

CELLCOM ISRAEL ANNOUNCES RECEIVING SHARING NETWORK PARTNER UNLAWFUL ANNULMENT NOTICE

Netanya, Israel – January 31, 2021 – Cellcom Israel Ltd. (NYSE: CEL) (TASE: CEL) (hereinafter: the "Company") announced today that following its previous announcements regarding its cellular sharing network partner, Marathon 018 Xfone Ltd., or Xfone, non-payment of the monthly payments due under the sharing network agreement and continued material breach of the sharing network agreement by Xfone, Xfone sent today an annulment notice of the sharing agreement, alleging that the Company has materially breached the sharing agreement by acquiring Golan Telecom's share capital and termination of Golan's MNO license. The Company strongly rejects Xfone's allegations and annulment notice. The Company believes Xfone's allegations to be unfounded and the annulment notice to be unlawful, and intends to take all actions necessary in order to enforce the sharing agreement to its fullest.

At this stage, the Company cannot assess the implications on the Company's results.

For additional details regarding the materiality of the network sharing agreement on the Company's results, see the Company's 2019 annual report on Form 20-F, dated March 23, 2020, under "Item 3. Risk Factors - Our network sharing agreements consideration constitute a significant portion of our revenues" and Item 4. Information on the Company – B. Business Overview – Networks and Infrastructure – Network sharing agreements" and the Company's current reports on Form 6-K dated November 16 and December 9, 2020.

About Cellcom Israel

Cellcom Israel Ltd., established in 1994, is a leading Israeli communications group, providing a wide range of communications services. Cellcom Israel is the largest Israeli cellular provider, providing its cellular subscribers with a broad range of services including cellular telephony, roaming services, text and multimedia messaging, advanced cellular and data services and other value-added services in the areas of mobile office, data protection etc., based on Cellcom Israel's technologically advanced infrastructure. The Company operates advanced networks enabling high-speed broadband and advanced multimedia services. Cellcom Israel offers nationwide customer service including telephone customer service, retail stores, and service and sale centers. Cellcom Israel further provides OTT TV services, internet infrastructure and connectivity services and international calling services, as well as landline telephone services in Israel. Cellcom Israel's shares are traded both on the New York Stock Exchange (CEL) and the Tel Aviv Stock Exchange (CEL). For additional information please visit the Company's website <http://investors.cellcom.co.il>.

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