



## BEZEQ GROUP REPORTS THIRD QUARTER 2024 FINANCIAL RESULTS

**Holon, Israel – November 19, 2024 – Bezeq – The Israeli Telecommunications Corp., Ltd. (TASE: BEZQ)**, Israel's leading telecommunications provider, today announced its financial results for the three months ended September 30, 2024. Details about the investor earnings presentation webcast to be held today are included below in this press release.

### Bezeq Group Q3 2024 Financial Highlights<sup>1</sup>

- Reported revenues totaled NIS 2.23 billion, down 1.4%
- Core revenues<sup>2</sup> totaled NIS 2.02 billion, up 2.1%
- Adjusted EBITDA<sup>3</sup> totaled NIS 915 million, down 6.1%
- Adjusted Net Profit<sup>3</sup> totaled NIS 309 million, down 13.4%
- Capital expenditures totaled NIS 436 million, or 19.5% of revenues, up 7.4%
- Free cash flow totaled NIS 365 million, down 10.1%

**Tomer Raved, Bezeq Chairman**, stated: "The third quarter saw the continuation of the war in Israel, as we continued to fulfill our national mission to provide continuous and sound telecommunication services to benefit the public and Israel's economy. We provided services while deploying and expanding the nationwide telecommunications infrastructure to further accelerate the digital transformation in Israel.

Despite war challenges, the group companies posted another quarter that evidences the implementation of our strategic plan. We recorded an increase of over 2% in core revenues, double-digit growth in fiber and 5G subscribers and stability in Adjusted EBITDA after adjusting for the provision for the universal fiber fund and the impact of the war on roaming revenues. At the beginning of the year, we published the group's business roadmap, and we are on our way to achieving the goals set for the medium term, including the completion of fiber deployment, the completion of the migration from satellite TV to IP, and significant growth in free cash flow through higher Adjusted EBITDA and lower CapEx."

---

<sup>1</sup> Q3-2024 and 9M-2024 results in this earnings release are presented in comparison to Q3-2023 and 9M-2023 results, respectively, unless otherwise stated

<sup>2</sup> Group revenues excluding Bezeq Fixed-Line telephony revenues, Pelephone interconnect fees and Bezeq International consumer revenues

<sup>3</sup> 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



**Tobi Fischbein, Bezeq Group CFO**, commented: "Despite the challenging period, we posted good financial results as seen in the strength and durability of our core activities. During the quarter, we recorded growth in core revenues and reduced net debt by approximately NIS 290 million year-over-year, leading to a decrease in the debt coverage ratio from 1.6 to 1.5 times. Our strategic focus on the group's core activities led to the sale of Bezeq Online for NIS 50 million, contributing to financial efficiency and reflecting our commitment to creating value for our shareholders."

## Bezeq Group Results (Consolidated)

	<u>Q3 2024</u>	<u>Q3 2023</u>	<u>% change</u>	<u>9M 2024</u>	<u>9M 2023</u>	<u>% change</u>
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Revenues (reported)	2,234	2,265	(1.4%)	6,681	6,872	(2.8%)
Core revenues <sup>1</sup>	2,019	1,978	2.1%	5,940	5,876	1.1%
Operating profit	436	425	2.6%	1,320	1,399	(5.6%)
EBITDA	880	895	(1.7%)	2,699	2,795	(3.4%)
Adjusted EBITDA <sup>2</sup>	915	974	(6.1%)	2,742	2,897	(5.4%)
Adjusted EBITDA margin	41.0%	43.0%		41.0%	41.2%	
Net profit	281	297	(5.4%)	863	951	(9.3%)
Adjusted net profit <sup>2</sup>	309	357	(13.4%)	900	1,032	(12.8%)
Diluted EPS (NIS)	0.10	0.11	(9.1%)	0.31	0.34	(8.8%)
CapEx (gross)	436	406	7.4%	1,277	1,263	1.1%
Free cash flow <sup>3</sup>	365	406	(10.1%)	1,011	989	2.2%
Net debt	4,725	5,014	(5.8%)	4,725	5,014	(5.8%)

<sup>1</sup> Group revenues excluding Bezeq Fixed-Line telephony revenues, Telephone interconnect fees and Bezeq International consumer revenues

<sup>2</sup> 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

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

**Revenues** amounted to NIS 2.23 billion, down 1.4%. **Core Revenues** (Group revenues excluding Bezeq Fixed-Line telephony revenues, Telephone interconnect fees and Bezeq International consumer revenues) increased 2.1%, to NIS 2.02 billion, mainly due to higher core revenues in Bezeq Fixed-Line. Core revenues in the first nine months of 2024 amounted to NIS 5.94 billion, up 1.1%, and represented approximately 90% of reported revenues.



**EBITDA** amounted to NIS 880 million, down 1.7%. **Adjusted EBITDA** was NIS 915 million (Adjusted EBITDA margin of 41.0%), down 6.1%, mainly due to the continued provision for the universal fiber fund compared to the reversal of the provision in Q3-2023 (NIS 30 million impact) as well as the impact of the war on roaming revenues (NIS 20 million impact). After adjusting for these, Adjusted EBITDA would have decreased by 1.1%. Adjusted EBITDA in the first nine months of 2024 amounted to NIS 2.74 billion (Adjusted EBITDA margin of 41.0%), down 5.4%.

**Net profit** totaled NIS 281 million, down 5.4%. **Adjusted Net Profit** was NIS 309 million, down 13.4%. Adjusted Net Profit in the first nine months of 2024 totaled NIS 900 million, down 12.8%.

**Free cash flow** was NIS 365 million, down 10.1%, primarily due to higher CapEx. Free cash flow in the first nine months of 2024 was NIS 1.01 billion, up 2.2%.

**Net financial debt** of the Group amounted to NIS 4.7 billion as of September 30, 2024, compared to NIS 5.0 billion as of September 30, 2023, a decrease of 5.8%. The Group's net financial debt to Adjusted EBITDA ratio was 1.5 times as of September 30, 2024, compared to 1.6 times as of September 30, 2023.

## Bezeq Fixed-Line Results

- **Fixed-Line core revenues<sup>4</sup> grew 3.6% to NIS 970 million**
- **Retail broadband subscribers reached 500k as of today; total broadband subscribers grew by 65k (41k retail and 24k wholesale) to 759k take-up (31%)**
- **Retail broadband ARPU grew 5.6% to NIS 131**

**Nir David, Bezeq CEO**, stated, "Our third quarter financial results highlighted the positive momentum in our core business. We saw consistent growth in core revenues, resulting from higher demand for our core services including internet, transmission and advanced infrastructure projects. We recently achieved the milestone of half a million retail fiber customers, which evidences the success of our strategic investment in advanced infrastructures, leading to an impressive fiber take-up of 31%.

Despite the challenges we faced, including higher expenses for the universal fiber fund and the expansion of infrastructure projects, we continued the deployment of the fiber network at an accelerated pace, reaching over 2.5 million Israeli households as of today, showing our commitment to lead the telecommunications market with innovative solutions. We remain focused on our work plan, including investments in new and advanced technologies and the continuous improvement in the customer experience while strengthening our position as the leading telecommunications company in Israel."

---

<sup>4</sup> Total fixed-line revenues excluding telephony revenues

<b>Bezeq Fixed-Line – Financial data</b>	<u>Q3 2024</u>	<u>Q3 2023</u>	<u>% change</u>	<u>9M 2024</u>	<u>9M 2023</u>	<u>% change</u>
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Total revenues	1,105	1,084	1.9%	3,271	3,325	(1.6%)
Core revenues <sup>1</sup>	970	936	3.6%	2,855	2,819	1.3%
Broadband Internet	500	489	2.2%	1,495	1,453	2.9%
Transmission and data	296	290	2.1%	887	865	2.5%
Telephony	135	148	(8.8%)	416	506	(17.8%)
Cloud & digital services	87	87	0.0%	261	263	(0.8%)
Other revenues	87	70	24.3%	212	238	(10.9%)
Operating profit	355	310	14.5%	1,135	1,131	0.4%
EBITDA	611	568	7.6%	1,898	1,890	0.4%
Adjusted EBITDA <sup>2</sup>	638	646	(1.2%)	1,920	1,981	(3.1%)
Adjusted EBITDA margin	57.7%	59.6%		58.7%	59.6%	
Net profit	217	192	13.0%	713	702	1.6%
Adjusted net profit <sup>2</sup>	238	252	(5.6%)	731	773	(5.4%)
CapEx (gross)	300	239	25.5%	836	832	0.5%
Free cash flow <sup>3</sup>	258	310	(16.8%)	899	882	1.9%

<sup>1</sup> Total fixed-line revenues excluding telephony revenues

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

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

<b>Bezeq Fixed-Line – KPIs</b>	<u>Q3 2024</u>	<u>Q2 2024</u>	<u>Q3 2023</u>
Total broadband lines (retail and wholesale, end of the period, in thousands)	1,486	1,486	1,500
Of which: Total fiber optic subscribers (retail and wholesale, in thousands)	759	694	506
Total retail broadband lines (fiber and copper, end of the period, in thousands)	1,012	1,014	1,029
Of which: Retail fiber optic subscribers (in thousands)	483	442	335
Total wholesale broadband lines (end of the period, in thousands)	474	472	471
Of which: Wholesale fiber optic subscribers (in thousands)	276	252	171
Fiber optics deployed – Homes passed (end of the period, in thousands)	2,448	2,312	1,970
Average monthly revenue per broadband Internet subscriber (NIS) – Retail <sup>1</sup>	131	129	124
Average broadband bandwidth per subscriber (Mbps)	483	430	315

**Revenues** were NIS 1.11 billion, up 1.9%. **Fixed-Line core revenues** (total revenues excluding telephony revenues) increased 3.6% to NIS 970 million, due to higher revenues from broadband services, transmission and data communications as well as infrastructure projects. Core revenues in the first nine months of 2024 amounted to NIS 2.86 billion, up 1.3%.

**EBITDA** was NIS 611 million, up 7.6%. **Adjusted EBITDA** totaled NIS 638 million (Adjusted EBITDA margin of 57.7%), down 1.2%, mainly due to the continued provision for the universal fiber fund compared to the reversal of the provision in Q3-2023 (NIS 16 million impact), as well higher salary expenses. Adjusted EBITDA in the first nine months of 2024 was NIS 1.92 billion (Adjusted EBITDA margin of 58.7%), down 3.1%.

**Net Profit** was NIS 217 million, up 13.0%. **Adjusted Net Profit** amounted to NIS 238 million, down 5.6%. Adjusted Net Profit in the first nine months of 2024 was NIS 731 million, down 5.4%.

**Free cash flow** was NIS 258 million, down 16.8%, primarily due to higher CapEx. Free cash flow in the first nine months of 2024 was NIS 899 million, up 1.9%.

## Subsidiary results

**Ilan Sigal, CEO of Pelephone and yes**, stated, "Pelephone and yes continued to promote strategic initiatives to lead the cellular and TV markets in Israel. Pelephone is growing despite the war effects, showing the resilience and strength of the company. We are the leading player in the development of 5G in Israel and have launched 5G MAX services to upgrade the mobile data experience. 5G subscriber plans continued to grow in parallel with the higher number of subscribers in the company. 5G subscriber plans reached over 1.2 million today, representing 53% of postpaid subscribers.

yes is in the midst of its transition process moving away from satellite to Internet TV and into fiber bundles. We continued to grow in fiber bundle packages, with approximately 68k fiber customers today and also lead the IPTV market with 456k IP customers, representing 81% of the company's subscribers. The investments and procedures we are taking will help solidify the company's positioning and further improve our cost structure."

## Pelephone Results<sup>5</sup>

- **Revenues were NIS 506 million, in-line with the corresponding quarter, due to growth in 5G subscriber plans, higher revenues from equipment sales and an increase in subscribers. The impact of the war on roaming revenues is estimated at approximately NIS 20 million**
- **5G subscriber plans grew by 52k, reaching over 1.2 million today. 5G subscriber plans represent 53% of postpaid subscribers**
- **ARPU declined by NIS 1 year-over-year, and increased by NIS 2 sequentially to NIS 46. This is the third consecutive quarter with an ARPU increase**

---

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

<b>Telephone – Financial data</b>	<u>Q3 2024</u>	<u>Q3 2023</u>	<u>% change</u>	<u>9M 2024</u>	<u>9M 2023</u>	<u>% change</u>
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Total revenues (exc. interconnect fees)	506	506	0.0%	1,497	1,494	0.2%
Service revenues (exc. interconnect fees)	365	371	(1.6%)	1,048	1,055	(0.7%)
Equipment revenues	141	135	4.4%	449	439	2.3%
Operating profit	52	59	(11.9%)	147	159	(7.5%)
EBITDA	187	202	(7.4%)	554	570	(2.8%)
Adjusted EBITDA <sup>1</sup>	191	203	(5.9%)	567	572	(0.9%)
Adjusted EBITDA margin	34.9%	34.7%		33.5%	32.0%	
Net profit	38	48	(20.8%)	107	133	(19.5%)
Adjusted net profit <sup>1</sup>	41	49	(16.3%)	118	136	(13.2%)
CapEx (gross)	68	81	(16.0%)	232	221	5.0%
Free cash flow <sup>2</sup>	89	104	(14.4%)	77	77	0.0%

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

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

<b>Telephone – KPIs</b>	<u>Q3 2024</u>	<u>Q2 2024</u>	<u>Q3 2023</u>
Total subscribers (end of period, in thousands) <sup>1</sup>	2,639	2,615	2,618
Postpaid subscribers (end of period, in thousands) <sup>1</sup>	2,251	2,228	2,187
Prepaid subscribers (end of period, in thousands) <sup>1,2</sup>	388	387	431
5G subscriber plans (end of period, in thousands)	1,195	1,144	957
Average revenue per user, exc. interconnect fees (ARPU, NIS) <sup>2</sup>	46	44	47
Churn rate <sup>3</sup>	5.8%	5.6%	6.0%

**Revenues from services** totaled NIS 365 million, down 1.6% year-over-year, and up 4.9% sequentially. Revenues from services benefitted from continued growth in 5G subscriber plans and postpaid subscribers and saw the impact of the war on roaming revenues estimated at NIS 20 million in Q3-2024.

**Revenues from equipment sales** were NIS 141 million, up 4.4%, driven by a higher number of handsets sold.

**Total revenues (exc. interconnect fees)** were NIS 506 million, in-line with the corresponding quarter, despite the aforementioned impact of the war on roaming revenues. Total revenues in the first nine months of 2024 were NIS 1.50 billion, up 0.2%.

**EBITDA** was NIS 187 million, down 7.4%. **Adjusted EBITDA** was NIS 191 million (Adjusted EBITDA margin of 34.9%), down 5.9%. Adjusted EBITDA in the first nine months of 2024 totaled NIS 567 million (EBITDA margin of 33.5%), down 0.9%. After adjusting for the impact of the war on roaming revenues and the provision for the universal fiber fund, Adjusted EBITDA would have increased by 6%.

**Net profit** was NIS 38 million, down 20.8%. **Adjusted Net Profit** was NIS 41 million, down 16.3%. Adjusted Net Profit in the first nine months of 2024 was NIS 118 million, down 13.2%. Adjusted Net Profit was impacted by the decrease in operating income and lower interest income from Bezeq.

**Free cash flow** was NIS 89 million, compared to NIS 104 million in the corresponding quarter. Free cash flow was impacted by timing differences in payments of frequency fees. Free cash flow in the first nine months of 2024 was NIS 77 million, in-line with the corresponding period.

### yes Results

- **Revenues totaled NIS 317 million, a decrease of 3.4% year-over-year, and in-line with revenues in the last few quarters. Revenues were impacted by increased competition and the war (non-billing of customers in the line of conflict estimated at NIS 5 million), but were partially offset by higher revenues from the TV + fiber bundle**
- **Continued growth in fiber subscribers with over 68k today; TV ARPU declined NIS 7 year-over-year and grew by NIS 1 sequentially to NIS 175. The impact of the war on ARPU is estimated at NIS 3**
- **Continued acceleration of migration from satellite to IP with 456k customers watching TV through IP broadcasting (81% of total subscribers)**



<b>yes – Financial data</b>	<u>Q3 2024</u>	<u>Q3 2023</u>	<u>% change</u>	<u>9M 2024</u>	<u>9M 2023</u>	<u>% change</u>
	<i>(NIS millions)</i>			<i>(NIS millions)</i>		
Revenues	317	328	(3.4%)	948	993	(4.5%)
Operating profit (loss)	13	35	(62.9%)	(17)	61	NM
EBITDA	43	76	(43.4%)	119	198	(39.9%)
Adjusted EBITDA <sup>1</sup>	43	76	(43.4%)	125	198	(36.9%)
Adjusted EBITDA margin	13.6%	23.2%		13.2%	19.9%	
Net profit	12	40	(70.0%)	(6)	75	NM
Adjusted net profit (loss) <sup>1</sup>	12	40	(70.0%)	-	75	NM
CapEx (gross)	42	59	(28.8%)	158	151	4.6%
Free cash flow <sup>2</sup>	6	-	NM	17	21	(19.0%)

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

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

<b>yes – KPIs</b>	<u>Q3 2024</u>	<u>Q2 2024</u>	<u>Q3 2023</u>
Total number of TV subscribers (end of the period, in thousands) <sup>1</sup>	563	567	576
IP subscribers (end of the period, in thousands) <sup>2</sup>	452	431	460
Fiber customers (end of period, in thousands)	64	55	29
Average revenue per user (ARPU, NIS) <sup>3</sup>	175	174	182
Churn rate (%) <sup>4</sup>	4.3%	3.9%	3.9%

**Revenues** were NIS 317 million, down 3.4%, primarily due to increased competition and the effect of non-billing of customers in the line of conflict estimated at NIS 5 million in Q3-2024 (and NIS 14 million in the first nine months of 2024). Revenues were partially offset by higher revenues from the TV + Bezeq fiber bundle. Revenues in the first nine months of 2024 were NIS 948 million, down 4.5%.

**EBITDA and Adjusted EBITDA** were NIS 43 million (Adjusted EBITDA margin of 13.6%), down 43.4%. Adjusted EBITDA in the first nine months of 2024 was NIS 125 million (EBITDA margin of 13.2%), down 36.9%.

**Net Profit and Adjusted Net Profit** were NIS 12 million, compared to NIS 40 million in the corresponding quarter. Adjusted Net Profit in the first nine months of 2024 was breakeven, compared to Adjusted Net Profit of NIS 75 million in the corresponding period.

Adjusted EBITDA and Adjusted Net Profit were impacted by lower revenues and the timing of the universal fiber fund expense, partially offset by lower content expenses.

**Free cash flow** was NIS 6 million, compared to breakeven in the corresponding quarter, mainly due to lower CapEx. Free cash flow in the first nine months of 2024 was NIS 17 million, compared to NIS 21 million in the corresponding period.

The number of **yes TV subscribers** as of September 30th, 2024, was 563k, a decrease of 4k sequentially, and 13k year-over-year.

### **Bezeq International TECH Results**

- **Revenues were NIS 270 million, a decrease of 10.9%, due to lower consumer and business ISP revenues as well as a decline in ILD revenues, partially offset by higher revenues from cloud services**
- **Free cash flow totaled NIS 20 million, compared to NIS 1 million in the corresponding quarter**

**Ron Glav, CEO of Bezeq International TECH**, commented, "In the third quarter we continued to implement the transition of our focus away from the ISP consumer activity into the ICT business in each of our areas of activity: communication, data centers, integration, public cloud and cyber. The decrease in the ISP and ILD activities has not yet been fully compensated by the growing ICT activity. Results for the third quarter and nine-month period reflect the deep change the company is undertaking in our business focus."

Bezeq International – Financial data	Q3 2024	Q3 2023	% change	9M 2024	9M 2023	% change
	(NIS millions)			(NIS millions)		
Revenues	270	303	(10.9%)	820	908	(9.7%)
Operating profit	13	20	(35.0%)	51	50	2.0%
EBITDA	36	49	(26.5%)	127	142	(10.6%)
Adjusted EBITDA <sup>1</sup>	39	50	(22.0%)	128	150	(14.7%)
Adjusted EBITDA margin	14.4%	16.5%		15.6%	16.5%	
Net profit	11	17	(35.3%)	47	43	9.3%
Adjusted net profit <sup>1</sup>	14	18	(22.2%)	48	51	(5.9%)
CapEx (gross)	21	26	(19.2%)	54	59	(8.5%)
Free cash flow <sup>2</sup>	20	1	NM	33	28	17.9%

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

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

**Revenues** totaled NIS 270 million, down 10.9%, due to lower consumer and business ISP revenues as well as a decrease in ILD revenues, which were mainly offset by higher revenues from cloud services. Revenues in the first nine months of 2024 totaled NIS 820 million, down 9.7%.

**EBITDA** was NIS 36 million, down 26.5%. **Adjusted EBITDA** was NIS 39 million (Adjusted EBITDA margin of 14.4%), down 22.0%. Adjusted EBITDA in the first nine months of 2024 was NIS 128 million (Adjusted EBITDA margin of 15.6%), down 14.7%.

**Net profit** was NIS 11 million, down 35.3%. **Adjusted Net Profit** was NIS 14 million, down 22.2%. **Adjusted Net Profit** in the first nine months of 2024 was NIS 48 million, down 5.9%.

Adjusted EBITDA and Adjusted Net Profit were mainly impacted by lower revenues, partially offset by a decrease in operating expenses.

**Free cash flow** was NIS 20 million, compared to free cash flow of NIS 1 million in the corresponding quarter, mainly due to timing differences in working capital, a decrease in CapEx and employee severance payments. Free cash flow in the first nine months of 2024 was up 17.9% to NIS 33 million, compared to NIS 28 million in the corresponding period.



## Conference Call & Webcast Information

Bezeq will conduct its Third Quarter 2024 earnings webcast call on Tuesday, November 19, 2024, at 8:00 AM EST / 3:00 PM Israel time, hosted by Mr. Tomer Raved, Bezeq's Chairman, Mr. Nir David, Bezeq's CEO, Mr. Ilan Sigal, CEO of Pelephone 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/89636480755>

## 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](http://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.*

*This press release does not constitute an offer or invitation to purchase or subscribe to any securities. Neither this presentation nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.*

### **Investor Relations Contact:**

Mr. Naftali Sternlicht

Bezeq

Phone: +972-50-530-5955

Email: [ir@bezeq.co.il](mailto:ir@bezeq.co.il)

### **Media Relations Contact:**

Ms. Tali Tuval

Bezeq

Phone: +972-3-626-2600

Email: [pr@bezeq.co.il](mailto:pr@bezeq.co.il)

## "Bezeq" The Israel Telecommunication Corp., Limited

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS million	NIS million	NIS million	NIS million	NIS million
<b>Revenues</b>	<b>6,681</b>	6,872	<b>2,234</b>	2,265	9,103
<b>Costs of activity</b>					
General and operating expenses	<b>2,500</b>	2,542	<b>832</b>	815	3,374
Salaries	<b>1,456</b>	1,442	<b>493</b>	478	1,922
Depreciation, amortization, and impairment losses	<b>1,379</b>	1,396	<b>444</b>	470	1,867
Other operating expenses (income), net	<b>26</b>	93	<b>29</b>	77	161
<b>Total operating expenses</b>	<b>5,361</b>	5,473	<b>1,798</b>	1,840	7,324
<b>Operating profit</b>	<b>1,320</b>	1,399	<b>436</b>	425	1,779
<b>Financing expenses (income)</b>					
Financing expenses	<b>348</b>	316	<b>113</b>	104	408
Financing income	<b>(161)</b>	(134)	<b>(43)</b>	(50)	(164)
Financing expenses, net	<b>187</b>	182	<b>70</b>	54	244
<b>Profit after financing expenses, net</b>	<b>1,133</b>	1,217	<b>366</b>	371	1,535
<b>Loss in investee company</b>	<b>6</b>	-	<b>3</b>	-	-
<b>Profit before income tax</b>	<b>1,127</b>	1,217	<b>363</b>	371	1,535
<b>Income tax</b>	<b>264</b>	266	<b>82</b>	74	346
<b>Profit for the period</b>	<b>863</b>	951	<b>281</b>	297	1,189
<b>Basic and diluted earnings per share (in NIS)</b>	<b>0.31</b>	0.34	<b>0.10</b>	0.11	0.43



## "Bezeq" The Israel Telecommunication Corp., Limited

### Condensed Consolidated Interim Statements of Financial Position

	September 30, 2024	September 30, 2023	December 31, 2023
	(Unaudited)	(Unaudited)	(Audited)
Assets	NIS million	NIS million	NIS million
Cash and cash equivalents	1,242	1,153	563
Investments	1,954	1,541	1,205
Trade receivables	1,409	1,539	1,477
Other receivables	214	245	162
Inventory	93	94	82
Assets of a held for sale disposal group	81	-	-
<b>Total current assets</b>	<b>4,993</b>	<b>4,572</b>	<b>3,489</b>
Trade and other receivables	424	438	446
Right-of-use assets	1,761	1,902	1,870
Fixed assets	7,036	6,772	6,828
Intangible assets	934	900	941
Deferred expenses and non-current investments	328	305	304
<b>Total non-current assets</b>	<b>10,483</b>	<b>10,317</b>	<b>10,389</b>
<b>Total assets</b>	<b>15,476</b>	<b>14,889</b>	<b>13,878</b>

## "Bezeq" The Israel Telecommunication Corp., Limited

<b>Condensed Consolidated Interim Statements of Financial Position (Contd.)</b>			
	<b>September 30, 2024</b>	<b>September 30, 2023</b>	<b>December 31, 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Liabilities and equity</b>	<b>NIS million</b>	<b>NIS million</b>	<b>NIS million</b>
Debentures, loans and borrowings	<b>1,065</b>	1,092	1,074
Current maturities of liabilities for leases	<b>428</b>	459	433
Trade and other payables	<b>1,905</b>	1,841	1,750
Dividend payable	<b>407</b>	392	-
Employee benefits	<b>286</b>	301	332
Provisions	<b>93</b>	90	91
Liabilities of a held for sale disposal group	<b>31</b>	-	-
<b>Total current liabilities</b>	<b>4,215</b>	4,175	3,680
Loans and debentures	<b>6,856</b>	6,616	5,889
Liability for leases	<b>1,519</b>	1,642	1,608
Employee benefits	<b>249</b>	261	251
Derivatives and other liabilities	<b>222</b>	151	160
Liabilities for deferred taxes	<b>89</b>	70	64
Provisions	<b>30</b>	32	29
<b>Total non-current liabilities</b>	<b>8,965</b>	8,772	8,001
<b>Total liabilities</b>	<b>13,180</b>	12,947	11,681
<b>Total equity</b>	<b>2,296</b>	1,942	2,197
<b>Total liabilities and equity</b>	<b>15,476</b>	14,889	13,878



## Bezeq" The Israel Telecommunication Corp., Limited

### Condensed Consolidated Interim Statements of Cash Flows

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2024	20223	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS million	NIS million	NIS million	NIS million	NIS million
<b>Cash flows from operating activities</b>					
Profit for the period	863	951	281	297	1,189
Adjustments:					
Depreciation, amortization, and impairment losses	1,379	1,396	444	470	1,867
Financing expenses, net	203	198	85	56	258
Capital (gain) loss, net	(16)	1	(4)	3	(2)
Loss from held for sale disposal group	10	-	10	-	-
Stock-based compensation	17	9	6	2	10
Income tax expenses	264	266	82	74	346
Change in trade and other receivables	1	(146)	30	(30)	(7)
Change in inventory	(38)	(23)	-	22	(15)
Change in trade and other payables	117	116	48	71	63
Change in provisions	10	(3)	10	(5)	(2)
Change in employee benefits	(41)	(38)	(7)	49	(3)
Loss in investee company	6	-	3	-	-
Miscellaneous	1	2	(2)	(1)	20
Net income tax paid	(159)	(182)	(79)	(89)	(269)
<b>Net cash from operating activities</b>	<b>2,617</b>	<b>2,547</b>	<b>907</b>	<b>919</b>	<b>3,455</b>



## "Bezeq" The Israel Telecommunication Corp., Limited

Condensed Consolidated Interim Statements of Cash Flows (Cont'd)					
	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS million	NIS million	NIS million	NIS million	NIS million
<b>Cash flows for investing activities</b>					
Purchase of fixed assets	(985)	(988)	(340)	(313)	(1,333)
Investment in intangible assets and deferred expenses	(292)	(275)	(96)	(93)	(375)
Investment in bank deposits and other financial investments	(1,375)	(1,211)	-	(101)	(1,419)
Proceeds from bank deposits and other financial investments	671	609	-	100	1,134
Proceeds from the sale of fixed assets	14	36	7	1	39
Interest received from bank deposits	51	42	10	14	72
Acquisition of a subsidiary net of cash acquired	-	-	-	-	(14)
Miscellaneous	1	10	(2)	4	17
<b>Net cash used for investing activities</b>	<b>(1,915)</b>	<b>(1,777)</b>	<b>(421)</b>	<b>(388)</b>	<b>(1,879)</b>

## "Bezeq" The Israel Telecommunication Corp., Limited

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

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS million	NIS million	NIS million	NIS million	NIS million
<b>Cash flow from financing activities</b>					
Issue of debentures and receipt of loans	1,084	415	-	-	515
Repayment of debentures and loans	(227)	(62)	(7)	(4)	(912)
Payments of principal and interest for leases	(343)	(331)	(113)	(108)	(484)
Interest paid	(148)	(134)	(25)	(18)	(236)
Dividends paid	(374)	(246)	-	-	(638)
Payment for expired hedging transactions	-	-	-	-	4
Miscellaneous	-	-	-	-	(3)
<b>Net cash used for financing activities</b>	<b>(8)</b>	<b>(358)</b>	<b>(145)</b>	<b>(130)</b>	<b>(1,754)</b>
<b>Increase (decrease) in cash and cash equivalents, net</b>	<b>694</b>	<b>412</b>	<b>341</b>	<b>401</b>	<b>(178)</b>
Cash and cash equivalents at beginning of period	563	741	916	752	741
Cash balance held for sale	(15)	-	(15)	-	-
<b>Cash and cash equivalents at end of period</b>	<b>1,242</b>	<b>1,153</b>	<b>1,242</b>	<b>1,153</b>	<b>563</b>