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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 differently than anticipated and such other risks, uncertainties and other factors that could affect our results, as detailed in our press release that was published earlier today and 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.

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## 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



## Q3 REVENUES: BACK TO PRE-COVID LEVELS

#### **Strong Q3 performance**

- Strong quarter with \$70.6M revenues, 33.4% gross margin and \$0.02 GAAP EPS reflecting focused execution despite
   COVID environment
- Current growth driven by ISP & 4G activities; ongoing progress with major 5G opportunities paves potential for strong mid-to-long-term growth
- Recognition of the critical advantages of our solutions
- Q3 high gross-margin reflects revenues in the normal range and \$1 million in tax relief



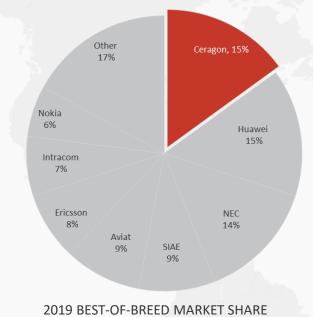
Note: Financial metrics are presented on a non-GAAP basis.



## **CERAGON AT A GLANCE**

#### **INNOVATIVE MARKET LEADER** 4G & 5G NETWORK ENABLER

Customers who choose based on value of technology select Ceragon

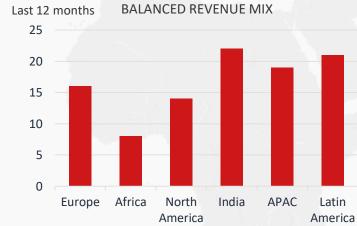


Source: Ceragon estimates based on SkyLight Research. March 2020 \*Others include vendors with less than 2% share

#### **GLOBAL COMPANY**

Significant activity in each region





#### **COMPANY SNAPSHOT**

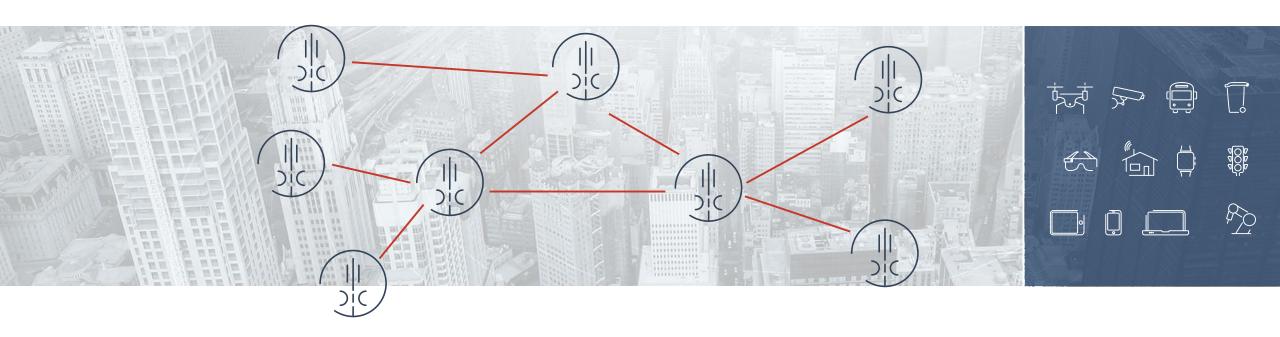
+2,000	TOTAL CUSTOMERS
+1M	SYSTEMS DEPLOYED
+140	COUNTRIES WITH SYSTEMS DEPLOYED
1,000+	EMPLOYEES GLOBALLY
\$0.99-\$3.49	52 WEEK LOW/HIGH <sup>(A)</sup>

(A) Source: Nasdag 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)

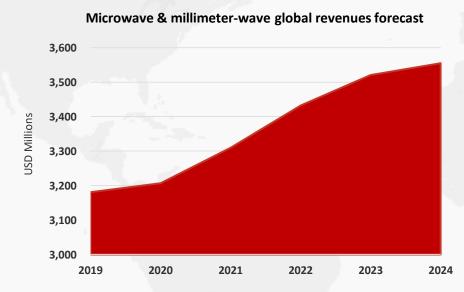


### **INVESTMENT HIGHLIGHTS**

### POSITIONED TO LEAD IN THE GROWING 5G MARKET

# **5G**A GROWING MARKET

Market growth driven by 5G opportunities for service providers



## CERAGON POSITIONED TO LEAD AND TAKE MARKET SHARE

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

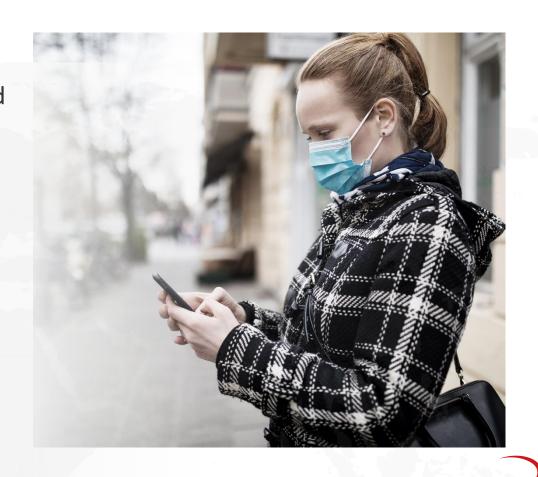
Source: Dell'Oro - 2020



## **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





## THE GROWING 5G MARKET

#### 5G EXPECTED TO CREATE OPPORTUNITIES FOR SERVICE PROVIDERS

New revenue streams via new service offerings & additional target markets



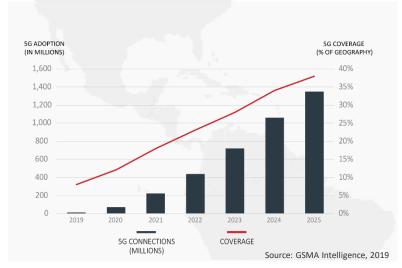


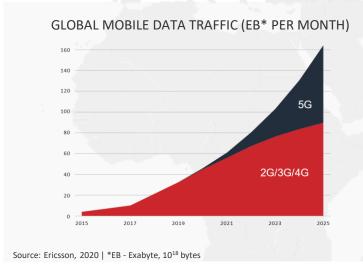


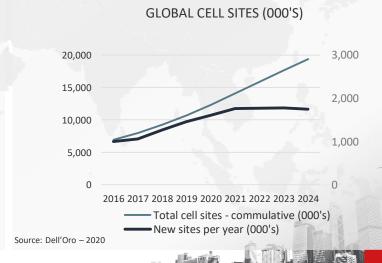


5G to drive growth in number of connections

Combined with significant growth in traffic Accelerating deployment of new cell sites









## **5G OPERATOR OPPORTUNITIES DRIVE MARKET GROWTH...**

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

#### 5G EXPECTED TO CREATE OPPORTUNITIES FOR SERVICE PROVIDERS

New revenue streams via new service offerings & additional target markets









**NETWORK TRENDS** 

**NETWORK CHALLENGES** 



New Services New **Network Architectures** 









Cellular Spectrum

New

**PROVIDE MORE** 

x100

**CAPACITY** 

REDUCE LATENCY

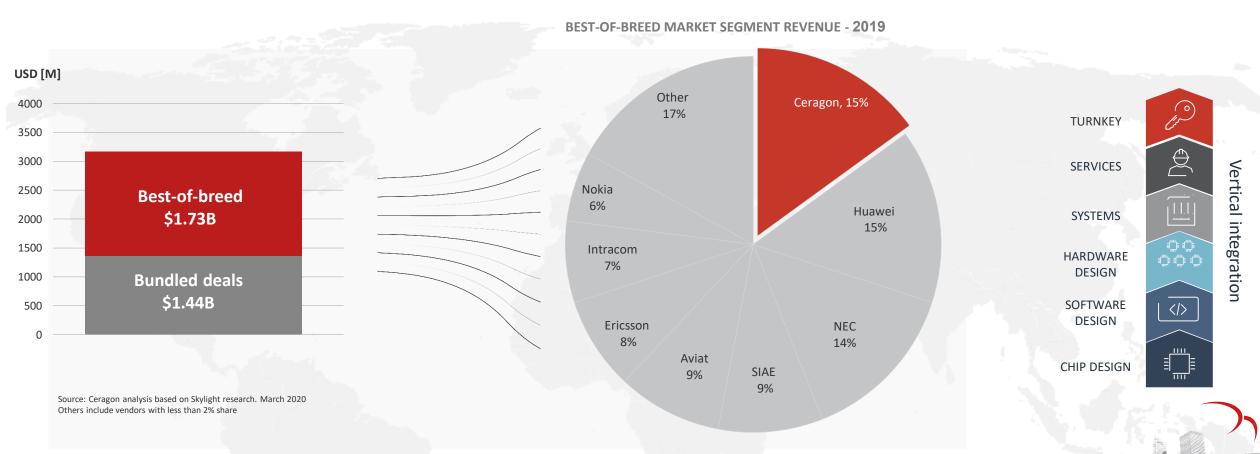
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**NETWORK SLICING FOR** SERVICE ORCHESTRATION **DEPLOY MORE SITES** 



# GROWING 5G NETWORK COMPLEXITY DRIVES OPERATORS TO ADOPT BEST-OF-BREED\* VENDOR STRATEGIES

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



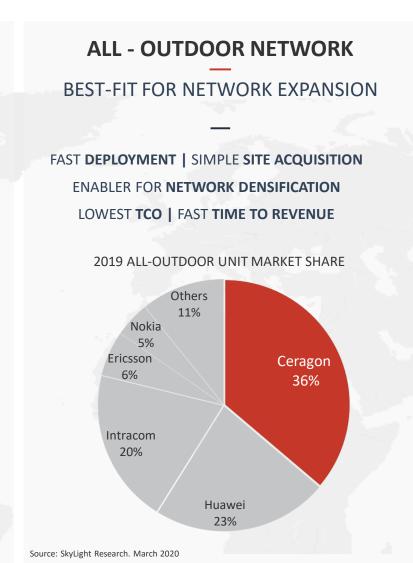
<sup>\*</sup> Service providers seeking the best wireless hauling solution as primary factor in their vendor selection. Open-RAN as a major driver



## **BEST-OF-BREED LEADERSHIP DRIVERS**

#### **BUILT ON VERTICAL INTEGRATION**

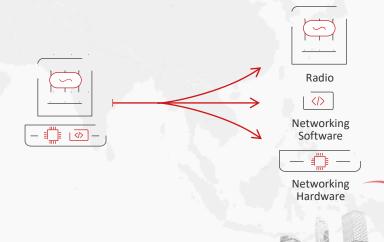
## **CHIPSET** UNIQUE MULTICORE TECHNOLOGY **MULTICORE TECHNOLOGY** 4G DUAL CORE **X4** 1/2 1/2 CAPACITY SPECTRUM, **ENERGY 5G** OCTA CORE X16 1/4 1/8 SPECTRUM, **CAPACITY ENERGY**



#### **DISAGGREGATED WIRELESS HAULING**

PIONEERING OPEN NETWORKS
IN THE HAULING DOMAIN

FAST NETWORK ROLLOUT
SIMPLER NETWORK EVOLUTION
NO VENDOR LOCK-IN





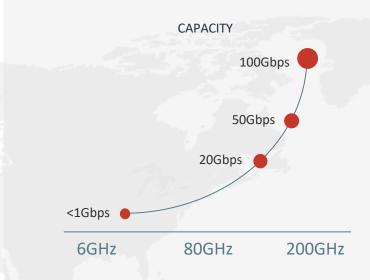
## **UNIQUE TECHNOLOGY**

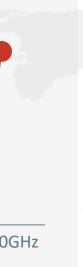
#### **BUILT ON VERTICAL INTEGRATION**

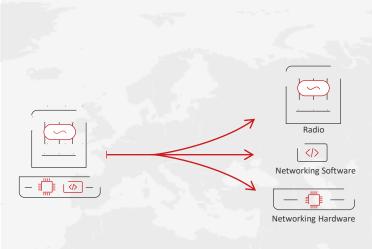
#### HIGHEST INDUSTRY RADIO CAPACITY **AT ANY SPECTRUM**

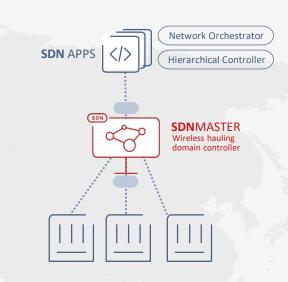
#### **DISAGGREGATED WIRELESS HAULING**

#### **SOFTWARE DEFINED NETWORKING**









- · Any network hauling scenario
- · Any network capacity
- Low latency, compact nodes

Eliminate dependency on fiber Save time and money

- Low total network investment
- Fast network rollout

Open network approach adopted by major Tier 1 operators

- Faster time to market for new 5G services
- · Simple network slicing

**Network agility – Today!** 



## **ECO-SYSTEM IN TRANSFORMATION, CERAGON LEADS!**



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





ertical integration



## **COMPLETE NETWORK LIFECYCLE SUPPORT**

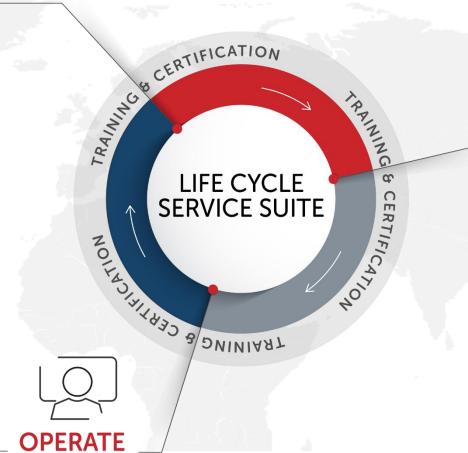
## **BUILT ON VERTICAL INTEGRATION**



#### **PLAN**

- Network planning & design
- Network topology optimization

- Customer support
- Preventive maintenance
- NOC operation
- Predictive Analysis
- Infrastructure management & opt





- Network rollout planning
- Network rollout execution and support

## **SERVING CUSTOMERS WORLDWIDE**

## PRESENT EVERYWHERE TO CAPITALIZE ON 5G

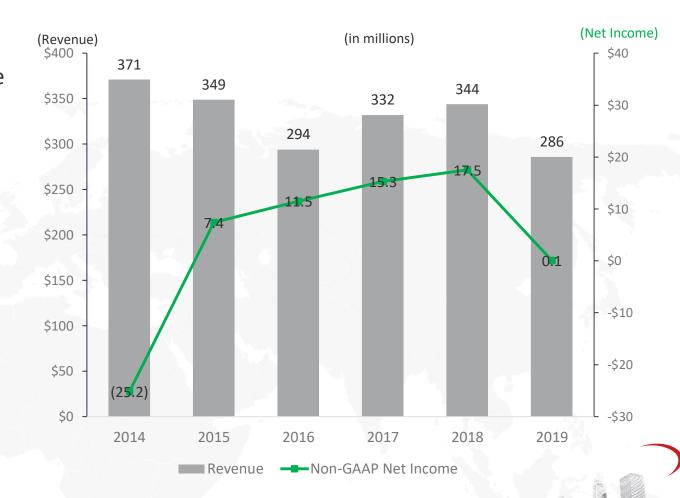






## TRACK RECORD OF EXECUTION

- Consistently profitable from 2015-2018
- 2019 results negatively impacted by lower revenue from India and one-time items
- Focus on maximizing gross profit dollars
- Q1-Q2 2020 revenues and net results were negatively impacted by COVID-19, but returned to more normal levels in Q3
- COVID-19-related uncertainty expected to continue impacting results going forward



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



## **STRONG BALANCE SHEET**

- Positioned to weather challenges
- Continued reductions in inventory and successful collections
- Short-term bank debt: >\$32.1 million unused borrowing capacity
- On July 1, extended credit line from a consortium of banks for another year; raised from \$40 million to \$50 million
- Credit facility to be used as a business tool to accommodate short-term increase in working capital needs

	(U.S. dollars in millions) (Unaudited)
	a/o September 30, 2020
Cash & cash equivalents	29.2
Short-term loans	17.9
Inventory	51.9
AR	108.4
DSOs	152





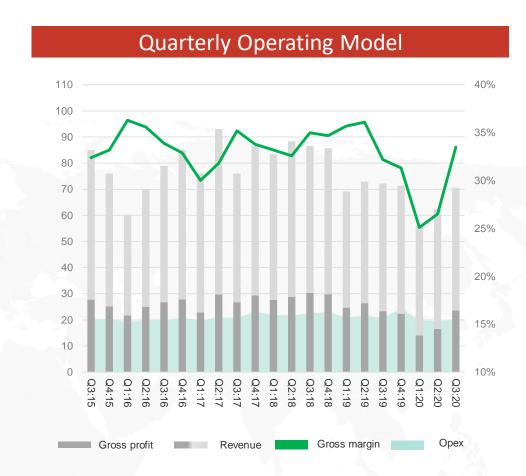
## **CHARACTERISTICS OF OPERATING MODEL**

#### **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 and market environment
- 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
- Q3 high gross-margin reflects revenues in the normal range and \$1
   million in tax relief



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