



200 Parker Drive  
Suite C100A  
Austin, Texas, 78728

## CHANGE AT CERAGON IS LONG OVERDUE

July 18, 2022

Dear fellow Ceragon shareholders:

We have written to you previously regarding the destruction of shareholder value brought about by Ceragon's current management and Board. Most recently, Ceragon has rebuffed an opportunity to create value by refusing to engage with Aviat to negotiate a mutually beneficial transaction. While the Board continues to delay setting a date for the extraordinary shareholder meeting, we expect voting will begin shortly and want to provide more information regarding the opportunity you will have to effect change at Ceragon. We have proposed to increase the size of the Ceragon Board to nine, remove three current directors, and elect five highly qualified, independent directors who will be better able to represent the interests of all Ceragon shareholders and seriously consider all opportunities to create value.

**Change at Ceragon is much needed and long overdue.** Ceragon's entrenched Board members are not the right people to determine the future of your Company. The three directors Aviat seeks to replace – Ira Palti, Yael Langer, and David Ripstein – have close ties to Ceragon and to other companies founded, owned, or formerly led by Ceragon Chairman Zohar Zisapel, and as a result, lack the necessary independence to make decisions in the best interests of all Ceragon shareholders. We believe their presence deters transparent governance, frustrates value creation, and makes a mockery of the concept of an independent Board.

- **Ira Palti** served as Ceragon CEO from 2005 to 2021, during which time he oversaw the destruction of shareholder value. Mr. Palti is the architect of Ceragon's failed chip strategy, and has wedded the Company to seeing his strategy through. From his position on the Board, he has the ability to impede any efforts that current management could make to abandon his own failed strategy and pursue a new one.
- **Yael Langer** is General Counsel at RAD Data Communications, a company founded by Mr. Zisapel and led by his brother, Yehuda Zisapel, and has served on the Ceragon Board since 2000, during which time Ceragon's stock price has fallen approximately by 80%. With her own fortune tied so closely to Mr. Zisapel, we have little confidence that she would put the interests of Ceragon shareholders above the interests of Mr. Zisapel.
- **David Ripstein** spent nine years as CEO of RADCOM, another company founded by Mr. Zisapel and a part of the RAD Group (of which Ceragon is also a member). His loyalties, too, are more aligned with Mr. Zisapel than with ordinary Ceragon shareholders.

The Ceragon Board (including Mr. Palti, Ms. Langer and Mr. Ripstein) and management continue to ask you to patiently wait for a turnaround at Ceragon, but Mr. Zisapel himself seems to lack this patience. Look at what he does, not at what he says:

- In February 2021, Mr. Zisapel sold approximately one-third of his Ceragon shares, when the stock was trading at over \$5.00 per share, well above where it has traded since. By selling a substantial portion of his shares, Mr. Zisapel has demonstrated his lack of confidence in the Company's current strategy and management's ability to protect the value of his investment. In fact, the company has not reported any positive free cash flow for investors in its quarterly earnings and has generated cumulative negative free cash flow of \$29 million since Mr. Zisapel's sale. **Actions speak louder than words, and Mr. Zisapel's actions contradict the narrative he and his Board cronies continue to push shareholders to accept.**



*Free cash flow defined as cash flow from operations less capital expenditures.*

As Ceragon shareholders, why should we wait patiently for Ceragon's strategy to generate value, when the Company's own Chairman has made efforts to minimize his financial exposure to the failure of Ceragon's standalone strategy?

In contrast to these three current Ceragon directors, Aviat's five nominees have the expertise and independence needed to turn Ceragon around. All five nominees – Michelle R. Clayman, Paul Delson, Jonathan F. Foster, Dennis Sadlowski, and Craig Weinstock – are seasoned leaders in their respective fields and have extensive experience leading and advising companies across sectors (including technology, financial services, industrials, manufacturing, energy, and hospitality) and situations (including corporate finance, M&A, restructurings, financing transactions, and more). You can read more about the qualifications of the nominees in our [June 27, 2022 press release](#).

In addition to bringing strong operational and financial expertise to the Company, Aviat Networks is confident these directors will carefully evaluate our proposal to acquire Ceragon, which would deliver immediate and certain value – at a premium – to shareholders, and recognize that we offer a significant opportunity to build a leading global wireless transport specialist that is best positioned for future growth and innovation.

Ceragon shareholders have waited far too long for the Company to create meaningful value for shareholders. The time has come to take action. Shareholders should receive information about how to vote their shares soon. When you do, **please immediately complete and return Aviat's GOLD proxy card, voting FOR our proposals to expand the Board, remove Mr. Zisapel's cronies from the Board, and elect all five of the Aviat nominees**, who will bring fresh unbiased and objective perspectives to Ceragon, seriously consider all value creation opportunities, and commit to correcting Ceragon's downward trajectory.

Sincerely,

A handwritten signature in blue ink that reads 'Peter A. Smith'.

Peter A. Smith  
Aviat Networks  
President and Chief Executive Officer

CHANGE AT CERAGON IS LONG OVERDUE.  
**VOTE THE GOLD PROXY CARD.**