



PRESS RELEASE

S&P Maalot raises Bezeq Group's credit rating to iIAA

- **The upgrade to iIAA with a Stable outlook is due to improved financial ratios**
- **S&P Maalot believes that despite the challenging economic conditions and the war, Bezeq will maintain ratios that are consistent with the new rating**
- **Tomer Raved, chairman of Bezeq Group said: "Bezeq Group's performance is reflected in the rating upgrade, which is underlined by responsible management and successful implementation of the growth strategy that delivers strong financial results and strengthens the Group's financial stability"**

Holon, Israel – May 2, 2024 – Bezeq The Israeli Telecommunications Corp., Limited (TASE: BEZQ), Israel's leading telecommunications provider, announced today that S&P Maalot raised Bezeq Group's credit rating to iIAA with a stable outlook.

Following the rating upgrade, **Tomer Raved, chairman of Bezeq Group** said, "Bezeq Group's performance is reflected in the rating upgrade, which is underlined by responsible management and successful implementation of the growth strategy that delivers strong financial results and strengthens the Group's financial stability.

We reduced financial debt by approximately NIS 4 billion (or 40%) since 2018, while improving the coverage ratio and increased the dividend payout ratio. Bezeq's strong financial profile allows the Group companies to continue investing in advanced telecommunication infrastructure throughout Israel, while providing support to the consumer, business, and public sectors in this challenging period and will support the continued growth and development of the Group and the Israeli economy."

S&P Maalot stated in its report attached to the rating upgrade, "The rating upgrade of Bezeq and its subsidiaries is mainly due to the steady improvement in the Company's financial ratios in recent years, despite the intense competition in all operating areas. We believe that despite the challenging economic conditions and the war between Israel and Hamas, Bezeq will maintain ratios that are consistent with the new rating."

Tobi Fischbein, CFO of Bezeq Group, said: "The rating upgrade was achieved through orderly strategic and financial planning, which included the adoption of the financial policy focused on maintaining a high credit rating, within the AA group, while decreasing financial debt, extending the duration of the debt, careful cash flow management as well as further significant capital expenditures and a gradual return to dividend distributions to shareholders."