



Phoenix Financial Increases Stake in Brokers & Advisors Business as Part of Accelerated Growth Strategy

July 15, 2025, Tel Aviv, Israel - Phoenix Financial Ltd., a leading Israel-based asset management and insurance company (TLV:PHOE) ("Phoenix," the "Group," or the "Company"), today reported the acquisition of an additional 17% stake in Phoenix Agencies, growing its holdings from 78% to 95%.

Highlights

As part of the company's strategy, Phoenix is accelerating the value creation process in its platform for brokers and advisors and increasing its stake to 95% in its subsidiary Phoenix Agencies

Phoenix Agencies is a leading platform in Israel consolidating insurance agencies, brokers, benefits administrators, retirement planners and advisors, and distributors of financial solutions

Phoenix anticipates accelerated growth and updates its 2027 strategic targets for Phoenix Agencies; the adjusted EBITDA target (consolidated including minority interest) is updated from NIS 600-700 million to NIS 700-800 million, while the net income target (after deducting minority interests) is updated from NIS 250-350 million to NIS 350-450 million; the Company estimates that the acquisition and updated workplans can increase 2026 net income by NIS 50-70 million

Phoenix Financial will purchase from Phoenix Agencies Chairman Itzik Oz 17% of Phoenix Agencies shares for a total of NIS 763 million, of which NIS 381 million in cash and the remainder in Phoenix Financial shares representing 1.55% of the Company

Oz will continue to serve as Chairman of Phoenix Agencies and a new agreement will be signed with him under which he will receive restricted shares (RSUs) in Phoenix Agencies amounting to NIS 32 million which will vest over 3 years. Oz will lead, as chairman of Phoenix Agencies, the building of future capabilities and leadership of the business

As part of preparations for the next stage of growth, the Board of Directors of Phoenix Agencies will appoint Oren Cohen, Chairman of Oren Mizrah Agency, as CEO of Phoenix Agencies; Cohen already holds 1.75% of Phoenix Agencies shares

Phoenix Agencies will implement the next stage in its strategy for accelerated growth, including building infrastructure and capabilities and implementing advanced models in line with global leaders – a proven approach that has driven growth and value creation in other group activities

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- **Phoenix Financial**, which holds approximately 78% of Phoenix Agencies shares, will acquire roughly 17% in line with the group's strategy

- **Upon completion of the acquisition, Phoenix Financial will hold 95% of Phoenix Agencies**, while Itzik Oz will continue as Chairman of Phoenix Agencies and hold approximately 1.55% of Phoenix Financial shares (thereby converting his holdings in a private company into holdings of a public company)
- **The acquisition will be conducted in cash (NIS 381 million for half of the shares) and through a share swap, where the exchange ratio is based on the pre-deal company valuations**; based on third-party valuations, Phoenix Agencies was valued at NIS 4.4 billion and Phoenix Financial shares were priced 96.61 NIS based on the closing price on July 13 minus a 5% illiquidity discount, in line with an existing mechanism between parties
- **Oz's shares in Phoenix Financial will be locked up for three years on a graded basis**, during which he will continue building Phoenix Agencies and contribute his skills and experience to the group. It was also agreed that Oz will continue as Chairman of Phoenix Agencies for an annual compensation cost of approximately NIS 4 million over a five-year term (before equity compensation). Oz will be subject to a non-compete undertaking under terms similar to those currently in place, and will also be granted restricted share units (RSUs) in Phoenix Agencies under section 102 capital gains track in the amount of NIS 32 million, based on Phoenix Agencies' valuation as per the transaction
- **The continued development of Phoenix Agencies will enable acceleration of value creation** by boosting organic growth in financial and investment solutions, business development and expansion, and upgrading corporate infrastructure and headquarters capabilities with an emphasis on technology, human capital, and efficiency
- **Phoenix updates its strategic 2027 EBITDA and net profit targets from Phoenix Agencies' operations**: the adjusted EBITDA target (consolidated including minority interests) is updated from NIS 600-700 million to NIS 700-800 million, while the net income target (excluding minority interests) is updated from NIS 250-350 million to NIS 350-450 million; the Company estimates that the acquisition and updated workplans can increase net income by NIS 50-70 million in 2026; Phoenix is expected to update the targets for the entire group later this year.
- **Transaction completion is subject to regulatory approvals**

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Eyal Ben Simon, CEO of Phoenix Financial:

"Phoenix Agencies is a significant growth engine for the group with significant potential, and we continue to accelerate value creation processes to position the company for the coming years. The transaction demonstrates the strength of Phoenix Financial in its ability to lead strategic moves that create value for our shareholders. Phoenix has once again proven its ability to identify trends in the financial world generally and the growth potential of the agencies and brokers activities in particular. We see positive global trends in insurance agencies, benefit and pension plan administration, retirement planning and advisory, and financial products, reflected in multiples of traded companies and private company acquisitions.

We are pleased that Itzik will continue to serve as Chairman of Phoenix Agencies in the coming years and appreciate his vote of confidence as a shareholder in Phoenix Financial. Together with Itzik, we will move Phoenix Agencies to the next stage, building strong leadership for the future,

infrastructure, and capabilities that will bring the company in line with global leaders, and we will also benefit from his talent and experience in other group activities."

Itzik Oz, Chairman of Phoenix Agencies:

"I believe in the potential of Phoenix Agencies and the entire group, and this transaction demonstrates the trust between me and Phoenix Financial's leadership team. Phoenix is Israel's leading financial services company and I am proud to be a partner in this significant leap forward as Chairman of Phoenix Agencies.

Phoenix Agencies has developed significantly in recent years representing roughly 7% of the Israeli market, and we see opportunities to accelerate growth, improve performance, build capabilities to deepen business advantages, and continue strengthening digital capabilities. Together, we will work for the benefit of Phoenix Agencies' clients and continue to create value for our shareholders."

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About Phoenix Financial

Phoenix Financial is a leading Israel-based asset management and insurance company traded on the Tel Aviv Stock Exchange (TASE: PHOE). Group activities have demonstrated strong compounding AUM and earnings growth and resilient performance across the cycle. Phoenix serves a significant portion of Israeli households with a broad set of activities and solutions across businesses and client segments. Managing over \$160 billion in assets, Phoenix accesses Israel's vibrant and innovative economic activity through a robust investment portfolio, creating value for both clients and shareholders.

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