

**"Bezeq" The Israel Telecommunication Corp., Ltd.****Event Transcript****Q4 & FY 2025 Financial Results & Strategy Update**

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**DISCLAIMER**

This document includes a transcript of the conference call held on the above date regarding the Company's financial results for the fourth quarter and full-year 2025 as well as its strategy update, following the publication of the Company's financial statements at that date according to the Israeli Securities Law 1968 ("Securities Law"), as well as the publication of the Company's investor presentation.

This document includes statements made at that conference call and accordingly contains only partial information regarding the Company's financial results and the Company's periodic reports published under the Securities Law. The reports can be accessed at the Israeli Securities Authority's website, [www.magna.isa.gov.il](http://www.magna.isa.gov.il). A review of this transcript and/or the aforementioned investor presentation published by the Company is not a substitute for a review of the detailed reports of the Company under the Securities Law and is not meant to replace or qualify the full reports. The Company is not responsible for the accuracy or completeness of the information contained in this document. This transcript does not constitute an offer or invitation to purchase or subscribe for any securities of the Company, and neither this transcript nor anything contained herein shall form the basis of, or be relied upon, in connection with any contract or commitment whatsoever.

**Q4 & FY 2025 Financial Results and Strategy Update**

**Yohai Benita (Bezeq Group CFO):** Welcome everyone and thank you for joining us on Bezeq's fourth quarter and full year 2025 earnings call. I am Yohai Benita, CFO of the Bezeq Group. Joining me today are Mr. Tomer Raved, Bezeq's Executive Chairman, Mr. Nir David, CEO of Bezeq Fixed-Line, and Mr. Ilan Sigal, CEO of Pelephone and yes. Before we begin, please review the Safe Harbor statement on **Slide 2** of our presentation, which applies to any statement made during today's call. Following our prepared remarks, we will open the call for Q&A. With that, let me turn the call over to Tomer for his opening remarks. After Tomer's remarks, I will review the Group's financial highlights, followed by Nir on Fixed-Line, and Ilan on Pelephone and yes. I will then cover Bezeq International. Before we move to the Q&A section, we will be presenting our business strategy update. Each one of us will walk you through the key initiatives and targets for the Group.

**Tomer Raved (Bezeq Executive Chairman):** Thank you, Yohai. I am glad to see all of you joining us today. Our excellent results demonstrate the strength and resiliency of our Group, and the remarkable execution of our strategy. We surpassed one million fiber customers in Bezeq Fixed-Line, and we are leading the infrastructure market with fiber deployment. Pelephone delivered its strongest year in a decade and yes completed an impressive financial turnaround. These achievements enable us to launch our first ever share buyback program in addition to our existing dividend policy of distributing 80% of net profit, totaling to NIS 700 million. This move reflects confidence in our ability to generate strong and growing free cash flow in the years ahead. Once again, we demonstrated the critical importance of having a strong and reliable telecommunication infrastructure for the State of Israel, especially considering the current round of hostilities with Iran, ensuring continuity while maintaining high service availability for the entire public and the economy. The financial and operational targets we published for 2029 reflect the growing ROI due to focus on our core activities in recent years and the strength of the Group's infrastructure and growth engines.

Let's now move to Slide 3 where we present the Group's vision. Through sustained investment in advanced national infrastructures, we enable smart connectivity for every home, business, and public institution across the country. With financial strength, AI-driven technological leadership, operational excellence, and a forward-looking global strategic perspective, we lead market transformation, strengthen Israel's competitive position in the digital era, and deliver sustainable, long-term value to our customers, employees, partners, and shareholders. This vision is what makes our group best-in-class resilient and innovative telco versus any global benchmark. Our nation-wide infrastructure in fiber and 5G combined with our strategy in regional subsea and terrestrial connectivity makes us well-positioned to support the next decade of digital and AI revolution in Israel and in the Middle-East more broadly.

Slide 4 highlights the past year: core revenues grew 3%, with strong subscriber momentum. Adjusted EBITDA grew 7.8% and Adjusted Net Profit grew 31%. For better comparison purposes, EBITDA and Net Profit in the 2025 financial statements have been adjusted to use a comparable metric, or Comp, that eliminates the non-recurring impact of changes in valuation. Comp EBITDA grew 1.5% and Comp Net Profit decreased 2.2%. Fiber subscribers were up 23% and 5G subscriber plans were up 11%. ARPU increased across broadband, TV, and mobile. We signed a multi-year collective agreement with the fixed-line union and reached principal multi-year understandings at Pelephone. On the regulatory front, the Ministry of Communications published revised wholesale tariffs with no material impact on Bezeq, as we advanced in the process of removal of the structural separation and merging yes into Bezeq Fixed-line.

Turning to Slide 5, we see the technology and business roadmap on track to deliver our 2029 KPIs, from increased fiber deployment and take-up, expansion of 5G, and growth in the TV + fiber bundle. We are building for durable growth, superior customer experience, and operating efficiency.

On Slide 6, we summarize our key achievements for the year, both in top line as well as profitability metrics. Core revenues grew 3% to almost NIS 8 billion, representing 92% of the Group revenues. Free cash flow was up 10.9% to NIS 1.13 billion. While adjusted EBITDA and Adjusted Net Profit were up year-over-year 8% and 31%, respectively, our Comp EBITDA rose 1.5% to NIS 3.74 billion in line with our targets, and Comp Net Profit was down 2.2% due to higher depreciation and hedging expenses.

In Slide 7 we detail the bridge to Comp EBITDA and Comp Net Profit which excludes the impact of changes in valuation with respect to yes and Bezeq International.

Moving to Slide 8. We highlight our key KPIs in each of the businesses. Broadband retail ARPU continued to grow year-over-year. In addition, we recorded increases in Pelephone ARPU as well as in yes ARPU year-over-year, due to fiber growth.

I will now hand it back to Yohai, who will review our financials in more detail.

**Yohai Benita (Bezeq Group CFO):** Thank you, Tomer. Moving to turn to Slide 9 for the Group's full-year highlights. For the full year 2025, core revenues were approx. NIS 8 billion, up 3.0% year-over-year. Comp EBITDA increased by 1.5% to NIS 3.74 billion, while Comp net profit was NIS 1.09 billion, down 2.2% due to higher depreciation and financing expenses. Free cash flow for 2025 was NIS 1.1 billion, impacted by tax assessments paid in 2025 versus a tax refund in 2024. CapEx was down 3.7% in 2025 as we begin the slowdown in fiber deployment as projected.

Turning to Q4 on Slide 10: Q4 results showed improvements in all financial metrics, and we are poised for continued growth as projected. Core revenues grew across all key segments. Comp EBITDA was 963 million shekels and Comp net profit was 311 million shekels, due to lower financing expenses. Free cash flow in the quarter benefited from lower CapEx and working-capital timing.

Moving to the next slide, we show our operating expenses. Salary expenses decreased 2.7% due to the sale of Bezeq Online and its de-consolidation as of Q2-2025. We recorded decreases in operating expenses and depreciation expenses, mainly due to the change in yes' valuation in Q2 and Q3. Other expenses were impacted by employee retirement at Bezeq Fixed-Line and higher provisions for legal claims.

On Slides 12 and 13 we show our annual and quarterly operational metrics. We recorded growth in ARPU in all segments - broadband retail ARPU continued to grow year-over-year, we recorded increases in Telephone ARPU and in yes ARPU year-over-year, due to fiber growth.

Slide 14 highlights our balanced capital structure. We ended the year with net debt of NIS 5 billion and a net debt to adjusted EBITDA ratio of 1.4x, maintaining AA category local credit ratings with a stable outlook.

Turning to shareholder remuneration on Slide 15, our Board recommended a total distribution of NIS 700 million, consisting of a cash dividend of NIS 549 million or 19.8 agorot per share, and for the first time, a share buyback of NIS 150 million in 2026.

Looking ahead on Slide 16, we share our 2026 outlook of Comp EBITDA of NIS 3.7 – 3.8 billion, Comp net profit of NIS 1 – 1.1 billion, and CapEx of NIS 1.6 billion.

Turning to Slide 17, we present our 2029 financial targets. We are targeting core revenues range of NIS 8.7–8.9 billion, Comp EBITDA range of NIS 4.2–4.4 billion, and gross CapEx range of NIS 1.5–1.6 billion. That implies EBITDA–CapEx of roughly NIS 2.65–2.85 billion and free cash flow growth above 10% CAGR through 2029. Comp Net Profit is expected to grow at over 8% CAGR. We will continue to focus on maintaining our AA level rating and strive to increase shareholder remuneration.

Turning to Slide 18, we highlight our 2029 operational targets. We plan to extend fiber coverage to 3.5 million homes with a take-up of 43%, lift retail broadband ARPU to around NIS 150, and have roughly half of fiber subscribers on speeds above 1 Giga. In mobile, our target is 85% of postpaid subscribers on 5G plans with ARPU around NIS 50 and approximately 450 thousand 5G MAX subscribers; 5G sites are expected to represent 90% of the total network. For yes, we are targeting ARPU of NIS 215 and 50% of TV customers in a TV + fiber bundle. Operationally, the Group is targeting a

14% reduction in full-time equivalents and stable salary expenses by 2029. I will now hand the call to Nir for Fixed-Line results.

**Nir David (Bezeq CEO):** Thank you, Yohai. Slide 19 summarizes the fixed-line achievements in 2025. Core revenues increased 3.7%, with retail fiber subscribers at 637 thousand today and retail broadband ARPU at 138 shekels in the fourth quarter of 2025. Fiber deployment reached 2.95 million homes passed, with total fiber subscribers of 1.02 million, about 69% of total broadband subscribers and a take-up rate of 34%. These metrics set a strong base heading into 2026 and support our 2029 ambitions.

Moving to Slides 20 through 24. For 2025, Bezeq Fixed-Line core revenues grew 3.7% to approximately 4 billion shekels, driven by an increase in all core revenue segments. Adjusted EBITDA increased modestly, while adjusted net profit declined 4.6% to 951 million shekels on higher depreciation and financing expenses. On a quarterly basis, results for Bezeq Fixed-Line recorded similar trends to that on an annual basis. In Q4, broadband and cloud & digital grew, while transmission & data was lower due to a one-time reclassification to Other Revenues. We will continue to focus on increasing fiber take-up, speed upgrades, and value-added services for homes and businesses, while leveraging AI to enhance service quality and streamline operations. I will now hand the call to Ilan to address Pelephone and yes results.

**Ilan Sigal (CEO of Pelephone and yes):** Thank you, Nir. Turning to Slides 25. At Pelephone, 2025 marked the highest service revenues in a decade, supported by growth in 5G postpaid subscribers reaching 1.4 million today, 5G Max adoption, and stronger roaming. Adjusted EBITDA grew 2.9% to 782 million shekels and adjusted net profit rose 5.8% to 163 million shekels. In Q4, ARPU was NIS 47, up 4.4% year-over-year.

Turning to Slide 26 and 27. In the quarter, equipment revenues increased with a successful iPhone 17 launch, and adjusted EBITDA grew on higher revenues. Adjusted net profit increased due to an agreement with the tax authorities, and free cash flow benefited from stronger profitability and favorable working-capital timing.

Slide 28 shows continued multi-year service revenue growth alongside rising 5G adoption. Today 60% of postpaid subscribers are on 5G plans with approximately 170 thousand 5G MAX subscribers. On Slide 29, ARPU in Q4 was 47 shekels, up 4.4% year-over-year. We continue to grow postpaid subscribers with an increasing 5G mix.

Moving to yes. On Slide 30. yes revenues in Q4 grew 7.3% year-over-year to 340 million shekels, the highest quarterly revenues since Q4-2019. ARPU reached a record of 200 shekels, driven by TV & fiber bundling and contributions from the Partner transaction. For the year, adjusted EBITDA and adjusted net profit greatly improved on

higher revenues, cost streamlining, and valuation impacts. TV subscribers totaled 565 thousand, IP subscribers reached 496 thousand, and fiber subscribers nearly 130 thousand today.

Slides 31 and 32 highlight the full year and Q4 results. Revenue growth and cost streamlining supported higher adjusted EBITDA and adjusted net profit. Free cash flow greatly improved due to improved profits and working-capital timing. Finally, Slide 33 shows KPIs. Q4 ARPU increased by 14 shekels year-over-year to 200 shekels. IP penetration rose to 88% and fiber subscribers reached 118 thousand.

I will now hand the call to Yohai for Bezeq International results.

**Yohai Benita (Bezeq Group CFO):** Thank you, Ilan. Finally, turning to Bezeq International on Slide 34 - we are progressing in our transition from consumer ISP to ICT-focused business spanning communications, data centers, integration, public cloud, and cyber. Revenues from business customers increased 2% in 2025 to 957 million shekels. Headcount decreased 10% under our retirement program. In Q4, adjusted EBITDA was 37 million shekels, and adjusted net profit was stable as lower depreciation offset softer revenues. This concludes our earnings presentation. I will now hand the call back to Tomer.

**Tomer Raved (Bezeq Executive Chairman):** Thank you, Yohai. Before we move to Q&A, I am excited and proud to share with you our Strategic Update. As we have completed and fully executed our business plan announced back in 2021, I would like to walk you through Bezeq's Group roadmap based on sustained growth, expanded margins, and increased returns through 2029. Despite the recent geopolitical and economic challenges, Bezeq has strengthened its balance sheet, consistently increased shareholders return, and advanced Israel's digital infrastructure at a scale that will drive our financial targets and KPIs going forward.

On Slide 3, we present the Four Strategic Pillars of our Business strategy: Leading Digital Infrastructure, Growth Drivers, Operational Excellence powered by AI, and a Robust Financial Position. All of which are drivers and levers for current and future value creation. During the presentation, we will cover the 2029 targets, the levers behind revenue and EBITDA growth, efficiency initiatives, and our capacity to invest while returning capital. Bottom line: Bezeq is acting from a position of strength— where scale, premium brands, and the most advanced network will further allow us to unlock additional shareholder value.

Slide 4 shows the Key Strategic Highlights within our Pillars. We have a Leading Digital Infrastructure with nationwide fiber and 5G; strategic connectivity hub positioning; and a future-ready network. Our growth drivers are divided into: ARPU growth, faster broadband, 5G monetization, and around 50% TV+fiber bundling in yes. The

Operational Excellence & AI are centered on more efficiencies and improved productivity, as we come to the end of capex cycle, with a headcount reduction, and lower satellite/legacy costs. Lastly, our robust financial position will allow us to further strengthen our balance sheet, continue growing FCF, and create additional capacity for increased shareholder returns.

On Slide 5 we share our 2029 Targets as previously presented in the financial presentation. Our ability to generate top line following end of capex cycle translates into average annual double-digit growth free cash flow with supporting take-up in ARPU and penetration across all our business units.

Slide 6 illustrates our track record, and how our performance underpins our targets. As seen in the graphs, since 2021 we have grown core revenue and EBITDA, expanded fiber take-up, and scaled 5G and yes bundling. These strong results support our confidence in the 2029 goals. It is great to see the correlation between strong execution and attractive financial results that follow.

Slide 7 shows Bezeq's Group Market Share Snapshot. Today, Bezeq is a leader in the broadband and TV markets and number 2 in mobile, with market shares of 53% in broadband infrastructure, 33% in TV, and 23% in mobile.

On Slides 9–11 we show Israel's Overview from a Macro perspective. Israel's macro trends support every possible tailwind that an incumbent telco needs. We have the most rapid population growth in the OECD with growing GDP per Capital which supports willingness to pay and demand for connectivity in a relatively low ARPU environment. The high R&D intensity and the population density, all leading the global charts, underpin the demand for advanced connectivity and the lower capex needed to support that. Bezeq is already shaping Israel's future as it is best positioned to power national connectivity as density and digital needs rise.

As we move to Slide 12, let me now dive into each of the pillars described before. Our strategy is centered on accelerating growth via leading infrastructure and operational excellence. Slide 13 shows how Bezeq infrastructure is a powerhouse today and where we seek to be in 2029. With 100 thousand kilometers of fiber, we aim to have 3.5M homes passed by 2029, while take-up rises from 34% to 43%. In terms of 5G sites, we aim to increase from 50% to 90% of the deployment plan. Lastly, our subsea and data-center connectivity will enhance Israel's role as regional and global connectivity hub.

Slide 14 shows the ongoing ARPU Growth Drivers. By 2029 broadband ARPU is expected to reach 150 shekels, while mobile ARPU increases to 50 shekels and yes' ARPU reaches 215 shekels, all driven by speed upgrades, 5G, content and bundling.

Slide 15 addresses Quality. Premium Brands + Infrastructure. By following our Premium positioning plus network leadership, we support superior service and highest ARPUs in market.

Slides 16–17 detail our focus on our Operational Excellence & AI pillar. By deploying AI for network operations, service, and productivity, we are targeting 14% full time equivalents reduction by 2029 with stable salary expenses. As mentioned, we have already reached new collective agreements and understandings that will enable efficiencies and margin expansion.

Slide 18 shows our balance sheet resilience. Despite the black swans globally and locally in the last few years such as, COVID-19, Russia-Ukraine war, and the regional conflicts, Bezeq has remained an island of stability. Our leverage has improved from 2.4x in 2019 to 1.4x in Q4'25 despite macro shocks, which is supporting investment and returns.

On Slides 19–20, we address our Shareholder Remuneration and financial approach. As you know our Dividend policy has a disciplined 80% payout and today we announced our first incremental buyback program. Free cash flow growth of over 10% supports growing and sustainable capital returns to shareholders. Our current leverage and AA category local ratings provide flexibility for growth, investments and returns.

On Slides 21 and 22 we address potential areas not considered in our targets. Slide 21 shows Israel at the center of Strategic Connectivity. Israel's location positions Bezeq as a bridge for hyperscalers between Europe and Asia, potentially. We are in active negotiations with various companies to provide routes that expand beyond the Suez Canal and position Israel as the corridor to connect the two continents.

On Slide 22, as you know, we are expecting to learn soon about the removal of structural separation and our ability to merge Bezeq and yes. We are glad that the regulator is finally formally addressing this unnecessary limitation, better late than never. Once approved, it will allow for Bezeq and yes to combine, unlocking top-line synergies, operational efficiencies, and a 1.2 billion shekel tax asset.

Slide 23 recaps again the building blocks of our strategy, these pillars flow from the group level to each one of our subsidiaries, and connects directly to our vision. I will turn the floor to Nir to walk you through the strategic initiatives at Bezeq Fixed-Line.

**Nir David (Bezeq CEO):** Thank you, Yohai. On Slides 24–31, we show Bezeq's Fixed-Line snapshot and how the plan will be implemented.

Turning to Slides 25 and 26. With 2.9M homes passed, a 34% take-up, and ARPU of 136 shekels, we will focus on premium internet, value-added services, and AI-driven efficiencies.

On Slide 27 we show how our brand leadership supports our pricing power, and on Slide 28, we expect a take-up rate of 43% with 50% of subscribers having more than 1 Giga by 2029.

Moving to Slide 29 - We already have the highest ARPU amongst competitors, and we are targeting an ARPU of 150 shekels in 2029.

Turning to Slide 30. By implementing AI solutions, we will enrich our customers' experience and contribute to streamlining internal processes. Our goal is to contribute to higher ARPU and retention, cost reduction and better performance.

Finally, moving to Slide 31 - In terms of our Enterprise business, growth will be tied to SD-WAN, security, cloud, GPU/AlaaS. In addition, the integration of AI will lift growth and reduce costs. I will now ask Ilan to cover Pelephone and yes.

**Ilan Sigal (CEO of Pelephone and yes):** Thank you, Nir. Turning to Slides 32–37, we show Pelephone's snapshot and plan. With 2.68M subscribers, an ARPU of 46 shekels and 1.38M 5G users, we are already leaders in 5G. We expect our 5G penetration to jump to 85% of postpaid customers in 2029, with 90% of 5G sites deployed. We expect to expand 5G MAX subscriber plans from 140 thousand to 450 thousand. At the end of 2025, Pelephone already had the highest ARPU in Israel. We believe that digitization and AI will enhance services and increase efficiency.

Slides 38–43 show yes' snapshot and plan for the coming years. With 565 thousand subscribers, an annual ARPU of 192 shekels that reached 200 shekels in Q4, and 118 thousand fiber subscribers, we are well recognized. We have brand leadership and premium content to foster additional growth. We aim to reduce satellite costs substantially and increase efficiencies with digitization and AI. yes already stands out as Israel's most popular TV provider. We aim to expand our TV+fiber bundling to 50% by 2029; scale TV ads and partnerships to deliver an ARPU of 215 shekels in 2029. I will now ask Yohai to cover Bezeq International.

**Yohai Benita (Bezeq Group CFO):** Thank you, Ilan. On Slides 44–46, we highlight Bezeq International's snapshot and strategic plan. With 1.1 billion shekels in revenues and 20 thousand+ customers, we are focused on delivering end-to-end cloud, cyber, integration, telecom, data centers, and IT solutions. Bezeq International is partnering with leading companies to enable secure connectivity, AI-ready cloud, and managed services to enterprises.

The last two slides of the presentation focus on ESG. ESG is integrated across our operations: energy efficiency, recycling, net-zero 2050 pathway, as well as diversity goals and strong ratings. Digital inclusion via fiber and 5G, resilient networks during crises, and robust compliance and supplier standards are all part of our commitments.

Today Bezeq enters its next phase with strong momentum and a clear strategic path. We will monetize nationwide fiber and 5G, grow ARPU via premium and bundle offerings, and leverage AI and automation to improve experience and reduce costs. We will maintain a robust balance sheet that supports sustainable returns and future investments. We believe this combination creates a compelling long-term value proposition for shareholders. Thank you. We are happy to take your questions now. Next question is from Chris Reimer of Barclays.

**Chris Reimer (Barclays):** Hi, thanks for taking my questions. Could you tell us where things stand with regards to structural separation?

**Tomer Raved:** Sure. Hey, Chris, Tomer speaking. The Minister of Communications announced an RFI a couple of months ago, basically leaning towards a formal decision on that front, which was supposed to happen by end of year. You know how things are going on the regulatory front. We expect to hear a decision or a formal hearing in the coming weeks.

**Chris Reimer (Barclays):** Coming weeks, great. And also, how should we be looking at CapEx specifically at yes, considering the year-end decrease and the fact that you're going to continue the services in satellite until 2028?

**Yohai Benita:** So, as we said earlier this week, once yes found a satellite solution, we will see CapEx going down. We saw that in 2025. And I think it's reasonable to assume that the current CapEx level that you see will be what we will see in the next few years. We don't anticipate any increase in yes' CapEx.

**Chris Reimer (Barclays):** Excellent. Great. Thanks. That's it for me.

**Yohai Benita:** Okay. Thank you. Next question is from David Kaplan from Psagot.

**David Kaplan (Psagot):** Hi, everyone. Good afternoon. So Chris asked the first question, I guess we all really had on structural separation there. Can you talk a little bit about your plans that you had had when you were reaching out or trying to purchase Hot Mobile? What was the strategy there? And having not succeeded in that purchase, what's your strategy going forward with Pelephone?

**Tomer Raved:** I will answer high level and then let Ilan answer regarding Hot Mobile. But generally speaking, as you know, we have low leverage and a lot of financial flexibility. And in terms of our capital allocation, which we just outlined, we are looking at M&As and shareholder returns. When we have excess cash, as you saw in this quarter, we announced a buyback plan on top of our dividend. And you will continue to see us doing smart and sophisticated capital allocation, leveraging the low leverage we have, including M&As or more significant ones given the flexibility we have, including very strategic ones related to our core business. And you saw us looking at a couple of assets this year, specifically on Hot Mobile. I'll let Ilan expand.

**Ilan Sigal:** I will add that from a 5G perspective, we continue to deploy our 5G network and expect to reach 90% of our deployment plan for 5G sites by 2029. So we'll continue to grow on 5G and grow the ARPU there. Also with the new plans, the 5G Max plan has higher ARPU. So this is the Pelephone way. And regarding Hot Mobile, it's not over till it's over. It's not signed yet. And if we see that it's not continuing there, we are ready to go in again.

**David Kaplan (Psagot):** Great. And then I guess one quick question on your guidance. Can you walk us through why you decided at this point in the year to adjust for the valuations of yes that happened in Q2 and Q3, and you didn't do it earlier in the year? What changed from your perspective that now is the right time to do that?

**Tomer Raved:** Sure, actually, and it's good that you bring it up. yes, in Q4 basically completed its write-ups; recovered all the write-downs we had over the past few years. So, the final adjustment and write-up at yes was completed in Q4 2025. Going forward, there will not be any more write-ups on the yes asset. As a result, we wanted to be very clear to the market, given that this was the last quarter of write-ups or write-downs at yes, you should have an apples-to-apples comparison going forward. Because you saw the 4 billion shekel number for Adjusted EBITDA in 2025, that was the last quarter in Q4 where you have that write-up. So, it was very helpful for the market, and we received very good feedback from investors for providing this transparency, very consistent with other companies who had this one-off impact on EBITDA.

**Yohai Benita:** We also gave this in Q3, when we highlighted the adjusted results excluding the yes valuation impact. So it's the second consecutive quarter.

**David Kaplan (Psagot):** Okay, great. Thank you very much.

**Yohai Benita:** Thank you. Next question is from Siyi from Citi. Hi, Siyi.

**Siyi He (Citi):** Hello. Hi. Good afternoon. Thank you for taking my questions. I have two, please. The first one is - I'm wondering if you can talk about the energy costs as a

percentage of your OPEX, and what kind of hedging positions that you have in place for this year and maybe for the coming two years. And my second question is just to help us to think about shareholder returns. Obviously, you have a payout ratio, and this year's net profit is benefiting from this revaluation of assets. And I'm just wondering, looking out for next year and onwards, how should we think about it in terms of the shareholder remuneration in absolute terms? Do you think that you're comfortable that 2025 could still be a baseline for you to grow shareholder returns from here onwards? Thank you.

**Tomer Raved:** Sure, So I'll take both briefly. The first question, Siyi, we actually have very low energy costs in the group, and we have a long-term contract for power from the group perspective. There's no real hedging necessary because the amount of energy cost is very little in the group comparison. And the oil prices and changes that happened in the past few days, similar things happened in 2022, didn't impact our results at all. You will not see it in the results. Even if there's additional supply chain issues, we are ready for that. We experienced that before, and we know how to handle that. So it did not really impact the results. Sometimes there are working capital shifts, but nothing dramatic. So that's the first question. Regarding the second question, we continue to focus on growing our DPS and our distribution to shareholders. You may see it through our 80 percent payout going up or through additional buybacks, but the idea is to continue to grow. You will see it through the projection of 8% CAGR growth in net income going forward for the next three, four years, as well as the 10% free cash flow CAGR growth, both give us a lot of flexibility to continue to see this growth. It doesn't mean it grows from H1 or H2, but on an average annual basis, you will continue to see DPS growth like we outlined in the past four years.

**Yohai Benita:** Thank you, Siyi. Next question is from Sabina from Leader. Hi, Sabina.

**Sabina Podval (Leader):** Hi, good afternoon. I have one question. Lately, the Ministry of Communications published a positive decision regarding the wholesale tariffs. And I was wondering if it's included in your guidance, because you provided in your 2029 guidance before, sorry, this is my child coming in. But you provided the 2029, sorry, the situation here, no kindergartens, no school. So you provided the guidance for 2029 before the positive outcome from the Ministry of Communications regarding the tariffs. So I was wondering if there could be a potential upside to the numbers.

**Tomer Raved:** First, the kids are feel free to join us. But given your level of knowledge, there's no need. To your question, we did not include the wholesale rates in our guidance. We do not see significant impact, as we mentioned before, from the wholesale rates on Bezeq, given the lifting of supervision going forward, and given the fact that most of our wholesale customers are on IRU agreements for the next 20 or 25 years. So, we do not see a significant impact. We're glad that finally the MOC is

adopting the global standards and removing the wholesale regulation going forward over a gradual two- or three-years process. But this should not have a significant impact on us. And we mentioned it before, even the reduction, potential reduction from 72 to 50, or from 50 to 58, where the hearing ended up. It's not a significant impact on our results.

**Yohai Benita:** Okay. Thank you, Sabina. Do we have more? We don't have any further questions. So, at this time, I would like to thank you all for taking the time to join us today. Should you have any follow-up questions please feel free to contact our investor relations department. We look forward to speaking to you on the first quarter 2026 earnings call. Thank you.