

A large, stylized red swoosh graphic is positioned in the upper right quadrant of the slide. It starts as a thin line that curves into a thick, bold shape, resembling a stylized 'C' or a dynamic arrow pointing towards the right.

*Challenge us  
to take you further*

# Q2 2022 Financial Review

August 2022

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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.

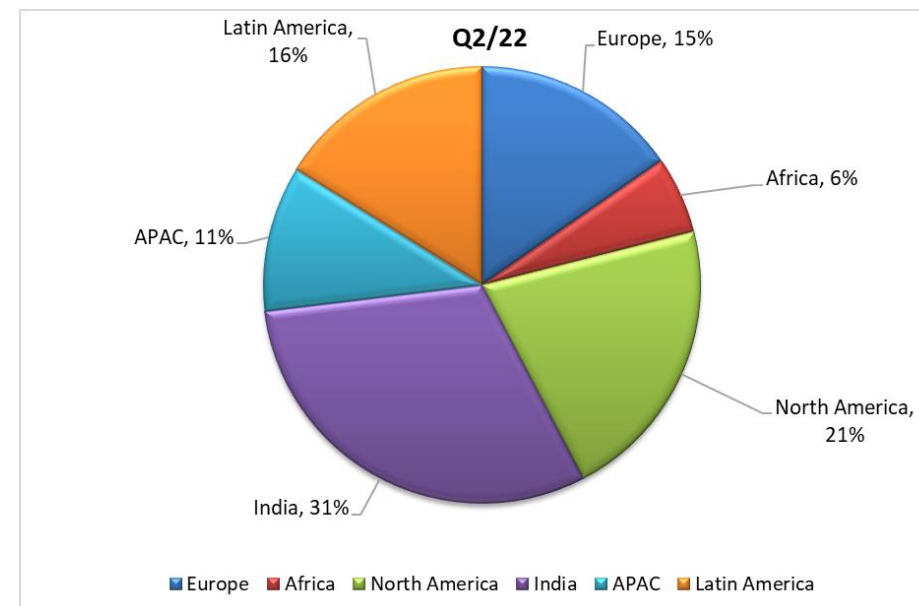
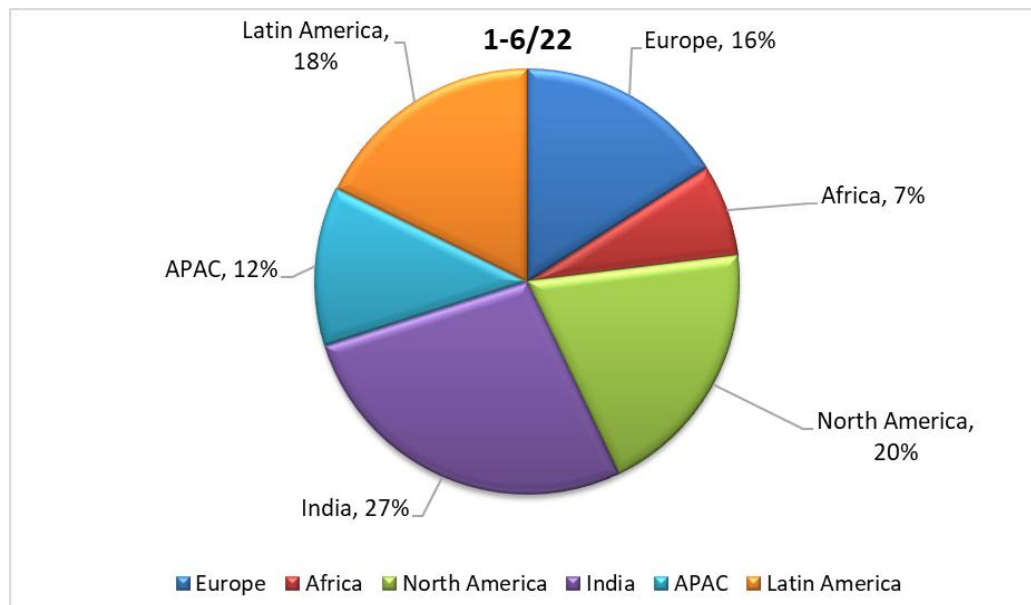
Ceragon's public filings are available on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov) and may also be obtained from Ceragon's website at [www.ceragon.com](http://www.ceragon.com).

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Additional Information. Ceragon has filed a definitive proxy statement and WHITE proxy card with the U.S. Securities and Exchange Commission (the "SEC") in connection with its solicitation of proxies for the 2022 Extraordinary General Meeting of Ceragon Shareholders (the "2022 Extraordinary General Meeting"). CERAGON SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE DEFINITIVE PROXY STATEMENT (AND ANY AMENDMENTS AND SUPPLEMENTS THERETO) AND ACCOMPANYING WHITE PROXY CARD AS THEY CONTAIN IMPORTANT INFORMATION. Shareholders may obtain the proxy statement, any amendments or supplements to the proxy statement and other documents as and when filed by Ceragon with the SEC without charge from the SEC's website at [www.sec.gov](http://www.sec.gov).

# Revenues- Geographic Split

	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Europe	13%	15%	15%	15%	21%	14%	19%	19%	18%	15%	14%	17%	15%
Africa	11%	6%	7%	6%	4%	14%	10%	9%	8%	6%	9%	8%	6%
North America	20%	11%	13%	13%	15%	14%	16%	17%	19%	14%	16%	19%	21%
India	10%	29%	16%	25%	22%	24%	23%	26%	27%	35%	30%	22%	31%
APAC	18%	22%	18%	21%	19%	20%	14%	14%	11%	9%	10%	14%	11%
Latin America	28%	17%	31%	20%	19%	14%	18%	15%	17%	21%	21%	20%	16%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# NON-GAAP Profit & Loss



Actual (Unaudited)													
	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Revenues	73,001	72,163	71,256	55,871	62,427	70,581	74,002	68,270	68,621	76,115	77,760	70,319	70,674
Cost of Revenues	46,615	48,907	48,980	41,833	45,891	46,970	52,631	48,087	47,005	52,509	55,199	50,850	49,142
<b>Gross profit</b>	<b>26,386</b>	<b>23,256</b>	<b>22,276</b>	<b>14,038</b>	<b>16,536</b>	<b>23,611</b>	<b>21,371</b>	<b>20,183</b>	<b>21,616</b>	<b>23,606</b>	<b>22,561</b>	<b>19,469</b>	<b>21,532</b>
<b>Gross margin</b>	<b>36.1%</b>	<b>32.2%</b>	<b>31.3%</b>	<b>25.1%</b>	<b>26.5%</b>	<b>33.5%</b>	<b>28.9%</b>	<b>29.6%</b>	<b>31.5%</b>	<b>31.0%</b>	<b>29.0%</b>	<b>27.7%</b>	<b>30.5%</b>
Research & Development	6,156	6,652	7,558	7,201	6,760	7,299	7,694	7,358	7,494	6,640	7,745	6,779	7,493
% R&D	8.4%	9.2%	10.6%	12.9%	10.8%	10.3%	10.4%	10.8%	10.9%	8.7%	10.0%	9.6%	10.6%
Selling & Marketing	9,914	9,585	9,975	8,173	8,032	7,819	8,452	8,186	8,266	8,349	8,681	8,495	9,060
%S&M	13.6%	13.3%	14.0%	14.6%	12.9%	11.1%	11.4%	12.0%	12.0%	11.0%	11.2%	12.1%	12.8%
General & Administration	5,478	4,456	6,836	4,246	4,755	4,754	4,680	3,934	5,247	4,645	4,616	4,803	4,612
%G&A	7.5%	6.2%	9.6%	7.6%	7.6%	6.7%	6.3%	5.8%	7.6%	6.1%	5.9%	6.8%	6.5%
Total operating expenses	21,548	20,693	24,369	19,620	19,547	19,872	20,826	19,478	21,007	19,634	21,042	20,077	21,165
<b>Operating profit (loss)</b>	<b>4,838</b>	<b>2,563</b>	<b>(2,093)</b>	<b>(5,582)</b>	<b>(3,011)</b>	<b>3,739</b>	<b>545</b>	<b>705</b>	<b>609</b>	<b>3,972</b>	<b>1,519</b>	<b>(608)</b>	<b>367</b>
<b>Operating margin</b>	<b>6.6%</b>	<b>3.6%</b>	<b>-2.9%</b>	<b>-10.0%</b>	<b>-4.8%</b>	<b>5.3%</b>	<b>0.7%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>5.2%</b>	<b>2.0%</b>	<b>-0.9%</b>	<b>0.5%</b>
Non-GAAP EBITDA	7,156	5,105	587	(2,878)	(331)	6,467	3,494	3,591	3,552	6,931	4,977	2,333	3,201
Financial expenses and others, net	(1,612)	(1,469)	(2,071)	(758)	(1,354)	(1,238)	(2,527)	(1,237)	(1,367)	(2,273)	(2,691)	(1,184)	(2,531)
Income Tax	(744)	(597)	(801)	(365)	(487)	(201)	(1,559)	(347)	(420)	(348)	(855)	(61)	(304)
<b>Non GAAP Net income (loss)</b>	<b>2,482</b>	<b>497</b>	<b>(4,965)</b>	<b>(6,705)</b>	<b>(4,852)</b>	<b>2,300</b>	<b>(3,541)</b>	<b>(879)</b>	<b>(1,178)</b>	<b>1,351</b>	<b>(2,027)</b>	<b>(1,853)</b>	<b>(2,468)</b>
Non GAAP EPS	0.03	0.01	(0.06)	(0.08)	(0.06)	0.03	(0.04)	(0.01)	(0.01)	0.02	(0.02)	(0.02)	(0.03)
# of Shares for diluted EPS ('000)	82,250	81,814	80,575	80,765	81,013	82,244	81,536	82,584	83,424	85,271	83,916	83,959	84,019

# Selected Cash Flow Data

(U.S. dollars in thousands)													
	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Total cash & cash equivalents	29,041	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670	27,235	17,079	24,960	23,592
Cash flow from operations	(6,487)	(14,431)	8,607	3,127	6,666	(3,225)	10,677	(1,654)	(2,958)	(667)	(9,740)	(1,816)	(3,173)
Capital expenditures	(3,339)	(2,658)	(2,627)	(1,202)	(2,715)	(1,230)	(1,342)	(2,003)	(1,728)	(2,336)	(3,328)	(2,726)	(3,079)
Options Exercise	190	135	211	246	308	293	390	3,689	269	730	42	81	32
Proceeds (repayment) of short-term bank credits and loans, net	8,900	8,500	(2,800)	18,255	(13,176)	(1,800)	(11,900)	6,000	-	900	2,900	12,150	4,950
Other	23	(63)	24	(245)	(36)	(50)	121	(122)	76	(62)	(30)	192	(98)
<b>Net Change in Cash</b>	<b>(713)</b>	<b>(8,517)</b>	<b>3,415</b>	<b>20,181</b>	<b>(8,953)</b>	<b>(6,012)</b>	<b>(2,054)</b>	<b>5,910</b>	<b>(4,341)</b>	<b>(1,435)</b>	<b>(10,156)</b>	<b>7,881</b>	<b>(1,368)</b>

# Selected Balance Sheet Data

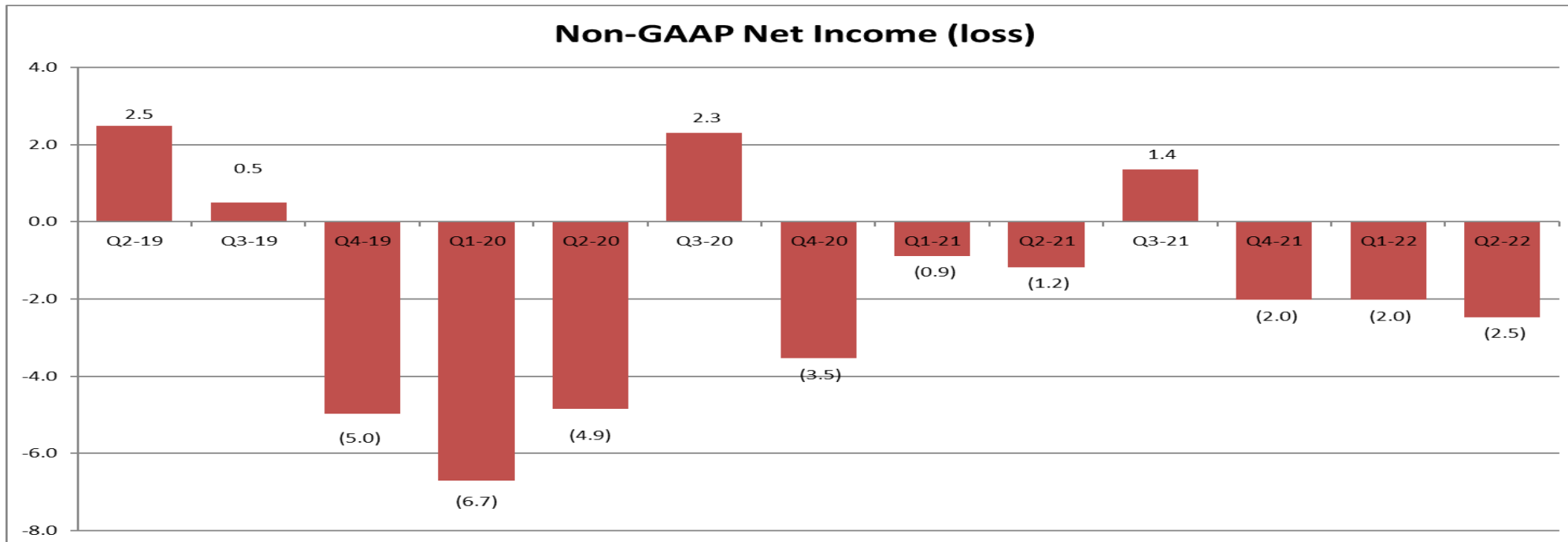
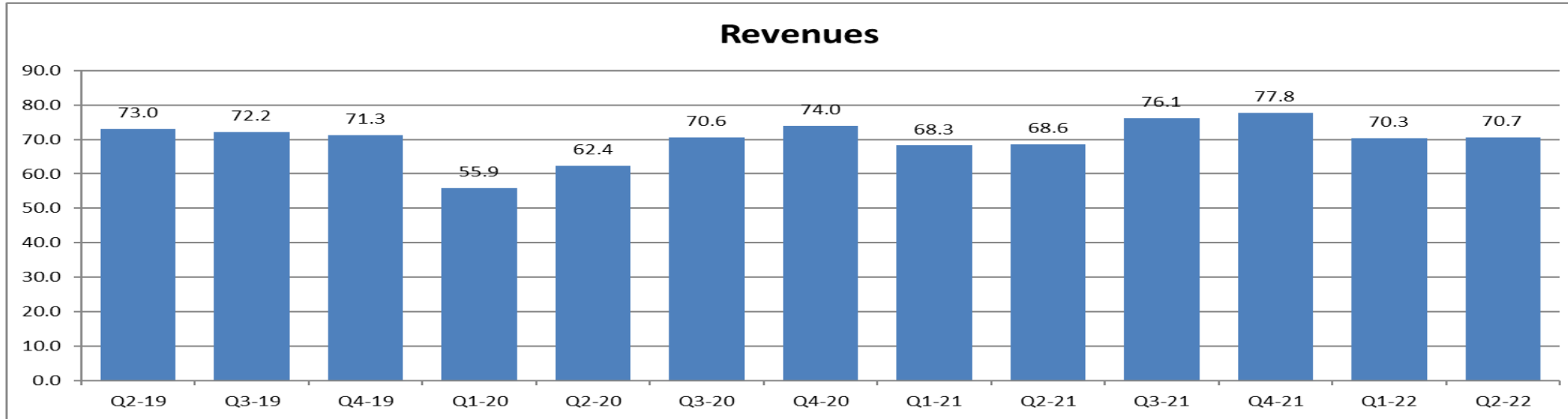
(U.S. dollars in thousands)													
	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Cash and Cash Equivalents	20,524	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670	27,235	17,079	24,960	23,592
Trade Receivables	121,449	126,196	118,531	104,185	97,547	108,394	107,388	106,712	107,404	109,863	118,310	120,682	122,734
DSOs	141	154	151	140	136	152	149	141	139	140	149	150	152
Inventory	73,900	67,717	62,132	59,659	53,593	51,869	50,627	48,542	52,316	53,203	61,398	58,060	60,710
Inventory Days	132	126	120	117	106	103	99	92	98	97	111	103	107
Working capital	119,687	118,925	111,267	102,830	98,206	102,067	99,446	98,954	99,864	101,615	87,799	87,494	82,105
Short-term loans	8,900	17,400	14,600	32,855	19,679	17,879	5,979	11,979	11,000	11,900	14,800	26,950	31,900
Shareholders' Equity	163,759	163,878	160,421	151,414	147,329	149,662	146,126	146,397	146,310	147,663	137,151	135,856	131,973
% - Shareholders' Equity/ Total assets	53%	54%	55%	52%	54%	55%	54%	50%	50%	50%	47%	45%	43%
Total Balance Sheet	308,513	302,067	289,889	292,671	272,097	273,759	272,419	291,098	294,416	295,416	292,563	300,187	304,980

# Reported results – Reconciliation to GAAP



(U.S. dollars in thousands)													
	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Non GAAP Net income (loss)	2,482	497	(4,965)	(6,705)	(4,852)	2,300	(3,541)	(879)	(1,178)	1,351	(2,027)	(1,853)	(2,468)
Share based compensation expenses	697	422	459	426	441	384	411	351	286	1,034	891	746	689
Amortization of intangible assets	-	-	-	-	-	-	1,800	-	-	-	-	-	-
Changes in indirect tax positions	9	4	(361)	1	1	1	(202)	1	2	2	(399)	-	1
Leases - financial expenses (income)	218	(91)	133	(450)	110	157	229	(186)	435	102	706	(425)	(1,774)
Paycheck protection program	-	-	-	-	-	-	-	-	(979)	-	-	-	-
Retired CEO compensation	-	-	-	-	-	-	-	-	810	-	-	(96)	-
Non-cash tax adjustments	654	(182)	(1,272)	15	(87)	76	2	128	(23)	(53)	8,987	210	136
Equity loss in affiliates	141	158	177	183	160	98	538	-	-	-	-	-	-
GAAP Net Income (Loss)	763	186	(4,101)	(6,880)	(5,477)	1,584	(6,319)	(1,173)	(1,709)	266	(12,212)	(2,288)	(1,520)
GAAP EPS	0.01	0.00	(0.05)	(0.09)	(0.07)	0.02	(0.08)	(0.01)	(0.02)	0.00	(0.15)	(0.03)	(0.02)
# of Shares for basic EPS ('000)	80,192	80,304	80,575	80,765	81,013	81,278	81,536	82,584	83,424	83,717	83,916	83,959	84,019
# of Shares for diluted EPS ('000)	82,051	81,652	80,575	80,765	81,013	82,000	81,536	82,584	83,424	84,637	83,916	83,959	84,019

# Quarterly Revenues and Non-GAAP Net Income (Loss)







**Thank You**

