



Bezeq Facts & Figures Q2 2021

Three months ending June 30, 2021

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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	Q4 2020	FY 2020	Q1 2021	Q2 2021
Bezeq Group														
Key Income Statement Metrics														
Revenues	9,789	9,321	2,256	2,224	2,247	2,202	8,929	2,187	2,155	2,178	2,203	8,723	2,221	2,200
QoQ Change				-1.4%	1.0%	-2.0%		-0.7%	-1.5%	1.1%	1.1%		0.8%	-0.9%
YoY Change		-4.8%					-4.2%	-3.1%	-3.1%	-3.1%	0.0%	-2.3%	1.6%	2.1%
Depreciation, amortization & impairment	1,715	2,189	466	478	481	487	1,912	451	459	464	463	1,837	476	465
QoQ Change				2.6%	0.6%	1.2%		-7.4%	1.8%	1.1%	-0.2%		2.8%	-2.3%
YoY Change		27.6%					-12.7%	-3.2%	-4.0%	-3.5%	-4.9%	-3.9%	5.5%	1.3%
Salaries	2,005	1,992	492	489	474	478	1,933	479	444	474	494	1,891	480	467
QoQ Change				-0.6%	-3.1%	0.8%		0.2%	-7.3%	6.8%	4.2%		-2.8%	-2.7%
YoY Change		-0.6%					-3.0%	-2.6%	-9.2%	0.0%	3.3%	-2.2%	0.2%	5.2%
Other operating expenses (income), net	(19)	634	(25)	(414)	39	179	(221)	(3)	(19)	(7)	103	74	(152)	2
Loss from impairment of assets	87	1,675	-	951	-	196	1,147	-	-	268	25	293	-	-
Operating profit (loss)	2,098	(582)	504	(102)	440	8	850	459	511	189	296	1,455	586	469
QoQ Change				N/M	N/M	-98.2%		5637.5%	11.3%	-63.0%	56.6%		98.0%	-20.0%
YoY Change		N/M					N/M	-8.9%	N/M	-57.0%	3600.0%	71.2%	27.7%	-8.2%
Finance expenses (income), net	417	435	99	136	205	109	549	34	159	80	98	371	51	84
QoQ Change				37.4%	50.7%	-46.8%		-68.8%	367.6%	-49.7%	22.5%		-48.0%	64.7%
YoY Change		4.3%					26.2%	-65.7%	16.9%	-61.0%	-10.1%	-32.4%	50.0%	-47.2%
Income taxes	453	72	110	1,340	56	(13)	1,493	98	83	83	24	288	127	91
QoQ Change					-95.8%	-123.2%		-853.8%	-15.3%	0.0%	-71.1%		429.2%	-28.3%
YoY Change		-84.1%						-10.9%	-93.8%	48.2%	N/M	-80.7%	29.6%	9.6%
Net profit (loss) - reported	1,223	(1,092)	295	(1,579)	177	(87)	(1,194)	327	269	26	174	796	408	294
QoQ Change				N/M	N/M	N/M		N/M	-17.7%	-90.3%	569.2%		134.5%	-27.9%
YoY Change		N/M					9.3%	10.8%	N/M	-85.3%	N/M	N/M	24.8%	9.3%
ADJUSTED NET PROFIT	1,296	961	286	217	207	203	913	325	252	290	277	1,144	299	304
EBITDA, reported	3,813	1,607	970	376	921	495	2,762	910	970	653	759	3,292	1,062	934
QoQ Change				-61.2%	144.9%	-46.3%		83.8%	6.6%	-32.7%	16.2%		39.9%	-12.1%
YoY Change		-57.9%					71.9%	-6.2%	158.0%	-29.1%	53.3%	19.2%	16.7%	-3.7%
ADJUSTED EBITDA	3,881	3,916	945	913	960	870	3,688	907	951	914	887	3,659	918	944
QoQ Change				-3.4%	5.1%	-9.4%		4.3%	4.9%	-3.9%	-3.0%		3.5%	2.8%
YoY Change		0.9%					-5.8%	-4.0%	4.2%	-4.8%	2.0%	-0.8%	1.2%	-0.7%
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	0.06	0.29	0.15	0.11
Shares Outstanding - Diluted	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
Operating & General Expenses														
Total operating & general expenses	3,903	3,413	819	822	813	854	3,308	801	760	790	822	3,173	831	797
QoQ Change				0.4%	-1.1%	5.0%		-6.2%	-5.1%	3.9%	4.1%		1.1%	-4.1%
YoY Change		-12.6%					-3.1%	-2.2%	-7.5%	-2.8%	-3.7%	-4.1%	3.7%	4.9%
Interconnect & payments to telecom operators	805	789	189	194	193	181	757	185	201	199	191	776	182	180
QoQ Change				2.6%	-0.5%	-6.2%		2.2%	8.6%	-1.0%	-4.0%		-4.7%	-1.1%
YoY Change		-2.0%					-4.1%	-2.1%	3.6%	3.1%	5.5%	2.5%	-1.6%	-10.4%
Terminal equipment & materials	867	771	191	181	202	232	806	188	176	189	194	747	221	200
QoQ Change				-5.2%	11.6%	14.9%		-19.0%	-6.4%	7.4%	2.6%		13.9%	-9.5%
YoY Change		-11.1%					4.5%	-1.6%	-2.8%	-6.4%	-16.4%	-7.3%	17.6%	13.6%
Content	636	653	160	176	149	159	644	164	143	135	147	589	144	133
QoQ Change				10.0%	-15.3%	6.7%		3.1%	-12.8%	-5.6%	8.9%		-2.0%	-7.6%
YoY Change		2.7%					-1.4%	2.5%	-18.8%	-9.4%	-7.5%	-8.5%	-12.2%	-7.0%
Marketing & general	595	555	123	118	120	128	489	117	114	117	114	462	124	127
QoQ Change				-4.1%	1.7%	6.7%		-8.6%	-2.6%	2.6%	-2.6%		8.8%	2.4%
YoY Change		-6.7%					-11.9%	-4.9%	-3.4%	-2.5%	-10.9%	-5.5%	6.0%	11.4%
Maintenance of buildings and sites	584	286	68	65	70	68	271	65	46	68	67	246	60	59
QoQ Change				-4.4%	7.7%	-2.9%		-4.4%	-29.2%	47.8%	-1.5%		-10.4%	-1.7%
YoY Change		-51.0%					-5.2%	-4.4%	-29.2%	-2.9%	-1.5%	-9.2%	-7.7%	28.3%
Services and maintenance by sub-contractors	260	277	70	68	63	69	270	68	71	68	96	303	86	82
QoQ Change				-2.9%	-7.4%	9.5%		-1.4%	4.4%	-4.2%	41.2%		-10.4%	-4.7%
YoY Change		6.5%					-2.5%	-2.9%	4.4%	7.9%	39.1%	12.2%	26.5%	15.5%
Vehicle maintenance	156	82	18	20	16	17	71	14	9	14	13	50	14	16
QoQ Change				11.1%	-20.0%	6.3%		-17.6%	-35.7%	55.6%	-7.1%		7.7%	14.3%
YoY Change		-47.4%					-13.4%	-22.2%	-55.0%	-12.5%	-23.5%	-29.6%	0.0%	77.8%
Ratios														
Net margin	12.5%	-11.7%	13.1%	-71.0%	7.9%	-4.0%	-13.4%	15.0%	12.5%	1.2%	7.9%	9.1%	18.4%	13.4%
EBITDA margin	39.0%	17.2%	43.0%	16.9%	41.0%	22.5%	30.9%	41.6%	45.0%	30.0%	34.5%	37.7%	47.8%	42.5%
Capex/Sales	15.6%	18.5%	16.5%	23.6%	14.6%	14.7%	17.4%	15.5%	16.3%	20.3%	16.7%	17.2%	20.6%	19.0%



(NIS millions)

FY 2017 FY 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 FY 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 FY 2020 Q1 2021 Q2 2021

Bezeq Group

Key Cash Flow Metrics

Operating cash flow		3,525	3,512	765	624	787	748	2,924	879	561	830	950	3,220	700	594
QoQ Change					-18.4%	26.1%	-5.0%		17.5%	-36.2%	48.0%	14.5%		-26.3%	-15.1%
YoY Change			-0.4%					-16.7%	14.9%	-10.1%	5.5%	27.0%	10.1%	-20.4%	5.9%
Capital expenditures, gross (cash)		1,530	1,727	373	525	329	324	1,551	338	351	442	368	1,499	458	418
QoQ Change					40.8%	-37.3%	-1.5%		4.3%	3.8%	25.9%	-16.7%		24.5%	-8.7%
YoY Change			12.9%					-10.2%	-9.4%	-33.1%	34.3%	13.6%	-3.4%	35.5%	19.1%
Proceeds from sale of assets		98	235	41	341	15	12	409	8	20	3	117	148	183	1
QoQ Change					731.7%	-95.6%	-20.0%		-33.3%	150.0%	-85.0%	3800.0%		56.4%	-99.5%
YoY Change			139.8%					74.0%	-80.5%	-94.1%	-80.0%	875.0%	-63.8%	2187.5%	-95.0%
Capital expenditures, net (cash)		1,432	1,492	332	184	314	312	1,142	330	331	439	251	1,351	275	417
QoQ Change					-44.6%	70.7%	-0.6%		5.8%	0.3%	32.6%	-42.8%		9.6%	51.6%
YoY Change			4.2%					-23.5%	-0.6%	79.9%	39.8%	-19.6%	18.3%	-16.7%	26.0%
Lease payments (IFRS 16)			422	117	90	115	92	414	113	86	106	86	391	102	92
Free cash flow		2,093	1,598	316	350	358	344	1,368	436	144	285	613	1,478	323	85
QoQ Change					10.8%	2.3%	-3.9%		26.7%	-67.0%	97.9%	115.1%		-47.3%	-73.7%
YoY Change			-23.7%					-14.4%	38.0%	-58.9%	-20.4%	78.2%	8.0%	-25.9%	-41.0%

Working Capital

Change in trade & other receivables		206	269	(18)	45	20	56	103	(44)	-	26	75	57	(59)	12
Change in inventory		(35)	(5)	(9)	-	4	(14)	(19)	(17)	(3)	10	23	13	(18)	3
Change in trade & other payables		9	(132)	6	(176)	50	43	(77)	98	(223)	34	108	17	26	(184)
Change in provisions		15	81	(30)	3	(5)	(17)	(49)	-	(3)	(8)	3	(8)	(29)	(3)
Change in employee benefits		(33)	489	(46)	(52)	(58)	106	(50)	(88)	(78)	(66)	40	(192)	(37)	(93)
Change in other liabilities		(34)	-	(12)	6	(11)	9	(8)	(7)	-	(5)	18	(1)	2	1
Total changes in assets and liabilities		128	702	(109)	(174)	0	183	(100)	(58)	(307)	(9)	260	(114)	(115)	(264)
Income tax paid, net		446	467	49	104	89	83	325	-	86	78	79	243	135	83
Interest paid		415	421	5	185	21	181	392	5	154	5	150	314	5	123
Funds From Operations (FFO)		3,397	2,810	757	708	672	887	3,024	824	782	733	995	3,334	713	766



	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
(NIS millions)	2018	2019	2019	2019	2019	2019	2020	2020	2020	2020	2020	2021	2021
Bezeq Group													
Balance Sheet													
Cash & cash equivalents	890	1,265	971	639	400	400	927	708	897	840	840	1,124	907
Investments	1,404	1,347	1,944	1,750	1,195	1,195	1,114	1,221	1,306	724	724	663	739
Trade receivables	1,775	1,752	1,737	1,727	1,677	1,677	1,674	1,698	1,692	1,621	1,621	1,648	1,661
Other receivables	284	298	308	341	342	342	357	340	332	178	178	209	195
Inventory	97	102	100	94	96	96	109	110	96	73	73	87	82
Assets held for sale	-	-	-	-	43	43	45	46	46	10	10	2	-
Total current assets	4,450	4,764	5,060	4,551	3,753	3,753	4,226	4,123	4,369	3,446	3,446	3,733	3,584
Trade and other receivables	470	511	535	442	477	477	476	454	525	514	514	512	513
Broadcasting rights	60	69	59	63	59	59	65	65	67	67	67	62	60
Right-of-use assets	1,504	1,444	1,394	1,361	1,308	1,308	1,394	1,329	1,276	1,804	1,804	1,735	1,786
Fixed assets	6,214	6,215	6,245	6,217	6,039	6,039	6,072	6,076	6,069	6,131	6,131	6,182	6,267
Intangible assets	1,919	1,923	977	968	916	916	916	935	952	929	929	937	938
Deferred tax assets	1,205	1,193	12	18	81	81	61	57	53	108	108	57	42
Deferred expenses and non-current investments	468	472	474	477	358	358	364	361	233	242	242	330	323
Investment property	58	58	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	11,898	11,885	9,696	9,546	9,238	9,238	9,348	9,277	9,175	9,795	9,795	9,815	9,929
Total assets	16,348	16,649	14,756	14,097	12,991	12,991	13,574	13,400	13,544	13,241	13,241	13,548	13,513
Debentures, loans and borrowings	1,542	1,538	1,625	1,126	1,007	1,007	1,002	955	957	786	786	785	743
Lease liability	445	422	434	427	416	416	415	399	387	415	415	402	432
Trade and other payables	1,855	2,010	1,600	1,681	1,614	1,614	1,834	1,580	1,669	1,759	1,759	1,793	1,567
Current tax liabilities	-	10	20	15	-	-	51	46	46	-	-	-	-
Employee benefits	581	500	443	365	654	654	587	486	441	482	482	442	462
Provisions	175	145	148	143	125	125	125	122	113	117	117	87	84
Total current liabilities	4,598	4,625	4,270	3,757	3,816	3,816	4,014	3,588	3,613	3,559	3,559	3,509	3,288
Loans and debentures	9,637	9,618	9,709	9,393	8,551	8,551	8,535	8,517	8,507	7,614	7,614	7,611	7,569
Lease liability	1,106	1,061	1,022	989	969	969	1,049	1,017	971	1,492	1,492	1,438	1,477
Employee benefits	445	482	487	539	356	356	314	344	334	335	335	337	226
Derivative and other liabilities	174	168	163	178	139	139	163	176	342	307	307	282	273
Deferred tax liabilities	56	54	53	50	43	43	46	46	48	32	32	34	40
Provisions	38	39	39	39	49	49	50	50	54	52	52	49	49
Total non-current liabilities	11,456	11,422	11,473	11,188	10,107	10,107	10,157	10,150	10,256	9,832	9,832	9,751	9,634
Total equity	294	602	(987)	(848)	(932)	(932)	(597)	(338)	(325)	(150)	(150)	288	591
Gross debt	11,179	11,156	11,334	10,519	9,558	9,558	9,537	9,472	9,464	8,400	8,400	8,396	8,312
Cash and short-term investments	2,294	2,612	2,915	2,389	1,595	1,595	2,041	1,929	2,203	1,564	1,564	1,787	1,646
Net debt	8,885	8,544	8,419	8,130	7,963	7,963	7,496	7,543	7,261	6,836	6,836	6,609	6,666
Net debt / Adjusted EBITDA (ttm)	2.5				2.4	2.4	2.3	2.3	2.2	2.1	2.1	2.0	2.0



(NIS millions)

	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Bezeq Group														
Adjusted EBITDA Calculation														
EBITDA reported	3,813	1,607	970	376	921	495	2,762	910	970	653	759	3,292	1,062	934
Other operating expenses (income), net	(19)	634	(25)	(414)	39	179	(221)	(3)	(19)	(7)	103	74	(152)	2
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	8	8
Loss from impairment of assets	87	1,675	-	951	-	196	1,147	-	-	268	25	293	-	-
ADJUSTED EBITDA	3,881	3,916	945	913	960	870	3,688	907	951	914	887	3,659	918	944
QoQ Change			-75.7%	-3.4%	5.1%	-9.4%		4.3%	4.9%	-3.9%	-3.0%		3.5%	2.8%
YoY Change		0.9%					-5.8%	-4.0%	4.2%	-4.8%	2.0%	-0.8%	1.2%	-0.7%
ADJUSTED EBITDA Margin	39.6%	42.0%	41.9%	41.1%	42.7%	39.5%	41.3%	41.5%	44.1%	42.0%	40.3%	41.9%	41.3%	42.9%
Adjusted Net Profit Calculation														
NET PROFIT reported	1,223	(1,092)	295	(1,579)	177	(87)	(1,194)	327	269	26	174	796	408	294
Other operating expenses (income), net - Group	(14)	492	(9)	(321)	30	139	(161)	-	-	-	-	-	-	-
Other operating expenses (income), net - Fixed-Line	-	-	-	-	-	-	-	(3)	(2)	(4)	61	52	(115)	5
Other operating expenses (income), net - Pelephone	-	-	-	-	-	-	-	1	(3)	-	16	14	-	(2)
Other operating expenses (income), net - Bezeq Intl	-	-	-	-	-	-	-	-	-	-	6	6	-	(1)
Other operating expenses (income), net - yes	-	-	-	-	-	-	-	-	(12)	-	(3)	(15)	(2)	-
Other operating expenses (income), net - Walla	-	-	-	-	-	-	-	-	-	-	(2)	(2)	-	-
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	8	8
Loss from impairment of assets (yes and Walla)	87	1,561	-	-	-	-	-	-	-	-	-	-	-	-
Loss from impairment of Pelephone assets	-	-	-	951	-	-	951	-	-	-	-	-	-	-
Loss from impairment of Bezeq International assets	-	-	-	-	-	151	151	-	-	282	25	307	-	-
Profit from increase in value of Walla assets	-	-	-	-	-	-	-	-	-	(14)	-	(14)	-	-
Tax asset write-off	-	-	-	1,166	-	-	1,166	-	-	-	-	-	-	-
ADJUSTED NET PROFIT	1,296	961	286	217	207	203	913	325	252	290	277	1,144	299	304
QoQ Change			-78.0%	-24.0%	-4.6%	-1.9%		59.8%	-22.5%	15.1%	-4.5%		7.9%	1.7%
YoY Change		-25.8%					-5.0%	13.8%	16.0%	40.0%	36.5%	25.3%	-8.0%	20.6%



NIS Millions

	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
	2018	2019	2019	2019	2019	2019	2020	2020	2020	2020	2020	2021	2021

Bezeq Group

Other Operating Expenses (Income), Net

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)	-	-	-	-	-	-	-	-	(22)	(22)	-	-
Profit from the sale of property, plant and equipment (mainly real estate)	(1)	(44)	(417)	(11)	(36)	(508)	(9)	4	(6)	(7)	(18)	(125)	(2)
Profit from copper sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision (cancellation)-contingent liabilities, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision (cancellation) for early retirement agreement - Bezeq Fixed-Line	547	(25)	1	3	130	109	5	(5)	-	64	64	2	6
Provision (cancellation) for collective agreements at Telephone, Bezeq International and yes	12	45	-	45	77	167	-	(5)	-	14	9	-	-
Loss from the discontinuation of a software development project	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from settlement agreements	-	-	-	-	-	-	-	(9)	-	-	(9)	-	-
Provision for grant to fixed-line employees	-	-	-	-	-	-	-	-	-	40	40	-	-
Other (mainly legal claims)	90	(1)	2	2	8	11	1	(4)	(1)	14	10	(29)	(2)
Total other operating expenses (income), net	634	(25)	(414)	39	179	(221)	(3)	(19)	(7)	103	74	(152)	2



NIS Millions

	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
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Bezeq Group - Financing Expenses

Financing Expenses (Income), Net

Interest expense for financial liabilities	370	85	89	94	81	349	73	72	66	62	273	59	60
Costs for early repayment of loans and debentures	-	-	-	73	20	93	-	51	-	14	65	-	-
Financing expenses for lease commitments	26	6	7	9	7	29	7	7	7	9	30	9	10
Linkage and exchange rate differences	63	5	31	-	7	43	2	4	10	6	22	4	16
Financing expenses for employee benefits	9	12	18	42	17	89	(29)	29	8	-	8	3	2
Change in fair value of financial assets	-	3	3	3	-	9	-	4	-	7	11	-	3
Other financing expenses	5	2	1	3	6	12	2	2	3	-	7	2	1
Change in the liability for contingent consideration for a business combination	43	-	-	-	-	-	-	-	-	-	-	-	-
Total Financing Expenses	516	113	149	224	138	624	55	169	94	98	416	77	92
Financing income from credit in sales	30	8	7	8	6	29	8	7	8	7	30	8	7
Other financing income	27	6	6	11	9	32	6	3	6	-	15	11	1
Financing income from debenture exchange	-	-	-	-	14	14	-	-	-	-	-	-	-
Change in fair value of financial assets	24	-	-	-	-	-	7	-	-	(7)	-	7	-
Total Financing Income	81	14	13	19	29	75	21	10	14	0	45	26	8
Total Financing Expenses, Net	435	99	136	205	109	549	34	159	80	98	371	51	84

Bezeq Group - Impairment of Assets

Impairment of Assets

Loss from impairment (Bezeq International)	-	-	-	-	196	196	-	-	282	25	307	-	-
Loss (gain) from impairment (Walla)	37	-	-	-	-	-	-	-	(14)	-	(14)	-	-
Loss from impairment (Pelephone)	-	-	951	-	-	951	-	-	-	-	-	-	-
Loss from impairment (yes)	1,638	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,675	-	951	-	196	1,147	-	-	268	25	293	-	-

Bezeq Group - Salaries

Salaries

Salaries and related expenses	2,571	N/A	N/A	N/A	N/A	2,472	N/A	N/A	N/A	N/A	2,439	N/A	N/A
Less: capitalized salaries to fixed and intangible assets	(579)	N/A	N/A	N/A	N/A	(539)	N/A	N/A	N/A	N/A	(548)	N/A	N/A
Net salaries	1,992					1,933					1,891		



(NIS millions)

	Fixed-Line Q2 2021	Cellular Q2 2021	International Q2 2021	TV (proforma) Q2 2021	Other Q2 2021	Adjustments Q2 2021	Consolidated Q2 2021
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Bezeq Group - Operating Segments

Revenues from external sources	954	564	299	315	68	-	2,200
Inter-segment revenues	85	12	11	-	2	(110)	-
Total revenues	1,039	576	310	315	70	(110)	2,200
Depreciation, amortization and impairment	231	144	46	75	1	(32)	465
Operating profit (loss)	407	15	16	(3)	9	25	469
Total finance expenses (income), net	90	(11)	1	4	-	-	84
Profit (loss) before income tax	317	26	15	(7)	9	25	385
Income tax	79	6	4	-	2	-	91
Segment results – net profit (loss)	238	20	11	(7)	7	25	294



		(NIS millions)													
		FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Bezeq Fixed-Line															
Key Income Statement Metrics (Revenues)															
Total Revenues		4,244	4,196	1,043	1,020	1,025	985	4,073	1,018	1,044	1,042	1,055	4,159	1,054	1,039
	QoQ Change														
	YoY Change	-3.2%	-1.1%	-1.9%	-4.1%	-1.7%	-4.0%	-2.9%	-2.4%	2.4%	-0.2%	1.2%	2.1%	-0.1%	-1.4%
Broadband Internet		1,544	1,596	397	396	393	392	1,578	395	402	408	417	1,622	398	403
	QoQ Change														
	YoY Change	2.9%	3.4%	0.3%	-1.7%	-2.0%	-1.0%	-1.1%	-0.5%	1.5%	3.8%	6.4%	2.8%	0.8%	0.2%
Telephony		1,281	1,156	269	264	259	247	1,039	248	258	254	248	1,008	242	229
	QoQ Change														
	YoY Change	-8.0%	-9.8%	-10.9%	-9.3%	-8.2%	-12.1%	-10.1%	-7.8%	-2.3%	-1.9%	0.4%	-3.0%	-2.4%	-11.2%
Transmission & data		975	977	246	238	245	219	948	244	251	250	266	1,011	268	276
	QoQ Change														
	YoY Change	-8.8%	0.2%	-0.4%	-2.5%	0.8%	-9.9%	-3.0%	-0.8%	5.5%	2.0%	21.5%	6.6%	9.8%	10.0%
Cloud & digital services		230	260	71	68	69	66	274	72	70	71	75	288	82	76
	QoQ Change														
	YoY Change	13.3%	13.0%	12.7%	-4.2%	1.5%	-4.3%	5.4%	9.1%	-2.8%	1.4%	5.6%	5.1%	9.3%	-7.3%
Other		214	207	60	54	59	61	234	59	63	59	49	230	64	55
	QoQ Change														
	YoY Change	-2.3%	-3.3%	7.1%	-10.0%	22.9%	41.9%	13.0%	-1.7%	16.7%	0.0%	-19.7%	-1.7%	8.5%	-12.7%
Revenues from Residential Customers		2,232	2,101	N/A	N/A	N/A	N/A	2,029	N/A	N/A	N/A	N/A	2,033	N/A	N/A
	% of total revenues	52.6%	50.1%					49.8%					48.9%		
Revenues from Business Customers		2,012	2,095	N/A	N/A	N/A	N/A	2,044	N/A	N/A	N/A	N/A	2,126	N/A	N/A
	% of total revenues	47.4%	49.9%					50.2%					51.1%		
Key Income Statement Metrics															
Depreciation & amortization		728	850	207	204	225	225	861	212	218	222	225	877	223	231
	QoQ Change														
	YoY Change	1.5%	16.8%	1.5%	-3.3%	3.2%	3.7%	1.3%	2.4%	6.9%	-1.3%	0.0%	1.9%	5.2%	6.0%
Salaries		891	912	233	231	224	223	911	229	224	225	241	919	233	233
	QoQ Change														
	YoY Change	-0.8%	2.4%	2.2%	-0.4%	-3.9%	1.8%	-0.1%	-1.7%	-3.0%	0.4%	8.1%	0.9%	1.7%	4.0%
Other operating expenses (income), net		(23)	614	(69)	(423)	(8)	94	(406)	(4)	(2)	(5)	79	68	(150)	6
Operating profit (loss)		1,971	1,224	531	875	440	296	2,142	439	464	446	356	1,705	593	407
	QoQ Change														
	YoY Change	-5.1%	-37.9%	12.3%	126.1%	-2.4%	N/M	75.0%	-17.3%	-47.0%	1.4%	20.3%	-20.4%	35.1%	-12.3%
Finance expenses (income), net		403	470	106	141	207	115	569	49	163	91	100	403	68	90
	QoQ Change														
	YoY Change	-9.4%	16.6%	-12.4%	18.5%	83.2%	-1.7%	21.1%	-53.8%	15.6%	-56.0%	-13.0%	-29.2%	38.8%	-44.8%
Income taxes		396	187	104	172	58	47	381	95	72	55	40	262	125	79
	QoQ Change														
	YoY Change	-0.8%	-52.8%	16.9%	160.6%	-28.4%	N/M	103.7%	102.1%	-24.2%	-23.6%	-27.3%	-31.2%	212.5%	-36.8%
Net profit (loss) - reported		1,172	567	321	562	175	134	1,192	295	229	300	216	1,040	400	238
	QoQ Change														
	YoY Change	-4.9%	-51.6%	22.1%	178.2%	-31.9%	N/M	110.2%	-8.1%	-59.3%	71.4%	61.2%	-12.8%	35.6%	3.9%
ADJUSTED NET PROFIT (LOSS)		1,155	1,040	268	236	169	206	879	292	227	296	277	1,092	290	248
EBITDA, reported		2,699	2,074	738	1,079	665	521	3,003	651	682	668	581	2,582	816	638
	QoQ Change														
	YoY Change	-3.4%	-23.2%	467.7%	46.2%	-38.4%	-21.7%	300.8%	25.0%	4.8%	-2.1%	-13.0%	-14.0%	40.4%	-21.8%
ADJUSTED EBITDA		2,676	2,688	669	656	657	615	2,597	647	680	663	660	2,650	671	649
	QoQ Change														
	YoY Change	-3.7%	0.4%	4.7%	-1.9%	0.2%	-6.4%	-3.4%	5.2%	5.1%	-2.5%	-0.5%	-2.0%	1.7%	-3.3%
Key Cash Flow Metrics															
Operating cash flow		2,225	2,206	471	416	484	476	1,847	611	334	561	600	2,106	510	354
	QoQ Change														
	YoY Change	7.8%	-0.9%	-21.5%	-11.7%	16.3%	-1.7%	-16.3%	28.4%	-45.3%	68.0%	7.0%	14.0%	-15.0%	-30.6%
Capital expenditures, gross (cash)		825	976	210	333	145	193	881	200	201	272	237	910	312	285
	QoQ Change														
	YoY Change	-1.1%	18.3%	-6.7%	58.6%	-56.5%	33.1%	-9.7%	3.6%	0.5%	35.3%	-12.9%	22.8%	31.6%	-8.7%
Proceeds from sale of assets		94	227	39	340	14	14	407	7	19	1	119	146	182	-
Capital expenditures, net		731	749	171	(7)	131	179	474	193	182	271	118	764	130	285
	QoQ Change														
	YoY Change	4.1%	2.5%	-13.6%	-104.1%	-1971.4%	36.6%	-36.7%	12.9%	-5.7%	48.9%	-56.9%	61.2%	10.2%	119.2%
Lease payments (IFRS 16)		99	99	34	27	25	28	114	32	26	26	27	111	29	24
	QoQ Change														
	YoY Change														
Free cash flow		1,494	1,358	266	396	328	269	1,259	386	126	264	455	1,231	351	45
	QoQ Change														
	YoY Change	9.7%	-9.1%	-58.2%	48.9%	-17.2%	-18.0%	-7.3%	43.5%	-67.4%	109.5%	72.3%	-2.2%	-22.9%	-87.2%
Ratios															
Net margin		27.6%	13.5%	30.8%	55.1%	17.1%	13.6%	29.3%	29.0%	21.9%	28.8%	20.5%	25.0%	38.0%	22.9%
EBITDA margin		63.6%	49.4%	70.8%	105.8%	64.9%	52.9%	73.7%	63.9%	65.3%	64.1%	55.1%	62.1%	77.4%	61.4%
Capex/Sales		19.4%	23.3%	20.1%	32.6%	14.1%	19.6%	21.6%	19.6%	19.3%	26.1%	22.5%	21.9%	29.6%	27.4%



(NIS millions)

FY 2017 FY 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 FY 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 FY 2020 Q1 2021 Q2 2021

Bezeq Fixed-Line

Operating & general expenses

Total operating & general expenses		677	596	141	133	144	147	565	142	140	154	154	590	155	162
QoQ Change				-16.1%	-5.7%	8.3%	2.1%		-3.4%	-1.4%	10.0%	0.0%		0.6%	4.5%
YoY Change		-4.0%	-12.0%	0.7%	-8.3%	0.7%	-12.5%	-5.2%	0.7%	5.3%	6.9%	4.8%	-4.4%	9.2%	15.7%
Maintenance of buildings and sites		185	143	33	30	35	34	132	30	21	32	30	113	27	27
QoQ Change				-17.5%	-9.1%	16.7%	-2.9%		-11.8%	-30.0%	52.4%	-6.3%		-10.0%	0.0%
YoY Change		-2.1%	-22.7%	-2.9%	-3.2%	-7.9%	-15.0%	-7.7%	-9.1%	-30.0%	-8.6%	-11.8%	-14.4%	-10.0%	28.6%
Interconnect & payments to telecom operators		118	108	25	24	25	23	97	25	30	30	30	115	28	25
QoQ Change				-10.7%	-4.0%	4.2%	-8.0%		8.7%	20.0%	0.0%	0.0%		-6.7%	-10.7%
YoY Change		-9.2%	-8.5%	-10.7%	-11.1%	0.0%	-17.9%	-10.2%	0.0%	25.0%	20.0%	30.4%	18.6%	12.0%	-16.7%
Marketing & general		188	183	39	34	37	36	146	39	41	41	38	159	40	51
QoQ Change				-25.0%	-12.8%	8.8%	-2.7%		8.3%	5.1%	0.0%	-7.3%		5.3%	27.5%
YoY Change		-3.6%	-2.7%	-2.5%	-30.6%	-11.9%	-30.8%	-20.2%	0.0%	20.6%	10.8%	5.6%	8.9%	2.6%	24.4%
Terminal equipment & materials		44	42	18	17	17	21	73	20	20	19	21	80	23	24
QoQ Change				50.0%	-5.6%	0.0%	23.5%		-4.8%	0.0%	-5.0%	10.5%		9.5%	4.3%
YoY Change		-6.4%	-4.5%	63.6%	70.0%	88.9%	75.0%	73.8%	11.1%	17.6%	11.8%	0.0%	9.6%	15.0%	20.0%
Services and maintenance by sub-contractors		73	83	18	19	21	24	82	21	22	24	27	94	28	27
QoQ Change				-21.7%	5.6%	10.5%	14.3%		-12.5%	4.8%	9.1%	12.5%		3.7%	-3.6%
YoY Change		1.4%	13.7%	-10.0%	-5.0%	5.0%	4.3%	-1.2%	16.7%	15.8%	14.3%	12.5%	14.6%	33.3%	22.7%
Vehicle maintenance		69	37	8	9	9	9	35	7	6	8	8	29	9	8
QoQ Change				-38.5%	12.5%	0.0%	0.0%		-22.2%	-14.3%	33.3%	0.0%		12.5%	-11.1%
YoY Change		-4.2%	-46.4%	14.3%	12.5%	0.0%	-30.8%	-5.4%	-12.5%	-33.3%	-11.1%	-11.1%	-17.1%	28.6%	33.3%

Bezeq Fixed-Line

Adjusted EBITDA Calculation

EBITDA reported		2,699	2,074	738	1,079	665	521	3,003	651	682	668	581	2,582	816	638
Other operating expenses (income), net		(23)	614	(69)	(423)	(8)	94	(406)	(4)	(2)	(5)	79	68	(150)	6
Stock-based compensation		-	-	-	-	-	-	-	-	-	-	-	-	5	5
ADJUSTED EBITDA		2,676	2,688	669	656	657	615	2,597	647	680	663	660	2,650	671	649
QoQ Change					-1.9%	0.2%	-6.4%		5.2%	5.1%	-2.5%	-0.5%		1.7%	-3.3%
YoY Change			0.4%				-3.4%		-3.3%	3.7%	0.9%	7.3%	2.0%	3.7%	-4.6%
ADJUSTED EBITDA Margin		63.1%	64.1%	64.1%	64.3%	64.1%	62.4%	63.8%	63.6%	65.1%	63.6%	62.6%	63.7%	63.7%	62.5%

Adjusted Net Profit Calculation

NET PROFIT reported		1,172	567	321	562	175	134	1,192	295	229	300	216	1,040	400	238
Other operating expenses (income), net		(17)	473	(53)	(326)	(6)	72	(313)	(3)	(2)	(4)	61	52	(115)	5
Stock-based compensation		-	-	-	-	-	-	-	-	-	-	-	-	5	5
ADJUSTED NET PROFIT		1,155	1,040	268	236	169	206	879	292	227	296	277	1,092	290	248
QoQ Change					-11.8%	-28.5%	22.2%		41.4%	-22.1%	30.2%	-6.5%		4.8%	-14.6%
YoY Change			-9.9%				-15.4%		9.0%	-3.7%	75.4%	34.1%	24.2%	-0.7%	8.9%



	(NIS millions)	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Telephone															
Key Income Statement Metrics (Revenues)															
Total Revenues		2,546	2,443	578	570	612	602	2,362	573	535	545	533	2,186	570	576
	QoQ Change			-6.5%	-1.4%	7.4%	-1.6%		-4.8%	-6.6%	1.9%	-2.2%		6.9%	1.1%
	YoY Change	-3.2%	-4.0%	-6.6%	-5.3%	1.3%	-2.6%	-3.3%	-0.9%	-6.1%	-10.9%	-11.5%	-7.5%	-0.5%	7.7%
Service Revenues		1,782	1,755	417	430	446	416	1,709	405	394	396	396	1,591	392	409
	QoQ Change			-4.6%	3.1%	3.7%	-6.7%		-2.6%	-2.7%	0.5%	0.0%		-1.0%	4.3%
	YoY Change	-2.0%	-1.5%	-3.2%	-1.8%	-0.7%	-4.8%	-2.6%	-2.9%	-8.4%	-11.2%	-4.8%	-6.9%	-3.2%	3.8%
Equipment Revenues		764	688	161	140	166	186	653	168	141	149	137	595	178	167
	QoQ Change			-11.0%	-13.0%	18.6%	12.0%		-9.7%	-16.1%	5.7%	-8.1%		29.9%	-6.2%
	YoY Change	-5.9%	-9.9%	-14.4%	-14.6%	7.1%	2.8%	-5.1%	4.3%	0.7%	-10.2%	-26.3%	-8.9%	6.0%	18.4%
Revenues from Private Customers		1,541	1,415	N/A	N/A	N/A	N/A	1,334	N/A	N/A	N/A	N/A	1,194	N/A	N/A
	% of total revenues	60.5%	57.9%					56.5%					54.6%		
Revenues from Business Customers		1,005	1,028	N/A	N/A	N/A	N/A	1,028	N/A	N/A	N/A	N/A	992	N/A	N/A
	% of total revenues	39.5%	42.1%					43.5%					45.4%		
Key Income Statement Metrics															
Depreciation & amortization		383	655	157	156	157	163	633	150	151	147	151	599	142	144
	QoQ Change			-11.3%	-0.6%	0.6%	3.8%		-8.0%	0.7%	-2.6%	2.7%		-6.0%	1.4%
	YoY Change	0.8%	71.0%	-0.6%	-1.9%	-2.5%	-7.9%	-3.4%	-4.5%	-3.2%	-6.4%	-7.4%	-5.4%	-5.3%	-4.6%
Salaries		384	379	94	95	89	95	373	90	70	79	85	324	79	79
	QoQ Change			4.4%	1.1%	-6.3%	6.7%		-5.3%	-22.2%	12.9%	7.6%		-7.1%	0.0%
	YoY Change	1.6%	-1.3%	-6.0%	0.0%	-5.3%	5.6%	-1.6%	-4.3%	-26.3%	-11.2%	-10.5%	-13.1%	-12.2%	12.9%
Operating & general expenses		1,698	1,402	337	324	348	364	1,373	345	326	346	312	1,329	352	341
	QoQ Change			-4.8%	-3.9%	7.4%	4.6%		-5.2%	-5.5%	6.1%	-9.8%		12.8%	-3.1%
	YoY Change	-7.6%	-17.4%	-6.1%	-6.1%	1.2%	2.8%	-2.1%	2.4%	0.6%	-0.6%	-14.3%	-3.2%	2.0%	4.6%
Other operating expenses (income)		9	9	-	3	2	77	82	1	(4)	-	21	18	-	(3)
Total operating expenses		2,474	2,445	588	578	596	699	2,461	586	543	572	569	2,270	573	561
Operating profit (loss)		72	(2)	(10)	(8)	16	(97)	(99)	(13)	(8)	(27)	(36)	(84)	(3)	15
	QoQ Change			150.0%	-20.0%	N/M	N/M		-86.6%	-38.5%	237.5%	33.3%		-91.7%	N/M
	YoY Change	125.0%	N/M	N/M	N/M	2325.0%	4850.0%	30.0%	0.0%	N/M	N/M	-62.9%	-15.2%	-76.9%	N/M
Net profit (loss) - reported		95	24	2	2	18	(69)	(47)	(2)	1	(12)	(12)	(25)	8	20
	QoQ Change			0.0%	0.0%	800.0%	N/M		-97.1%	N/M	N/M	0.0%		N/M	150.0%
	YoY Change	55.7%	-74.7%	-77.8%	-71.4%	200.0%	N/M	-295.8%	N/M	-50.0%	-166.7%	-82.6%	-46.8%	N/M	1900.0%
ADJUSTED NET PROFIT (LOSS)		102	31	2	4	20	(10)	16	(1)	(2)	(12)	4	(11)	9	19
	QoQ Change			-27.8%	115.5%	353.4%	N/M		-87.3%	69.1%	476.9%	N/M		115.8%	107.7%
	YoY Change		-69.7%	-77.8%	-44.5%	71.6%	N/M	-47.8%	-161.5%	N/M	-161.4%	N/M	-169.0%	-831.7%	N/M
EBITDA reported		455	653	147	148	173	66	534	137	143	120	115	515	139	159
	QoQ Change			-15.0%	0.7%	16.9%	-61.8%		107.6%	4.4%	-16.1%	-4.2%		20.9%	14.4%
	YoY Change	10.4%	43.5%	-8.1%	-8.1%	8.8%	-61.8%	-18.2%	-6.8%	-3.4%	-30.6%	74.2%	-3.6%	1.5%	11.2%
ADJUSTED EBITDA		464	662	147	151	175	143	616	138	139	120	136	533	140	157
Key Cash Flow Metrics															
Operating cash flow		605	770	195	136	200	146	677	164	149	143	241	697	72	149
	QoQ Change			25.0%	-30.3%	47.1%	-27.0%		12.3%	-9.1%	-4.0%	68.5%		-70.1%	106.9%
	YoY Change	4.0%	27.3%	-18.4%	-24.9%	3.1%	-6.4%	-12.1%	-15.9%	9.6%	-28.5%	65.1%	3.0%	-56.1%	0.0%
Capital expenditures, gross (cash)		310	310	63	83	72	75	293	65	73	100	81	319	71	60
	QoQ Change			-19.2%	31.7%	-13.3%	4.2%		-13.3%	12.3%	37.0%	-19.0%		-12.3%	-15.5%
	YoY Change	27.6%	0.0%	-8.7%	-7.8%	-1.4%	-3.8%	-5.5%	3.2%	-12.0%	38.9%	8.0%	8.9%	9.2%	-17.8%
Capital expenditures, net (cash)		309	306	63	82	72	75	292	65	73	100	80	318	71	60
	QoQ Change			-19.2%	30.2%	-12.2%	4.2%		-13.3%	12.3%	37.0%	-20.0%		-11.3%	-15.5%
	YoY Change	28.2%	-1.0%	-8.7%	-8.9%	4.3%	-3.8%	-4.6%	3.2%	-11.0%	38.9%	6.7%	8.9%	9.2%	-17.8%
Lease payments (IFRS 16)		-	259	69	46	76	51	242	67	48	67	48	230	60	53
Free cash flow		296	205	63	8	52	20	143	32	28	(24)	113	149	(59)	36
	QoQ Change			687.5%	-87.3%	550.0%	-61.5%		60.0%	-12.5%	N/M	N/M		-152.2%	N/M
	YoY Change	-13.2%	-30.7%	-33.7%	-80.5%	-14.8%	150.0%	-30.2%	-49.2%	250.0%	N/M	465.0%	4.2%	-284.4%	28.6%
Ratios															
Net margin		3.7%	1.0%	0.3%	0.4%	2.9%	-11.5%	-2.0%	-0.3%	0.2%	-2.2%	-2.3%	-1.1%	1.4%	3.5%
EBITDA margin		17.9%	26.8%	25.4%	25.9%	28.3%	11.0%	22.6%	23.9%	26.7%	22.0%	21.6%	23.6%	24.4%	27.6%
Capex/Sales		12.2%	12.7%	10.9%	14.6%	11.8%	12.5%	12.4%	11.3%	13.6%	18.3%	15.2%	14.6%	12.5%	10.4%



		FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	
	(NIS millions)	2017	2018	2019	2019	2019	2019	2019	2020	2020	2020	2020	2020	2021	2021	
Bezeq International																
Key Income Statement Metrics																
Total Revenues		1,537	1,391	341	339	329	330	1,339	317	314	315	325	1,271	312	310	
	QoQ Change			-7.8%	-0.6%	-2.9%	0.3%		-3.9%	-0.9%	0.3%	3.2%		-4.0%	-0.6%	
	YoY Change		-9.5%	-3.1%	0.9%	-1.2%	-10.8%	-3.7%	-7.0%	-7.4%	-4.3%	-1.5%	-5.1%	-1.6%	-1.3%	
Revenues from Internet services		670	659	N/A	N/A	N/A	N/A	632	N/A	N/A	N/A	N/A	596	N/A	N/A	
	% of total revenues	43.6%	47.4%					47.2%					46.9%			
Revenues from Voice and Business services (Data, ICT, PBX)		867	732	N/A	N/A	N/A	N/A	707	N/A	N/A	N/A	N/A	675	N/A	N/A	
	% of total revenues	56.4%	52.6%					52.8%					53.1%			
Revenues from Private Customers		488	468	N/A	N/A	N/A	N/A	441	N/A	N/A	N/A	N/A	401	N/A	N/A	
	% of total revenues	31.8%	33.6%					32.9%					31.5%			
Revenues from Business Customers		1,049	923	N/A	N/A	N/A	N/A	898	N/A	N/A	N/A	N/A	870	N/A	N/A	
	% of total revenues	68.2%	66.4%					67.1%					68.5%			
Key Income Statement Metrics																
Depreciation & amortization		135	194	46	46	47	51	190	43	38	42	26	149	49	46	
	QoQ Change			-23.3%	0.0%	2.2%	8.5%		-15.7%	-11.6%	10.5%	-38.1%		88.5%	-6.1%	
	YoY Change		43.7%	7.0%	2.2%	2.2%	-15.0%	-2.1%	-6.5%	-17.4%	-10.6%	-49.0%	-21.6%	14.0%	21.1%	
Salaries		328	300	68	67	64	62	261	64	62	63	59	248	60	58	
	QoQ Change			-2.9%	-1.5%	-4.5%	-3.1%		3.2%	-3.1%	1.6%	-6.3%		1.7%	-3.3%	
	YoY Change		-8.5%	-19.0%	-10.7%	-9.9%	-11.4%	-13.0%	-5.9%	-7.5%	-1.6%	-4.8%	-5.0%	-6.3%	-6.5%	
Operating & general expenses		915	812	201	203	213	210	827	181	187	203	231	802	211	191	
	QoQ Change			-12.2%	1.0%	4.9%	-1.4%		-13.8%	3.3%	8.6%	13.8%		-8.7%	-9.5%	
	YoY Change		-11.3%	2.0%	4.1%	11.5%	-8.3%	1.8%	-10.0%	-7.9%	-4.7%	10.0%	-3.0%	16.6%	2.1%	
Other operating expenses (income)		3	8	-	16	45	196	257	-	-	282	31	313	-	(1)	
Total operating expenses		1,381	1,314	315	332	369	519	1,535	288	287	590	347	1,512	320	294	
Operating profit (loss)		156	77	26	7	(40)	(189)	(196)	29	27	(275)	(22)	(241)	(8)	16	
	QoQ Change			333.3%	-73.1%	N/M	372.5%		-115.3%	-6.9%	N/M	-92.0%		-63.6%	-300.0%	
	YoY Change		-50.6%	0.0%	-68.2%	N/M	N/M	N/M	11.5%	285.7%	587.5%	-88.4%	23.0%	N/M	-40.7%	
Net profit (loss) - reported		115	51	20	4	(32)	(149)	(157)	22	21	(305)	(13)	(275)	(8)	11	
	QoQ Change			300.0%	-80.0%	N/M	365.6%		-114.8%	-4.5%	N/M	-95.7%		-38.5%	-237.5%	
	YoY Change		-55.7%	11.1%	-71.4%	N/M	N/M	N/M	10.0%	425.0%	853.1%	-91.3%	75.2%	N/M	-47.6%	
ADJUSTED NET PROFIT		117	57	20	16	3	2	41	22	21	(23)	18	38	(7)	11	
	QoQ Change			126.0%	-18.4%	-83.8%	N/M		1045.8%	-4.5%	N/M	N/M		N/M	-257.1%	
	YoY Change		-51.3%	2.4%	23.4%	-82.9%	-78.3%	-28.5%	10.0%	28.7%	N/M	837.5%	-7.1%	N/M	-47.6%	
EBITDA reported		291	271	72	53	7	(138)	(6)	72	65	(233)	4	(92)	41	62	
	QoQ Change			9.1%	-26.4%	-86.8%	N/M		-152.2%	-9.7%	N/M	N/M		925.0%	51.2%	
	YoY Change		-6.9%	4.3%	-20.9%	-89.9%	N/M	-102.2%	0.0%	22.6%	N/M	N/M	1433.3%	-43.1%	-4.6%	
ADJUSTED EBITDA		294	279	72	69	52	58	251	72	65	49	35	221	42	62	
	QoQ Change			1.4%	-4.2%	-24.6%	11.5%		24.1%	-9.7%	-24.6%	-28.6%		20.0%	47.6%	
	YoY Change		-5.1%	1.4%	4.5%	-26.8%	-18.3%	-10.0%	0.0%	-5.8%	-5.8%	-39.7%	-12.0%	-41.7%	-4.6%	
Key Cash Flow Metrics																
Operating cash flow		277	300	56	48	64	87	255	60	48	47	75	230	61	26	
	QoQ Change			-47.2%	-14.3%	33.3%	35.9%		-31.0%	-20.0%	-2.1%	59.6%		-18.7%	-57.4%	
	YoY Change		8.3%	-16.4%	-11.1%	-12.3%	-17.9%	-15.0%	7.1%	0.0%	-26.6%	-13.8%	-9.8%	1.7%	-45.8%	
Capital expenditures, gross (cash)		142	127	33	34	40	21	128	34	33	28	21	116	30	28	
	QoQ Change			26.9%	3.0%	17.6%	-47.5%		61.9%	-2.9%	-15.2%	-25.0%		42.9%	-6.7%	
	YoY Change		-10.6%	6.5%	-22.7%	53.8%	-19.2%	0.8%	3.0%	-2.9%	-30.0%	0.0%	-9.4%	-11.8%	-15.2%	
Capital expenditures, net (cash)		139	126	33	34	40	21	128	34	33	28	21	116	30	27	
	QoQ Change			26.9%	3.0%	17.6%	-47.5%		61.9%	-2.9%	-15.2%	-25.0%		42.9%	-10.0%	
	YoY Change		-9.4%	6.5%	-22.7%	60.0%	-19.2%	1.6%	3.0%	-2.9%	-30.0%	0.0%	-9.4%	-11.8%	-18.2%	
Lease payments (IFRS 16)		-	36	8	8	8	8	32	8	8	7	7	30	8	9	
Free cash flow		138	138	15	6	16	58	95	18	7	12	47	84	23	(10)	
	QoQ Change			-79.2%	-60.0%	166.7%	262.5%		-69.0%	-61.1%	71.4%	291.7%		-51.1%	-143.5%	
	YoY Change		0.0%	-44.4%	500.0%	-57.9%	-19.4%	-31.2%	20.0%	16.7%	-25.0%	-19.0%	-11.6%	27.8%	-242.9%	
Ratios																
Net margin		7.5%	3.7%	5.9%	1.2%	-9.7%	-45.2%	-11.7%	6.9%	6.7%	-96.8%	-4.0%	-21.6%	-2.6%	3.5%	
EBITDA margin		18.9%	19.5%	21.1%	15.6%	2.1%	-41.8%	-0.4%	22.7%	20.7%	-74.0%	1.2%	-7.2%	13.1%	20.0%	
Capex/Sales		9.2%	9.1%	9.7%	10.0%	12.2%	6.4%	9.6%	10.7%	10.5%	8.9%	6.5%	9.1%	9.6%	9.0%	



Bezeq

(NIS millions)

		FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	
		2017	2018	2019	2019	2019	2019	2019	2020	2020	2020	2020	2020	2021	2021	
yes - Reported																
Key Income Statement Metrics																
Revenues		1,650	1,473	343	337	334	331	1,345	338	319	313	317	1,287	315	315	
	QoQ Change			-3.7%	-1.7%	-0.9%	-0.9%		2.1%	-5.6%	-1.9%	1.3%		-0.6%	0.0%	
	YoY Change	-5.4%	-10.7%	-8.5%	-10.1%	-9.0%	-7.0%	-8.7%	-1.5%	-5.3%	-6.3%	-4.2%	-4.3%	-6.8%	-1.3%	
Depreciation, amortization & impairment		285	323	55	68	50	46	219	44	50	50	59	203	61	45	
	QoQ Change			-34.5%	23.6%	-26.5%	-8.0%		-4.3%	13.6%	0.0%	18.0%		3.4%	-26.2%	
	YoY Change	-3.7%	13.3%	-30.4%	-13.9%	-38.3%	-45.2%	-32.2%	-20.0%	-26.5%	0.0%	28.3%	-7.3%	38.6%	-10.0%	
Salaries		245	233	56	54	52	54	216	54	48	50	51	203	50	45	
	QoQ Change			-5.1%	-3.6%	-3.7%	3.8%		0.0%	-11.1%	4.2%	2.0%		-2.0%	-10.0%	
	YoY Change	-1.6%	-4.9%	-3.4%	-10.0%	-7.1%	-8.5%	-7.3%	-3.6%	-11.1%	-3.8%	-5.6%	-6.0%	-7.4%	-6.3%	
Operating, general & impairment expenses		957	956	234	248	211	230	923	231	210	195	221	857	212	203	
	QoQ Change			-4.1%	6.0%	-14.9%	9.0%		0.4%	-9.1%	-7.1%	13.3%		-4.1%	-4.2%	
	YoY Change	1.1%	-0.1%	-1.3%	0.8%	-7.9%	-5.7%	-3.5%	-1.3%	-15.3%	-7.6%	-3.9%	-7.2%	-8.2%	-3.3%	
Loss from impairment of assets		-	1,100	-	-	-	-	-	-	-	-	-	-	-	-	
Other operating expenses (income), net		-	17	43	(9)	1	7	42	-	(12)	-	(3)	(15)	(2)	-	
Total operating expenses		1,487	1,529	388	361	314	337	1,400	329	296	295	328	1,248	321	293	
Operating profit (loss)		163	(1,156)	(45)	(24)	20	(6)	(55)	9	23	18	(11)	39	(6)	22	
	QoQ Change			N/M	-46.7%	N/M	N/M		N/M	155.6%	-21.7%	N/M		-45.5%	N/M	
	YoY Change	-38.3%	N/M	4400.0%	41.2%	1900.0%	-99.5%	-95.2%	N/M	N/M	-10.0%	83.3%	-170.9%	N/M	-4.3%	
Finance expenses (income), net		71	(11)	5	2	4	1	12	(5)	4	1	13	13	(7)	4	
	QoQ Change			N/M	-60.0%	100.0%	-75.0%		N/M	N/M	-75.0%	1200.0%		N/M	N/M	
	YoY Change	22.4%	N/M	N/M	N/M	33.3%	N/M	N/M	N/M	100.0%	-75.0%	1200.0%	N/M	40.0%	0.0%	
Net profit (loss) - reported		(244)	(1,148)	(50)	(27)	15	(7)	(69)	14	18	16	(24)	24	-	18	
	QoQ Change			-95.6%	-46.0%	N/M	N/M		N/M	28.6%	-11.1%	N/M		N/M	N/M	
	YoY Change	N/M	370.5%	N/M	170.0%	N/M	-99.4%	-94.0%	N/M	N/M	6.7%	242.9%	-134.8%	N/M	0.0%	
EBITDA reported		448	(833)	10	44	70	40	164	53	73	68	48	242	55	67	
	QoQ Change			N/M	340.0%	59.1%	-42.9%		32.5%	37.7%	-6.8%	-29.4%		14.6%	21.8%	
	YoY Change	-20.0%	N/M	-87.2%	-29.0%	-14.6%	N/M	N/M	430.0%	65.9%	-2.9%	20.0%	47.6%	3.8%	-8.2%	
ADJUSTED EBITDA		448	284	53	35	71	47	206	53	61	68	45	227	53	68	
Key Cash Flow Metrics																
Operating cash flow		430	226	53	22	37	31	143	41	39	69	14	163	62	56	
	QoQ Change			15.2%	-58.5%	68.2%	-16.2%		32.3%	-4.9%	76.9%	-79.7%		342.9%	-9.7%	
	YoY Change	-31.6%	-47.4%	-38.4%	-63.3%	8.8%	-32.6%	-36.7%	-22.6%	77.3%	86.5%	-54.8%	14.0%	51.2%	43.6%	
Capital expenditures, gross (cash)		235	298	64	74	69	32	239	37	41	38	26	142	43	43	
	QoQ Change			-22.0%	15.6%	-6.8%	-53.6%		15.6%	10.8%	-7.3%	-31.6%		65.4%	0.0%	
	YoY Change	12.4%	26.8%	3.2%	-1.3%	-12.7%	-61.0%	-19.8%	-42.2%	-44.6%	-44.9%	-18.8%	-40.6%	16.2%	4.9%	
Capital expenditures, net (cash)		234	297	64	73	69	32	238	37	40	38	26	141	43	42	
	QoQ Change			-21.0%	14.1%	-5.5%	-53.6%		15.6%	8.1%	-5.0%	-31.6%		65.4%	-2.3%	
	YoY Change	12.5%	26.9%	3.2%	-2.7%	-12.7%	-60.5%	-19.9%	-42.2%	-45.2%	-44.9%	-18.8%	-40.8%	16.2%	5.0%	
Lease payments (IFRS 16)		-	31	8	7	8	7	30	7	7	6	6	26	6	7	
Free cash flow		196	(102)	(19)	(58)	(40)	(8)	(125)	(3)	(8)	25	(18)	(4)	13	7	
	QoQ Change			-53.7%	205.3%	-31.0%	-80.0%		-62.5%	166.7%	N/M	N/M		-172.2%	-46.2%	
	YoY Change	-53.4%	N/M	N/M	152.2%	-25.9%	-80.5%	22.5%	-84.2%	-86.2%	N/M	N/M	125.0%	-96.8%	-533.3%	
Ratios																
Net margin		(14.8%)	(77.9%)	(14.6%)	(8.0%)	4.5%	(2.1%)	(5.1%)	4.1%	5.6%	5.1%	(7.6%)	1.9%	0.0%	5.7%	
EBITDA margin		27.2%	(56.6%)	2.9%	13.1%	21.0%	12.2%	12.2%	15.7%	22.9%	21.7%	15.1%	18.8%	17.5%	21.3%	
Capex/Sales		14.2%	20.2%	18.7%	22.0%	20.7%	9.7%	17.8%	10.9%	12.9%	12.1%	8.2%	11.0%	13.7%	13.7%	



(NIS millions)

	FY 2017	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
yes - Proforma (Excluding Impairment Loss)														
Key Income Statement Metrics														
Revenues	1,650	1,473	343	337	334	331	1,345	338	319	313	317	1,287	315	315
QoQ Change				-1.7%	-0.9%	-0.9%		2.1%	-5.6%	-1.9%	1.3%		-0.6%	0.0%
YoY Change		-10.7%	-8.5%	-10.1%	-9.0%	-7.0%	-8.7%	-1.5%	-5.3%	-6.3%	-4.2%	-4.3%	-6.8%	-1.3%
Depreciation & amortization	285	323	78	81	93	82	334	76	78	76	80	310	75	75
QoQ Change				3.8%	14.8%	-11.8%		-7.3%	2.6%	-2.6%	5.3%		-6.3%	0.0%
YoY Change		13.3%	-1.3%	2.5%	14.8%	-2.4%	3.4%	-2.6%	-3.7%	-18.3%	-2.4%	-7.2%	-1.3%	-3.8%
Salaries	245	233	55	51	50	53	209	51	47	48	49	195	47	44
QoQ Change				-7.3%	-2.0%	6.0%		-3.8%	-7.8%	2.1%	2.1%		-4.1%	-6.4%
YoY Change		-4.9%	-5.2%	-15.0%	-10.7%	-10.2%	-10.3%	-7.3%	-7.8%	-4.0%	-7.5%	-6.7%	-7.8%	-6.4%
Operating & general expenses	957	956	226	222	219	228	895	222	212	204	200	838	213	199
QoQ Change				-1.8%	-1.4%	4.1%		-2.6%	-4.5%	-3.8%	-2.0%		6.5%	-6.6%
YoY Change		-0.1%	-4.6%	-9.8%	-4.4%	-6.6%	-6.4%	-1.8%	-4.5%	-6.8%	-12.3%	-6.4%	-4.1%	-6.1%
Other operating expenses (income), net	-	17	43	(9)	1	7	42	-	(12)	1	(3)	(14)	(2)	-
QoQ Change					N/M	600.0%		N/M	N/M	N/M	N/M		-33.3%	N/M
YoY Change		N/M			N/M	-12.5%	147.1%	N/M	33.3%	0.0%	N/M	N/M	N/M	N/M
Total operating expenses	1,487	1,529	402	345	363	370	1,480	349	325	329	326	1,329	333	318
Operating profit (loss)	163	(56)	(59)	(8)	(29)	(39)	(135)	(11)	(6)	(16)	(9)	(42)	(18)	(3)
QoQ Change				-86.4%	262.5%	34.5%		-71.8%	-45.5%	166.7%	-43.8%		100.0%	-83.3%
YoY Change		N/M		-52.9%	N/M	0.0%	141.1%	-81.4%	-25.0%	-44.8%	-76.9%	-68.9%	63.6%	-50.0%
Finance expenses (income), net	71	(11)	5	2	4	1	12	(5)	4	1	13	13	(7)	4
QoQ Change					100.0%	-75.0%		N/M	N/M	-75.0%	1200.0%		N/M	N/M
YoY Change		N/M			33.3%	N/M	N/M	N/M	100.0%	-75.0%	N/M	N/M	40.0%	0.0%
Net profit (loss) - reported	(244)	(48)	(64)	(11)	(34)	(40)	(149)	(6)	(11)	(18)	(22)	(57)	(12)	(7)
QoQ Change				-82.8%	209.1%	17.6%		-85.0%	83.3%	63.6%	22.2%		-45.5%	-41.7%
YoY Change		-80.3%		10.0%	1600.0%	8.1%	210.4%	-90.6%	0.0%	-47.1%	-45.0%	-61.7%	100.0%	-36.4%
ADJUSTED NET PROFIT (LOSS)	(244)	(31)	(21)	(20)	(33)	(33)	(107)	(6)	(23)	(17)	(25)	(71)	(13)	(6)
QoQ Change				-27.6%	-4.8%	65.0%	0.0%	-81.8%	283.3%	-26.1%	47.1%		-48.0%	-53.8%
YoY Change		-87.3%	N/M	566.7%	1550.0%	13.8%	245.2%	-71.4%	15.0%	-48.5%	-24.2%	-33.6%	116.7%	-73.9%
EBITDA	448	267	19	73	64	43	199	65	72	60	71	268	57	72
QoQ Change				284.2%	-12.3%	-32.8%		51.2%	10.8%	-16.7%	18.3%		-19.7%	26.3%
YoY Change		-40.4%	-75.6%	17.7%	-22.0%	-4.4%	-25.5%	242.1%	-1.4%	-6.3%	65.1%	34.7%	-12.3%	0.0%
ADJUSTED EBITDA	448	284	62	64	65	50	241	65	60	61	68	254	56	73
QoQ Change				17.0%	3.2%	1.6%	-23.1%	30.0%	-7.7%	1.7%	11.5%		-17.6%	30.4%
YoY Change		-36.6%	-22.5%	-7.2%	-20.7%	-5.7%	-15.1%	4.8%	-6.3%	-6.2%	36.0%	5.4%	-13.8%	21.7%



(NIS millions) FY 2017 FY 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 FY 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 FY 2020 Q1 2021 Q2 2021

Key Subsidiary Companies (Pelephone, Bezeq International, yes - proforma)

Adjusted EBITDA - Key Subsidiary Companies

Pelephone - Reported EBITDA	455	653	147	148	173	66	534	137	143	120	115	515	139	159
Other operating expenses (income), net	9	9	-	3	2	77	82	1	(4)	-	21	18	-	(3)
Stock based compensation	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Pelephone Adjusted EBITDA	464	662	147	151	175	143	616	138	139	120	136	533	140	157
QoQ Change			-15.5%	2.7%	15.9%	-18.3%		-3.5%	0.7%	-13.7%	13.3%		2.9%	12.1%
YoY Change		42.7%	-8.1%	-6.8%	5.4%	-17.8%	-6.9%	-6.1%	-7.9%	-31.4%	-4.9%	-13.5%	1.4%	12.9%
Telephone Adjusted EBITDA Margin	18.2%	27.1%	25.4%	26.5%	28.6%	23.8%	26.1%	24.1%	26.0%	22.0%	25.5%	24.4%	24.6%	27.3%
Bezeq International - Reported EBITDA	291	271	72	53	7	-138	(6)	72	65	(233)	4	(92)	41	62
Other operating expenses (income), net	3	8	-	16	45	196	257	-	-	282	31	313	-	(1)
Stock based compensation	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Bezeq International Adjusted EBITDA	294	279	72	69	52	58	251	72	65	49	35	221	42	62
QoQ Change			1.4%	-4.2%	-24.6%	11.5%		24.1%	-9.7%	-24.6%	-28.6%		20.0%	47.6%
YoY Change		-5.1%	1.4%	4.5%	-26.8%	-18.3%	-10.0%	0.0%	-5.8%	-5.8%	-39.7%	-12.0%	-41.7%	-4.6%
Bezeq International Adjusted EBITDA Margin	19.1%	20.1%	21.1%	20.4%	15.8%	17.6%	18.7%	22.7%	20.7%	15.6%	10.8%	17.4%	13.5%	20.0%
yes - Proforma EBITDA	448	267	19	73	64	43	199	65	72	60	71	268	57	72
Other operating expenses (income), net	-	17	43	(9)	1	7	42	0	(12)	1	(3)	(14)	(2)	-
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	1	1
yes Adjusted EBITDA	448	284	62	64	65	50	241	65	60	61	68	254	56	73
QoQ Change			17.0%	3.2%	1.6%	-23.1%		30.0%	-7.7%	1.7%	11.5%		-17.6%	30.4%
YoY Change		-36.6%	-22.5%	-7.2%	-20.7%	-5.7%	-15.1%	4.8%	-6.3%	-6.2%	36.0%	5.4%	-13.8%	21.7%
yes Adjusted EBITDA Margin	27.2%	19.3%	18.1%	19.0%	19.5%	15.1%	17.9%	19.2%	18.8%	19.5%	21.5%	19.7%	17.8%	23.2%
Total Subsidiary Companies - Adjusted EBITDA	1,206	1,225	281	284	292	251	1,108	275	264	230	239	1,008	238	292
QoQ Change			-5.7%	1.1%	2.8%	-14.0%		9.6%	-4.0%	-12.9%	3.9%		-0.4%	22.7%
YoY Change		1.6%	-9.6%	-4.4%	-8.5%	-15.8%	-9.6%	-2.1%	-7.0%	-21.2%	-4.8%	-9.0%	-13.5%	10.6%

Adjusted Net Profit - Key Subsidiary Companies

Pelephone - Reported net profit (loss)	95	24	2	2	18	-69	(47)	(2)	1	(12)	-12	(25)	8	20
Other operating expenses (income), net	7	7	-	2	2	59	63	1	(3)	-	16	14	-	(2)
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Pelephone Adjusted Net Profit (Loss)	102	31	2	4	20	(10)	16	(1)	(2)	(12)	4	(11)	9	19
QoQ Change			-27.8%	115.5%	353.4%	N/M		-87.3%	69.1%	476.9%	N/M		115.8%	107.7%
YoY Change		-69.7%	-77.8%	-44.5%	71.6%	N/M	-47.8%	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Bezeq International - Reported net profit (loss)	115	51	20	4	(32)	-149	(157)	22	21	(305)	-13	(275)	(8)	11
Other operating expenses (income), net	2	6	-	12	35	151	198	-	-	282	31	313	-	(1)
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Bezeq International Adjusted Net Profit (Loss)	117	57	20	16	3	2	41	22	21	(23)	18	38	(7)	11
QoQ Change			126.0%	-18.4%	-83.8%	-27.5%		1045.8%	-4.5%	N/M	N/M		-138.9%	-257.1%
YoY Change		-51.3%	2.4%	23.4%	-82.9%	-78.3%	-28.5%	10.0%	28.7%	N/M	837.5%	-7.1%	-131.8%	-47.6%
yes - proforma net profit	(244)	(48)	(64)	(11)	(34)	-40	(149)	(6)	(11)	(18)	-22	(57)	(12)	(7)
Other operating expenses (income), net	-	17	43	(9)	1	7	42	0	(12)	1	(3)	(14)	(2)	-
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	1	1
yes Adjusted Net Profit (Loss)	(244)	(31)	(21)	(20)	(33)	(33)	(107)	(6)	(23)	(17)	(25)	(71)	(13)	(6)
QoQ Change			-27.6%	-4.8%	65.0%	0.0%		-81.8%	283.3%	-26.1%	47.1%		-48.0%	-53.8%
YoY Change		-87.3%	-800.0%	566.7%	1550.0%	13.8%	245.2%	-71.4%	15.0%	-48.5%	-24.2%	-33.6%	116.7%	-73.9%
Total Subsidiary Companies - Adjusted Net Profit (Loss)	(25)	57	1	1	(11)	(41)	(50)	15	(4)	(52)	(3)	(44)	(11)	24
QoQ Change			N/M	-37.0%	N/M	277.3%		-136.2%	N/M	1174.5%	-94.6%		288.7%	N/M
YoY Change		N/M	-96.8%	-96.5%	N/M	134.7%	-187.5%	1377.0%	N/M	381.0%	-93.1%	-11.7%	-174.5%	N/M



	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	Q4 2020	FY 2020	Q1 2021	Q2 2021
Bezeq Fixed-Line																				
Key Performance Indicators - Broadband Internet																				
Broadband Internet lines (in 000's) - Total	1,111	1,169	1,263	1,364	1,479	1,558	1,635	1,656	1,635	1,613	1,589	1,575	1,575	1,566	1,571	1,565	1,556	1,556	1,540	1,529
<i>QoQ Change</i>									-1.3%	-1.3%	-1.5%	-0.9%		-0.6%	0.3%	-0.4%	-0.6%		-1.0%	-0.7%
<i>YoY Change</i>	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%	-1.2%	-1.2%	-1.7%	-2.7%
<i>QoQ Line change (000's)</i>	45	58	94	101	115	79	77	21	(21)	(22)	(24)	(14)	(81)	(9)	5	(6)	(9)	(19)	(16)	(11)
Broadband Internet lines (in 000's) - Retail	1,111	1,169	1,263	1,364	1,235	1,181	1,103	1,030	1,011	1,001	988	983	983	982	991	995	999	999	1,001	1,009
<i>QoQ Change</i>									-1.8%	-1.0%	-1.3%	-0.5%		-0.1%	0.9%	0.4%	0.4%		0.2%	0.8%
<i>YoY Change</i>	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%	1.6%	1.6%	1.9%	1.8%
<i>QoQ Line change (000's)</i>	45	58	94	101	(129)	(54)	(78)	(73)	(19)	(10)	(13)	(5)	(47)	(1)	9	4	4	16	2	8
Broadband Internet lines (in 000's)-Wholesale	-	-	-	-	244	377	532	626	624	612	601	592	592	584	580	570	557	557	539	520
<i>QoQ Change</i>									-0.3%	-1.9%	-1.8%	-1.5%		-1.4%	-0.7%	-1.7%	-2.3%		-3.2%	-3.5%
<i>YoY Change</i>					54.5%	41.1%	17.7%		8.7%	2.0%	-2.6%	-5.4%	-5.4%	-6.4%	-5.2%	-5.2%	-5.9%	-5.9%	-7.7%	-10.3%
<i>QoQ Line change (000's)</i>					133	155	94		(2)	(12)	(11)	(9)	(34)	(8)	(4)	(10)	(13)	(35)	(18)	(19)
<i>Wholesale lines as % of total broadband lines</i>					16.5%	24.2%	32.5%	37.8%	38.2%	37.9%	37.8%	37.6%	37.6%	37.3%	36.9%	36.4%	35.8%	35.8%	35.0%	34.0%
Broadband Internet ARPU (in NIS) - Retail	80	81	84	84	88	89	90	93	96	97	98	98	97	98	98	100	102	99	103	106
<i>QoQ Change</i>									0.0%	1.0%	1.0%	0.0%		0.0%	0.0%	2.0%	2.0%		1.0%	2.9%
<i>YoY Change</i>	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%	4.1%	2.1%	5.1%	8.2%
Average broadband speed per subscriber (end of period, Mbps)	6.7	9.6	18.1	32.5	37.8	43.4	51.5	59.1	61.5	64.0	66.2	67.8	67.8	69.1	70.4	71.6	74.2	74.2	77.7	87.8
<i>QoQ Change</i>									4.1%	4.1%	3.4%	2.4%		1.9%	1.9%	1.7%	3.6%		4.7%	13.0%
<i>YoY Change</i>	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%	9.4%	9.4%	12.4%	24.7%
BE Router (in thousands)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100	159	215	272	321	321	378	433	487	537	537	579	609
<i>QoQ Change (000's)</i>									59	56	57	49		57	55	54	50		42	30
Bspot and Be Mesh (in thousands)									60	77	100	116	116	144	177	218	248	248	277	299
<i>QoQ Change (000's)</i>										17	23	16		28	33	41	30		29	22
Key Performance Indicators - Telephony																				
Total access lines (in 000's)	2,367	2,268	2,216	2,205	2,087	2,010	1,916	1,818	1,792	1,768	1,743	1,718	1,718	1,693	1,675	1,653	1,639	1,639	1,630	1,615
<i>QoQ Change</i>									-1.4%	-1.3%	-1.4%	-1.4%		-1.5%	-1.1%	-1.3%	-0.8%		-0.5%	-0.9%
<i>YoY Change</i>	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%	-4.6%	-4.6%	-3.7%	-3.6%
<i>QoQ Line change (000's)</i>	1	(99)	(52)	(11)	(118)	(77)	(94)	(98)	(26)	(24)	(25)	(25)	(100)	(25)	(18)	(22)	(14)	(79)	(9)	(15)
Average revenue per line (ARPL) (in NIS)	85	81	74	63	59	57	54	52	50	49	49	48	49	48	51	51	50	50	49	47
<i>QoQ Change</i>									-2.0%	-2.0%	0.0%	-2.0%		0.0%	6.3%	0.0%	-2.0%		-2.0%	-4.1%
<i>YoY Change</i>	-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%	4.2%	2.0%	2.1%	-7.8%
Churn rate (telephony)	11.6%	15.3%	13.1%	11.1%	10.1%	10.2%	9.8%	11.6%	3.0%	2.7%	3.0%	2.9%	11.7%	3.2%	2.7%	3.4%	3.2%	12.5%	2.8%	2.6%
Total outgoing minutes (in millions)	9,758	8,694	7,047	6,200	5,607	5,006	4,475	4,014	926	865	888	820	3,499	883	1,079	1,019	1,004	3,985	965	813
<i>QoQ Change</i>									-6.4%	-6.6%	2.7%	-7.7%		7.7%	22.2%	-5.6%	-1.5%		-3.9%	-15.8%
<i>YoY Change</i>	-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%	22.4%	13.9%	9.3%	-24.7%
Total incoming minutes (in millions)	6,240	6,225	6,115	5,829	5,628	5,297	4,972	4,627	1,090	1,056	1,099	1,046	4,291	1,120	1,293	1,368	1,326	5,107	1,284	1,094
<i>QoQ Change</i>									-6.0%	-3.1%	4.1%	-4.8%		7.1%	15.4%	5.8%	-3.1%		-3.2%	-14.8%
<i>YoY Change</i>	-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%	26.8%	19.0%	14.6%	-15.4%
Number of employees	7,076	7,422	6,479	5,964	5,896	5,649	5,582	5,494	5,358	N/A	N/A	5,256	5,256	N/A	N/A	N/A	5,408	5,408	N/A	N/A
<i>YoY Change</i>	-1.9%	4.9%	-12.7%	-7.9%	-1.1%	-4.2%	-1.2%	-1.6%				-4.3%					2.9%			
Market share - Internet (retail and wholesale)	59%	60%	63%	66%	68%	69%	70%	69%	N/A	N/A	N/A	N/A	63%	N/A	N/A	N/A	N/A	61%	N/A	N/A
Market share - telephony (private sector)	63%	59%	57%	56%	56%	55%	53%	52%	N/A	N/A	N/A	N/A	53%	N/A	N/A	N/A	N/A	54%	N/A	N/A
Market share - telephony (business sector)	76%	75%	74%	74%	74%	73%	72%	71%	N/A	N/A	N/A	N/A	71%	N/A	N/A	N/A	N/A	70%	N/A	N/A

Bezeq - The Israel Telecommunication Corp. Ltd



	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	Q4 2020	FY 2020	Q1 2021	Q2 2021
Telephone																				
Key Performance Indicators																				
Total Subscribers (EOP, in 000's)	2,847	2,800	2,642	2,586	2,651	2,402	2,525	2,198	2,216	2,254	2,301	2,327	2,327	2,356	2,365	2,396	2,442	2,442	2,492	2,521
QoQ Change									0.8%	1.7%	2.1%	1.1%		1.2%	0.4%	1.3%	1.9%		2.0%	1.2%
YoY Change	-0.4%	-1.7%	-5.6%	-2.1%	2.5%	-9.4%	5.1%	-13.0%	-13.0%	-13.3%	5.3%	5.9%	5.9%	6.3%	4.9%	4.1%	4.9%	4.9%	5.8%	6.6%
QoQ subscriber change (000's)	(10)	(47)	(158)	(56)	65	(249)	123	(327)	18	38	47	26	129	29	9	31	46	115	50	29
Postpaid Subscribers (EOP, in 000's)	N/A	N/A	N/A	1,750	1,726	1,669	1,729	1,824	1,834	1,857	1,886	1,902	1,902	1,928	1,948	1,976	2,004	2,004	2,030	2,050
QoQ Change									0.5%	1.3%	1.6%	0.8%		1.4%	1.0%	1.4%	1.4%		1.3%	1.0%
YoY Change					-1.4%	-3.3%			4.2%	3.2%	3.8%	4.3%		5.1%	4.9%	4.8%	5.4%		5.3%	5.2%
QoQ subscriber change (000's)					(24)	(57)	60	95	10	23	29	16	78	26	20	28	28	102	26	20
Prepaid Subscribers (EOP, in 000's)	N/A	N/A	N/A	836	925	733	796	374	382	397	415	425	425	428	417	420	438	438	462	471
QoQ Change									2.1%	3.9%	4.5%	2.4%		0.7%	-2.6%	0.7%	4.3%		5.5%	1.9%
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%	3.1%	3.1%	7.9%	12.9%
QoQ subscriber change (000's)					89	(192)	63	(422)	8	15	18	10	51	3	(11)	3	18	13	24	9
ARPU (in NIS)	107	95	86	78	64	63	61	62	63	64	65	60	63	58	56	56	55	56	53	54
QoQ Change									-4.5%	1.6%	1.6%	-7.7%		-3.3%	-3.4%	0.0%	-1.8%		-3.6%	1.9%
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%	-12.5%	-13.8%	-8.3%	-11.1%	-8.6%	-3.6%
Churn rate	22.9%	22.4%	28.6%	28.0%	25.8%	23.7%	28.2%	33.3%	8.7%	7.5%	7.3%	7.3%	30.8%	7.2%	6.8%	7.0%	5.9%	26.9%	5.8%	5.8%
Number of employees	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	1,900	1,900	N/A	N/A
YoY Change			-19.3%	-8.7%	-10.7%	-3.2%	-1.7%	-3.8%					-10.2%					-13.7%		
Market share	29.0%	28.2%	26.3%	25.5%	25.2%	23.1%	23.6%	20.7%	N/A	N/A	N/A	N/A	21.2%	N/A	N/A	21.4%	N/A	N/A	N/A	N/A
Bezeq International																				
Key Performance Indicators																				
Number of employees	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	1,311	1,311	N/A	N/A
YoY Change	7.1%	-7.1%	-4.5%	-3.7%	1.8%	-3.1%	-2.2%	-11.3%					-14.2%					-7.6%		
Churn rate (ISP)	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%	10.2%	30.2%	7.9%	6.0%
Market share - ISP	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	N/A	34.0%	N/A	N/A
Market share - ILD (Outgoing)	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	N/A	22.3%	N/A	N/A
yes																				
Key Performance Indicators																				
Subscribers (EOP, in 000's)	586	578	600	630	635	614	587	574	568	565	558	555	555	556	557	556	557	557	559	560
QoQ Change									-1.0%	-0.5%	-1.2%	-0.5%		0.2%	0.2%	-0.2%	0.2%		0.4%	0.2%
YoY Change	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%	0.4%	0.4%	0.5%	0.5%
QoQ subscriber change (000's)						(21)	(27)	(13)	(6)	(3)	(7)	(3)	(19)	1	1	(1)	1	2	2	1
ARPU (in NIS)*	232	234	233	234	233	233	228	211	200	197	195	195	197	195	190	187	186	190	187	186
QoQ Change									-2.9%	-1.5%	-1.0%	0.0%		0.0%	-2.6%	-1.6%	-0.5%		0.5%	-0.5%
YoY Change	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%	-4.6%	-3.6%	-4.1%	-2.1%
Churn rate	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%	4.9%	21.0%	4.3%	3.7%
Number of employees	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	1,229	1,229	N/A	N/A
YoY Change	-0.1%	2.2%	-3.0%	-7.5%	-2.8%	-11.6%	-4.2%	-8.8%					-12.9%					-7.9%		
Mkt share	40%	39%	40%	42%	42%	40%	37%	34%	N/A	N/A	N/A	N/A	32%	N/A	N/A	N/A	N/A	32%	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.



NIS Millions

Bezeq Group Outlook

FY 2021

As of the date of publication of the Q2-21 report, there is no change to the Bezeq Group's outlook for 2021, as published in the Company's periodic report for the year 2020. We continue to expect:

Adjusted net profit* attributable to shareholders	NIS 1.0 billion
Adjusted EBITDA*	NIS 3.5 billion
CAPEX**	NIS 1.7 billion

The Group's forecasts are based, among other things, on its estimates regarding the structure of competition in the telecommunications market and regulation in this sector, the economic situation and accordingly, the Group's ability to implement its plans in 2021. Actual results may differ from these estimates taking note of changes that may occur in the foregoing, in business conditions, and the effects of regulatory decisions, technology changes and developments in the structure of the telecommunications market, and so forth, or the realization of one or more of the risk factors listed in the Periodic Report of 2020. In addition, there is no certainty that the outlook will be fully or partially fulfilled, among other things, due to the COVID-19 pandemic and the resulting uncertainty.

The Company shall report, as required, deviations of more/less than 10% of the amounts stated in the outlook.

* Adjusted net profit and Adjusted EBITDA – after adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock based compensation. Adjusted EBITDA and Adjusted Net Profit in 2020 were NIS 3.66 billion and NIS 1.14 billion, respectively.

**CAPEX - gross payments for investments in fixed and intangible assets. CAPEX in 2020 amounted to NIS 1.50 billion.



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 June 30, 2021 (based on repayment dates)

In NIS millions

Notes Issued to the Public (Bezeq Fixed-Line)

	CPI Linked	Unlinked	Interest	Total Principal and Interest
First year	525,595	35,708	176,220	737,523
Second year	615,167	250,205	151,365	1,016,737
Third year	268,718	643,490	121,788	1,033,996
Fourth year	268,718	643,490	92,388	1,004,596
Fifth year and thereafter	1,537,958	1,478,256	159,568	3,175,782
Total	3,216,156	3,051,149	701,329	6,968,634

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

	CPI Linked	Unlinked	Interest	Total Principal and Interest
First year	-	93,333	32,880	126,213
Second year	-	76,667	29,183	105,850
Third year	-	58,333	26,387	84,720
Fourth year	-	70,000	24,354	94,354
Fifth year and thereafter	-	630,000	54,354	684,354
Total	-	928,333	167,158	1,095,491



Debt Ratings & Repayments

Credit from Israeli Banks (Bezeq Fixed-Line)

	CPI Linked	Unlinked	Interest	Total Principal and Interest
First year	-	61,556	37,035	98,591
Second year	-	6,000	33,894	39,894
Third year	-	286,000	33,769	319,769
Fourth year	-	246,000	23,608	269,608
Fifth year and thereafter	-	473,000	24,212	497,212
Total	-	1,072,556	152,518	1,225,074

Total Debt - Bezeq Fixed-Line

	CPI Linked	Unlinked	Interest	Total Principal and Interest
First year	525,595	190,597	246,135	962,327
Second year	615,167	332,872	214,442	1,162,481
Third year	268,718	987,823	181,944	1,438,485
Fourth year	268,718	959,490	140,350	1,368,558
Fifth year and thereafter	1,537,958	2,581,256	238,134	4,357,348
Total	3,216,156	5,052,038	1,021,005	9,289,199



	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 December 31, 2020 (including current maturities):

Banks	1,113	NIS	Unlinked	Fixed	3.49%	3.20% - 5.30%
Non-bank sources	71	NIS	Unlinked	Variable; based on the annual interest rate for Treasury Bills	1.43%	1.43% - 1.54%
Non-bank sources	3,971	NIS	Unlinked	Fixed	3.10%	3.20% - 5.25%
Non-bank sources	3,189	NIS	CPI	Fixed	1.92%	1.70% - 3.70%



GLOSSARY

Glossary

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