

Q4 & FY 2021 Financial results conference call

Management's prepared remarks and Q&A

February 24, 2022

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Operator:

Ladies and gentlemen, thank you for standing by. Welcome to the Radcom Ltd. Results Conference Call for the Fourth Quarter and Full Year 2021. All participants are present in a listen-only mode. Following Management's formal presentation, instructions will be given for the question-and-answer session.

For operator assistance during the conference, please press star-zero. As a reminder, this conference is being recorded, and will be available for replay on the company's website at www.radcom.com later today.

On the call are Eyal Harari, Radcom's CEO, and Hadar Rahav, Radcom's CFO. Please note that Management has prepared a presentation for your reference that will be used during the call. If you have not downloaded it yet, you may do so through the link in the Investor section of Radcom's website at www.radcom.com/investor-relations.

Before we begin, I would like to review the Safe Harbor provision. Forward-looking statements in the conference call involve several risks and uncertainties, including but not limited to the company's statements about the 5G market and industry trends and expected increase in standalone 5G launches, the role the company is expected to play in the 5G transformation, sales opportunities, sales cycles and pipeline, the expected impact of currency rates, the company's market position, cash position, potential and expected growth in 2022 and thereafter, its expectations with respect to research and development and sales and marketing expenses as well as grants from the Israel Innovation Authority, the company's expectations with respect to its relationships with Rakuten and AT&T, the potential of the Radcom ACE product and the integration with Microsoft Azure and AWS, its expectation to continue enhancing its software solutions and demand for its solutions, deployment of its 5G solutions in multiple cloud environments and the potential benefits to its clients, its ability to capitalize on the emerging 5G opportunities and win more market share, the potential of the company's long-term vision and the use of artificial intelligence in its products, its expectation that greenfield operators will choose vendors based on innovation and its revenue guidance. 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 presentation and the company's SEC filings. In this conference call, Management will refer 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 helpful in assessing Radcom's core operating performance, and evaluating and comparing our results of operations consistently 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, included in the quarter's earnings release available on our website.

Now, I would like to turn the call over to Eyal. Please go ahead.

Eyal Harari:

Thanks, Operator. Good morning, everyone, and thank you for joining us for our fourth quarter and full year 2021 earnings call. Q4 represented a strong finish to a good fiscal year.

We achieved our highest ever quarterly and full year revenue results, ending the year at the higher end of our projected annual guidance.

Total revenue for the fourth quarter was 11.2 million dollars, which represents a tenth consecutive quarter of year-over-year revenue growth. Full year 2021 revenues grew to 40.3 million dollars, which represented a 7% year-over-year growth and a new all-time full year record for the company.

In fiscal 2021, 70% of our revenue was recurring, which reflects our strategy to procure multiyear contracts, which provide us good visibility into 2022. Our consistent results throughout the year came from the solid execution of these contracts, our team's ability to remain agile in an ever-changing environment, and the value we bring to our customers. I am proud of our achievements in fiscal 2021.

A lot of credit belongs to our global teams and our experienced leadership. Despite the global pandemic, our teams executed exceptionally well to meet the needs of our customers and to execute our growth strategy. While we delivered our highest ever quarterly and full year revenue results, I believe that we can deliver an even stronger growth year in 2022.

Let me start by reviewing some of our 2021 achievements.

In 2021, we continued to strategically invest in research and development to extend our technological leadership within the 5G assurance space, which we believe to be a key enabler for our future business. We announced the release of a new AI solution as part of the Radcom ACE portfolio. We believe that the AI-driven analytics will be offered considerable benefits to operators for the future network automation and will be critical as part of an automated assurance solution as 5G evolves. I will expand on this later in my remarks. I wish to take this opportunity to thank all of Radcom employees as they helped us to meet our business commitments and support our customers during 2021. Working in hybrid mode requires a new operating model that spans people, places and processes.

We quickly adjusted our mode of operations to the new way of remote working, empowering teams with the ability to work effectively to support our customers and to collaborate utilizing cloud-based applications and virtual conferencing.

Turning to the business.

AT&T remains a key strategic customer for us. And in 2021, we continued our solid business relationship. We received orders for additional analytics and network integrations, and we also have a significant backlog that provides a good visibility into 2022. We continue to innovate and deliver our best-in-class software to AT&T. Our cutting-edge cloud technology is embedded into AT&T's network and monitors the service quality, allowing them to optimize performance and troubleshoot network degradations.

In 2022, we expect to continue providing AT&T with advanced software enhancement and providing premium customer support.

We are working closely with Rakuten and other strategic customers to support their 4G network rollout in Japan, which in February reached 96% population coverage. We announced during the year that we started monitor Rakuten's stand-alone 5G services in preparation for the launch of their 5G network.

Having secured one of the industry's first 5G stand-alone assurance contract with Rakuten, we believe that this work will continue helping our product mature and provide valuable experience for us when we help more operators implement standalone 5G as they look to our assurance expertise. In addition, as Radcom is Rakuten's service assurance vendor of choice, we are integrated into Rakuten Symphony, a business dedicated to selling the Rakuten communication platform and managed services to telecom operators worldwide.

We believe this platform integration could open significant opportunities for us in the future.

While our focus remains on the 5G market, we continued in 2021 to see demand for our 4G and VoLTE assurance solutions, winning additional orders from our installed base for Radcom ACE, including the previously announced expansion with a top-tier LATAM operator and other key accounts.

In 2021, we also announced the integration of Radcom ACE with 2 hyperscalers, Microsoft Azure and Amazon Web Services. We expect 5G to be deployed in multi-cloud environments. And so with these ecosystem partners, operators can simply roll out by using the public cloud along with Radcom ACE to smartly manage and optimize 5G network services more automatically. As 5G gains traction, we expect these solutions integration to help us serve a wider range of customers for the rollouts of more advanced 5G services.

Turning to the telecom industry and the state of 5G.

Our estimates last year that the 5G market momentum will continue during 2021 were largely played out and the market continues to scale and expand globally. The GSA identifies 20 operators that are launching 5G standalone networks with most being limited in scope. While the critical mass is still at the early stage of 5G, true 5G networks will be launched over the next few years.

Assurance vendor selection is expected to occur at the later stages of the rollout. So the market is gaining momentum. We are only on the cusp of this transition.

As 5G advances, we see new greenfield 5G networks being built in the telecom space. These new networks can be built by established telecom operators investing in 5G or newcomers to the telecom market. They build a network from scratch and deploy the most advanced technology. They are in essence, pure 5G and cloud-native from the start. For these operators, like Rakuten, automated assurance solutions are vital to monitor the network lifecycle and ensure ongoing service quality from lab to full commercial launch.

With our R&D investments and the product strategy focus on automated assurance for 5G and cloud-native networks, we believe that we have competitive advantage in this emerging greenfield market and demand for our best-in-class solution will grow.

As I mentioned earlier, Rakuten is one of the operators already testing and planning their standalone network, and we are already monitoring these services, which provide us with an invaluable experience. This makes us one of the only service assurance providers that is conducting real-life 5G monitoring, and we expect this will serve as a favorable factor when more operator choose their assurance solution in 2022 and beyond. The current 5G momentum is reflected in our pipeline, which was increased by double digits from the beginning of '21 as more operators are planning and transitioning to 5G.

Our pipeline consists of a good mix of opportunities from our current installed base as well as new logos. These opportunities also include several engagements with potential multiyear contracts.

Our long-term vision is based on helping telecom operators become more autonomous. Telecom operators needs to modernize, reduce OpEx and deploy new services to generate new revenue streams. To achieve these goals, networks needs to be software-based, smarter and more automated. This means the operator need to make data-driven decisions in real time. So operators need to collect and analyze network data and instead of human analysis, use AI to gain insight into the network and pinpoint issues automatically.

We believe that we will be a key player in this industry transition and have already started this journey with some of our customers where we are considered as the operator's trusted assurance adviser. 5G and the cloud are expected to be business enabler that can be leveraged to realize this transformation in this industry transition.

Our advanced solution integrates seamlessly into the operator's cloud, monitor 5G services, and new smart algorithms as well as AI that functions as the operator's eyes into the network and help make network smarter and more automated. We expect to continue enhancing our software solution in future years with extended automation and intelligence capability that will help operators in this transformation.

As part of this strategy, we are working on several AI-focused programs within the framework of the Israel Innovation Authority and cooperating in several work groups with academic institutes and industry experts to push forward AI technology. The release of our new AI-based Radcom ACE solution was an important part of our forward-looking strategy and has received very positive feedback from our customers.

To summarize, we achieved our highest ever quarterly and full year revenue result. I am very pleased with our performance for the fiscal year 2021, and things are looking favorable for us in 2022. We continue to receive industry-wide recognition as a cloud-based assurance provider and see interest in our innovative solutions.

Our cloud expertise gained through our customers' implementations is invaluable and we believe will become a key differentiator as the 5G market gains momentum. We believe the 5G ramp-up will continue in the coming years, and we expect the demand for 5G assurance solutions to increase.

As a result, we remain confident in our business strategy, the future of 5G, our innovative cloud-native offering and the role we expect to play in the 5G transformation. Based on our current visibility, our fiscal 2022 revenue guidance is 42 million to 45 million dollars and believe we will deliver a third consecutive growth year.

With that, I would like to turn the call over to Hadar Rahav, our CFO, who will discuss the financial results in detail.

Hadar Rahav:

Thank you, Eyal, and good morning, everyone. Now please turn to slide 8 for our financial highlights. To help you understand the results, I will refer mainly to non-GAAP numbers, which exclude share-based compensation.

We ended the fourth quarter of 2021 with 11.2 million dollars in revenue, 9% year-over-year growth in the new record quarter. It is also a tenth consecutive quarter of year-over revenue growth and an increase from 10.2 million dollars in the fourth quarter of 2020.

Our gross margin in the fourth quarter of 2021 on a non-GAAP basis was 70%.
Please note that our gross margin can fluctuate depending on the revenue mix.

Our gross R&D expenses for the fourth quarter of 2021 on a non-GAAP basis were 4.7 million dollars, a slight increase of 110 thousand dollars compared to the fourth quarter of 2020. We received a grant of 194 thousand dollars from the Israel Innovation Authority

during the quarter compared to a grant of 308 thousand dollars in the fourth quarter of last year.

As a result, our net R&D expenses for the fourth quarter of 2021 on a non-GAAP basis were 4.6 million dollars compared to 4.3 million dollars in the fourth quarter of 2020. Sales and marketing expenses for the fourth quarter of 2021 were 2.6 million dollars on an non-GAAP basis, a slight increase of 256 thousand dollars compared to the fourth quarter of 2020.

G&A expenses for the fourth quarter of 2021 on a non-GAAP basis were 837 thousand dollars, a slight increase of 89 thousand dollars compared to the fourth quarter of 2020. Operating loss on a non-GAAP basis for the fourth quarter of 2021 was 158 thousand dollars compared to an operating loss of 231 thousand dollars for the fourth quarter of 2020.

Net loss for the fourth quarter of 2021 on a non-GAAP basis was 237 thousand dollars or a net loss of 2 cents per diluted share compared to a net income of 85 thousand dollars or net income of 1 cent per diluted share for the fourth quarter of 2020.

On a GAAP basis, as you can see on slide 7, our net loss for the fourth quarter of 2021 was 1.4 million dollars or a net loss of 10 cents per diluted share compared to a net loss of 0.5 million dollars or a net loss of 3 cents per diluted share for the fourth quarter of 2020.

At the end of the fourth quarter of 2021, our headcount was 278.

Now let's turn to the full year results.

We ended 2021 with revenues of 40.3 million dollars, an increase of 7% from 37.6 million dollars in the fiscal year 2020. On a GAAP basis and a non-GAAP basis, our gross margin was 72% in the fiscal year 2021 compared to a gross margin of 71% in 2020.

Our gross R&D expenses for the full year of 2021 on a non-GAAP basis were 19 million dollars, an increase of 659 thousand dollars compared to the full year of 2020.

We plan to continue investing in R&D during 2022 at approximately the same level as in 2021.

We received a cumulative grant from the Israel Innovation Authority for 537 thousand dollars during the year. In 2022, we expect grants from the Israel Innovation Authority to be higher than in 2021, but not as high as in 2020, approximately 900 thousand. dollars

Sales and marketing expenses for the full year of 2021 were 9.5 million dollars on a non-GAAP basis compared to 9.2 million dollars in 2020. In 2022, we expect a gradual increase in sales and marketing to support an increasing pipeline of opportunities.

G&A expenses for the full year of 2021 on a non-GAAP basis were 3.3 million dollars, a slight increase of 77 thousand dollars compared to the full year of 2020.

Operating loss on a non-GAAP basis for the full year of 2021 was 2.1 million dollars compared to an operating loss of 2.4 million dollars for the full year of 2020. Net loss for the full year of 2021 on a non-GAAP basis was 1.9 million dollars or a net loss of 13 cents per diluted share compared to a net loss of 1.8 million dollars or a net loss of 13 cents per diluted share for the full year of 2020.

Non-GAAP net flows was negatively impacted by the strengthening of the new Israeli shekel during 2021. On a GAAP basis, as you can see on slide 7, our net loss for the full year of 2021 was 5.3 million dollars or a net loss of 37 cents per diluted share compared to a net loss of 4 million dollars or a net loss of 29 cents per diluted share for the full year of 2020. GAAP net loss was negatively impacted by the strengthening of the new Israeli shekel during 2021 and an increase in share-based compensation expenses in 2021 compared to 2020.

In 2022, we believe that the dollar-shekel ratio will stabilize at the current levels and will not require hedging.

Turning to the balance sheet. As you can see on slide 11, our cash, cash equivalents, and short-term bank deposits as of December 31, 2021, were 70.6 million dollars.

That ends our prepared remarks. I will now turn the call back over to the Operator for your questions.

Operator:

Thank you. Ladies and gentlemen, at this time, we will begin the question-and-answer session. If you have a question, please press star-one. If you wish to cancel your request, please press star-two. If you are using speaker equipment, kindly lift the handset before pressing the numbers. Your questions will be polled in the order they are received. Please stand by we poll for your questions. [pause]

The first question is from Bhavan Suri of William Blair. Please go ahead.

Faith Brunner:

Hey, guys. It's Faith Brunner on for Bhavan. First off, just congrats on the quarter and a great year. I wanted to start out with some housekeeping items on – about the ongoing projects, specifically the project in Latin America. Can you guys touch on just how this is progressing and the planned progression into '22?

Eyal Harari:

Hi, good morning. Overall, we are very pleased with our progress. We got this project awarded somewhere in the middle of 2021, and we continued with execution. This project in LATAM is very important to us, as you recall, it's part of a multistage RFP that we got the initial stage while we are still looking forward to further expand this. Our relationship with the customers are very well, implementation is going very well and we look positive on this activity.

Faith Brunner:

Okay. Awesome, thank you. With that, I also wanted to talk about the Rakuten partnership. I know you mentioned the possibility of international expansion with them. I was just curious if there is anything in the direct pipeline on this, any new contracts expanded to different markets with them currently?

Eyal Harari:

So I mentioned in the past, Rakuten strategy is to go beyond – only Japan into international markets, and they are going very aggressively now and very actively with the Rakuten Symphony. And as you maybe saw in the news, they announce the …[C-Mold] [25:41], which is the Rakuten app store for telecom applications. Radcom is fully integrated into the Rakuten stack. We are a strategic partner of them and the assurance of choice. So any success of Rakuten and any pipeline they build put us in a very well position to get additional projects. This is, of course, not guaranteed. This is, of course, relates to the end customer requirements. But definitely, there are opportunities and some of our pipeline includes also opportunities with Rakuten to expand into additional – additional carriers globally.

Faith Brunner:

Okay, thank you. Last one, just as you look forward to the next two-three years, what do you see being, like, the main growth drivers of your operations? Is it focused on the 5G expansion? Is it kind of work through the early stages or more product expansion? Can you just add some color on that?

Eyal Harari:

Yes. So, we are very focused on our strategy to look on partner operators as they transitions to 5G and actually totally innovative network. Today, most of networks are build on a physical appliance-based implementations. And while operators now move to 5G, they not only totally revise their network, but they are moving into cloud native. This is exactly where Radcom excel, it put us in a very good position with our technology. We invested in the last five years, tons of R&D into virtualizing and perfect our software solutions. And now that operators are moving to 5G, and this is what I expect to see in the next three years, most of them will require to revisit their select vendors. While some of them may remain with the existing vendors, I believe that many will be open to hear a better alternative, as we believe we offer, and this is a great opportunity for us. We are in a position that we have the right technology. There is the right market event, and we are still ahead of the market. And most of the operators, as I mentioned in my previous remarks, are still not in the stage they selected or selecting now. It's will take time. We are only in the beginning. But it's very exciting to see the strategy starts to work and we are able to show consecutive growth, while in the very early stage of the market, which might mean that we can do much, much better. So I'm very excited about the opportunity looking forward.

Faith Brunner:

Okay, awesome. That's it for me. Thank you, guys.

Operator:

The next question is from Alex Henderson of Needham and Company. Please go ahead. Alexander Henderson: Hello, guys. So, a couple of questions. First one, I wanted to talk a little bit about the penetration of the AI analytics today in terms of existing customers, and more importantly, what's in your pipeline, to what extent AI is included in the pipeline of opportunities for '22? And, you know, any calibration around that would be helpful. Thanks.

Eyal Harari:

Good morning, Alex. So, our AI is really kind of our secret sauce as many of our competitors are still busy to figure out how to build virtualized cloud-native solution and how to address 5G. We already invested heavily on that in the past, and we have a very advanced capabilities there. This allow us to direct lots of our R&D resources towards the next stage and the AI. And I laid out a bit on my long-term vision. I believe this is going to

be where we are going to invest more and more in the future. So today, we already engaging with both new and existing customers for the AI. We provide it in two flavors. Some of the AI capability goes into our, let's say, out-of-the-box solution, in order for operators to really benefit from that. But some of the more advanced are potential additional upsale, both on the existing account and the new ones. I could say that there is still a lot to do with AI as we are collecting tons of data by monitoring in real time, each and every transaction of the customer. But we see that the potential is great. While applying – the AI is getting really advanced now as a whole in the – not only for telecom, but in many other verticals. But for the telecom that you have so many customers, millions of customers, and you need to create an efficient operation, this is probably the best way to go. And I see us playing an important role in this situation.

Alex Henderson:

…that's …

Eyal Harari:

We have some initial customers that already implemented this, and are starting to see results that are replacing manual labor and actually providing better insight than before because it can provide the insight in a larger scale and in more real time as opposed to human being trying to analyze the data and find anomalies.

Alex Henderson:

So the question really is, you know, obviously, the piece that's embedded in your existing core technology is, you know, that's going to be part and parcel of any transaction you do. But the upsell piece is an add-on sale. Is the add-on sale in the existing pipeline? Are you, you know, do you believe that your existing pipeline will be pulling that out on sale, and therefore, you get a higher revenue per service provider as a result? Or is that something that will happen after they've already deployed, as an upsell to the existing installed base?

Eyal Harari:

It's mostly the second. As – if – when you're looking on the pipeline for the new accounts, usually, they are more focused today on the, let's say, basic. And this is already part of the out-of-the-box solution. I believe the opportunity is more on the longer term to further expand while we add more and more use cases into our AI capability

Alex Henderson:

The second question is on the cloud-based operating structure. Clearly, it's a cutting-edge capability. It's impressive that you're able to deliver on a micro service cloud–native architecture. And it's certainly impressive that you both have Microsoft and AWS engaged. However, it's not clear to me how many service providers are as cutting edge as this technology would imply. So I was wondering if you could talk a little bit about, as

you're looking at your pipeline, you know, and existing customers, to what extent the cloud-native capability is a critical element, or it's something that's beyond their scope of ambition?

Eyal Harari:

So it depends on the customer type. And when we look on the customer that we aim to, those that are most advanced with the 5G moving into 5G standalone. Many of them are – it's very important for them to have a cloud-native application. It's true, and I mentioned this in past quarters, that the migration into public cloud is something that's going to take time and it's a multiyear process, as telecom today and mainly legacy providers are mainly – many of them are still using the appliances and physical solutions, and some of them are in the first step of moving into virtualization. I believe long term, we will see more and more activity from the hyperscalers and we see more and more partnerships forming between operators and hyperscalers. This is – this being said, still today, you see only the cutting edge operator going to this technology. But this is exactly where we aim to. Our strategy is to stay in the cutting-edge implementations, to partner those that are most advanced with 5G, and create the first-to-market solution there. I believe that with time, more and more operators, as they mature their 5G implementation, going more strategically, this will become a must. So overall, I think it's going to be very important in the future.

Alex Henderson:

So just to clarify, this is a requirement on the road map, but not something that necessarily will show up in initial orders for the next couple of years?

Eyal Harari:

No. For the advanced operators, it's mandatory requirement. For the ones that are a bit behind, this is maybe something they don't have today, so they want to see it in the short term roadmap. It all depends on the operator's maturity to use those technologies. So, for example, Rakuten is, as we talked a lot about them in the past, Rakuten it's a clearly a mandatory requirement. You cannot do any business probably with Rakuten, not regarding only our solution, if you are not fully cloud-native. If you go to operators that are still not with 5G, yes, they might say they can – it's a roadmap requirement.
Alex Henderson: So, going from what you're doing to what other people might be doing, have you seen any change in the competitive landscape over the course of 2021? You know, what's going on with that Scout? Have they realized that the refrigerator probes are not the way to go? And, you know, seeing what you've done and tried to catch up? It's been – you've been visible for quite a while. I would assume that they're scrambling to respond. So, can you give us an update on the competitive landscape?

Eyal Harari:

Yeah. I am not sure, you know, I am mainly focused on what we do and what are the feedbacks we are hearing from our customers and prospects. Overall, across the board, we hear that everyone is excited on our technology. We don't hear that other competitors are as advanced as we are. People, when they go into the details, they see and appreciate the investment we did into the technology. And we are keeping and investing and innovating. So, we are very, very confident with the technology offering we have, compared to the other markets. As I mentioned before, there are – we are now playing in the prime market of the 5G. Every – all the competitors understand that telecom are moving to 5G. It's not something that any secret now. And everyone understand that they have to move their solution into cloud-native and exempt it. It's only now the matter of how much time it will take them and how good they will do it. I believe that with the five-plus years that we are investing in this area, it will be very hard for them to catch up.

Alex Henderson:

So, have you seen any competitive bids where they're showing up? Or are you still pretty much the only game in town in most of the pipeline that you're looking at?

Eyal Harari:

So, again, the message we are hearing is that we are the most advanced, and we are really … are mainly referring to road map and future commitments. But as really come with reference customer in a cloud-native environment, in a cloud environment, not something that we are leading yet.

Alex Henderson:

If I could shift gears a little bit to the income statement and balance – and cash position. Clearly, there's a pretty high level of wage inflation and your head count is not going up a lot, but it does seem like there's a fair amount of wage inflation. Given roughly a, you know, 10% increase in revenues, do you expect that you'll be able to improve your operating margins? You know, get close to breakeven by year-end, or should we anticipate slight losses throughout the year?

Eyal Harari:

So as you can see, this quarter that already reflects lots of the inflation increase and the shekel to dollar ratio, we are around breakeven at 11 million dollar quarterly. So with the guidance, if we meet the higher part of the guidance, we are really looking to see somewhere in the breakeven point, if we keep the – something similar. So, yes, this is about the range. Overall, we are looking to, as Hadar mentioned before, we are looking to keep our R&D expecting similar levels and do some increase in the sales and marketing. So if we are able to execute our growth, we are going to continue to decrease our loss and get into closer to profitability.

Alex Henderson:

You only added a couple of people last year in terms of headcount. Are you expecting a larger head count increase in '22?

Eyal Harari:

No, we are around the headcount we plan, maybe a slight increase, but we are overall around where we want to be. And maybe we'll mainly grow a bit on the sales and marketing, as I mentioned before, as we are looking to now expand into more and more territories as 5G advance, and we need to go after more opportunities and have more resources to address those sales processes.

Alex Henderson:

And then on the cash flow side, it seems that you're actually going to generate a little cash in '22. Is that correct?

Eyal Harari:

I am not sure. We generated cash in 2021. I believe that it makes sense, but not something that we can be sure, as you know we are working with large projects and sometimes there could be fluctuations, depends on the specific milestone and the exact payment date. And it's sometimes can shift a few millions from year to year. But overall, if you look on our current cash level, it's, I think, the highest in the last three years, and we are not burning cash. As the results improve and our revenue grows, this would only go and be even better.

Alex Henderson:

Great. I'll cede the floor. Thank you.

Operator:

This concludes the Radcom Ltd. fourth quarter and full-year 2021 result conference call. Thank you for your participation. You may go ahead and disconnect.

[End of conference call]