Bezeq Group
Q2-2026
Investor Presentation

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Glossary

- Q2-2026 and H1-2026 results in this presentation are shown in comparison to Q2-2025 and H1-2025, unless otherwise stated
- Comp EBITDA and Comp Net Profit - After adjusting for other operating expenses/income, net, the overall impact of losses/gains from impairment/increase in value of assets and stock-based compensation
- Free cash flow - Cash flow from operating activities less net payments for investments and leases
- Group Core Revenues - Group revenues excluding Bezeq Fixed-Line telephony revenues, Pelephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues
- Bezeq Fixed-Line Core Revenues - Total fixed-line revenues excluding telephony revenues
- Pelephone revenues and ARPU in this presentation are excluding interconnect fees, unless stated otherwise
- yes ARPU - includes all yes revenues, excluding revenues from content sales to external broadcasting entities and revenues from the sale of end-user equipment
- IP subscribers - the number of yes subscribers viewing IP broadcasting through the yes+ and STINGTV services. This includes subscribers that use satellite services as well
- yes financial data in this presentation are proforma numbers, until and including Q4-2025

Bezeq Group Q2-2026 Summary

Growth in core revenues
Core revenues grew 4% to over NIS 2 billion, with growth across all key group segments

Increase in Comp EBITDA and Comp Net Profit
Comp EBITDA increased 6.2% and Comp Net Profit grew 38%. The increase in Comp Net Profit was driven by higher revenues and lower operating expenses (after adjusting for the change in yes' valuation in Q2-2025) as well as lower financing expenses

Shareholder Remuneration
- Board recommends dividend distribution of NIS 415m, NIS 0.15 per share
- Buyback of NIS 100m, as part of a multi-year program of NIS 800m, following completion of previous buyback of NIS 150m

Subscriber and ARPU growth
- 17% increase in fiber subscribers and 12% growth in 5G subscriber plans
- 4.4% increase in retail broadband ARPU and 8% in yes ARPU

Increase in retail broadband subscribers
1% increase in Group retail broadband subscribers,(1) reaching 35% take-up in fiber infrastructure

New synergistic investment opportunities
- Pelephone signs MOU to acquire Wecom
- Continued development and growth of digital infrastructure activities, with an emphasis on international subsea cables

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

Technological & Business Roadmap

	Migration to fiber	Transition to 5G	yes. Migration to IP
2020	Launch of fiber project	5G Tender Award	Satellite to IP migration
Today	✚ 3.03m homes passed ✚ 1.06m subscriber take-up (retail + wholesale), 72% of total broadband subs ✚ 35% take-up rate ✚ 39% increase in broadband ARPU[1] to NIS 142	✚ 1.49m postpaid subscribers (63% of postpaid subscribers) ✚ 217k 5GMAX subs ✚ 5G sites ~50% of total network ✚ ARPU – NIS 45	✚ 508k IP subscribers (90%) ✚ ~ 149k fiber bundle subs ✚ ARPU – NIS 204
2029 Targets	✚ Retail ARPU ~NIS 150 ✚ ~43% take-up rate (retail + wholesale)	✚ ARPU ~NIS 50 ✚ ~85% 5G subscriber plans ✚ ~450k 5GMAX subscribers ✚ 5G sites ~90% of total network	✚ ARPU ~NIS 215 ✚ TV + fiber bundle subs - ~50% of total subs ✚ Completion of the migration to IP

Strategic infrastructure investments continue to provide a solid foundation for growth

[1] Compared to Q4-2020

Bezeq Group

Q2-2026 Summary

4.0% ▲ Core Revenues

2.03 **NIS billion**

~**94%** of Group Revenues

6.2% ▲ Comp EBITDA

978 **NIS million**

Comp EBITDA margin of **45%**

38% ▲ Comp Net Profit

315 **NIS million**

33% ▼ Free Cash Flow

155 **NIS million**

6.2% ▲ Increase in Net Debt

5.2 **NIS billion**

Bezeq Group

Q2-2026 Summary (Cont'd)

Bezeq	Pelephone	yes.
Fiber subscribers **1.06** million (retail and wholesale)	Cellular subscribers **2.71** million 2.3% ▲	TV subscribers **563k** 0.2% ▲
Fiber net adds[1] **32k** (retail and wholesale)	Postpaid subscriber net adds[1] **21k**	TV + fiber bundle subscriber net adds[1] **12k**
Retail Broadband ARPU NIS **142** 4.4% ▲	Cellular ARPU NIS **45** [3] 2.2% ▼	yes ARPU NIS **204** 7.9% ▲
Homes Passed **3.03** million	5G subscriber plans **1.49** million[2] **63%** of postpaid subscribers[2] | **217k** 5GMAX subscribers[2]	TV subscribers **90%** IP subscribers[2]
Take-up rate **35%**	Cellular Service Revenues NIS **363** million [3] 0.6% ▲	Revenues NIS **348** million 8.7% ▲

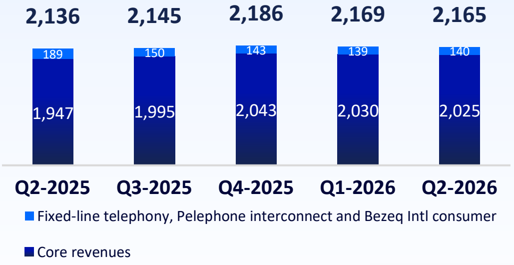
(1) Compared to Q1-2026
(2) As of reporting date
(3) Impacted by decrease in roaming revenues due to the war with Iran

Bezeq Group

Q2-2026 Key Financial Highlights | NIS million

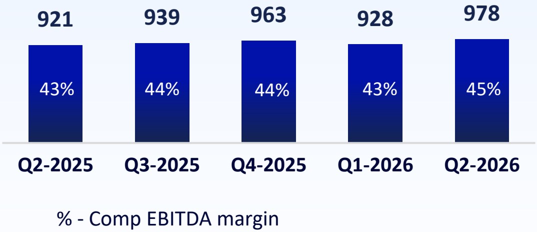
Revenues

4.0% [1] ▲



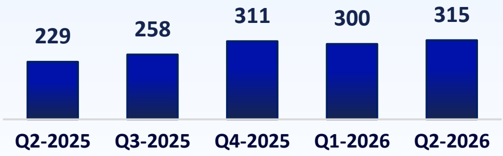
Comp EBITDA

6.2% ▲



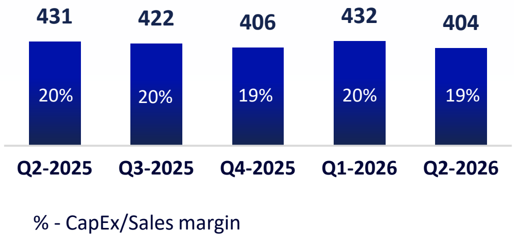
Comp Net Profit

38% ▲



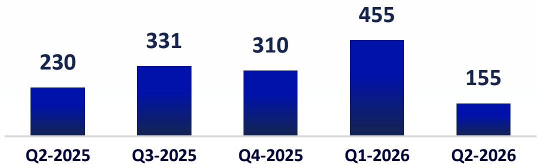
CapEx

6.3% ▼



Free Cash Flow

33% ▼



- **Growth in core revenues** across all key group segments
- **Comp Net Profit growth,** primarily due to higher revenues and lower operating expenses (after adjusting for the change in yes' valuation in Q2-2025) as well as lower financing expenses
- **Free cash flow** was impacted by changes in working capital. Free cash flow in H1-2026 was NIS 610m, compared to NIS 492m in the corresponding period

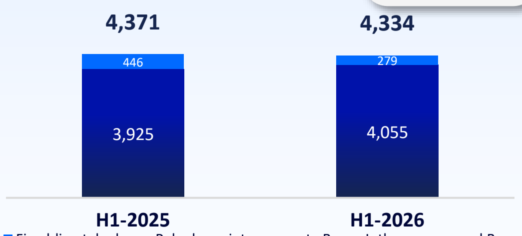
(1) % change in core revenues

Bezeq Group

H1-2026 Key Financial Highlights | NIS million

Revenues

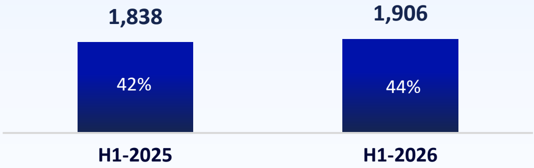
3.3% (1)



- Fixed-line telephony, Pelephone interconnect, Bezeq Intl consumer and Bezeq Online revenues
- Core revenues

Comp EBITDA

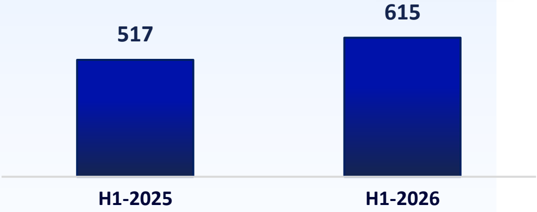
3.7%



% - Comp EBITDA margin

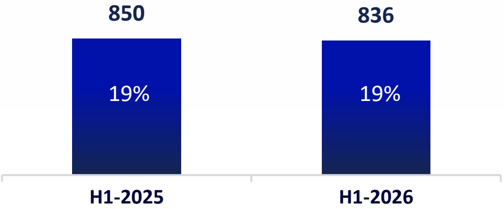
Comp Net Profit

19%



CapEx

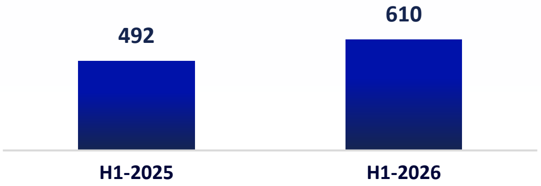
1.6%



% - CapEx/Sales margin

Free Cash Flow

24%



- **Growth in core revenues** across all key group segments
- **Comp Net Profit growth,** primarily due to lower financing expenses
- **Free cash flow** was positively impacted by changes in working capital

(1) % change in core revenues

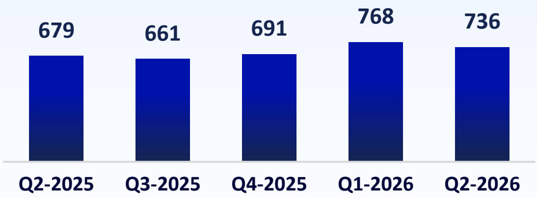
Q2-2026 Operating Expenses | NIS million

Salaries

0.9% ▲

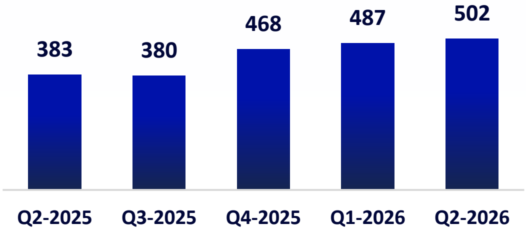
Operating Expenses

8.4% ▲

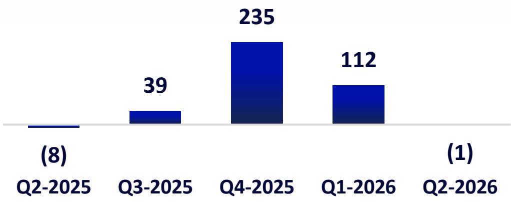


Depreciation & Amortization

31% ▲



Other Expenses (Income)

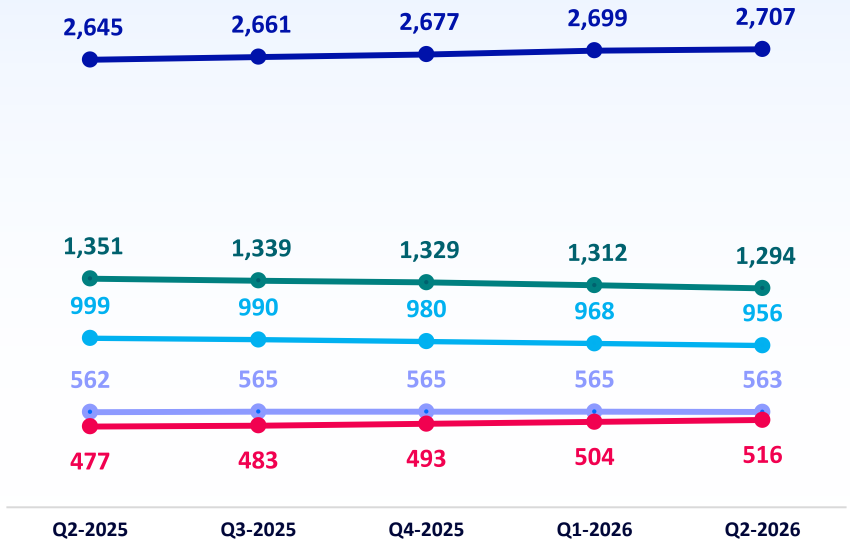


- **Operating and depreciation expenses** were impacted by changes in yes' valuation in Q2-2025. After excluding the impact of the changes in valuation, operating expenses decreased ~NIS 35m and depreciation expenses increased ~NIS 15m
- **Other expenses** were impacted by the cancellation of provisions for legal claims in Q2-2025

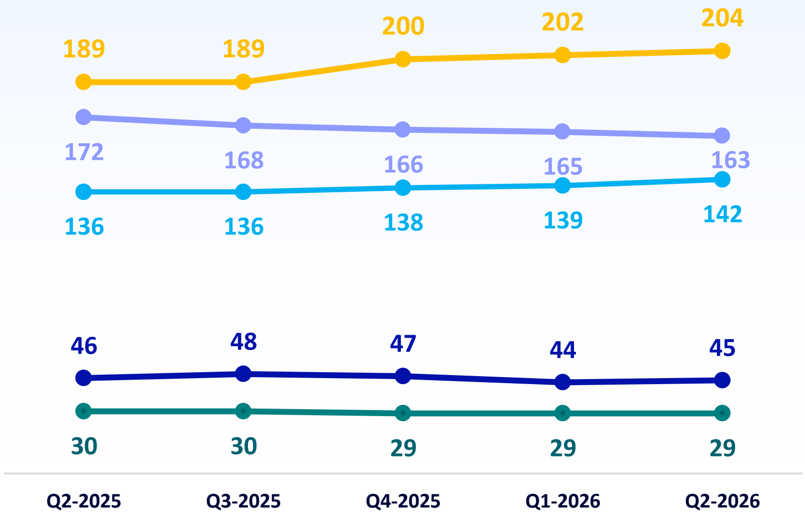
Bezeq Group

Key Quarterly Operational Metrics

Subscribers (end of period, in thousands)



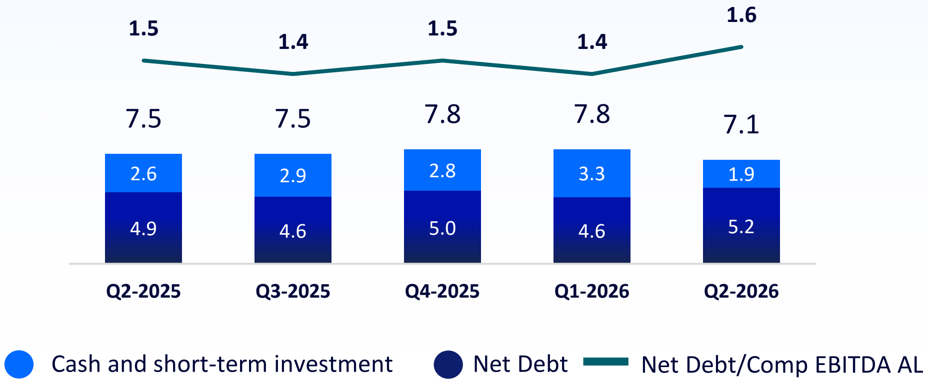
ARPU (NIS)



Cellular Telephony Retail broadband Wholesale broadband yes ARPU yes TV

Financial Debt

Financial Debt (NIS billion)



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

Net debt/ Comp EBITDA AL ratio

1.6x

Increase in Net Debt

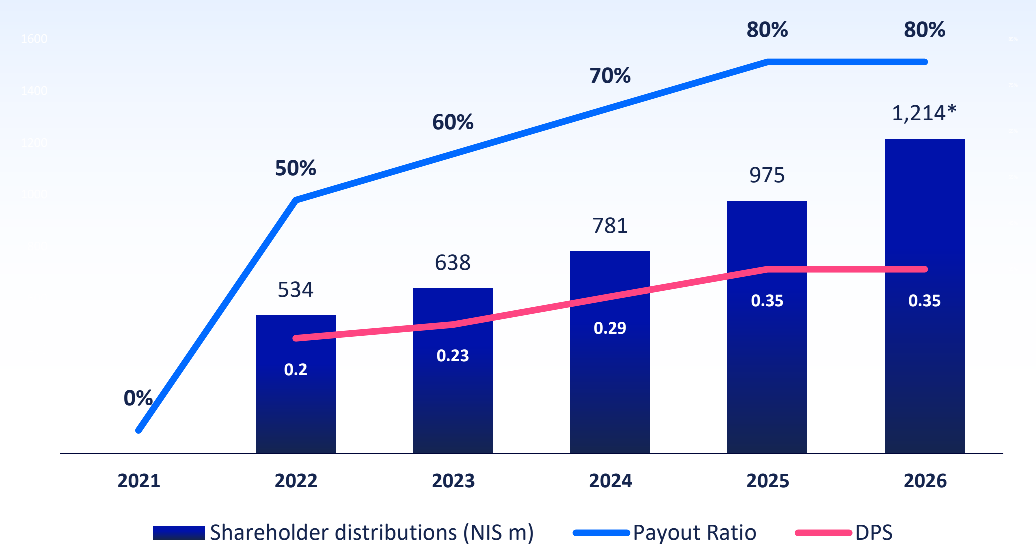
Increase of NIS 303 million, or **6.2%,** to NIS 5.2 billion

Debt ratings

Midroog (An affiliate of Moody's)	Outlook: **Stable**	Rating: **Aa2.il**
S&P Global	Outlook: **Stable**	Rating: **ilAA**

Shareholder Remuneration

- Board of directors recommended a dividend distribution of NIS 415 million (NIS 0.15 per share), representing 80% of H1-2026 net profit
- In addition, the Company will launch a new share repurchase plan of NIS 100 million, as part of its multi-year program of NIS 800 million



*Including Dividends and Share Repurchase (Dividend of NIS 415m, pending shareholder approval)

Bezeq Group

2026 Outlook (Unchanged)

	2025 Performance	2026 Outlook[1]
Comp EBITDA	NIS 3.74 billion	**NIS 3.7 – 3.8 billion**
Comp Net Profit	NIS 1.09 billion	**NIS 1.0 – 1.1 billion**
CapEx	NIS 1.68 billion	**NIS 1.6 billion**

[1] The Company will report, as required, deviations of more/less than 10% of the midpoint of the Outlook range, where a range exists

Bezeq Group

Financial targets 2029

	2025 Performance	2029 Targets
Core Revenues	NIS 8.0 billion	**NIS 8.7 – 8.9 billion**
Comp EBITDA[(1)]	NIS 3.7 billion	**NIS 4.2 – 4.4 billion**
Gross CapEx	NIS 1.7 billion	**NIS 1.5 – 1.6 billion**
Comp EBITDA[(1)] – CapEx	NIS 2.1 billion	**NIS 2.65 – 2.85 billion**
Comp Net Profit [(1)]	NIS 1.1 billion	**CAGR of >8%**
FCF (After leases)	NIS 1.1 billion	**CAGR of >10%**
Financial stability	AA Credit Rating	**Maintain high credit rating within the AA group**
Shareholder remuneration	NIS 975 million[(2)]	**Strive to increase shareholder remuneration**

[(1)] After adjusting for other operating expenses/income, net, the overall impact of losses/gains from impairment/increase in value of assets and stock-based compensation

[(2)] Total dividend paid in 2025

Bezeq Group

Operational targets 2029

	2025 Performance	2029 Targets
Full-time equivalents	8,354	Decrease of ~14%
Fiber deployment	~2.9 homes passed	~3.5 homes passed
Fiber take-up	~34% (retail + wholesale)	~43% (retail + wholesale)
Broadband retail ARPU	~NIS 136	~NIS 150
% fiber subs with speeds above 1 Gbps	~13%	~50%
Pelephone ARPU	~NIS 46	~NIS 50
5G subscriber plans	~59% of postpaid subscribers	~85% of postpaid subscribers
5G MAX Subscriber plans	~140k	~450k
5G sites	~50% of total network	~90% of total network
yes ARPU	~NIS 192	~NIS 215
yes TV + fiber subscribers	~21% of total subscribers	~50% of total subscribers

Q2-2026 Summary

Core revenue growth
Core revenues grew 1.9% to NIS 998 million, driven by higher revenues from transmission and data communications, cloud & digital services and infrastructure projects

Higher Comp EBITDA and Comp Net Profit
Comp EBITDA increased 6.1% to NIS 682m, Comp Net Profit grew 20%, mainly driven by higher revenues and lower operating and financing expenses

Fiber subscriber growth
Retail fiber subscribers totaled 655k with 4.4% growth in retail broadband ARPU to NIS 142

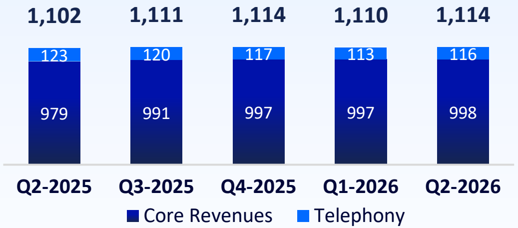
Continued fiber deployment
Fiber deployment reached 3.03m homes passed with total fiber subscribers (retail and wholesale) of 1.06 million, or 72% of total broadband subscribers; Take-up reached 35%

Bezeq Fixed Line

Q2-2026 Key Financial Highlights | NIS million

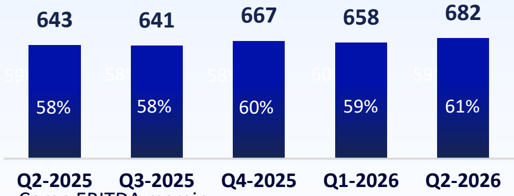
Revenues

1.9% (1)



Comp EBITDA

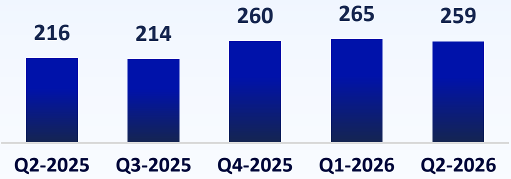
6.1%



% - Comp EBITDA margin

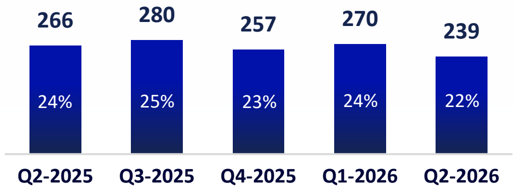
Comp Net Profit

20%



CapEx

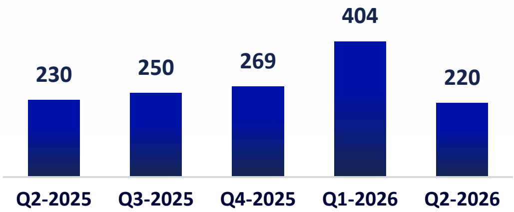
10%



% - CapEx/Sales margin

Free Cash Flow

4.3%



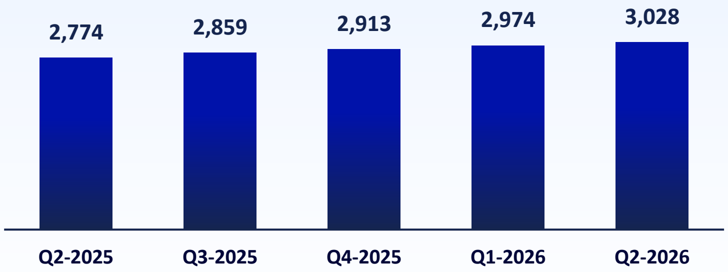
- **Core revenue growth** driven by higher revenues from transmission and data communications, cloud & digital services and infrastructure projects
- Higher **Comp EBITDA** and **Comp Net Profit** driven by higher revenues and lower operating and financing expenses
- **Free cash flow** in H1-2026 was NIS 624m, compared to NIS 450m in the corresponding quarter

(1) % change in core revenues

Continued Fiber Deployment and Take-Up Focus

Homes Passed (thousands)

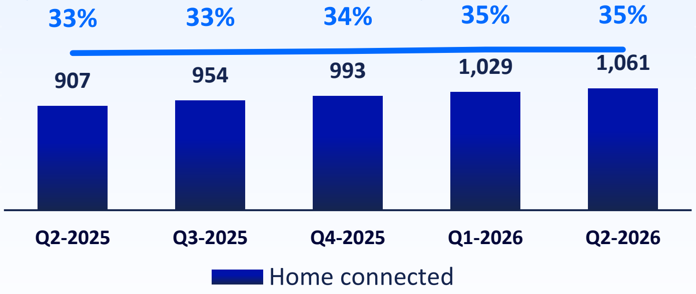
9.2%



Total Fiber Take-Up

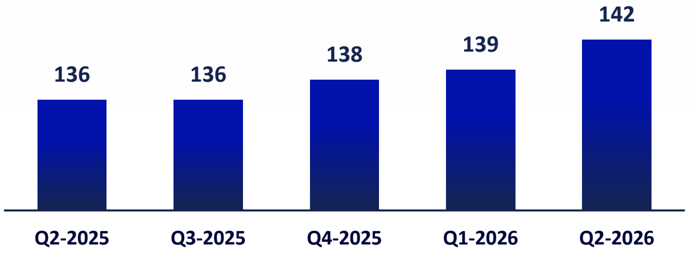
(thousands, Retail and Wholesale)

17%



Retail Broadband ARPU

4.4%

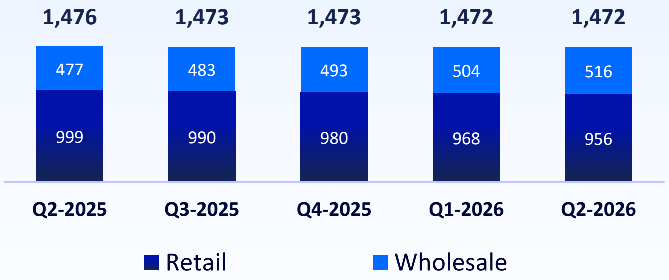


- Homes passed of over 3 million
- Over 1 million active subscribers on Bezeq's fiber network
- Continued growth in broadband ARPU

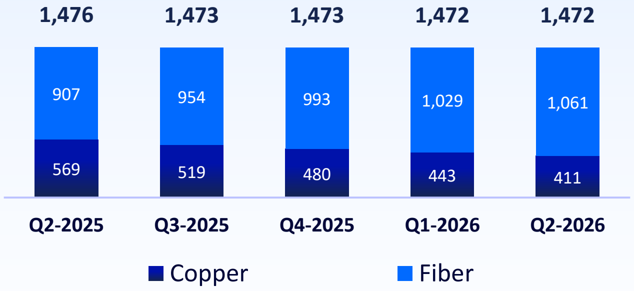
Bezeq Fixed Line

Fiber Take-Up – Retail and Wholesale

Retail vs. Wholesale (Thousands)

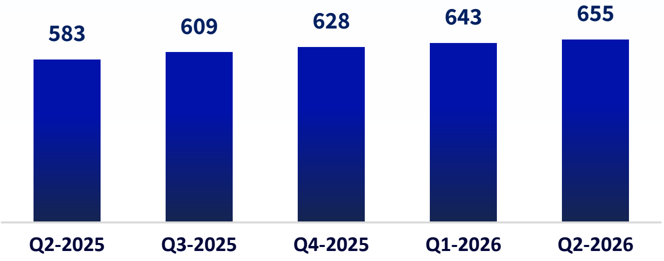


Fiber vs. Copper (Thousands)

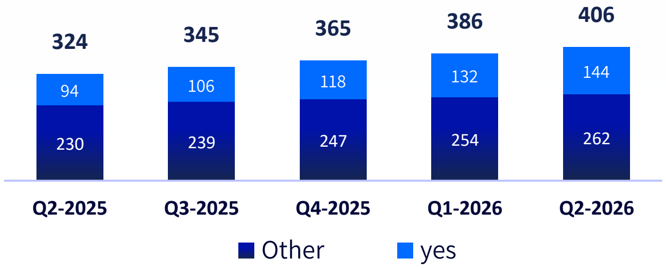


- Fiber subscribers represent 69% of total retail subscribers

Total Retail Fiber Take-Up (Thousands)



Total Wholesale Fiber Take-Up (Thousands)



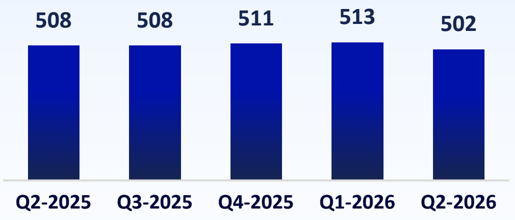
- 25% growth in wholesale fiber subscribers year-over-year

Bezeq Fixed Line

Q2-2026 Revenues | NIS million

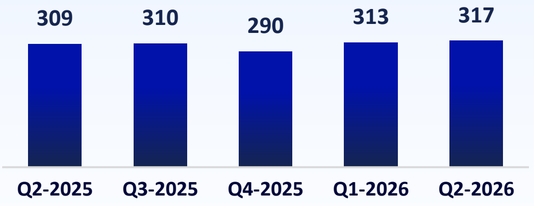
Broadband Revenues

1.2% ▼



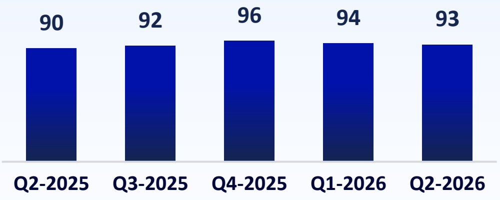
Transmission & Data

2.6% ▲



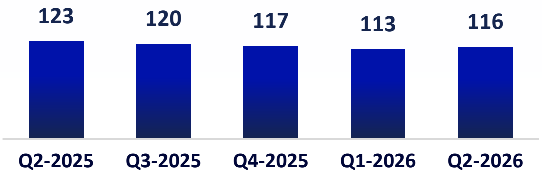
Cloud & Digital

3.3% ▲



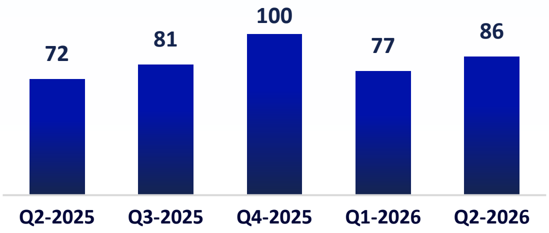
Telephony

5.7% ▼



Other

19% ▲

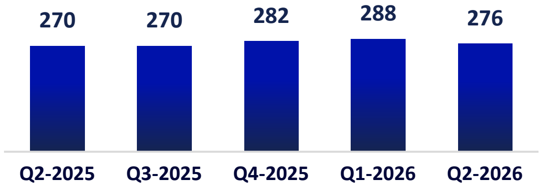


- **Broadband revenues** were impacted by the MOC decrease in wholesale tariffs in Q2-2026
- **Transmission & data growth** driven by higher revenues from metro transmission services
- **Cloud & digital growth** driven by higher revenues from virtual exchanges and cloud services
- **Telephony revenues** were impacted by the cancellation of interconnect fees in June 2025
- **Other income** was positively impacted by higher revenues from infrastructure projects

Q2-2026 Operating Expenses | NIS million

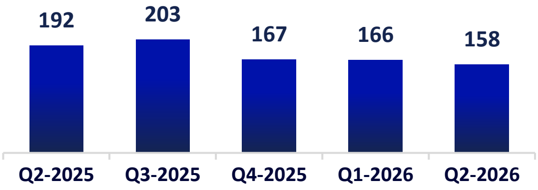
Salaries

2.2% ▲



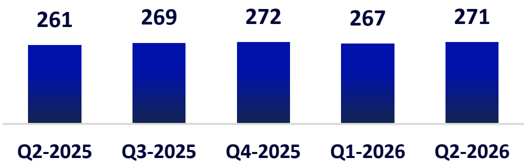
Operating Expenses

18% ▼

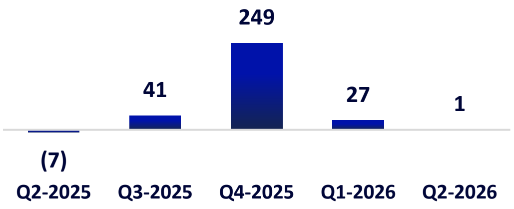


Depreciation & Amortization

3.8% ▲



Other Expenses (Income)



- **Decrease in operating expenses** due to lower expenses for fiber installation and materials, among others
- **Other expenses** were impacted by the cancellation of provisions for legal claims in the corresponding quarter

Pelephone

Q2-2026 Summary

Limited impact of war on key financial metrics
Growth in revenues, Comp EBITDA and Comp Net Profit despite the impact of the war with Iran on roaming revenues

Increase in subscribers
- **Postpaid subscribers** grew by 21k
- **5G postpaid subscriber** plans grew by 48k reaching 1.49m[1] (63%[1] of postpaid subscribers)
- **5G MAX** subscriber plans continued to grow reaching 217k[1] Pelephone expects to reach ~300k 5GMAX subscribers by the end of 2026

Decrease in ARPU due to impact of war
ARPU in Q2-2026 was NIS 45, a Y-o-Y decrease of 2.2%, or NIS 1

Continued streamlining
Employee agreement to retire 150 employees in next three years

Mergers and acquisitions
MOU signed for the acquisition of Wecom

[1] As of reporting date

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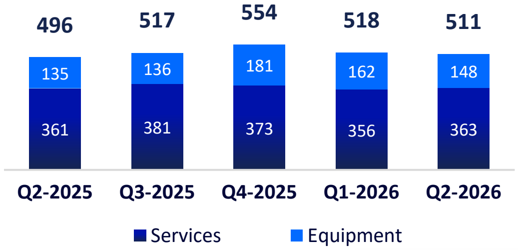
Q2-2026 Key Financial Highlights | NIS million

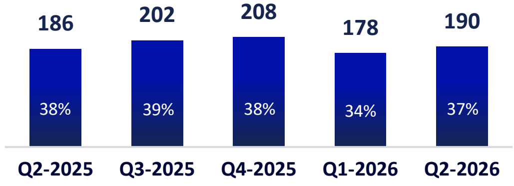
Revenues

3.0% ▲



Comp EBITDA

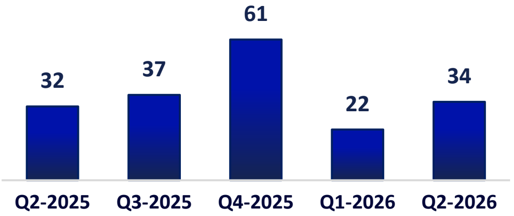
2.2% ▲



% - Comp EBITDA margin

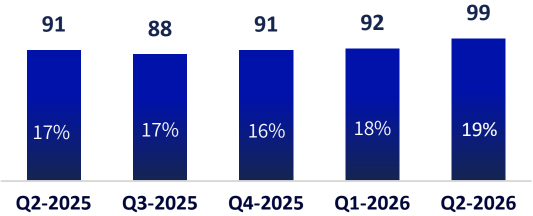
Comp Net Profit

6.3% ▲



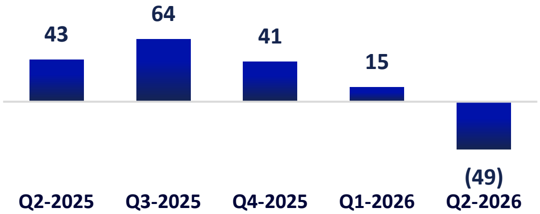
CapEx

8.8% ▲



% - CapEx/Sales margin

Free Cash Flow



- **Revenues, Comp EBITDA** and **Comp Net Profit** grew despite the impact of the war with Iran on roaming revenues
- **Free cash flow** was impacted by changes in working capital, mainly from payments to employees due to the signing of a new collective agreement and the timing of end-user equipment procurement

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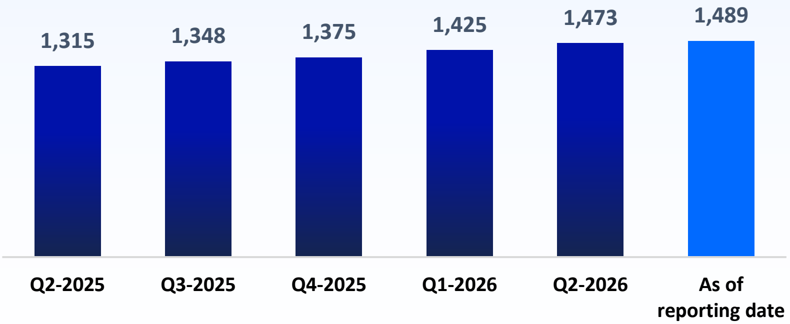
Growth in Cellular Subscribers and 5G Plans

Postpaid Subscribers on 5G Plans (Thousands)

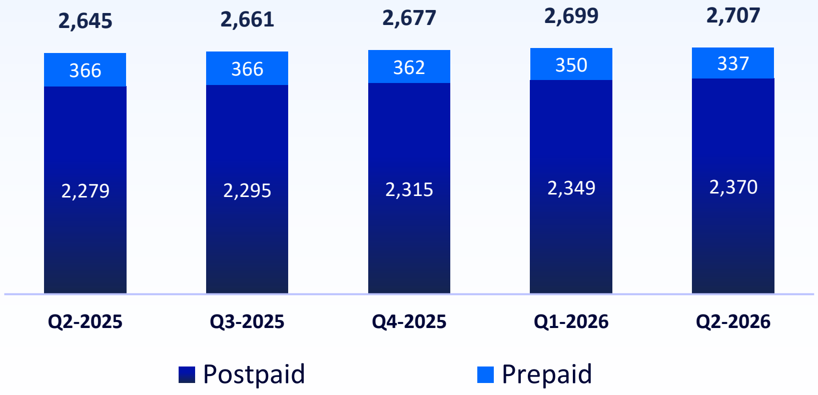
12% ▲



+ 5G postpaid subscriber plans were 63% of postpaid subscribers today

Subscribers (Thousands)

2.3% ▲



+ Continued growth in postpaid subscribers, including 5G

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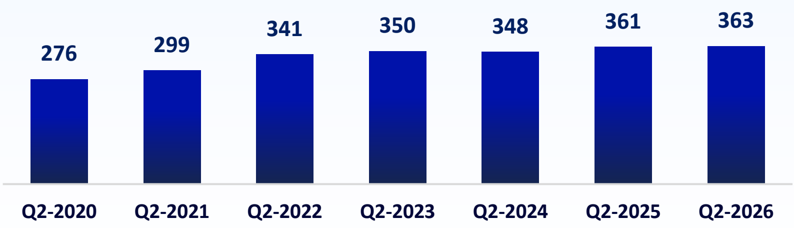
Service Revenues and ARPU

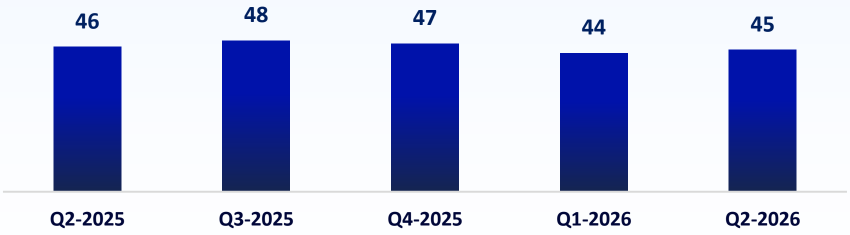
0.6%

2.2%

Comparison of Service Revenues in Q2 (Millions)



ARPU (NIS)



+ **Increase in service revenues despite lower roaming revenues due to the war with Iran**

yes. Q2-2026 Summary

Revenue growth

Revenues grew 8.7% to NIS 348m, recording the highest quarterly revenues since Q4-2018, driven by higher revenues from the TV + Bezeq fiber bundle as well as revenues from the Partner transaction

Comp EBITDA and Comp net profit growth

- Second consecutive quarter of Comp net profit
- Q2-2026 is the first quarter to reflect the full impact of the migration from satellite broadcasting
- Record quarterly Comp EBITDA and Comp net profit since Q2-2023

Record ARPU

ARPU grew NIS 15 year-over-year to NIS 204 driven by an increase in TV + fiber subscribers and revenues from the Partner transaction

Subscriber growth

- Continued growth in fiber subscribers reaching 149k[1], 29%[1] of total IP subscribers
- TV subscribers were 563k, an increase of 1k year-over-year
- Continued migration from satellite to IP with 508k[1] IP customers (90% of total subscribers) [1]

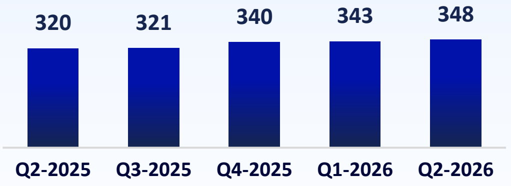
[1] As of reporting date

yes.

Q2-2026 Key Financial Highlights | NIS million

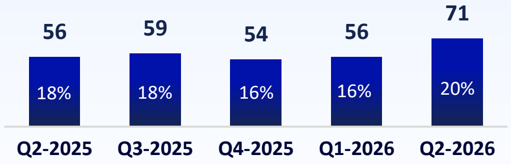
Revenues

8.7% ▲



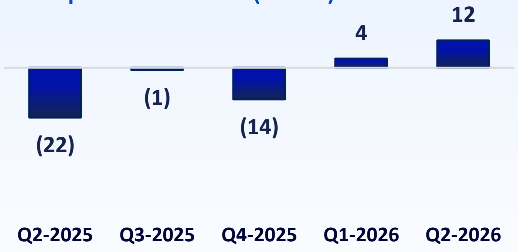
Comp EBITDA

27% ▲



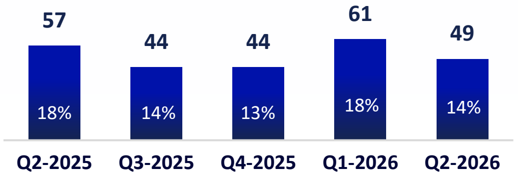
% - Comp EBITDA margin

Comp Net Profit (Loss)



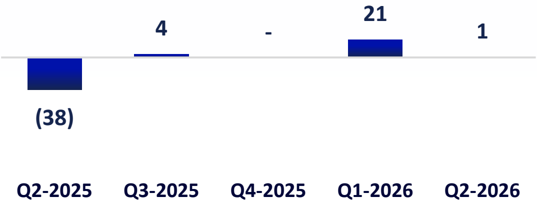
CapEx

14% ▼



% - CapEx/Sales margin

Free Cash Flow



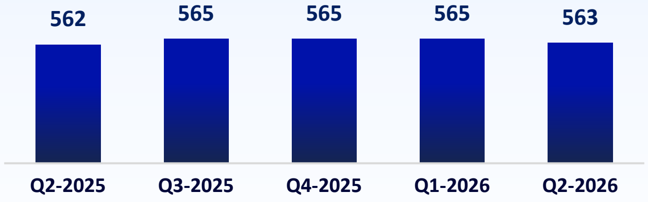
- **Record quarterly revenues since Q4-2018,** driven by higher revenues from the TV + Bezeq fiber bundle as well as revenues from the Partner transaction
- **Record Comp EBITDA** and **Comp Net Profit** since Q2-2023, driven by higher revenues and lower expenses
- **Free cash flow** was impacted by higher profits and changes in working capital

yes.

Key Operational Metrics

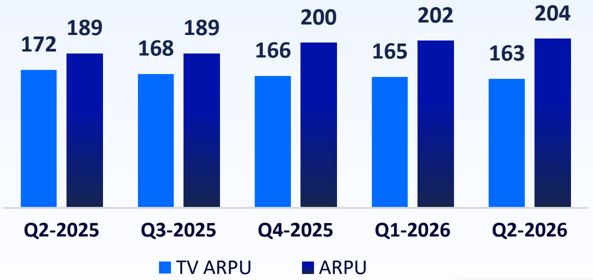
Subscribers (Thousands)

0.2%



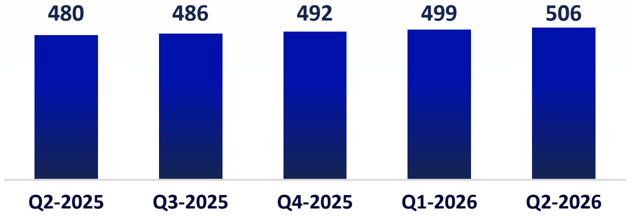
ARPU (NIS)

7.9%(1)



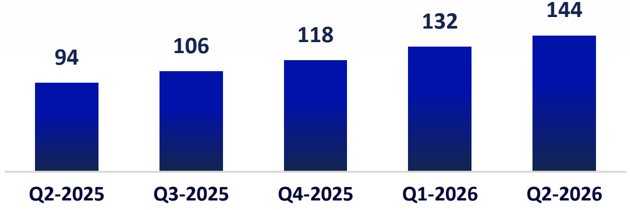
IP Subscribers (Thousands)

5.4%



Fiber Subscribers (Thousands)

53%



- 1k increase in TV subscribers year-over-year
- NIS 15 growth in ARPU driven by increase in TV + fiber subscribers and revenues from the Partner transaction
- Continued growth in IP subscribers to 90% of yes subscribers(2)
- Fiber subscribers grew 50k year-over-year, representing the highest subscriber growth since yes began offering TV+ fiber bundles

(1) % change in yes ARPU
(2) As of reporting date

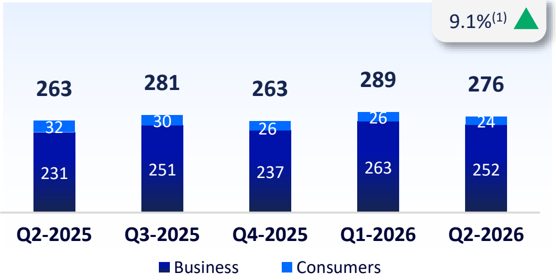
INTERNATIONAL TECH

Q2-2026 Summary

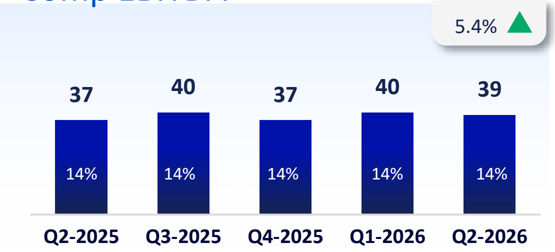
Revenue growth
Revenues from business customers grew 9% to NIS 252m, due to higher revenues from sales of equipment and cloud activities

Growth in Comp EBITDA and Comp Net Profit
Comp EBITDA grew 5.4% to NIS 39m and Comp Net Profit totaled NIS 11m compared to NIS 3m in the corresponding quarter. Growth in both metrics was primarily due higher revenues

Revenues



Comp EBITDA



% - Comp EBITDA margin

(1) % change in revenues from business customers

Thank You!

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