

## **CELLCOM ISRAEL ANNOUNCES FILING OF SUPPLEMENTAL SHELF OFFERING REPORT IN ISRAEL**

**Netanya, Israel – December 5, 2019** – Cellcom Israel Ltd. (NYSE: CEL) (TASE: CEL) (hereinafter: the "Company") announced that following the Company's previously announced potential equity offering in Israel, the Company filed today a supplemental shelf offering report, or Offering Report, with the Israel Securities Authority and the Tel Aviv Stock Exchange, or TASE, under the Company's shelf prospectus. Pursuant to the Offering Report, the Company is offering, to the public in Israel and to certain institutional investors outside of Israel, as follows:

- Up to 36,267,600 ordinary shares (par value NIS 0.01 per share) of the Company.
- Up to 8,341,548 Series 3 Options. Each Series 3 Option will entitle the holder thereof to purchase one ordinary share at an exercise price of NIS 8.64, until April 1, 2020.
- Up to 7,616,196 Series 4 Options. Each Series 4 Option will entitle the holder thereof to purchase one ordinary share at an exercise price of NIS 9.60, until September 30, 2020.
- The Securities will be issued in units. Each unit will consist of 100 ordinary shares, 23 Series 3 Options and 21 Series 4 Options.
- Notwithstanding the above offered amounts, the Company announced that it intends to issue 306,000 units in the offering, and the total orders received in the offering will be calculated and accepted on a pro rata basis. Accordingly, the Company expects to issue in the offering an aggregate of 30,600,000 ordinary shares, 7,038,000 Series 3 Options and 6,426,000 Series 4 Options.

Subject to the completion of the contemplated offering, the Company has accepted early commitments from institutional investors for the purchase of an aggregate of 306,000 units for NIS 980 per unit out of orders for 485,995 units received in the institutional tender, including from the Company's controlling shareholder, who committed to 50% of such amount. In consideration for making early commitments, the institutional investors (other than the controlling shareholder) will receive an early commitment commission in the amount of 2.5% of the immediate consideration for the units they undertook to purchase.

The public tender for such securities is expected to be held today, December 5, 2019.

Series 3 Options and Series 4 Options will be registered for trading on the TASE, if the offering is completed.

The aggregate amount that the Company expects to pay in arrangement fees and other expenses in connection with this offering (assuming total immediate consideration of approximately NIS 300 million, excluding the consideration from the exercise of options), including the aforesaid commitment commissions, is approximately NIS 5 million. In case of full exercise of the options, the Company is expected to receive additional net consideration (after payment of arrangement fees and other expenses) of NIS approximately 119 million. The Company estimates that the net proceeds from the offering (excluding the consideration from the exercise of options), if completed, will be approximately NIS 295 million, after deduction of the arrangers' fees and other estimated expenses.

The Company intends to use the net proceeds from the offering for general corporate purposes, which may include financing its operating and investment activity, payment of outstanding debt under its debentures and other credit facilities, and dividend distributions, subject to certain restrictions that apply to dividend distributions made by the Company and to the decisions of the Company's board of directors from time to time.

***The contemplated offering described in this press release does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to***

***register any securities referred to herein in the United States or to make a public offering of the securities in the United States.***

### **Forward looking statements**

The information included in this press release contains, or may be deemed to contain, forward-looking statements (as defined in the U.S. Private Securities Litigation Reform Act of 1995 and the Israeli Securities Law, 1968). Said forward-looking statements relating to the execution of the offering are subject to uncertainties and assumptions about the completion of the offering, and in regards to the exercise of options, also the Company's then current share price. The actual conditions could lead to a materially different outcome than that set forth above.

### **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 approximately 2.767 million cellular subscribers (as at September 30, 2019) with a broad range of services including cellular telephony, roaming services for tourists in Israel and for its subscribers abroad, text and multimedia messaging, advanced cellular content and data services and other value-added services in the areas of music, video, mobile office etc., based on Cellcom Israel's technologically advanced infrastructure. The Company operates an LTE 4 generation network and an HSPA 3.5 Generation network enabling advanced high speed broadband multimedia services, in addition to GSM/GPRS/EDGE networks. Cellcom Israel offers Israel's broadest and largest customer service infrastructure including telephone customer service centers, retail stores, and service and sale centers, distributed nationwide. 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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