PARTNER COMMUNICATIONS REPORTS SECOND QUARTER 2025 RESULTS [1]

ADJUSTED EBITDA TOTALED NIS 303 MILLION

NET PROFIT TOTALED NIS 72 MILLION

ADJUSTED FREE CASH FLOW TOTALED NIS 134 MILLION

Second Quarter 2025 Highlights (compared to the corresponding quarter)

- ***Total revenue:*** *NIS 802 million, a 3% decrease*
- ***Service Revenues:*** *NIS 675 million, a 1% decrease*
- ***Service Revenues ex. interconnect charges:*** *NIS 643 million, a 5% increase*
- ***Revenues from Equipment & Other:*** *NIS 127 million, a 9% decrease*
- ***Adjusted EBITDA:*** *NIS 303 million, 7% increase, 38% of total revenue*
- ***Net profit:*** *NIS 72 million, an increase of 26%*
- ***Cash flow expenditures (Capex payments):*** *NIS 127 million, a 8% decrease*
- ***Adjusted Free Cash Flow :*** *NIS 134 million, a 94% increase*
- ***Net Financial Debt:*** *NIS 287 million, a 43% decrease*
- ***Cellular subscribers:*** *Approximately 2,648 thousand subscribers as of the end of the quarter*
- ***5G subscribers:*** *the number of paying 5G subscribers amounted to 692,000 subscribers, as of the end of the quarter*
- ***Cellular ARPU ex. interconnect charges:*** *NIS 43, compared to NIS 42 in the corresponding quarter*
- ***Fiber-optic subscribers:*** *452 thousand subscribers as of the end of the quarter, an increase of 48 thousand subscribers relative to the correspondingquarter*
- ***Internet ARPU:*** *NIS 93, compared to NIS 91 in the corresponding quarter*

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[1] See financial definitions that are not based on generally accepted accounting principles (for definitions of operational indicators, see a separate footnote below):

(1.1) *'Adjusted EBITDA' is calculated as earnings before interest (net financing costs), taxes, depreciation and amortization (including amortization of intangible assets, deferred expenses – right-of-use, and impairment/revaluation), share-based compensation expenses for employees and capital gain/loss. EBITDA is not a financial indicator according to IFRS and may not be comparable to other similarly titled indicators for other companies. Adjusted EBITDA is not indicative of the Company's historical operating results nor is it meant to be predictive of potential future results. The use of the term 'Adjusted EBITDA' is meant to emphasize the fact that amortization includes the amortization of deferred expenses – right-of-use, impairment/revaluation, share-based compensation expenses for employees and capital gain/loss.*

(1.2) *'Adjusted Free Cash Flow' is calculated as the cash flows from current activities, less cash flows for the acquisition of fixed assets, intangible assets and others (including grants), less lease principal and interest payments; Adjusted Free Cash Flow is not a financial indicator according to IFRS and may not be comparable to other similarly titled indicators for other companies.*

(1.3) *'Net financial debt' is calculated as the total financial debt less cash and cash equivalents and short-term deposits; net financial debt is not a financial indicator according to IFRS and may not be comparable to other similarly titled indicators for other companies.*

ROSH HAAYIN, Israel, August 10, 2025 — **Partner Communications Ltd.** (TASE: PTNR), (hereinafter **"Partner"** or the **"Company"**), a leading telecommunications company in Israel, announced its results today for the second quarter ending June 30, 2025.

Regarding the results of Q2 2025, Mr. Avi Gabbay, CEO of Partner, noted:
"We continue to present a significant improvement in cash flow also this quarter, thanks to growth in profitability, operational excellence and the completion of significant capital investments. We have returned to growth in our cellular subscriber base, partly as a result of the completion of the transition to the new network which led to a significantly improved service. Our attention is now focused on two major projects that will bear fruit early next year – the new TV service and fulfilling the tender for providing cellular services for the Accountant General."

The Chief Financial Officer, Ms. Miri Takutiel, commented:
"The results of the second quarter reflect an increase in revenue (excluding interconnect charges) and continued improvement in our profitability indicators and free cash flow. Adjusted EBITDA increased by approximately 7% in the quarter compared to the corresponding quarter and amounted to approximately NIS 303 million, as a result of growth in fixed-line segment revenues and in revenues from cellular packages, and the continued focus on operational efficiency. Adjusted Free Cash Flow amounted to approximately NIS 134 million in the quarter and approximately NIS 238 million in the first half of 2025."

Q2 2025 compared to Q2 2024

NIS millions (excluding earnings per share)	**Q2'24**	**Q2'25**
Service revenues	683	675
Service revenues ex. interconnect charges	612	643
Revenues from sales of equipment & other	140	127
Total revenues	823	802
Gross profit from sales of equipment and others	15	13
Operating profit	90	103
Adjusted EBITDA	283	303
Adjusted EBITDA (% of total revenues)	34%	38%
Adjusted EBITDA (% of total revenues ex. interconnect charges)	38%	39%
Net profit	57	72
Earnings per share (basic, NIS)	0.31	0.39
Cash capital expenditures (capex payments):	138	127
Adjusted Free Cash Flow	69	134
Net Financial Debt	502	287

Partner 5G

Key performance indicators (KPI)[2]

	Q2'24	Q1'25	Q2'25	Change relative to previous quarter
Cellular subscribers (end of period, thousands)	2,629	2,632	2,648	Increase of 16 thousand
Cellular postpaid subscribers (end of period, thousands)	2,456	2,462	2,478	
Prepaid cellular Subscribers (end of period, thousands)	173	170	170	
Average monthly revenue per cellular subscriber (ARPU) (NIS)	51	47	47	
Average monthly revenue per cellular subscriber (ARPU) less interconnect charges (NIS)	42	42	43	
Quarterly cellular churn rate (%)	4.7%	4.9%	4.5%	
Internet subscribers (end of period, thousands)	455	480	482	Increase of 2 thousand
Fiber-optic subscribers (end of period, thousands)	404	446	452	Increase of 6 thousand
Average monthly revenue per Internet subscriber (ARPU) (NIS)	91	92	93	
TV subscribers (end of period, thousands)	205	200	199	A decrease of approx.1 thousand

Partner's consolidated results

NIS millions	**Cellular segment**			**Fixed-line segment**			**Inter-segment**		**Consolidated**		
	Q2'24	**Q2'25**	**% change**	**Q2'24**	**Q2'25**	**% change**	**Q2'24**	**Q2'25**	**Q2'24**	**Q2'25**	**% change**
Total revenue	530	492	-7%	316	331	+5%	(23)	(21)	823	802	-3%
Revenue from services without interconnection	330	339	+3%	304	324	+7%	(23)	(20)	612	643	+5%
Revenue from equipment and other	130	121	-7%	10	6	-40%			140	127	-9%
Operating profit	80	82	+3%	10	21	+110%			90	103	+14%
Adjusted EBITDA	179	177	-1%	104	126	+21%			283	303	+7%

[2]Definitions of key performance indicators:

[2.1] Mobile subscribers - include subscribers of both post-paid and pre-paid services under the Partner and 012 Mobile brands, and also include subscribers to dedicated data packages (excluding M2M subscribers). Pre-paid subscribers are counted only once they have generated revenue for the Company with an aggregate value of at least NIS 1 (excluding VAT). Subscribers who are removed from the count include subscribers that are disconnected from the service for any reason, post-paid subscribers that did not generate revenue for the Company for a period of six months (not including incoming calls to voicemail), and pre-paid subscribers that have not generated revenue for the Company for a period of three months.

[2.2] ARPU Calculated by (A.) dividing, for each month in the relevant period, the total mobile revenues during the month by the average number of mobile subscribers during that month, and (B. dividing the sum of all such results by the number of months in the relevant period.

[2.3] ARPU is presented with the exclusion of interconnection fees due to the change in the policy of interconnection fees reform, that has been gradually implemented from June 2023 to June 2025, which is expected to significantly decrease revenue from mobile services and consequently lower ARPU.

[2.4] The number of fiber subscribers includes active subscribers to Partner's fiber service, either on Partner's or on another fiber infrastructure.

[2.5] The number of internet subscribers includes active subscribers to an end-to-end service that includes access both to infrastructure and to internet. Access to the internet is provided through a fiber infrastructure (either Partner's or on another fiber infrastructure) or through Partner's connection to the wholesale market on other infrastructures.

[2.6] The number of TV subscribers includes active Partner TV subscribers, each of which may include several users on a number of different platforms. TV subscribers include subscriptions within trial periods, time-limited and free of charge.

Financial Overview

The Company's revenue in the second quarter of 2025 amounted to approximately NIS 802 million and decreased by approximately 3% compared to the corresponding quarter as a result of a decrease of approximately 1% in service revenues, along with a decrease of about 9% in revenues from the sale of equipment and other. Excluding revenue from interconnect fees, service revenues increased by approximately 5% compared to the corresponding quarter. Adjusted EBITDA increased by approximately 7% compared to the corresponding quarter. The increase is mainly explained by the growth in revenues from fixed-line services, as well as a decrease in salary expenses and an increase in revenues from cellular packages. These were partially offset by an increase in frequency fee expenses and a decrease in provisions for claims and others in the corresponding quarter.

In the second quarter of 2025, service revenues in the cellular segment decreased by approximately 7% compared to the corresponding quarter and amounted to approximately NIS 371 million. The decrease was primarily due to a decrease in revenue from interconnect fees (as a result of interconnect tariff reductions), partially offset by an increase in revenues from cellular packages. Revenues from the sale of cellular end equipment decreased by approximately 7% and the total segment revenue decreased by approximately 7% compared to the corresponding quarter. The cellular segment’s operating profit for the quarter increased by approximately 3% compared to the corresponding quarter. Adjusted EBITDA of the cellular segment decreased by approximately 1% compared to the corresponding quarter and totaled approximately NIS 177 million as a result of an increase in frequency fee expenses and a decrease in provisions for claims and others, which were partially offset by an increase in revenue from cellular packages.

In the second quarter of 2025, service revenues in the fixed-line segment less interconnect fees grew by approximately 7% compared to the corresponding quarter, primarily as a result of growth in revenues from Internet and data services for businesses, alongside growth in revenue from reimbursed infrastructure projects. Revenues from the sale of equipment decreased by approximately NIS 4 million and the total revenue of the sector amounted to about NIS 331 million, an increase of approximately NIS 15 million or approximately 5% compared to the corresponding quarter. The operating profit of the fixed-line segment for the quarter totaled approximately NIS 21 million, compared to an operating profit of approximately NIS 10 million in the corresponding quarter. Adjusted EBITDA of the fixed-line segment for the second quarter of 2025 increased by approximately 20% relative to the corresponding quarter and amounted to approximately NIS 126 million, being primarily impacted by revenue growth from Internet and data services for businesses and a decrease in salary expenses.

The Company's net profit for the second quarter of 2025 increased by approximately 26% and amounted to approximately NIS 72 million, compared to approximately NIS 57 million in the corresponding quarter.

Capital cash expenditures in fixed and intangible assets (CAPEX) in the second quarter of 2025 amounted to approximately NIS 127 million compared to approx. NIS 138 million in the corresponding quarter.

Adjusted Free Cash Flow (before interest and after lease payments) in the second quarter of 2025 totaled approximately NIS 134 million compared to approximately NIS 69 million in the corresponding quarter. The increase was mainly explained by the increase in net profit, a rebate of approximately NIS 28 million (including interest and linkage) received from the Tax Authority in April 2025 for the 2023 tax return, as well as a decrease in payments for CAPEX.

Net Financial Debt at the end of the second quarter of 2025 totaled approximately NIS 287 million, compared to approximately NIS 502 million at the end of the corresponding quarter. The Net Financial Debt to Adjusted EBITDA ratio was approximately 0.2 at the end of the second quarter of 2025 compared to approximately 0.5 at the end of the corresponding quarter.

As of the end of the second quarter of 2025, the unsettled principal balance for right of use of 144 thousand lines of Bezeq as part of the IRU agreement with Bezeq was approximately NIS 449 million, compared to approximately NIS 336 million for 96 thousand lines at the end of the corresponding quarter.

In May 2025, Standard & Poor’s Maalot Ltd. reaffirmed the Company’s ilAA- rating with a Stable outlook for the Company’s debt and bond series.

“Iron Swords” War update

The consequences of the war on the Company's activities so far have been reflected mainly in the damage to revenue from roaming services, due to the effects of the war on the local demand for international tourism and the offering of flights by airlines, and in a certain decrease in the sale of end equipment at the beginning of the War due to the damage to the functional continuity in the economy, without significant negative effects in other areas of activity.

The Company estimates that in the first half of 2025, the impact on the Company's profit (before tax) from roaming services relative to the period before the start of the war is about NIS 15 million. The reduction is attributed entirely to the second quarter of 2025, mainly against the background of the war with Iran and its effects on the airlines' flight schedules. In addition, the Company recognized benefits in the first half of 2025 from the National Insurance Institute in the amount of approximately NIS 5 million, derived from the volume of recruitment of reserve army personnel from among the Company's employees.

Winning the Accountant General's tender

On June 5, 2025, the Company received a notice regarding its selection as a second candidate supplier for winning (for the supply of 40% of the services and equipment) in a tender conducted by the Accountant General's Division at the Ministry of Finance, for the supply of cellular communication services for government ministries, units and related entities.

Under the terms of the tender, the Company will provide communication services to employees of government ministries, units and related entities, in an estimated amount in the tender documents of at least 40,000 subscribers, plus tens of thousands of data subscribers (communication and data services), over a period of 42 months, with an option to extend by the state for an additional cumulative period of 72 months (i.e. a total period of up to 114 months from the date of commencement of the provision of the services). In addition, the Company will provide end devices to tens of thousands of subscribers in a leasing model. The Company believes that the provision of cellular communication services according to the tender is expected to have a positive impact on its business activities.

Agreement with Yes

The Company's agreement with yes from the Bezeq Group for joint content procurement and use of the dedicated application took effect on April 23, 2025. The Company is expected to launch the new TV service by the end of 2025. The new service will display an interface developed for Partner and will be available through its existing TV smartboxes and all the different viewing means, and the breadth of content will be significantly wider than the content the Company provides today.

Execution of a collective agreement

On July 9, 2025, a special collective agreement was entered into by the Company and the new Histadrut, which will be in force until December 31, 2027.

Dividend

On March 9, 2025, the Board of Directors resolved to distribute a cash dividend to the shareholders of the Company for a total of NIS 250 million. The dividend was paid on March 25, 2025

The Company has not adopted a dividend distribution policy. The Company will review, from time to time, the distribution of dividends to its shareholders, taking into consideration, among other things, the provisions of the law and the Company's business situation.

Expected developments

The Company anticipates that the cash flow investment in fixed and intangible assets (CAPEX) in 2025 will decrease and total NIS 450-500 million, compared to approximately NIS 527 million in 2024. The Company will report deviations of ± 10% or more from the figure specified above.

Controlling shareholder Amphissa

On July 9, 2025, the Company's controlling shareholder, Amphissa Holdings, made a distribution of 10 million of the Company shares held by it to the partners in Amphissa in proportion to their rights therein. Following the distribution, Amphissa holds approximately 21.37% of the issued and paid-up share capital of the Company.

This notice contains partial information obtained from Partner Communications' public statements published pursuant to the Securities Law 5728-1968 ("Securities Law"). The aforementioned reports are accessible through the Securities Authority website at www.magna.isa.gov.il. Reading this notice is not a substitute for reading the detailed reports of Partner Communications submitted in accordance with the Securities Law and is not intended to replace or qualify the full reports. This notice was prepared for the convenience of the reader only, with the understanding that the detailed reports are read in conjunction with the perusal of the notice. The company does not guarantee the accuracy or completeness of the information contained in this document. This notice does not constitute an offer or an invitation to purchase securities or participation units, and this notice and the information contained therein should not be used as a basis or relied upon in connection with any contract or undertaking.

About Partner Communications

Partner Communications Ltd. is a leading communications operator in Israel providing communications services (cellular, fixed-line telephony, internet services and television services). The Company's shares are traded on the Tel Aviv Stock Exchange (TASE: PTNR).

For further information regarding Partner: www.partner.co.il/en/Investors-Relations/lobby/.

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