The #1 Wireless Backhaul Specialist

Investor Presentation

Challenge us to take you further

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Safe Harbor

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The #1 Wireless Backhaul Specialist

Most advanced technology
Leveraging vertical integration

Global reach
>900,000 radios installed in over 130 countries

Focus on high-value deals
Projects where customer is seeking best-of-breed solution
Serving Global Markets
With diverse wireless backhaul solutions

- Public Safety
- Mobile
- Oil & Gas
- Wireless ISP’s
- Utilities
Investment Highlights

- Leader in premium segment of the market
- Time-to-market advantage with technologically-advanced IP-20 platform
- Competitive strengths provide ability to be selective, obtain major share of highest-value opportunities
- Financial stability enables continuous innovation and design-to-cost investment
- Targeting third consecutive year of profit improvement in 2017
- Positioned to benefit from industry shake-out and network evolution to 5G
Our Approach to Wireless Backhaul Market: Selective

Sustainable profitability requires vetting every deal in a fragmented, competitive market

Avoid Bundled/Price Focused Deals

• End-to-end network bundling; no specific vendor selection process for wireless backhaul
• Customers lack the skills/ resources for thorough evaluation of wireless backhaul vendors
• Customers evaluate suppliers separately but use price as main factor for vendor selection

Seek Best-of-Breed Focused Deals

• Service providers seek the best wireless backhaul solution as main factor for vendor selection
• Customers invest resources to assess solutions’ ability to address their network-specific challenges
• (Non-mobile customers are part of this category)
Executing on a 3-Pillar Strategy
To offer differentiated solutions for select high value opportunities

- **Continue to Invest in**
  Best Technology and Solutions

- **Leverage Our**
  Strong Position in All Geographies

- **Focus**
  On Highest Value Opportunities
We Innovate Rapidly Through Vertical Integration
Ongoing investment in superior technology

Advanced Frequency Reuse
4x4 LoS MIMO

Advanced Space Diversity
New spectrum (90-140GHz), 20Gbps

SDN for Wireless Backhaul
Easy Set Radios

FIBEAIR IP-20 PLATFORM

4th Generation
Unique multicore technology
RESOLVE BACKHAUL CHALLENGES
More capacity | More services | More customers

LESS RESOURCES
Spectrum | Real-estate | Power | Labor

FIBEAIR IP-20 PLATFORM
MULTICORE EVERYWHERE - IN ALL DEPLOYMENT SCENARIOS
Leverage our Strong Position in All Geographies

- Demand for best-of-breed solutions is worldwide
- Investment cycles shift between regions
- Operator consolidation and network sharing causes shifts
- Purchasing decisions made both centrally and regionally

TTM Revenue

- India, 39%
- Latin America, 21%
- Asia Pacific, 12%
- North America, 11%
- Europe, 12%
- Africa, 5%
- Asia Pacific, 12%
- North America, 11%
- Europe, 12%
- Africa, 5%
Enabling Key Worldwide 4G Expansions
With the industry-leading wireless backhaul platform – FibeAir IP-20

USA, Mexico, India
Global Reach – Local Presence

Over 900,000 Radios installed in over 130 countries

33% of sales with global Tier 1 operators
We help Tier 1 operator in Mexico make mobile internet available to 100M people

Merge two small operators, rapidly grow customer base
Nationwide 4G rollout | Dense urban coverage within 12 months
Modernize network | Avoid resource bottlenecks

One backhaul platform – FibeAir IP-20
1Gbps+ at minimal spectrum | Short order-to-service cycle

Simple modernization to 5G - 10Gbps backhaul
We help Tier 1 U.S. operator gain more customers

Achieve best customer experience
Large scale network densification and optimization

1.3Gbps wireless-fiber | Future-proof | Lightweight (monopole fit)
Compact | Reliable | Simple & quick to install

Massive network densification for 5G | x20 capacity
We help Tier 1 U.S. operator implement its strategy

Expand coverage & capacity without service interruption

- Upgrade 3G backhaul radios to 4G performance
- Multi Gbps 4G+ wireless backhaul | Maintain install base | No interruption upgrade

- Network densification for 5G, x20 capacity
We help Operator in India become one of the largest 4G providers

Nationwide 4G coverage
Ultra high capacity to every site

Lightweight (pole-fit) radios; 500Mbps – 1Gbps
100% capacity instant-upgrade | Ceragon installs 125,000 radios

5G-ready | Network densification | x40 capacity

REACH 250M CUSTOMERS In 2017
We help Tier 1 operator in India maintain its #1 wireless provider position

Quick 3G to 4G upgrade | Coverage & capacity expansion
Simple all-IP modernization

Upgrade 3G backhaul radios to 4G performance
Modular 4G high capacity nodes;

Network expansion & densification
All IP wireless fiber | x20 capacity
We help European operator deliver the best user experience

Network expansion & densification for 4.5G mobile video services
Bundle mobile and wireless-DSL services | Significantly reduce OPEX

Upgrade 3G backhaul radios to 4.5G performance
Increase wireless backhaul capacity from 500Mbps to 2.5Gbps

Further network densification – x20 capacity
Focus on Highest Value Opportunities

- Use competitive strengths to win a large share of most profitable opportunities
- Expanding footprint in profitable vertical markets
- Well-positioned to gain share as industry shake-out continues
Profit Improvement Initiatives Succeeding

• **Strategy improves gross profit but tempers revenue**
  - Deeper analysis of each opportunity
  - New compensation scheme to better motivate sales force
  - Consider impact of deal terms on working capital requirements
  - More stringent criteria for extending payment terms

• **Continuous design-to-cost improvements lowers product cost**

• **Controlling expenses enables operating leverage**
# P&L – Managing for Profitability (Non - GAAP)

<table>
<thead>
<tr>
<th>(US$M)</th>
<th>Q2:16</th>
<th>Q3:16</th>
<th>Q4:16</th>
<th>Q1:17</th>
<th>Q2:17</th>
<th>Q3:17 Guidance</th>
<th>Target for FY17</th>
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<tbody>
<tr>
<td>Revenues</td>
<td>$70.0</td>
<td>$79.1</td>
<td>$84.7</td>
<td>$76.0</td>
<td>$93.3</td>
<td>$75-$80</td>
<td>Higher than 2016</td>
</tr>
<tr>
<td>Gross profit</td>
<td>24.9</td>
<td>26.8</td>
<td>27.9</td>
<td>22.8</td>
<td>29.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>35.5%</td>
<td>33.8%</td>
<td>32.9%</td>
<td>30.0%</td>
<td>31.8%</td>
<td>&gt;32%</td>
<td>&gt;32%</td>
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<tr>
<td>Operating Expenses</td>
<td>20.0</td>
<td>19.9</td>
<td>20.7</td>
<td>19.9</td>
<td>20.9</td>
<td>$20-$21</td>
<td>~Flat at $20-21M per quarter</td>
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<tr>
<td>Operating profit</td>
<td>4.9</td>
<td>6.9</td>
<td>7.2</td>
<td>2.9</td>
<td>8.8</td>
<td></td>
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<tr>
<td>Finance &amp; tax</td>
<td>3.3</td>
<td>2.1</td>
<td>1.9</td>
<td>2.0</td>
<td>2.8</td>
<td>Similar</td>
<td>Lower than 2016</td>
</tr>
<tr>
<td>Net profit (loss)</td>
<td>1.6</td>
<td>4.8</td>
<td>5.2</td>
<td>0.9</td>
<td>6.0</td>
<td>Lower</td>
<td>Higher than 2016*</td>
</tr>
<tr>
<td>EPS (loss)</td>
<td>$0.02</td>
<td>$0.06</td>
<td>$0.07</td>
<td>$0.01</td>
<td>$0.07</td>
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* Based on constant currency from December 31, 2016
## Strong Balance Sheet

- Continued to reduce debt in Q2
- Substantial unused borrowing capacity under revolving credit facility
- Expect positive cash flow in 2017

<table>
<thead>
<tr>
<th>(U.S. dollars in millions)</th>
<th>(Unaudited)</th>
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<tbody>
<tr>
<td></td>
<td>a/o June 30, 2017</td>
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<tr>
<td>Cash &amp; cash equivalents</td>
<td>34.1</td>
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<td>Bank debt</td>
<td>8.0</td>
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<tr>
<td>Inventory</td>
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<tr>
<td>AR</td>
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<tr>
<td>DSOs</td>
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Formulating a Strategy to Accelerate Long-term Growth
Continuing to refine focus on both offensive and defensive strategies

Technology Fit/Business Risk Analysis
- Relevance to core competencies
- Potential competitive advantage
- Market size and maturity
- Market growth potential

Value Creation/Financial Risk Analysis
- Time to revenue
- Magnitude of investment required
- Inherent profitability (gross margin)
- Impact on cash flow

Seeking best risk-adjusted opportunity to generate profitable growth
Profitability Enables Ongoing Investment to Enhance Our Leadership During Evolution to 5G

- 6 – 42GHz: LoS 4x4 MIMO
- E-Band
- V-Band

Today

2018

2.5 Gbps

- 6 – 42GHz: Higher orders of LoS MIMO technology
- E-Band
- V-Band

10 Gbps

2020

20 Gbps

- E-Band
- V-Band
- W-Band (100GHz)
- D-Band (140GHz)
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Thank You