

**RADCOM
Q2-2024 CONFERENCE CALL**

August 7th, 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 5G and launches, demand for the Company's products and services, sales opportunities, sales cycles, and pipeline, momentum, maintaining and increasing profitability and growth, its ability to provide value to customers and shareholders, the Company's expected growth, its expectations with respect to expenses and headcount, as well as grants from the Israel Innovation Authority, the Company's expectations with respect to its relationships with its customers, the potential of the Company's long term vision and the use of artificial intelligence in its products, levels of gross margin, the Company's revenue guidance, and the search for a permanent chief executive officer. 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.

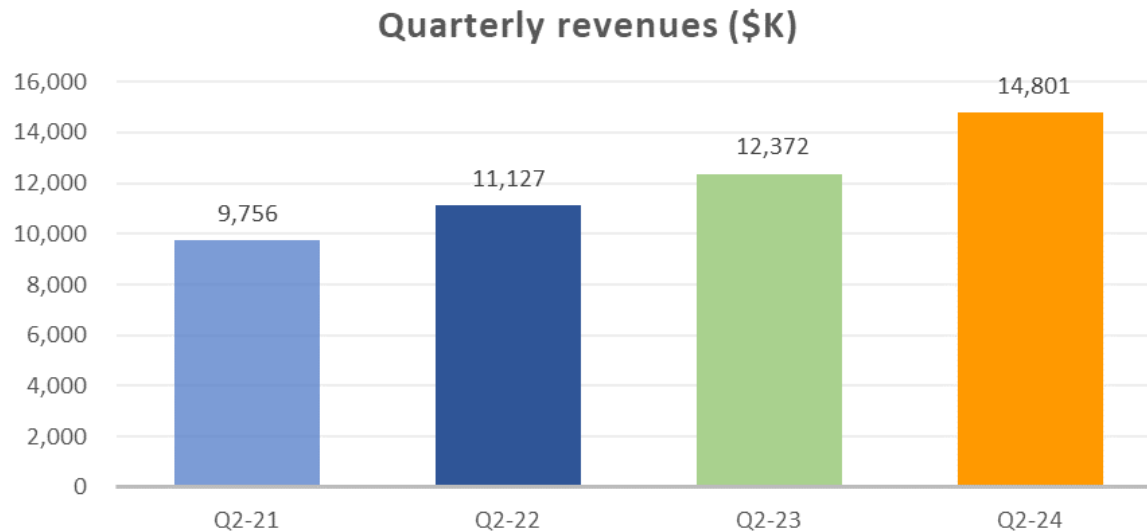
NON-GAAP FINANCIAL MEASURES

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, the content of which does not form a part of this presentation.

Q2-24 OVERVIEW

- Second-quarter revenues of \$14.8 million, 20% quarterly revenue growth year-over-year.
- Non-GAAP net income was \$3.1 million compared to a \$2.1 million in the same period in 2023.
- GAAP net income was \$1.7 million compared to \$0.8 million in the same period in 2023.
- Cash and cash equivalents and short-term bank deposits of \$86.1 million and no debt.



A decorative graphic on the left side of the slide consists of several overlapping squares in shades of purple, teal, and grey, arranged in a descending staircase pattern. A large, dark blue square with a glowing, wavy pattern of light blue dots and lines is positioned behind the other squares, extending towards the right.

Second Quarter 2024 Financial Results

CONSOLIDATED STATEMENTS OF OPERATIONS (GAAP)

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 14,801	\$ 12,372	\$ 28,924	\$ 24,395
Cost of revenues	\$ 3,794	\$ 3,480	\$ 7,545	\$ 6,828
Gross profit	\$ 11,007	\$ 8,892	\$ 21,379	\$ 17,567
Gross profit %	74%	72%	74%	72%
Research and development, gross	\$ 4,621	\$ 4,952	\$ 9,214	\$ 9,721
Less - royalty-bearing participation	\$ 180	\$ 180	\$ 389	\$ 442
Research and development, net	\$ 4,441	\$ 4,772	\$ 8,825	\$ 9,279
Sales and marketing	\$ 4,325	\$ 3,351	\$ 8,610	\$ 6,664
General and administrative	\$ 1,361	\$ 1,215	\$ 3,374	\$ 2,444
Total operating expenses	\$ 10,127	\$ 9,338	\$ 20,809	\$ 18,387
Operating loss	\$ 880	\$ (446)	\$ 570	\$ (820)
Financial income, net	\$ 854	\$ 1,260	\$ 1,959	\$ 2,286
Income (loss) before taxes on income	\$ 1,734	\$ 814	\$ 2,529	\$ 1,466
Taxes on income	\$ (27)	\$ (33)	\$ (60)	\$ (64)
Net income	\$ 1,707	\$ 781	\$ 2,469	\$ 1,402
Basic net income (loss) per ordinary share	\$ 0.11	\$ 0.05	\$ 0.16	\$ 0.09
Diluted net income (loss) per ordinary share	\$ 0.11	\$ 0.05	\$ 0.16	\$ 0.09

CONSOLIDATED STATEMENTS OF OPERATIONS (NON-GAAP)

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	NON-GAAP (1)			
Revenues	\$ 14,801	\$ 12,372	\$ 28,924	\$ 24,395
Cost of revenues	\$ 3,639	\$ 3,363	\$ 7,250	\$ 6,622
Gross profit	\$ 11,162	\$ 9,009	\$ 21,674	\$ 17,773
Gross profit %	75%	73%	75%	73%
Research and development, gross	\$ 4,096	\$ 4,416	\$ 8,152	\$ 8,640
Less - royalty-bearing participation	\$ 180	\$ 180	\$ 389	\$ 442
Research and development, net	\$ 3,916	\$ 4,236	\$ 7,763	\$ 8,198
Sales and marketing	\$ 3,811	\$ 3,002	\$ 7,563	\$ 6,007
General and administrative	\$ 1,159	\$ 929	\$ 2,333	\$ 1,893
Total operating expenses	\$ 8,886	\$ 8,167	\$ 17,659	\$ 16,098
Operating income	\$ 2,276	\$ 842	\$ 4,015	\$ 1,675
Financial income, net	\$ 888	\$ 1,289	\$ 2,030	\$ 2,315
Income before taxes on income	\$ 3,164	\$ 2,131	\$ 6,045	\$ 3,990
Taxes on income	\$ (27)	\$ (33)	\$ (60)	\$ (64)
Net income	\$ 3,137	\$ 2,098	\$ 5,985	\$ 3,926
Basic net income per ordinary share	\$ 0.20	\$ 0.14	\$ 0.39	\$ 0.26
Diluted net income per ordinary share	\$ 0.20	\$ 0.13	\$ 0.38	\$ 0.25

(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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Research and development, gross	\$ 4,621	\$ 4,952	\$ 9,214	\$ 9,721
Less - royalty-bearing participation	\$ 180	\$ 180	\$ 389	\$ 442
Research and development, net	\$ 4,441	\$ 4,772	\$ 8,825	\$ 9,279
Sales and marketing	\$ 4,325	\$ 3,351	\$ 8,610	\$ 6,664
General and administrative	\$ 1,361	\$ 1,215	\$ 3,374	\$ 2,444
Total operating expenses	<u>\$ 10,127</u>	<u>\$ 9,338</u>	<u>\$ 20,809</u>	<u>\$ 18,387</u>

OPERATING EXPENSES (NON-GAAP)

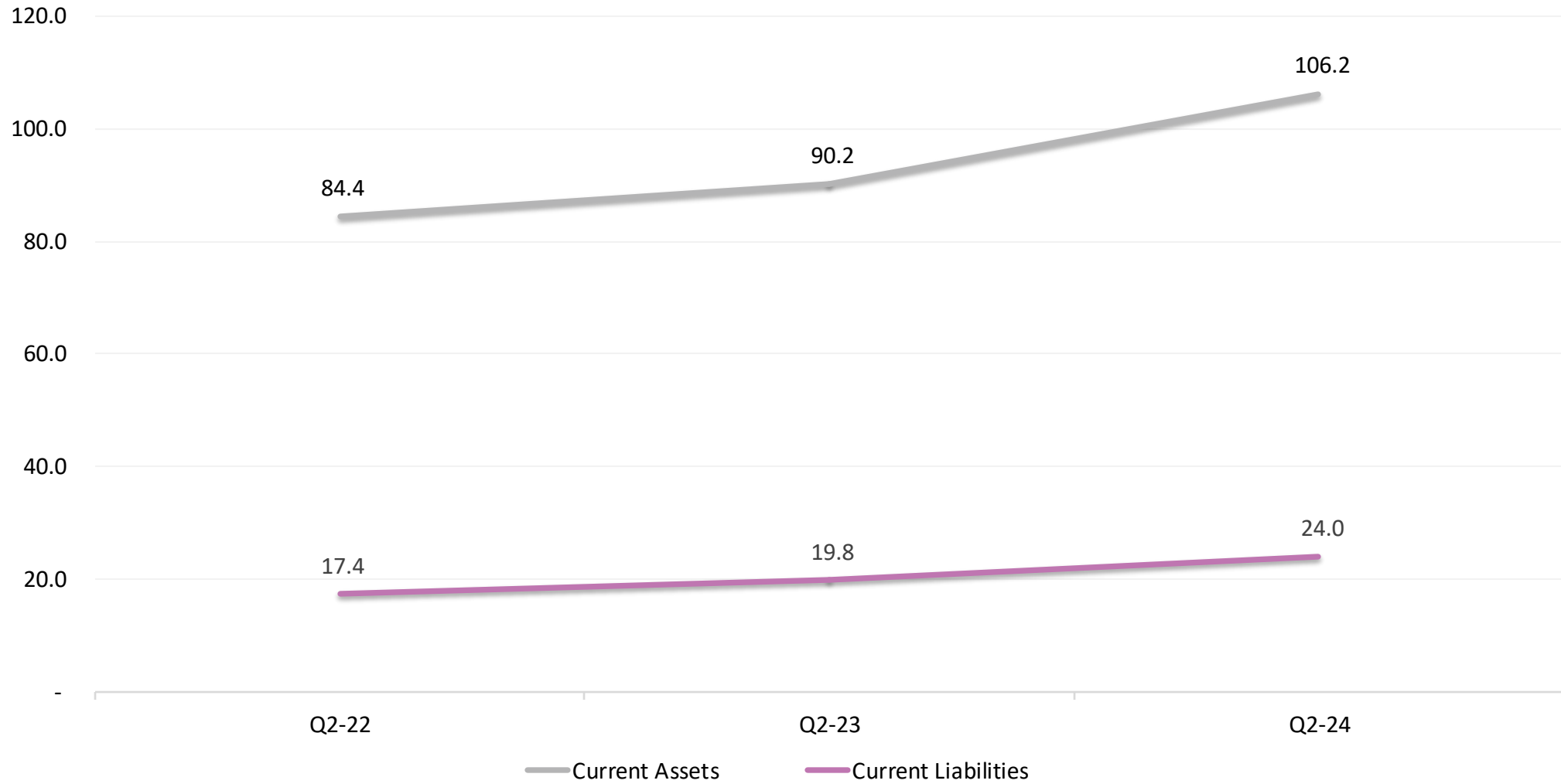
	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
	NON-GAAP (1)			
Research and development, gross	\$ 4,096	\$ 4,416	\$ 8,152	\$ 8,640
Less - royalty-bearing participation	\$ 180	\$ 180	\$ 389	\$ 442
Research and development, net	\$ 3,916	\$ 4,236	\$ 7,763	\$ 8,198
Sales and marketing	\$ 3,811	\$ 3,002	\$ 7,563	\$ 6,007
General and administrative	\$ 1,159	\$ 929	\$ 2,333	\$ 1,893
Total operating expenses	<u>\$ 8,886</u>	<u>\$ 8,167</u>	<u>\$ 17,659</u>	<u>\$ 16,098</u>

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

CONSOLIDATED BALANCE SHEETS

	As of June 30, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 15,248	\$ 10,892
Short-term bank deposits	\$ 70,864	\$ 71,273
Trade receivables, net	\$ 18,071	\$ 13,412
Inventories	\$ 695	\$ 246
Other accounts receivable and prepaid expenses	\$ 1,353	\$ 1,592
Total Current Assets	\$ 106,231	\$ 97,415
Severance pay fund	\$ 3,006	\$ 3,142
Other long-term receivables	\$ 3,353	\$ 1,573
Property and equipment, net	\$ 772	\$ 798
Goodwill and intangible assets, net	\$ 2,780	\$ 2,950
Operating lease right-of-use assets	\$ 1,148	\$ 1,651
Total Non-Current Assets	\$ 11,059	\$ 10,114
Total Assets	\$ 117,290	\$ 107,529
Trade payables	\$ 3,400	\$ 2,640
Deferred revenues and advances from customers	\$ 4,139	\$ 1,468
Employee and payroll accruals	\$ 5,397	\$ 5,400
Operating lease liabilities	\$ 627	\$ 1,062
Other liabilities and accrued expenses	\$ 10,450	\$ 9,541
Total Current Liabilities	\$ 24,013	\$ 20,111
Accrued severance pay	\$ 3,680	\$ 3,728
Operating lease liabilities	\$ 472	\$ 561
Other liabilities and accrued expenses	\$ 653	\$ 638
Total Non-Current Liabilities	\$ 4,805	\$ 4,927
Total Liabilities	\$ 28,818	\$ 25,038
Shareholders' Equity	\$ 88,472	\$ 82,491
Total Liabilities and Shareholders' Equity	\$ 117,290	\$ 107,529

CURRENT ASSETS VS. CURRENT LIABILITIES (\$M)



THANK YOU