

Partner 5G
hello future



Company & Financial Overview

Q3 2022

November 2022

Safe harbor statement

This presentation includes forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, Section 21E of the US Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. Words such as “estimate”, “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “project”, “goal”, “target” and similar expressions often identify forward-looking statements but are not the only way we identify these statements. In particular, this presentation communicates our expectation regarding our belief regarding (i) the completion of the major rollout phase of the Company’s fiber-optic infrastructure by the end of 2022; the expectation to reach approximately one million home connect by the end of 2022; (ii) the expected population coverage of over 40% by the end of 2022 of 5G deployment; (iii) the entrance of international streaming services to Israel; (iv) the deployment of fiber-optic infrastructure for international telecommunications operators and extending this line of business; (v) the fiber-optic deployment as a significant growth engine for the Company; (vi) Potential revenue growth for Partner TV from additional revenue sources such as programmatic advertising; (vii) potential growth in the B2B services market; (viii) expanding range of services through partnerships (e.g. joint venture for the supply of discounted electricity). For further information regarding risks, uncertainties and assumptions about Partner, trends in the Israeli telecommunications industry in general, the impact of current global economic conditions and possible regulatory and legal developments, and other risks we face, see “Item 3. Key Information – 3D. Risk Factors”, “Item 4. Information on the Company”, “Item 5. Operating and Financial Review and Prospects”, “Item 8. Financial Information – 8A. Consolidated Financial Statements and Other Financial Information – 8A.1 Legal and Administrative Proceedings” and “Item 11. Quantitative and Qualitative Disclosures about Market Risk” in the Company’s Annual Reports on Form 20-F filed with the SEC, as well as its immediate reports on Form 6-K furnished to the SEC. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Company Overview

A leading Israeli Telco group

Strengthening customer reach through growth engines and value
Unique combination of infrastructure and service under one roof



Cellular
27% MS

3,042K sub.



Partner Fiber
~30% penetration
929K households
connected*

277K sub.*



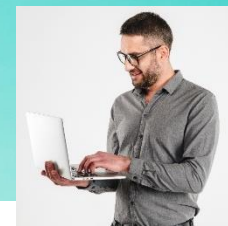
Partner TV
~12% MS

222K sub.



**Infrastructure
Based Internet**

403K sub.
(incl. Fiber sub.)



Business Solutions
Leading
service provider

Partner is positioned to capture the market growth

From...



Mobile

4G

Each telecom company established its own infrastructure; 6-7 active players in the market



To...

5G

3 new infrastructures are under deployment ; 4-5 active players in the market



Fixed

Internet infrastructure

Two internet networks (Bezeq and HOT), with other players (Partner, Cellcom and others) operating through a wholesale model



Fiber network

3 distinct infrastructures are being rolled out in Israel, with an ongoing rollout tender for rural areas; ISP separation regulation has been canceled



TV

Traditional MCTV

Two main pay TV operators, Hot (cable) and Yes (satellite), operating alone in the market. This model was disrupted in recent years by IPTV and OTT players



IPTV & OTT services

Growing penetration of lean IPTV offerings, in addition to increased penetration by global streaming players

Increasing profitability while maintaining growth by focusing on our existing lines of business

Cellular

- Focus on 5G
- Increase revenue and profitability through 5G opportunities while maintaining market share
- Shared network agreement enables us to maintain lower Opex and Capex of the cellular network vs competitors
- Partner – Value Strategy & 012 Mobile – low cost brand
- B2B expansion by adding capabilities to our business

Fixed-line

- Focus on fiber
- Increase revenue and profitability as wholesale infrastructure is replaced with independent infrastructure, fiber sub. base increases and TV financial results improve
- Leveraging our B2B position to offer fiber-optic connections and data transfer services to SMBs as well as to local and international enterprises

5G as a potential growth engine

- Deployment which enables 5G experience in designated geographical areas
- Population coverage of over 40% by year-end 2022
- Potential sales of 5G compatible equipment
- Value proposition supports increases in service revenues
- Potential B2B opportunities
- M2M potential as IOT devices increase

Partner's Fiber-Optic Network - Increasing value through usage & new verticals

- Massive coverage deployment, expect to complete major rollout phase by the end of 2022
- The only fiber-optic infrastructure in Israel to offer active Ethernet (P2PE), providing a private fiber to each subscriber
- 30% penetration rate maintained
- Wholesale potential - three agreements so far in 2022 including an exclusive multi-year agreement with FREETV
- Deployment status enables us to expand our reach towards solutions for the international communications market. January 2022 marked the first substantial agreement for such services and further agreements are being considered

**66 municipalities
from Eilat in the
south to Naharia
in the north**

Partner TV



- Focus on Super Aggregator strategy, with traditional TV services (linear channels, VOD, etc.) included
- Partnership with Netflix & Amazon Prime Video (including unique TV bundle offering)
- Over 80% of TV subscribers are in bundle/triple offerings (broadband based)
- Offering comprehensive channels & add-on packages for sports fans (Sport 1, Sport 5, ONE), and Android TV compatible Sports apps (ESPN, NBA League Pass, DAZN)
- Flexible content costs model, including revenue-share with content providers
- Potential revenue growth from additional revenue sources such as programmatic advertising
- Focus on improvement in financial results

Partner is well-positioned to capture the expected growth in the B2B services market

Partner holds a leading competitive position in the B2B telecom market

- Large client base placing Partner in a leading position in the segment
- Advanced infrastructure (fiber and 5G) deployed in almost all major office buildings & industrial parks
- Large range of services including cellular, fixed and integration (cloud, IoT, data centers, security)
- Strategic partnerships with tech giants and integration players who choose to work with Partner on various local projects

The B2B market is expected to grow rapidly in coming years, with telecommunications as a key driver

- 5G and fiber infrastructures allowing new business use cases in various industries
- Digitization acceleration across all market segments
- Migration to the cloud
- Shift to off-premise data storage
- New technologies such as AI and AR requiring major computing capabilities



Corporate Social Responsibility

Selected ESG Data*:



PARTNER IN NUMBERS

*From our 2020–2021 ESG report

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Financial Overview

Operating and Financial Highlights

Q3'22 vs. Q3'21

Cellular subs.
(thousands)

3,042



+23K

Subs. base decrease of 53K in Q3'22
Subs. base growth excluding packages
for Ministry of Education: +13K in Q3'22

Cellular Churn Rate

Reported / ex MoE
8.9% / 6.8%*
+2.5% / +0.2%*



Excluding Ministry of Education
packages, churn rate totaled 6.8%
in Q3'22 vs. 6.6% in Q3'21

Fiber-Optic subs.
(thousands)

268



+76K

Subs. base growth of
18K in Q3'22

TV subs.
(thousands)

222



-4k

Subs. base decrease of 2K in Q3'22

Service Revenues
(NIS, million)

728



+56 M

Adjusted EBITDA
(NIS, million)

276



+26 M

Profit
(NIS, million)

51



+27 M

Adjusted FCF
before interest
(NIS, million)

38



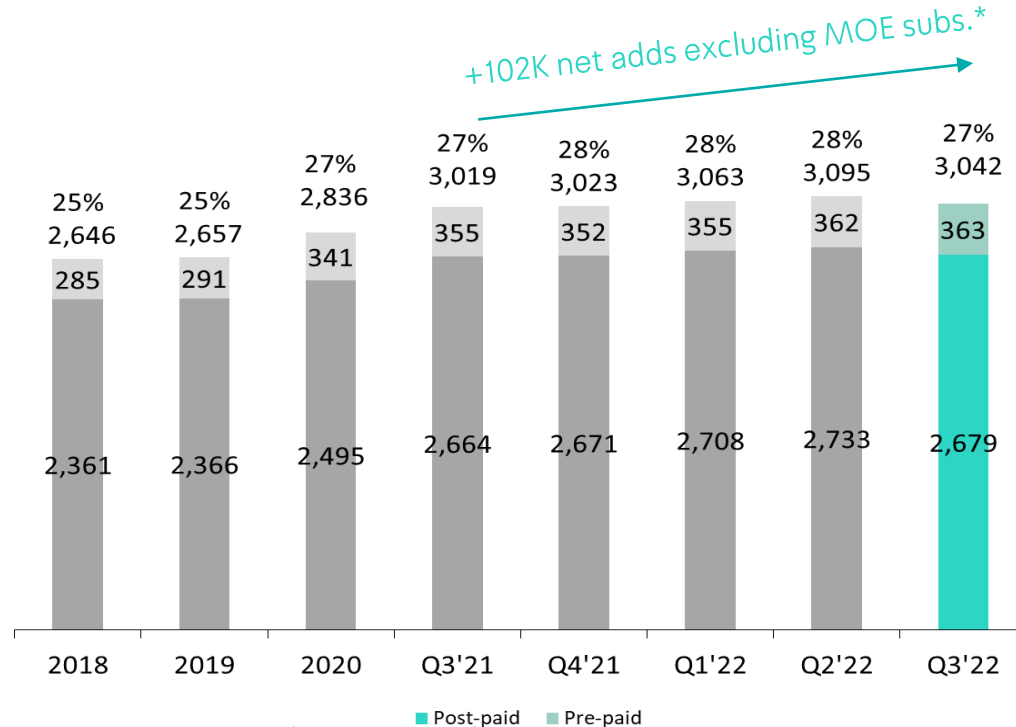
+29M

Increase in cellular roaming services and in internet services resulted in an increase in profit and profitability, despite one-time impact of NIS 17 M payroll and related expenses related to the Collective Agreement

* As stated in the Q2 Presentation, most of the time-limited packages for the Ministry of Education (MoE) reached their expiration date in the third quarter of 2022; as a result, the subscriber base of data packages and voice packages for the MoE decreased by 66 thousand and totaled 14 thousand at the end of Q3 2022.

Cellular Subscribers & Cellular Market Share

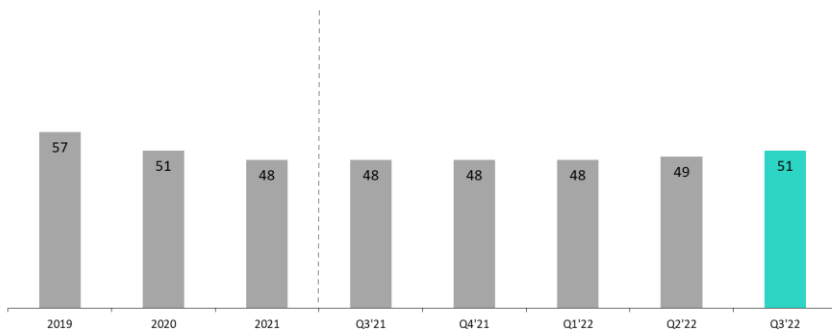
(EOP, '000s)



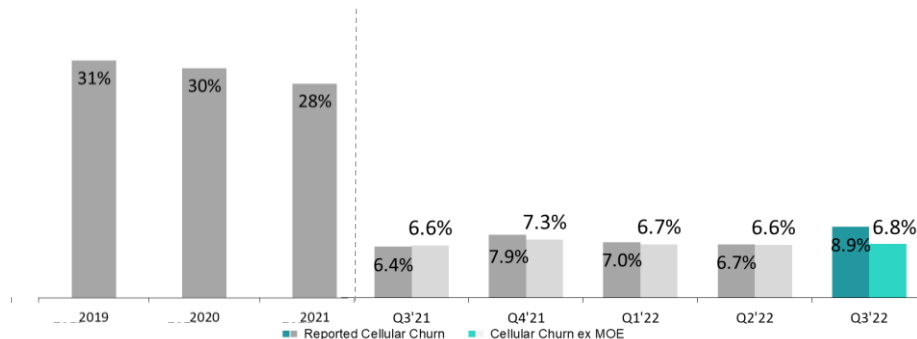
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Cellular ARPU & Churn

An increase of 6% mainly reflecting the increase in roaming services revenues
(NIS)

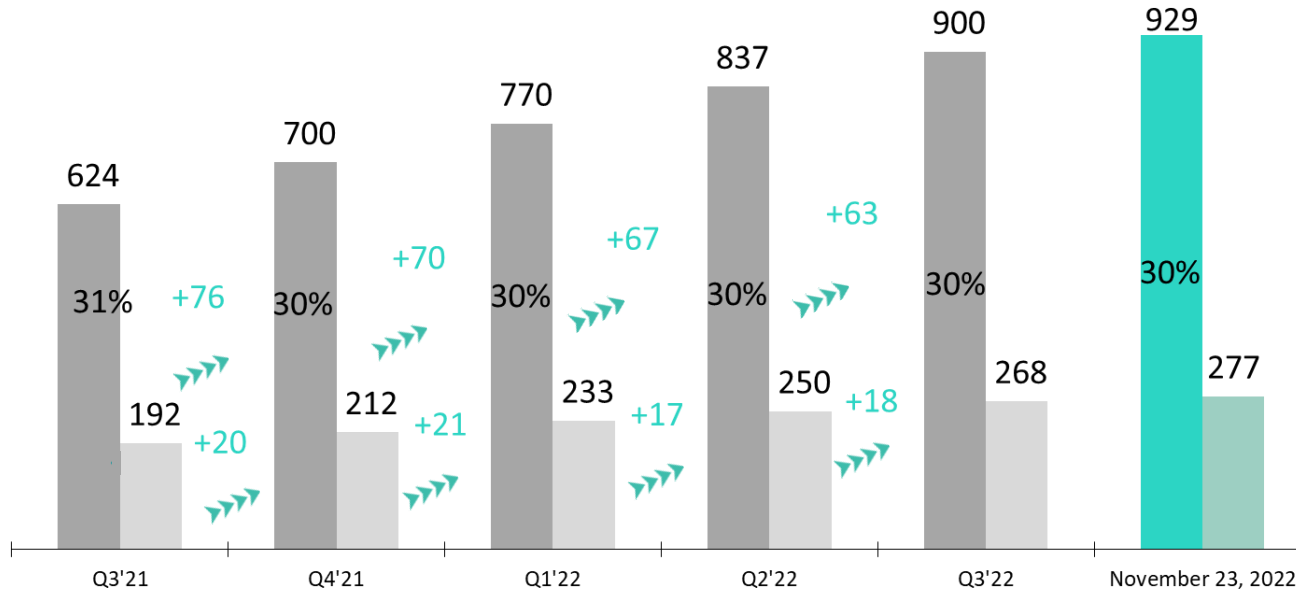


Excluding Ministry of Education's packages*, the churn rate in Q3'22 was 6.8% compared with 6.6% in Q3'21
(%) Reported / ex. MoE



Partner's Fiber-Optic Subs¹ & Homes Connected² (EOP, '000s)

18K fiber subs. increase in Q3'22, Penetration rate³ of 30% maintained



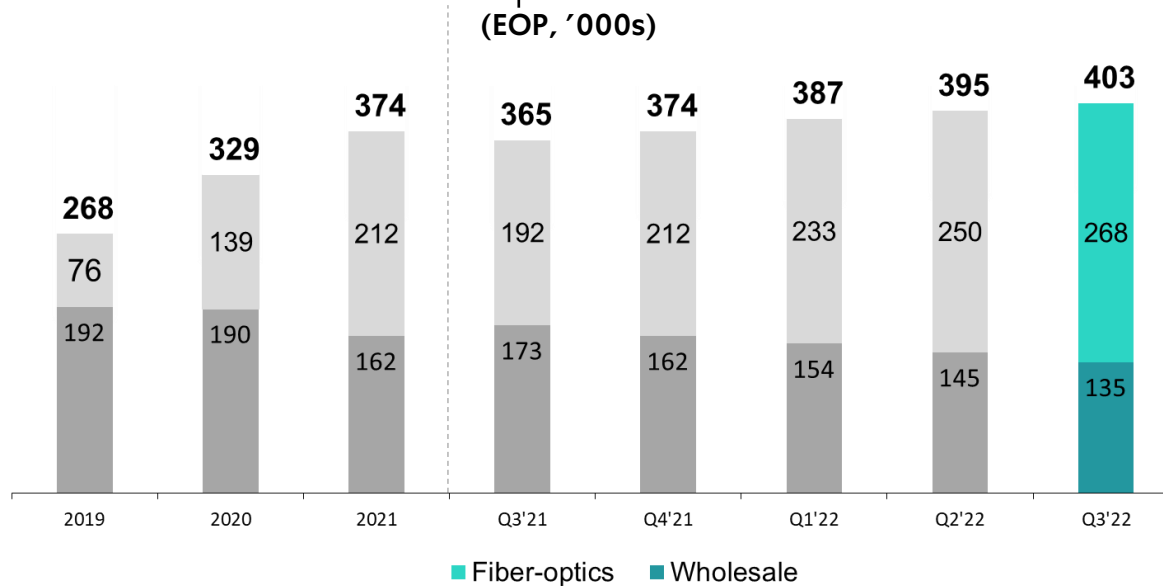
1 Active subscribers to an end-to-end service including both Partner's fiber-optic infrastructure and access to the internet

2 The total number of residential households (Homes Connected) within buildings connected to Partner's fiber-optic infrastructure

3 Fiber-Optic subscribers from potential customers in connected buildings

Partner's Infrastructure Based Internet Subscriber Base*

Number of infrastructure-based internet subscribers surpassed the 400 thousand mark as Fiber-optic¹ share increases vs. Wholesale²



* Active subscribers to an end-to-end service including both infrastructure (either through the wholesale market on Bezeq/Hot infrastructure or through Partner's fiber-optic infrastructure) and access to the internet

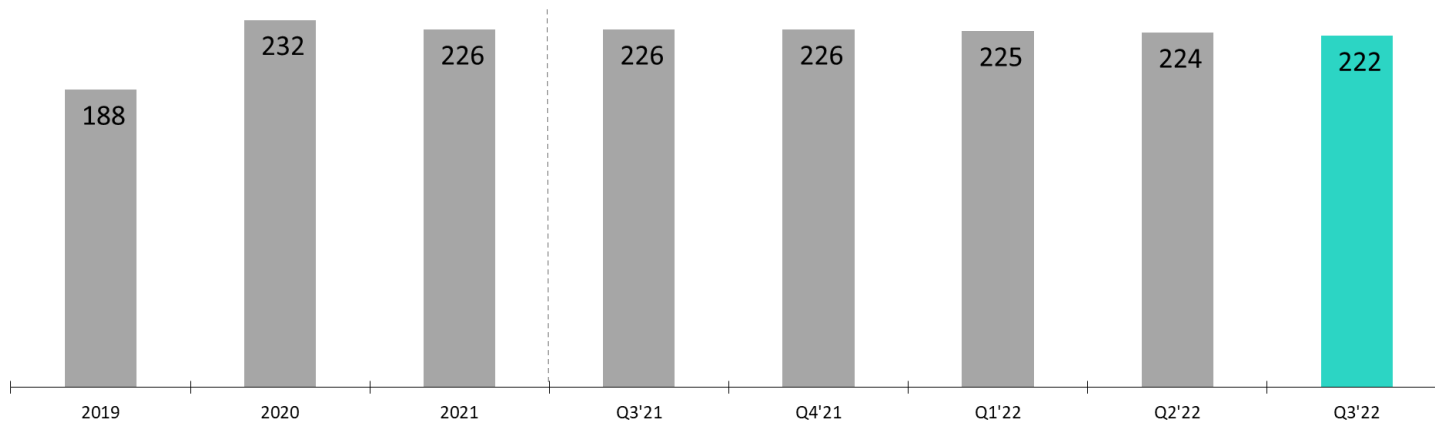
1 Active subscribers to an end-to-end service including both Partner's fiber-optic infrastructure and access to the internet

2 Active subscribers to an end-to-end service including both infrastructure through the wholesale market on Bezeq/Hot infrastructure and access to the internet

Partner TV subscriber base

(EOP, '000s)

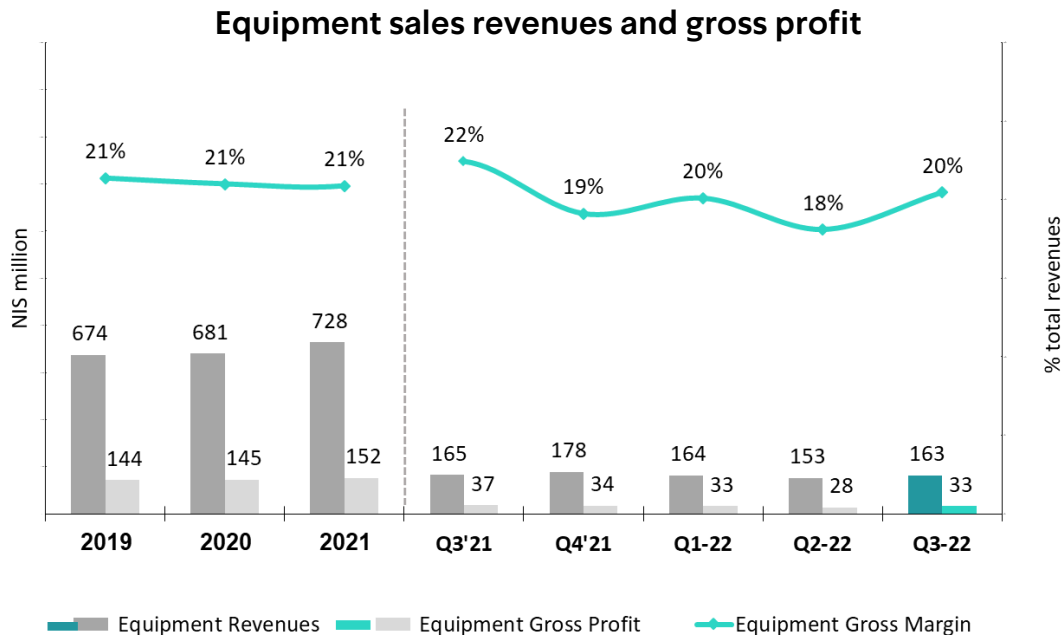
Subscriber base totaled 222 thousand at the end of the quarter



* In the second quarter of 2021, the Company removed from its TV subscriber base approximately 21 thousand subscribers who had remained in trial periods of over six months without charge or usage.

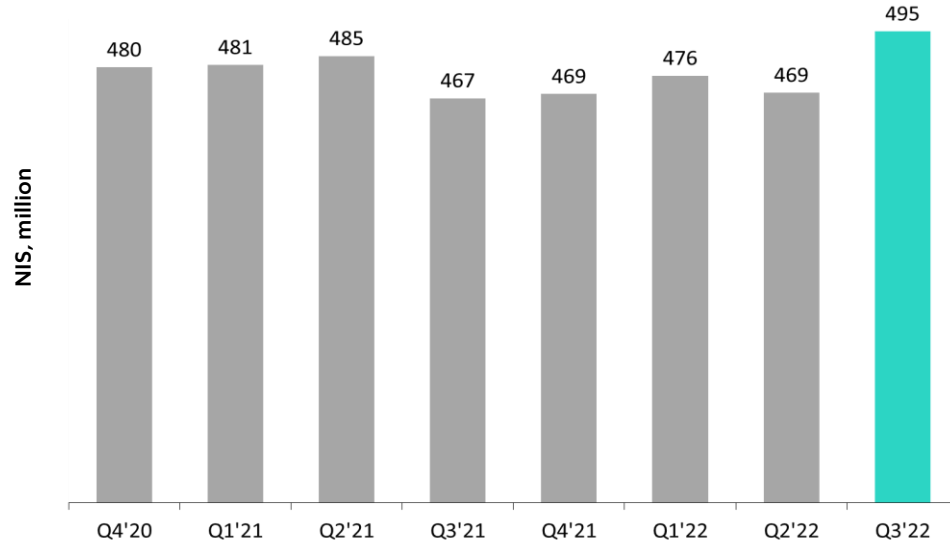
Equipment Sales

Gross profit margin of 20% in Q3'22, mainly reflecting a change in the sales mix in the cellular segment which was offset by higher gross profit in the fixed-line segment



Excluding one-time impact of the Collective agreement, OPEX totaled NIS 478 million, an increase of 2% yoy

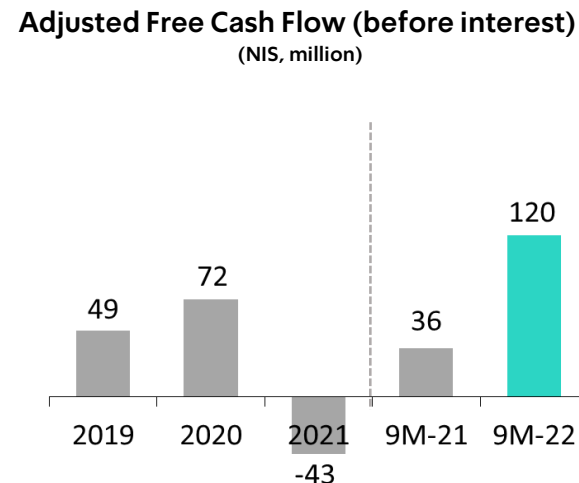
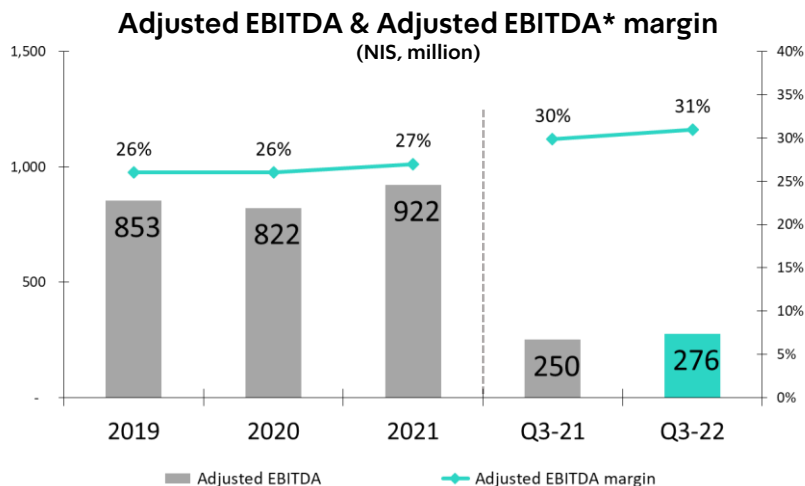
Increase in Q3'22 vs. Q3'21 of 6% mainly reflecting an increase in payroll and related expenses (of which NIS 17 million resulted from a one-time impact in the quarter of the Special Collective Employment Agreement from July 2022) and in roaming expenses. The increases were partially offset by a decrease in direct fixed-line network costs and wholesale expenses



* OPEX includes cost of service revenues, selling, marketing and administrative expenses and credit losses, and excludes depreciation and amortization expenses and other expenses (mainly amortization of employee share based compensation). Please see "Use of Non-GAAP Financial Measures" in the quarterly PR.

Adjusted EBITDA and Adjusted FCF

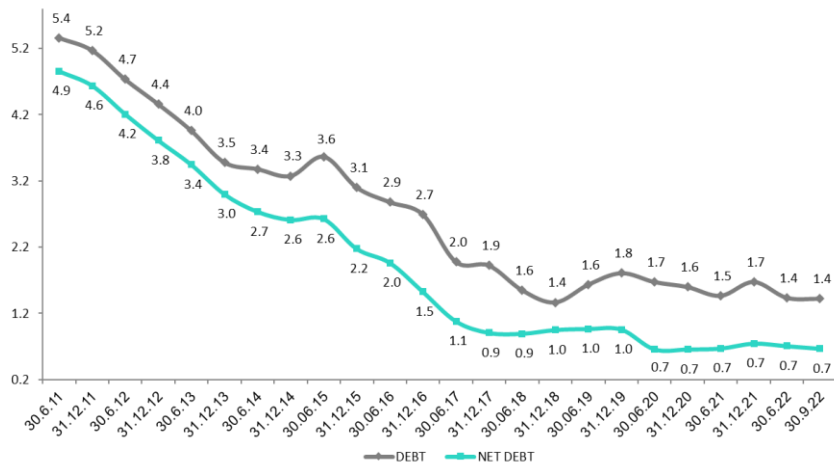
Adjusted EBITDA in Q3 2022 totaled NIS 276 million, an increase of 10% from NIS 250 million in Q3 2021. As a percentage of total revenues, Adjusted EBITDA in Q3 2022 was 31% compared with 30% in Q3 2021



* Adjusted EBITDA figures from 2019 include impact of adoption of IFRS 16 (NIS 157 million in 2019). For more details see the Company's 20-F report. Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Free Cash Flow are Non-GAAP financial measures. Please see "Use of Non-GAAP Financial Measures" in the quarterly PR.

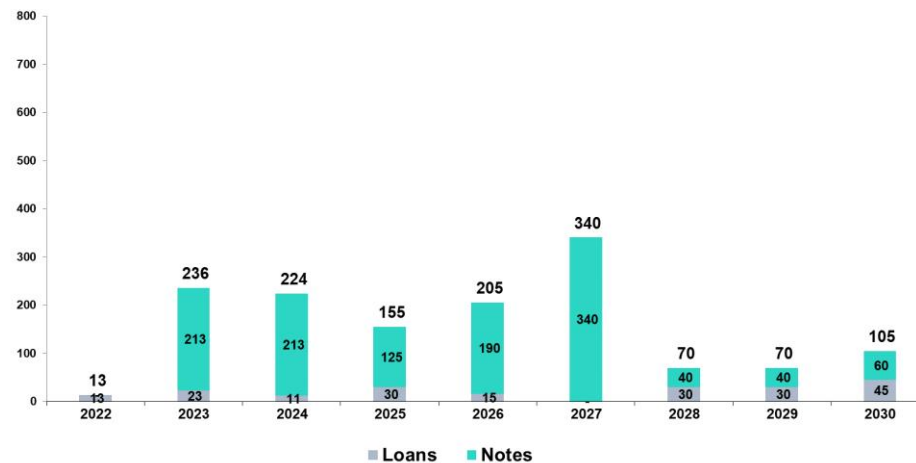
Decrease in Net Debt over past decade

Debt/Net Debt
(NIS, billion)

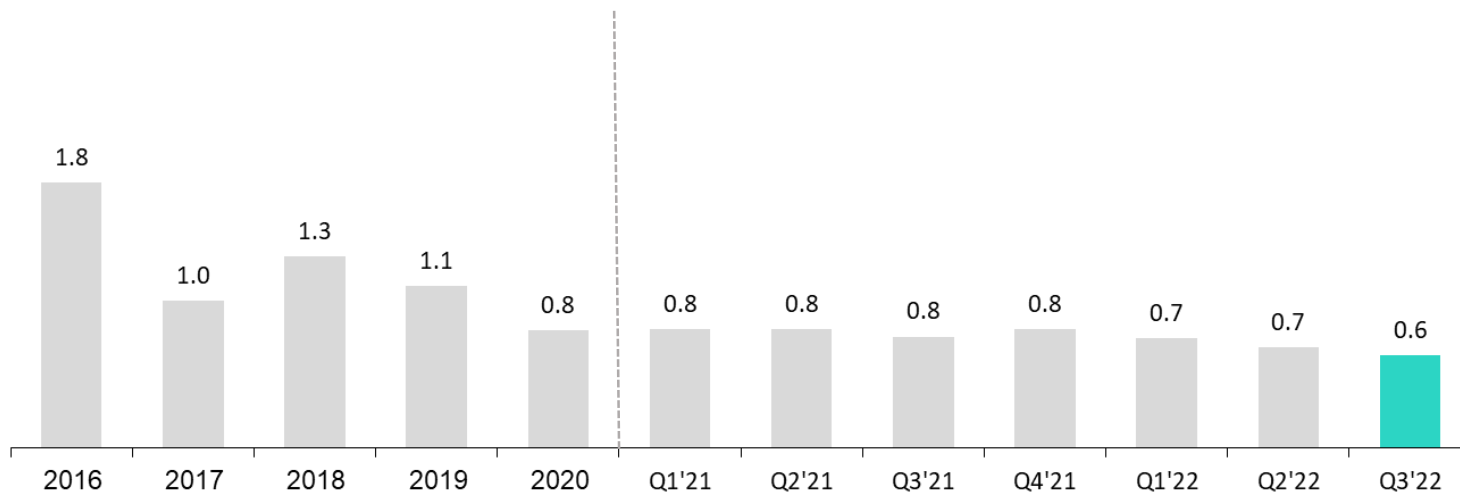


Repayment Schedule Notes & Loans
(NIS, million)

As of September 30, 2022



Net Debt to Adjusted EBITDA*



* Notes payable and borrowings and financial liability at fair value, less cash and cash equivalents and short and long-term deposits divided by Adjusted EBITDA for the last 4 quarters.

Partner's strengths



Strong Foundations

5G rollout, widest 4G coverage, leading customer service, network sharing agreement, expanding Independent fiber-optic infrastructure



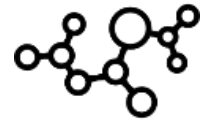
Defined Strategy

Transforming into a Total Telecommunications Group, diversified revenue sources from private and business customers, increasing digital operations, innovation



Customer Base

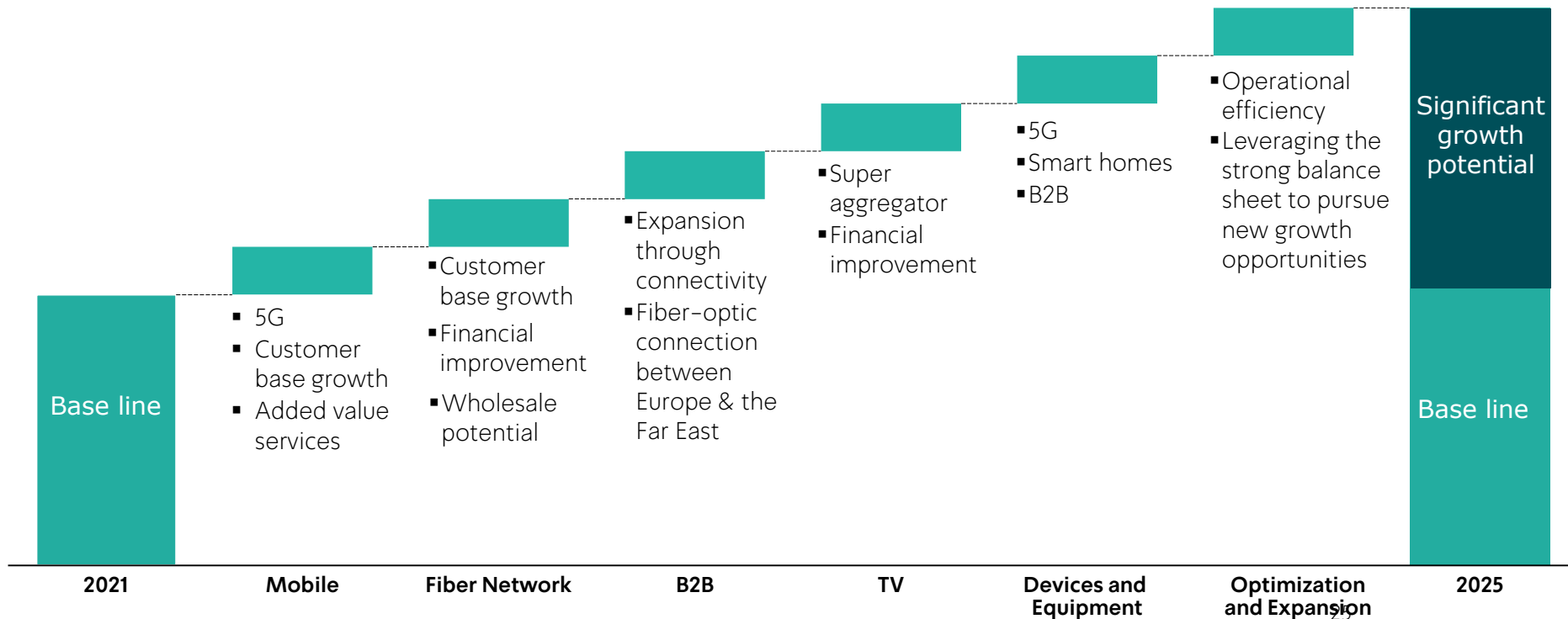
Partner serves over 3 million connections – cellular subscribers, fixed-line households with broadband internet, ISP services and TV services



Innovative DNA

The only Israeli Provider of active Ethernet (P2PE) based fiber solution, First to offer 3 Gbps over fiber to private customers, First to offer 3G & 4G in Israel, First to offer Wi-Fi Calling and VoLTE in Israel, First to offer roaming to customers in Israel, First to offer SMS in Israel

Partner - value creation pathway



In Conclusion

- 5G deployment to reach population coverage of over 40% by the end of 2022
- Expanding the value chain as we become a dominant fiber-optic infrastructure player:
 - We are on track to reach around one million HC by the end of 2022
 - Increasing fiber value potential—wholesale agreements for use of Partner’s infrastructure
 - Strengthening our position as a leading fiber-optics infrastructure provider to enterprises
 - Seizing new opportunities in the Middle East by introducing a sustainable fiber-optic connection solution for international communication operators
- Full versatility in fiber-optic services through own infrastructure and wholesale agreements
- Raising quality of service by simplifying processes and becoming more accessible
- Expanding range of services through partnerships (e.g. joint venture for the supply of discounted electricity)



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Thank you