



WELCOME TO **PARTNER**

November 2021

Disclaimer

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 the strategy for the coming years, including, the promotion of the 5G network rollout and expanding deployment of the fiber optic infrastructure, and the ability to improve our financial performance, including profitability and EBITDA measures. In addition, all statements, other than statements of historical fact, included in this presentation regarding our future performance are forward-looking statements. We have based these forward-looking statements on our current knowledge and our present beliefs and expectations regarding possible future events. These forward-looking statements are subject to risks, uncertainties and assumptions, including in particular, unexpected technical issues which may arise as we rollout our 5G network and as we deploy the fiber – optic infrastructure, and changes in the regulation and economic conditions. In light of the current unreliability of predictions as to the ultimate severity and duration of the Covid health crisis, future results may differ materially from those currently anticipated. 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. This presentation does not include our entire results and financial information, and it is not intended to supersede and/or replace the need to review reports and statements published by the Company in accordance with the provisions set forth by law, including our statements and announcements, and the full financial statements of the Company included therein. In any event of discrepancy between information and figures contained in this presentation and the information and figures contained in our reports and/or financial statements attached thereto, information and figures contained in our Reports and/or financial statements shall be deemed as prevailing.



Company

Highlights

Partner's Ecosystem

>> The Israeli economy

- Israel is part of the OECD
- High and growing GDP
- Stable currency
- Strong high-tech sector leading the growth

>> The Israeli telecom sector

- 4 major players, which is a relatively large number compared to the market size
- All 4 players are active in all of the main segments – mobile, fixed-line and TV. The position and size of the players in each market segment vary significantly
- The regulator is seeking to encourage infrastructure deployment, since Israel lags behind other OECD countries in terms of fiber-optic and 5G rollouts

Partner

Major developments in the last 2 years

- Stabilized the Company following the sudden departure of the previous controlling shareholder, the Saban Group
- Strengthened the balance sheet in order to facilitate long-term thinking as an infrastructure player, via a secondary equity market offering
- Contended with a bid from Altice / Hot which was ultimately withdrawn
- Achieved business and financial success in the 5G frequencies tender, and began initial deployment of Partner's 5G network
- Took advantage of the Company's position as a front runner in Israel's fiber-optic market, to accelerate the fiber-optic deployment and customer acquisition
- Successfully navigated the impact of Covid-19
- Established a new management team which is well-prepared for any upcoming challenges

Partner's

Position and challenges

>> Partner is well-positioned :

- Wholly owned fiber infrastructure
- Jointly owned cellular networks
- Large customer base
- Seasoned leadership and management
- Superior brand
- Strong balance sheet

>> It also faces several industry-wide challenges:

- Highly competitive landscape
- Consumer market accustomed to low prices for telecom services
- Challenging labor market, a labor shortage alongside rising salaries
- Heavy regulation with significant government intervention

Partner's Strategy

Our main goal is to increase profitability while maintaining growth by focusing on our existing lines of business

- **Mobile** – Riding the 5G wave to increase revenue and profitability, while maintaining market share
- **Fixed-line / fiber** – Maintaining accelerated growth to reach a minimum of 1 million homes connected to Partner Fiber with current penetration rate of paid subscribers, while maintaining profitability
- **TV** – disciplined growth with improved financial results
- **B2B** – Expansion by adding capabilities to our business offerings



Meet

Partner

Innovative telecom solutions

We provide a variety of telecom solutions and advanced services to private and B2B customers



Cellular



Fiber



TV



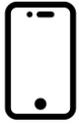
B2B



Devices



Other internet
and fixed-line
services



Cellular

28% market share

2,970K subscribers



Partner Fiber

~30% penetration

600K households connected**

>180K subscribers **



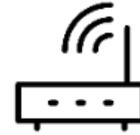
Partner TV

~13% market share

223K
subscribers

Partner
at a glance*

~2,700
Employees



Internet + ISP

181K wholesale &
198K ISP only subscribers



Devices & equipment

Significant retail sales

ILS 730M, 42 locations



B2B

Leading service provider

*Q2'21
**Aug. 18, 2021

Our values



People-oriented

Simplicity

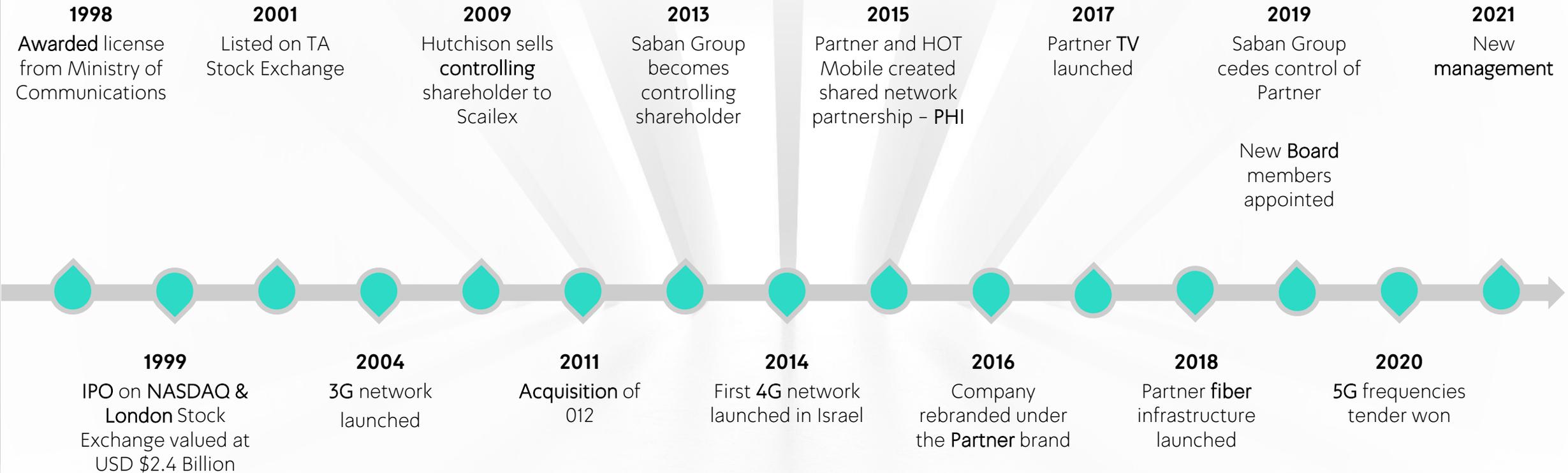
Curiosity

Integrity

Trustworthy

Flexibility

Key milestones



It's all about leadership

We have a professional team to propel Partner forward



Osnat Ronen
Chairperson of the Board



Avi Zvi
CEO



Tamir Amar
Deputy CEO & CFO



Yakov Truzman
Deputy CEO - Sales



Sarit Hecht
VP, Chief Legal
Consul & Corporate
Secretary



Galit Shakalo-
Offenberg
VP Customer
Services



Ori Gal
VP Marketing



Addie Koren
COO



Yael Gaoni
VP communication



Yaron Eisenstein
VP Information
Technologies

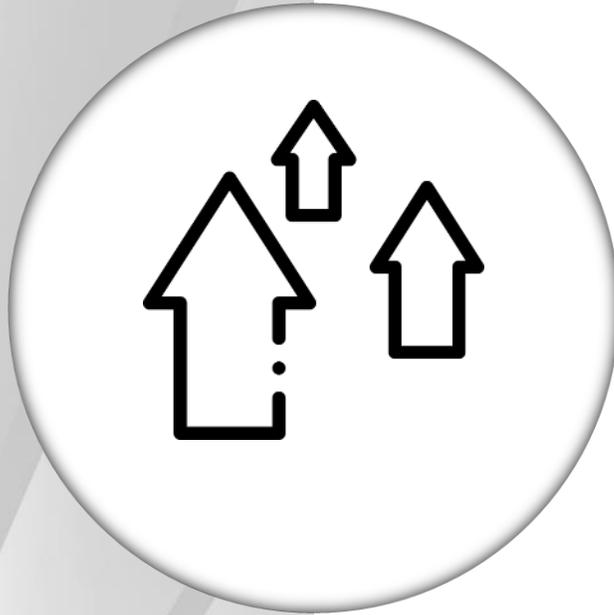


Snir Niv
VP Regulation



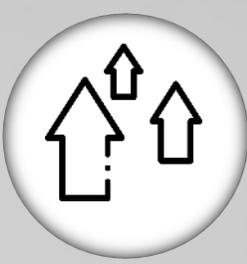
Industry

Overview



Strong Israeli economy

- One of the most stable and fastest growing economies in the OECD
- High population growth
- Consistent GDP growth, a diverse population and a booming high-tech sector



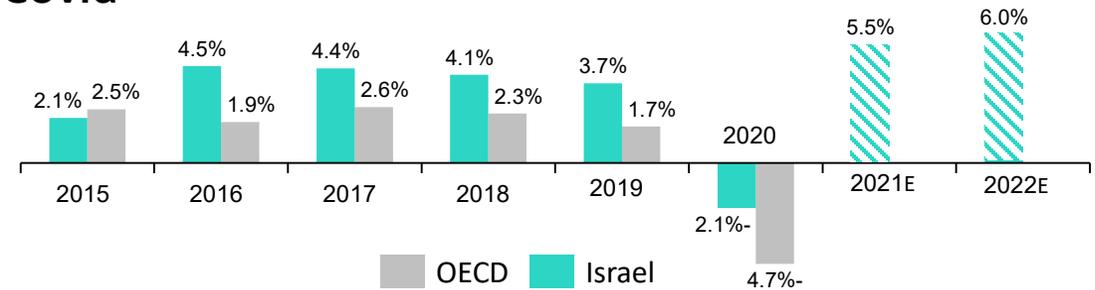
Strong economy

The Israeli economy has demonstrated resilience, supported by high population growth

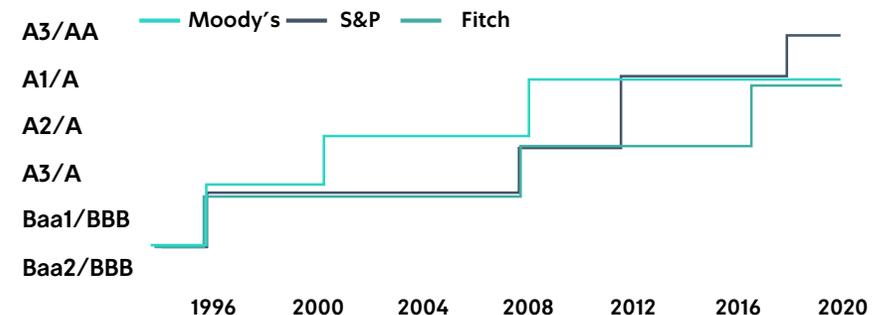
Key macroeconomic data

Area	22,154sq km
Population (May 2021)	9.35 Million
Population growth (2020)	1.8% (OECD avg. = 0.4%)
GDP (2020)	\$402 Billion
GDP per capita (2020)	\$43,610
Inflation rate (2020)	(0.60%)
Unemployment (Sep. 2021)	5.7%

Israel's GDP growth outpaces the OECD, even during Covid



Israel's GDP growth has led to improved credit ratings



Source: World Bank, OECD, Israel Central Bureau of Statistics



Israel is a highly digitized country

The demand for connectivity and telecom services is expected to continue growing

120%

Mobile penetration rate¹

80%

Smartphone penetration rate²

90%

Connected to the internet³

57%

E-commerce market growth since 2019⁴

50%

Growth in giga usage per person from 2018-2020⁵

E-commerce sales are on the rise

In Israel, in USD



Increased demand for connectivity

Average daily data consumption (GB)

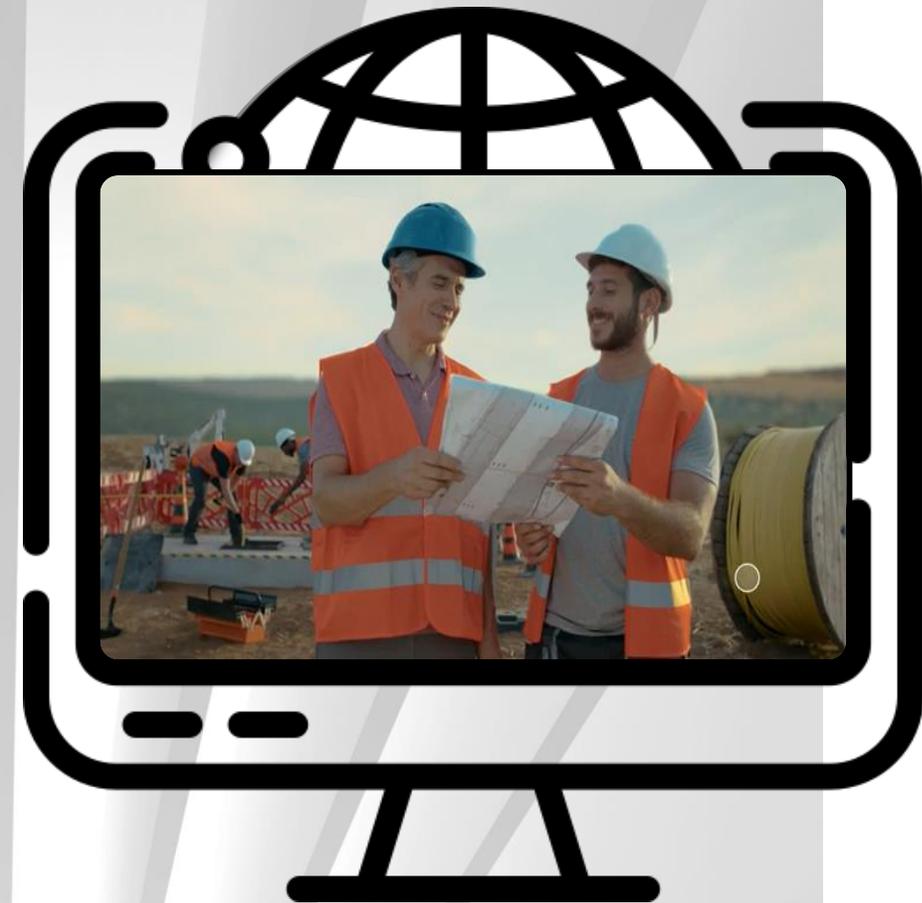


Source: Internet report 2020, Bezeq



Israel's dynamic telecom market

- Growing market demand for connectivity following rapid digital transformation and transition to the cloud
- Significant technological developments – deployment of advanced infrastructures & telecom networks
- The regulator is committed to accelerating fiber and 5G deployment
- Change in competitive dynamics in all focus areas (mobile, data, TV) has led to significant growth opportunities



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The Israeli cellular sector has experienced competitive pressure, but is now stabilizing

2006–2011: Stable mobile market with 3 companies operating in a highly-concentrated market with high profit margins (~40% EBITDA margin)

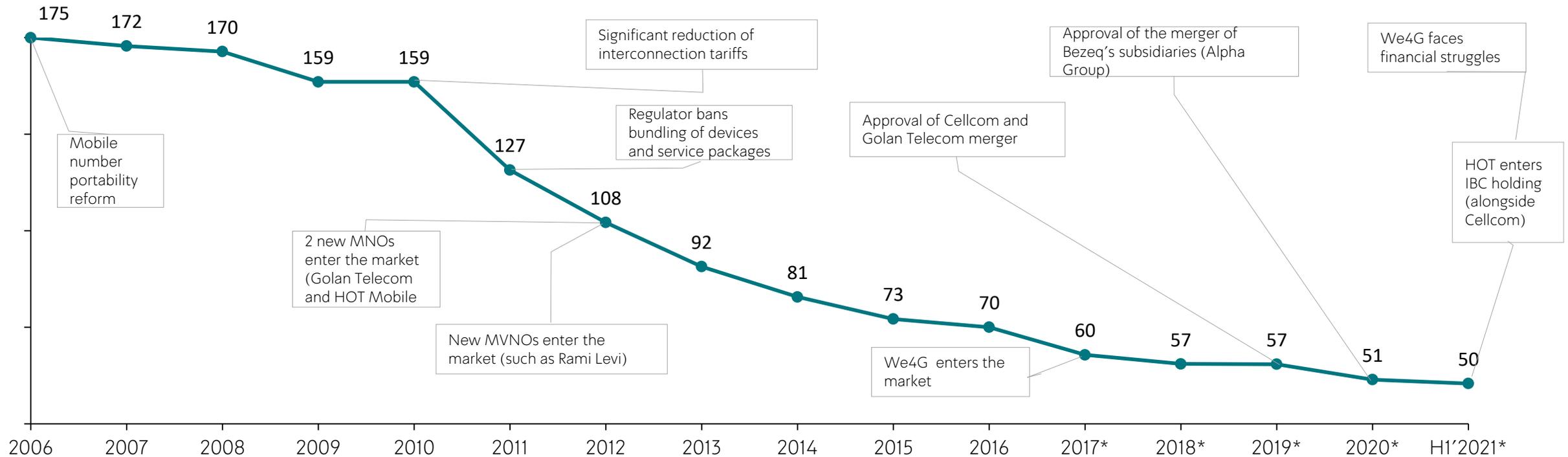


2011–2019: Price-focused regulation led to a major drop in market prices and margin erosion that made infrastructure investments financially unfeasible



2019–present: Israel's regulator has mainly focused on closing the infrastructure gap

Average mobile ARPU in Israel (ILS)





Currently, Israel's mobile ARPU is lower than all of the main European countries

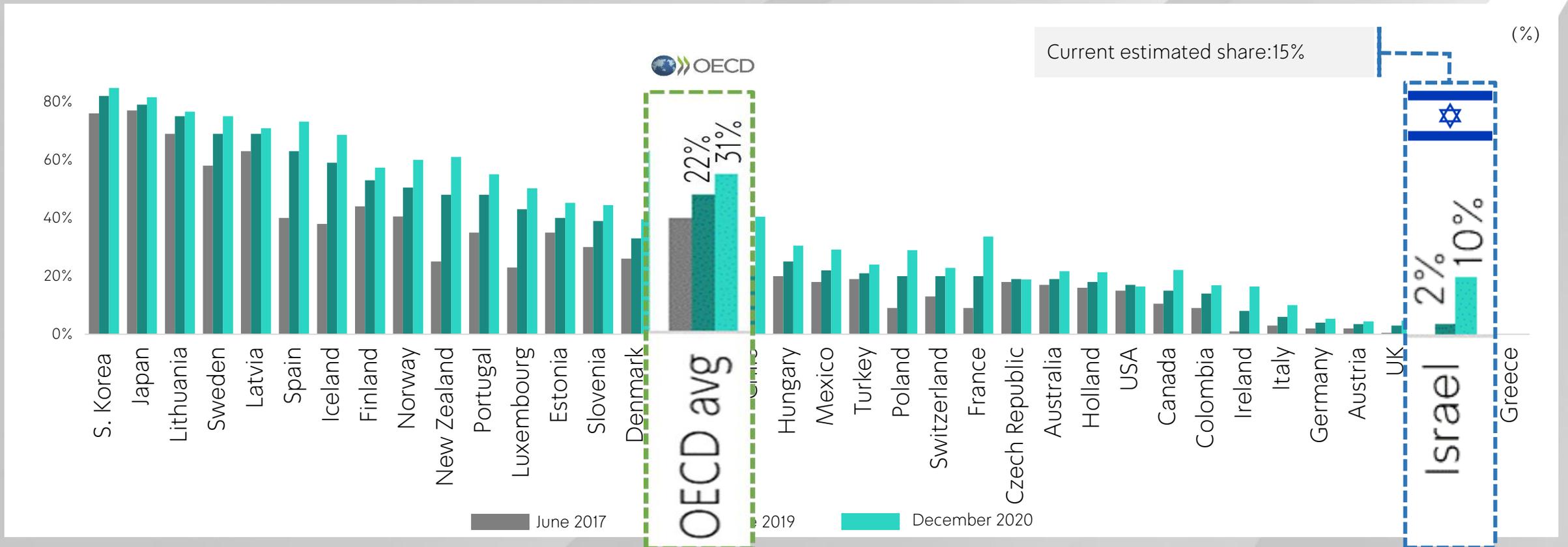
Average mobile ARPU in selected countries in 2019 (in USD \$)

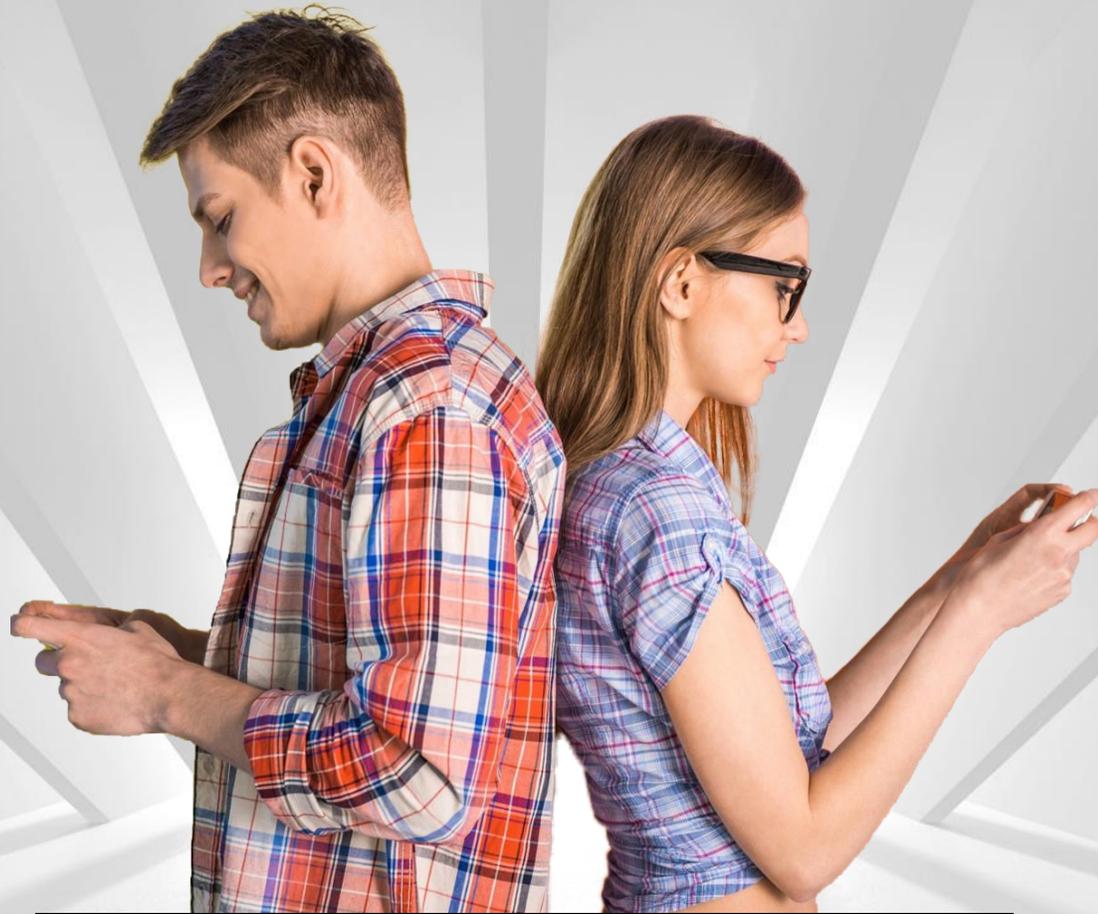




The Israeli fiber market is lagging behind the OECD, but is expected to catch up in the near future

Fiber-Optic internet subscriptions as share of all broadband Internet subscriptions, 2017-2020





Partner's

competitive positioning

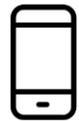


Hello future

- Partner is well-positioned and ready to take advantage of market opportunities, thanks to its:
 - Superior brand position
 - Wholly owned fiber and jointly owned cellular networks
 - Large customer base, both private and B2B
 - Experienced and seasoned management
 - Strong balance sheet



Partner is positioned to capture the market growth



Mobile

From...

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.

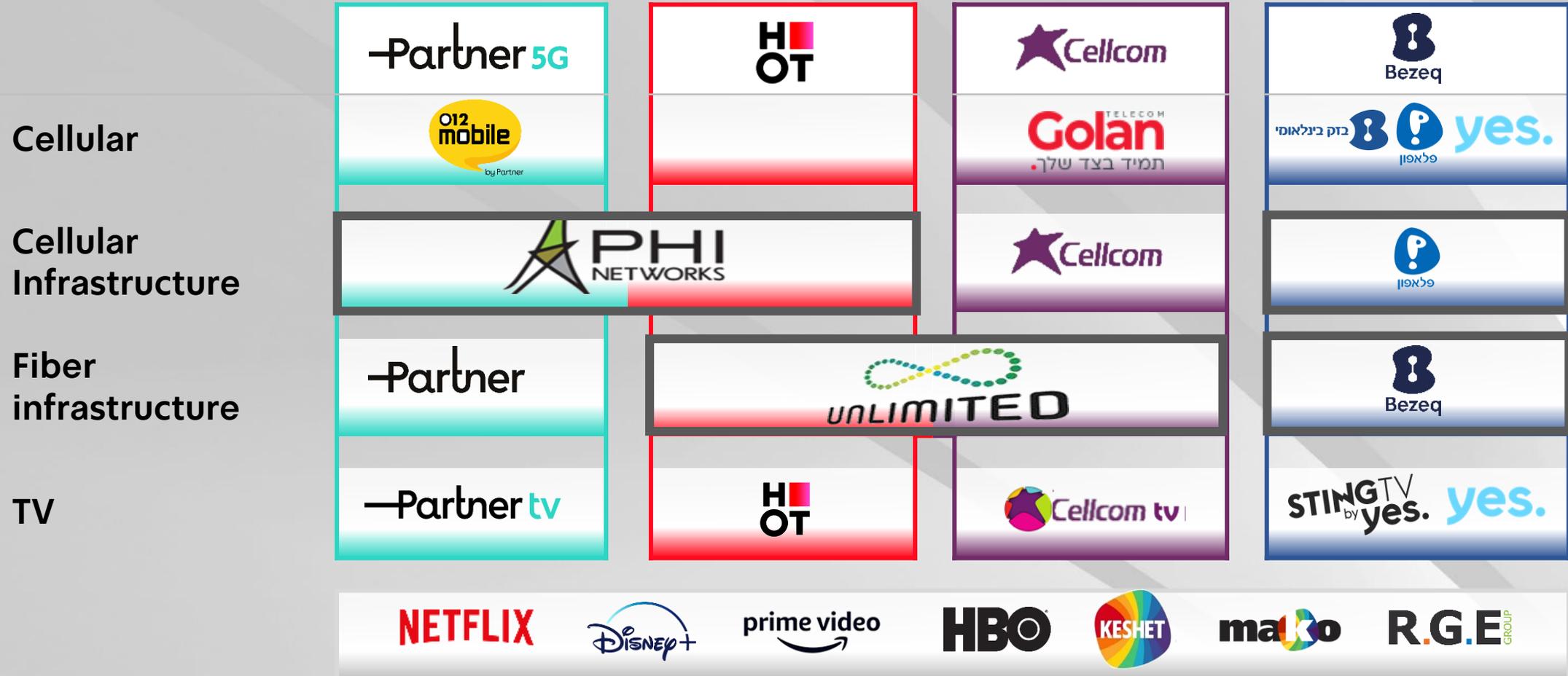


IPTV & OTT services

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

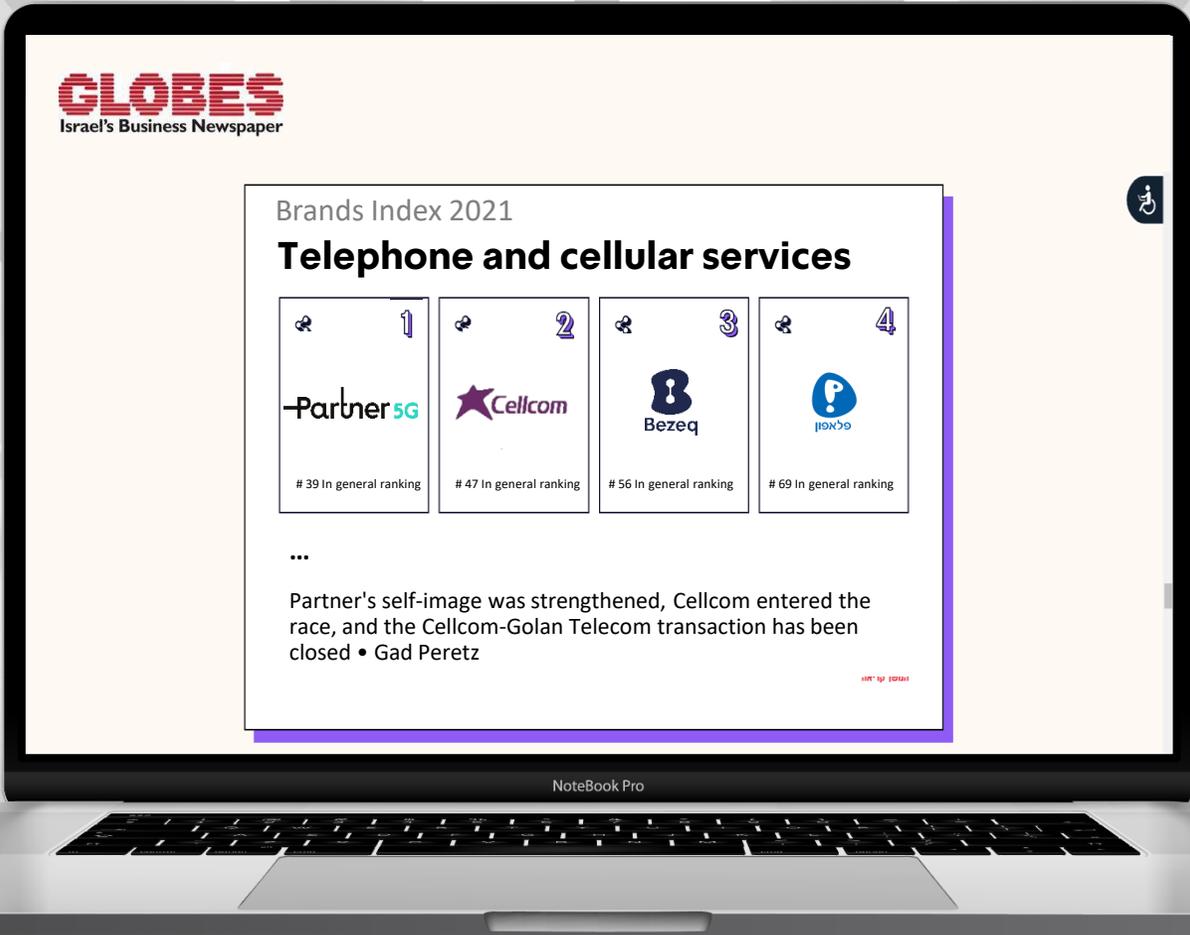


Partner competitive landscape





strong brand





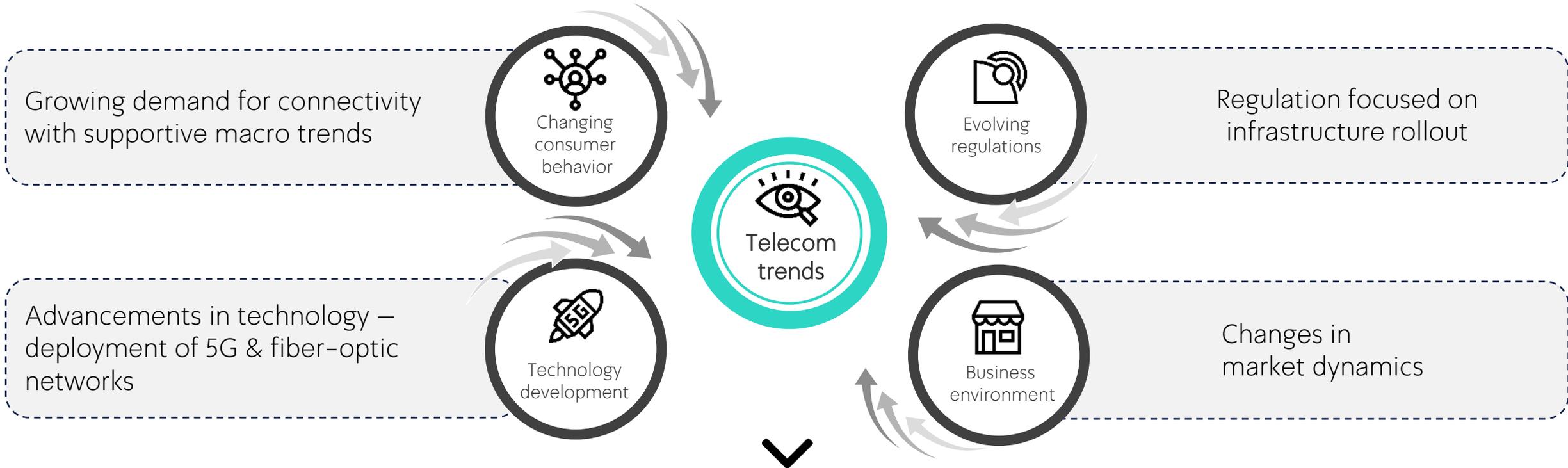
strong

brand



In summary

Large scale trends and attractive market conditions are driving positive changes in the Israeli telecom industry



An ideal timing for Israeli telecom operators, with Partner well-positioned to capture the opportunity



High growth potential

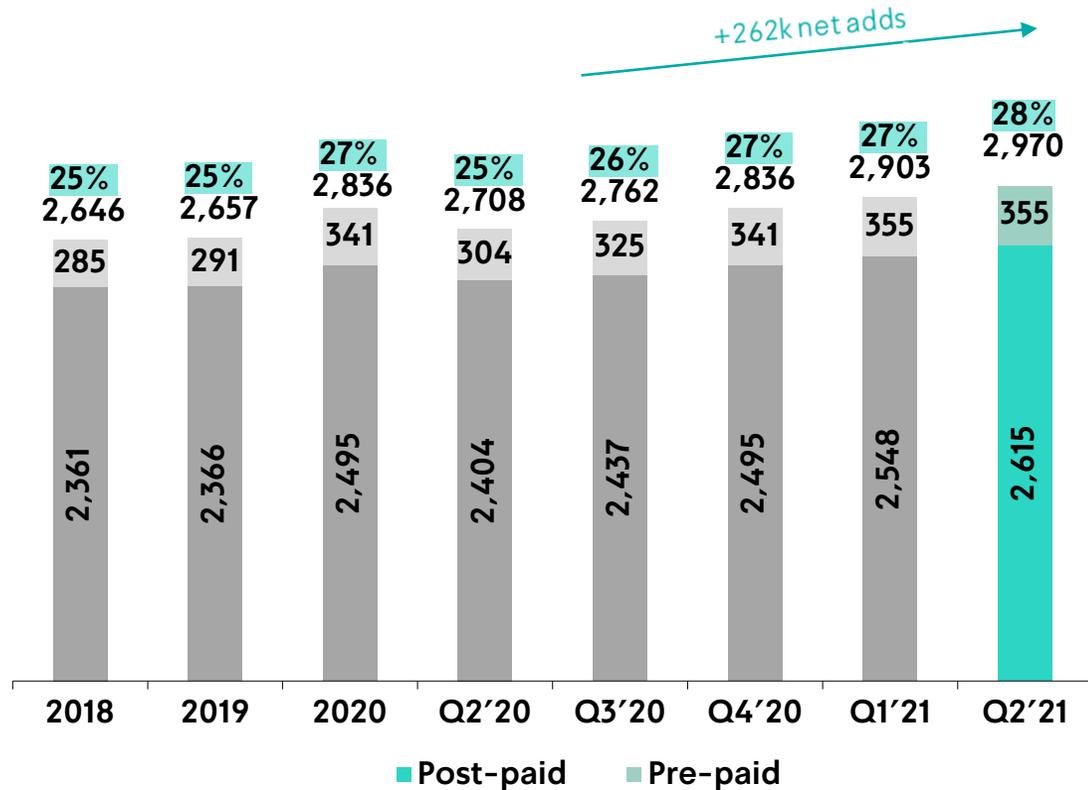
- Partner has potential for significant profitability growth through multiple growth engines (5G deployment, fiber network, TV super aggregator strategic focus, B2B, devices, M&As, and more)
- Partner will soon capitalize on its significant fiber infrastructure, as a result of its acceleration of the rate of its deployment in recent years



5G to accelerate mobile revenue growth

Mobile subscribers & market share

(EOP, '000s)



Growth drivers

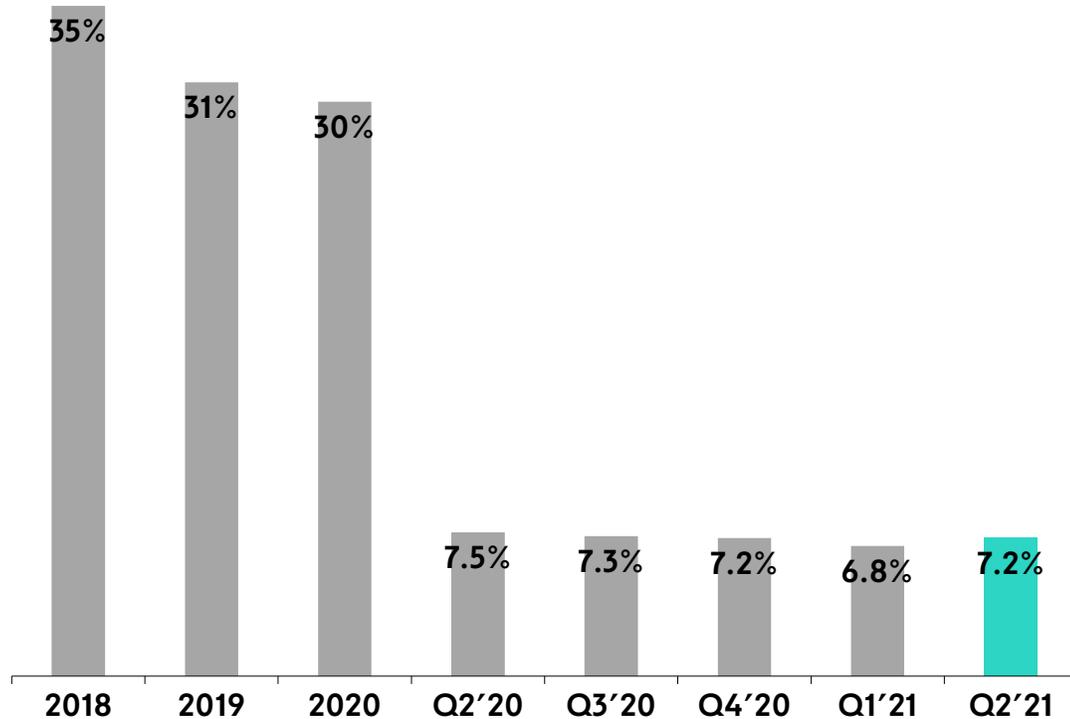
- Revenue growth thanks to superior performance and value plans, 5G as a key driver for revenue increase
- Customer base growth – positive customer acquisition trend, decreasing churn
- Potential growth in devices and services as a result of 5G



5G to accelerate mobile revenue growth

Cellular Churn

(EOP, '000s)



Growth drivers

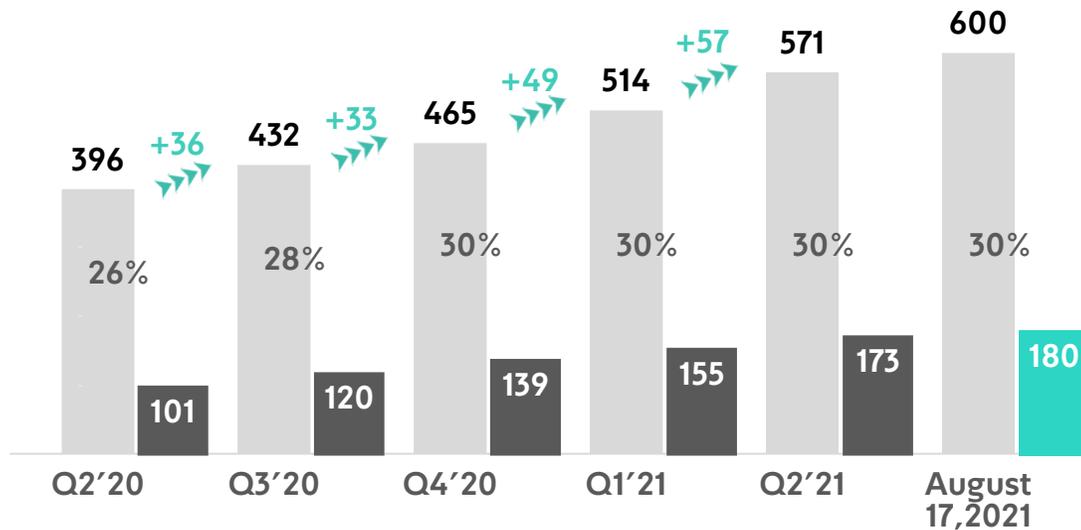
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Partner - fixed-line player

Partner's fiber-optic subs* & homes connected**

Penetration rate of 'PARTNER FIBER' reached 30% in Q2'20 vs. 26% at Q1'20
(EOP, '000s)



Growth drivers

- Customer base growth – positive acquisition trend and strong growth due to fast deployment of wholly owned fiber infrastructure
- Higher speed – better performance
- B2B segment – expended growth potential
- Profit improvement – replacing wholesale infrastructure with wholly owned infrastructure

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

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

***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



Partner is accelerating its fiber network deployment, with over 600K homes already connected

52 municipalities, from Eilat in the south to Nahariya in the north

Afula – Ashdod – Ashkelon – Azor – Bat Yam – Be'er Ya'akov – Be'er Sheva
Eilat – Givat Shmuel – Givatayim – Ganei Tikva – Hod Hasharon – Herzliya
Hadera – Holon – **Haifa** – Harish – Jerusalem – Karmiel – Kfar Saba – Kfar Yona
Kiryat Bialik – Kiryat Gat – Kiryat Ono – Kiryat Yam – Kiryat Mozkin

Lod – Ma'ale Adumim – Modi'in-Maccabim-Re'ut – Naharia – **Netanya**
Ness Ziona – Neshet – Netivot – Or Yehuda – Or Akiva – Oranit – Pardes Hanna-
Karkur – **Petah Tikva** – Ra'anana – Rehovot – Rosh Ha'Ayin – Rishon Lezion –
Ramla – Ramat Gan – Ramat Hasharon – Shoham – Sderot – **Tel Aviv-Jaffa** – Tirat
Carmel – Yavne – Yehud-Monosson

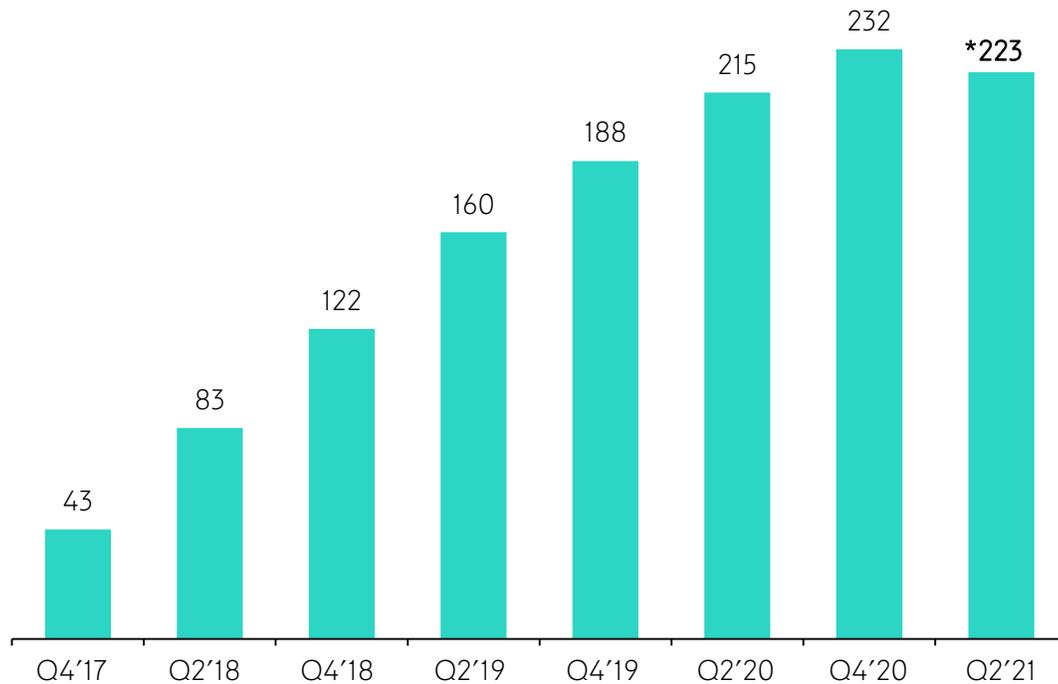


TV - super aggregator strategy

with a strong focus on profitability improvement

Partner TV subscriber base

(EOP, '000s)



Growth drivers

- Focus on profitability
- Super aggregator strategy, with traditional TV services (linear channels, VOD, etc.) included
- Flexible content model, including revenue sharing with leading content providers
- Potential revenue growth from additional sources such as programmatic advertising

Excluding subscribers' removal* (see comment below), the subscriber base increased by 10K in Q2'21

* In the second quarter of 2021, the Company removed from its TV subscriber base approximately 21K subscribers who had joined the Company at various times and had remained in trial periods of over six months without charge or usage



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 – over 1M business clients, 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

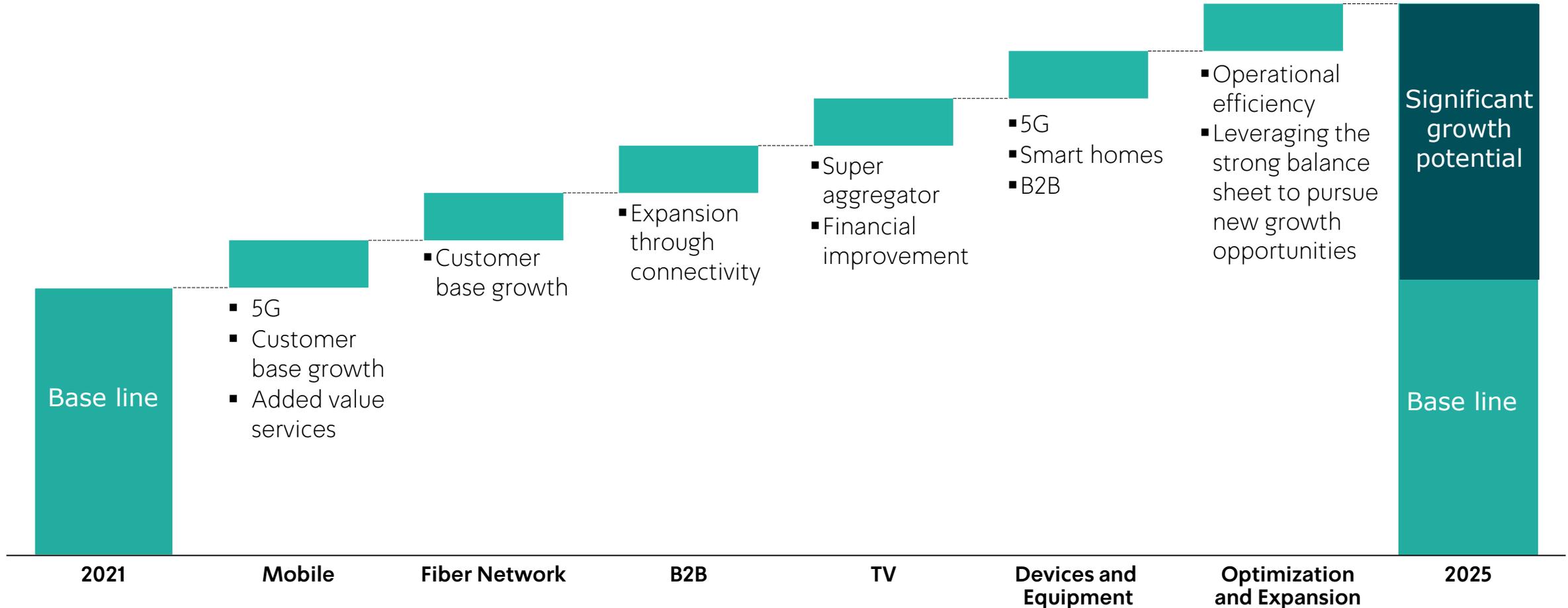
The B2B market is expected to grow rapidly in coming years, with telecommunications as a key driver

- 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





Partner - value creation pathway



Challenges

1.

**Competitive
landscape**

2.

**New
technologies**

3.

**Challenging labor
market**

4.

**Highly regulated
market**



Corporate Social Responsibility

2018–2021 Achieved the highest rating in the **Maala** CSR Index – Platinum Plus



Partner reduced its greenhouse gas emissions by more than 8% during the reported period



30% of our total purchasing is sourced from small and medium-sized businesses



Partner was rated as the #1 Israeli telecom company in the Maala CSR Index*



As of June 21, people with disabilities accounted for 4.04% of our workforce, with 25% of such staff in management roles



Empowering the community through collaborations with Krembo Wings, Latet, and the Ametz Lohem initiative for IDF soldiers



Hybrid vehicles account for 41% of our entire fleet



Women account for 51% of our overall workforce and hold 43% of management positions





Financial

results

Balance Sheet Highlights (million ILS)

Q2'21 vs. Q2'20

Financial
results
Q2'21

Total Assets

5,083



+21M

Q2'20: 5,062

Notes, Banks & Maturities

1,466



-208 M

Q2'20: 1,674

Cash, equivalents & Deposits

796



-220 M

Q2'20: 1,016

Net Debt

670



+12 M

Q2'20: 658

Total Equity

1,741



+25 M

Q2'20: 1,716

Leverage Ratio Equity to Assets

34%



unchanged

Q2'20: 34%

Working Capital**

194

Q2'20: 255

Total Lease liabilities (IFRS 16)

723

Q2'20: 592

* Change in Q2'2021 vs. Q2'2020

** WC = trade receivables + inventory – trade payables

P&L and Cash Flow Highlights (million ILS)

Q2'21 vs. Q2'20

Financial
results
Q2'21

Service Revenues

649


+33M
+5%

Q2'20: 616

Equipment Revenues

191


+33M
+21%

Q2'20: 158

Cellular – Service Revenues

420


+11M
+3%

Q2'20: 409

Fixed Line – Service Revenues

262


+18M
+7%

Q2'20: 244

Adjusted EBITDA

213


+13 M

Q2'20: 200

OPEX

485


+29 M

Q2'20: 456

CF from Operating Activities

179


- 14 M

Q2'20: 193

Adjusted FCF before interest

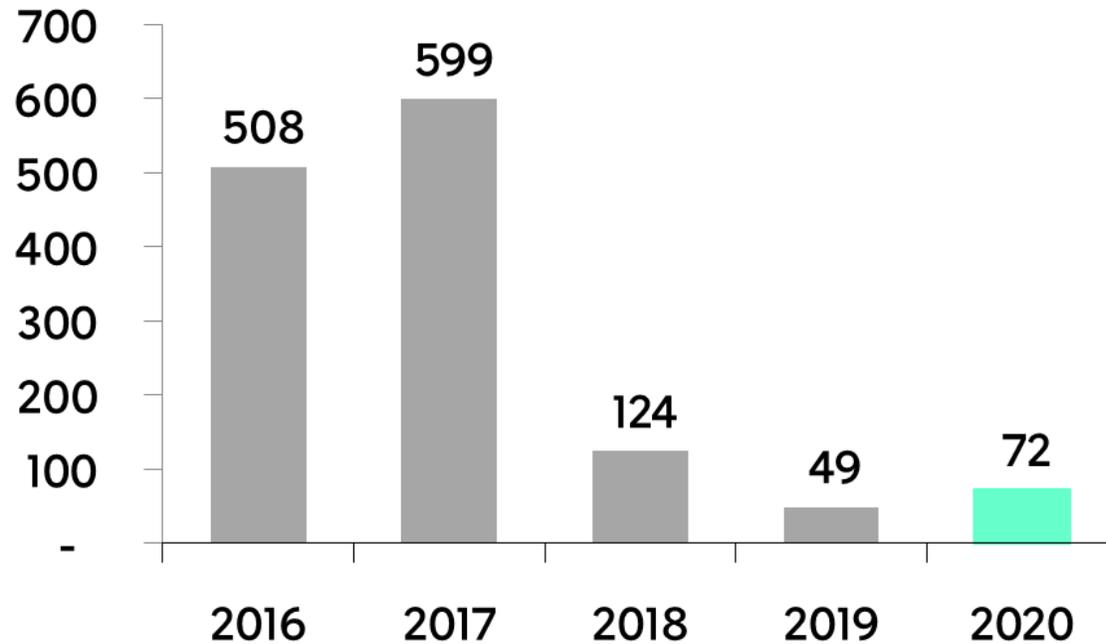
8


-36 M

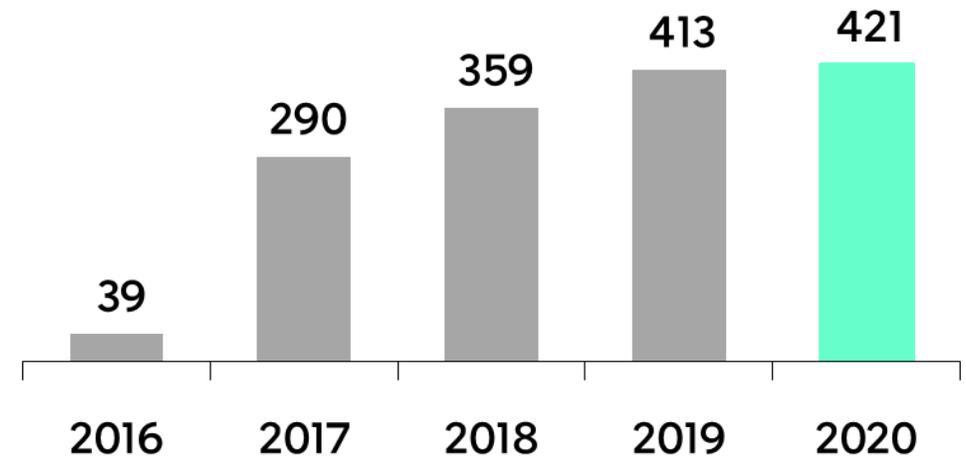
Q2'20: 44

Adjusted FCF

Adjusted Free Cash Flow (before interest) * (NIS, million)



CAPEX Additions – Growth Engines** (NIS, million)

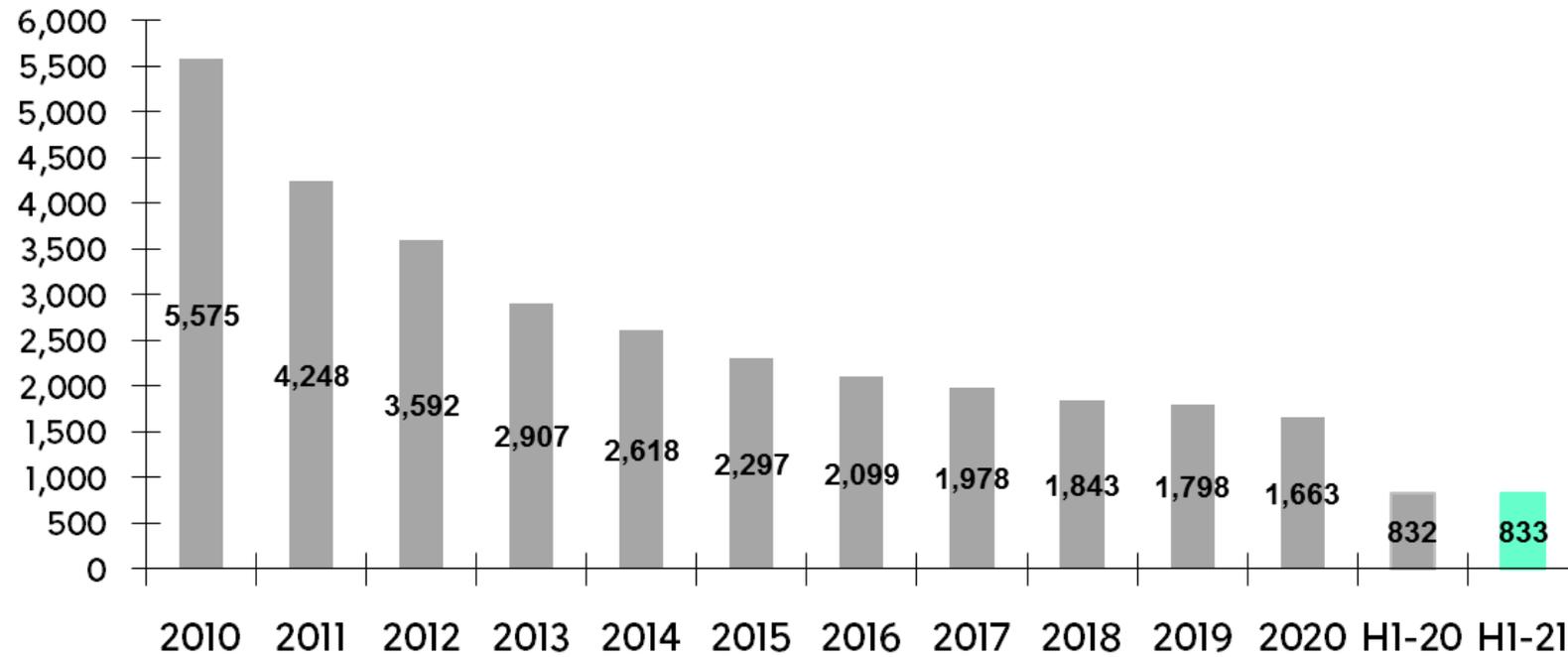


*Adjusted FCF doesn't include 250 mil NIS one time payment from HOT in 2016.

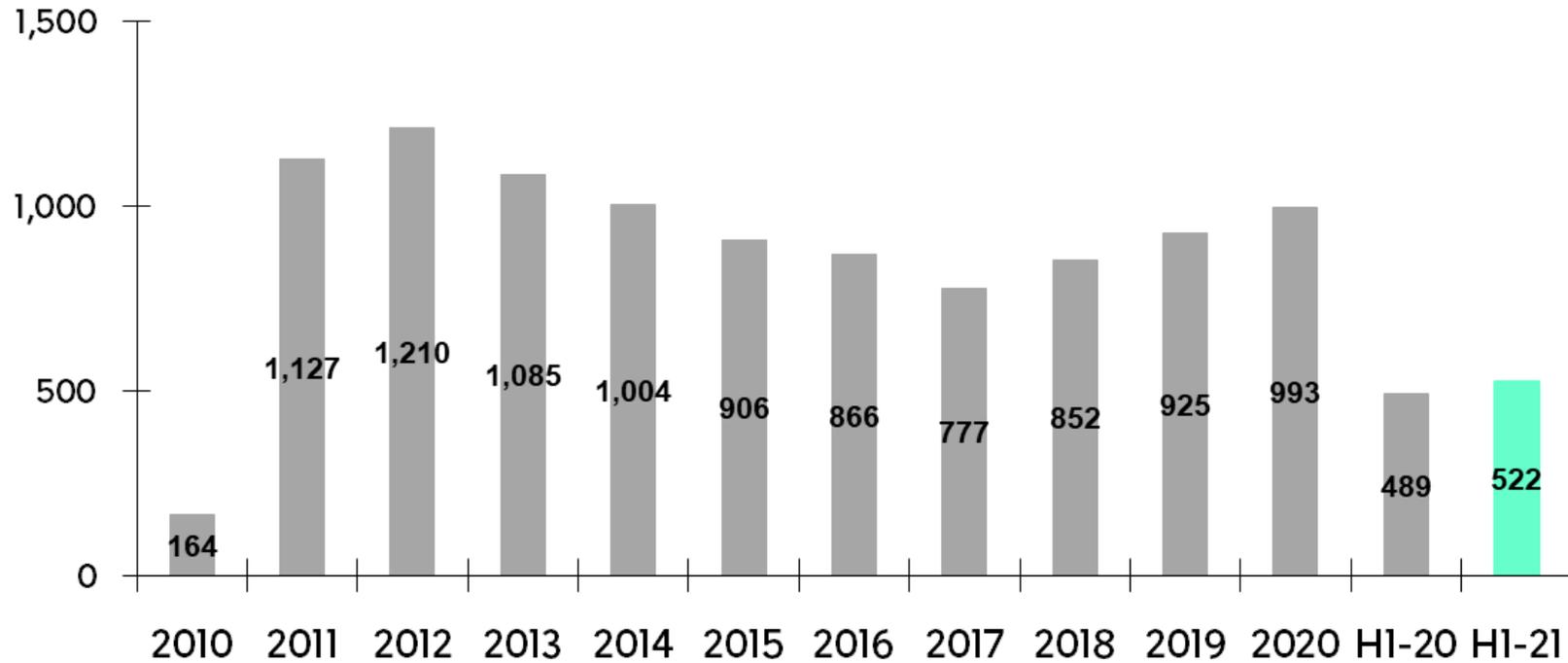
Adjusted FCF: 2016 – relatively low CAPEX, 2017 – positive contribution of WC, 2018 – increase in CAPEX and material decrease in WC due to change in Equipment sales strategy,

**Growth engines include: Optic Fiber and related assets, Subscribers equipment and installations and Costs of obtaining contracts with customers (since 2017).

Cellular segment - Service revenues (million ILS)

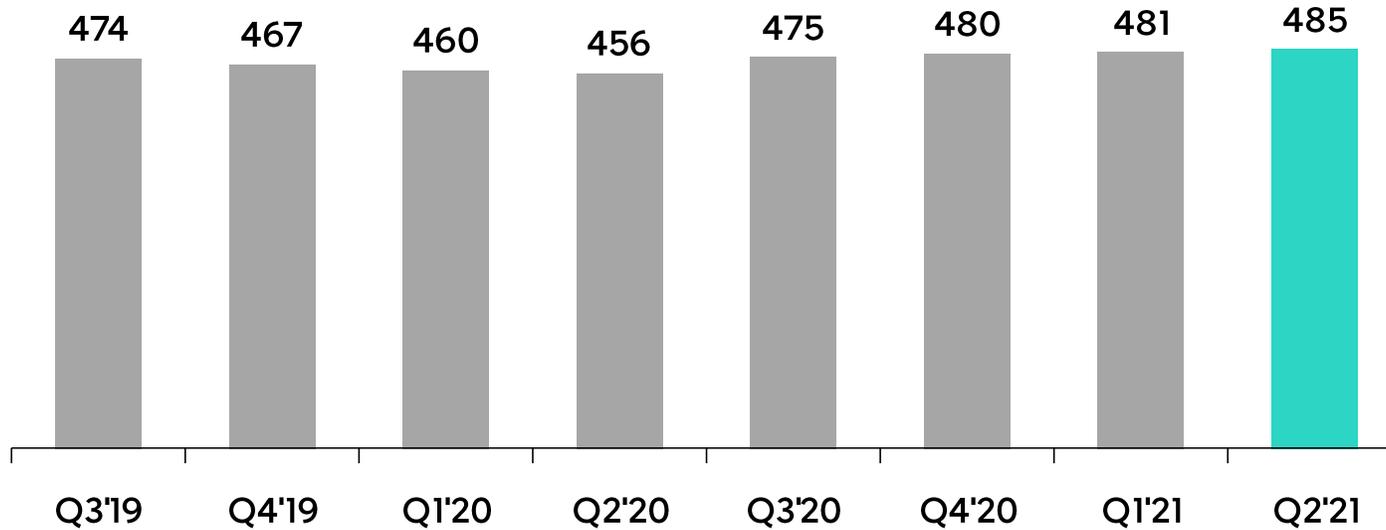


Fixed-line segment Service revenues (million ILS)



OPEX

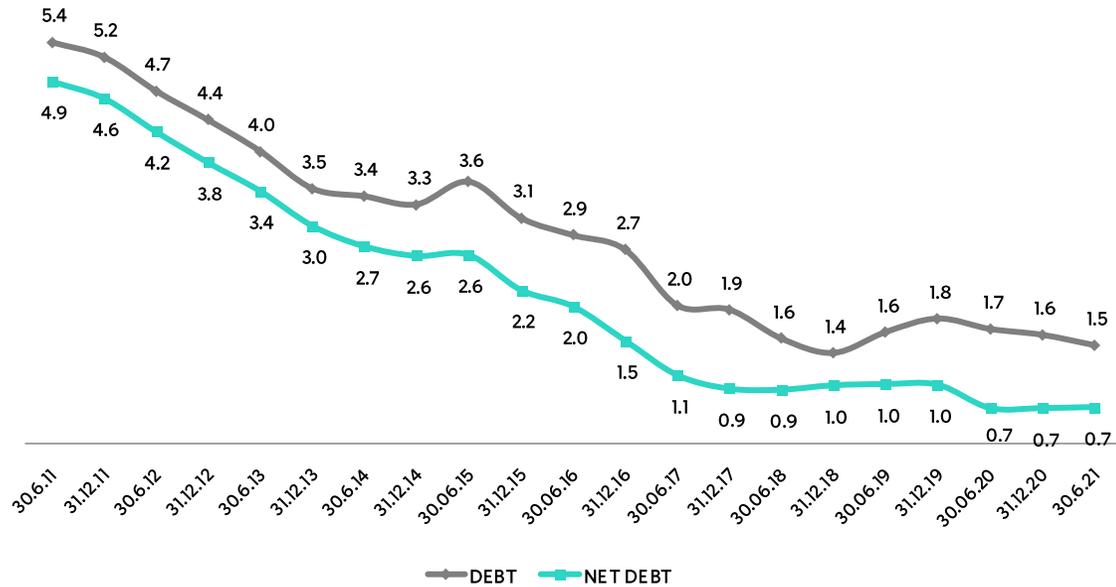
Consistent growth in the fixed-line segment with stability in OPEX



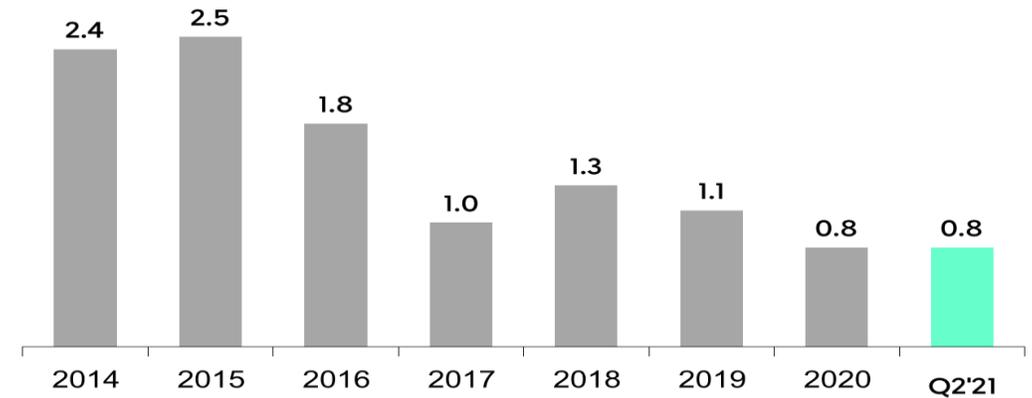
* OPEX includes cost of service revenues, selling, marketing and administrative expenses, and credit losses, and excludes depreciation and amortization expenses and other expenses (mainly amortization of employee share-based compensation). Please see "Use of Non-GAAP Financial Measures" in the quarterly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

Outstanding financial discipline leading to consistent de-leveraging

Debt / Net Debt (in billions of ILS)



Net Debt to Adjusted EBITDA*



* Notes payable, loans 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 5G
hello future



Thank
YOU