

Letter from the  
Chairman of  
Bezeq Group  
2024



## Letter from the Chairman of Bezeq Group | Tomer Raved

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This past year was challenging for the State of Israel, for the economy, and for each and every one of us. The present situation — the prolonged war, and economic and global challenges — unsettled us. Despite the difficulty, the Israeli society and those organizations leading the economy proved their resilience. Bezeq did not stand on the sidelines. It was active, it led, connected, reinforced, maintained functional continuity, and continued to be a pillar of the Israeli economy.

### **The people behind the infrastructure**

Bezeq is not only about its cutting-edge network, but first and foremost, it is about its people. Bezeq employees were at the heart of the national mission to ensure that Israel remained connected, through thick and thin. It had a massive responsibility in maintaining Israel's telecommunications infrastructure through the emergencies, restoring damaged lines, supporting the communities, and standing by those employees who served in the IDF reserves. Over a thousand employees were recruited for the war, receiving direct support from the Company, whether it was financial or otherwise. Thousands of civilians received free telecommunications services, and infrastructure damaged in the north and the south of the country was repaired at record speed. Bezeq did not only provide telecommunications services, but it was resiliently present, providing security, continuity, and hope.

### **Financial stability and security for investors**

Throughout a year of uncertainty, Bezeq continued to demonstrate extraordinary stability and core revenue growth. The Company's credit rating was upgraded during the war, free cash flow remained strong, and the dividend policy was upgraded to 80% of the Group's net profit, providing stable and competitive returns for shareholders.

As a result of the progress made in the strategic plan and the Group's successful performance across all growth engines, we revised our mid-term goals. We expect our average annual core revenue and adjusted EBITDA to grow at least 2%, and investments to gradually decline. Also, we expect an average annual free cash flow growth of 7%-9% in the coming years. We will continue to focus investments across the Group's growth engines and to maintain financial strength, promoting value generation for our shareholders in the years to come.

The markets acknowledge this trend. Foreign investors who were hesitant in the past, are now viewing Bezeq as a key force in the impressive recovery of the Israeli economy.

### **Innovation as a growth engine**

In addition to addressing current challenges, 2024 was also a year of records and proof of our strategic advantage. Five years ago, when we decided to enter the fiber and 5G markets, we knew that we could generate deep-rooted changes in the telecommunications market in Israel. Today, as Israel leaps forward from 70th place to the top ten worldwide in its internet broadband quality, it is clear that our courageous decision was assertive as it has shaped the face of the entire market. The goal we set for fiber deployment has been exceeded over and over again, Pelephone's cellular network has been significantly strengthened, and Israel is now more connected, faster and ready for the challenges of the coming decade. This change is beyond technology. We have deployed the infrastructure for the future of the Israeli economy and built Israel's resilience.

In 2024, the Group invested NIS 1.74 billion as part of the trend to significantly improve the infrastructure in the past four years. Today we expect a gradual decline following the completion of the fiber project in the coming year. These investments have enabled the acceleration of our growth engines and allowed Israel to be at the forefront of global innovation.

## **Looking ahead - Bezeq as a leading force**

Israel's geographic location sits at a relevant technological, economic, and regional intersection. We operate in a unique environment with a rapidly growing population, extraordinary human capital, and innovative industries that make Israel a rising power on the global stage. Not only does Bezeq react to change, it generates change.

In the coming years, we will continue to invest in state-of-the-art telecommunications infrastructure, expand 5G capabilities, develop innovative services, and improve our customer experience. Our commitment is clear: to be the company that guides Israel forward, in terms of technology, services, and national responsibility.

2024 was a challenging year, but it also proved that Bezeq is a stable, robust, and groundbreaking organization, supported by employee dedication and excellence. I believe that the coming years will bring boundless opportunities and we will ensure Bezeq realizes its full potential, for the benefit of our customers, our employees, and our investors.

I wish us all a year of growth, innovation, stability and primarily, security and peace.

Tomer Raved  
Chairman of Bezeq Group