

The logo for RADCOM, featuring the word "RADCOM" in a white, sans-serif font. The letter "A" is stylized with a blue triangle above it.

RADCOM

Q1-22 CONFERENCE CALL

May 12, 2022



AGENDA

- Introduction and safe harbor
- CEO – Eyal Harari, Chief Executive Officer
- CFO – Hadar Rahav, Chief Financial Officer
- Q&A

SAFE HARBOR PROVISION

Certain statements made herein that use words such as "estimate," "project," "intend," "expect," "believe," "may," "might," "potential," "anticipate," "plan" or similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. For example, when the Company discusses its full-year 2022 revenue guidance, the potential benefits from recent contract wins, and expectations regarding its growth opportunities, it is using forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties that could cause the actual results, performance, or achievements of the Company to be materially different from those that may be expressed or implied by such statements, including, among others, changes in general economic and business conditions and specifically, decline in the demand for the Company's products, inability to timely develop and introduce new technologies, products, and applications, and loss of market share and pressure on prices resulting from competition. For additional information regarding these and other risks and uncertainties associated with the Company's business, reference is made to the Company's reports filed from time to time with the U.S. Securities and Exchange Commission. The Company does not undertake to update forward-looking statements. The full safe harbor provisions, including risks that could cause actual results to differ from these forward-looking statements, are outlined in the Company's SEC filings.

NON-GAAP FINANCIAL MEASURES

In this conference call, management will be referring to certain non-GAAP financial measures, which are provided to enhance the user's overall understanding of the Company's financial performance. By excluding certain non-cash stock-based compensation expenses, non-GAAP results provide information that is useful in assessing RADCOM's core operating performance, and in evaluating and comparing its results of operations on a consistent basis from period to period. The presentation of this additional information is not meant to be considered a substitute for the corresponding financial measures prepared in accordance with generally accepted accounting principles. Investors are encouraged to review the reconciliations of GAAP to non-GAAP financial measures which are included in the quarter's earnings release, which is available on the Company's website at www.radcom.com, the content of which does not form a part of this presentation.

Q1-22 OVERVIEW

- Revenues for the first quarter of 2022 were \$10.6 million
- Cash and cash equivalents and short-term bank deposits of \$70.9 million and no debt
- Increased 2022 revenue guidance range of \$43 - \$47 million



FIRST QUARTER 2022 FINANCIAL RESULTS



CONSOLIDATED STATEMENTS OF OPERATIONS (GAAP)

(in thousands of U.S. dollars, except per share data)

	Three months ended	
	March 31,	
	2022	2021
	Unaudited	Unaudited
Revenues	\$ 10,624	\$ 9,140
Cost of revenues	\$ 2,837	\$ 2,367
Gross profit	\$ 7,787	\$ 6,773
Gross profit %	73%	74%
Research and development, gross	\$ 5,559	\$ 5,104
Less - royalty-bearing participation	\$ 218	\$ 68
Research and development, net	\$ 5,341	\$ 5,036
Sales and marketing	\$ 2,905	\$ 2,590
General and administrative	\$ 1,021	\$ 993
Total operating expenses	\$ 9,267	\$ 8,619
Operating loss	\$ (1,480)	\$ (1,846)
Financial income, net	\$ 947	\$ 118
Loss before taxes on income	\$ (533)	\$ (1,728)
Taxes on income	\$ (59)	\$ (18)
Net loss	\$ (592)	\$ (1,746)
Basic and diluted net loss per ordinary share	\$ (0.04)	\$ (0.12)

CONSOLIDATED STATEMENTS OF OPERATIONS (NON-GAAP)

(thousands of U.S. dollars, except per share data)
UNAUDITED

	Three months ended	
	March 31,	
	2022	2021
	NON-GAAP (1)	
Revenues	\$ 10,624	\$ 9,140
Cost of revenues	\$ 2,745	\$ 2,323
Gross profit	\$ 7,879	\$ 6,817
Gross profit %	74%	75%
Research and development, gross	\$ 4,948	\$ 4,835
Less - royalty-bearing participation	\$ 218	\$ 68
Research and development, net	\$ 4,730	\$ 4,767
Sales and marketing	\$ 2,598	\$ 2,371
General and administrative	\$ 825	\$ 809
Total operating expenses	\$ 8,153	\$ 7,947
Operating loss	\$ (274)	\$ (1,130)
Financial income, net	\$ 947	\$ 118
Income (loss) before taxes on income	\$ 673	\$ (1,012)
Taxes on income	\$ (59)	\$ (18)
Net income (loss)	\$ 614	\$ (1,030)
Basic net income (loss) per ordinary share	\$ 0.04	\$ (0.07)

(1) Amounts exclude non-cash stock-based compensation that has been expensed in accordance with ASC Topic 718.

OPERATING EXPENSES (GAAP)

(thousands of U.S. dollars)
UNAUDITED

Three months ended
March 31,

	2022	2021
Research and development, gross	\$ 5,559	\$ 5,104
Less - royalty-bearing participation	\$ 218	\$ 68
Research and development, net	\$ 5,341	\$ 5,036
Sales and marketing	\$ 2,905	\$ 2,590
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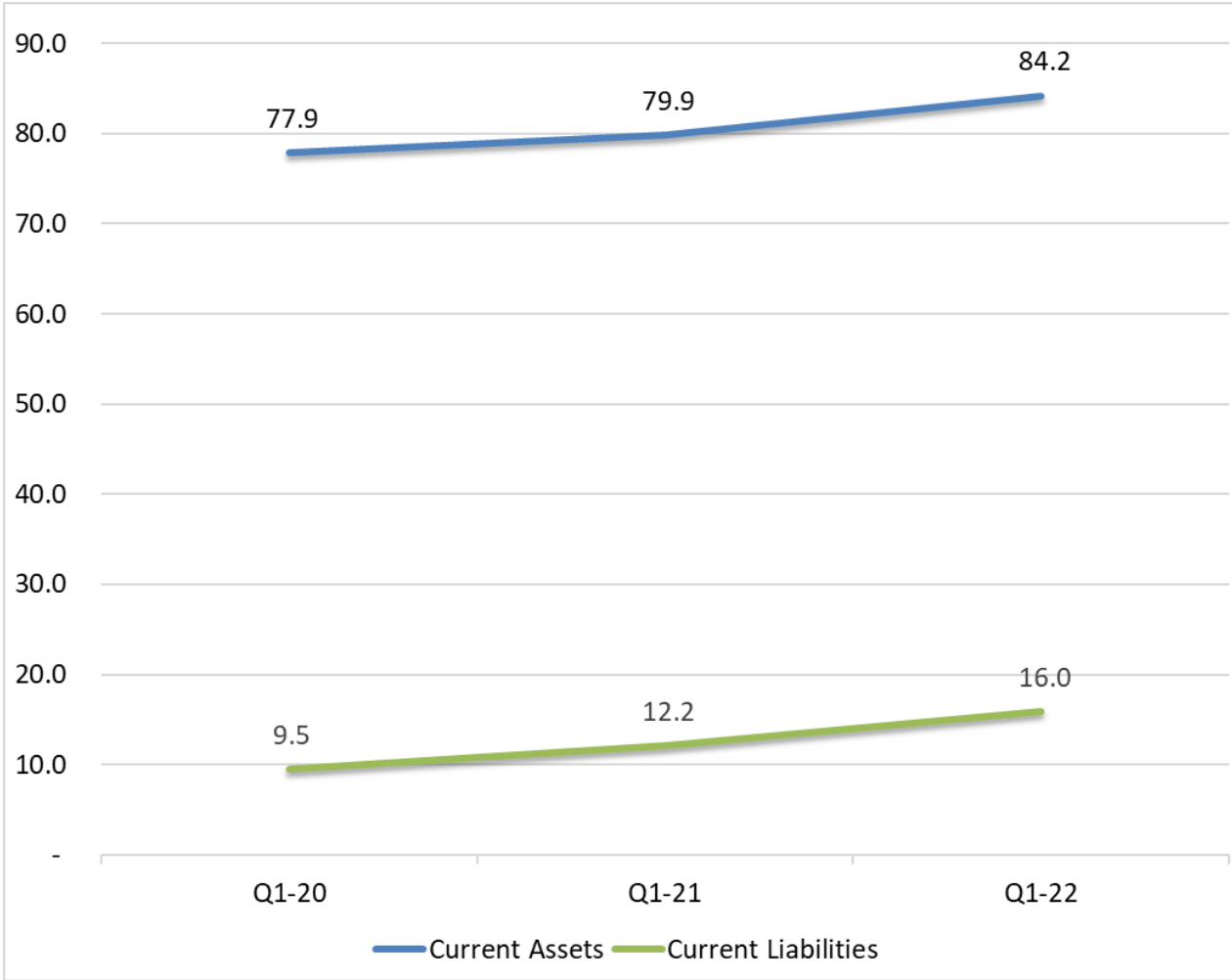
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CONSOLIDATED BALANCE SHEETS

(thousands of U.S. dollars)

	As of March 31, 2022	As of December 31, 2021
	(Unaudited)	(audited)
Cash and cash equivalents	\$ 22,357	\$ 11,948
Short-term bank deposits	\$ 48,502	\$ 58,621
Trade receivables, net	\$ 9,182	\$ 10,031
Inventories	\$ 996	\$ 931
Other accounts receivable and prepaid expenses	\$ 3,180	\$ 1,964
Total Current Assets	\$ 84,217	\$ 83,495
Severance pay fund	\$ 3,210	\$ 3,840
Other long-term receivables	\$ 1,018	\$ 1,258
Property and equipment, net	\$ 1,175	\$ 1,260
Operating lease right-of-use assets	\$ 1,559	\$ 1,808
Total Non-Current Assets	\$ 6,962	\$ 8,166
Total Assets	\$ 91,179	\$ 91,661
Trade payables	\$ 1,332	\$ 2,651
Deferred revenues and advances from customers	\$ 4,378	\$ 2,700
Employee and payroll accruals	\$ 4,309	\$ 4,422
Operating lease liabilities	\$ 859	\$ 1,045
Other liabilities and accrued expenses	\$ 5,084	\$ 5,428
Total Current Liabilities	\$ 15,962	\$ 16,246
Accrued severance pay	\$ 3,669	\$ 4,335
Operating lease liabilities	\$ 810	\$ 894
Other liabilities and accrued expenses	\$ 5	\$ 32
Total Non-Current Liabilities	\$ 4,484	\$ 5,261
Total Liabilities	\$ 20,446	\$ 21,507
Shareholders' Equity	\$ 70,733	\$ 70,154
Total Liabilities and Shareholders' Equity	\$ 91,179	\$ 91,661

CURRENT ASSETS VS. CURRENT LIABILITIES (\$M)



THANK YOU