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to take you further*

# Q4 2021 Financial Review

February 2022



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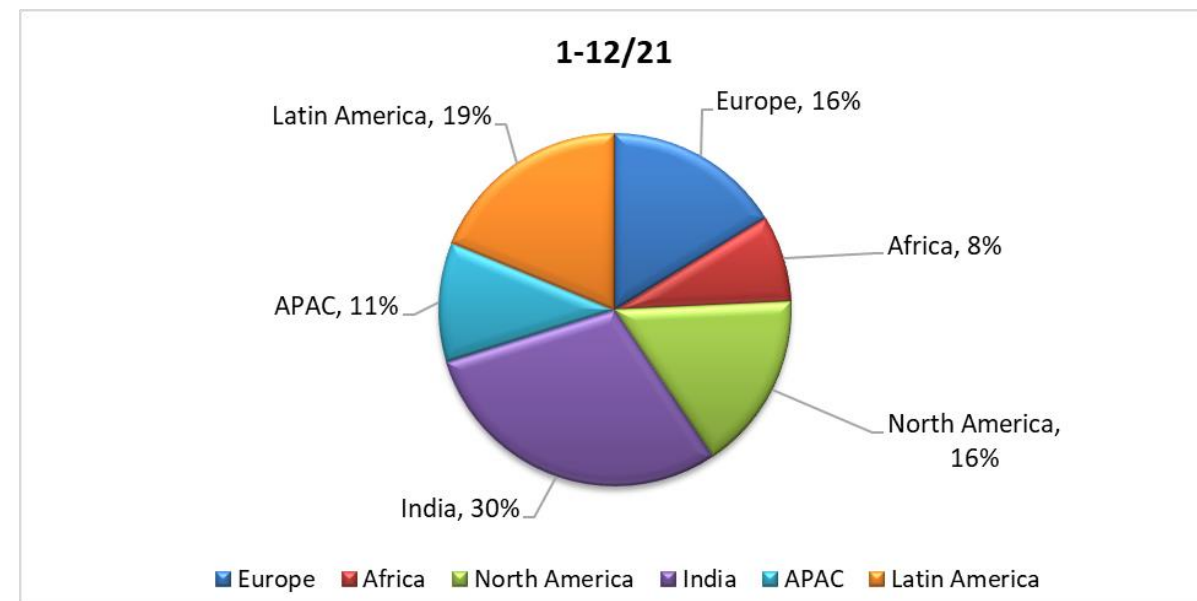
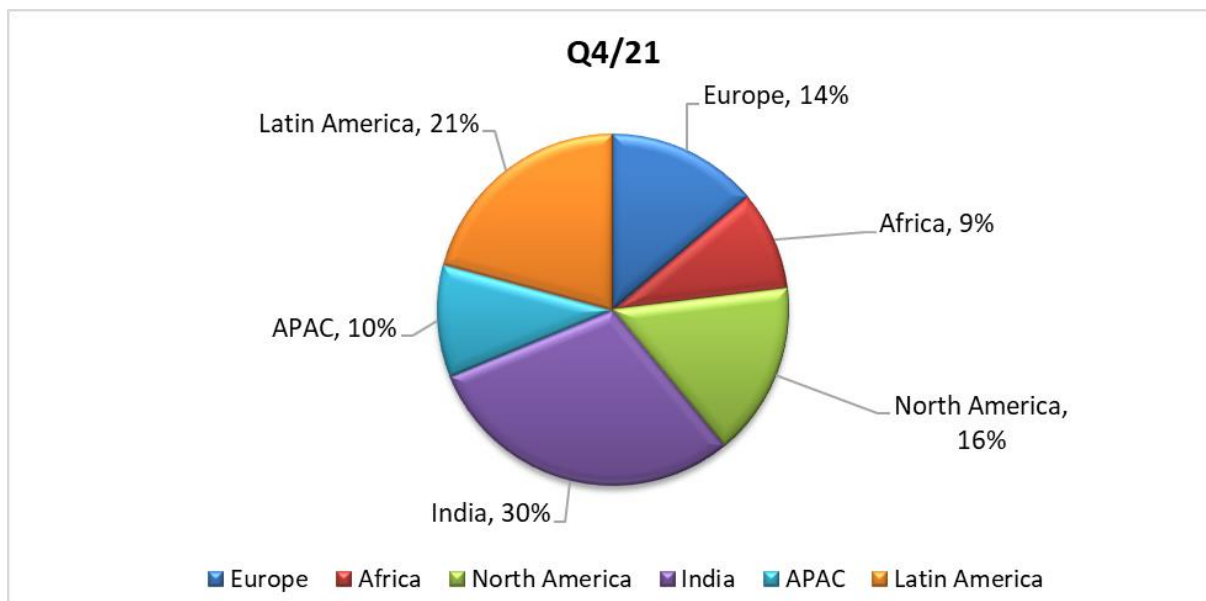
Ceragon’s public filings are available on the Securities and Exchange Commission’s website at [www.sec.gov](http://www.sec.gov) and may also be obtained from Ceragon’s website at [www.ceragon.com](http://www.ceragon.com).

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# Revenues- Geographic Split

	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21
Europe	13%	17%	13%	15%	15%	15%	21%	14%	19%	19%	18%	15%	14%
Africa	12%	13%	11%	6%	7%	6%	4%	14%	10%	9%	8%	6%	9%
North America	15%	15%	20%	11%	13%	13%	15%	14%	16%	17%	19%	14%	16%
India	25%	15%	10%	29%	16%	25%	22%	24%	23%	26%	27%	35%	30%
APAC	15%	18%	18%	22%	18%	21%	19%	20%	14%	14%	11%	9%	10%
Latin America	20%	22%	28%	17%	31%	20%	19%	14%	18%	15%	17%	21%	21%
<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)													
	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21
Revenues	85,742	69,163	73,001	72,163	71,256	55,871	62,427	70,581	74,002	68,270	68,621	76,115	77,760
Cost of Revenues	55,961	44,495	46,615	48,907	48,980	41,833	45,891	46,970	52,631	48,087	47,005	52,509	55,199
<b>Gross profit</b>	<b>29,781</b>	<b>24,668</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>Gross margin</b>	<b>34.7%</b>	<b>35.7%</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>
Research & Development	6,606	6,061	6,156	6,652	7,558	7,201	6,760	7,299	7,694	7,358	7,494	6,640	7,745
% R&D	7.7%	8.8%	8.4%	9.2%	10.6%	12.9%	10.8%	10.3%	10.4%	10.8%	10.9%	8.7%	10.0%
Selling & Marketing	11,327	9,287	9,914	9,585	9,975	8,173	8,032	7,819	8,452	8,186	8,266	8,349	8,681
%S&M	13.2%	13.4%	13.6%	13.3%	14.0%	14.6%	12.9%	11.1%	11.4%	12.0%	12.0%	11.0%	11.2%
General & Administration	5,074	5,600	5,478	4,456	6,836	4,246	4,755	4,754	4,680	3,934	5,247	4,645	4,616
%G&A	5.9%	8.1%	7.5%	6.2%	9.6%	7.6%	7.6%	6.7%	6.3%	5.8%	7.6%	6.1%	5.9%
Total operating expenses	23,007	20,948	21,548	20,693	24,369	19,620	19,547	19,872	20,826	19,478	21,007	19,634	21,042
<b>Operating profit (loss)</b>	<b>6,774</b>	<b>3,720</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>Operating margin</b>	<b>7.9%</b>	<b>5.4%</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>
Non-GAAP EBITDA	8,937	5,840	7,156	5,105	587	(2,878)	(331)	6,467	3,494	3,591	3,552	6,931	4,977
Financial expenses and others, net	(872)	(1,135)	(1,612)	(1,469)	(2,071)	(758)	(1,354)	(1,238)	(2,527)	(1,237)	(1,367)	(2,273)	(2,691)
Income Tax	(904)	(516)	(744)	(597)	(801)	(365)	(487)	(201)	(1,559)	(347)	(420)	(348)	(855)
<b>Non GAAP Net income (loss)</b>	<b>4,998</b>	<b>2,069</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>
Non GAAP EPS	0.06	0.03	0.03	0.01	(0.06)	(0.08)	(0.06)	0.03	(0.04)	(0.01)	(0.01)	0.02	(0.02)
# of Shares for diluted EPS ('000)	82,369	82,702	82,250	81,814	80,575	80,765	81,013	82,244	81,536	82,584	83,424	85,271	83,916

# Selected Cash Flow Data

(U.S. dollars in thousands)													
	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21
Total cash & cash equivalents	35,581	29,754	29,041	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670	27,235	17,079
Cash flow from operations	(1,579)	(620)	(6,487)	(14,431)	8,607	3,127	6,666	(3,225)	10,677	(1,654)	(2,958)	(667)	(9,740)
Capital expenditures	(6,238)	(5,240)	(3,339)	(2,658)	(2,627)	(1,202)	(2,715)	(1,230)	(1,342)	(2,003)	(1,728)	(2,336)	(3,328)
Options Exercise	2,048	66	190	135	211	246	308	293	390	3,689	269	730	42
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
Other	28	(33)	23	(63)	24	(245)	(36)	(50)	121	(122)	76	(62)	(30)
<b>Net Change in Cash</b>	<b>(5,741)</b>	<b>(5,827)</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>

# Selected Balance Sheet Data

(U.S. dollars in thousands)													
	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21
Cash and Cash Equivalents	29,754	29,041	20,524	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670	27,235	17,079
Trade Receivables	123,451	119,548	121,449	126,196	118,531	104,185	97,547	108,394	107,388	106,712	107,404	109,863	118,310
DSOs	131	132	141	154	151	140	136	152	149	141	139	140	149
Inventory	53,509	67,370	73,900	67,717	62,132	59,659	53,593	51,869	50,627	48,542	52,316	53,203	61,398
Inventory Days	86	114	132	126	120	117	106	103	99	92	98	97	111
Working capital	115,170	112,855	119,687	118,925	111,267	102,830	98,206	102,067	99,446	98,954	99,864	101,615	98,283
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
Shareholders' Equity	159,568	161,833	163,759	163,878	160,421	151,414	147,329	149,662	146,126	146,397	146,310	147,663	137,151
% - Shareholders' Equity/ Total assets	56%	54%	53%	54%	55%	52%	54%	55%	54%	50%	50%	50%	47%
Total Balance Sheet	283,000	297,517	308,513	302,067	289,889	292,671	272,097	273,759	272,419	291,098	294,416	295,416	292,563

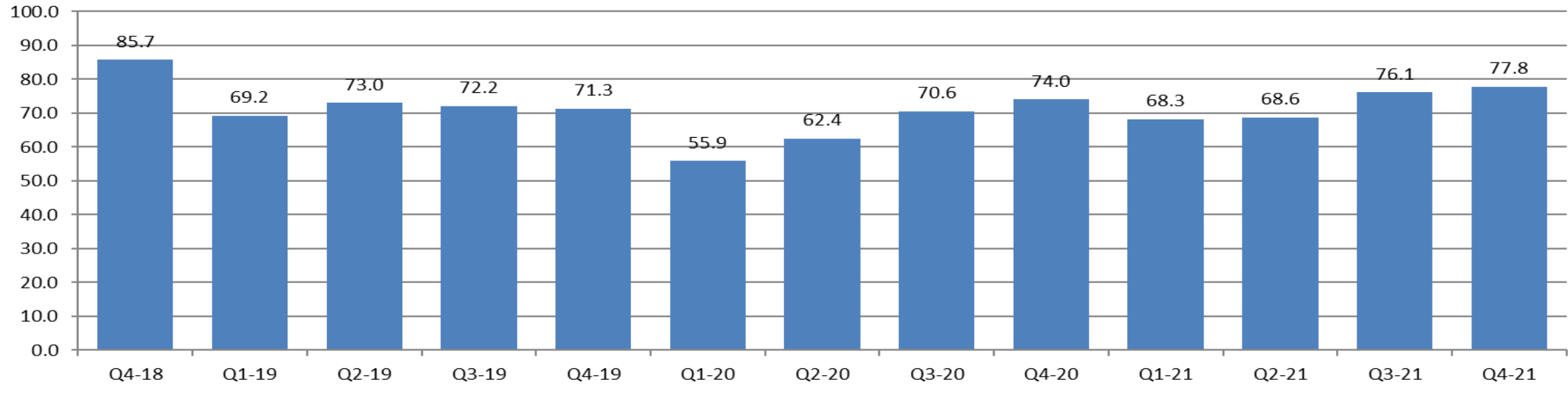
# Reported results – Reconciliation to GAAP



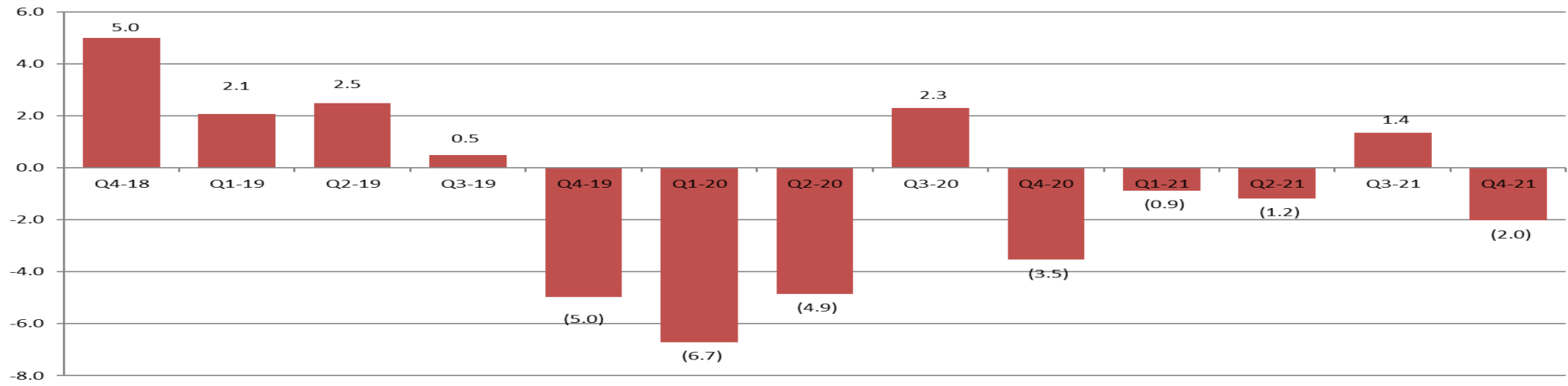
(U.S. dollars in thousands)													
	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21
Non GAAP Net income (loss)	4,998	2,069	2,482	497	(4,965)	(6,705)	(4,852)	2,300	(3,541)	(879)	(1,178)	1,351	(2,027)
Share based compensation expenses	498	475	697	422	459	426	441	384	411	351	286	1,034	891
Amortization of intangible assets	-	-	-	-	-	-	-	-	1,800	-	-	-	-
Changes in indirect tax positions	(230)	21	9	4	(361)	1	1	1	(202)	1	2	2	(399)
Leases - financial expenses (income)	-	(26)	218	(91)	133	(450)	110	157	229	(186)	435	102	706
Paycheck protection program	-	-	-	-	-	-	-	-	-	-	(979)	-	-
Retired CEO compensation	-	-	-	-	-	-	-	-	-	-	810	-	-
Non-cash tax adjustments	(6,869)	618	654	(182)	(1,272)	15	(87)	76	2	128	(23)	(53)	8,987
Equity loss in affiliates	-	173	141	158	177	183	160	98	538	-	-	-	-
GAAP Net Income (Loss)	11,599	808	763	186	(4,101)	(6,880)	(5,477)	1,584	(6,319)	(1,173)	(1,709)	266	(12,212)
GAAP EPS	0.14	0.01	0.01	0.00	(0.05)	(0.09)	(0.07)	0.02	(0.08)	(0.01)	(0.02)	0.00	(0.15)
# of Shares for basic EPS ('000)	79,539	80,114	80,192	80,304	80,575	80,765	81,013	81,278	81,536	82,584	83,424	83,717	83,916
# of Shares for diluted EPS ('000)	81,988	82,334	82,051	81,652	80,575	80,765	81,013	82,000	81,536	82,584	83,424	84,637	83,916

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

## Revenues



## Non-GAAP Net Income (loss)







**Thank You**

