



BEZEQ GROUP REPORTS FOURTH QUARTER & FULL YEAR 2024 FINANCIAL RESULTS

Holon, Israel – March 12, 2025 – Bezeq – The Israeli Telecommunications Corp., Ltd. (TASE: BEZQ), Israel's leading telecommunications provider, today announced its financial results for the three months and year ended December 31st, 2024. Details about the investor earnings presentation webcast to be held today are included below in this press release.

Bezeq Group FY 2024 Financial Highlights¹

- Core revenues² increased 1.3%; Adjusted EBITDA³ decreased 2.6% to NIS 3.72 billion; Adjusted Net Profit³ totaled NIS 1.27 billion, down 4.7%. Adjusted EBITDA was mainly impacted by the decrease in roaming revenues due to the war as well as the decrease in telephony revenues
- Adjusted Net profit in the fourth quarter of 2024 rose 23.3% to NIS 365 million and Adjusted EBITDA increased 5.9% to NIS 974 million, due to the reversal of the provision for the universal fiber fund, among others
- Double-digit growth in strategic growth drivers: 43% in fiber subscribers, 20% in 5G subscriber plans and 20% in yes IPTV subscribers
- Strengthening of group infrastructure: fiber deployment to over 2.6 million households with 32% take-up; 5G subscribers represent 55% of total postpaid subscribers and 84% of yes customers watching TV through IP broadcasting today
- Board of Directors upgraded its dividend policy to 80% of net profits, and recommended a distribution of NIS 392 million, or 14.1 agorot per share, representing a dividend yield of ~5% on an annual basis

Tomer Raved, Bezeq Chairman, stated: "Over the past year, we received further proof of the resilience, relevance and stability of the Group. Together with the continued execution of our strategy, we have clearly demonstrated our commitment to the Israeli public and security forces. Despite the challenges that Israel faced in the past year, we have delivered double-digit growth across our key growth engines. Additionally, we continued to rapidly and efficiently expand our fiber-optic network, now reaching over 2.6 million households. We expect to complete the deployment to 2.9 million households in the coming months. There is no doubt that our investment in advanced infrastructure

¹ Q4-2024 and FY-2024 results in this earnings release are presented in comparison to Q4-2023 and FY-2023 results, respectively, unless otherwise stated

² Group revenues excluding Bezeq Fixed-Line telephony revenues, Pelephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues

³ Adjusted EBITDA and Adjusted Net Profit figures are presented after adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation



Press Release

has proven its value, as seen also in Pelephone's growing demand for 5G services and the successful migration from satellite to internet-based services at yes.

Given the progress in our strategic initiatives and the solid performance across all growth engines, we are updating our medium-term targets, now expecting an average annual growth of at least 2% in both core revenues and Adjusted EBITDA, while reducing capital expenditures. Additionally, we anticipate free cash flow to grow at an average of 7%-9% in the coming years. We remain committed to focusing our investments on the Group's growth drivers while maintaining financial strength that will enable us to continue generating value for our shareholders in the years ahead."

Tobi Fischbein, Bezeq Group CFO, commented: "As I conclude my tenure after four years as Group CFO, I look back with great satisfaction at the significant achievements we have accomplished together. The Group is now in a stronger financial position, with a solid balance sheet and a robust cash flow. We have invested in infrastructure that is expected to bear fruit in the coming years, while maintaining strict financial discipline. I would like to thank all the outstanding professionals I had the privilege of working with, both within the Group and externally, throughout these years and for their trust and support along the way. I am confident that the Bezeq Group will realize its potential. I leave the company knowing it is in good hands, with a professional and dedicated team that will continue to lead it forward."

Bezeq Group Results (Consolidated)

	<u>Q4 2024</u>	<u>Q4 2023</u>	<u>% change</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>% change</u>
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Revenues (reported)	2,203	2,231	(1.3%)	8,884	9,103	(2.4%)
Core revenues ¹	1,952	1,904	2.5%	7,733	7,637	1.3%
Operating profit	332	380	(12.6%)	1,652	1,779	(7.1%)
EBITDA	797	851	(6.3%)	3,496	3,646	(4.1%)
Adjusted EBITDA ²	974	920	5.9%	3,716	3,817	(2.6%)
Adjusted EBITDA margin	44.2%	41.2%		41.8%	41.9%	
Net profit	210	238	(11.8%)	1,073	1,189	(9.8%)
Adjusted net profit ²	365	296	23.3%	1,265	1,328	(4.7%)
Diluted EPS (NIS)	0.08	0.09	(11.1%)	0.39	0.43	(9.3%)
CapEx (gross)	465	445	4.5%	1,742	1,708	2.0%
Free cash flow ³	260	313	(16.9%)	1,271	1,302	(2.4%)
Net debt	4,945	5,195	(4.8%)	4,945	5,195	(4.8%)

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

² Adjusted EBITDA and adjusted net profit exclude other operating income/expenses, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation

³ Free cash flow is defined as cash flow from operating activities less net payments for investments and leases

Revenues in 2024 amounted to NIS 8.88 billion, down 2.4%. **Core Revenues** (Group revenues excluding Bezeq Fixed-Line telephony revenues, Pelephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues) in 2024 increased 1.3%, to NIS 7.73 billion, mainly due to higher core revenues in Pelephone and Bezeq Fixed-Line. Core revenues in the fourth quarter amounted to NIS 1.95 billion, up 2.5%.

EBITDA in 2024 amounted to NIS 3.50 billion, down 4.1%. **Adjusted EBITDA** in 2024 was NIS 3.72 billion (Adjusted EBITDA margin of 41.8%), down 2.6%, mainly due to lower telephony revenues resulting from the MOC tariff reduction and the impact of the war on roaming revenues. After adjusting for the war impact on roaming revenues, Adjusted EBITDA would have decreased by 1.8%. Adjusted EBITDA in the fourth quarter amounted to NIS 974 million (Adjusted EBITDA margin of 44.2%), up 5.9%.



Net profit in 2024 totaled NIS 1.07 billion, down 9.8%. **Adjusted Net Profit** in 2024 was NIS 1.27 billion, down 4.7%. After adjusting for the war impact on roaming revenues, Adjusted Net Profit would have decreased by 2.9%. Adjusted Net Profit in the fourth quarter totaled NIS 365 million, up 23.3%.

Free cash flow in 2024 was NIS 1.27 billion, down 2.4%. Free cash flow in the fourth quarter was NIS 260 million, down 16.9%.

Net financial debt of the Group amounted to NIS 4.95 billion as of December 31, 2024, compared to NIS 5.20 billion as of December 31, 2023, a decrease of 4.8%. The Group's net financial debt to Adjusted EBITDA ratio was 1.5 times as of December 31, 2024, compared to 1.6 times as of December 31, 2023.

Dividends

The Company's Board of Directors decided to upgrade its dividend policy, according to which the Company will distribute to its shareholders on a semi-annual basis, a cash dividend of 80% of the semi-annual profit (after tax) based on the Company's consolidated financial statements, starting with the upcoming distribution that corresponds to the second half of 2024.

Further to the upgrade of the dividend policy, the Company's Board of Directors decided to recommend to the General Meeting of Shareholders a dividend distribution in a total amount of NIS 392 million, which as of the date of the approval of this resolution equaled to NIS 0.14 per share. The effective date and the ex-dividend date will be on May 7th, 2025, while the payment day will be made on May 14th, 2025.



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2025 Guidance

Based on the information known to the Bezeq Group today, the Group's Outlook for 2025 is as follows:

	2024 Guidance (as of March 2024)	2024 Performance	2025 Guidance
Adjusted net profit ⁽¹⁾	Approx. NIS 1.2 billion	NIS 1.27 billion	Approx. NIS 1.2 billion
Adjusted EBITDA ⁽¹⁾	Approx. NIS 3.8 billion	NIS 3.72 billion	Approx. NIS 3.7 billion
CapEx ⁽²⁾	NIS 1.8 – 1.9 billion	NIS 1.74 billion	Approx. NIS 1.75 billion
Financial Stability	Maintain High Credit Rating, within the AA group	Rating upgrade from AA minus to AA	Maintain High Credit Rating, within the AA group
Fiber deployment (Homes Passed)	2.5 million	2.57 million	2.9 million

(1) 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.

(2) CapEx – gross payments for investments in fixed and intangible assets.

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



Bezeq

Group Targets for the Mid-term

Press Release

	2024 Performance	Mid-term Targets Mar 2024	Mid-term Targets Mar 2025
Core revenues⁽¹⁾	NIS 7.73 billion		CAGR of 2%-3%
Adjusted EBITDA⁽¹⁾	NIS 3.72 billion	CAGR of 1.5%-2.0% in Adjusted EBITDA with 42%-44% margin	CAGR of 2.0% in Adjusted EBITDA with 43%-45% margin
CapEx⁽²⁾	NIS 1.74 billion	16%-18% CapEx/Sales	Unchanged
Adj. EBITDA less CAPEX	NIS 1.97 billion	Increase of NIS 400-500 million	Increase of NIS 500 million
Free Cash Flow⁽³⁾	NIS 1.27 billion	CAGR of 7% - 9%	Unchanged
Financial Stability	Maintain High Credit Rating within the AA group (Unchanged)		
Dividend		Strive to increase dividend payout, subject to maintaining credit rating in the AA group	Unchanged
Fiber take-up	32%	Take-up of 40% (retail + wholesale)	Unchanged
Broadband retail ARPU	NIS 130	>NIS 140	Unchanged
Telephone ARPU	NIS 45	NIS 45-50	Unchanged
yes ARPU Subscribers	NIS 185		NIS 190-195⁽⁴⁾

(1) 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.



- (2) CapEx – gross payments for investments in fixed and intangible assets
- (3) Free Cash Flow – cash flow from operating activities less net payments for investments and leases
- (4) ARPU TV of NIS 155-160 provided in March 2024 is unchanged

The Company does not undertake to update on a regular basis or otherwise its targets or such and other changes that will apply to the targets or actual results in relation to the targets.

The Company's forecasts and targets in these sections are forward-looking information, as defined in the Securities Law. Forecasts are based on the Company's estimates, assumptions and expectations.

The Group's forecasts and targets 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 2025 and in the mid-term, as relevant. Actual results may differ from these estimates considering changes that may occur in the future business conditions, and the effects of regulatory decisions, technology changes and developments in the structure of the telecommunications market, and so forth, as well as the realization of one or more of the risk factors listed in the Periodic Report of 2024. In addition, the forecasts may change depending on the duration, intensity and scope of the war.

Regarding the Company's targets, given that this is a reference to the mid-term and there is difficulty in predicting the Company's results and market performance in the mid-term, there is no certainty that the Company's targets will be fully or partially met. Moreover, targets do not purport to be forecasts and should not be called as such.

Bezeq Fixed-Line Results

- **Fixed-Line core revenues⁴ grew 1.0% to NIS 3.8 billion in FY 2024**
- **Retail broadband subscribers reached 521k; total broadband subscribers grew by 245k (154k retail and 91k wholesale) to 850k take-up (32%) today**
- **Retail broadband ARPU grew 6.4% to NIS 133 in Q4-2024**

Nir David, Bezeq CEO, stated, "Our 2024 results reflect the continued success of our strategy, focused on our core business operations, driving innovation, investments in advanced infrastructures and delivering high-quality customer service. Bezeq remains Israel's leading telecommunications provider, demonstrating solid growth across its core segments.

We reached 850k fiber-optic subscribers today, achieving a 32% take-up rate, which positions us at the forefront of the market while continuing to increase ARPU. Looking ahead, we are preparing for upcoming advancements, including artificial intelligence and new network technologies, while continuing to invest in advanced technological solutions, cutting-edge customer equipment, and expanding key areas such as cybersecurity and information security. We remain a key player in the business sector and the broader industry.

As a critical national infrastructure provider, Bezeq operates with a strong sense of responsibility to ensure high-quality service for the people of Israel. The past year, marked by the Iron Swords war, has once again underscored the exceptional dedication of Bezeq employees, who worked tirelessly

⁴ Total fixed-line revenues excluding telephony revenues



Press Release

to guarantee uninterrupted and reliable service for all. We take great pride in our team and remain committed to strengthening Israel's telecommunications infrastructure while upholding the highest standards of technological and service excellence.”

Bezeq Fixed-Line – Financial data	Q4 2024	Q4 2023	% change	FY 2024	FY 2023	% change
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Total revenues	1,071	1,087	(1.5%)	4,342	4,412	(1.6%)
Core revenues ¹	943	943	0.0%	3,798	3,762	1.0%
Broadband Internet	504	494	2.0%	1,999	1,947	2.7%
Transmission and data	292	298	(2.0%)	1,179	1,163	1.4%
Telephony	128	144	(11.1%)	544	650	(16.3%)
Cloud & digital services	87	86	1.2%	348	349	(0.3%)
Other revenues	60	65	(7.7%)	272	303	(10.2%)
Operating profit	303	320	(5.3%)	1,438	1,451	(0.9%)
EBITDA	563	580	(2.9%)	2,461	2,470	(0.4%)
Adjusted EBITDA ²	656	637	3.0%	2,576	2,618	(1.6%)
Adjusted EBITDA margin	61.3%	58.6%		59.3%	59.3%	
Net profit	193	199	(3.0%)	906	901	0.6%
Adjusted net profit ²	265	243	9.1%	997	1,016	(1.9%)
CapEx (gross)	303	290	4.5%	1,139	1,122	1.5%
Free cash flow ³	285	251	13.5%	1,184	1,133	4.5%

¹ Total fixed-line revenues excluding telephony revenues

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

³ Free cash flow is defined as cash flow from operating activities less net payments for investments and leases

Bezeq Fixed-Line – KPIs	<u>Q4 2024</u>	<u>Q3 2024</u>	<u>Q4 2023</u>
Total broadband lines (retail and wholesale, end of the period, in thousands)	1,479	1,486	1,495
Of which: Total fiber optic subscribers (retail and wholesale, in thousands)	810	759	565
Total retail broadband lines (fiber and copper, end of the period, in thousands)	1,008	1,012	1,028
Of which: Retail fiber optic subscribers (in thousands)	521	483	367
Total wholesale broadband lines (end of the period, in thousands)	471	474	467
Of which: Wholesale fiber optic subscribers (in thousands)	289	276	198
Fiber optics deployed – Homes passed (end of the period, in thousands)	2,571	2,448	2,070
Average monthly revenue per broadband Internet subscriber (NIS) – Retail	133	131	125
Average broadband bandwidth per subscriber (Mbps)	526	483	341

Revenues in 2024 were NIS 4.34 billion, down 1.6%. **Fixed-Line core revenues** (total revenues excluding telephony revenues) in 2024 increased 1.0% to NIS 3.80 billion, due to higher revenues from broadband services and transmission and data communications. Core revenues in the fourth quarter amounted to NIS 943 million, in-line with the corresponding quarter.

EBITDA in 2024 was NIS 2.46 billion, down 0.4%. **Adjusted EBITDA** in 2024 totaled NIS 2.58 billion (Adjusted EBITDA margin of 59.3%), down 1.6%, mainly due to lower telephony revenues resulting from the MOC tariff decrease. Adjusted EBITDA in the fourth quarter was NIS 656 billion (Adjusted EBITDA margin of 61.3%), up 3.0%, mainly due to the reversal of the provision for the universal fiber fund.

Net Profit in 2024 was NIS 906 million, up 0.6%. **Adjusted Net Profit** in 2024 amounted to NIS 997 million, down 1.9%. Adjusted Net Profit in the fourth quarter was NIS 265 million, up 9.1%.

Free cash flow in 2024 was NIS 1.18 billion, up 4.5%, primarily due timing differences in working capital. Free cash flow in the fourth quarter was NIS 285 million, up 13.5%.

Subsidiary results

Ilan Sigal, CEO of Pelephone and yes, stated, "Investments made in growth engines and innovation are reflected in our results, reinforcing our market leadership position. At Pelephone, we continued to be the leaders in the 5G subscriber market in Israel with a year-over-year increase in quarterly ARPU. We delivered growth in services and equipment revenues as well as in our profitability metrics in the quarter. In 2024 we recorded the highest revenues of the past six years. Investments in network core infrastructure and 5G deployment, together with innovation in services and products, have enabled us to continue growing and leading the 5G market in Israel.

At yes, our efforts were focused on bundled fiber and television packages and continued to grow, serving over 80k fiber customers today. We recorded a year-over-year increase in quarterly ARPU from subscribers, with stable revenues and subscriber numbers for the quarter. We continue to lead the IPTV market with over 473k IP customers today, representing approximately 90% of our private customer base."

Pelephone Results⁵

- **Highest revenues in six years reaching NIS 2.02 billion, up 2.2%. Service revenues increased 1.3% and equipment revenues rose 4.4%**
- **Strong Q4-2024 due to significant improvement in roaming revenues: revenues grew 8.5%; Adjusted EBITDA rose 8.4% and Adjusted Net Profit grew 28.6%**
- **ARPU in Q4-2024 increased by NIS 3 year-over-year, to NIS 45**
- **5G subscriber plans grew by 208k, reaching approximately 1.3 million today. 5G subscriber plans represent 55% of postpaid subscribers**

⁵ Pelephone revenues and ARPU in this earnings release are presented excluding interconnect fees, unless stated otherwise

Telephone – Financial data	<u>Q4 2024</u>	<u>Q4 2023</u>	<u>% change</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>% change</u>
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Total revenues (exc. interconnect fees)	524	483	8.5%	2,021	1,977	2.2%
Service revenues (exc. interconnect fees)	355	330	7.6%	1,403	1,385	1.3%
Equipment revenues	169	153	10.5%	618	592	4.4%
Operating profit	42	37	13.5%	189	196	(3.6%)
EBITDA	187	175	6.9%	741	745	(0.5%)
Adjusted EBITDA ¹	193	178	8.4%	760	750	1.3%
Adjusted EBITDA margin	34.3%	31.7%		33.7%	31.9%	
Net profit	31	26	19.2%	138	159	(13.2%)
Adjusted net profit ¹	36	28	28.6%	154	164	(6.1%)
CapEx (gross)	76	90	(15.6%)	305	311	(1.9%)
Free cash flow ²	22	56	(60.7%)	99	133	(25.6%)

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

² Free cash flow is defined as cash flow from operating activities less net payments for investments and leases

Telephone – KPIs	<u>Q4 2024</u>	<u>Q3 2024</u>	<u>Q4 2023</u>
Total subscribers (end of period, in thousands)	2,633	2,639	2,618
Postpaid subscribers (end of period, in thousands)	2,257	2,251	2,202
Prepaid subscribers (end of period, in thousands)	376	388	416
5G subscriber plans (end of period, in thousands)	1,237	1,195	1,029
Average revenue per user, exc. interconnect fees (ARPU, NIS)	45	46	42
Churn rate	6.0%	5.8%	5.9%

Revenues from services in 2024 totaled NIS 1.40 billion, up 1.3%. Revenues from services benefitted from continued growth in 5G subscriber plans and postpaid subscribers, despite the impact of the war on roaming revenues estimated at NIS 65 million in 2024. Revenues from services in the fourth quarter was NIS 355 million, up 7.6%.



Revenues from equipment sales in 2024 were NIS 618 million, up 4.4%, driven by a higher number of handsets sold. Revenues from equipment sales in the fourth quarter were NIS 169 million, up 10.5%.

Total revenues (exc. interconnect fees) in 2024 were NIS 2.02 billion, up 2.2%, despite the aforementioned impact of the war on roaming revenues. Total revenues in the fourth quarter were NIS 524 million, up 8.5%.

EBITDA in 2024 was NIS 741 million, down 0.5%. **Adjusted EBITDA** in 2024 was NIS 760 million (Adjusted EBITDA margin of 33.7%), up 1.3%. After adjusting for the impact of the war on roaming revenues, Adjusted EBITDA would have increased by 5.3%. Adjusted EBITDA in the fourth quarter totaled NIS 193 million (EBITDA margin of 34.3%), up 8.4%.

Net profit in 2024 was NIS 138 million, down 13.2%. **Adjusted Net Profit** in 2024 was NIS 154 million, down 6.1%, mainly due to lower interest income from Bezeq and the impact of the war. After adjusting for the impact of the war on roaming revenues, Adjusted Net Profit would have increased by 7.7%. Adjusted Net Profit in the fourth quarter was NIS 36 million, up 28.6%.

Free cash flow in 2024 was NIS 99 million, compared to NIS 133 million 2023, mainly impacted by timing differences in working capital, including the timing of equipment payments. Free cash flow in the fourth quarter was NIS 22 million, compared to NIS 56 million in the corresponding quarter.

yes Results

- **Fourth quarter 2024: stable revenues reaching NIS 317 million; Adjusted EBITDA rose 37.3% to NIS 81 million; Adjusted Net Profit totaled NIS 60 million, up 150%, due to an update in the company valuation**
- **Continued growth in fiber subscribers with over 80k today; quarterly ARPU from Subscribers totaled NIS 186, a year-over-year increase of NIS 4**
- **Continued acceleration of migration from satellite to IP with over 473k customers watching TV through IP broadcasting (~90% of private subscribers as of today)**
- **Positive valuation for the first time in many years**

yes – Financial data	<u>Q4 2024</u>	<u>Q4 2023</u>	<u>% change</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>% change</u>
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Revenues	317	316	0.3%	1,265	1,309	(3.4%)
Operating profit (loss)	57	33	72.7%	40	94	(57.4%)
EBITDA	76	62	22.6%	195	260	(25.0%)
Adjusted EBITDA ¹	81	59	37.3%	206	257	(19.8%)
Adjusted EBITDA margin	25.6%	18.7%		16.3%	19.6%	
Net profit	55	27	103.7%	49	102	(52.0%)
Adjusted net profit (loss) ¹	60	24	150.0%	60	99	(39.4%)
CapEx (gross)	64	30	113.3%	222	181	22.7%
Free cash flow ²	(87)	(10)	770.0%	(70)	11	NM

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

² Free cash flow is defined as cash flow from operating activities less net payments for investments and leases

yes – KPIs	<u>Q4 2024</u>	<u>Q3 2024</u>	<u>Q4 2023</u>
Total number of TV subscribers (end of the period, in thousands)	562	563	574
IP subscribers (end of the period, in thousands)	467	452	392
Fiber customers (end of period, in thousands)	73	64	37
ARPU Subscribers, NIS ¹	186	187	182
Churn rate (%)	3.8%	4.3%	3.1%

¹ ARPU Subscribers is calculated by dividing yes' total revenue (excluding revenue from content sales to external broadcasters and revenue from terminal equipment) by the average number of relevant subscribers during the period.

Revenues in 2024 were NIS 1.27 billion, down 3.4%, primarily due to increased competition and the effect of non-billing customers in the line of conflict, estimated at NIS 20 million in 2024. Revenues were partially offset by higher revenues from the TV + Bezeq fiber bundle. Revenues in the fourth quarter were NIS 317 million, up 0.3%.



Press Release

EBITDA in 2024 was NIS 195 million, down 25.0%. **Adjusted EBITDA** in 2024 was NIS 206 million (Adjusted EBITDA margin of 16.3%), down 19.8%. Adjusted EBITDA in the fourth quarter was NIS 81 million (EBITDA margin of 25.6%), up 37.3%.

Net Profit in 2024 was NIS 49 million, down 52.0%. **Adjusted Net Profit** was NIS 60 million, down 39.4%. Adjusted Net Profit in the fourth quarter was NIS 60 million, up 150%.

Negative free cash flow in 2024 was NIS 70 million, compared to positive free cash flow of NIS 11 million, mainly due to lower profitability. Negative free cash flow in the fourth quarter was NIS 87 million, compared to NIS 10 million in the corresponding quarter, mainly due to timing differences in working capital and an increase in CapEx.

The number of **yes TV subscribers** as of December 31st, 2024, was 562k, a decrease of 1k compared to September 30th, 2024, and a decrease of 12k compared to December 31st, 2023.

Bezeq International TECH Results

- **Revenues were NIS 1.11 billion, a decrease of 8.8%, due to lower consumer and business ISP revenues as well as a decline in ILD revenues, partially offset by a 13.4% increase in revenues from cloud services, hosting, and business computing (ICT)**
- **Adjusted Net Profit increased 2.0% to NIS 52 million. Free cash flow totaled NIS 51 million, compared to NIS 26 million in 2023**

Ron Glav, CEO of Bezeq International TECH, commented, "We posted stable quarterly Adjusted EBITDA year-over-year, with an improving trend relative to previous quarters. Revenues from our main growth engines (ICT) rose by 13.4% in 2024 stemming from our focus on the business market and strategic initiatives".

Bezeq International – Financial data	<u>Q4 2024</u>	<u>Q4 2023</u>	<u>% change</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>% change</u>
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Revenues	285	304	(6.3%)	1,105	1,212	(8.8%)
Operating profit	(67)	(11)	509.1%	(16)	39	NM
EBITDA	(25)	34	NM	102	176	(42.0%)
Adjusted EBITDA ¹	48	48	0.0%	176	198	(11.1%)
Adjusted EBITDA margin	16.8%	15.8%		15.9%	16.3%	
Net profit	(69)	(14)	392.9%	(22)	29	
Adjusted net profit ¹	4	-	NM	52	51	2.0%
CapEx (gross)	27	37	(27.0%)	81	96	(15.6%)
Free cash flow ²	18	(2)	NM	51	26	96.2%

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

² Free cash flow is defined as cash flow from operating activities less net payments for investments and leases compensation

Revenues in 2024 totaled NIS 1.11 billion, down 8.8%, due to lower consumer and business ISP revenues as well as a decrease in ILD revenues, which were mainly offset by an increase of 13.4% in revenues from cloud, data center and business services (ICT). Revenues in the fourth quarter totaled NIS 285 million, down 6.3%.

EBITDA in 2024 was NIS 102 million, down 42.0%. **Adjusted EBITDA** in 2024 was NIS 176 million (Adjusted EBITDA margin of 15.9%), down 11.1%, mainly due to lower revenues. Adjusted EBITDA in the fourth quarter was NIS 48 million (Adjusted EBITDA margin of 16.8%), in-line with the corresponding quarter.

Net loss in 2024 was NIS 22 million, compared to net profit of NIS 29 million in 2023. **Adjusted Net Profit** in 2024 was NIS 52 million, up 2.0%. **Adjusted Net Profit** in the fourth quarter was NIS 4 million, compared to breakeven in Q4-2023. The difference between the reported net profit and the adjusted net profit in 2024 is explained by a one-time provision of NIS 70 million related to an employee retirement plan.

Free cash flow in 2024 was NIS 51 million, compared to NIS 26 million in 2023, mainly due to timing differences in working capital, lower CapEx and employee severance payments in the corresponding period. Free cash flow in the fourth quarter was NIS 18 million, compared to negative free cash flow of NIS 2 million in the corresponding quarter.



Conference Call & Webcast Information

Bezeq will conduct its Fourth Quarter & Full Year 2024 earnings webcast call on Wednesday, March 12, 2025, at 10:00 AM EST / 4:00 PM Israel time, hosted by Mr. Tomer Raved, Bezeq's Chairman, Mr. Nir David, Bezeq's CEO, Mr. Ilan Sigal, CEO of Telephone and yes and Mr. Tobi Fischbein, Bezeq Group's Chief Financial Officer. Participants are invited to join the webcast by clicking: <https://us06web.zoom.us/j/81617185434>

About "Bezeq" The Israeli Telecommunications Corp., Ltd.

Bezeq, Israel's leading telecommunications service provider, was established in 1984. The Company has led Israel into the new era of telecommunications by focusing on the most advanced technologies and services. Bezeq and its subsidiaries offer a full range of telecommunications services, including broadband Internet, other data communications, cloud and digital services, domestic and international phone services, cellular services, satellite and Internet-based multi-channel TV, and corporate networks.

For more information about Bezeq, please visit the corporate website at <http://ir.bezeq.co.il>.

This press release contains partial information from the public reports of Bezeq under the Israeli Securities Law, which can be accessed at the Israeli Securities Authority's website, www.magna.isa.gov.il. A review of this press release is not a substitute for a review of the detailed reports of Bezeq under the Securities Law and is not meant to replace or qualify them; rather, the press release is prepared merely for the convenience of the reader, with the understanding that the detailed reports are being reviewed simultaneously. No representation is made regarding the accuracy or completeness of the information contained herein.

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Investor Relations Contact:

Mr. Naftali Sternlicht
Bezeq
Phone: +972-50-530-5955
Email: ir@bezeq.co.il

Media Relations Contact:

Ms. Tali Tuval
Bezeq
Phone: +972-3-626-2600
Email: pr@bezeq.co.il

"Bezeq" The Israel Telecommunication Corp., Limited

Condensed Consolidated Interim Statements of Income

	2024	2023	2022
	NIS million	NIS million	NIS million
Revenues	8,884	9,103	8,986
Costs of activity			
General and operating expenses	3,257	3,374	3,389
Salaries	1,932	1,922	1,872
Depreciation, amortization, and impairment losses	1,844	1,867	1,868
Other operating expenses, net	199	161	220
Total operating expenses	7,232	7,324	7,349
Operating profit	1,652	1,779	1,637
Financing expenses (income)			
Financing expenses	446	408	424
Financing income	(196)	(164)	(123)
Financing expenses, net	250	244	301
Profit after financing expenses	1,402	1,535	1,336
Loss in investee company	8	-	-
Profit before income tax	1,394	1,535	1,336
Income tax	321	346	336
Profit for the period	1,073	1,189	1,000
Basic and diluted earnings per share (in NIS)	0.39	0.43	0.36



Press Release

"Bezeq" The Israeli Telecommunications Corp., Ltd.

Condensed Consolidated Interim Statements of Financial Position

	2024	2023
Assets	NIS million	NIS million
Cash and cash equivalents	784	563
Investments	1,917	1,205
Trade receivables	1,395	1,477
Other receivables	172	162
Inventory	162	82
Assets of a held for sale disposal group	83	-
Total current assets	4,513	3,489
Trade and other receivables	410	446
Right-of-use assets	1,762	1,870
Fixed assets	7,160	6,828
Intangible assets	948	941
Deferred expenses and non-current investments	368	304
Total non-current assets	10,648	10,389
Total assets	15,161	13,878

"Bezeq" The Israeli Telecommunications Corp., Ltd.

Condensed Consolidated Interim Statements of Financial Position (Contd.)		
	2024	2023
Liabilities and equity	NIS million	NIS million
Debentures, loans and borrowings	1,123	1,074
Current maturities of liabilities for leases	438	433
Trade and other payables	1,935	1,750
Employee benefits	400	332
Provisions	84	91
Liabilities of a held for sale disposal group	34	-
Total current liabilities	4,014	3,680
Loans and debentures	6,523	5,889
Liability for leases	1,530	1,608
Employee benefits	300	251
Derivatives and other liabilities	214	160
Liabilities for deferred taxes	46	64
Provisions	30	29
Total non-current liabilities	8,643	8,001
Total liabilities	12,657	11,681
Total equity	2,504	2,197
Total liabilities and equity	15,161	13,878

"Bezeq" The Israeli Telecommunications Corp., Ltd.

Condensed Consolidated Interim Statements of Cash Flows

	2024	2023	2022
	NIS million	NIS million	NIS million
Cash flows from operating activities			
Profit (loss) for the period	1,073	1,189	1,000
Adjustments:			
Depreciation and amortization	1,844	1,867	1,868
Capital gain, net	(17)	(2)	(8)
Financing expenses, net	269	258	351
Loss from investee company	8	-	-
Impairment loss of a held for sale disposal group	9	-	-
Stock-based compensation	21	10	11
Income tax expenses	321	346	336
Change in trade and other receivables	67	(7)	342
Change in inventory	(109)	(15)	(21)
Change in trade and other payables	147	63	(41)
Change in provisions	(5)	(2)	24
Change in employee benefits	115	(3)	(91)
Change in other liabilities	(53)	20	3
Net income tax paid	(244)	(269)	(271)
Net cash from operating activities	3,446	3,455	3,503



"Bezeq" The Israeli Telecommunications Corp., Ltd.

Condensed Consolidated Interim Statements of Cash Flows (Cont'd)

	2024	2023	2022
	NIS million	NIS million	NIS million
Cash flow used for investing activities			
Purchase of fixed assets	(1,356)	(1,333)	(1,353)
Investment in intangible assets and deferred expenses	(390)	(375)	(346)
Investment in bank deposits and other financial investments	(2,045)	(1,419)	(1,835)
Proceeds from bank deposits and other financial investments	1,381	1,134	1,895
Proceeds from the sale of fixed assets	16	39	40
Payment to Ministry of Communications for frequencies	-	-	(88)
Government grant received for frequencies	4	-	74
Interest from bank deposits	90	72	23
Purchase of subsidiary less cash acquired	-	(14)	(9)
Investment in affiliate	(10)	-	-
Miscellaneous	8	17	14
Net cash used in investing activities	(2,302)	(1,879)	(1,585)



"Bezeq" The Israeli Telecommunications Corp., Ltd.

Condensed Consolidated Interim Statements of Cash Flows (Cont'd)

	2024	2023	2022
	NIS million	NIS million	NIS million
Cash flows from financing activities			
Issue of debentures and receipt of loans	1,648	515	400
Repayment of debentures and loans	(1,071)	(912)	(1,320)
Payments of principal and interest for leases	(449)	(484)	(420)
Interest paid	(249)	(236)	(232)
Dividend paid	(781)	(638)	(534)
Costs for early repayment of loans and debentures	-	-	(26)
Proceeds (payment) for expired hedging transactions	7	4	(18)
Miscellaneous	-	(3)	-
Net cash used for financing activities	(895)	(1,754)	(2,150)
Increase (decrease) in cash and cash equivalents, net			
	249	(178)	(232)
Cash and cash equivalents as at January 1	563	741	973
Cash balance held for sale	(28)	-	-
Cash and cash equivalents as at year-end	784	563	741