218</b>	<b>247</b>	<b>214</b>	<b>236</b>	<b>915</b>	<b>812</b>	<b>201</b>	<b>203</b>	<b>213</b>	<b>210</b>	<b>827</b>	<b>181</b>	<b>187</b>	<b>203</b>
	QoQ Change		13.3%	-13.4%	10.3%			-12.2%	1.0%	4.9%	-1.4%		-13.8%	3.3%	8.6%
	YoY Change						-11.3%	2.0%	4.1%	11.5%	-8.3%	1.8%	-10.0%	-7.9%	-4.7%
<b>Other operating expenses (income)</b>		<b>-</b>	<b>1</b>	<b>(1)</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>-</b>	<b>16</b>	<b>45</b>	<b>196</b>	<b>257</b>	<b>-</b>	<b>-</b>	<b>282</b>
<b>Operating profit (loss)</b>		<b>49</b>	<b>45</b>	<b>39</b>	<b>23</b>	<b>156</b>	<b>77</b>	<b>26</b>	<b>7</b>	<b>(40)</b>	<b>(189)</b>	<b>(196)</b>	<b>29</b>	<b>27</b>	<b>(275)</b>
	QoQ Change		-8.2%	-13.3%	-41.0%			333.3%	-73.1%	N/M	372.5%		-115.3%	-6.9%	N/M
	YoY Change						-50.6%	0.0%	-68.2%	N/M	N/M	N/M	11.5%	285.7%	587.5%
<b>Net profit (loss) - reported</b>		<b>36</b>	<b>33</b>	<b>27</b>	<b>19</b>	<b>115</b>	<b>51</b>	<b>20</b>	<b>4</b>	<b>(32)</b>	<b>(149)</b>	<b>(157)</b>	<b>22</b>	<b>21</b>	<b>(305)</b>
	QoQ Change		-8.3%	-18.2%	-29.6%			300.0%	-80.0%	N/M	365.6%		-114.8%	-4.5%	N/M
	YoY Change						-55.7%	11.1%	-71.4%	N/M	N/M	N/M	10.0%	425.0%	853.1%
<b>ADJUSTED NET PROFIT (excluding other operating income/expenses and one-time impairment)</b>		<b>36</b>	<b>34</b>	<b>26</b>	<b>21</b>	<b>117</b>	<b>57</b>	<b>20</b>	<b>16</b>	<b>3</b>	<b>2</b>	<b>41</b>	<b>22</b>	<b>21</b>	<b>(23)</b>
	QoQ Change		-6.2%	-22.3%	-18.8%			126.0%	-18.4%	-83.8%	N/M		1045.8%	-4.5%	N/M
	YoY Change						-51.3%	2.4%	23.4%	-82.9%	-78.3%	-28.5%	10.0%	28.7%	N/M
<b>EBITDA reported</b>		<b>82</b>	<b>78</b>	<b>73</b>	<b>58</b>	<b>291</b>	<b>271</b>	<b>72</b>	<b>53</b>	<b>7</b>	<b>(138)</b>	<b>(6)</b>	<b>72</b>	<b>65</b>	<b>(233)</b>
	QoQ Change		-4.9%	-6.4%	-20.5%			9.1%	-26.4%	-86.8%	N/M		-152.2%	-9.7%	N/M
	YoY Change						-6.9%	4.3%	-20.9%	-89.9%	N/M	-102.2%	0.0%	22.6%	N/M
<b>ADJUSTED EBITDA (excluding other operating income/expenses and one-time impairment)</b>		<b>82</b>	<b>79</b>	<b>72</b>	<b>61</b>	<b>294</b>	<b>279</b>	<b>72</b>	<b>69</b>	<b>52</b>	<b>58</b>	<b>251</b>	<b>72</b>	<b>65</b>	<b>49</b>
	QoQ Change		-3.7%	-8.9%	-15.3%			1.4%	-4.2%	-24.6%	11.5%		24.1%	-9.7%	-24.6%
	YoY Change						-5.1%	1.4%	4.5%	-26.8%	-18.3%	-10.0%	0.0%	-5.8%	-5.8%

### Key Cash Flow Metrics

<b>Operating cash flow</b>		<b>52</b>	<b>69</b>	<b>74</b>	<b>82</b>	<b>277</b>	<b>300</b>	<b>56</b>	<b>48</b>	<b>64</b>	<b>87</b>	<b>255</b>	<b>60</b>	<b>48</b>	<b>47</b>
	QoQ Change		32.7%	7.2%	10.8%			-47.2%	-14.3%	33.3%	35.9%		-31.0%	-20.0%	-2.1%
	YoY Change						8.3%	-16.4%	-11.1%	-12.3%	-17.9%	-15.0%	7.1%	0.0%	-26.6%
<b>Capital expenditures, gross (cash flow)</b>		<b>29</b>	<b>46</b>	<b>31</b>	<b>36</b>	<b>142</b>	<b>126</b>	<b>33</b>	<b>34</b>	<b>40</b>	<b>21</b>	<b>128</b>	<b>34</b>	<b>33</b>	<b>28</b>
	QoQ Change		58.6%	-32.6%	16.1%			32.0%	3.0%	17.6%	-47.5%		61.9%	-2.9%	-15.2%
	YoY Change						-11.3%	6.5%	-22.7%	53.8%	-16.0%	1.6%	3.0%	-2.9%	-30.0%
<b>Capital expenditures, net (cash flow)</b>		<b>29</b>	<b>46</b>	<b>29</b>	<b>35</b>	<b>139</b>	<b>125</b>	<b>33</b>	<b>34</b>	<b>40</b>	<b>21</b>	<b>128</b>	<b>34</b>	<b>33</b>	<b>28</b>
	QoQ Change		58.6%	-37.0%	20.7%			32.0%	3.0%	17.6%	-47.5%		61.9%	-2.9%	-15.2%
	YoY Change						-10.1%	6.5%	-22.7%	60.0%	-16.0%	2.4%	3.0%	-2.9%	-30.0%
<b>Lease payments (IFRS 16)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>32</b>	<b>8</b>	<b>8</b>	<b>7</b>
<b>Free cash flow</b>		<b>23</b>	<b>23</b>	<b>45</b>	<b>47</b>	<b>138</b>	<b>138</b>	<b>15</b>	<b>6</b>	<b>16</b>	<b>58</b>	<b>95</b>	<b>18</b>	<b>7</b>	<b>12</b>
	QoQ Change		0.0%	95.7%	4.4%			-79.2%	-60.0%	166.7%	262.5%		-69.0%	-61.1%	71.4%
	YoY Change						0.0%	-44.4%	500.0%	-57.9%	-19.4%	-31.2%	20.0%	16.7%	-25.0%

### Ratios

<b>Net margin</b>	<b>9.4%</b>	<b>8.1%</b>	<b>7.4%</b>	<b>5.0%</b>	<b>7.5%</b>	<b>3.7%</b>	<b>5.9%</b>	<b>1.2%</b>	<b>-9.7%</b>	<b>-45.2%</b>	<b>-11.7%</b>	<b>6.9%</b>	<b>6.7%</b>	<b>-96.8%</b>
<b>EBITDA margin</b>	<b>21.4%</b>	<b>19.2%</b>	<b>19.9%</b>	<b>15.3%</b>	<b>18.9%</b>	<b>19.5%</b>	<b>21.1%</b>	<b>15.6%</b>	<b>2.1%</b>	<b>-41.8%</b>	<b>-0.4%</b>	<b>22.7%</b>	<b>20.7%</b>	<b>-74.0%</b>
<b>Capex/Sales</b>	<b>7.6%</b>	<b>11.3%</b>	<b>8.4%</b>	<b>9.5%</b>	<b>9.2%</b>	<b>9.1%</b>	<b>9.7%</b>	<b>10.0%</b>	<b>12.2%</b>	<b>6.4%</b>	<b>9.6%</b>	<b>10.7%</b>	<b>10.5%</b>	<b>8.9%</b>



(NIS millions)

	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
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## yes - Reported

## Key Income Statement Metrics

Revenues		1,650	1,473	343	337	334	331	1,345	338	319	313
	QoQ Change			-3.7%	-1.7%	-0.9%	-0.9%		2.1%	-5.6%	-1.9%
	YoY Change	-5.4%	-10.7%	-8.5%	-10.1%	-9.0%	-7.0%	-8.7%	-1.5%	-5.3%	-6.3%
Depreciation, amortization & impairment		285	323	55	68	50	46	219	44	50	50
	QoQ Change			-34.5%	23.6%	-26.5%	-8.0%		-4.3%	13.6%	0.0%
	YoY Change	-3.7%	13.3%	-30.4%	-13.9%	-38.3%	-45.2%	-32.2%	-20.0%	-26.5%	0.0%
Salaries		245	233	56	54	52	54	216	54	48	50
	QoQ Change			-5.1%	-3.6%	-3.7%	3.8%		0.0%	-11.1%	4.2%
	YoY Change	-1.6%	-4.9%	-3.4%	-10.0%	-7.1%	-8.5%	-7.3%	-3.6%	-11.1%	-3.8%
Operating, general & impairment expenses		957	956	234	248	211	230	923	231	210	195
	QoQ Change			-4.1%	6.0%	-14.9%	9.0%		0.4%	-9.1%	-7.1%
	YoY Change	1.1%	-0.1%	-1.3%	0.8%	-7.9%	-5.7%	-3.5%	-1.3%	-15.3%	-7.6%
Loss from impairment of assets		-	1,100	-	-	-	-	-	-	-	-
Other operating expenses (income), net		-	17	43	(9)	1	7	42	-	(12)	-
Operating profit (loss)		163	(1,156)	(45)	(24)	20	(6)	(55)	9	23	18
	QoQ Change			N/M	-46.7%	N/M	N/M		N/M	155.6%	-21.7%
	YoY Change	-38.3%	N/M	4400.0%	41.2%	1900.0%	-99.5%	-95.2%	N/M	N/M	-10.0%
Finance expenses (income), net		71	(11)	5	2	4	1	12	(5)	4	1
	QoQ Change			N/M	-60.0%	100.0%	-75.0%		N/M	N/M	-75.0%
	YoY Change	22.4%	N/M	N/M	N/M	33.3%	N/M	N/M	N/M	100.0%	-75.0%
Net profit (loss) - reported		(244)	(1,148)	(50)	(27)	15	(7)	(69)	14	18	16
	QoQ Change			-95.6%	-46.0%	N/M	N/M		N/M	28.6%	-11.1%
	YoY Change	N/M	370.5%	N/M	170.0%	N/M	-99.4%	-94.0%	N/M	N/M	6.7%
EBITDA reported		448	(833)	10	44	70	40	164	53	73	68
	QoQ Change			N/M	340.0%	59.1%	-42.9%		32.5%	37.7%	-6.8%
	YoY Change	-20.0%	N/M	-87.2%	-29.0%	-14.6%	N/M	N/M	430.0%	65.9%	-2.9%
ADJUSTED EBITDA (excluding other operating income/expenses and one-time impairment)		448	284	53	35	71	47	206	53	61	68
Key Cash Flow Metrics											
Operating cash flow		430	226	53	22	37	31	143	41	39	69
	QoQ Change			15.2%	-58.5%	68.2%	-16.2%		32.3%	-4.9%	76.9%
	YoY Change	-31.6%	-47.4%	-38.4%	-63.3%	8.8%	-32.6%	-36.7%	-22.6%	77.3%	86.5%
Capital expenditures, gross (cash flow)		235	298	64	74	69	32	239	37	41	38
	QoQ Change			-22.0%	15.6%	-6.8%	-53.6%		15.6%	10.8%	-7.3%
	YoY Change	12.4%	26.8%	3.2%	-1.3%	-12.7%	-61.0%	-19.8%	-42.2%	-44.6%	-44.9%
Capital expenditures, net (cash flow)		234	297	64	73	69	32	238	37	40	38
	QoQ Change			-21.0%	14.1%	-5.5%	-53.6%		15.6%	8.1%	-5.0%
	YoY Change	12.5%	26.9%	3.2%	-2.7%	-12.7%	-60.5%	-19.9%	-42.2%	-45.2%	-44.9%
Lease payments (IFRS 16)		-	31	8	7	8	7	30	7	7	6
Free cash flow		196	(102)	(19)	(58)	(40)	(8)	(125)	(3)	(8)	25
	QoQ Change			-53.7%	205.3%	-31.0%	-80.0%		-62.5%	166.7%	N/M
	YoY Change	-53.4%	N/M	N/M	152.2%	-25.9%	-80.5%	22.5%	-84.2%	-86.2%	N/M
Ratios											
Net margin		(14.8%)	(77.9%)	(14.6%)	(8.0%)	4.5%	(2.1%)	(5.1%)	4.1%	5.6%	5.1%
EBITDA margin		27.2%	(56.6%)	2.9%	13.1%	21.0%	12.1%	12.2%	15.7%	22.9%	21.7%
Capex/Sales		14.2%	20.2%	18.7%	22.0%	20.7%	9.7%	17.8%	10.9%	12.9%	12.1%



(NIS millions)

	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
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## yes - Proforma (Excluding Impairment Loss)

## Key Income Statement Metrics

<b>Revenues</b>		<b>1,650</b>	<b>1,473</b>	<b>343</b>	<b>337</b>	<b>334</b>	<b>331</b>	<b>1,345</b>	<b>338</b>	<b>319</b>	<b>313</b>
	QoQ Change				-1.7%	-0.9%	-0.9%		2.1%	-5.6%	-1.9%
	YoY Change		-10.7%	-8.5%	-10.1%	-9.0%	-7.0%	-8.7%	-1.5%	-5.3%	-6.3%
<b>Depreciation &amp; amortization</b>		<b>285</b>	<b>323</b>	<b>78</b>	<b>81</b>	<b>93</b>	<b>82</b>	<b>334</b>	<b>76</b>	<b>78</b>	<b>76</b>
	QoQ Change				3.8%	14.8%	-11.8%		-7.3%	2.6%	-2.6%
	YoY Change		13.3%	-1.3%	2.5%	14.8%	-2.4%	3.4%	-2.6%	-3.7%	-18.3%
<b>Salaries</b>		<b>245</b>	<b>233</b>	<b>55</b>	<b>51</b>	<b>50</b>	<b>53</b>	<b>209</b>	<b>51</b>	<b>47</b>	<b>48</b>
	QoQ Change				-7.3%	-2.0%	6.0%		-3.8%	-7.8%	2.1%
	YoY Change		-4.9%	-5.2%	-15.0%	-10.7%	-10.2%	-10.3%	-7.3%	-7.8%	-4.0%
<b>Operating &amp; general expenses</b>		<b>957</b>	<b>956</b>	<b>226</b>	<b>222</b>	<b>219</b>	<b>228</b>	<b>895</b>	<b>222</b>	<b>212</b>	<b>204</b>
	QoQ Change				-1.8%	-1.4%	4.1%		-2.6%	-4.5%	-3.8%
	YoY Change		-0.1%	-4.6%	-9.8%	-4.4%	-6.6%	-6.4%	-1.8%	-4.5%	-6.8%
<b>Other operating expenses (income), net</b>		<b>-</b>	<b>17</b>	<b>43</b>	<b>(9)</b>	<b>1</b>	<b>7</b>	<b>42</b>	<b>-</b>	<b>(12)</b>	<b>1</b>
	QoQ Change					N/M	600.0%		N/M	N/M	N/M
	YoY Change		N/M			N/M	-12.5%	147.1%	N/M	33.3%	0.0%
<b>Operating profit (loss)</b>		<b>163</b>	<b>(56)</b>	<b>(59)</b>	<b>(8)</b>	<b>(29)</b>	<b>(39)</b>	<b>(135)</b>	<b>(11)</b>	<b>(6)</b>	<b>(16)</b>
	QoQ Change				-86.4%	262.5%	34.5%		-71.8%	-45.5%	166.7%
	YoY Change		N/M		-52.9%	N/M	0.0%	141.1%	-81.4%	-25.0%	-44.8%
<b>Finance expenses (income), net</b>		<b>71</b>	<b>(11)</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>12</b>	<b>(5)</b>	<b>4</b>	<b>1</b>
	QoQ Change					100.0%	-75.0%		N/M	N/M	-75.0%
	YoY Change		N/M			33.3%	N/M	N/M	N/M	100.0%	-75.0%
<b>Net profit (loss) - reported</b>		<b>(244)</b>	<b>(48)</b>	<b>(64)</b>	<b>(11)</b>	<b>(34)</b>	<b>(40)</b>	<b>(149)</b>	<b>(6)</b>	<b>(11)</b>	<b>(18)</b>
	QoQ Change				-82.8%	209.1%	17.6%		-85.0%	83.3%	63.6%
	YoY Change		-80.3%		10.0%	1600.0%	8.1%	210.4%	-90.6%	0.0%	-47.1%
<b>ADJUSTED NET PROFIT (LOSS) (excluding other operating income/expenses)</b>		<b>(244)</b>	<b>(31)</b>	<b>(21)</b>	<b>(20)</b>	<b>(33)</b>	<b>(33)</b>	<b>(107)</b>	<b>(6)</b>	<b>(23)</b>	<b>(17)</b>
	QoQ Change				-27.6%	-4.8%	65.0%	0.0%	-81.8%	283.3%	-26.1%
	YoY Change		-87.3%	N/M	566.7%	1550.0%	13.8%	245.2%	-71.4%	15.0%	-48.5%
<b>EBITDA</b>		<b>448</b>	<b>267</b>	<b>19</b>	<b>73</b>	<b>64</b>	<b>43</b>	<b>199</b>	<b>65</b>	<b>72</b>	<b>60</b>
	QoQ Change				284.2%	-12.3%	-32.8%		51.2%	10.8%	-16.7%
	YoY Change		-40.4%	-75.6%	17.7%	-22.0%	-4.4%	-25.5%	242.1%	-1.4%	-6.3%
<b>Adjusted EBITDA (excluding other operating income/expenses)</b>		<b>448</b>	<b>284</b>	<b>62</b>	<b>64</b>	<b>65</b>	<b>50</b>	<b>241</b>	<b>65</b>	<b>60</b>	<b>61</b>
	QoQ Change				17.0%	3.2%	1.6%	-23.1%	30.0%	-7.7%	1.7%
	YoY Change		-36.6%	-22.5%	-7.2%	-20.7%	-5.7%	-15.1%	4.8%	-6.3%	-6.2%



		FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
<b>Key subsidiary companies (Pelephone, Bezeq International, yes - proforma)</b>											
<b>Key Income Statement Metrics</b>											
Revenues		5,733	5,307	1,262	1,246	1,275	1,263	5,046	1,228	1,168	1,173
	QoQ Change			-6.1%	-1.3%	2.3%	-0.9%		-2.8%	-4.9%	0.4%
	YoY Change		-7.4%	-6.2%	-5.1%	-2.2%	-6.0%	-4.9%	-2.7%	-6.3%	-8.0%
Depreciation, amortization & impairment		803	1,172	281	283	297	296	1,157	269	267	265
	QoQ Change			-12.5%	0.7%	4.9%	-0.3%		-9.1%	-0.7%	-0.7%
	YoY Change		46.0%	0.4%	0.0%	3.1%	-7.8%	-1.3%	-4.3%	-5.7%	-10.8%
Salaries		957	912	217	213	203	210	843	205	179	190
	QoQ Change			-0.9%	-1.8%	-4.7%	3.4%		-2.4%	-12.7%	6.1%
	YoY Change		-4.7%	-10.3%	-7.4%	-8.1%	-4.1%	-7.6%	-5.5%	-16.0%	-6.4%
Operating & general expenses		3,570	3,170	764	749	780	802	3,095	748	725	753
	QoQ Change			-7.6%	-2.0%	4.1%	2.8%		-6.7%	-3.1%	3.9%
	YoY Change		-11.2%	-3.7%	-4.7%	2.1%	-3.0%	-2.4%	-2.1%	-3.2%	-3.5%
Other operating expenses (income), net		12	34	43	10	48	280	381	1	(16)	283
Operating profit (loss)		391	19	(43)	(9)	(53)	(325)	(430)	5	13	(318)
	QoQ Change			16.2%	N/M	N/M	513.2%		-101.5%	160.0%	N/M
	YoY Change		-95.1%	N/M	-228.6%	N/M	778.4%	N/M	-111.6%	-244.4%	500.0%
Net profit (loss) - reported		(34)	27	(42)	(5)	(48)	(258)	(353)	14	11	(335)
	QoQ Change			40.0%	N/M	N/M	437.5%		-105.4%	-21.4%	N/M
	YoY Change		N/M	N/M	-145.5%	N/M	760.0%	N/M	-133.3%	-320.0%	597.9%
ADJUSTED NET PROFIT (LOSS)		(25)	57	1	1	(10)	(42)	(50)	15	(4)	(52)
	QoQ Change			-105.8%	-37.0%	-1687.3%	N/M		-135.5%	-127.6%	1174.5%
	YoY Change		N/M	-96.8%	-96.5%	-140.1%	139.4%	N/M	1377.0%	-747.6%	N/M
EBITDA reported		1,194	1,191	238	274	244	-29	727	274	280	(53)
	QoQ Change			-16.2%	15.1%	-10.9%	-111.9%		-1044.8%	2.2%	-118.9%
	YoY Change		-0.3%	-22.5%	-5.5%	-21.3%	-110.2%	-39.0%	15.1%	2.2%	-121.7%
ADJUSTED EBITDA		1,206	1,225	281	284	292	251	1,108	275	264	230
	QoQ Change			-5.7%	1.1%	2.8%	-14.0%		9.6%	-4.0%	-12.9%
	YoY Change		1.6%	-9.6%	-4.4%	-8.5%	-15.8%	-9.6%	-2.1%	-7.0%	-21.2%
<b>Key Cash Flow Metrics</b>											
Operating cash flow		1,312	1,296	304	206	301	264	1,075	265	236	259
	QoQ Change			-1.3%	-32.2%	46.1%	-12.3%		0.4%	-10.9%	9.7%
	YoY Change		-1.2%	-22.4%	-30.2%	0.0%	-14.3%	-17.1%	-12.8%	14.6%	-14.0%
Capital expenditures, gross (cash flow)		687	734	160	191	181	128	660	136	147	166
	QoQ Change			-13.5%	19.4%	-5.2%	-29.3%		6.3%	8.1%	12.9%
	YoY Change		6.8%	-1.2%	-8.6%	1.7%	-30.8%	-10.1%	-15.0%	-23.0%	-8.3%
Capital expenditures, net (cash flow)		682	728	160	189	181	128	658	136	146	166
	QoQ Change			-13.0%	18.1%	-4.2%	-29.3%		6.3%	7.4%	13.7%
	YoY Change		6.7%	-1.2%	-9.6%	4.6%	-30.4%	-9.6%	-15.0%	-22.8%	-8.3%
Lease payments (IFRS 16)		-	326	85	61	92	66	304	82	63	80
Free cash flow		630	242	59	(44)	28	70	113	47	27	13
	QoQ Change			51.3%	N/M	-163.6%	150.0%		-32.9%	-42.6%	-51.9%
	YoY Change		-61.6%	-57.2%	N/M	-39.1%	79.5%	-53.3%	-20.3%	-161.4%	-53.6%



	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
<b>Key subsidiary companies (Pelephone, Bezeq International, yes - proforma)</b>										
<b>Adjusted EBITDA - Key Subsidiary Companies</b>										
Pelephone Adjusted EBITDA	464	662	147	151	175	143	616	138	139	120
Bezeq International Adjusted EBITDA	294	279	72	69	52	58	251	72	65	49
yes Adjusted EBITDA	448	284	62	64	65	50	241	65	60	61
<b>Total Adjusted EBITDA</b>	<b>1,206</b>	<b>1,225</b>	<b>281</b>	<b>284</b>	<b>292</b>	<b>251</b>	<b>1,108</b>	<b>275</b>	<b>264</b>	<b>230</b>
<b>Adjusted Net Profit - Key Subsidiary Companies</b>										
Pelephone Adjusted Net Profit	102	31	2	4	20	(10)	16	(1)	(2)	(12)
Bezeq International Adjusted Net Profit	117	57	20	16	3	2	41	22	21	(23)
yes Adjusted Net Profit	(244)	(31)	(21)	(20)	(33)	(33)	(107)	(6)	(23)	(17)
<b>Total Adjusted Net Profit</b>	<b>(25)</b>	<b>57</b>	<b>1</b>	<b>1</b>	<b>(11)</b>	<b>(41)</b>	<b>(50)</b>	<b>15</b>	<b>(4)</b>	<b>(52)</b>



**NIS Millions**      **Oct 1, 2020-**      **Jan 1, 2021-**      **Jan 1, 2022-**  
**Dec 31, 2020**      **Dec 31, 2021**      **Dec 31, 2022**

## Bezeq Fixed-Line - Cash Flow Forecast

Cash and cash equivalents at the beginning of the period	606	846	1,260
<b>Sources</b>			
<b>Net cash from operating activities</b>	<b>516</b>	<b>1,970</b>	<b>2,101</b>
Proceeds from the sale of property, plant and equipment	173	150	7
Proceeds from redemption of bank and other deposits	636	636	-
Miscellaneous	55	4	3
<b>Cash flows from investing activities</b>	<b>864</b>	<b>790</b>	<b>10</b>
Debenture issuance and new loans	-	700*	850*
<b>Cash flows from financing activities</b>	<b>-</b>	<b>700</b>	<b>850</b>
<b>Total</b>	<b>1,380</b>	<b>3,460</b>	<b>2,961</b>
Loans from investees	15	85	130
Repayment of loans to investees	16	-	-
Miscellaneous	9	22	-
<b>Total cash from investees</b>	<b>40</b>	<b>107</b>	<b>130</b>
<b>TOTAL SOURCES</b>	<b>1,420</b>	<b>3,567</b>	<b>3,091</b>
<b>Uses</b>			
Acquisition of fixed assets and investment in intangible assets	(244)	(1,131)	(1,089)
Investment in bank and other deposits	(29)	-	-
Miscellaneous	0	-	-
<b>Cash used in investing activities</b>	<b>(273)</b>	<b>(1,131)</b>	<b>(1,089)</b>
Repayment of bank loans	(118)	(762)*	(306)*
Repayment of public debentures	(555)	(552)	(871)
Repayment of private debentures and non-bank credit	(21)	(98)	(77)
Principal and interest payments on leases	(22)	(115)	(115)
Interest payments and other finance expenses	(149)	(289)	(278)
Miscellaneous	(14)	(40)	(48)
<b>Cash used in financing activities</b>	<b>(879)</b>	<b>(1,856)</b>	<b>(1,695)</b>
<b>Total</b>	<b>(1,152)</b>	<b>(2,987)</b>	<b>(2,784)</b>
Investment in a subsidiary	-	(130)	(130)
Interest payment	(28)	(36)	(39)
Loans to subsidiaries	-	-	-
Repayment of loans from subsidiaries	-	-	(130)
<b>Total cash used in investees</b>	<b>(28)</b>	<b>(166)</b>	<b>(299)</b>
<b>TOTAL USES</b>	<b>(1,180)</b>	<b>(3,153)</b>	<b>(3,083)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>846</b>	<b>1,260</b>	<b>1,268</b>

\*The forecasts for the issuance and repayment of debt as well as the early repayment of bank loans, assumes the continuation of the Company's plan to extend debt maturities in the years 2021-2022. The timing of the early repayments is an estimation and may change between years.



	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	
<b>Bezeq Fixed-Line</b>																		
<b>Key Performance Indicators</b>																		
<b>Total outgoing minutes (in millions)</b>	<b>10,699</b>	<b>9,758</b>	<b>8,694</b>	<b>7,047</b>	<b>6,200</b>	<b>5,607</b>	<b>5,006</b>	<b>4,475</b>	<b>4,014</b>	<b>926</b>	<b>865</b>	<b>888</b>	<b>820</b>	<b>3,499</b>	<b>883</b>	<b>1,079</b>	<b>1,019</b>	
QoQ Change										-6.4%	-6.6%	2.7%	-7.7%		7.7%	22.2%	-5.6%	
YoY Change	-11.0%	-8.8%	-10.9%	-18.9%	-12.0%	-9.6%	-10.7%	-10.6%	-10.3%	-12.2%	-14.4%	-7.5%	-17.1%	-12.8%	-4.6%	24.7%	14.8%	
<b>Total incoming minutes (in millions)</b>	<b>6,547</b>	<b>6,240</b>	<b>6,225</b>	<b>6,115</b>	<b>5,829</b>	<b>5,628</b>	<b>5,297</b>	<b>4,972</b>	<b>4,627</b>	<b>1,090</b>	<b>1,056</b>	<b>1,099</b>	<b>1,046</b>	<b>4,291</b>	<b>1,120</b>	<b>1,293</b>	<b>1,368</b>	
QoQ Change										-6.0%	-3.1%	4.1%	-4.8%		7.1%	15.4%	5.8%	
YoY Change	-2.5%	-4.7%	-0.2%	-1.8%	-4.7%	-3.4%	-5.9%	-6.1%	-6.9%	-8.5%	-8.3%	-2.3%	-9.8%	-7.3%	2.8%	22.4%	24.5%	
<b>Total access lines (in 000's)</b>	<b>2,366</b>	<b>2,367</b>	<b>2,268</b>	<b>2,216</b>	<b>2,205</b>	<b>2,087</b>	<b>2,010</b>	<b>1,916</b>	<b>1,818</b>	<b>1,792</b>	<b>1,768</b>	<b>1,743</b>	<b>1,718</b>	<b>1,718</b>	<b>1,693</b>	<b>1,675</b>	<b>1,653</b>	
QoQ Change										-1.4%	-1.3%	-1.4%	-1.4%		-1.5%	-1.1%	-1.3%	
YoY Change	-4.7%	0.0%	-4.2%	-2.3%	-0.5%	-5.4%	-3.7%	-4.7%	-5.1%	-5.1%	-5.2%	-5.4%	-5.5%	-5.5%	-5.5%	-5.3%	-5.2%	
QoQ Line change (000's)	(117)	1	(99)	(52)	(11)	(118)	(77)	(94)	(98)	(26)	(24)	(25)	(25)	(100)	(25)	(18)	(22)	
<b>Average revenue per line (ARPL) (in NIS)</b>	<b>109</b>	<b>85</b>	<b>81</b>	<b>74</b>	<b>63</b>	<b>59</b>	<b>57</b>	<b>54</b>	<b>52</b>	<b>50</b>	<b>49</b>	<b>49</b>	<b>48</b>	<b>49</b>	<b>48</b>	<b>51</b>	<b>51</b>	
QoQ Change										-2.0%	-2.0%	0.0%	-2.0%		0.0%	6.3%	0.0%	
YoY Change	0.0%	-22.0%	-4.7%	-8.6%	-14.9%	-6.3%	-3.4%	-5.3%	-3.7%	-5.7%	-5.8%	-3.9%	-5.9%	-5.8%	-4.0%	4.1%	4.1%	
<b>BE Router (in thousands)</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>100</b>	<b>159</b>	<b>215</b>	<b>272</b>	<b>321</b>	<b>321</b>	<b>378</b>	<b>487</b>	
<b>Bspot and Be Mesh (in thousands)</b>										<b>60</b>	<b>77</b>	<b>100</b>	<b>116</b>	<b>116</b>	<b>144</b>	<b>177</b>	<b>218</b>	
<b>Churn rate (telephony)</b>	<i>N/A</i>	<b>11.6%</b>	<b>15.3%</b>	<b>13.1%</b>	<b>11.1%</b>	<b>10.1%</b>	<b>10.2%</b>	<b>9.8%</b>	<b>11.6%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>3.0%</b>	<b>2.9%</b>	<b>11.7%</b>	<b>3.2%</b>	<b>2.7%</b>	<b>3.4%</b>	
<b>Broadband Internet lines (in 000's)- Total</b>	<b>1,066</b>	<b>1,111</b>	<b>1,169</b>	<b>1,263</b>	<b>1,364</b>	<b>1,479</b>	<b>1,558</b>	<b>1,635</b>	<b>1,656</b>	<b>1,635</b>	<b>1,613</b>	<b>1,589</b>	<b>1,575</b>	<b>1,575</b>	<b>1,566</b>	<b>1,571</b>	<b>1,565</b>	
QoQ Change										-1.3%	-1.3%	-1.5%	-0.9%		-0.6%	0.3%	-0.4%	
YoY Change	3.0%	4.2%	5.2%	8.0%	8.0%	8.4%	5.3%	4.9%	1.3%	-1.1%	-2.9%	-4.4%	-4.9%	-4.9%	-4.2%	-2.6%	-1.5%	
QoQ Line change (000's)	31	45	58	94	101	115	79	77	21	(21)	(22)	(24)	(14)	(81)	(9)	5	(6)	
<b>Broadband Internet lines (in 000's)-Wholesale</b>	-	-	-	-	-	<b>244</b>	<b>377</b>	<b>532</b>	<b>626</b>	<b>624</b>	<b>612</b>	<b>601</b>	<b>592</b>	<b>592</b>	<b>584</b>	<b>580</b>	<b>570</b>	
QoQ Change										-0.3%	-1.9%	-1.8%	-1.5%		-1.4%	-0.7%	-1.7%	
YoY Change							54.5%	41.1%	17.7%	8.7%	2.0%	-2.6%	-5.4%	-5.4%	-6.4%	-5.2%	-5.2%	
QoQ Line change (000's)							133	155	94	(2)	(12)	(11)	(9)	(34)	(8)	(4)	(10)	
Wholesale lines as % of total broadband lines						16.5%	24.2%	32.5%	37.8%	38.2%	37.9%	37.8%	37.6%	37.6%	37.3%	36.9%	36.4%	
<b>Broadband Internet lines (in 000's) - Retail</b>	<b>1,066</b>	<b>1,111</b>	<b>1,169</b>	<b>1,263</b>	<b>1,364</b>	<b>1,235</b>	<b>1,181</b>	<b>1,103</b>	<b>1,030</b>	<b>1,011</b>	<b>1,001</b>	<b>988</b>	<b>983</b>	<b>983</b>	<b>982</b>	<b>991</b>	<b>995</b>	
QoQ Change										-1.8%	-1.0%	-1.3%	-0.5%		-0.1%	0.9%	0.4%	
YoY Change	3.0%	4.2%	5.2%	8.0%	8.0%	-9.5%	-4.4%	-6.6%	-6.6%	-6.3%	-5.7%	-5.5%	-4.6%	-4.6%	-2.9%	-1.0%	0.7%	
QoQ Line change (000's)	31	45	58	94	101	(129)	(54)	(78)	(73)	(19)	(10)	(13)	(5)	(47)	(1)	9	4	
<b>Broadband Internet ARPU (in NIS) - Retail</b>	<b>75</b>	<b>80</b>	<b>81</b>	<b>84</b>	<b>84</b>	<b>88</b>	<b>89</b>	<b>90</b>	<b>93</b>	<b>96</b>	<b>97</b>	<b>98</b>	<b>98</b>	<b>97</b>	<b>98</b>	<b>98</b>	<b>100</b>	
QoQ Change										0.0%	1.0%	1.0%	0.0%		0.0%	0.0%	2.0%	
YoY Change	8.7%	6.7%	1.3%	3.7%	0.0%	4.8%	1.1%	1.1%	3.3%	4.3%	4.3%	5.4%	2.1%	4.3%	2.1%	1.0%	2.0%	
<b>Average broadband speed per subscriber (end of period, Mbps)</b>	<b>4.3</b>	<b>6.7</b>	<b>9.6</b>	<b>18.1</b>	<b>32.5</b>	<b>37.8</b>	<b>43.4</b>	<b>51.5</b>	<b>59.1</b>	<b>61.5</b>	<b>64.0</b>	<b>66.2</b>	<b>67.8</b>	<b>67.8</b>	<b>69.1</b>	<b>70.4</b>	<b>71.6</b>	
QoQ Change										4.1%	4.1%	3.4%	2.4%		1.9%	1.9%	1.7%	
YoY Change	59.3%	55.8%	43.3%	88.5%	79.6%	16.3%	14.8%	18.7%	14.8%	15.0%	15.5%	15.3%	14.7%	14.7%	12.4%	10.0%	8.2%	
<b>Number of employees</b>	<b>7,216</b>	<b>7,076</b>	<b>7,422</b>	<b>6,479</b>	<b>5,964</b>	<b>5,896</b>	<b>5,649</b>	<b>5,582</b>	<b>5,494</b>	<b>5,358</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>5,256</b>	<b>5,256</b>	<i>N/A</i>	<i>N/A</i>	
YoY Change	-2.0%	-1.9%	4.9%	-12.7%	-7.9%	-1.1%	-4.2%	-1.2%	-1.6%					-4.3%				
<b>Market share - Internet</b>	<b>59%</b>	<b>59%</b>	<b>60%</b>	<b>63%</b>	<b>66%</b>	<b>68%</b>	<b>69%</b>	<b>70%</b>	<b>69%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>63%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	
<b>Market share - telephony (private sector)</b>	<b>65%</b>	<b>63%</b>	<b>59%</b>	<b>57%</b>	<b>56%</b>	<b>56%</b>	<b>55%</b>	<b>53%</b>	<b>52%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>53%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	
<b>Market share - telephony (business sector)</b>	<b>78%</b>	<b>76%</b>	<b>75%</b>	<b>74%</b>	<b>74%</b>	<b>74%</b>	<b>73%</b>	<b>72%</b>	<b>71%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<b>71%</b>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	



Bezeq - The Israel Telecommunication Corp. Ltd



	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
<b>Telephone</b>																	
<b>Key Performance Indicators</b>																	
Total Subscribers (EOP, in 000's)	2,857	2,847	2,800	2,642	2,586	2,651	2,402	2,525	2,205	2,224	2,263	2,310	2,336	2,336	2,367	2,376	2,406
QoQ Change										0.9%	1.8%	2.1%	1.1%		1.3%	0.4%	1.3%
YoY Change	3.3%	-0.4%	-1.7%	-5.6%	-2.1%	2.5%	-9.4%	5.1%	-12.7%	-12.6%	-13.0%	5.7%	5.9%	5.9%	6.4%	5.0%	4.2%
QoQ subscriber change (000's)	91	(10)	(47)	(158)	(56)	65	(249)	123	(320)	19	39	47	26	131	31	9	30
Postpaid Subscribers (EOP, in 000's)	N/A	N/A	N/A	N/A	1,750	1,726	1,669	1,729	1,831	1,842	1,866	1,895	1,911	1,911	1,939	1,959	1,986
QoQ Change										0.6%	1.3%	1.6%	0.8%		1.5%	1.0%	1.4%
YoY Change						-1.4%	-3.3%			4.7%	3.7%	4.3%	4.4%		5.3%	5.0%	4.8%
QoQ subscriber change (000's)						(24)	(57)	60	102	11	24	29	16	80	28	20	27
Prepaid Subscribers (EOP, in 000's)	N/A	N/A	N/A	N/A	836	925	733	796	374	382	397	415	425	425	428	417	420
QoQ Change										2.1%	3.9%	4.5%	2.4%		0.7%	-2.6%	0.7%
YoY Change						10.6%	-20.8%	8.6%	-53.0%	-51.4%	-50.4%	12.8%	13.6%	13.6%	12.0%	5.0%	1.2%
QoQ subscriber change (000's)						89	(192)	63	(422)	8	15	18	10	51	3	(11)	3
ARPU (in NIS)	111	107	95	86	78	64	63	61	62	63	64	65	60	63	58	55	55
QoQ Change										-4.5%	1.6%	1.6%	-7.7%		-3.3%	-5.2%	0.0%
YoY Change		-3.6%	-11.2%	-9.5%	-9.3%	-17.9%	-1.6%	-3.2%	1.6%	10.5%	12.3%	-4.4%	-9.1%	1.6%	-7.9%	-14.1%	-15.4%
Churn rate	15.3%	22.9%	22.4%	28.6%	28.0%	25.8%	23.7%	28.2%	33.3%	8.6%	7.5%	7.3%	7.3%	30.7%	7.1%	6.8%	7.1%
Number of employees	N/A	N/A	4,072	3,288	3,001	2,679	2,594	2,551	2,453	N/A	N/A	N/A	2,202	2,202	N/A	N/A	N/A
YoY Change				-19.3%	-8.7%	-10.7%	-3.2%	-1.7%	-3.8%					-10.2%			
Market share	28.9%	29.0%	28.2%	26.3%	25.5%	25.2%	23.1%	23.6%	20.7%	N/A	N/A	21.2%	N/A	N/A	N/A	N/A	N/A
<b>Bezeq International</b>																	
<b>Key Performance Indicators</b>																	
Number of employees	2,112	2,262	2,102	2,007	1,932	1,966	1,905	1,864	1,653	N/A	N/A	N/A	1,419	1,419	N/A	N/A	N/A
QoQ Change																	
YoY Change	-13.6%	7.1%	-7.1%	-4.5%	-3.7%	1.8%	-3.1%	-2.2%	-11.3%					-14.2%			
Churn rate (ISP)	12.7%	12.6%	18.4%	18.0%	17.0%	17.3%	20.4%	23.4%	25.5%	6.6%	6.2%	7.1%	6.3%	26.2%	6.7%	6.1%	7.2%
Market share - ISP	35.9%	37.5%	38.8%	40.6%	42%	44%	44%	N/A	N/A	N/A	N/A	N/A	N/A	30.0%	N/A	N/A	N/A
Market share - ILD (Outgoing)	30.7%	30.0%	24.6%	21.2%	23%	21%	21%	25.6%	23.3%	N/A	N/A	N/A	N/A	27.0%	N/A	N/A	N/A
<b>yes</b>																	
<b>Key Performance Indicators</b>																	
Subscribers (EOP, in 000's)	578	586	578	600	630	635	614	587	574	568	565	558	555	555	556	557	556
QoQ Change										-1.0%	-0.5%	-1.2%	-0.5%		0.2%	0.2%	-0.2%
YoY Change	1.2%	1.4%	-1.4%	3.8%	5.0%	0.8%	-3.3%	-4.4%	-2.2%	-2.1%	-2.9%	-4.5%	-3.3%	-3.3%	-2.1%	-1.4%	-0.4%
QoQ subscriber change (000's)							(21)	(27)	(13)	(6)	(3)	(7)	(3)	(19)	1	1	(1)
ARPU (in NIS)*	230	232	234	233	234	233	233	228	211	200	197	195	195	197	195	190	187
QoQ Change										-2.9%	-1.5%	-1.0%	0.0%		0.0%	-2.6%	-1.6%
YoY Change	1.8%	0.9%	1.0%	-0.4%	0.4%	-0.4%	0.0%	-2.1%	-7.5%	-6.5%	-8.4%	-7.1%	-5.3%	-6.6%	-2.5%	-3.6%	-4.1%
Churn rate	13.0%	11.9%	15.4%	13.5%	12.8%	13.9%	15.9%	18.8%	21.5%	5.6%	4.9%	5.5%	5.2%	21.2%	5.9%	4.8%	5.4%
Number of employees	2,229	2,227	2,276	2,208	2,042	1,984	1,753	1,680	1,532	N/A	1,350	N/A	1,335	1,335	N/A	N/A	N/A
YoY Change	3.3%	-0.1%	2.2%	-3.0%	-7.5%	-2.8%	-11.6%	-4.2%	-8.8%				-12.9%				
Mkt share	39%	40%	39%	40%	42%	42%	40%	37%	34%	N/A	N/A	N/A	N/A	32%	N/A	N/A	N/A

\* In Q1 2020, yes updated its ARPU definition so that ARPU does not include revenue from content sales to external broadcasters. As a result, ARPU data for 2018 and 2019 was adjusted retroactively.



## Debt Ratings & Repayments

<u>Rating Agency</u>	<u>Rating</u>	<u>Outlook</u>
S&P Global Ratings Maalot	ilAA-	Stable
Midroog	Aa3.il	Stable

### Summary of Financial Undertakings as of September 30, 2020 (based on repayment dates)

In NIS millions

#### Notes Issued to the Public (Bezeq Fixed-Line)

	<b>CPI Linked</b>	<b>Unlinked</b>	<b>Interest Payment</b>	<b>Total principal and interest</b>
First year	518,333	35,708	195,119	749,160
Second year	518,333	35,708	175,426	729,467
Third year	606,668	250,205	150,846	1,007,719
Fourth year	265,005	643,490	121,583	1,030,078
Fifth year and thereafter	1,799,250	2,121,747	251,793	4,172,790
<b>Total</b>	<b>3,707,589</b>	<b>3,086,858</b>	<b>894,767</b>	<b>7,689,214</b>

#### Private Notes and Other Non-Bank Credit (Bezeq Fixed-Line)

	<b>CPI Linked</b>	<b>Unlinked</b>	<b>Interest Payment</b>	<b>Total principal and interest</b>
First year	-	85,000	36,535	121,535
Second year	-	93,333	32,880	126,213
Third year	-	76,667	29,183	105,850
Fourth year	-	58,333	26,387	84,720
Fifth year and thereafter	-	700,000	78,709	778,709
<b>Total</b>	<b>-</b>	<b>1,013,333</b>	<b>203,694</b>	<b>1,217,027</b>



## Debt Ratings & Repayments

### Credit from Israeli Banks (Bezeq Fixed-Line)

	CPI Linked	Unlinked	Interest Payment	Total principal and interest
First year	-	284,056	56,844	340,900
Second year	-	61,556	45,575	107,131
Third year	-	6,000	42,434	48,434
Fourth year	-	406,000	42,333	448,333
Fifth year and thereafter	-	839,000	47,478	886,478
<b>Total</b>	-	<b>1,596,612</b>	<b>234,664</b>	<b>1,831,276</b>

### Total Debt - Bezeq Fixed-Line

	CPI Linked	Unlinked	Interest Payment	Total principal and interest
First year	518,333	404,764	288,498	1,211,595
Second year	518,333	190,597	253,881	962,811
Third year	606,668	332,872	222,463	1,162,003
Fourth year	265,005	1,107,823	190,303	1,563,131
Fifth year and thereafter	1,799,250	3,660,747	377,980	5,837,977
<b>Total</b>	<b>3,707,589</b>	<b>5,696,803</b>	<b>1,333,125</b>	<b>10,737,517</b>



	Principal (NIS millions)	Currency	Linkage	Type of Interest	Average Interest Rate	Interest Rate Range in 2020
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## Debt Terms

The following table shows the distribution of long-term debt as of September 30, 2020 (including current maturities):

Banks	1,591	NIS	Unlinked	Fixed	3.71%	3.20% - 6.85%
Non-bank sources	107	NIS	Unlinked	Variable; based on the annual interest rate for Treasury Bills	1.44%	1.43% - 1.54%
Non-bank sources	3,993	NIS	Unlinked	Fixed	3.11%	3.20% - 5.25%
Non-bank sources	3,708	NIS	CPI	Fixed	1.99%	1.70% - 3.70%



## GLOSSARY

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### Glossary

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EBITDA	= Earnings Before Interest, taxes, depreciation, amortization and ongoing losses from impairment of fixed and intangible assets
Adjusted EBITDA	= EBITDA excluding other operating income/expenses and one-time loss from impairment of assets
Net Debt/Adjusted EBITDA	= Adjusted EBITDA in this ratio is EBITDA (Trailing Twelve Months) less lease payments and excluding other income/expenses and one-time loss from impairment of assets
Free cash flow	= Operating cash flows less net capital expenditures and lease payments
Net capital expenditures	= Purchase of property, plant & equipment (PPE), plus investments in intangible assets, less proceeds from the sale of PPE
FFO	= Cash flow from operating activities less changes in working capital and payments for leases
ARPL	= Average revenue per line
ARPU	= Average revenue per user
N/A	= Not available
N/M	= Not meaningful
TTM	= Trailing twelve months