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THE #1 WIRELESS HAULING SPECIALIST POSITIONED TO LEAD IN A GROWING MARKET

CHALLENGE US

TO TAKE YOU FURTHER

-1246/62

February, 2021

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This press release contains statements that constitute "forward-looking statements" within the meaning of the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended, and the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on the current beliefs, expectations and assumptions of Ceragon's management about Ceragon's business, financial condition, results of operations, micro and macro market trends and other issues addressed or reflected therein. Examples of forward-looking statements include: projections of demand, revenues, net income, gross margin, capital expenditures and liquidity, competitive pressures, order timing, growth prospects, product development, financial resources, cost savings and other financial and market matters. You may identify these and other forward-looking statements by the use of words such as "may", "plans", "anticipates", "believes", "estimates", "expects", "intends", "potential" or the negative of such terms, or other comparable terminology.

Although we believe that the projections reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be obtained or that any deviations therefrom will not be material. Such statements involve risks and uncertainties that may cause future results to differ materially from those anticipated. These risks and uncertainties include, but are not limited to, the effects of general economic conditions, the effect of the COVID-19 crisis on the global markets and on the markets in which we operate, including the risk of a continued disruption to our and our customers', providers', business partners and contractors' business and operations as a result of the COVID-19 pandemic effects and the restrictions on operations created thereby, and of an adverse effect on our and our customers' financial performance, cash flow, revenue and financial results, available cash and financing, and our ability to bill and collect amounts due from our customers as a result therefrom; the risks relating to the concentration of a significant portion of Ceragon's expected business in certain countries and particularly in India, where a small number of customers are expected to represent a significant portion of our revenues; risks associated with any failure to meet our product development timetable; the risk that the rollout of 5G services could take longer or be performed differently than anticipated and such other risks, uncertainties and other factors that could affect our results, as further detailed in Ceragon's most recent Annual Report on Form 20-F and in Ceragon's other filings with the Securities and Exchange Commission.

Such forward-looking statements, including the risks, uncertainties and other factors that could affect our results, represent our views only as of the date they are made and should not be relied upon as representing our views as of any subsequent date. Such forward-looking statements do not purport to be predictions of future events or results and there can be no assurance that it will prove to be accurate. Ceragon may elect to update these forward-looking statements at some point in the future but the company specifically disclaims any obligation to do so except as may be required by law.

Ceragon's public filings are available on the Securities and Exchange Commission's website at www.sec.gov and may also be obtained from Ceragon's website at www.ceragon.com.

POSITIONED TO CAPITALIZE ON ACCELERATED, MULTI-YEAR EVOLUTION TO 5G

- + Recognized 5G technology leader with key enabling technologies and products, uniquely suited to the "OpenRAN OpenCORE" approach
- The only vendor to develop in-house chipsets, and is therefore not dependent on external innovation to optimally fit technology to product
- + Products give operators critical time-to-market, flexibility, capacity and cost advantages
- + Positioned to obtain major share of highest-value opportunities and to gain overall market share
- + Now participating in growing number of new selection processes: moving from Design Wins to low-volume POCs towards volume shipments and deployments beginning in late 2021
- + Financial stability enables continuous innovation and design-to-cost investment



Q4 2020 REVENUES: FINISHING THE YEAR STRONG

Strong back-to-normal Q4 performance

- Strong quarter with \$74M revenues, 28.9% gross margin and \$0.04 EPS reflecting a return to normal run-rates and solid financial control despite COVID-19 environment
- Current growth driven by ISP & 4G activities and major 5G design wins
- COVID-19 environment fueling telcos' 5G efforts plus increased OPEN-RAN momentum expected to help drive strong mid-to-long term growth
- The relatively low Q4 gross-margin reflects a one-time impact of agreements reached with several customers and continued high supply chain costs due to COVID-19.





Note: Financial metrics are presented on a non-GAAP basis.



FULL YEAR 2020 REVENUES: A STRONGER SECOND HALF

Stronger second-half performance

- For the year, revenues were \$262.9 million, down 8% from 2019.
- Revenues reflect the weak first half of the year due to COVID, following a much stronger second half.
- For the full 2020, non-GAAP gross margin was 28.7%, compared to 33.8% in 2019. We have taken operational steps to improve it for 2021.
- Targeting revenue growth in 2021.

Yearly Operating Model



Note: Financial metrics are presented on a non-GAAP basis.



CERAGON AT A GLANCE

GLOBAL

COMPANY

INNOVATIVE MARKET LEADER 4G & 5G NETWORK ENABLER

Customers who choose based on value of technology select Ceragon



Source: Ceragon estimates based on SkyLight Research. March 2020 *Others include vendors with less than 2% share

Significa	int activit	y in eac	h regi	on
5		Cla	ro'-	
oRocom	eliso		airte	L
Jio	smart	fren.	ОРТ	us 🔇
% of revenue Last 12 months 30	BALANCED F	REVENUE M	lix	
25				
20				1
15		2		-
10				
5				
0				
Europe	Africa North Americ		APAC	Latin America

COMPANY SNAPSHOT

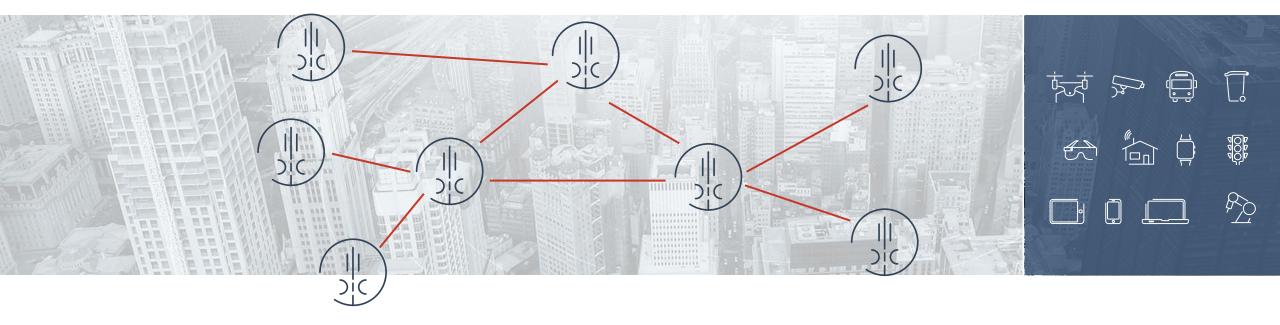
+2,000	TOTAL CUSTOMERS
+1M	SYSTEMS DEPLOYED
+140	COUNTRIES WITH SYSTEMS DEPLOYED
1,000+	EMPLOYEES GLOBALLY
\$0.99-\$6.90	52 WEEK LOW/HIGH ^(A)

(A) Source: Nasdaq as of 01/08/2021



WE DO WIRELESS HAULING

CRITICAL TECHNOLOGY FOR 4G AND 5G NETWORKS



WIRELESS HAULING - AN ALTERNATIVE TO FIBER DEPLOYMENT

AN ESSENTIAL PART OF ANY NETWORK EVOLUTION FOR FASTER AND MORE COST-EFFECTIVE DEPLOYMENTS

Connects approximately 50% of all cell sites globally (current & forecast)

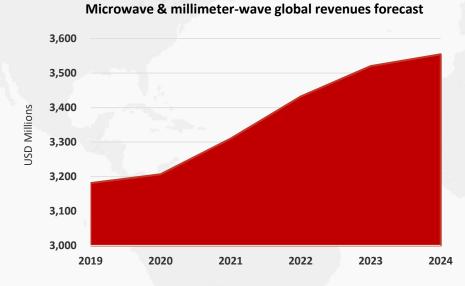


INVESTMENT HIGHLIGHTS

POSITIONED TO LEAD IN THE GROWING 5G MARKET

5G A GROWING MARKET

Market growth driven by 5G opportunities for service providers



POSITIONED TO LEAD AND TAKE MARKET SHARE

CERAGON

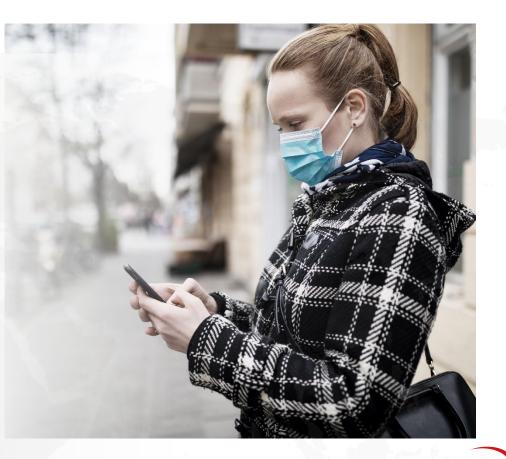
- Leading wireless hauling specialist
- Unique technology
- Anytime-anywhere extensive services
- Global presence
- Financial and business resilience

Source: Dell'Oro – 2020

COVID-19 IMPACT:

ACCELERATED NETWORK BUILDING WITHIN UNCERTAIN ENVIRONMENT

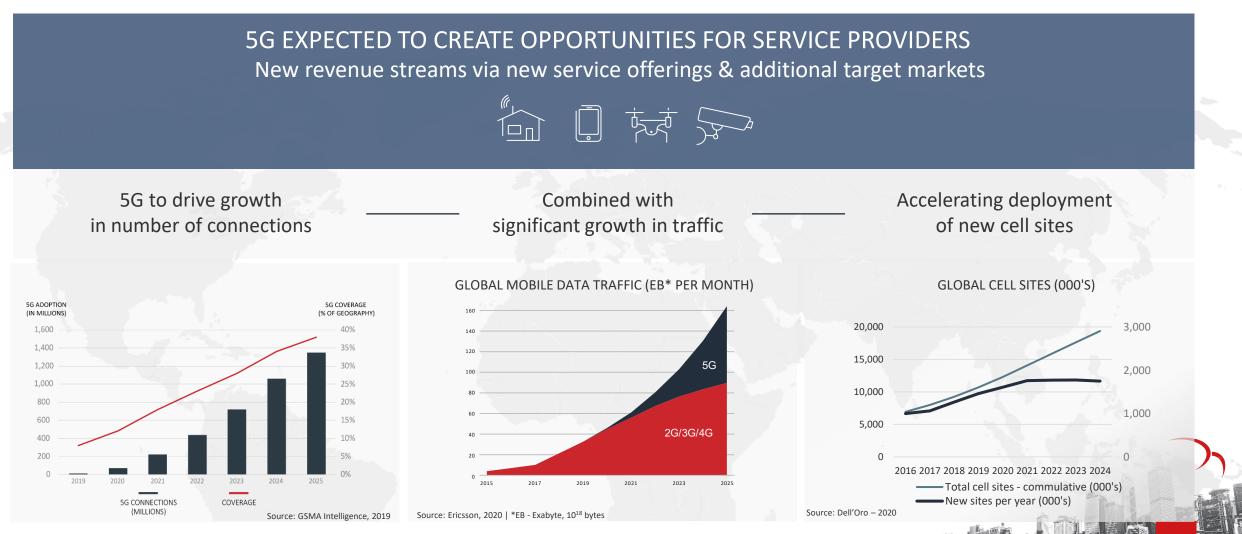
- Surge in 4G and 5G network activities to meet urgent COVID-driven demand for more broadband capacity, speed and coverage
- Increased ISP activities in the US and Europe to fill short-term coverage gaps
- Ceragon is participating in multiple 5G selection processes with disaggregated-architecture products recognized as key enablers of the 5G promise
- Continued uncertainty in many regions: lockdowns and budget freezes in LATAM, slowdowns still impacting supply chain, installations and decision-making processes



CERAG



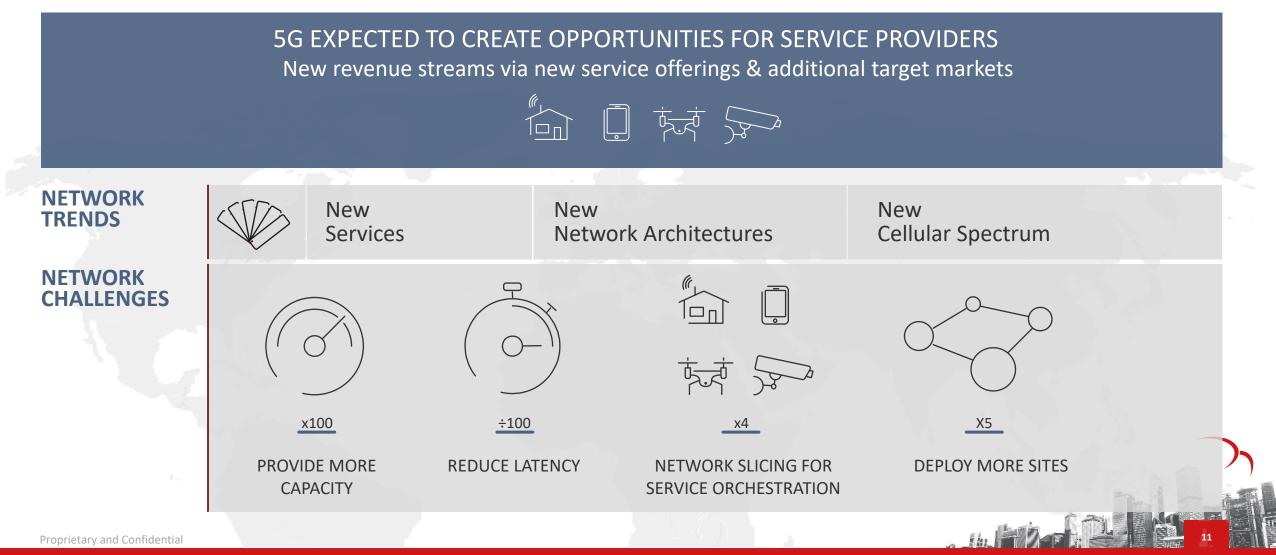
THE GROWING 5G MARKET





5G OPERATOR OPPORTUNITIES DRIVE MARKET GROWTH...

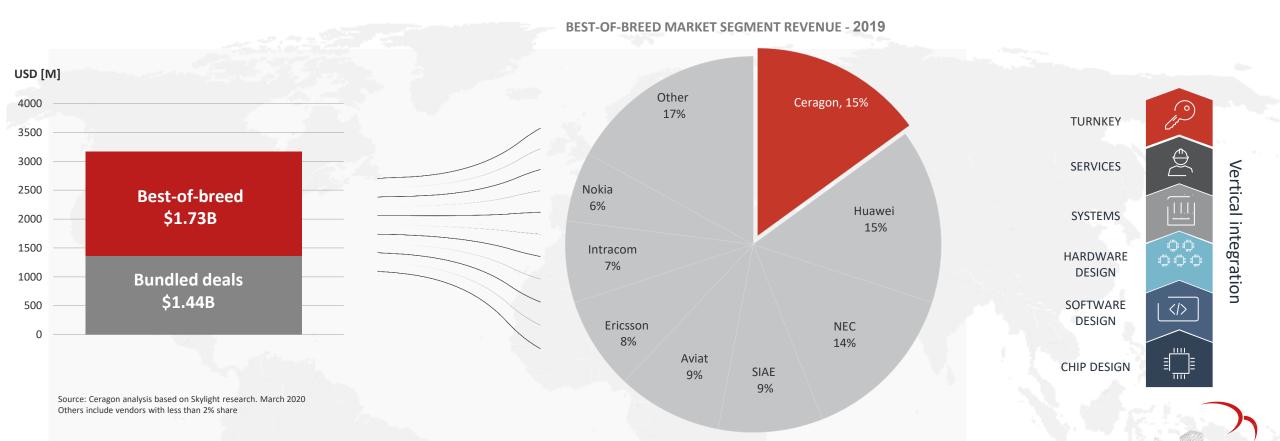
...WHILE CREATING NETWORK CHALLENGES OF A DIFFERENT SCALE THAN 4G



GROWING 5G NETWORK COMPLEXITY DRIVES OPERATORS TO ADOPT BEST-OF-BREED^{*} VENDOR STRATEGIES

CERAGON

'BEST-OF-BREED' LEADERSHIP THROUGH UNIQUE VERTICAL INTEGRATION

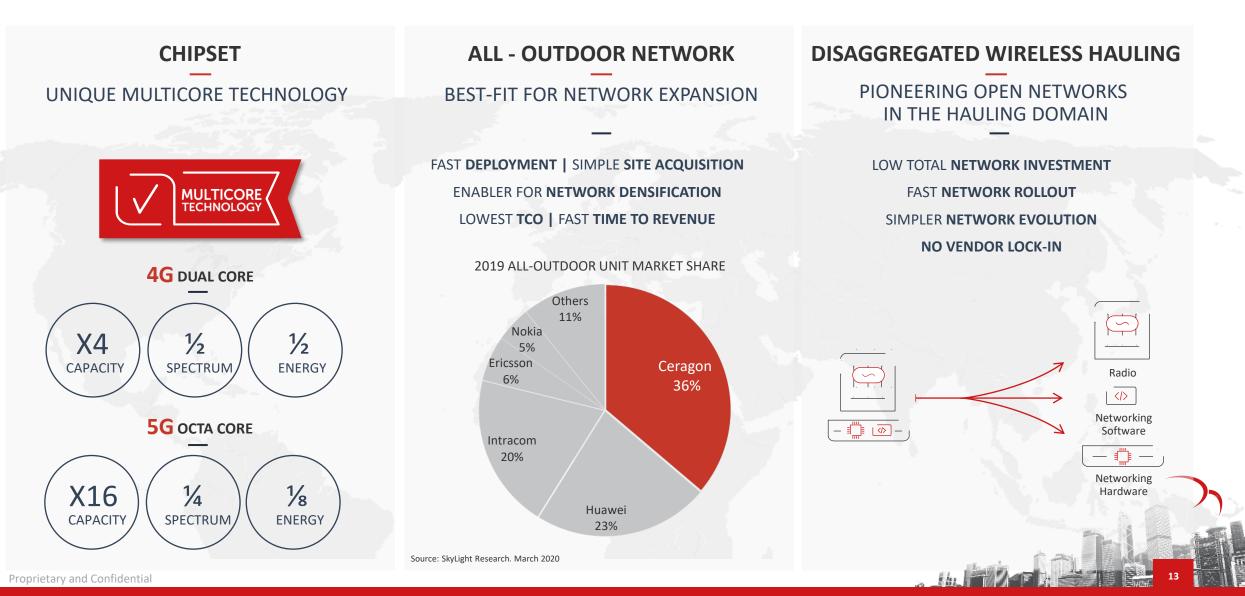


* Service providers seeking the best wireless hauling solution as primary factor in their vendor selection. Open-RAN as a major driver



BEST-OF-BREED LEADERSHIP DRIVERS

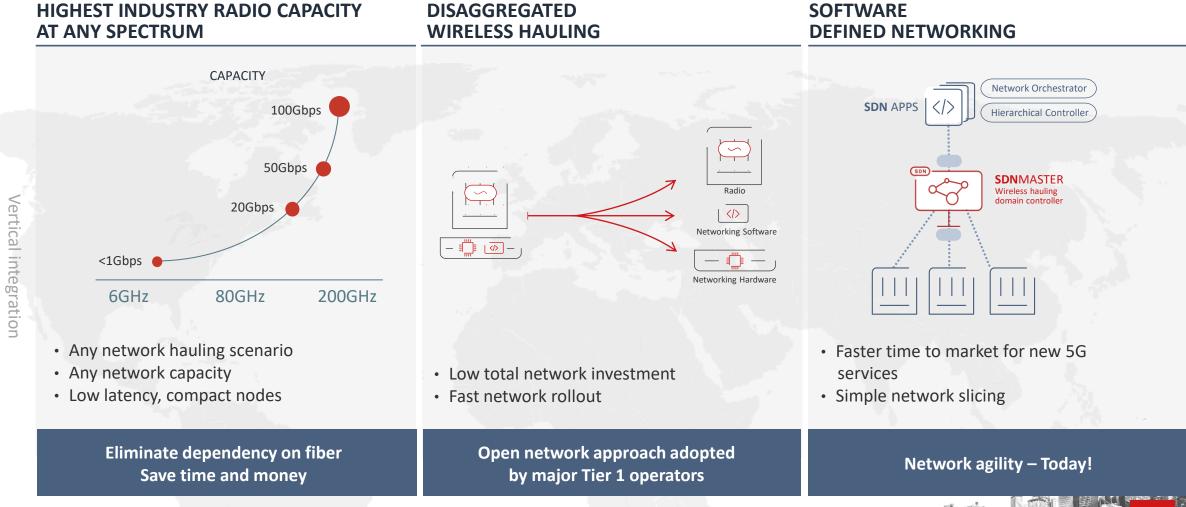
BUILT ON VERTICAL INTEGRATION





UNIQUE TECHNOLOGY

BUILT ON VERTICAL INTEGRATION

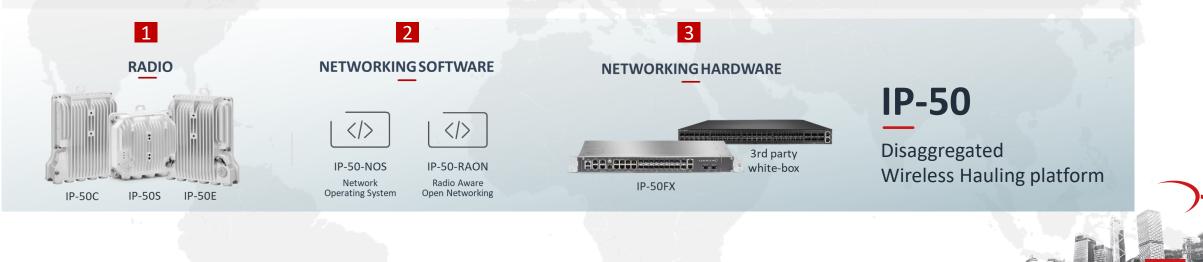






Ceragon Achieves Recognition by <u>Telecom Infra Project</u> tier 1 operators AS THE **ONLY LEADER** ACROSS ALL 3 TRANSPORT DOMAINS

TELECOM INFRA PROJECT





COMPLETE NETWORK LIFECYCLE SUPPORT

BUILT ON VERTICAL INTEGRATION



PLAN CERTIFICATION Network planning & design Network topology optimization TRAINING RAINING DEPLOY LIFE CYCLE æ Network rollout planning T CERTIFICATION **SERVICE SUITE** Network rollout execution TRAINING & CERTIFICATION and support Customer support Preventive maintenance NOC operation Predictive Analysis Infrastructure management & opt **OPERATE**

SERVING CUSTOMERS WORLDWIDE

PRESENT EVERYWHERE TO CAPITALIZE ON 5G

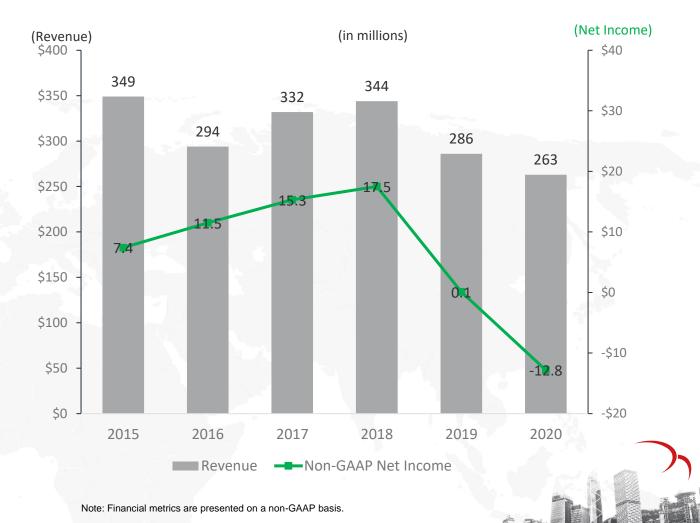






TRACK RECORD OF EXECUTION

- 2020 results negatively impacted by COVID-19, onetime items, and a technology write-off
- Focus on new 5G design wins and clients
- Revenues varied from region to region and were in line with the effect that COVID has had on local business operations and network build-out plans
- Strongest revenues for Q4 were from India, reflecting ongoing deliveries for Bharti
- Q1-Q2 2020 revenues and net results were negatively impacted by COVID-19; returned to more normal run rates in Q3; became strong in Q4
- COVID-19-related uncertainty expected to continue impacting results going forward





STRONG BALANCE SHEET

- Positioned to weather challenges
- Q4 financial performance remained strong, with strong collections
- Generated \$9.3 million in cash flow from operating and investing activities
- Repaid almost \$12 million in loans.
- Q4 tax expenses on a Non-GAAP basis were \$1.6 million – higher than expected but in line with typical annual tax expenses
- All main balance sheet indicators i.e., DSOs, Inventory, short-term loans and Cash flow, moved in the right direction in Q4, despite a very challenging environment.

	(U.S. dollars in millions) (Unaudited)
	a/o December 31, 2020
Cash & cash equivalents	27.1
Short-term loans	6.0
Inventory	50.6
AR	107.4
DSOs	149



CHARACTERISTICS OF OPERATING MODEL

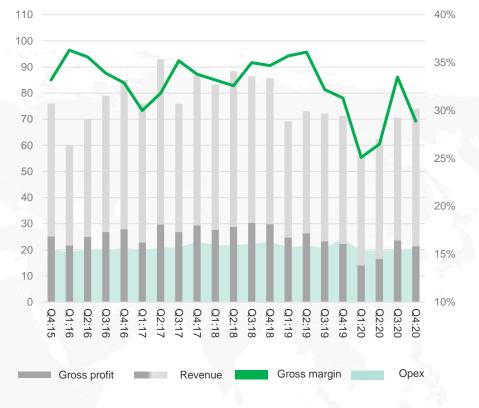
Good management of controllable elements

- Deals accepted based on contribution to gross profit dollars
- Tendency toward trade-off between revenue and gross margin
- Stringent control of operating expenses

Quarter-to-quarter fluctuations due to nature of business

- Geographic mix of revenues
- Shifts in local regulations, market environment, COVID-19 impact
- Timing of revenue recognition for elements of each project depends on equipment delivery schedules
- Also: currency fluctuations, interest rates, seasonality, order lumpiness, changes in raw material and component costs
- Q4 gross-margin reflects revenues in the normal range compounded by one-time agreements hed with several customers and continued high supply chain costs due to COVID-19

Quarterly Operating Model



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