

**RADCOM**  
**Q1-2024 CONFERENCE CALL**

May 15<sup>th</sup>, 2024

# AGENDA

- Introduction and safe harbor
- Hilik Itman, Interim Chief Executive Officer
- Hadar Rahav, Chief Financial Officer
- Q&A

# 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 its momentum, growth, future profitability, expected levels of gross margins, its ability to drive the business forward in 2024 and beyond, its full-year 2024 revenue guidance, opportunities to expand sales with new logos for 5G and in the cloud and GenAI ecosystems, its pipeline, its leadership and innovation in artificial intelligence and as a cloud assurance vendor, the potential benefits of its Software-as-a-Service (SaaS) solution, expected recurring revenues, the ability of RADCOM ACE on Amazon Web Services (AWS) to allow operators to achieve higher levels of automation and insights, future investments by operators in their networks and 5G, its expectations with respect to research and development and sales and marketing expenses and headcount, as well as grants from the Israel Innovation Authority, and the Company's expectations with respect to its relationships with Rakuten, AT&T and DISH. 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.

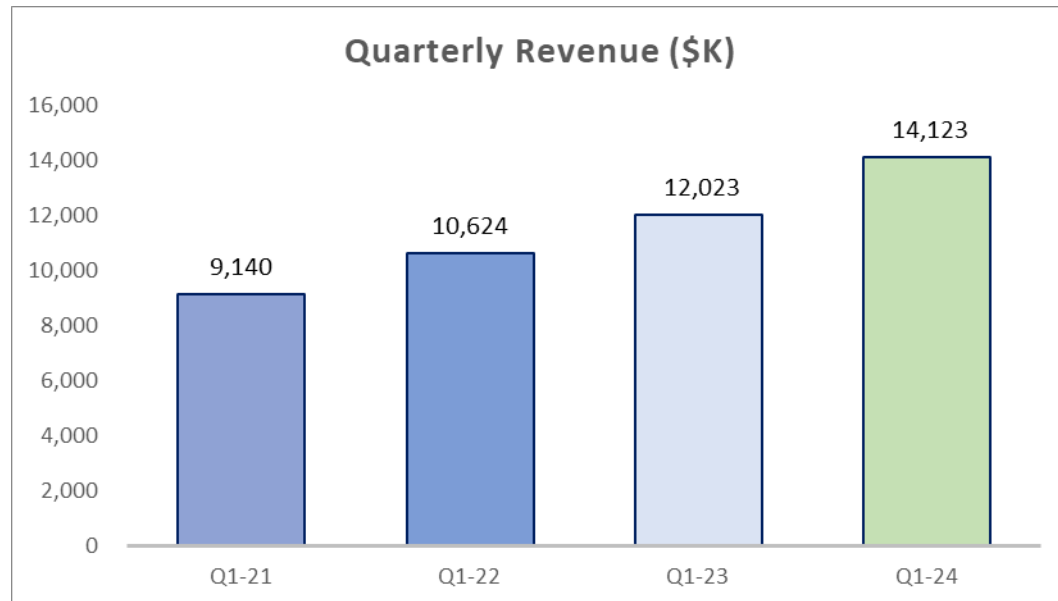
# NON-GAAP FINANCIAL MEASURES

In this 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, acquisition-related expenses, and amortization of intangible assets related to acquisitions, and financial (income) expenses non-GAAP results provide information helpful in assessing RADCOM's core operating performance and evaluating and comparing the 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 the Company's website at [www.radcom.com](http://www.radcom.com), the content of which does not form a part of this presentation.

# Q1-24 OVERVIEW

- First-quarter revenues of \$14.1 million, 17.5% quarterly revenue growth year-over-year.
- Non-GAAP net income was \$2.8 million compared to a \$1.8 million in the same period in 2023.
- GAAP net income was \$0.8 million compared to \$0.6 million in the same period in 2023.
- Cash and cash equivalents and short-term bank deposits of \$85.3 million and no debt.





# First Quarter 2024 Financial Results

# CONSOLIDATED STATEMENTS OF OPERATIONS (GAAP)

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

	Three months ended	
	March 31,	
	2024	2023
Revenues	\$ 14,123	\$ 12,023
Cost of revenues	\$ 3,751	\$ 3,348
Gross profit	\$ 10,372	\$ 8,675
Gross profit %	73%	72%
Research and development, gross	\$ 4,593	\$ 4,769
Less - royalty-bearing participation	\$ 209	\$ 262
Research and development, net	\$ 4,384	\$ 4,507
Sales and marketing	\$ 4,285	\$ 3,313
General and administrative	\$ 2,013	\$ 1,229
Total operating expenses	\$ 10,682	\$ 9,049
Operating loss	\$ (310)	\$ (374)
Financial income, net	\$ 1,105	\$ 1,026
Income before taxes on income	\$ 795	\$ 652
Taxes on income	\$ (33)	\$ (31)
Net income	\$ 762	\$ 621
Basic net income per ordinary share	\$ 0.05	\$ 0.04
Diluted net income per ordinary share	\$ 0.05	\$ 0.04

# CONSOLIDATED STATEMENTS OF OPERATIONS (NON-GAAP)

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

	Three months ended	
	March 31,	
	2024	2023
	<b>NON-GAAP (1)</b>	
Revenues	\$ 14,123	\$ 12,023
Cost of revenues	\$ 3,611	\$ 3,259
Gross profit	\$ 10,512	\$ 8,764
Gross profit %	74%	73%
Research and development, gross	\$ 4,056	\$ 4,224
Less - royalty-bearing participation	\$ 209	\$ 262
Research and development, net	\$ 3,847	\$ 3,962
Sales and marketing	\$ 3,752	\$ 3,005
General and administrative	\$ 1,174	\$ 964
Total operating expenses	\$ 8,773	\$ 7,931
Operating income	\$ 1,739	\$ 833
Financial income, net	\$ 1,142	\$ 1,026
Income before taxes on income	\$ 2,881	\$ 1,859
Taxes on income	\$ (33)	\$ (31)
Net income	\$ 2,848	\$ 1,828
Basic net income per ordinary share	\$ 0.18	\$ 0.12
Diluted net income per ordinary share	\$ 0.18	\$ 0.12

(1) Amounts exclude non-cash stock-based compensation expenses, financial income (expenses), acquisition-related expenses and amortization of intangible assets related to acquisitions.



# OPERATING EXPENSES (GAAP)

	Three months ended March 31,	
	2024	2023
Research and development, gross	\$ 4,593	\$ 4,769
Less - royalty-bearing participation	\$ 209	\$ 262
Research and development, net	\$ 4,384	\$ 4,507
Sales and marketing	\$ 4,285	\$ 3,313
General and administrative	\$ 2,013	\$ 1,229
Total operating expenses	\$ 10,682	\$ 9,049

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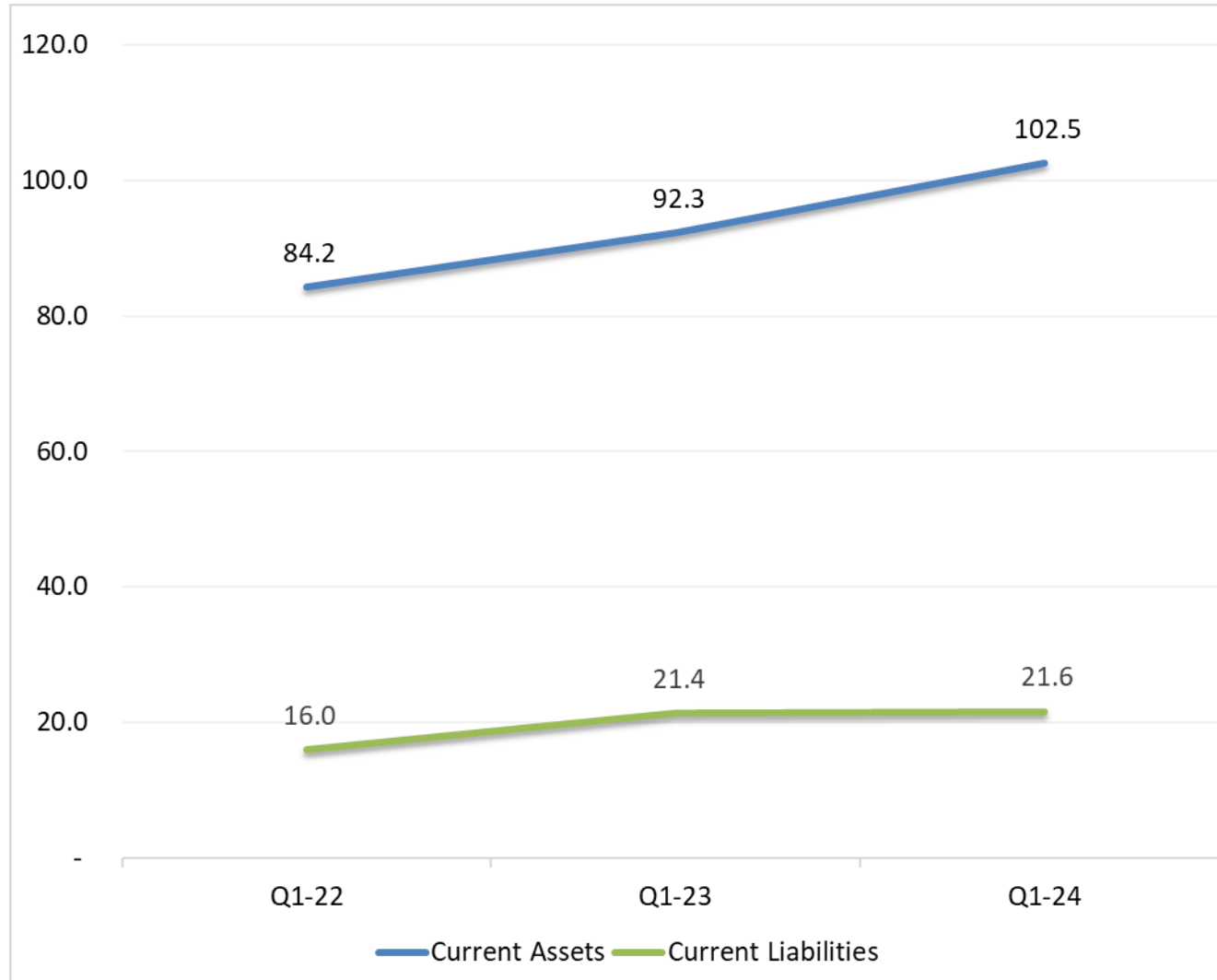
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# CONSOLIDATED BALANCE SHEETS

	As of March 31, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 8,139	\$ 10,892
Short-term bank deposits	\$ 77,126	\$ 71,273
Trade receivables, net	\$ 14,829	\$ 13,412
Inventories	\$ 975	\$ 246
Other accounts receivable and prepaid expenses	\$ 1,469	\$ 1,592
<b>Total Current Assets</b>	<b>\$ 102,538</b>	<b>\$ 97,415</b>
Long-term bank deposits	\$ -	\$ -
Severance pay fund	\$ 3,118	\$ 3,142
Other long-term receivables	\$ 1,209	\$ 1,573
Property and equipment, net	\$ 787	\$ 798
Goodwill and intangible assets, net	\$ 2,865	\$ 2,950
Operating lease right-of-use assets	\$ 1,373	\$ 1,651
<b>Total Non-Current Assets</b>	<b>\$ 9,352</b>	<b>\$ 10,114</b>
<b>Total Assets</b>	<b>\$ 111,890</b>	<b>\$ 107,529</b>
Trade payables	\$ 3,677	\$ 2,640
Deferred revenues and advances from customers	\$ 2,985	\$ 1,468
Employee and payroll accruals	\$ 4,911	\$ 5,400
Operating lease liabilities	\$ 838	\$ 1,062
Other liabilities and accrued expenses	\$ 9,214	\$ 9,541
<b>Total Current Liabilities</b>	<b>\$ 21,625</b>	<b>\$ 20,111</b>
Accrued severance pay	\$ 3,780	\$ 3,728
Operating lease liabilities	\$ 490	\$ 561
Other liabilities and accrued expenses	\$ 671	\$ 638
<b>Total Non-Current Liabilities</b>	<b>\$ 4,941</b>	<b>\$ 4,927</b>
<b>Total Liabilities</b>	<b>\$ 26,566</b>	<b>\$ 25,038</b>
Shareholders' Equity	\$ 85,324	\$ 82,491
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 111,890</b>	<b>\$ 107,529</b>

# CURRENT ASSETS VS. CURRENT LIABILITIES (\$M)



RADCGM

**THANK YOU**