

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

**RADCOM**

**(Nasdaq: RDCM)**

# **CORPORATE OVERVIEW**

**ANALYZE. PREDICT. AUTOMATE**

# SAFE HARBOR

Certain statements made herein that use words such as "estimate" , "project" , "intend", "expect", "believe", "may", "might", "predict", "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 outlook for the fourth quarter of 2021, its ability to deliver another growth year in 2021 and the increase of this trend in 2022, the optimization of 5G services on the AWS cloud and Amazon EKS for on-premises implementations resulting from the integration with AWS, launching of the Rakuten 5G standalone network, the Company's sales pipeline, momentum, sales cycles, demand for its products and new requests, and potential expansion of opportunities, the Company's continued investment in technology and R&D, expectations regarding the 5G and AI market sizes and trends in industry, investments, demand and spending, the Company's cash position, potential and expected growth, the Company's expectations with respect to its relationships with Rakuten and AT&T the potential for additional grants from the Israel Innovation Authority, the potential for additional technology integrations 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.

# NON-GAAP FINANCIAL MEASURES

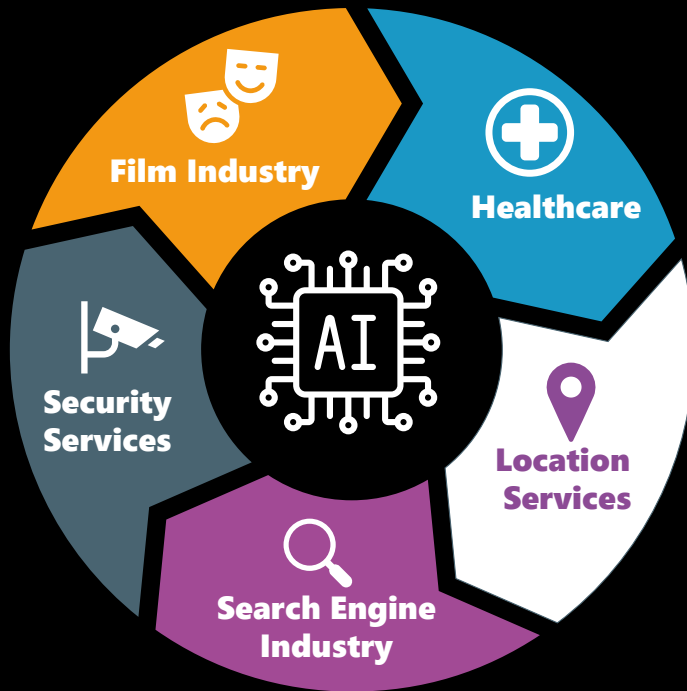
In this presentation, management will be referring to certain non-GAAP financial measures, which are provided to enhance overall understanding of the company's financial performance. By excluding certain non-cash charges, non-GAAP results provide information that is useful in assessing RADCOM's core operating performance, and in evaluating and comparing our 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 "Appendix" section.

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# OUR VISION: EMPOWER THE JOURNEY TO AUTONOMOUS 5G NETWORKS

**AI IS BEING USED  
EVERYWHERE**



**IN NETWORKS, AI WILL DRIVE  
WORKFLOW AUTOMATION**



*“Telecom operators need to modernize, reduce OPEX, and deploy new services to generate new revenue streams. To achieve this goal, networks must be software-based, smarter, and more automated.”*

# COMPANY SNAPSHOT (RDCM)



**EMPLOYEES:** 300



**CUSTOMERS:** Focus on Tier 1 Communication Service Providers (CSPs)



**MARKET SEGMENT:** Automated 5G assurance with a market size of \$2.4b in global revenue



**RECENT M&A:** Continual a company focused on mobility analytics for telecom operators



**GROWTH:**

FY 22 revenues of \$46.1M, a company record  
Q1/23 revenues increased by 13% Y-o-Y (\$12 M)



**CONSISTENT GROWTH:** 15 quarters of year-over-year growth



**PROFITABILITY:**

FY 22 – Reached an Inflection point with net income of \$2.9M on a non-GAAP basis

Q1/23 - Tripled our non-GAAP net income (\$1.8M) compared to the first quarter of 2022



**ANNUAL GROSS MARGIN:** 73% (Non-GAAP)

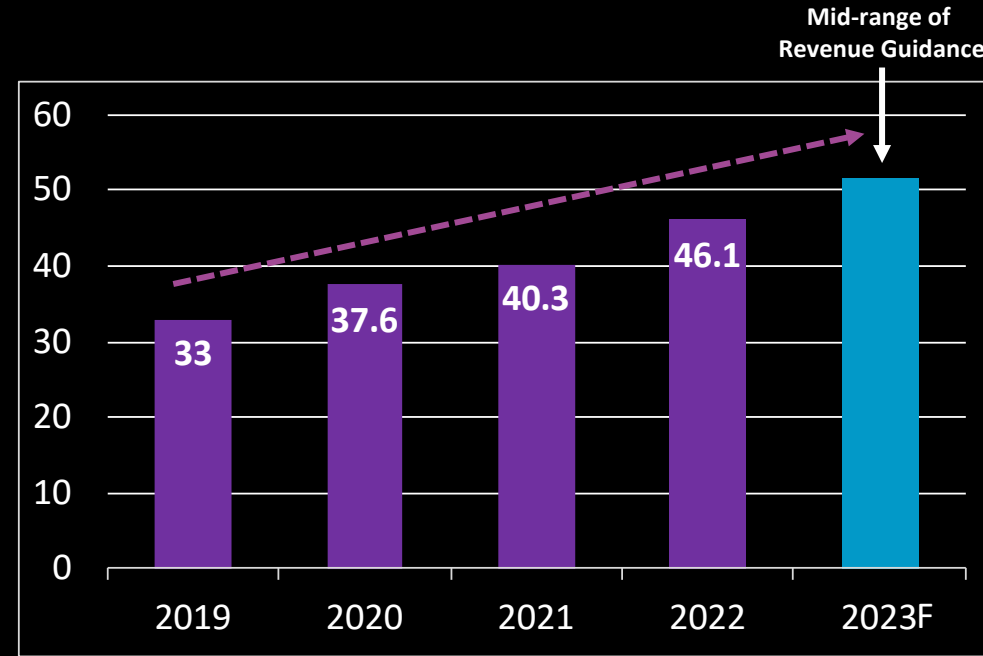
**SELECTED CUSTOMERS:**



# FINANCIAL HIGHLIGHTS

## Annual Revenue

FY 22 revenues a new all-time full-year record



## 2023 Revenue Guidance

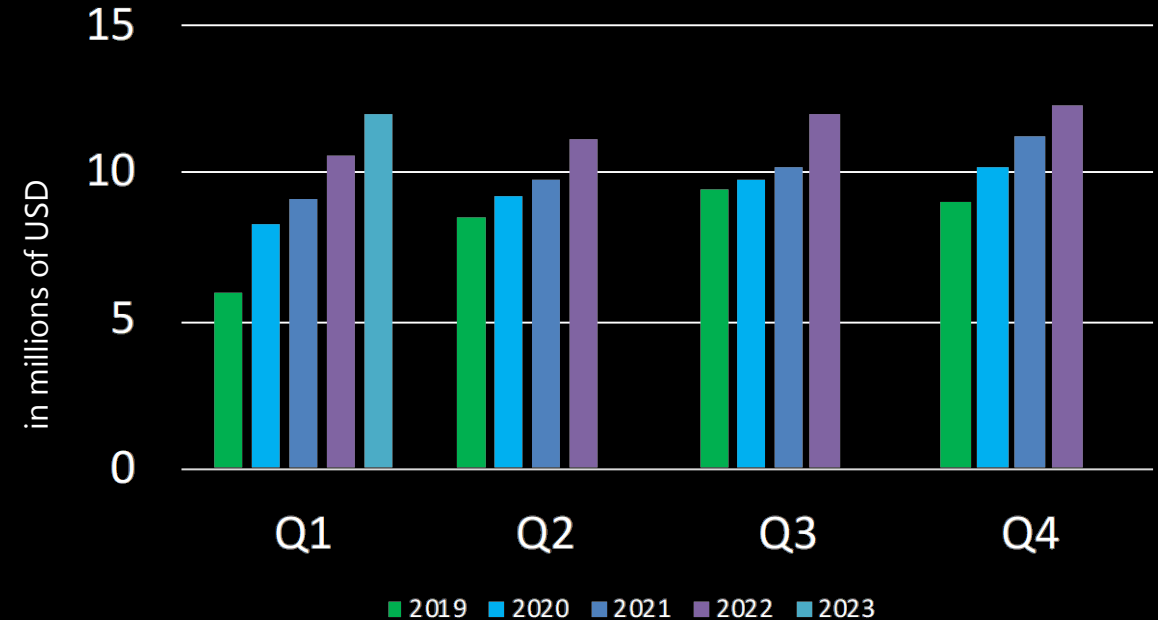
\$50-\$53 million

## Strong Balance Sheet

- \$77.9M in cash
- Zero debt as of 03/31/23
- No capitalized costs

## Quarterly Revenue

Q1-23: Revenue of \$12M, 13% growth y-o-y



## LATEST CONTRACT ANNOUNCEMENTS



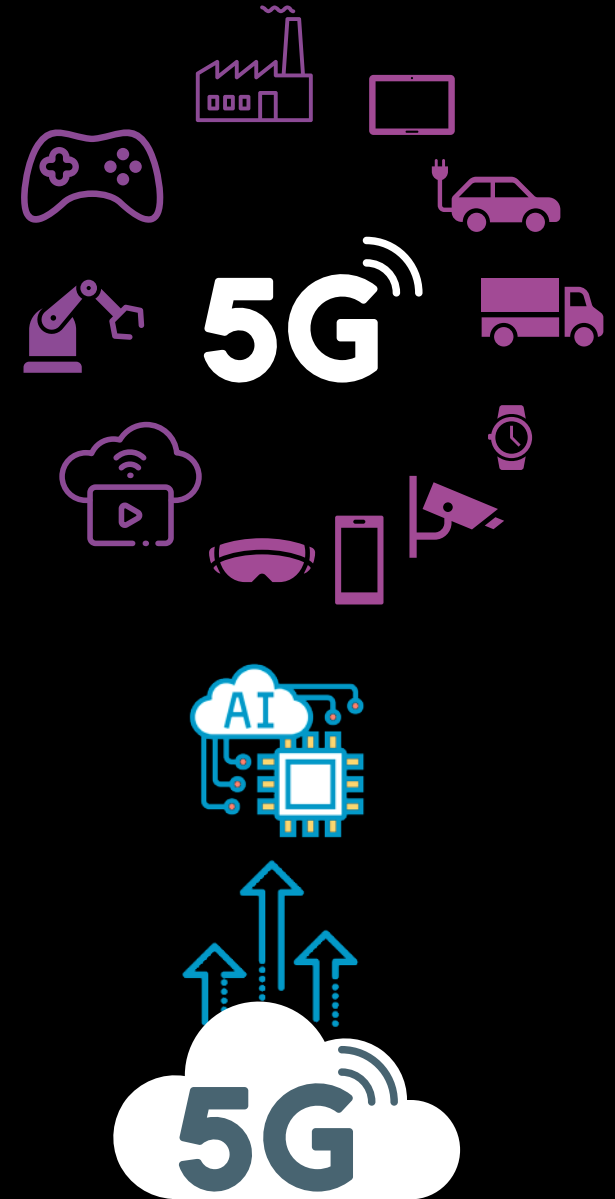
AT&T

Rakuten Symphony

# WHY IS NETWORK AUTOMATION CRITICAL FOR 5G?

- 5G introduces a wide range of services; autonomous vehicles, smart utilities, industry 4.0, remote surgery, and drones
- Operators need to:
  - Understand in real-time, what's happening (otherwise, cars crash, surgery fails)
  - Save costs by reducing manual tasks
  - Speed up time to market
  - Ensure a good customer experience
  - Manage increasing complex networks

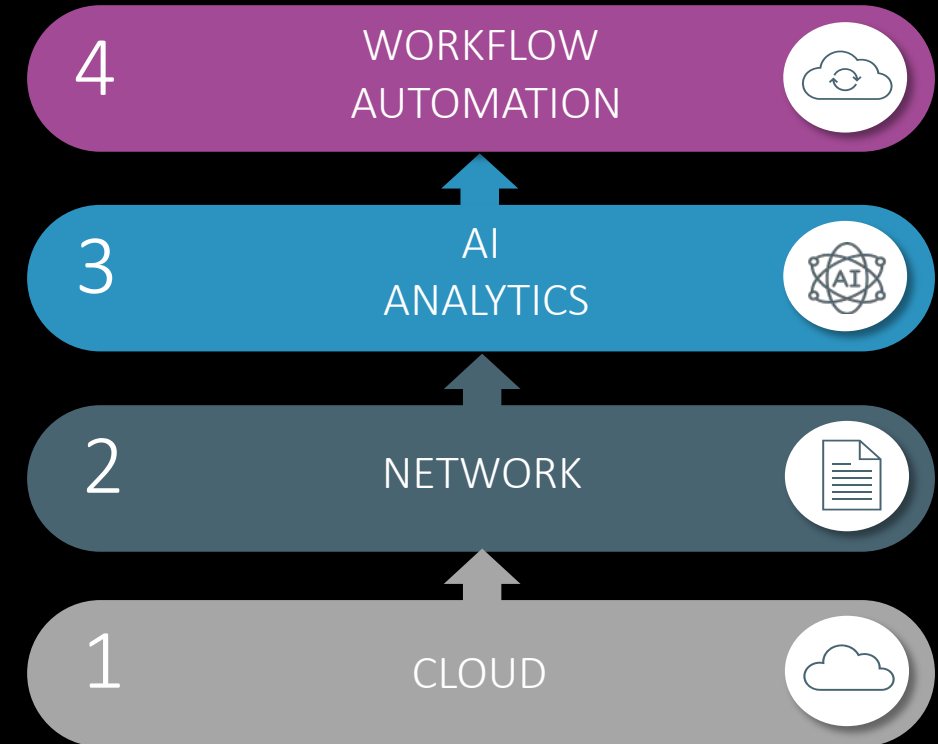
**RADCOM is the operators' co-pilot providing real-time network insights through AI that drives workflow automation**



# HOW TO AUTOMATE?

## WITH NEXT GENERATION AUTOMATED ASSURANCE

- Integrate seamlessly into multiple clouds
- Monitor the network and generate intelligent data
- Use advanced AI/ML to provide insights
- Drive network automation with data insights



*“Automation will be a key driver of assurance spending with analytics and AI/ML central to 5G.”*

*Source: Analysys Mason: Automated assurance 2022–2027*



# OUR VALUE PROPOSITION

## 5G TRANSFORMATION

- At the initial stages of the 5G SA
- All operators will rollout new 5G networks
- Assurance is a vital component
- Operators will need to swap out their legacy assurance solutions

## UNIQUE OFFERING

- 1st to Market
- Won 1st 5G standalone assurance contract
- Won DISH standalone contract (May 2022)
- Advanced, best-in-class solution
- Built-in AI/ML and automation

## BUSINESS MODEL

- From legacy model to subscription-based software model
- Provides strong multi-year contracts
- Solid recurring revenue
- Offers customers significant ROI and long-term value

## ENDORSEMENTS

- Market endorsement by leading operators



**Rakuten**  
Mobile

- Proven ability to execute
- Solution continues to mature across multiple deployments and our expertise increases



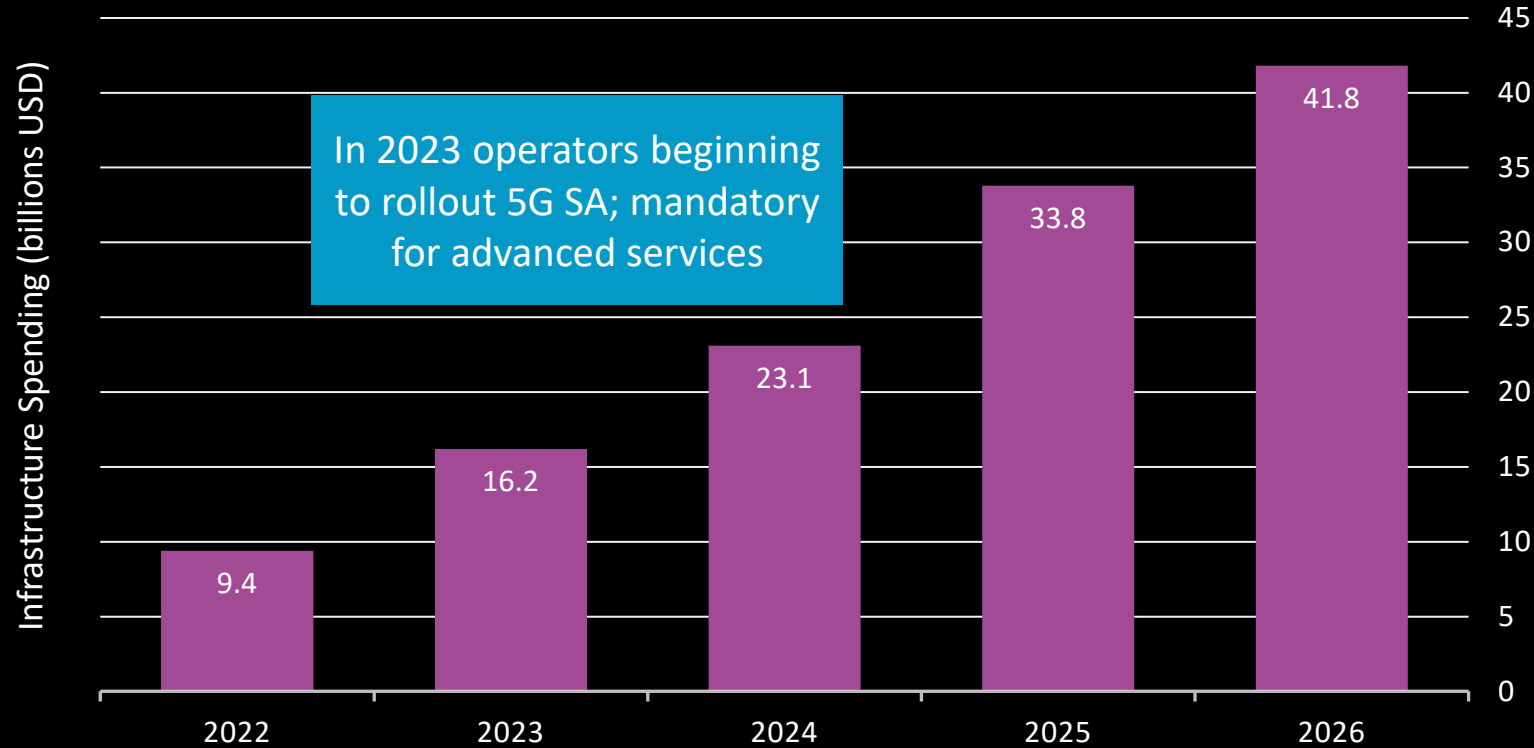
*Two main drivers for the expected acceleration in assurance spending are the need for AI/ML-driven automation for 5G and cloud solutions.*



# 5G TRANSFORMATION

## OPERATORS ARE INVESTING IN 5G

Global 5G network infrastructure spending 2022-2026\*



\*Source: The Edge of the Cloud - 5G Technology

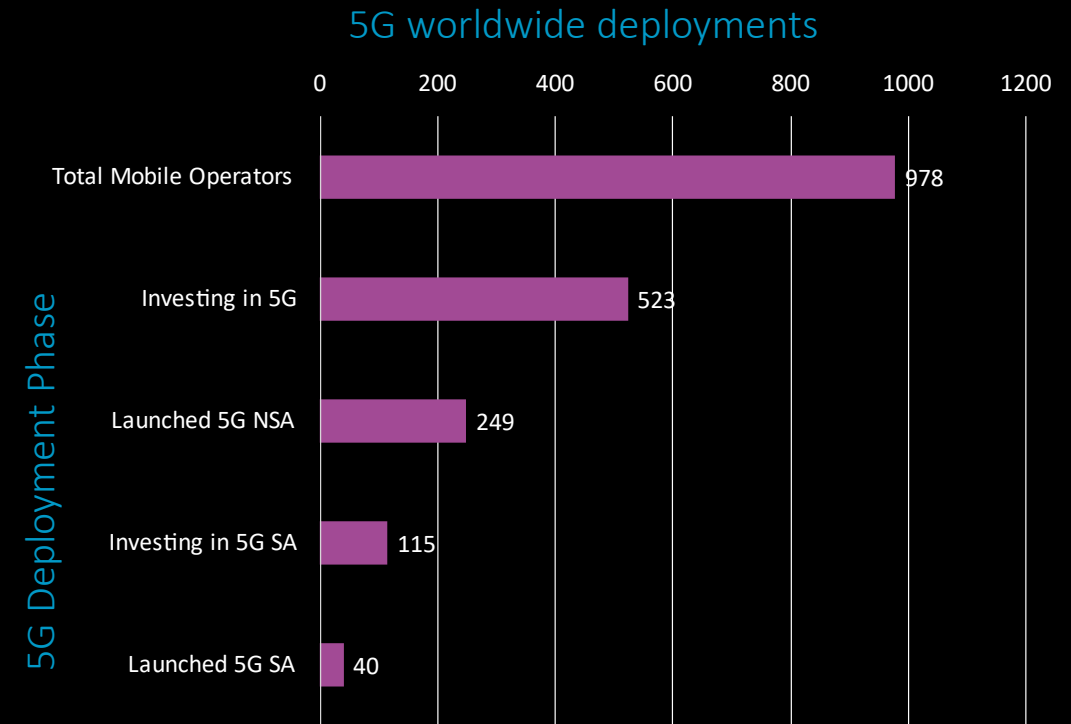


- Increased standalone network rollouts
- Operators choosing assurance vendors
- Operators will need cloud-native solutions

# 5G TRANSFORMATION

## State of 5G today

- Operators investing in 5G
- Most are limited
- 5G SA is true 5G
- RADCOM won 1<sup>st</sup> 5G SA assurance contract
- Won 1st 5G SA network on AWS - DISH



Source: Global Mobile Suppliers Association, February 2023

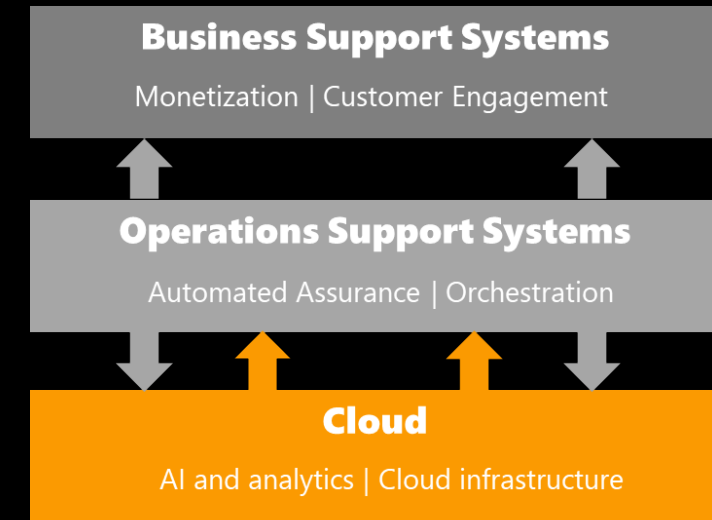
## The path from 4G to true 5G



# ANALYTICS: A GOLD MINE OF VALUE FOR TELCOS

- RADCOM traditionally in the probe section
- Moving into analytics, AI, and cloud
- By 2027, analytics and AI/ML expected to account for over 55% of total spending in AA

## Market segments are merging



*Source: Telecom software and networks market segmentation Automated assurance, August 2022 by Analysys Mason*



+ RADCOM =  
CO-PILOT

## \*Examples of our value:

### Cost savings:

- 30% increase in engineering efficiency
- 40% reduction in resolution time
- 15% better resource allocation with AI-based forecasting

### Monetization:

- 40% more inbound roamers onboarded
- 20% more subscribers moved to premium services

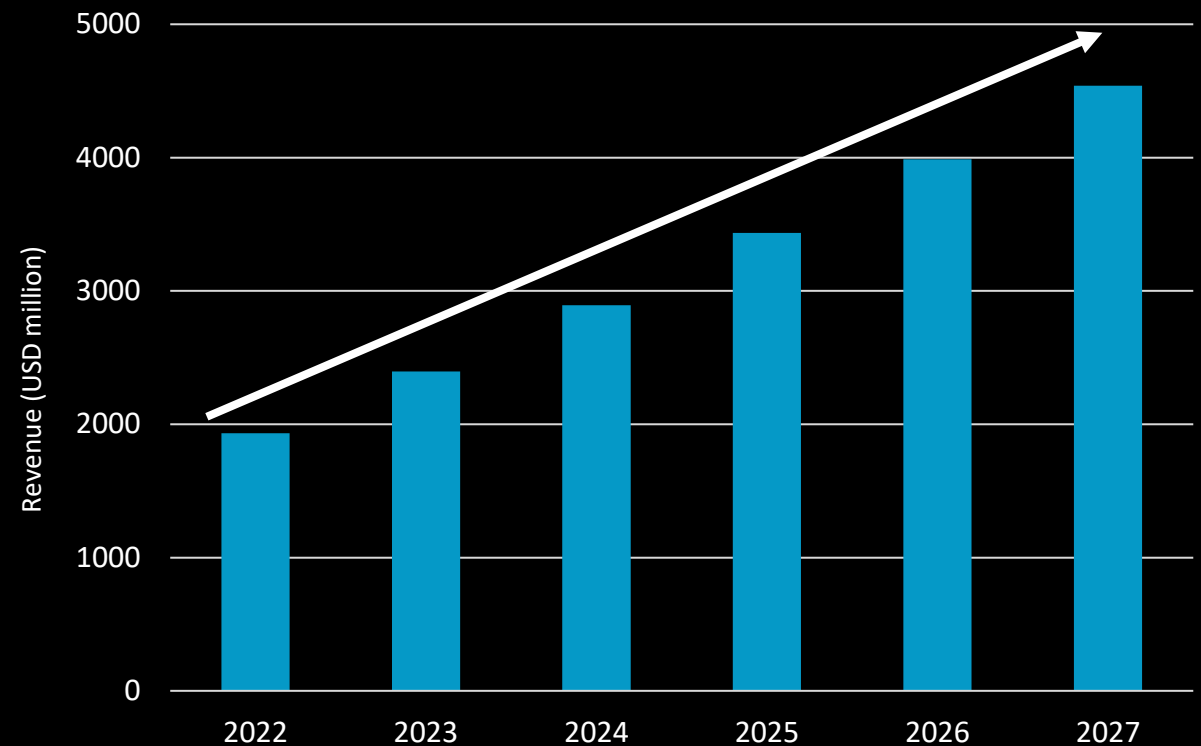
*\*Data is based on customer testimonies and can vary depending on the network*

# INCREASING OUR TAM

## DRIVEN BY THE NEED FOR AUTOMATION

- Operators require significant automation
- 5G will drive spending in AA market
- Dynamic nature of 5G means analytics is essential
- Adoption of AI/ML will be key

Network analytics and AI/ML-related revenue in automated assurance, worldwide, 2022-2027

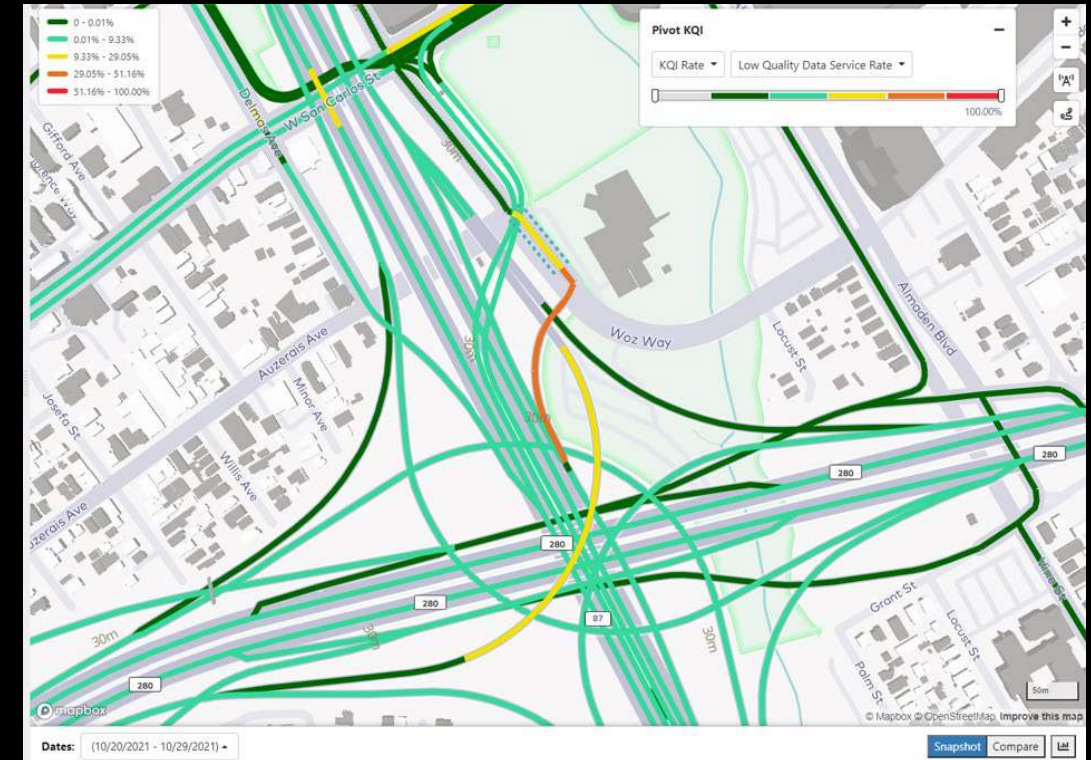


Source: Automated assurance, August 2022 by Analysys Mason

# WITH OUR UNIQUE PRODUCT DIFFERENTIATOR

## MERGERS AND ACQUISITIONS

- In February 2023, entered into a definitive agreement to acquire Continual
- Completed acquisition in May
- Company focused on mobility analytics
- Will enhance our portfolio:
  - Offer a differentiator from our competitors
  - Modular add-on solution as a door opener
  - Upsell opportunities
  - Brings new accounts, like Vodafone
  - Offers opportunities to expand into different areas

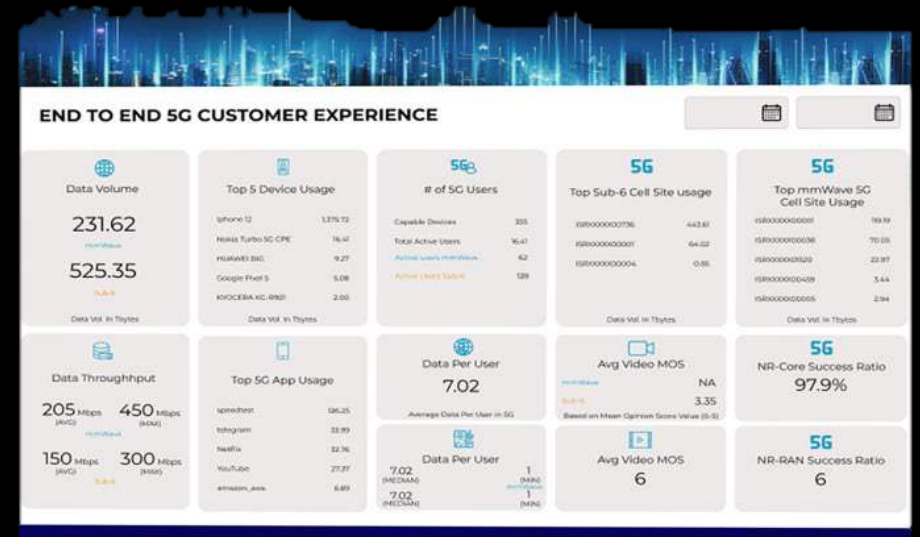


GPS for mobile service quality and coverage

# OUR UNIQUE OFFERING

## \*Customers report that RADCOM ACE can:

- **Improve** 5G network quality by up to 20%
- **Enhance** cell coverage and performance by up to 25%
- **Resolve** issues quicker by an average of 40%
- **Save** manual work by up to 35% using AI-based analysis
- **Automate** 30% of assurance and operational processes



# OUR UNIQUE OFFERING (CONT'D)

- **1<sup>st</sup> mover advantage** to transition to the cloud
- **Fully-cloud native** for seamless integration into multiple clouds
- **Automate** to deploy, scale, and update with zero-touch intervention and lean operations
- **Cloud-agnostic** for integration into multiple cloud environments
- **Optimize** the 5G quality of experience and overall quality of service across multiple clouds

## RECENT CLOUD ANNOUNCEMENTS

*RADCOM Empowers Operators with Full Assurance Lifecycle Management to Drive Automation on AWS*

*RADCOM to Deploy its 5G Automated Network Assurance Solution in Symworld™*

*DISH Selects RADCOM to Monitor America's First 5G Smart Network™*

*RADCOM Launches Cloud-Native, Automated 5G Assurance on Amazon Web Services*

*RADCOM announces automated 5G assurance integration with Microsoft Azure*



# UNIQUE, PATENTED TECHNOLOGY FOR ASSURANCE

## US PATENT: 11418947



Associate IMSIs with the data records and store data records associated with the same IMSI

## US PATENT: 10050886 B2



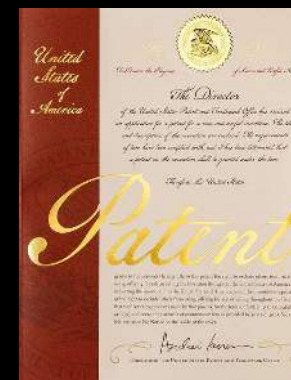
Efficiently load balances traffic that is highly scalable for large-scale mobile networks

## US PATENT: 11153224 B2



Automates assurance deployments spins up all resources, dependencies and data flows

## US PATENT: 10757025 B2



Smartly distributes traffic while maintaining user sessions for advanced troubleshooting

## US PATENT: 2023/0129731 AI



Focused root cause analysis and anomaly detection in cloud-based networks

## US PATENT: 10819650 B2



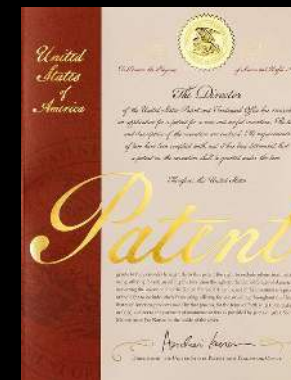
Dynamically adjusts resources to continuously monitor the network quality 24/7/365

## US PATENT: 11350295 B2



Efficiently stores data to save cloud resources while enabling advanced assurance capabilities

## PATENT: W2018042412A1



Smartly correlates call data with device IDs to enable network troubleshooting in cloud domains

# OUR BUSINESS MODEL

**1**

## **BASED ON A CLOUD SUBSCRIPTION**

- Provides attractive long-term value to customers
- In 2022 renewed both AT&T and Rakuten contracts

**2**

## **WITH RECURRING REVENUE**

- Over 70% of annual revenue is recurring
- Delivering a 15th consecutive quarter of year-over-year growth

**3**

## **PROVIDES STRONG PIPELINE**

- With the same multi-year business model
- Double-digit growth since the beginning of 2022

**4**

## **DRIVING PROFITABILITY**

- An inflection point in FY22 with net income of \$2.9M (non-GAAP)
- In Q1/23, tripled our non-GAAP net income Y-o-Y to \$1.8M

## OUR ENDORSEMENTS

- Invested many years in cloud-native solutions for the transition to 5G
  - Offer our customers unique, automated technology and deep cloud expertise
  - Deliver on our customer commitments for large-scale deployments
- 

## CUSTOMER TESTIMONIALS

*"We needed an assurance market leader that shared our innovative vision. We selected RADCOM because its advanced cloud technology will ensure our customers have access to reliable network performance and a great user experience."*

Jeff McSchooler, Executive Vice  
President of Wireless Network  
Operations



*"Deploying RADCOM ACE on our network helps us identify service issues in real-time and troubleshoot them, which are essential for smoothly migrating our customers to the new 5G network."*

Tareq Amin, CEO Rakuten  
Symphony



*We selected RADCOM because of its functional strengths, especially in virtualization, scalability, performance, and efficiency.*

Susan A. Johnson  
Senior Vice President AT&T  
Global Supply



# SUMMARY



5G

5G will grow significantly and automated assurance is vital for launching new SA 5G networks and automating network operations



Our vision is to make mobile networks more autonomous, dynamic and efficient using artificial intelligence and automation



Our business model is securing multi-year contracts that deliver recurring revenue, consistent growth, and profitability



We are endorsed by top-tier operators like AT&T, DISH, and Rakuten to monitor cloud networks and smoothly rollout 5G



We believe that we are well positioned to capture additional market share and deliver growth leveraging our competitive advantage



# THANK YOU

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