

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report \_\_\_\_\_

Commission file number 0-29452

**RADCOM LTD.**

(Exact Name of Registrant as Specified in its Charter)

**N/A**

(Translation of Registrant's Name into English)

**Israel**

(Jurisdiction of Incorporation or Organization)

**24 Raoul Wallenberg Street, Tel-Aviv 6971920, Israel**

(Address of Principal Executive Offices)

**Mr. Hod Cohen**

**Chief Financial Officer**

**(+972) 3-645-5055 (Telephone) / (+972) 3-647-4681 (Fax)**

**24 Raoul Wallenberg Street, Tel Aviv 6971920, Israel**

(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Ordinary Shares, NIS 0.20 par value per share	RDCM	Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: As of December 31, 2025, there were 16,592,725 ordinary shares outstanding, NIS 0.20 par value per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act.

<sup>†</sup> The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant elected to follow.

Item 17

Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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## INTRODUCTION

Except for the historical information contained herein, the statements contained in this annual report on Form 20-F, or this Annual Report, are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management.

As used in this Annual Report, the terms “we,” “us,” “our,” “RADCOM” and the “Company” mean RADCOM Ltd. and its subsidiaries, unless otherwise indicated.

References herein to our “solutions” or “solution” are intended to refer to our products and related services as the context requires.

We have registered with the United States Patent and Trademark Office, or USPTO, and hold the trademark “RADCOM” in the United States. All other trademarks and trade names appearing in this Annual Report are owned by their respective holders.

### NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains express or implied “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other U.S. Federal securities laws.

These forward-looking statements include, but are not limited to:

- our plans to become the market leader for network visibility and service assurance to leading communication service providers, or CSPs, and increase our sales;
  - continued launching and expanding of 5G networks around the world and continued trends, such as moving networks to the cloud;
  - our plans to focus our expansion efforts on Tier 1 and other leading and innovative CSPs in the North American, European, and Asia-Pacific markets as well as mid-tier operators and our success in doing so;
  - our expectations to maintain our technological advantage over our competitors;
  - our ability to meet any guidance we may provide to the public from time to time and expectation to increase levels of expenses on sales and marketing and allocate significant resources to research and development;
  - our ability to successfully deliver and implement our solutions to AT&T Services, Inc., or AT&T, Rakuten Mobile, Inc., or Rakuten, and other CSPs;
  - our ability to identify, market and sell our solutions to CSPs migrating to the 5G, cloud-native virtualized network environments, Long-Term Evolution, or LTE, and Voice over Long-Term Evolution, or VoLTE, networks;
  - our ability to release and deploy newly launched product offerings;
  - our expectations that the cloud-native virtualized network environments and transition to the 5G networks will gain momentum;
  - our expectation that the adoption and use of agentic artificial intelligence, or Agentic AI by CSPs to enable “zero-touch” network operations will gain momentum;
  - trends in our industry as a whole and their effect on us;
  - our expectations regarding CSPs’ implementation and usage of next-generation services and the resulting potential need for our solutions and the pace of such implementation and adoption of the 5G technology
  - our ability to successfully expand our addressable market through strategic partnerships, mergers and acquisitions; and
  - general economic, political, demographic and business conditions worldwide, including geopolitical uncertainty and instability, such as the Russia-Ukraine conflict, the proposed judicial and other legislation by the Israeli government and impact of the terrorist attacks and war in Israel, on general economic conditions and on our business in the short and long terms.
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In some cases, forward-looking statements are identified by terminology such as “may,” “will,” “could,” “should,” “expects,” “plans,” “anticipates,” “believes,” “intends,” “estimates,” “predicts,” “potential,” or “continue” or the negative of these terms or other comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or performance to differ materially from those projected. These statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. The forward-looking statements contained in this Annual Report are subject to risks and uncertainties, including those discussed under “Item 3.D—Risk Factors” and in our other filings with the Securities and Exchange Commission, or the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we are under no duty to (and expressly disclaim any such obligation to) update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Annual Report.

## **Summary Risk Factors**

The risk factors described below are a summary of the principal risk factors associated with an investment in us. These are not the only risks we face. You should carefully consider these risk factors, together with the risk factors set forth in Item 3D. of this Annual Report and the other reports and documents filed by us with the SEC.

### ***Risks Related to Our Business and Our Industry***

- Our business is dependent on a limited number of significant customers and the loss of a significant customer could materially adversely affect our results of operations.
  - We may lose significant market share as a result of intense competition in the market for our existing and future solutions.
  - The pace at which we grow our business depends on our current and potential customers’ internal processes and decisions regarding the transition to 5G or to deploy new assurance solutions and our ability to secure new customers. Our expectations regarding the pace of 5G rollout may not materialize.
  - Disruptions to our information technology, or IT, systems due to system failures or cybersecurity attacks may impact our operations, which would materially adversely affect our reputation and business.
  - A reduction in some CSPs’ revenues and profitability could lead to decreased investment in capital equipment and infrastructure which may, in turn, affect our revenues and results of operations.
  - The market for our solutions is characterized by rapidly changing technology and we may be materially adversely affected if we do not respond promptly and effectively to such changes.
  - Our large customers have substantial negotiating leverage, which may require that we agree to terms and conditions that may have an adverse effect on our business, or enter into long-term sales agreements that may prove unprofitable to us.
  - Our strategy to focus most of our sales efforts on Tier 1, Greenfield Operators and other leading CSPs in the North American, European, Japan and select other markets may not be successful.
  - Quarterly fluctuations and unpredictability in our results of operations may cause our share price to fluctuate or to decline.
  - Our gross margins may vary over time and we may not be able to sustain or improve upon our recent levels of gross margin which may have an adverse effect on our future profitability.
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- Current market conditions, including inflation and recessionary pressures could affect our growth and profitability.
- Our sales derived from emerging market countries may be materially adversely affected by economic, exchange rates, regulatory and political developments in those countries.
- Most of our customers usually require a detailed and comprehensive evaluation process before they order our solutions. Our sales process may be subject to delays that could significantly decrease our revenues and result in the eventual cancellations of some sale opportunities.
- Our business could be harmed if we were to lose the services of one or more members of our senior management team, or if we are unable to attract and retain qualified personnel.
- The complexity and scope of the solutions we provide to larger CSPs is increasing. Larger projects entail greater operational risk and an increased chance of failure.
- Cyber-attacks on our customers' networks involving our products could have an adverse effect on our business.
- We incorporate open-source technology in our solutions which may expose us to liability and have a material impact on our product development and sales.
- Our use of AI, Generative AI, or GenAI, Agentic AI, machine learning, or ML, data analytics and similar tools and technologies, or, collectively, AI and Related Tools, as well as applications, features, and functionality that we may introduce in the future, may result in difficulties and result in risks in various aspects, such as intellectual property, cybersecurity, operational and technological risks, or may otherwise adversely impact our business or operations, or subject us to possible litigation.
- Our proprietary technology is difficult to protect and unauthorized use of our proprietary technology by third parties may impair our ability to compete effectively.
- We may be subject to claims of infringement of third-party intellectual property which may have an adverse effect on our business.
- Our international presence exposes us to risks associated with varied and changing political, cultural, legal and economic conditions worldwide and if we fail to adapt appropriately to the challenges associated with operating internationally the expected growth of our business may be impeded, and our operating results may be affected.

***Risks Related to Our Ordinary Shares***

- Shareholders' activism may negatively impact the price of our ordinary shares and cause changes to our business.

***Risks Related to Our Location in Israel***

- Security, political and economic instability in the Middle East in general, and in Israel in particular, including the ongoing war in Israel and escalation into broader regional hostilities involving the United States, Iran and other state and non-state actors, may harm our business.
  - Provisions of Israeli law may make it easy for our shareholders to demand that we convene a shareholders meeting, and/or allow shareholders to convene a shareholder meeting without the consent of our management, which may disrupt our management's ability to run our company.
  - As a foreign private issuer, we are subject to reporting and corporate governance requirements that differ from those applicable to U.S. domestic companies.
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## PART I

### ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

### ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

### ITEM 3. KEY INFORMATION

#### A. [RESERVED.]

#### B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

#### C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

#### D. RISK FACTORS

*Investing in our ordinary shares involves a high degree of risk. You should carefully consider the risks described below before investing in our ordinary shares. Our business, operating results and financial condition could be seriously harmed due to any of the following risks, among others. If we do not successfully address the risks to which we are subject, we could experience a material adverse effect on our business, results of operations and financial condition and our share price may decline. We cannot assure you that we will successfully address any of these risks. These disclosures reflect the Company's beliefs and opinions as to factors that could materially and adversely affect the Company and its securities in the future. References to past events are provided by way of example only and are not intended to be a complete listing or a representation as to whether or not such factors have occurred in the past or their likelihood of occurring in the future.*

#### ***Risks Related to Our Business and Our Industry***

**Our business is dependent on a limited number of significant customers and the loss of any significant customer could materially adversely affect our results of operations.**

Our business is dependent on a limited number of significant customers. For example, our three largest customers accounted for approximately 86% of our revenue in fiscal year 2025. The loss of any significant customer, a significant decrease in business from any such customer, or a reduction in customer revenue due to adverse changes in the terms of our contractual arrangements, market conditions, customer circumstances or other factors could have a material adverse effect on our results of operations and financial condition. Revenue from individual customers may fluctuate from time to time based on the commencement, scope and completion of projects or other engagements, the timing and magnitude of which may be affected by market or other conditions.

**We may lose significant market share as a result of intense competition in the market for our existing and future solutions.**

Several companies compete with us in the market for service assurance and Customer Experience Management that offer cloud-native, software-based, automated service assurance solutions. We expect that competition will increase in the future, both with respect to solutions that we currently offer and solutions that we are developing and the use of AI within the solutions. Moreover, vendors of data communications and telecommunications networks with whom we partner or may partner, may in the future incorporate into their products capabilities similar to ours, thus reducing the demand for our solutions. Some of our existing and potential competitors have substantially greater resources, including financial, technological, engineering, manufacturing, and marketing and distribution capabilities, and several of them may enjoy greater market recognition than us. We may not be able to compete effectively with our competitors. A failure to do so could adversely affect our revenues and profitability.

**The pace at which we grow our business depends on our current and potential customers' internal processes and decisions to deploy new assurance systems and our ability to secure new customers, as well as retain and expand business with existing customers. Our expectations regarding the pace in which current and potential customers' transition to new assurance solutions may not materialize.**

The need for a new assurance system increases for CSPs transitioning to 5G. The pace of transition to 5G and timeframe for reaching a mature infrastructure for 5G is dependent on CSPs' internal decisions regarding 5G technology implementation, timing, and budgeting. Such decisions may be affected by the overall pace of 5G deployment in the industry as well as by other technological trends such as the transition to fully virtualized cloud-native networks. Our ability to grow our business is further dependent on our ability to secure new customers. To the extent that CSPs will not choose our solution, the pace in which we could grow our business may be adversely affected.

The pace at which we deploy our solutions is directly affected by the pace of CSPs' internal processes, the pace of maturation of the 5G market and the pace of CSPs' decisions to deploy a new assurance system. To the extent that CSPs elect not to deploy 5G, or to delay the transition to cloud-native 5G networks, or delay decisions to deploy new assurance systems our sales cycles may lengthen, and the growth of our business may be adversely affected.

We believe that most of the industry's leading CSPs will roll out 5G networks which will in turn promote the adoption of cloud-native, software-based and AI-based, assurance solutions. Our expectation is that the market for our solutions will materialize and gain momentum as a result. However, our expectations may not be correct, and the actual pace of cloud-native, network transformation and/or 5G rollout may take longer than we anticipate or may not occur at all. If the demand for cloud-native, software-based networks and new assurance solutions does not continue to grow or the 5G rollout does not materialize, our business, financial condition and results of operations may suffer.

**Disruptions to our IT systems due to system failures or cybersecurity attacks may impact on our operations, which would materially adversely affect our reputation and business.**

We believe that an appropriate IT infrastructure is important in order to support our daily operations and the growth of our business. If we experience difficulties in implementing new or upgraded information systems or experience significant system failures, or if we are unable to successfully modify our management information systems or respond to changes in our business needs, we may not be able to effectively manage our business, and we may fail to meet our reporting obligations. Additionally, if our current business continuity plan, back-up storage arrangements and our disaster recovery plan are not operated as planned, we may not be able to effectively recover our information system in the event of a crisis, which may materially affect our business and results of operations.

In the current environment, there are numerous and evolving risks to cybersecurity and privacy, including criminal hackers, hacktivists, state-sponsored intrusions, industrial espionage, employee malfeasance and human or technological errors. High-profile security breaches at other companies and in government agencies have increased in recent years, and security industry experts and government officials have warned about the risks of hackers and cyberattacks targeting businesses such as ours. Computer hackers and others routinely attempt to breach the security of technology products, services and systems, and to fraudulently induce employees, customers, or others to disclose information or unwittingly provide access to systems or data. Although we have invested in measures to reduce these risks, we can provide no assurance that our current IT systems are fully protected against third-party intrusions, viruses, hacker attacks, information or data theft or other similar threats. Legislative or regulatory action in these areas is also evolving, and we may be unable to adapt our IT system to accommodate these changes. We have experienced and expect to continue to experience attempted cyberattacks of our IT networks. Although none of these attempted cyberattacks has had a material adverse effect on our operations or financial condition thus far, we cannot guarantee that any such incidents will not have a material adverse effect on our operations or financial condition in the future. Furthermore, a cyberattack that bypasses our IT security systems, causing an IT security breach could lead to a material disruption of our information systems, the loss of business information and loss of service to our customers. Additionally, we have access to sensitive customer information in the ordinary course of business. If a significant data breach occurs and we lose customer information, our reputation may be materially and adversely affected, our customers' confidence in us may be diminished, or we may be subject to legal claims, any of which may contribute to the loss of customers and have a material adverse effect on our business and result of operations. In addition, the continued worldwide threat of terrorism and heightened security in response to such threat may cause further disruptions and create further uncertainties or may otherwise materially adversely affect our business. To the extent that such disruptions or uncertainties result in delays or cancellations of customer orders, or in theft, destruction, loss, misappropriation or release of our confidential data or our intellectual property, our business and results of operations could be materially and adversely affected.

**A reduction in some CSPs' revenues and profitability could lead to decreased investment in capital equipment and infrastructure which may, in turn, affect our revenues and results of operations. A continued slowdown in our customers' investment in capital equipment and infrastructure might materially and adversely affect our revenues and results of operations.**

Our future success is dependent upon the continued growth of the telecommunications industry as well as the specific sectors that we target, which currently include, among others, 5G mobile, Internet of Things, or IoT, 4G mobile, Voice over Long Term Evolution, or VoLTE, Private Networks and Roaming. During the last few years, some of the CSPs have experienced a reduction in their revenues from subscribers and lower profitability, which affected their investment budgets. This trend may continue. The global telecommunications industry and various sectors within the industry are evolving rapidly and it is difficult to predict its potential growth rate or future trends in technology development. Our future success also depends upon the increased utilization of our solutions by next-generation network operators and specifically cloud-native networks on private and public clouds, who may not adopt our technology.

During the last few years, developments in the telecommunications industry have had a material effect on our existing and/or potential customers and may continue to have such an effect in the future. Such developments include changes in general global economic conditions, industry consolidation, emergence of new competitors, commoditization of voice services, regulatory changes, and changes in the plans of CSPs to shift, transform and adapt their network operations to rollout 5G networks and cloud-native networks. Over the last few years, the telecommunications industry has experienced financial pressures that have caused many in the industry to reduce investment in capital intensive projects, and in some cases, have led to restructurings. While the transformation of network operations to cloud-native networks arise out of the desire of CSPs to reduce network infrastructure expense, thus creating opportunities for us, it also creates a downward pressure on the prices of our solutions.

**The market for our solutions is characterized by rapidly changing technology and we may be materially adversely affected if we do not respond promptly and effectively to such changes.**

The telecommunications industry is characterized by rapidly changing technology, network infrastructure, and customer requirements and by evolving industry standards and frequent new product introductions. In addition, the nature of 5G deployments enables new services to be introduced, which may require additional and costly development. These changes require us to constantly adapt and improve our solutions to meet changing industry requirements. If we are unable to stay ahead of industry trends or to timely and successfully complete the development of solutions supporting new standards and technologies such as 5G, our business may be affected as new requirements could reduce or shift the market for our solutions or require us to develop new solutions. Additionally, because new or enhanced telecommunications and data communications-related products developed by other companies could be incompatible with our solutions, our timely access to information concerning changes in technology, in customer requirements, and in industry standards, as well as our ability to anticipate such changes and develop and market new and enhanced solutions successfully and on a timely basis, will be significant factors in our ability to remain competitive.

**We may enter into long-term sales agreements with large customers. Such agreements may prove unprofitable as our costs and product mix shift over the terms of the agreements.**

We may enter from time to time into long-term sales agreements with large customers. We may be required under such agreements to sell our solutions at fixed prices over the terms of the agreements. The costs we incur in fulfilling the agreements may vary substantially from our initial cost estimates. Any cost overruns that we cannot pass on to our customers could adversely affect our results of operations. In the future, we may also be required under such agreements to sell solutions that we may otherwise wish to discontinue, thereby diverting our resources from developing more profitable or strategically important solutions.

**Our large customers have substantial negotiating leverage, which may require that we agree to terms and conditions that may have an adverse effect on our business.**

Large CSPs have substantial purchasing power and leverage in negotiating contractual arrangements with us. These customers may require us to develop additional features and may impose penalties on us for failure to deliver such features on a timely basis, or failure to meet performance standards. As we seek to increase our sales to large CSPs, we may be required to agree to unfavorable terms and conditions which may decrease our revenues and/or increase the time it takes to convert orders into revenues and could result in an adverse effect on our business, financial condition and results of operations. Similarly, some of our contracts may contain change in control provisions which may have an adverse effect on our business and results if exercised following a change in control transaction or, in the alternative, may act as an impediment to certain change in control transactions.

**Our strategy to focus most of our sales efforts on Tier 1, Greenfield Operators and other leading CSPs in the North American, European, Japan and selected other markets may not be successful.**

We believe that the significant share of technology advances, including AI, cloud-native, software-based and 5G deployment activity are expected to continue to take place in North America, Europe, Japan, selected CSPs in Asia-Pacific and selected CSPs in Latin America. We have accordingly enhanced our presence and focused our sales and marketing resources in some of these markets. While we focus our sales and marketing resources in such selected markets, we cannot assure the selection of our solutions by Tier 1 CSPs, CSPs that build new networks from scratch, or Greenfield Operators, or other leading CSPs operating in such markets and therefore we may not be successful in expanding our business as we plan.

**Quarterly fluctuations and unpredictability in our results of operations may cause our share price to fluctuate or to decline.**

We have experienced, and in the future may also experience, significant fluctuations in our quarterly results of operations. Factors that may contribute to fluctuations in our quarterly results of operations including,

- the variation in size and timing of individual purchases by our customers and the relatively long sales cycles for our solutions;
- the request for longer payment terms from us or long-term financing of customers' purchases from us, as well as additional conditions tied to such payment terms;
- competitive conditions in our markets;
- the timing of the introduction and market acceptance of new solutions or enhancements by us and by our customers, competitors and suppliers;
- changes in the level of operating expenses relative to revenues;
- quality problems and supply interruptions;
- changes in global or regional economic conditions or in the telecommunications industry;
- delays in or cancellation of projects by customers;
- changes in the product mix;
- the size and timing of approval of grants from the Government of Israel; and
- foreign currency exchange rates.

Our costs of revenues consist of variable costs, which include labor and related costs, including costs incurred in software development customization for projects and deployment costs, the use of hardware, inventory write-offs, packaging, importation taxes, shipping and handling costs, license fees for software components of third parties, warranty expenses, allocation of overhead expenses, subcontractors' expenses, royalties to the IIA, and share-based compensation. A major part of our costs of sales is relatively variable and determined based on our anticipated revenues. We believe, therefore, that quarter-to-quarter comparisons of our operating results may not be a reliable indication of future performance.

Our revenues in any quarter generally have been, and may continue to be, derived from a relatively small number of orders with relatively high average revenues per order. Therefore, the loss of any order or a delay in closing a transaction could have a significant impact on our quarterly revenues and results of operations.

In addition, we may experience a delay in generating or recognizing revenues for several reasons, including revenue recognition accounting requirements. In many cases, we cannot recognize revenue from an order prior to customer acceptance, which may take multiple months from the commencement of the engagement and in some extreme cases may take more than twelve months. Therefore, a major part of the revenue for any fiscal quarter may be derived from a backlog of orders under delivery and may not correlate to the customer's order date or the delivery date.

Our revenues for a specific quarter may also be difficult to predict and may be affected if we experience a non-linear sales pattern. We generally experience significantly higher levels of sales orders towards the end of a quarter as a result of customers submitting their orders late in the quarter. Furthermore, orders received towards the end of the quarter are usually not delivered within the same quarter and are usually only recognized as revenue at a later stage. If our revenues in any quarter remain level or decline in comparison to any prior quarter, our financial results for that quarter could be adversely affected.

Due to the factors described above, as well as other unanticipated factors, our results of operations in future quarters could fail to meet the guidance we may from time to time give to the public or the expectations of public market analysts or investors. If this occurs, the price of our ordinary shares may be adversely affected.

**Our gross margins may vary over time, and we may not be able to sustain or improve upon our recent levels of gross margin, which may have an adverse effect on our future profitability.**

We may not be able to sustain or improve upon our recent levels of gross margin. Our gross margins may be adversely affected by numerous factors, including, increased price competition, local taxes which may be incurred for direct sales, increased industry consolidation among our customers, which may lead to decreased demand for and downward pricing pressure on our solutions, changes in our customer mix, geographic, product mix, distribution channels, increases in costs such as employment costs or third-party service or component costs, losses on customer contracts, and increases in warranty costs. Further deterioration in gross margins, due to these or other factors, may have a material adverse effect on our business, financial condition and results of operations.

**Current market conditions, including inflation and recessionary pressures, could affect our growth and profitability.**

Inflation rates, geopolitical issues, increase in energy costs, interest rates, unstable global conditions and changes in currency exchange rates have led to global economic instability. Such changes, and their impact on the global macro-economic environment, may result in a slowdown in the level of investments made by CSPs, including, the transition of CSPs to 5G, which can impact our business, operating results, and financial condition.

**Our sales derived from emerging market countries may be materially adversely affected by economic, exchange rates, regulatory and political developments in those countries.**

We plan to continue to generate revenue from various emerging market countries which represent a relatively small portion of our existing business and our expected growth. Economic or political turmoil in these countries could materially adversely affect our revenues and results of operations. Our investments in emerging market countries may also be subject to risks and uncertainties, including unfavorable taxation treatment, exchange rates, challenges in protecting our intellectual property rights, nationalization, inflation, currency fluctuations, or the absence of unexpected changes in regulation as well as other unforeseeable operational risks.

**Most of our customers usually require a detailed and comprehensive evaluation process before they order our solutions. Our sales process may be subject to delays that could significantly decrease our revenues and result in the eventual cancellations of some sales opportunities.**

As common practice in our industry, our solutions generally undergo a lengthy evaluation process before we can sell them. In recent years, our customers have been conducting a more stringent and detailed evaluation of our solutions and decisions are subject to additional levels of internal review. As a result, the sales cycle may be longer than anticipated. Multiple factors affect the length of the approval and evaluation process, including among others, the time involved for our customers to determine and announce their specifications, the time required for our customers to process approvals for purchasing decisions, the technological priorities and budgets of our customers and the complexity of the solutions involved, and the need for our customers to obtain or comply with any required regulatory approvals. If customers delay project approval or extend anticipated decision-making timelines, or if continued delays result in the eventual cancellation of any sale opportunities, it may have an adverse effect on our ability to sell our solutions, which will materially adversely affect our business, financial condition and results of operations.

**We have experienced periods of growth of our business. If we cannot adequately manage our business, our results of operations may suffer.**

We cannot be sure that our systems, procedures and managerial controls will be adequate to support our operations. If we cannot adequately manage our business growth, our results of operations may suffer. Any delay in implementing, or transitioning to, new or enhanced systems, procedures or controls may adversely affect our ability to record and report financial and management information on a timely and accurate basis. We believe that significant growth may require us to hire additional personnel.

**Our non-competition agreements with our employees and consultants may not be enforceable under applicable law. If any of these employees leaves us and joins a competitor, such competitor could benefit from the expertise our former employee gained while working for us.**

We generally enter into non-competition agreements with our key employees and consultants. These agreements prohibit those employees and consultants, while they work for us and for a specified length of time after they cease to work for or provide services to us, from directly competing with us or working for our competitors for a limited period. Under applicable law, we may be unable to enforce these agreements or any part thereof against our employees and consultants, including our Israeli employees and consultants. If we cannot enforce our non-competition agreements against our Israeli (or any other) employees, then we may be unable to prevent our competitors from benefiting from the expertise of these former employees, which could impair our business, results of operations and ability to capitalize on our proprietary information.

**Our business could be harmed if we were to lose the services of one or more members of our senior management team, or if we are unable to attract and retain qualified personnel.**

Our future growth and success depend to an extent upon the continuing services of our executive officers and other key employees including our Chief Executive Officer, Benjamin (Benny) Eppstein, Chief Operating Officer, Hilik Itman, and our Chief Technology Officer, Rami Amit. Competition for qualified management and other high-level telecommunications industry personnel is intense, and we may not be successful in attracting and retaining qualified personnel. If we lose the services of any senior management team or key employees, we may not be able to manage our business successfully or to achieve our business objectives.

**We experience competition for highly skilled technical and other personnel, and as a result we may fail to attract, recruit and retain qualified employees, which could materially and adversely impact our business, financial condition and results of operations.**

We compete in a market marked by rapidly changing technologies and an evolving competitive landscape. In order for us to successfully compete and grow, we must attract, recruit, retain and develop personnel with requisite qualifications to provide expertise across the entire spectrum of our intellectual capital and business needs.

Our principal research and development as well as significant elements of our marketing and general and administrative activities are conducted at our headquarters in Israel, where we face competition on skilled personnel. Although we also engage a talented team in the United States, India and Romania to benefit from the significant pool of talent that is available in such markets, we have also witnessed increased competition in those markets as well in recent years.

Many of the companies with which we compete for qualified personnel have significant resources, and we may not succeed in recruiting additional experienced or professional personnel, retaining personnel or effectively replacing current personnel who may depart with qualified or effective successors.

In addition, as a result of the competition for qualified human resources, the high-tech market has also experienced and may experience in the future significant increases in the levels of salaries and other compensation. Accordingly, our efforts to attract, retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. Furthermore, in making employment decisions, particularly in the high-technology industry, job candidates often consider the value of the equity they are to receive in connection with their employment. Employees may be more likely to leave us if the shares they own or the shares underlying their equity incentive awards have significantly decreased in value. In light of the foregoing, there can be no assurance that qualified employees will remain in our employ or that we will be able to attract and retain qualified personnel in the future and failure to do so could have a material adverse effect on our business, financial condition and results of operations.

**The complexity and scope of the solutions we provide to large CSPs is increasing. Large projects entail greater operational risk and an increased chance of failure.**

The complexity and scope of the solutions we provide to large CSPs is increasing. The larger and more complex such projects are, the greater the operational risks associated with such projects. These potential risks include failure to successfully deliver our solution, failure to fully integrate our solutions with third party products and complex environments in the CSP's network, and our dependence on subcontractors and partners for the successful and timely completion of such projects. Failure to complete a larger project successfully could expose us to potential contractual penalties, claims for breach of contract and in extreme cases, to cancellation of the entire project, and may result in difficulty in collecting payment and recognizing revenues from such project and may also harm our reputation all of which could have a material adverse effect on our business, financial condition and results of operations.

**Cyber-attacks on our customers' networks involving our products could have an adverse effect on our business.**

Maintaining the security of our products which are installed with our customers is a critical issue for us, therefore we invest resources and technologies to better protect our assets. However, security researchers, criminal hackers and other third parties regularly develop new techniques to penetrate computer and network security measures. Cyber-attacks, or other breaches of security on our customers' networks, may be initiated at any network location or device including initiation through our products. Although we maintain high levels of cyber-security aware development processes, we cannot assure that such attacks, or other breaches of security through our products, will fail and therefore may negatively affect our customers' business. While we maintain insurance coverage for some of these events, we cannot be certain that our coverage will be adequate for liabilities actually incurred. In addition, these events could also result in damage to our reputation which will further negatively impact our business.

More and more CSPs require us to perform a product hardening in order to prevent security vulnerabilities via our products that may result in security breaches in our customers' data. Although we dedicate substantial efforts to improve our development processes in order to address the customers' security requirements, we may not be able to implement improvements in an efficient or timely manner and may discover deficiencies in existing controls, programs, systems and procedures, and we may not be able to fully comply with such requirements, which may cause cancellation of contracts or damages as well as loss of reputation and claims by our CSP customers and may have an adverse effect on our business and financial results. See Item "16.K—Cybersecurity" for additional information.

**We could be subject to claims under our warranties and extended maintenance and support agreements which may affect our financial condition.**

Our solutions are complex and may sometimes contain undetected errors which can delay introductions or necessitate redesign. Failures in networks in which our solutions are deployed arising out of our solutions may result in customer dissatisfaction, contractual claims and, potentially, liability claims being filed against us. Our warranties require us to correct any errors or defects in our solutions. The warranty period we provide for our services is mostly for one year but could be extended either in the initial purchase of our solution or after the initial warranty period ends through the purchase of extended support and maintenance. Moreover, under the warranty and extended maintenance agreements, we need to meet certain service levels and if we fail to meet them, we may be exposed to penalties. Any failure of a network in which our solutions are deployed (whether or not our solutions are the cause) and any customer claims against us, along with any associated negative publicity, could result in the loss of, or delay in, market acceptance of our solutions and harm to our business.

**We incorporate open-source technology in our solutions which may expose us to certain liabilities and may have a material impact on our product development and sales.**

Some of our solutions utilize open-source technologies. These technologies are licensed to us under varying license structures. These licenses pose a potential risk to our solution in the event they are inappropriately integrated. If we have not, or do not in the future, properly integrate software that is subject to such licenses into our solutions or if we utilize open-source software that is subject to licensing terms that are incompatible with our use, we may be required to disclose our own source code to the public or may lose rights to our solutions. Any such requirement to disclose or grant rights to our source code or other confidential information related to our solutions could, therefore, materially adversely affect our competitive advantage and impact our business, financial condition and results of operations.

**Our use of AI, GenAI, Agentic AI, ML, data analytics and similar tools and technologies, or, collectively, AI and Related Tools, as well as applications, features, and functionality that we may introduce in the future, may result in difficulties, including with product development and integration and accuracy of the results and may otherwise not prove efficient or profitable, may not be widely or timely accepted by our customers or the market, may enhance intellectual property, cybersecurity, operational and technological risks, or may otherwise adversely impact our business or operations, or subject us to possible litigation.**

As we continue to diversify our product offerings, we may utilize AI and Related Tools in connection with our business and in our solutions. We have begun to include GenAI and Agentic AI capabilities through our RADCOM ACE portfolio and as part of our RADCOM AIM (AI Framework). Given the short time that has elapsed since GenAI and Agentic AI became commercially viable, and the rapid pace of change in the GenAI and Agentic AI space, we have limited experience with GenAI and Agentic AI and may experience any number of difficulties including with respect to product development and integration with our existing offerings and IT systems, or accuracy of the results. Additionally, there are significant risks involved in utilizing AI and Related Tools and no assurance can be provided that the usage of such AI and Related Tools will enhance our business, the business of our customers, or assist us in being more efficient or profitable. Further, AI and Related Tools may have errors or inadequacies that are not easily detectable. For example, certain AI and Related Tools may utilize historical telecom related data in their analytics. To the extent that such historical data is not indicative of the current or future conditions in the sector, or the AI and Related Tools fail to filter biases in the underlying data or collection methods, the usage of AI and Related Tools may lead us or our customers to make determinations on behalf of our products or our customers' business that are based on such flawed data, including decisions, that may have an adverse effect. If AI and Related Tools are incorrectly designed or the data used to train them is incomplete, inadequate or biased in some way, use of AI and Related Tools may inadvertently reduce efficiency or cause unintentional or unexpected outputs that are incorrect, do not match our or our customers' business goals, do not comply with our or our customers' policies or interfere with the performance of our or our customers' products, services, business and reputation.

Additionally, there can be no assurance that any GenAI, Agentic AI or other AI and Related Tool solutions we develop will be adopted by the market, or be profitable or viable. Our limited experience with respect to GenAI and Agentic AI offerings could limit our ability to successfully bring new GenAI and other AI and Related Tool solutions and offerings to market or adapt to market changes. If we are unsuccessful in developing, integrating and offering GenAI, Agentic AI and other AI and Related Tool solutions, our business, results of operations and financial condition could be adversely affected.

In addition, the use of AI and Related Tools may enhance intellectual property, cybersecurity, operational and technological risks. The technologies underlying AI and Related Tools and their use cases are subject to a variety of laws, including intellectual property, privacy, consumer protection and federal equal opportunity laws. If we do not have sufficient rights to use the data on which AI and Related Tools rely, we may incur liability through the violation of such laws, third-party privacy or other rights or contracts to which we are a party. Furthermore, the technologies underlying AI and Related Tools are complex and rapidly developing, and as a result, it is not possible to predict all of the legal, operational or technological risks related to the use of AI and Related Tools. Moreover, AI and Related Tools are the subject of evolving review by various governmental and regulatory agencies, including the SEC, and the U.S. Federal Trade Commission and European Union regulatory bodies, and changes in laws, rules, directives and regulations governing the use of AI and Related Tools may adversely affect the ability of our business to use AI and Related Tools.

**Our proprietary technology is difficult to protect and unauthorized use of our proprietary technology by third parties may impair our ability to compete effectively.**

Our success and ability to compete depend in large part upon protecting our proprietary technology. We rely upon a combination of contractual rights, software licenses, trade secrets, copyrights, non-disclosure agreements and technical measures to establish and protect our intellectual property rights in our solutions and technologies. In addition, we sometimes enter into non-competition, non-disclosure and confidentiality agreements with our employees, distributors, sales representatives and certain suppliers with access to sensitive information. We currently have nine registered patents, one pending patent application and one pending provisional patent application. However, these measures may not be adequate to protect our technology from third-party infringement. Additionally, effective intellectual property protection may not be available in every country in which we offer, or intend to offer, our solutions.

**We may expand our business or enhance our technology through partnerships and acquisitions that could result in diversion of resources and extra expenses. This could disrupt our business and adversely affect our financial condition.**

Part of our growth strategy may be to selectively pursue partnerships and acquisitions, such as our acquisition of Continual Ltd., or Continual, that provide us access to complementary technologies and accelerate our penetration into new markets. The negotiation of acquisitions, investments or joint ventures, as well as the integration of acquired or jointly developed businesses or technologies, could divert our management's time and resources. Acquired businesses, technologies or joint ventures may not be successfully integrated with our solutions and operations. We may not realize the intended benefits of any acquisition, investment or joint venture and we may incur future losses from any acquisition, investment or joint venture.

In addition, acquisitions could result in, among other things, substantial cash expenditures, potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities, a decrease in our profit margins, and amortization of intangibles and potential impairment of goodwill.

If the implementation of our growth strategy by acquiring other businesses will result in operational disruption, our business, financial condition and results of operations could be adversely affected.

**Because we received grants from the IIA, we are subject to ongoing restrictions.**

We have received an aggregate of \$50.2 million in royalty-bearing grants for certain research and development activities pursuant to an incentive program. Accordingly, we are obligated to pay royalties to the IIA on revenues from products developed pursuant to the program or deriving therefrom. In addition, under the terms of the program our ability to transfer any resulting know-how is subject to certain terms and conditions. The Law for the Encouragement of Research, Development and Technological Innovation in the Industry, 1984-5744, or the Innovation Law, generally requires a grant recipient and its controlling shareholders to notify the IIA of changes in the ownership of the recipient company and to undertake to the IIA to observe the laws governing the grant programs. We are committed to pay royalties with respect to aforesaid grants until 100% of the U.S. dollar-linked grant plus annual London Interbank Offered Rate, or LIBOR, interest is repaid, or, as outlined below, according to the Secured Overnight Financing Rate, or SOFR. Nonetheless, the amount that we may be required to pay to the IIA, may be higher in certain circumstances, such as when the manufacturing activity or know how is transferred outside of Israel. In September 2021, the Bank of Israel, which determines annual interest rates, published a directive which stated that annual interest at a variable rate linked to the LIBOR rate for loans in U.S. dollars will be replaced by SOFR, in June 2023. Pursuant to the latest IIA regulations, grants received from the IIA on applications that had been approved before June 30, 2017, bear an annual interest rate that applied at the time of the approval of the applicable IIA filing, and that interest rate will apply to all of the funding received under that IIA approval. Grants received from the IIA on applications that had been approved after June 30, 2017, bear an annual interest rate based on the 12-month LIBOR, until December 31, 2023, and as of January 1, 2024, bear an annual interest rate based on the 12-month SOFR, or at an alternative rate published by the Bank of Israel, with the addition of 0.72%. Grants approved after January 1, 2024 bear the higher of (i) the 12 months SOFR interest rate, plus 1%, or (ii) a fixed annual interest rate of 4%.

**We may be subject to claims of infringement of third-party intellectual property which may have an adverse effect on our business.**

Third parties may from time to time assert against us infringement claims or claims that we have violated license terms, a patent or infringed a copyright, trademark or other proprietary right belonging to them. If such infringement were found to exist, we might be required to modify our products or intellectual property or to obtain a license or right to use such technology or intellectual property. Any infringement claim, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

**We have incurred net losses in the past and we may not sustain profitability in the future.**

In 2025, 2024 and 2023 we achieved net income of approximately \$12.0 million, \$7.0 million and \$3.7 million, respectively, while in 2022, we incurred a net loss of approximately \$2.3 million. We may be unable to sustain profitability or may again incur losses in the future, which could materially affect our cash and liquidity and could adversely affect the value and market price of our ordinary shares.

**Our international presence exposes us to risks associated with varied and changing political, cultural, legal and economic conditions worldwide and if we fail to adapt appropriately to the challenges associated with operating internationally the expected growth of our business may be impeded, and our operating results may be affected.**

While we are headquartered in Israel, most of our revenues are being generated outside of Israel. Our international sales will be limited if we cannot continue to establish and maintain relationships with international distributors and resellers, set up additional foreign operations, expand international sales channel management, hire additional personnel, develop relationships with international CSPs and operate adequate after-sales support internationally.

Even if we are able to successfully further expand our international operations, we may not be able to maintain or increase international market demand for our solutions. Our international operations are subject to a number of risks, including:

- legal, language and cultural differences in the conduct of business;
- challenges in staffing and managing foreign operations due to the limited number of qualified candidates and due to employment laws and business practices in foreign countries;
- our inability to comply with import/export, environmental and other trade compliance and other regulations of the countries in which we do business including additional labor laws, particularly in Brazil and India, together with unexpected changes in such regulations;

- insufficient measures to ensure that we design, implement, and maintain adequate controls over our financial processes and reporting in the future;
- our failure to adhere to laws, regulations, and contractual obligations relating to customer contracts in various countries;
- our inability to maintain a competitive list of distributors and resellers for indirect sales;
- economic and political instability in foreign market, including tariffs;
- wars, acts of terrorism and political unrest (including the current conflict between Russia and Ukraine);
- lack of integration of foreign operations;
- currency fluctuations;
- variations in effective income tax rates among countries where we conduct business;
- potential foreign and domestic tax consequences and withholding taxes that limit the repatriation of earnings;
- technology standards that differ from those on which our solutions are based, which could require expensive redesign and retention of personnel familiar with those standards;
- laws and business practices favoring local competitors;
- longer accounts receivable payment cycles and possible difficulties in collecting payments; and
- failure to meet certification requirements.

Any of these factors could harm our international operations and have an adverse effect on our business, operating efficiency, results of operations, financial performance and financial condition. The continuing weakness in certain foreign economies could have a significant negative effect on our future operating results.

**Our business may be affected by sanctions, export controls and similar measures targeting Russia and other countries and territories in connection with the military conflict between Russia and Ukraine.**

We conduct our business in compliance with applicable economic and trade sanctions laws and regulations, including those administered and enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, and other relevant governmental authorities. Accordingly, our business may be adversely affected by sanctions, export controls and similar measures targeting Russia and other countries and territories in response to Russia's military conflict in Ukraine, including by indefinite suspension of operations in Russia, dealings with Russian entities, preventing us from performing existing contracts, recognizing revenue, pursuing new business opportunities or receiving payment for products already supplied or services already performed with customers. Depending on the extent and breadth of sanctions, export controls and other measures that may be imposed in connection with the conflict in Ukraine, it is possible that our business and results of operations could be adversely affected.

**Because our revenues are generated primarily in foreign currencies (mostly in U.S. dollars but also in other currencies), but a significant portion of our expenses are incurred in New Israeli Shekels or NIS, our results of operations may be seriously adversely affected by currency fluctuations.**

We sell in markets throughout the world and most of our revenues are generated in U.S. dollars. We also generate revenues in Euro, Brazilian real, and other currencies. Our financing activities are also made in U.S. dollars. Accordingly, we consider the U.S. dollar to be our functional currency. However, a significant portion of our expenses is in NIS, mainly related to employee expenses. Therefore, fluctuations in exchange rates between the NIS and the U.S. dollar as well as between other currencies and the U.S. dollar may have an adverse effect on our results of operations and financial condition. We do not currently maintain a hedging program to mitigate these risks.

Moreover, as our revenues are currently denominated primarily in U.S. dollars, devaluation in the local currencies of our customers relative to the U.S. dollar could cause customers to default on payment. Also, as a portion of our revenues is denominated in Brazilian real, devaluation in this currency may cause financial expenses related to our intercompany short-term balances. In the future, additional revenues may be denominated in currencies other than U.S. dollars, thereby exposing us to gains and losses on non-U.S. currency transactions.

We incur expenses in different currencies, including U.S. dollars and NIS, but our financial statements are denominated in U.S. dollars. U.S. dollars is our functional currency and is the currency that represents the principal economic environment in which we operate. As a result, we are affected by foreign currency exchange fluctuations through both translation risk and transaction risk. As a result, we are exposed to the risk that the NIS may appreciate relative to the dollar, or, if the NIS instead devalues relative to the dollar, that the inflation rate in Israel may exceed such rate of devaluation of the NIS, or that the timing of such devaluation may lag behind inflation in Israel. In any such event, the dollar cost of our operations in Israel would increase and our dollar-denominated results of operations would be adversely affected.

## *Risks Related to our Ordinary Shares*

### **Wide fluctuations in the market price of our ordinary shares could adversely affect us and our shareholders.**

Between January 1, 2025, and March 23, 2026, our ordinary shares' closing price on the Nasdaq Capital Market, or the Nasdaq, was as high as \$15.40 and as low as \$10.36 per share. As of March 23, 2026, the closing price of our ordinary shares on Nasdaq was \$11.17 per share. The market price of our ordinary shares has been and is likely to continue to be volatile and could be subject to wide fluctuations in response to numerous factors, including the other risks identified in this "Item 3.D—Risk Factors".

In addition, the stock market in general, and the market for Israeli and technology companies in particular, has been highly volatile. Many of these factors are beyond our control and may materially adversely affect the market price of our ordinary shares, regardless of our performance. Shareholders may not be able to resell their ordinary shares following periods of volatility because of the market's adverse reaction to such volatility.

### **The trading volume of our shares is relatively low, and it may remain low in the future.**

Our shares have been traded at low volumes in the past and may be traded at low volumes in the future for reasons related or unrelated to our performance. This low trading volume may result in lesser liquidity and lower than expected market prices for our ordinary shares, and our shareholders may not be able to resell their shares for more than they paid for them. This low trading volume may also result in greater share price volatility as result of short trading activities or the acquisition or disposition of shares by any single larger or institutional shareholder.

**Although we believe we were not a "passive foreign investment company", or PFIC, for U.S. federal income tax purposes in the current taxable year, we may become one in any subsequent taxable year. There might be negative tax consequences for U.S. taxpayers that are holders of our ordinary shares if we are or were to become a PFIC.**

Based on our current and anticipated operations and the composition of our assets, we believe we were not a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes for our taxable year ended December 31, 2025. As for 2026, there can be no assurance that we will not be classified as a PFIC due to various market conditions and relative values of our assets and the amount of our passive income. We might be classified as a PFIC if either: (i) at least 75% of our gross income is passive income, or (ii) at least 50% of the value of our assets is attributable to assets that produce or are held for the production of, passive income.

For this purpose, passive income generally includes dividends, interest, certain royalties or rents, and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. If we are a PFIC for any year in which a U.S. taxpayer holds our ordinary shares, such holder may face increased tax liabilities. Unless a timely election is made (such as a "qualified electing fund" or "mark-to-market" election), any "excess distributions" or gains from the sale of shares would generally be taxed at the highest ordinary income rates and could be subject to an interest charge for the period the tax was deemed deferred. Furthermore, we do not currently intend to provide the annual notifications or information necessary for U.S. holders to make or maintain any election. We strongly encourage U.S. holders to consult their tax advisors regarding the potential application of the PFIC rules and the availability of any tax elections.

### **Shareholders' activism may negatively impact the price of our ordinary shares and cause changes to our business.**

Our shareholders may from time to time engage in proxy solicitations, advance shareholder proposals or otherwise attempt to effect changes or acquire control over us. On March 25, 2026, we received a letter, or the Demand Letter, which was subsequently filed as part of Schedule 13Ds filed with the SEC on March 26, 2026, from certain shareholders, or the Proposing Shareholders, who beneficially own approximately 19.3% of our ordinary shares, demanding that our Board of Directors call a special meeting of shareholders pursuant to applicable Israeli law and our amended and restated articles of association and proposing, among other matters, amendments to our articles of association, the removal of certain directors and the election of new director nominees. Campaigns by shareholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term shareholder value through actions such as financial restructuring, increased debt, special dividends, share repurchases or sales of assets or the entire company. Responding to proxy contests and other actions by activist shareholders can be costly and time-consuming, disrupting our operations and diverting the attention of our Board of Directors and senior management from the pursuit of business strategies. Accordingly, the Demand Letter might result in significant costs and diversion of management's and the Board of Directors' attention, including with respect to engaging outside legal, financial and other advisors, and may require us to expend significant time and resources to respond to the Shareholders' proposals and to prepare for, and conduct, any such special meeting.

Any perceived uncertainties as to our future direction and control, might impact our ability to execute on our strategy, and could lead to potential loss of business opportunities and adversely impact our business results. In addition, actions such as those described above could cause significant fluctuations in the trading prices of our ordinary shares based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Likewise, to the extent that we implement any proposals made by any of our shareholders, including any proposals reflected in the Demand Letter, the resulting changes in our business, assets, results of operations and financial condition could be material and could have an impact, which may be material, on the market price of our ordinary shares.

### *Risks Related to Our Location in Israel*

#### **Security, political and economic instability in the Middle East in general, and in Israel in particular may harm our business.**

We are incorporated under the laws of the State of Israel, and our principal offices and research and development facilities are located in Central Israel. Accordingly, security, political and economic conditions in the Middle East in general, and in Israel in particular, may directly affect our business. Any armed conflicts, political instability, terrorism, cyberattacks or any other hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could affect adversely our operations. Ongoing and revived hostilities in the Middle East or other Israeli political or economic factors, could harm our operations and solution development and cause any future sales to decrease.

Since October 7, 2023, Israel has been engaged in an ongoing war against Hamas following a large-scale terrorist attack initiated by Hamas originating from the Gaza Strip and involving a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. In October 2025, a peace framework brokered by the United States was announced involving a ceasefire, hostage releases, partial Israeli withdrawal, and humanitarian aid provisions. The ceasefire is technically still in effect but remains extremely fragile, with frequent violations.

Since the commencement of these events, there have been continued hostilities originating from the West Bank, along Israel's northern border with the Hezbollah terror organization, with Iran, the Houthis in Yemen and on other fronts with various extremist groups in the region, such as various rebel militia groups in Syria and Iraq. In October 2024, Israel began limited ground operations against Hezbollah in Lebanon, and in November 2024, a ceasefire was brokered between Israel and Hezbollah, which collapsed in early March 2026. Since then, fighting has escalated, including Israeli ground operations in southern Lebanon and sustained Hezbollah rocket fire into Israel.

In June 2025, Israel launched a surprise airstrike against Iranian nuclear and military sites. This initial attack triggered a rapid exchange of fire over the following 12 days, with Iran retaliating by launching hundreds of drones and ballistic missiles at Israel. A fragile ceasefire, mediated by the United States, was agreed upon around June 24, 2025. However, on February 28, 2026, the United States and Israel launched coordinated military strikes against Iran, including attacks on strategic military infrastructure and leadership targets. In response, Iran has fired missiles and drones toward population centers and military installations in Israel and neighboring countries in the Gulf region, and also launched counter-strikes against U.S. forces and allied bases throughout the Gulf region. A broader regional conflict involving additional state and non-state actors remains a significant risk.

It is possible that hostilities with Iran, Hezbollah, the Houthis and terrorist groups in Syria and other militant groups will continue to escalate, and that other terrorist organizations, including Palestinian military organizations in the West Bank, will join the hostilities. Iran, is also believed to have a strong influence among extremist groups in the region, such as Hamas in Gaza, Hezbollah in Lebanon, the Houthis in Yemen and various rebel militia groups in Syria and Iraq. These situations may continue to escalate in the future to more violent events which may affect Israel and us. Any hostilities, armed conflicts, terrorist activities and war involving Israel or the interruption or curtailment of trade between Israel and its trading partners, or any political instability in the region could adversely affect business conditions and our results of operations and could make it more difficult for us to raise capital and could adversely affect the market price of our ordinary shares. An escalation of tensions or violence might result in a significant downturn in the economic or financial condition of Israel, which could have a material adverse effect on our operations in Israel and our business.

Since the war broke out on October 7, 2023, our operations have not been adversely affected by this situation, and we have not experienced disruptions to our business operations. As such, our product and business development activities remain on track. However, the intensity and duration of Israel's current war against Hamas and Iran is difficult to predict at this stage, as are such war's economic implications on our business and operations and on Israel's economy in general. If the hostilities continue or expand to other fronts our operations may be adversely affected.

Furthermore, many Israeli citizens are obligated to perform several days, and in some cases more, of annual military reserve duty each year until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty for substantial periods of time. In response to the October attack and the ensuing war that followed along with the increases in terrorist activity, the Israeli army has exercised significant call-ups of military reservists, for substantial periods. It is possible that there will be additional military reserve duty call-ups in the future. As of March 23, 2026, four of our employees and none of our executive management have been called to service. Our operations could be disrupted by such call-ups, which may include the call-up of members of our management. Such disruption could materially adversely affect our business, prospects, financial condition and results of operations.

In addition, commencing in 2023, the Israeli government pursued extensive changes to Israel's judicial system. This sparked extensive political debate and protests. In response to the foregoing developments, many individuals, organizations and institutions, both within and outside of Israel, have voiced concerns that the proposed changes may negatively impact the business environment in Israel, including due to reluctance of foreign investors to invest or transact business in Israel, increased currency fluctuations, downgrades in credit rating, increased interest rates, increased volatility in security markets, and other changes in the Israeli macroeconomic conditions. To the extent that the Israeli government would further pursue such extensive changes to Israel's judicial system and any of these negative developments do occur, they may have an adverse effect on our business, our results of operations and our ability to hire and preserve our employees and to raise additional funds, if deemed necessary by our management and Board of Directors.

**Provisions of Israeli law may make it easy for our shareholders to demand that we convene a shareholders meeting, and/or allow shareholders to convene a shareholder meeting without the consent of our management, which may disrupt our management's ability to run our company.**

Section 63(b) of the Israeli Companies Law, 5759-1999, or the Israeli Companies Law, together with Section 7B of the Israeli Companies Regulations (Relief for Public Companies with Shares Listed for Trading on a Stock Market Outside of Israel), 5760-2000, or the Relief Regulations, may allow any one or more of our shareholders holding at least 10% of our voting rights to demand that we convene an extraordinary shareholders meeting. Also, in the event that we choose not to convene an extraordinary shareholders meeting pursuant to such a request, Sections 64-65 of the Israeli Companies Law provide, among others, that such shareholders may independently convene an extraordinary shareholders meeting within three months (or under court's ruling) and require us to cover the costs, within reason, and as a result thereof, our directors might be required to repay us such costs. If our shareholders decide to exercise these rights in a way inconsistent with our management's strategic plans, our management's ability to run our company may be disrupted, and this process may entail significant costs to us.

**We currently benefit from government programs that may be discontinued or reduced.**

We currently receive grants under Government of Israel programs. In order to maintain our eligibility for these programs, we must continue to meet specific conditions and pay royalties with respect to grants received. In addition, some of these programs restrict our ability to develop particular products outside of Israel or to transfer particular technology. If we fail to comply with these conditions in the future, the benefits received could be canceled and we could be required to refund any payments previously received under these programs. Additionally, these programs may be discontinued or curtailed in the future. If we do not receive these grants in the future, we will have to allocate funds to product development at the expense of other operational costs. If the Government of Israel discontinues or curtails these programs, our business, financial condition and results of operations could be materially adversely affected. For more information, see "Item 4.B—Information on the Company—Business Overview—Israel Innovation Authority."

**Provisions of Israeli law may delay, prevent or make difficult a merger or acquisition of us, which could prevent a change of control and depress the market price of our ordinary shares.**

The Israeli Companies Law, regulates acquisitions of shares through tender offers, requires special approvals for transactions involving shareholders holding 25% or more of the company's capital, and regulates other matters that may be relevant to these types of transactions. These provisions of Israeli law could have the effect of delaying or preventing a change in control and may make it more difficult for a third party to acquire us, even if doing so would be beneficial to our shareholders. These provisions may limit the price that investors may be willing to pay in the future for our ordinary shares. Furthermore, Israeli tax considerations may make potential transactions undesirable to us or to some of our shareholders.

**It may be difficult to effect service of process, assert U.S. securities laws claims and enforce U.S. judgments in Israel against us or our directors, officers and auditors named in this Annual Report.**

We were incorporated in Israel. All but one of our directors reside outside of the United States, and most of our assets are located outside of the United States. Therefore, a judgment obtained against us, or any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the United States and may not necessarily be enforced by an Israeli court. It also may be difficult to effect service of process on these persons in the United States or to assert U.S. securities law claims in original actions instituted in Israel. Additionally, it may be difficult for an investor, or any other person or entity, to initiate an action with respect to United States securities laws in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of United States securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not United States law is applicable to the claim. If United States law is found to be applicable, the content of applicable United States law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against us in Israel, you may not be able to collect any damages awarded by either a United States or foreign court.

**As a foreign private issuer, we are subject to reporting and other requirements that differ from those applicable to U.S. domestic companies.**

We currently qualify as a foreign private issuer and report under the Exchange Act. As a result of our foreign private issuer status, our shareholders are subject to different risks and may not receive the same protections afforded to shareholders of U.S. domestic public companies. In particular, we are exempt from, or subject to less stringent and less frequent, certain Exchange Act reporting and disclosure requirements applicable to U.S. domestic issuers, including U.S. proxy rules, short-swing profit liability under Section 16 of the Exchange Act, and the requirement to file quarterly reports on Form 10-Q, although we intend to furnish quarterly information on Form 6-K. We are also not subject to the requirements of Regulation FD (Fair Disclosure) promulgated under the Exchange Act, which generally requires U.S. domestic companies to disclose material information to all investors simultaneously, although we voluntarily comply with these rules. In addition, foreign private issuers are permitted a longer period to file annual reports on Form 20-F than U.S. domestic issuers filing on Form 10-K. As a foreign private issuer that follows certain home country corporate governance practices, we may also rely on exemptions from certain Nasdaq corporate governance requirements, which could result in our shareholders not having the same protection as shareholders of companies subject to all Nasdaq corporate governance rules. See Item 16.G—Corporate Governance.

## ***General Risk Factors***

### **Natural disasters and other events beyond our control could harm our business.**

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a negative effect on us. Our business operations are subject to interruption by natural disasters, flooding, fire, power shortages, pandemics such as the recent spread of the coronavirus, terrorism, political unrest, telecommunications failure, vandalism, cyber-attacks, geopolitical instability, war, such as the recent war between Israel and the terrorist organization Hamas and the current war between Israel and Iran and the hostilities between Israel and the terrorist organizations Hezbollah and the Houthis, the effects of climate change (such as drought, wildfires, increased storm severity and sea level rise) and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our solutions and services to our customers, could decrease demand for our solutions and services, and could cause us to incur substantial expense.

### **Global economic conditions may adversely affect our business.**

Changes in global economic conditions could have a negative impact on business around the world and on the telecommunications sector. Conditions may be depressed, or may be subject to deterioration, which could lead to a reduction in consumer and customer spending overall and may in turn have an adverse impact on sales of our solutions. A disruption in the ability of our significant customers to access liquidity could cause serious disruptions or an overall deterioration of their businesses, which could lead to a significant reduction in their orders of our solutions and the inability or failure on their part, to meet their payment obligations to us, any of which could have an adverse effect on our business, financial condition, results of operations and liquidity. In addition, any disruption in the ability of our customers to access liquidity could require us to assume greater credit risk relating to our receivables or could limit our ability to collect receivables related to purchases by affected customers. As a result, we may have to defer recognition of revenues, our reserves for doubtful accounts and write-offs of accounts receivable may increase and we may incur losses.

### **Certain privacy and data security laws and regulations may affect the use of our solutions.**

Our solutions and their use may be subject to certain laws and regulations regarding privacy and data security including United States federal and state laws and European privacy laws. Generally, attention to privacy and data security requirements is increasing worldwide and is resulting in increased regulation.

Such regulations may impose significant penalties for non-compliance, such as the penalties proposed under the European data protection regulations, or GDPR. The GDPR imposes through binding guidance by the European Data Protection Board (and supplemented by national laws in individual European Union member states), stringent data protection compliance requirements and provides for significant penalties for noncompliance in Europe. The GDPR created additional compliance obligations applicable to our business and users, which could cause us to change our business practices, and increases financial penalties for noncompliance (including possible fines of up to the greater of €20 million and 4% of our global annual turnover for the preceding financial year for the most serious violations, as well as the right to compensation for financial or non-financial damages claimed by any individuals under Article 82 of the GDPR). Compliance with the GDPR is an ongoing process.

Additionally, in California the Consumer Privacy Act, or CCPA, provides for data privacy rights for consumers and operational requirements for companies. Further, the California Privacy Rights Act, or CPRA, significantly modified the CCPA, including providing for additional privacy rights and increasing regulation on online advertising. Additionally, the CCPA, the CPRA, and other legal and regulatory changes are making it easier for certain individuals to opt-out of having their personal data processed and disclosed to third parties through various opt-out mechanisms, which could result in an increase to our operational costs to ensure compliance with such legal and regulatory changes.

Use of our solutions could be subject to such regulations, which could significantly increase the cost of implementing our solutions and impact our ability to compete in the marketplace. Such regulations could also impose additional data security requirements which will impact the cost of developing new solutions and limit the return we can expect to achieve on past and future investments in our solutions.

**Our international sales and operations are subject to complex laws relating to foreign corrupt practices and bribery, among many other subjects. A violation of, or change in, these laws could adversely affect our business, financial condition or results of operations.**

Our operations in countries outside the United States are subject, among others, to the Foreign Corrupt Practices Act of 1977 as amended from time to time, or FCPA, which prohibits U.S. companies or foreign companies whose shares traded on a U.S. stock exchange, or their agents and employees, from providing anything of value to a foreign public official, as defined in the FCPA, for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. We have internal control policies and procedures with respect to the FCPA. However, we cannot assure that our policies and procedures will always protect us from reckless or criminal acts that may be committed by our employees or agents. Violations of the FCPA may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, results of operations and financial condition. In addition, investigations by governmental authorities as well as legal, social, economic and political issues in countries where we operate could have a material adverse effect on our business and results of operations. We are also subject to the risks that our employees or agents outside of the United States may fail to comply with other applicable laws. The costs of complying with these and similar laws may be significant and may require significant management time and focus. Any violation of these or similar laws, intentional or unintentional, could have a material adverse effect on our business, financial condition or results of operations.

**Any inability to comply with Section 404 of the Sarbanes-Oxley Act of 2002 regarding effective internal control procedures may negatively impact the report on our financial statements to be provided by our independent auditors.**

Pursuant to rules of the SEC, adopted pursuant to Section 404, or Section 404, of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, we are required to include in our annual report a report of management on our internal control over financial reporting including an assessment by management of the effectiveness of our internal control over financial reporting. In addition, because we are an accelerated filer under the SEC rules, our independent registered public accounting firm is required to attest to and report on the effectiveness of our internal control over financial reporting. Our management or our auditors may conclude that our internal control over financial reporting is not effective. Such conclusion could result in a loss of investor confidence in the reliability of our financial statements, which could negatively impact the market price of our shares. Further, our auditors or we may identify material weaknesses or significant deficiencies in our assessments of our internal control over financial reporting. Failure to maintain effective internal control over financial reporting could result in investigation or sanctions by regulatory authorities and could have an adverse effect on our business, financial condition and results of operations, and on investor confidence in our reported financial information.

If we determine that we are not in compliance with Section 404, we may be required to implement new internal controls and procedures and re-evaluate our financial reporting. We may experience higher than anticipated operating expenses as well as third party advisory fees during the implementation of these changes and thereafter. Further, we may need to hire additional qualified personnel in order to comply with Section 404. If we are unable to implement these changes effectively or efficiently, it could have a material adverse effect on our business, financial condition, results of operations, financial reporting or financial results and could result in our conclusion that our internal controls over financial reporting are not effective.

## ITEM 4. INFORMATION ON THE COMPANY

### A. HISTORY AND DEVELOPMENT OF THE COMPANY

Both our legal and commercial name is RADCOM Ltd., and we are an Israeli company. We were incorporated in 1985 under the laws of the State of Israel and commenced operations in 1991. The principal legislation under which we operate is the Israeli Companies Law. Our principal executive offices are located at 24 Raoul Wallenberg Street, Tel Aviv 6971920, Israel, and our telephone is 972-3-645-5055. Our website is [www.radcom.com](http://www.radcom.com). Information on our website and other information that can be accessed through it are not part of, or is incorporated by reference into, this Annual Report.

In 1993, we established a wholly owned subsidiary in the United States, currently named RADCOM, Inc., or RADCOM US. In 1996, we incorporated a wholly owned subsidiary in Israel, RADCOM Investments (96) Ltd., located at our office in Tel Aviv, Israel. In 2010, we established a wholly owned subsidiary in Brazil, RADCOM do Brasil Comercio, Importacao e Exportacao Ltda., or RADCOM Brazil. In 2012, we incorporated a wholly owned subsidiary in India, RADCOM Trading India Private Limited, or RADCOM India. In 2022, we incorporated a wholly owned subsidiary in Canada, RADCOM Canada Limited, or RADCOM Canada.

In the years ended December 31, 2025, 2024 and 2023, our capital expenditures in thousands were approximately \$384, \$427 and \$232, respectively and were spent primarily on computers and electronic equipment. We have no current material commitments for capital expenditures.

For more information, the SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding us that has been filed electronically with the SEC.

### B. BUSINESS OVERVIEW

#### *Overview*

We are a leader in automated assurance and intelligent analytics for telecom operators. Relying on our vast industry-wide experience, we understand operators' needs and pain points and the crucial role that enhanced performance, service quality, and customer satisfaction play. Our platform is designed to offer intelligent insights across multiple network layers and technologies from 3G to 5G and beyond. It enables operators to navigate networks' complexities, assists with advanced troubleshooting, enhances network performance and operational efficiencies, ensures service quality and first-rate customer experiences, and optimizes revenue growth.

When CSPs seek a solution to assure all or parts of their network, maximize value out of their network data, elevate their customers' experience or deploy a new 5G or greenfield network, they may select RADCOM as their assurance partner. Chosen by AT&T, DISH Purchasing Corporation, or Dish, Rakuten Mobile, Rakuten Symphony Singapore Pte. Ltd., Telia Mobil Danmark A/S, or Telia Denmark, and others, we offer an intelligent cloud-native assurance solution - RADCOM ACE - that seamlessly integrates into multi-cloud environments. It captures, analyzes, and delivers real-time subscriber analytics and network insights into how the network performs 24/7. Designed to be open, vendor-neutral, and cloud-agnostic, RADCOM's platform captures real-time data using advanced networking technologies. It provides comprehensive network observability from radio-access networks, or RAN to the core, delivering actionable, customer-focused insights to enhance customer experience.

We have extensive experience with leading telecom operators globally. We offer advanced cloud-native solutions for large-scale networks, which smartly analyze and correlate multiple data types (network packets, events, performance management and fault management, counters, and more) across multiple domains, (mobile and fixed), and generations of technologies (5G, 4G, 3G) providing real-time subscriber analytics to drive network automation. We provide operators with an innovative, efficient, and on-demand approach to network assurance that meets the challenges of improving customer experience in the 5G era. Our solution is cloud and vendor agnostic, can be deployed in multiple cloud environments and can also deploy on bare-metal, and supports any hybrid deployments of public and private clouds as required in the market.

We specialize in solutions for next-generation mobile and fixed networks, including 5G, Voice over New Radio, or VoNR, Long Term Evolution, or LTE, VoLTE, Voice over Wifi, or VoWifi, IP Multimedia Subsystem, or IMS, Voice over IP, or VoIP, and Universal Mobile Telecommunication Service, or UMTS.

Our solution portfolio enables CSPs to deploy 5G networks and those still running or migrating their 4G, 3G, and 2G legacy networks to have one platform covering their entire network, providing fully cloud-native network intelligence and service assurance. Monitoring 5G standalone, or SA, requires a new approach that supports different options for traffic tapping and data acquisition. RADCOM supports all methods due to the flexibility of our solution, which has multiple deployment options, allowing us to monitor any network. Being dynamic and fully integrated enables operators who deploy RADCOM solutions to take an end-to-end view, from RAN to core, utilizing an on-demand approach to assure the customer experience for the first 5G use cases and more advanced use cases along their 5G journey.

### ***Our global customer base***

Our solution is deployed at multiple CSPs globally, such as AT&T, Dish, Rakuten, and Telefonica, and has received wide industry recognition, winning a Global connectivity award for best AI/ML innovation, a Fierce Network Innovation Award, a Frost & Sullivan Product Differentiation Innovation Awards three times, and multiple TMC Labs Innovation Awards.

By developing and adapting our solutions to meet the industry's most stringent requirements, we have expanded our customer base to include new opportunities and markets while expanding our footprint with existing customers by supporting them in transitioning to a 5G network.

CSPs across the globe use our solutions to deliver high-quality services, reduce churn, manage network performance, analyze traffic, and enhance customer experiences. Our solutions incorporate cutting-edge technologies and the vast knowledge we have gained in our advanced work with some of the most technologically innovative CSPs in the industry. Our solutions support both mobile and fixed networks, including 5G, LTE, VoLTE, VoWifi, VoNR, IMS, VoIP, and UMTS.

Our long standing investment in research and development was validated in 2019 by our renewed engagement with AT&T, when we entered a multi-year engagement to continue our relationship and expand the integration of our solutions into AT&T's network. Since then we extended the agreements we signed with AT&T and have expanded our relationship.

In May 2019, we entered into a multi-year agreement with Rakuten to provide our Network Intelligence solution for Rakuten's unique and innovative mobile network. Rakuten's network is the world's first fully virtualized, end-to-end cloud-native mobile network that has adopted 5G systems architecture since its launch. Rakuten chose RADCOM Network Intelligence because it monitors the entire end-to-end network, including the world's first fully virtualized RAN and we have continued to work with Rakuten since then, among other things on Rakuten's successful commercial launch of the world's first fully virtualized mobile network in April 2020.

During 2021, we announced partnerships with Amazon Web Services, or AWS, and Microsoft Azure through which we are offering our RADCOM ACE solution with real-time subscriber analytics and advanced troubleshooting for both telecom operators that are rolling out 5G, Internet of Things, and edge services and operators already running 4G and VoLTE networks.

In May 2022, we announced our selection by Dish to provide RADCOM ACE solution to monitor customers' experience across Dish's 5G Smart Network™ — the first cloud-native, Open RAN-based 5G network in the United States. RADCOM ACE at Dish runs on AWS.

In April 2023, we acquired Continual's technology, intellectual property, and customer agreements for \$2.5 million in cash. This leading mobility experience analytics company uses AI and ML to deliver advanced insights to help telecom operators improve their subscribers' mobility experience.

In January 2024 we launched our new GenAI applications, NetTalk™. Our GenAI applications are part of the RADCOM ACE portfolio, enabling operators to adopt the power of GenAI and trusted data to manage their network operations faster and cost-effectively. In May 2024 we announced the availability of our GenAI applications – RADCOM NetTalk™ on AWS.

In February 2024, we announced that Wind Tre S.p.A, or WINDTRE, along with NTT DATA Italia S.p.A. and RADCOM have implemented sustainable Virtual Drive Test technology that enhanced its customers' mobile experience on Italy's roads and railway lines. Through the use of RADCOM's Virtual Drive Test, WINDTRE analyzes the quality of mobile network services along Italy's road and rail routes, achieving significant time and cost savings, as well as a significant reduction in CO2 emissions to the environment.

In January 2025, we announced our contract with Norlys, the owner of Telia Mobil, to provide Telia Mobil with RADCOM ACE to monitor customer experiences across 5G and 4G networks.

In February 2025, we announced the integration with ServiceNow to automate service and complaint resolution for telecom operators. The integration of RADCOM RAN Analytics Solution, part of RADCOM ACE Service Assurance, with ServiceNow, leverages AIOps (the use of Artificial Intelligence technology to automate Operations) to offer advanced automated complaint resolution.

In February 2025, we announced that we are developing a next-generation, high-capacity user plane data capture and analytics solution powered by the NVIDIA BlueField-3 DPU. This solution is designed to provide real-time, customer-level quality of experience, or QoE insights by capturing and processing high-volume user plane data across the entire network at the edge. This solution aims to empower telecom operators with greater subscriber and service visibility while optimizing network computing resources.

In October 2025, we announced the launch of the RADCOM High-Capacity User Analytics Solution. The solution enables telecom operators to process massive volumes of traffic across the entire network at the edge, reducing costs while unlocking real-time, customer-level insights. This announcement follows our previously announced integration of NVIDIA.

In November 2025, we announced that we have secured a contract for our Smart Network Visibility Solution through Rakuten Symphony for a leading mobile operator. Acting as a critical layer between the network and a mobile operator's service assurance platform, the solution delivers accurate, intelligent data collection with flexible options for retention and delivery. We believe this will enable a comprehensive end-to-end view of the network while significantly reducing monitoring costs.

In February 2026, we announced the launch of RADCOM Neura, an AI agent suite designed for integration into agentic AI ecosystems, created to transform service assurance from reactive monitoring into a foundational enabler of autonomous, intent-driven networks. RADCOM Neura utilizes real-time customer-focused data from RADCOM ACE, combined with a comprehensive suite of AI and machine learning tools, to power a team of specialized AI agents.

During 2026, we expect to continue to enhance and expand our product offerings and capabilities. We anticipate increased investment in research and development to support these efforts. In addition, we expect to increase our sales and marketing activities to support our growth objectives. We intend to leverage our relationships with industry-leading customers to expand our engagement with additional CSPs, particularly those transitioning to 5G networks or investing in advanced technologies to enhance customer experience.

## ***Industry Background***

### ***Our Customers and the Market for Our Solutions***

We operate in the telecom market which is undergoing significant transformation with significant potential for growth, which is evidenced by the evolution of the networks and transition to 5G networks and the beginning of outlook to 5G advanced network technologies and GenAI and Agentic AI embedded network operations. The customers in our market consist primarily of mobile and fixed CSPs who are responsible for providing mobile and fixed telecommunications services. Our solutions are used by multiple divisions within a CSPs' organization, including engineering, operations, marketing, management and customer care departments.

CSPs are expanding their 5G network in an effort to improve coverage and deliver enhanced 5G services to their customers. However, while they upgrade technologies, adapting customer-centric strategies is even more critical. It is no longer enough to focus on understanding the overall satisfaction and perception of the customers. To maintain customer loyalty, telecom companies, or telcos need to become digital service innovators, setting the standards in service delivery, quality, and performance to match enhanced speeds. This means that operators need to implement a process of monitoring, evaluating, and enhancing the quality of services to understand the actual customer experience in real time.

To ultimately drive revenue growth, CSPs need insights and analysis across multiple network domains. Technologies, such as advanced analytics, AI, and automation, streamline network operations and offer improved service quality to their customers. In addition, with new technology rapidly evolving, AI, GenAI and Agentic AI are central to the vision of next-generation network operations (AIOps).

Deploying a cloud-native AI-based assurance solution, is an essential part of a CSP's network, derived by the need to smartly manage huge amounts of various network elements, data and services from multiple vendors and technologies. In addition, CSPs are facing strong competition both from other CSPs and from over-the-top, or OTT, players who are offering competing services. In order to fight for their customers' satisfaction, CSPs will need to gain deeper insight into customer behavior end to end, enabling them to tailor processes based on customer preferences.

CSPs' adoption of 5G is accelerating while they continue to operate their 4G, 3G and 2G networks and search for superior solutions that will enable them full end-to-end network visibility. In addition, CSP's requirement to run 5G network analytics in public cloud infrastructure is rising.

### ***Move to the Cloud***

The move to automation is fueling the transition to the cloud, driving the need for software and cloud-native functions in the network. While software-controlled networks reduce capital and operational expenditures, they also demand interoperability with existing solutions across private, public, and hybrid domains. RADCOM is designed as a scalable set of microservices that can operate across multiple technologies and domains, including public, private, and hybrid cloud environments. It ensures network and business continuity, pinpointing the source of a problem or degradation in real-time.

### ***Move to Open-RAN***

While reducing costs, the move to Open-RAN also demands verification of interconnectivity between various components including servers, accelerators, base station software, and virtualization platform software. By collecting data in real-time from multiple RAN environments, including Open-Ran, RADCOM safeguards quality and interoperability between environments and domains, identifying risks and faults in real-time and offering an end-to-end, birds-eye view of the network.

### ***AI Models, Generative AI and Agentic AI***

Introducing artificial intelligence and machine learning, or AI/ML, GenAI models and recently Agentic AI are proving transformative in the telecom industry. RADCOM was the first assurance vendor to announce a GenAI assurance application (NetTalk™) to enable operators to tap into the wealth of data insights from their existing network with RADCOM ACE. RADCOM was also the first assurance vendor to announce a team of network related AI Agents. Operators gain a new, cost-effective, and time-saving interface for accessing data and insights in natural language with trusted data accuracy.

## ***Automation***

The telecom industry is undergoing a digital transformation. While the numbers of IoTs and connected devices have grown and reshaped industries, network operations costs have risen. RADCOM helps streamline the process with complete lifecycle management (LCM). We offer automated on-demand instantiation, scaling, healing, and updating according to policies. We also offer automated insights through AI/ML, and recently added a team of network related AI Agents enabling operators to save engineering resources, manage the network more efficiently, and gain proactive assurance features such as anomaly detection, predictive analytics, and automated root cause analysis before degradations affect customers.

## ***Security***

CSPs need to prioritize security in their customer offerings. RADCOM promotes adherence to security standards while ensuring operators can maintain quality of service and connectivity. We extend security through a native design, where elements that are deployed, distributed, and communicated, use encryption to enhance security, especially across domains.

## ***Our Strategy***

Our objective is to be the worldwide market leader for 5G automated assurance solutions and customer experience analytics while maintaining our leadership by providing end-to-end network visibility. We believe our leadership and innovation around 5G assurance solutions is one of our core competencies and will be advantageous to us as these types of solutions are expected to play a key role in the deployment of 5G networks. We plan to increase our sales by leveraging our unparalleled experience gained from implementing some of the largest, most advanced network deployments to date, where we are providing complete end-to-end network visibility from the RAN to the network core in multiple deployment models including public cloud.

We offer our solutions and expertise to CSPs worldwide, with a focus on CSPs which are deploying or have already deployed 5G SA networks. We plan to maintain our technical advantage over competitors by further investing in enhancing the analytics and automation capabilities (including advanced AI/ML capabilities), embed GenAI capabilities and open our solution to adjacent partnerships to allow for a wider scope and target market.

Key elements of our strategy include:

- **Targeting Tier 1, Greenfield Operators and other CSPs worldwide, who have deployed, or are planning to deploy 5G networks.** The ongoing deployments of 5G networks and the benefits that come with it are expected to drive a greater opportunity for advanced automated assurance and customer experience analytics solutions like ours. We believe that our solutions are significantly more advanced than competitors' offerings and that we are better positioned than competitors who lack the experience deploying in cloud-native and AI-native environments or do not offer true 5G-ready solutions that can be deployed at large scale. In order to transition to 5G networks, CSPs generally need to replace or upgrade their assurance solutions with software that can support both their legacy networks as well as their future network architectures, including 5G use cases, in a cost-effective manner. Our solution, which monitors both legacy and next-generation networks, ensures a smooth migration and enables CSPs to future-proof their investment in a cost-effective, modern, GenAI and Agentic AI based automated assurance solution. With our advanced deployment with customers such as AT&T, Rakuten and Dish, and our position as a 5G assurance leader which is cloud-native and can be deployed on any public or private cloud, we believe we are well positioned to leverage our vast experience in true 5G assurance solutions in order to successfully expand our deployment base to other CSPs as we focus our sales and marketing activities on Tier 1, galaxy (multi-carrier) and innovative CSPs and other CSPs.
- **Shifting to multi-year recurring revenue contracts.** We aim to leverage our offering to CSPs and offer long term multi-year business engagement models, which will allow them to meet their system planning needs through subscription or term licensing, operational services, managed services, annual maintenance and support and software upgrade packages. Such multi-year contracts also provide us with the ability to add new capabilities over-time to ensure that the CSPs are always benefitting from our most-up to date cutting-edge software solutions.
- **Expand our addressable market via internal development, strategic partnerships and M&A.** We are expanding our addressable market through a three-pronged approach. Our internal development efforts are driving the creation of new products and addressing broader business processes within our CSP target customer base. We are simultaneously establishing strategic partnerships with complementary product companies, leveraging their expertise, distribution networks, and customer bases to engage with additional buying personas. Additionally, we are pursuing mergers and acquisitions to enter adjacent market segments, gain market share, obtain valuable intellectual property and expand our customer base. This comprehensive strategy enables us to systematically increase our market reach while managing risks and resources effectively.

***RADCOM's Technology***

The first 5G assurance technology to go cloud-native, RADCOM ACE is RADCOM's automated assurance platform that provides a closed-loop, end-to-end approach to assurance across 3G, 4G, and 5G SA and NSA technologies. The platform ensures data integrity and seamless operation even in the face of individual component failures.

The architecture, designed for high availability and redundancy, guarantees that operators' networks remain robust and reliable, fostering a superior user experience for all subscribers. With an emphasis on flexibility and scalability, RADCOM supports many network technologies and infrastructures, ensuring modularity for easy integration and future expansion.

Using streaming analytics from AI and ML technologies, real-time subscriber data is automatically collected, correlating RAN and core network data that detects, analyzes, and resolves issues. The platform can easily be installed on mobile (5G or 4G), fixed networks, or as a cloud-native function on multiple cloud domains in fully containerized solutions controlled by Kubernetes on both public and private cloud. It is available as a virtual network function, or VNF on virtual machines as software or commercial off-the-shelf hardware.

RADCOM's platform, RADCOM ACE is deployable from labs to full-scale nationwide networks. It allows operators to troubleshoot in real time, identify network bottlenecks, and monitor all traffic loads to ensure premium services.

***RADCOM ACE***

RADCOM ACE is an automated assurance and analytics platform. It provides multiple solutions for telecom operators, including automated assurance, data insights through advanced AI/ML capabilities, advanced 5G troubleshooting, and revenue generation.

RADCOM ACE uses built-in AI/ML, and heuristic modeling to proactively and predictively monitor and troubleshoot the network with real-streaming analytics for a closed-loop approach to customer experience management. RADCOM ACE provides full end-to-end coverage from the RAN (including vRAN and O-RAN) to the Core. Collecting, analyzing, and correlating all the data into subscriber (international mobile subscriber identity, or IMSI-based) insights. This provides hundreds of subscriber-centric metrics and key performance indicators, or KPIs, for end-to-end network optimization and advanced troubleshooting. It covers a wide range of customizable use cases, including anomaly detection, automated root cause analysis, mobile device and geographic-based analytics, network dimensioning, network performance monitoring, pinpointing radio network issues, complaint investigation, predictive and prescriptive analytics, and QoE analytics. RADCOM ACE can also be deployed to support private network monitoring.

With RADCOM ACE, CSPs are able to manage their networks in a more dynamic and agile way, which can run on private and public clouds such as AWS, Google Cloud Platform, or GCP, and Azure. RADCOM ACE is built to ensure that 5G services continuously run at optimal quality, while at the same time improving the operators' operational efficiency through automation and rapidly enhancing time to market for new services and innovations. RADCOM ACE is the culmination of our significant product investment over the last few years and reinforced by customer feedback to enable a new way of monitoring 5G services that ensures a high-quality customer experience as operators transition to 5G.

RADCOM ACE is a solution that samples, filters, manages, and load balances massive traffic volumes across multiple clouds from the edge to the network core. Using AI/ML and heuristic modeling, it proactively and predictively monitors and troubleshoots the network with automated root-cause analysis, anomaly detection, and insights into encrypted traffic for services such as video and data streaming.

The platform uses a microservices architecture, which allows each part to be scaled, updated, or replaced. It offers real-time performance and elastic scalability. RADCOM ACE fully supports 5G SA and NSA and offers Service Based Architecture readiness for both, Service Based Interface, or SBI and non-SBI (supporting complex Control Plane and User Plane Separation correlation).

RADCOM ACE encompasses intelligent, containerized, and stateless functions for collecting and correlating network events. Data correlation is done from numerous sources, including network packets, generic network events, JavaScript Object Notation, protocol buffers, counters, VNF inputs/events, and call data records, or CDRs from legacy probes (normally packet-based), and other standards/frameworks as they evolve.

In addition to automated assurance, the RADCOM ACE platform provides multiple data analytics functions, such as RAN-DAF, management data analytics function, and network data analytics function, or NWDAF, which offer closed-loop automation.

As operators increasingly transition to standalone 5G, we see significant potential in offering our intelligent assurance solution to mid-tier operators. To seize this opportunity, we are productizing our industry-leading 5G assurance solution, RADCOM ACE, into a scalable, flexible package designed to meet the needs of operators of all sizes. This approach will enable us to introduce new product offerings to a broader audience, ranging from full-scale deployments and mid-tier implementations to limited-scope lab environments.

### ***RADCOM ACE solutions***

RADCOM's solutions are designed to offer unparalleled insights across multiple mobile network layers and technologies from 3G to 5G and beyond. The solutions ensure data integrity and seamless network operation, and are designed for high availability and redundancy. Fostering superior user experience, networks remain robust and reliable, while maintaining flexibility, scalability and easy integration across all technologies. With accelerated computing and high-capacity data capture, RADCOM helps operators process massive volumes of data from the RAN to the core and supports the delivery of ultra-fast, reliable, and personalized digital experiences for users.

#### *RADCOM RAN Solutions*

RADCOM's RAN Solutions provide essential insights and automated tools designed to improve the performance of Radio Access Networks. Utilizing advanced artificial intelligence and machine learning technologies, RADCOM provides the essential visibility required to optimize network operations through functions such as root cause analysis, or RCA, virtual drive testing, comprehensive network evaluation, route analysis, and roaming assurance. The vendor-agnostic nature of RADCOM's solutions enables monitoring and correlation across multiple vendor data feeds, substantially decreasing the time and resources required by network engineers to investigate and resolve technical challenges.

#### *RADCOM Core Solutions*

RADCOM provides an advanced network core analysis and troubleshooting solution that supports multi-vendor technologies ranging from 2G to 5G SA. The platform analyzes, monitors, and optimizes core network performance, proactively identifying issues before they impact subscribers. This ensures superior customer experience and consistently high-quality services. Its core is composed of lightweight, containerized modules designed for dynamic and flexible automated intelligent assurance. The cloud-native solution is deployable across private, public, or hybrid networks and integrates seamlessly with the network to enable real-time monitoring of both encrypted and unencrypted traffic.

### *RADCOM End-To-End Solutions*

RADCOM provides a unified assurance platform that empowers operators with a holistic view of their network infrastructure. This single, intuitive interface allows operators to comprehensively assess service quality throughout the network, covering both the RAN and core network segments. Additionally, the platform offers granular insights into customer experience, ensuring that operators can address quality of service at every level. By generating actionable insights, RADCOM ensures that every aspect of network performance and customer satisfaction is addressed efficiently even across encrypted interfaces—ensuring robust, end-to-end monitoring and analysis throughout.

### *Customer Care Solutions*

Customer care is often the first touchpoint between the operator and a customer when an issue or problem arises. It is therefore critical that operators have as much real-time data as possible to resolve the issue quickly or inform the relevant team to speed up the resolution. RADCOM Customer Care Solution provides operators with customer experience insights across all services to improve first-call resolution and ensure seamless support interactions. It supports all services, such as video conferencing, video streaming, messaging, gaming, and tethering. This includes OTT services, like WhatsApp, Facebook, Teams, Zoom, and YouTube, so that operators can understand the entire customer experience, whoever provides the service or application.

### *RADCOM Operational Efficiencies Solutions*

The RADCOM Operational Efficiencies portfolio provides solutions that enable operators to streamline operations using data-driven insights enhanced by telco-focused AI capabilities. Using AI/ML, the solution automatically collects and analyzes massive amounts of network data in real time, allowing engineering teams to gain deep insights into the impact of glitches and problems affecting the customer experience. The solution helps operators improve new 5G sites, automate root cause analysis, optimize mobility services, and digitize their network operations center.

### ***RADCOM AI Intelligent Module (RADCOM AIM)***

RADCOM ACE incorporates RADCOM AIM – RADCOM’s AI Intelligent Module for intelligent analytics and automated assurance. RADCOM AIM is designed for mobile and fixed networks to allow telecom operators to integrate AI and ML into their networks. It monitors the network data in real time and offers automated insights for various operations. RADCOM AIM uses built-in machine learning models deployed on the network, which learn baseline behavior, automatically creating thresholds without configuring them. The solution is modular, which means that its ML models can be updated to the solution seamlessly.

RADCOM AIM offers AI-driven analytics to drive automated assurance with RADCOM ACE or legacy assurance solutions. It can also enable zero-touch automation with RADCOM NWDAF. RADCOM AIM automatically finds network anomalies, automates RCA, and performs predictive analytics.

### ***Generative and Agentic AI Solutions***

RADCOM’s Innovation Hub is dedicated to developing cutting-edge ideas, leveraging emerging technologies, and deep industry expertise to power intelligent networks, and drive customer-driven solutions for telecom operators. By turning subscriber-focused assurance data into autonomous action, we help operators move from reactive service models to proactive, self-optimizing networks—improving customer experience, reducing operational overhead, and accelerating time to value. Out of this innovation hub additional solutions are launched.

**RADCOM’s generative AI suite** transforms telecom operators’ interfaces with quick insights into telco-focused near real-time data. Powered by large language models, RADCOM NetTalk™ enables operators to leverage the extensive data insights generated by RADCOM ACE, utilizing trusted data from their network. It provides observations in natural language, accompanied by prompts that reference anonymized data. It enables anyone, from executives to engineers, to understand the issues and challenges driving network operations. Deployable in the cloud or as a hybrid model, operators can easily access business and network insights for data-driven decisions and troubleshoot networks more rapidly and efficiently.

**RADCOM's agentic AI platform** leverages advanced computing capabilities to deliver real-time, granular-level data, including per-user, device, and service analytics. It provides a complete understanding of the network—from the RAN to the core—offering insights into user trends, location intelligence, usage patterns, service interactions, and more. RADCOM's end-to-end solutions monitor tens of millions of connected devices, high-speed voice and data services, and dynamic network conditions. This sheds light on both network and customer issues, delivering actionable insights across usage trends and service performance. By embedding an agentic AI layer, RADCOM enables operators to harness existing network data, generating reliable and trustworthy insights from real-time, balanced data models.

### ***Sales and Marketing Organization***

We mainly sell directly to customers throughout the world through our executives and sales representatives in North America, Europe, Latin America, Asia Pacific and Israel, which are supported by local representatives and agents in the local markets. During 2025, these direct sales were made mainly in North America, Europe, the Middle East and Africa, or EMEA, and Asia. In North America, we operate mainly through RADCOM US, which sells our solutions to end-users directly and provides support to customers in the North American market. Our solutions are sold to CSPs in North America either by RADCOM US, RADCOM Canada or by us. In Brazil, we operate through RADCOM Brazil, which primarily sells our solutions to end-users in the Brazilian market directly. In India, we operate through RADCOM India, which primarily provides customer support and development services worldwide. Elsewhere, our solutions are primarily sold through our sales representatives in Europe, Latin America, the Commonwealth of Independent States, Asia Pacific and Israel, and supported by local representatives and subcontractors in the local market.

In territories in which we do not have direct presence, we expanded our outreach by entering into agreements with local distributors and value-added resellers. In 2025, we signed agreements with new distributors to penetrate new geographical markets and engage with new customers, and to better serve our target markets. We continue to search for more of these channels to expand our outreach further. In certain territories, our distributors and resellers serve as part of our sales, marketing and support teams as our local representatives, helping to sell, deploy and service our solutions, offer technical support in the end-user's native language, and attend to customer needs during local business hours.

### ***Geographic Markets:***

The table below indicates the approximate breakdown of our revenue by territory, based on the location of the end-customer:

	<b>Year ended December 31, (in millions of U.S. dollars)</b>			<b>Year ended December 31, (in percentages)</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
North America	38.9	36.1	31.8	54.3	59.1	61.6
Asia	9.9	12.7	9.8	13.9	20.9	19.0
Latin America	0.2	0.3	1.3	0.3	0.5	2.5
EMEA (including Israel)	22.5	11.9	8.7	31.5	19.5	16.9
<b>Total revenues</b>	<b>71.5</b>	<b>61</b>	<b>51.6</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## ***Competition***

The market for our solutions is competitive, and we expect that competition will continue in the future, both with respect to solutions that we are currently offering and solutions that we are developing. Our principal competitors include NetScout System Inc., Infovista S.A. (acquired Empirix Inc.), Elisa Oyj (acquired Polystar), Anritsu Corporation, Viavi Solutions Inc. and NumoData, Inc. (acquired EXFO Inc.'s Service Assurance division). In addition to these competitors, we expect competition from established and emerging communications, network management and test equipment companies, as well as traditional players in the network intelligence space such as Huawei, Ericsson and Nokia. Many of our competitors have substantially greater resources than we have, including financial, technological, engineering, manufacturing, marketing and distribution capabilities, and some of them may enjoy greater market recognition than we do. Furthermore, the transition to cloud-virtualized network solutions could possibly open the market to new competitors or bring in competitors from adjacent markets, including network core providers. For more information, see "Item 3.D—Risk Factors—Risks Related to Our Business and Our Industry."

We believe that we are differentiated from our competitors due to:

- our recognized advanced, cloud-native 5G-ready service assurance solutions;
- our experience deploying and scaling cloud-native solutions with Tier 1 CSPs such as AT&T;
- our telecom domain expertise and knowhow of key members of our company in advanced software development;
- our experience deploying our solutions on the world's first fully virtualized network and expansion to 5G SA;
- our advanced technology offering an end-to-end solution for service assurance from the RAN to the core;
- our proven 5G-ready solutions deployed in existing 5G networks such as Rakuten Mobile and Dish Networks;
- our multi-technology correlation capabilities that can support all major technologies – 5G, 4G, LTE, IMS, VoLTE, VoIP and legacy 3G and 2G - within the same solution;
- our End-to-End (RAN to Core) view of the network and ability to correlate into a full customer experience view;
- our cloud-native solutions provide cost-efficiency, rapid deployment times and agility in development;
- our ability to operate across multiple technologies and domains, including public, private, and hybrid cloud environments; and
- our proven flexibility and responsiveness in a dynamic customer and technology environment.

Our solutions are deployed with leading and innovative CSPs such as AT&T, Dish and Rakuten. We believe that we are positioned to be one of the most advanced leaders in cloud-native, AI-native 5G assurance and customer experience analytics solutions for CSPs deploying 5G networks on private and public cloud (such as RCP, AWS, GCP and Azure).

## ***Customer Service and Support***

We believe that providing a high level of customer service and support to end-users is essential to our success, and it is our goal to establish RADCOM as an industry leader in customer satisfaction. Investments that we are making to achieve this goal include:

- **Enhancement of support:** We are dedicated to the provision of timely, effective and professional support for all our customers. We provide 24x7 NOC services, monitoring customers' environments remotely, troubleshooting and resolving system and application incidents, and supporting the continuance services of our solutions. Such NOC service captures and resolves problems before customers report them. We have invested in additional AI based automation with a variety of alerts and alarms monitoring, improving our capabilities to identify and address near real time problems. In addition, we routinely contact our customers to solicit feedback and promote full usage of our solutions. We may provide our customers with a free warranty period which includes bug-fixing and a warranty on our solutions. After the initial warranty period, we offer extended warranties which can be purchased for multi-year periods. Generally, the cost of the extended warranty is an annual maintenance fee based on a percentage of the overall cost of the solutions.

- **Customer-oriented product development:** With the goal of continuously enhancing our customer relationships, we meet regularly with customers, and use the feedback from these discussions to improve our solutions and guide our R&D roadmap.
- **Regional technical support:** As the sale of a system and solutions requires a high level of technical skills, we decided to enhance our support with local experts located in our regional offices. This strategy is advantageous in terms of the time zone, culture and language. For example, through our Israel, U.S., Japan, Brazil, Romania and India offices we established local support teams responsible for first level engagements with customers (Tier 1). The physical and cultural proximity contribute to the strength of the relationship, increase our proficiency in our customer's network and needs, and leverage the ability to identify pain points and needs of our customers.
- **Support of our sales representatives:** We provide a high level of pre- and post-sale technical support to our sales representatives in the field. We use a broad range of channels to deliver this support, including technical training, marketing material and others.

### *Seasonality of Our Business*

Orders of our products are affected by numerous reasons, including general market and economic conditions, the impact of inflation and rise of interest rates, overall industry consolidation, the pace of adoption of new technologies and CSPs budgets and multi-year roadmap. Although this results in fluctuations in our revenues from quarter to quarter, such fluctuations are not subject to any clear seasonality or consistent seasonal patterns.

### *Headquarters Facilities*

Our corporate office is located in Tel Aviv, Israel. and consists primarily of our corporate units such as legal, finance, human resources and operation.

### *Research and Development*

The industry in which we compete is subject to rapid technological developments, evolving industry standards, changes in customer requirements, and new product introductions and enhancements. As a result, our success depends in part upon our ability to continue to enhance our existing solutions and to develop and introduce new solutions that improve performance and reduce total costs on a cost-effective and timely basis.

During the last several years, we invested significant amounts in research and development in order to create and maintain our technological leadership and to meet the current and future needs of the world's most advanced CSPs. We believe that the widescale rollout of 5G will bring with it a larger wave of cloud native deployments by CSPs. Through our research and development efforts, we believe that we are well positioned to offer state of the art technologies and capabilities to CSPs. Accordingly, we increased our investments in the development of enhanced automation deployment capabilities as well as in advanced ML based techniques to better identify network anomalies and analyze the increased network traffic that is expected following the roll-out of 5G networks. In addition to that, we are constantly focusing on automation as a key goal to reduce costs and optimize the operations of CSPs.

In addition, we invested in several aspects that differentiate our cloud native approach to 5G networks, enabling a true continuous integration/continuous delivery approach on multiple clouds, including AWS, GCP and other cloud networks, which enables automated deployment and higher security standards. We also enhanced our RADCOM NETWORK DISCOVERY solution, which is the application layer of the RADCOM ACE solution. On the AI front, we have made significant investment in advancing our RADCOM AIM (Automated Insights Module), including new initiatives leveraging GenAI and Agentic AI, which we believe may have an impact in the future. We are expanding our research and development to new domains that require deep knowledge in ML/AI, GenAI, and Agentic AI leveraging some of the latest advancements in ML/AI models, tools and hardware assisted solutions such as graphics processing units. We also plan to continue developing our solutions to integrate with various network functions and with service management systems while leveraging network data, GenAI and Agentic AI to analyze and predict customer experience, and to provide insights into service quality. One of our key goals is to improve the capacity of our solutions, while reducing the total cost of ownership. As we recently announced, we are developing, testing and implementing probing solutions that leverage the NVIDIA BlueField-3 to reach un-matched capacity on small footprint target servers. We believe that this approach will provide cost effective assurance solutions, while the network data keeps growing.

In parallel, we continued to enhance and develop both our cloud native virtualized network and 5G solutions to offer greater value and benefit to our current and potential customers.

We expect to continue this significant investment in 2026, as we develop new features and new solution offerings to meet the requirements of transition to 5G networks, as well as continuing the development of a modular approach for the enabling of targeted packages for the service assurance market. This modular approach will enable us to offer not just the full solution, but also specific modules for smaller deployment of CSPs.

### ***Israel Innovation Authority***

We have received royalty-bearing grants from the IIA for certain research and development activities pursuant to an incentive program, in an aggregate amount of \$50.2 million, calculated from our inception through December 31, 2025, which are subject to provisions of the Innovation Law and the regulations promulgated thereunder.

In addition, we have filed numerous applications, and in the future may continue to file additional applications, for grants from the IIA pursuant to the Innovation Law. Grants received under such programs are repaid through mandatory royalty payments based on revenues generated from products developed pursuant to such programs or deriving therefrom. The receipt of such grants is contingent upon our ability to comply with certain applicable requirements and conditions specified in the Innovation Law and under the applicable program. As of December 31, 2025, royalties at a rate of 3% are due on revenues from sales of products and related services that incorporate know-how developed, in whole or in part, within the framework of projects funded by the IIA.

In 2025, and in previous years, we participated in a Magnet consortium program sponsored by IIA, or Magnet Program. Under the terms of this program, we cooperate with additional companies, universities and research institutes in Israel, organized in a consortium for the development of new technologies. The rules of the consortium include several references to the distribution of knowledge between the consortium members, and require us to provide the other members in the consortium with a non-sub-licensable license to use the “new information” developed by such member, without consideration. These programs do not require payments of royalties to the IIA, but all other restrictions under the Innovation Law, such as local manufacturing obligations and know-how transfer limitations, as further detailed in this annual report on Form 20-F, are applicable to the know how developed by us with the funding received in such programs.

Since we commenced operations, we have received royalty-bearing grants from the IIA. As of December 31, 2025, our total contingent liability to the IIA in respect of grants received including accumulated interest and net of accumulated royalties paid, was approximately \$56.0 million.

Below is a description of our obligations in connection with the grants received from the IIA under the Innovation Law:

#### ***Local Manufacturing Obligations***

The terms of the grants under the Innovation Law require that we manufacture the products developed with these grants in Israel (but do not restrict the sale of products that incorporate the know-how). Under the regulations promulgated under the Innovation Law, the products may be manufactured outside Israel by us or by another entity only if prior approval is received from the IIA (such approval is not required for the transfer of up to 10% of the manufacturing capacity in the aggregate, in which case a notice must be provided to the IIA and not objected to by the IIA within 30 days of such notice). According to the IIA regulations, that are relevant to our projects, submitted until October 2023, companies that moved the manufacturing of their products outside of Israel, may be subject to an increased royalties cap ranging between 120% to 300% of the grants, depending on the manufacturing volume that is performed outside of Israel. We do not have IIA projects involving manufacturing activities after October 2023.

### *Know-How and Know-How Transfer Limitation*

- The Innovation Law provides that the IIA is authorized to determine the ownership requirements of know-how developed under an approved research and development program and/or derived therefrom and/or rights associated with such know-how including intellectual property, which is not the product that was developed under such program, or the Funded Know-How.
- The Innovation Law further provides that Funded Know-How cannot be transferred to any third parties without the IIA's approval. The approval may be subject to certain requirements, as determined in each approval separately.
- Among others, the IIA may determine that certain Funded Know-How can be transferred to third parties in Israel only if such transferee company will also be subject to the same terms and conditions that were levied upon the transferor company under the Innovation Law prior to the transfer of such know-how and that the transferor will need to pay 3% of the consideration for the transfer to the IIA
- The IIA may approve the transfer of Funded Know-How from Israel to abroad, generally, provided that (a) the IIA will receive a payment of the portion of the sale price, which portion will not exceed six times the amount of the grants received plus interest (or three times the amount of the grant received plus interest, in the event that the recipient of the know-how has committed to retain at least 75% of the R&D positions of the grant recipient in Israel after the transfer for a minimum period of three years)); (b) the grant recipient receives an alternative know-how from a third party in exchange for its Funded Know-How, subject to certain requirements, among which the alternative know-how will generate higher revenues than the Funded Know-How for the company; or (c) such transfer of know-how arises in connection with a liquidation by reason of insolvency or receivership of the grant recipient and the Funded Know-How is sold for a lower price than the amount of funds invested in it, in which case the payment set forth in (a) may be reduced.
- Approval to manufacture products outside of Israel or consent to the transfer of Funded Know-How, if requested, is within the discretion of the IIA. Furthermore, the IIA may impose certain conditions on any arrangement under which it permits us to transfer Funded Know-How or manufacturing out of Israel.
- Approval of transfer of Funded Know-How to another Israeli company may be granted only if the recipient abides by the provisions of the Innovation Law and related regulations, including the restrictions on the transfer of know-how and manufacturing rights outside of Israel.

### *Change In Control*

The Innovation Law generally imposes reporting requirements with respect to certain changes in the ownership of a grant recipient. The Innovation Law requires the grant recipient and its controlling shareholders or the foreign interested party of such grant recipient to notify the IIA of any change in control of the recipient or a change in the holdings of the means of control of the grant recipient that results in a non-Israeli citizen or non-Israeli resident or an Israeli citizen or corporation incorporated in Israel becoming an interested party directly in the grant recipient, and requires the new interested party to undertake to the IIA to comply with the Innovation Law. In addition, the IIA may require additional information or representations in respect of such events. For Innovation Law purposes, "control" is defined as the ability to direct the activities of a corporation except the ability that stems from serving as an officer or director of the company. A person is presumed to have control if such person holds 50% or more of the means of control of a company. "Means of control" generally refers to voting rights in a company's shareholders meeting or the right to appoint directors or the chief executive officer. An "interested party" of a company includes a holder of 5% or more of its outstanding share capital or voting rights, its chief executive officer and directors, someone who has the right to appoint its chief executive officer or at least one director, and a company with respect to which any of the foregoing interested parties owns 25% or more of the outstanding share capital or voting rights or has the right to appoint 25% or more of the directors. Accordingly, any non-Israeli who acquires 5% or more of our ordinary shares will be required to notify the IIA that it has become an interested party and to sign an undertaking to comply with the Innovation Law.

### ***Proprietary Rights***

To protect our rights to our intellectual property, we rely upon a combination of trademarks, contractual rights, trade secret law, copyrights, non-disclosure agreements and technical measures to establish and protect our proprietary rights in our solutions and technologies. We own registered trademark for the name RADCOM<sup>®</sup>. We currently have nine registered patents, one pending patent application and one pending provisional patent application in the United States. In addition, we usually enter into non-disclosure and confidentiality agreements with our employees, distributors, sales representatives and with suppliers and sub-contractors who have access to sensitive information.

### ***Employees***

Our total headcount as of December 31, 2025, was 325 including employees and contractors. See “Item 6.D—Directors, Senior Management and Employees—Employees.”

We consider our relations with our employees to be good and we have never experienced a strike or work stoppage. Except for employees located in Brazil, none of our employees are represented by labor unions.

Although we are not a party to a collective bargaining agreement in Israel, we are subject to certain provisions of collective bargaining agreements among the General Federation of Labor in Israel, or the Histadrut, and the Coordinating Bureau of Economic Organizations (including the Industrialists’ Association), or the CBEO, that are applicable to our Israeli employees by virtue of expansion orders of the Israeli Ministry of Economy and Industry, including transportation allowance, annual recreation allowance, the lengths of the workday and workweek and mandatory general insurance pension. In addition, we may be subject to the provisions of the extension order applicable to the Metal, Electricity, Electronics and Software Industry. Israeli labor laws are applicable to all our employees in Israel. These provisions and laws principally concern the length of the workday, minimum wages for workers, procedures for dismissing employees, determination of severance pay, leaves of absence (such as annual vacation or maternity leave), sick pay and other conditions of employment.

In Israel, we follow a general practice, which is the contribution of funds on behalf of most of our employees to an individual insurance policy known as “Managers Insurance” or a pension fund. The contribution rates towards such Managers’ Insurance are above and beyond the legal requirement. This policy provides a combination of savings plan, disability insurance and severance pay benefits to the insured employee. It provides for payments to the employee upon retirement or death and accumulates funds on account of severance pay, if any, to which the employee may be legally entitled upon termination of employment. Each participating employee contributes an amount equal to up to 7% of such employee’s base salary, and we contribute between 15.83% and 23.33% of the employee’s base salary. Pursuant to changes to Israeli law as well as collective bargaining agreements entered into by the Histadrut and the CBEO, the amounts that we are required to contribute may increase from time to time.

Our employment agreements with new employees in Israel are in accordance with Section 14 of the Israeli Severance Pay Law – 1963, or the Israeli Severance Pay Law, which provides that our contributions to severance pay fund shall cover our entire severance obligation. Upon termination, the release of the contributed amounts from the fund to the employee shall relieve us from any further severance obligation and no additional payments shall be made by us to the employee. As a result, the related obligation and amounts deposited on behalf of such obligation are not stated on the balance sheet, as we are legally released from severance obligation to employees once the amounts have been deposited, and we have no further legal ownership on the amounts deposited.

We also provide employees of RADCOM with an Education Fund, to which each participating employee contributes an amount equal to 2.5% of such employee's base salary and we contribute an amount equal to 7.5% of the employee's base salary (generally up to a certain ceiling provided in the Israeli Income Tax Regulations). Israeli employees and employers also are required to pay pre-determined sums which include a contribution to national health insurance to the Israel National Insurance Institute, which provides a range of social security benefits.

In the United States, we provide benefits in the form of health, dental, vision and disability coverage and matching 401(k) plan contributions, in an average amount equal to approximately 23.96% of the employee's base salary.

In Brazil, we provide benefits in the form of health coverage, including health, vision and dental coverage, in an average amount equal to approximately 19% of the employee's base salary.

In India, we provide benefits in form of health coverage, education fund, house rent allowance and health insurance fund, in an average amount equal to approximately 26.48% of the employee's salary.

### C. ORGANIZATIONAL STRUCTURE

Our subsidiaries are: (1) RADCOM US, which conducts the sales, marketing, and customer support of our products mainly in the United States; (2) RADCOM Investments (96) Ltd, for the purpose of making various investments, including the purchase of securities; (3) RADCOM Brazil, which conducts the sales, marketing and customer support of our products mainly in Brazil; (4) RADCOM India, which primarily provides, customer support and development services worldwide; and (5) RADCOM Canada, which conducts the sales and marketing of our products in Canada. The following is a list of our subsidiaries, each of which is wholly owned:

Name of Subsidiary	Jurisdiction of Incorporation
RADCOM, Inc.	New Jersey
RADCOM Investments (96) Ltd	Israel
RADCOM do Brasil Comercio, Importacao Exportacao Ltda	Brazil
RADCOM Trading India Private Limited	India
RADCOM Canada Limited	Canada

### D. PROPERTY, PLANTS AND EQUIPMENT

We currently lease an aggregate of approximately 22,421 square feet of office space in Tel Aviv, Israel. This space includes our development facilities, which consist primarily of programming, documenting, quality control, testing and bug fixing, as well as from time to time, installation of software components on third party hardware.

In 2025, our aggregate annual lease and maintenance expenses were approximately \$802 thousands for our Tel Aviv offices.

We also lease an aggregate of approximately 5,377 square feet of office space in Paramus, New Jersey. In 2024, our aggregate annual lease payments for such premises were approximately \$122 thousands.

We also lease an aggregate of approximately 40 square feet of office space in Brazil and 5,809 square feet in India. The aggregate annual lease and maintenance payments for those premises in 2025 were approximately \$7 thousands and \$99 thousands, respectively.

We believe that our offices and facilities are adequate for our current needs and that suitable additional or substitute space will be available when needed.

### ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

## ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and the related notes included elsewhere in this Annual Report.

### *Overview*

We provide cloud-native and 5G-ready network intelligence solutions for CSPs. Our world leading, innovative solutions are well-positioned to fulfill the CSPs' ongoing needs to monitor their networks (fixed and mobile) and assure the delivery of a quality service to their subscribers.

### *General*

Our discussion and analysis of our financial condition and results of operation are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. Our operating and financial review and prospects should be read in conjunction with our financial statements, accompanying notes thereto and other financial information appearing elsewhere in this Annual Report.

We commenced operations in 1991. Since then, we have focused on developing and enhancing our products, building our worldwide direct and indirect distribution network and establishing and expanding our sales, marketing, and customer support infrastructures.

Most of our revenues are generated in U.S. dollars and the financing activities are made in U.S. dollars. Accordingly, we consider the U.S. dollar to be our functional currency, and our consolidated financial statements are prepared in dollars.

We believe that continued 5G deployments by leading CSPs, as well as the expansion of our existing customer base and new customer engagements, are expected to support our future growth.

We followed the below sales strategy in 2025 in order to expand our sales pipeline and revenues;

- We focused on leveraging our implementations with AT&T, Rakuten and other customers to expand our value proposition to additional carriers;
- We expanded our business with our key existing customers;
- We increased our investment in our sales and marketing resources and have expanded our reach through the engagement of local representatives;
- We invested in marketing campaigns globally to enhance our market positioning and open new opportunities;
- We continued to invest in research and development to maintain our recognized technological leadership in cloud-based, 5G solutions, to meet the requirements of our customers, and to develop new product offerings and capabilities;
- We invested in sales and marketing to create more sales engagements that can lead to additional multi-year contracts and increased market share;
- We invested in our professional services team and resources to meet our customers' deployment, customization and support requirements and to allow us to successfully deliver multiple proof of concept demonstrations to potential new customers; and
- We pursued strategic partnerships.

*Revenues.* In general, our revenues derive from sales of our products or solutions, fixed-price projects, and sales of services which primarily include extended warranty, support services and managed services. Revenues consist of gross sales, less discounts and refunds, when applicable.

*Cost of revenues.* Cost of revenues, consisting of salaries and related expenses derive primarily from employees engaged in managed services and ongoing customer support, solution deployment and software development customization activities. Cost of revenues also consists of the use of hardware, inventory write-offs, importation taxes, shipping and handling costs, license fees for software components of third parties, hardware warranty expenses, allocation of overhead expenses, subcontractors, royalties to the IIA, change in deferred inventory, amortization of purchased technology and share-based compensation. As part of our plan to reduce product cost and improve flexibility, we shifted during the last few years to a model whereby we install our software-based solutions on standard, non-proprietary third-party hardware that functions together with our software to deliver the product's essential functionality.

Our gross profit is affected by several factors, including the introduction of new products, price erosion due to increasing competition, the bargaining power of larger clients, the number of employees that we have in operations, deployment, software development customization, managed services and customer support, integration of third-party software components into our own, product mix, and exchange rate fluctuations.

*Research and Development expenses, Net.* Research and development expenses, net consist primarily of salaries and related expenses, including share-based compensation, payments for subcontractors and overhead expenses. Overhead expenses consist of a variety of costs, including rent, office and associated expenses. The R&D expenses have been partially offset by royalty-bearing grants from the IIA.

*Sales and Marketing expenses.* Sales and marketing expenses consist primarily of salaries and related expenses, including share-based compensation, commissions and fees to third party representatives, advertising, trade shows, promotional expenses, domestic and international travels, web site maintenance, amortization of purchased customer relationship, and overhead expenses.

*General and Administrative Expenses.* General and administrative expenses consist primarily of salaries and related expenses including share-based compensation, professional fees (which include legal, audit and other consulting fees), bad debt expenses, other general corporate expenses and overhead expenses.

*Financial Income, Net.* Financial income, net, consists primarily of interest earned on bank deposits, bank charges, and gains or losses from the exchange rate differences of monetary balance sheet items denominated in non-U.S. dollar currencies.

#### ***Summary of Our Financial Performance for the Fiscal Year Ended 2025 Compared to the Fiscal Year Ended 2024***

For the year ended December 31, 2025, our revenues were approximately \$71.5 million, compared to approximately \$61.0 million in 2024, reflecting an increase of approximately 17.2%. Our operating activities generated approximately \$14.6 million in cash during 2025, compared to approximately \$11.4 million generated in 2024, reflecting an increase of approximately 28.1%. Our net income for the year ended December 31, 2025, was approximately \$12.0 million, compared to a net income of approximately \$7.0 million in 2024, reflecting an increase of approximately 71.4%.

As of December 31, 2025, our cash and cash equivalents and bank deposits totaled approximately \$109.9 million, compared with cash and cash equivalents and bank deposits of approximately \$94.7 million as of December 31, 2024.

Our 2025 and 2024 income includes non-cash expenses due to share-based compensation of approximately \$6.1 million in each of 2025 and 2024.

#### ***Reportable Segments***

Management, including the Chief Operating Decision Maker (CODM), reviews financial information on a consolidated basis for purposes of evaluating performance and allocating resources. While revenue information is reviewed by customer and geographical region, operating expenses and operating income are not allocated to product groups or geographical regions. As such, we have determined that we operate in a single reportable segment.

## A. OPERATING RESULTS

### Results for the Year Ended December 31, 2025, compared to Year Ended December 31, 2024

The following table sets forth, for the periods indicated, certain financial data expressed as a percentage of revenues:

	Year ended December 31,	
	2025	2024
Revenues	100%	100%
Cost of revenues	24.0	25.8
Gross profit	76.0	74.2
<u>Operating expenses:</u>		
Research and development	28.3	30.6
Less royalty-bearing participation	0.5	1.1
Research and development, net	27.8	29.5
Sales and marketing	27.5	29.2
General and administrative	9.0	10.5
Total operating expenses	64.3	69.1
Operating income	11.7	5.1
Financial income, net	6.0	6.7
Income before taxes on income	17.7	11.8
Taxes on income	(0.8)	(0.4)
Net Income	16.9	11.4

#### Revenues

	Year Ended December 31, (in millions of U.S. dollars)	
	2025	2024
Products	36.9	28.2
Services	34.6	32.8
Total Revenues	71.5	61.0

*Revenues.* In 2025, our revenues increased by approximately \$10.5 million, or approximately 17.2%, compared to 2024, primarily driven by an increase of approximately \$8.7 million in product revenues, and an increase of approximately \$1.8 million in services revenues. The increase in product revenues was mainly driven by higher activity in EMEA and North America, primarily from existing customers. The increase in services revenues mainly relates to an increase of revenues from existing customers in North America.

Revenues per geographic region, based on the location of the end-customer

	Year Ended December 31, (in millions of U.S. dollars)		Year Ended December 31, (as percentages)	
	2025	2024	2025	2024
North America	38.9	36.1	54.3	59.1
Asia	9.9	12.7	13.9	20.9
Latin America	0.2	0.3	0.3	0.5
EMEA (including Israel)	22.5	11.9	31.5	19.5
Total revenues	71.5	61.0	100%	100%

In 2025, our three largest customers amounted to approximately 86% of our total consolidated revenues. In 2024, our three largest customers amounted to approximately 88% our total consolidated revenues.

Cost of Revenues and Gross Profit

	Year Ended December 31, (in millions of U.S. dollars)	
	2025	2024
Products	10.2	7.1
Services	7.0	8.6
Total cost of revenues	17.2	15.7
Gross profit	54.3	45.3

*Cost of Revenues.* During 2025, our gross profit as a percentage of revenues was approximately 76.0% compared to approximately 74.2% in 2024.

Total cost of revenues increased by approximately \$1.5 million in 2025 compared to 2024, primarily due to higher product-related costs, partially offset by a decrease in services-related costs.

Our cost of revenues for both 2025 and 2024 includes an expense of approximately \$0.4 million for share-based compensation in each of the fiscal years.

The following table provides our operating costs and expenses for 2025 and 2024 as well as the percentage change of such expenses in 2025 as compared to 2024.

	Year ended December 31, (in millions of U.S. dollars)		% Change 2025 vs. 2024
	2025	2024	2024
Research and development	20.2	18.7	8.0
Less royalty-bearing participation	0.3	0.7	(57.1)
Research and development, net	19.9	18.0	10.6
Sales and marketing	19.7	17.8	10.7
General and administrative	6.4	6.4	0.0
Total operating expenses	46.0	42.2	9.0

*Research and Development Expenses, gross.* Research and development expenses, gross increased from approximately \$18.7 million in 2024 to approximately \$20.2 million in 2025. As a percentage of total revenues, research and development expenses, gross, decreased from approximately 30.6% in 2024 to approximately 28.3% in 2025. The increase in our gross research and development expenses was primarily attributable to an increase in salary and related expenses and driven by an increase in headcount, as well as the impact of foreign exchange rate fluctuations on expenses denominated in non-U.S. dollar currencies. As of December 31, 2025, and December 31, 2024, our total research and development headcount, including contractors, was 152 and 134, respectively. Our research and development costs included an expense of approximately \$1.8 million for share-based compensation in 2025, as compared to approximately \$2.0 million in 2024. Our research and development efforts are focused on strengthening collaborations, fostering innovation, and expanding our product portfolio. We plan to continue strategic investments in research and development to deliver advanced intelligent solutions, including agent-to-agent and multi-model workflows, while supporting our strategic partnerships and productization efforts.

We believe that our research and development efforts are a key element of our strategy and are essential to our success. An increase or a decrease in our total revenues would not necessarily result in a proportional increase or decrease in the levels of our research and development expenditures, which could affect our operating margin.

*Sales and Marketing Expenses.* Sales and marketing expenses increased from approximately \$17.8 million in 2024 to approximately \$19.7 million in 2025, primarily attributable to higher salary and related expenses, as well as an increase in share-based compensation expenses, and other operating expenses. As a percentage of total revenues, sales and marketing expenses decreased from 29.2% in 2024 to 27.5% in 2025, primarily due to revenue growth outpacing the increase in expenses. Our sales and marketing expenses included approximately \$2.3 million of share-based compensation in 2025, compared to approximately \$2.0 million in 2024.

*General and Administrative Expenses.* General and administrative expenses remained relatively stable at approximately \$6.4 million in both 2025 and 2024. The overall stability reflects modest increases in share-based compensation, salary and related expenses and professional fees, partially offset by a decrease in director fees and related expenses compared to 2024. As a percentage of total revenues, general and administrative expenses decreased from 10.5% in 2024 to 9.0% in 2025, primarily due to revenue growth outpacing the increase in expenses. Our general and administrative expenses included approximately \$1.7 million of share-based compensation in 2025, compared to approximately \$1.6 million in 2024.

*Financial Income, Net.* Financial income, net, increased from approximately \$4.1 million in 2024 to approximately \$4.3 million in 2025, primarily attributable to an increase in interest income.

*Taxes on Income.* Taxes on income increased by approximately \$0.4 million, from approximately \$0.2 million in 2024 to approximately \$0.6 million in 2025, primarily attributable to expenses related to uncertain tax positions of RADCOM Ltd, as well as federal and sales taxes of RADCOM US.

### ***Comparison of Financial Data for Year Ended December 31, 2024, compared with Year Ended December 31, 2023***

For a discussion of the financial data for the year ended December 31, 2024, compared with the year ended December 31, 2023, see “Item 5.A.—Operating and Financial Review and Prospects—Operating Results—Results for the Year Ended December 31, 2024, compared to the Year Ended December 31, 2023” included in our Annual Report on Form 20-F for the fiscal year ended December 31, 2024, filed with the SEC on March 26, 2025.

### ***Impact of Inflation and Foreign Currency Fluctuations***

Most of our revenues are generated in U.S. dollars and our financing activities are conducted in U.S. dollars. We also generate revenues in Brazilian reals, or BRLs, euros and other currencies; however, we consider the U.S. dollar to be our functional currency. In the future additional revenues may be denominated in currencies other than U.S. dollars.

Since a significant portion of our expenses is in NIS, as we pay our Israeli employees’ salaries in NIS, the dollar cost of our operations is influenced by the exchange rates between the NIS and the U.S. dollar. Fluctuations in exchange rates between the U.S. dollar, the BRL, euro, and other currencies in which we generate revenue, and the U.S. dollar, may also influence our results of operations. With respect to our Brazilian subsidiary, the functional currency has been determined to be its local currency. Assets and liabilities are translated at year-end exchange rates and statements of income items are translated at average exchange rates prevailing during the year. Such translation adjustments are recorded as a separate component of accumulated other comprehensive losses in shareholders’ equity.

Because exchange rates between the NIS and the U.S. dollar fluctuate continuously, exchange rate fluctuations will have an impact on our profitability and period-to-period comparisons of our results. The effects of foreign currency re-measurements of financial assets and liabilities are reported in our financial statements as financial income or expense. Based on our budget for 2026, we expect that a change of NIS 0.10 to the exchange rate of the NIS to U.S. dollar will change our expenses expressed in dollar terms by approximately \$0.8 million per fiscal year and vice versa.

## ***Effective Corporate Tax Rate***

As of January 1, 2018, Israeli resident companies were generally subject to corporate tax at the rate of 23%. Israeli resident companies are generally subject to capital gains tax at the corporate tax rate. We have not generated taxable income in Israel, as we have historically incurred operating losses resulting in carry forward losses for tax purposes totaling approximately \$27.6 million and an additional \$1.7 million of capital loss as of December 31, 2025. We believe that we will be able to carry forward these tax losses to future tax years. We do not expect to be subject to material taxes in Israel on income from operations until we utilize our carry forward tax losses. We may be required to pay taxes on our passive income, if any. For more information on taxation, see "Item 10.E - Taxation."

Our effective corporate tax rate may exceed the Israeli tax rate. Our non-Israeli subsidiaries will generally be subject to applicable federal, state and local taxation, and we may also be subject to taxation in the other foreign jurisdictions in which we own assets, have employees or conduct business activities.

We recorded a valuation allowance of approximately \$11.4 million as of December 31, 2025, for all of our deferred tax assets. Based on the weight of available evidence, we believe it is more likely than not that all of our deferred tax assets will not be realized.

## **B. LIQUIDITY AND CAPITAL RESOURCES**

We have financed our operations through cash generated from operations, proceeds from the exercise of options, royalty-bearing participation from the IIA, up until 2017 from proceeds from our private and public equity offerings we conducted and others. Cash and cash equivalents, and bank deposits on December 31, 2025, and 2024, were approximately \$109.9 and \$94.7 million, respectively.

We believe that our existing capital resources and cash flows from operations will be adequate to satisfy our expected liquidity requirements through the next twelve months. Without derogating from the foregoing estimate regarding our existing capital resources and cash flows from operations, we may decide to raise additional funds in the future. We believe that, if required, we will be able to raise additional capital or reduce discretionary spending to provide the required liquidity within the next twelve months.

*Net Cash Provided by Operating Activities.* Net cash provided by operating activities was approximately \$14.6 million in 2025 compared to net cash provided by operating activities of approximately \$11.4 million in 2024.

The positive net cash flow in 2025 was primarily due to net income of approximately \$12.0 million, share-based compensation expenses of approximately \$6.1 million, a decrease of approximately \$1.3 million in inventory, depreciation and amortization of approximately \$0.7 million, an increase of approximately \$0.5 million in other liabilities and accrued expenses, an increase of approximately \$0.5 million in severance pay, net, a decrease of approximately \$0.4 million in operating lease right-of-use assets and liabilities, net, and an overall increase of approximately \$0.2 million in trade payables. This was partially offset by a decrease in deferred revenue and advances from customers of approximately \$5.7 million, an increase of approximately \$1.2 million in trade receivables, net, and an increase of approximately \$0.4 million in accrued interest on bank deposits.

The positive net cash flow in 2024 was primarily due to net income of approximately \$7.0 million, share-based and restricted share compensation expenses of approximately \$6.1 million, an increase in deferred revenue and advances from customers of approximately \$5.4 million, an increase of approximately \$1.8 million in employees and payroll accruals, an increase of approximately \$1.5 million in other liabilities and accrued expenses and depreciation and amortization of \$0.7 million. This was partially offset by an increase of approximately \$5.6 million in trade receivables, net, an increase of approximately \$2.2 million in other account receivables and prepaid expenses, a decrease of \$1.8 million in accrued interest on bank deposits and an increase of approximately \$1.4 million in inventory.

The trade receivables and days of sales outstanding are primarily impacted by payment terms, variations in the levels of shipment in the quarter, and collections performance. Trade receivables for 2025 increased to approximately \$20.2 million from approximately \$19.0 million in 2024.

The decrease in inventories in 2025 was mainly due to an increase in inventory delivered to customers for which revenue criteria have been met and recognized.

*Net Cash Used in Investing Activities.* Our investing activities generally consist of investment in bank deposits and purchase of equipment. Net cash used in investing activities in 2025 was approximately \$4.0 million, compared to net cash used in investing activities in 2024 of \$2.7 million. In 2025, we invested approximately \$95.0 million in bank deposits, received approximately \$91.4 million from the maturity of a short-term bank deposit and invested approximately \$0.4 million for the purchase of equipment.

In 2024, we invested approximately \$75.5 million in bank deposits, received approximately \$73.2 million from the maturity of a short-term bank deposit and invested approximately \$0.4 million for the purchase of equipment.

*Net Cash provided by (Used in) Financing Activities.* In 2025, net cash provided by financing activities was approximately \$0.3 million from the exercise of options. In 2024, there was no net cash provided by or used in financing activities.

As of December 31, 2025, our material cash requirements from contractual obligations consist primarily of operating lease liabilities for our offices and facilities, as well as purchase commitments entered in the ordinary course of business. Our lease obligations are presented in our consolidated financial statements and represent fixed payments over the non-cancellable lease terms. We do not have material long-term debt obligations or other significant contractual commitments outside the ordinary course of business, except as otherwise disclosed in our consolidated financial statements.

### ***Investments***

We may, in the future, undertake hedging or similar transactions, or invest in instruments that are sensitive to market risks, if management determines that such actions are necessary to mitigate risks, including foreign currency and interest rate fluctuations.

### ***Impact of Related Party Transactions***

For more information, about our related party transactions, none of which currently has a material impact on us, see “Item 7.B—Major Shareholders and Related Party Transactions—Related Party Transactions” below.

### ***Government Grants and Related Royalties***

The Government of Israel, through the IIA, encourages research and development projects pursuant to the Innovation Law and the regulations promulgated thereunder. We may receive grants from the IIA at rates that range from 20% to 60% (and with respect to Magnet Programs up to 66%) of the research and development expenses, as prescribed by the research committee of the IIA in accordance with the Innovation Law. We recorded such grants from the IIA in the total amount of approximately \$0.4 million in 2025, \$0.7 million in 2024, and \$0.7 million in 2023. Pursuant to the specific terms of these grants, we are obligated to pay royalties of 3% of the revenues generated by sales of products (and certain related services) funded with these grants (excluding grants received in the Magnet project). In the event that a project funded by the IIA does not result in a development which generates revenues, we would not be obligated to repay the grants we received for such development. Royalty expenses relating to the IIA grants included in the cost of revenues for years ended December 31, 2025 and 2024 were approximately \$2.1 million and \$1.8 million, respectively. The total royalty-bearing grants regarding projects that we have received from the IIA as of December 31, 2025 were approximately \$50.2 million. For projects authorized as a research and development program under the Innovation Law since January 1, 1999, the repayment interest rate was LIBOR, as further detailed and qualified below. As of December 31, 2025, the accumulated interest was approximately \$30.4 million, the accumulated royalties paid to the IIA were approximately \$24.6 million and our total amount of contingent liability to the IIA in respect of grants received was, according to our records, approximately \$56.0 million. In September 2021, the Bank of Israel, which determines annual interest rates, published a directive which stated that annual interest at a variable rate linked to the LIBOR rate for loans in U.S. dollars will be replaced by the SOFR, in June 2023. Grants received from the IIA on applications that had been approved before June 30, 2017, bear an annual interest rate that applied at the time of the approval of the applicable IIA file, and that interest rate will apply to all of the funding received under that IIA approval, and grants received from the IIA on applications that had been approved after June 30, 2017, bear an annual interest rate based on the 12-month LIBOR, until December 31, 2023, and as of January 1, 2024, bear an annual interest rate based on the 12-month SOFR, or at an alternative rate published by the Bank of Israel, with the addition of 0.72%. Grants approved after January 1, 2024 will bear the higher of (i) the 12 months SOFR, plus 1%, or (ii) a fixed annual interest rate of 4%.

We are also obligated to pay royalties to the BIRD Foundation, with respect to sales of products based on technology resulting from research and development funded by the BIRD Foundation. Royalties to the BIRD Foundation are generally payable at the rate of 5% of the sales of such products, up to 150% of the grant received, linked to the United States Consumer Price Index. As of December 31, 2025, we had a contingent obligation to pay the BIRD Foundation aggregate royalties in an amount of approximately \$478,035.

### **C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.**

See “Item 4.B—Information on the Company—Business Overview—Research and Development,” “Item 4.B—Information on the Company—Business Overview—Proprietary Rights”, and “Item 5—Operating and Financial Review and Prospects—Research and Development expenses, Net” and “Item 5.A—Operating and Financial Review and Prospects—Operating Results”.

### **D. TREND INFORMATION**

According to industry research, as of January 2026, 89 operators in 48 countries, launched 5G standalone networks and we expect that the number of 5G SA deployments will grow in the coming years, although the pace of such growth is still unknown. CSPs are continuing to invest in 5G networks and more devices have become commercially available despite the economic disruption.

5G networks and services are becoming much more complex and dynamic. They use cloud-native technologies such as containers and Kubernetes to enable automation and simplification and to reduce operating costs. These and the evolution to 5G advanced and GenAI embedded network technologies may result in potential increased interest by CSPs in our solutions.

We consider customer experience as another driver for CSPs to invest in solutions that enable them to better monitor, understand customer affecting issues, and proactively offer resolution and upgrade of quality of service.

As services become more technologically complex and their volumes increase, service quality becomes an issue that must be addressed to allow for end-to-end visibility across the different network areas. Our automated assurance solutions address this need by providing end-to-end network visibility from RAN to core, enabling CSPs to monitor their networks end-to-end as they progress with 5G deployments.

### **E. CRITICAL ACCOUNTING ESTIMATES**

#### ***Critical Accounting Policies and Estimates***

The preparation of Consolidated Financial Statements and related disclosures in conformity with U.S. GAAP requires us to make judgments, assumptions, and estimates that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Note 2 of the Notes to the Consolidated Financial Statements describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. The accounting policies described below are significantly affected by critical accounting estimates. Such accounting policies require significant judgments, assumptions, and estimations used in the preparation of the Consolidated Financial Statements, and actual results could differ materially from the amounts reported based on these policies.

### *Revenue recognition.*

We recognize revenues in accordance with ASC No. 606, "Revenue from Contracts with Customers". As such, we identify a contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation in the contract and recognize revenues when (or as) performance obligations are satisfied as follows:

a) Identify the contract with a customer:

We generally consider either agreements or purchase orders, which in some cases are governed by master agreements, to be contracts with customers. In evaluating the contract with a customer, we analyze the customer's intent and ability to pay the amount of promised consideration (credit risk) and consider the probability of collecting substantially all of the consideration.

b) Identify the performance obligations in the contract:

At a contract's inception, we assess the goods or services promised in a contract with a customer and identify the performance obligations.

The main performance obligations would generally include:

License for our software solutions, professional services, managed services, service type warranty and post-contract customer support, each of which are generally distinct as these promises are capable of being distinct and are separately identifiable.

c) Determine the transaction price:

The transaction price is the amount of consideration to which we are entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

We don't usually grant our customers with a right to return the products sold. However, in some cases, the arrangements may include refunds, liquidated damages, penalties or other damages if we fail to deliver future goods or services or if the goods or services fail to meet certain specifications to acceptance criteria. All of the above are accounted for as variable considerations, which may be considered as adjustments to the transaction price.

We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available.

The Company uses the practical expedient and does not assess the existence of a significant financing component when the difference between payment and revenue recognition is a year or less. As our standard payment terms are less than one year, the contracts have no significant financing component. In instances of contracts where revenue recognition differs from the timing of invoicing, we have determined that those contracts generally do not include a significant financing component. The primary purpose of the invoicing terms is to provide customers with simplified and predictable ways of purchasing our products and services, not to receive or provide financing.

d) Allocate the transaction price to the performance obligations in the contract:

To determine SSP, the Company maximizes the use of observable standalone sales and observable data, where available. In instances where performance obligations do not have observable standalone sales, the Company utilizes available observable inputs or uses the expected cost-plus margin approach to estimate the price the Company would charge if the products and services were sold separately. For software licenses where the standalone selling prices, cannot be determined based on observable prices, given the same products are sold for a broad range of amounts and the selling price is highly variable, the standalone selling prices included in a contract with multiple performance obligations are determined by applying a residual approach. Standalone selling prices of services are typically estimated based on observable transactions when these services are sold on a standalone basis or on a cost-plus basis. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis.

e) Recognize revenue when a performance obligation is satisfied:

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer. Control is either transferred over time or at a point in time, which affects the revenue recognition schedule.

*Products.* Revenues from sales of software solutions which include customer acceptance or software licenses only are recognized at a point in time of the acceptance of the solution or the point in time the software license is delivered.

*Services.* Revenues related to managed services, service type warranty and post-contract customer support are recognized over time.

Deferred revenues represent unrecognized fees collected as well as other advances and payments received from customers, for which revenue has not yet been recognized. Deferred revenues are classified as short-term and long-term deferred revenues based on the period in which revenues are expected to be recognized.

We record unbilled receivables from contracts when the revenue recognized exceeds the amount billed to the customer.

We capitalize an asset for the incremental costs of obtaining a contract whenever such expenses are expected to be recovered. Capitalized costs derive primarily from sales commissions or incentives granted to employees and partners. Our contracts with customers include performance obligations related to products and services, some of which are satisfied at a point in time and others over time. Commission costs related to performance obligations satisfied at a point in time are expensed at the time of sale, which is when revenue is recognized. Commission costs related to long-term service contracts and performance obligations satisfied over time are deferred and recognized on a systematic basis that is consistent with the transfer of the products or services to which the asset relates. Amortization expense is included in sales and marketing expenses in the accompanying consolidated statements of income (loss).

*Share-based compensation.* Our accounts for share-based compensation are in accordance with ASC No. 718 “Compensation – Stock-based Compensation”, or ASC No. 718, which requires us to estimate the fair value of share-based payment awards on the grant date using an option-pricing model.

We recognize compensation expenses for the value of its awards over the requisite service period of each of the awards. For graded vesting awards subject to service conditions only, we use the straight-line attribution method. We estimate expected forfeitures.

We selected the Black-Scholes option-pricing model as the most appropriate fair value method for its share-options awards. The option-pricing model requires a number of assumptions, of which the most significant are the expected share price volatility and the expected option term. Expected volatility was calculated based upon actual historical share price movements over the most recent periods ending on the grant date, equal to the expected option term. The expected term was generated pursuant to historical option exercise information. The risk-free interest rate is based on the yield from U.S. Treasury zero-coupon bonds with an equivalent term to the expected term of the options. Historically the Company has not paid dividends and in addition has no foreseeable plans to pay dividends, and therefore uses an expected dividend yield of zero in the option-pricing model.

Our determination of the fair value of restricted share units or RSUs is based on the closing market value of the underlying shares at the date of grant.

*Income Taxes.* We account for income taxes using the asset and liability method whereby deferred tax assets and liability account balances are determined based on the differences between financial reporting and the tax basis for assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. We provide a valuation allowance, if necessary, to reduce deferred tax assets to the amounts that are more likely-than-not to be realized.

We account for unrecognized tax positions under a two-step approach. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. Assumptions, judgment, and the use of estimates are required in determining if the more-likely-than-not standard has been met and in determining the expected benefit when developing the provision for income taxes. Our evaluations are based upon a number of factors, including changes in facts or circumstances, changes in tax law or guidance, correspondence with tax authorities during the course of audits, and effective settlement of audit issues. Changes in these or other factors could result in material increases or decreases in our provision for income taxes in the period in which we make the change.

## ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### A. DIRECTORS AND SENIOR MANAGEMENT

The following table lists our current directors and executive officers:

Name	Age	Position
Rami Schwartz <sup>(1)</sup>	68	Chairman of our Board of Directors
Rachel (Heli) Bennun	72	Director
Andre Fuetsch <sup>(1)(5)</sup>	55	Director
Oren Most <sup>(1)(4)(5)</sup>	75	Director
Yaron Ravkaie <sup>(1)(2)</sup>	57	Director
David (Dudi) Ripstein <sup>(1)(4)</sup>	59	Director
Sami Totah <sup>(1)(3)</sup>	68	Director
Benjamin (Benny) Eppstein	52	Chief Executive Officer
Hod Cohen	50	Chief Financial Officer
Hilik Itman	54	Chief Operating Officer
Rami Amit	60	Chief Technology Officer

(1) Independent Director, under Nasdaq Stock Market Rules, or the Nasdaq Listing Rules.

(2) Chairman of Audit Committee.

(3) Chairman of Compensation Committee.

(4) Audit Committee Member.

(5) Compensation Committee Member.

**Mr. Rami Schwartz** has served as a director since July 2019 and was appointed as Chairman of our Board of Directors in February 2026. Mr. Schwartz has over 20 years' experience in leadership positions in the technology and enterprise software fields. Mr. Schwartz currently serves as the Managing Director of the Portland Trust Israel and as an Advisory Board Member to AlgoSec and a director at Perion Network Ltd. (Nasdaq: PERI) Mr. Schwartz previously served in senior positions, including as business group president, founder, Chief Executive Officer and Active Chairman, with several public and private companies including Amdocs. Mr. Schwartz also served as Chief of System Development for the Israeli Air Force. Mr. Schwartz holds a B.Sc. in math and computer science from the Hebrew University of Jerusalem.

**Ms. Rachel (Heli) Bennun** has served as a director since December 2012 and as our Executive Chairman from September 2015 until December 2024. Ms. Bennun has over 25 years of professional experience in hi-tech companies. Ms. Bennun co-founded Arel Communications & Software Ltd. (formerly Nasdaq: ARLC) in 1988, a company focused on offering integrated video, audio and data-enabled conferencing solutions, including real time Interactive Distance Learning, and served as Chief Executive Officer, Chief Financial Officer, and director, leading the company to its initial public offering on Nasdaq in 1994. Ms. Bennun also co-founded ArelNet Ltd. (formerly TASE: ARNT), a pioneer in the field of Voice over IP, and served as Chief Executive Officer and as a director, leading the company to its initial public offering on TASE and until its acquisition by Airspan Network Inc. Ms. Bennun has also served as Chief Executive Officer and director of OrganiTech USA, Inc. (PINK: ORGT), a pioneer in the cleantech industry. Ms. Bennun holds a M.Sc. and a B.Sc. in Industrial and Management Engineering from Ben-Gurion University.

**Mr. Andre Fuetsch** has served as a director since August 2023. Mr. Fuetsch is a Managing Partner in Crossover Capital Partners LLC, having assumed that role in January 2024. Mr. Fuetsch has served in various senior capacities in AT&T Inc. since his joining in 1995, the most recent of which is AT&T's Executive Vice President and CTO Network Services. As part of his role, Mr. Fuetsch oversaw the global technology direction for AT&T, including network planning, innovation road map and led AT&T Labs, AT&T Foundry, and the intellectual property organization. In his previous roles in AT&T, Mr. Fuetsch supported and led several organizations responsible for software, systems, and network architecture, planning and engineering, where he held six patents in the field of network traffic optimization and database design. Mr. Fuetsch holds a B.Sc. in Industrial Engineering and Operations Research at U.C. Berkeley and completed his graduate coursework in Computer Science at Stanford University.

**Mr. Oren Most** has served as a director since July 2019. Mr. Most is the founder and former president of Golan Telecom, Ltd., an Israeli cellular operator. Mr. Most has also served in executive positions with several private and public companies including as President and Chief Executive Officer of Gilat Satellite Networks Ltd. (Nasdaq and TASE: GILT) and as Founder and Deputy Chief Executive Officer of Cellcom (Israel) Ltd. Mr. Most has also served as director for several public and private corporations. Mr. Most holds a B.A. in Sociology & Anthropology, Film & Television from Tel Aviv University and an M.B.A. from New York University.

**Mr. Yaron Ravkaie** has served as a director since January 2020. Mr. Ravkaie is the Chief Executive Officer of Teridion Technologies Ltd., having assumed that role in January 2020. Mr. Ravkaie previously served as the Company's Chief Executive Officer from January 2016 through December 2019. Prior to joining RADCOM, Mr. Ravkaie served during 2015 as the Chief Business Officer of RR Media Ltd. Prior to serving at RR Media Ltd., and between 1998 and 2015, Mr. Ravkaie served in various roles with Amdocs Ltd. (Nasdaq: DOX), including as the President of the Mobile Financial Services Division, President of the AT&T division, and other director and vice president roles. Mr. Ravkaie served for nine years in information systems, industrial engineering and logistics with the Israeli Air Force as a Major. Mr. Ravkaie holds an M.B.A. from the University of Beersheba and a B.Sc. in Industrial Engineering & Management from the Technion, Haifa.

**Mr. David (Dudi) Ripstein** has served as a director since June 2024. Mr. Ripstein has three decades of experience in senior management positions in Israel's telecommunications industry and Israel Defense Force technology and intelligence units. Since 2021, Mr. Ripstein has served as a member on the board of directors of Ceragon Networks Ltd., a Nasdaq-traded (Nasdaq: CRNT), solution provider of wireless connectivity. From 2022 to 2023, Mr. Ripstein served as the Chief Executive Officer of SatixFy Communications Ltd. (NYSE American: SATX). From 2017 to 2022, Mr. Ripstein served as a board member and the President and Chief Executive Officer of GreenRoad Technologies Ltd., a global leader in fleet safety telematics. In 2016, Mr. Ripstein served as the Chief Executive Officer of SpotOption Technologies, a fintech software provider. From 2000 to 2015, Mr. Ripstein served in various positions with the Company, first for six years as a General Manager and then for nine years as its President and Chief Executive Officer. Prior to the Company, Mr. Ripstein co-founded two technology startups and served for 10 years as the head of a large R&D engineering group within the Israel Defense Forces-Intelligence Unit. Mr. Ripstein holds a B.Sc. in Electrical Engineering from the Technion, Israel Institute of Technology.

**Mr. Sami Totah** has served as a director since June 2024 and as Chairman of our Board of Directors from January 2025 to February 2026. Mr. Totah has been a General Partner at Viola Growth, a private equity firm investing in the hi-tech arena, from 2008 until 2023. He has extensive knowledge and execution experience in overseeing very large information technology projects and has built an extensive global network with customers, partners, investors and executives. Mr. Totah served on the board of directors of various private and public companies including Itamar Medical Ltd. (Nasdaq and TASE: ITMR) between 2017 and 2021, and Magic Software Enterprises Ltd. (Nasdaq and TASE: MGIC), from 2023 until February 2026.

**Mr. Benjamin (Benny) Eppstein**, has served as our Chief Executive Officer since December 2024. Prior to joining our Company, Mr. Eppstein served as Canada Division President from 2022 to 2024, as a General Manager at the T-Mobile Division from 2020 to 2022, and as Vice President and Client Business Executive and Head of Customer Unit Sprint Corporation from 2015 to 2020 at Amdocs Inc. Prior to Amdocs, Mr. Eppstein was Vice President at Ericsson Japan K.K from 2013 to 2014, managing the relationship with a major telecommunications company and the sales and delivery of software, hardware, and system integration services. Mr. Eppstein holds a B.A. in Public Policy from the Hebrew University of Jerusalem.

**Mr. Hod Cohen** has served as our Chief Financial Officer since January 2026. Prior to joining our Company, Mr. Cohen served for more than 20 years in various capacities in Amdocs Limited (Nasdaq: DOX), including as Head of the Global Business Finance Group, where he was in charge of the business group finance unit of the Americas and International regions from 2021 to 2026, as Head of Finance, APAC & EMEA from 2016 to 2021 and as M&A Finance Director from 2013 to 2016. Mr. Cohen holds a B.A. in Economics from the College of Management and Academic Studies, Rishon Le-Zion and an MBA ESG Paris Graduate School of Management.

**Mr. Hilik Itman**, our Chief Operating Officer joined us in June 1997 as a software engineer and was appointed to his current position in January 2020, having most recently served as the Company's Vice President of Research and Development. Mr. Itman led the development of our main legacy products (R70S and MaveriQ) during the company's transition from hardware-based products, to software-based probe products. Mr. Itman holds a B.A. in Mathematics and Computer Science from the Open University.

**Mr. Rami Amit**, our Chief Technology Officer and Head of Product, joined us in February 2017. Prior to joining RADCOM, Mr. Amit served from 2013 to 2017 as director of engineering in the Cisco Systems, Inc.'s NFV Business Unit, which included worldwide deployments by many Tier 1 customers. Mr. Amit was a major contributor to the vision of the evolution to virtualization in that space. Prior to his time at Cisco Mr. Amit was Chief Technology Officer for Jungo Connectivity Ltd., a leading software provider, founded Surf&Call Solutions Ltd., which was later acquired by CosmoCom, Inc. and was the first employee of the VoIP industry pioneer, VocalTec Ltd., in which he is considered as one of the early inventors of VoIP, building the first ever VoIP gateway shown in public in the mid-1990s and leading many of the VoIP technologies used today on a daily basis. Mr. Amit holds a B.Sc. in electrical engineering from Tel Aviv University.

There are no family relationships between any of the directors or executive officers named above.

## B. COMPENSATION

The following table presents information regarding compensation accrued in our financial statements for our five most highly compensated office holders (within the meaning of the Israeli Companies Law), during or with respect to the year ended December 31, 2025.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Equity-Based Compensation (\$)<sup>(1)</sup></b>	<b>All Other Compensation (\$)<sup>(2)</sup></b>	<b>Total (\$)</b>
Benjamin (Benny) Eppstein CEO	2025	400,000	199,369	545,850	62,716	1,207,935
Hilik Itman, Chief Operating Officer	2025	338,558	224,619	478,840	112,858	1,154,875
Rami Amit, Chief Technology Officer	2025	248,276	105,328	320,867	88,823	763,294
Hadar Rahav (3)	2025	244,514	129,833	289,119	69,552	733,018
Rachel (Heli) Bennun, former Executive Chairman of our Board of Directors (4)	2025	196,138	74,248	133,777	45,141	449,304

(1) Equity based compensation includes the cost of non-cash share-based compensation of the Company in 2025. The grants awarded during 2024 and 2025 were for a vesting term of up to 4 years.

(2) All other compensation includes social benefits and car leasing costs.

(3) Ms. Hadar Rahav served as the Chief Financial Officer of the Company until January 11, 2026.

(4) Ms. Bennun served as an Executive Chairman of our Board of Directors until December 31, 2024, her notice period ended June 30, 2025, and she is currently serving as a member of our Board of Directors.

The bonus and commission payments made to the persons listed in the table above are based on the achievements of goals and objectives that are set and communicated at the beginning of each year and which are made in accordance with our Compensation Policy, as approved by our shareholders from time to time and most recently on December 3, 2025.

The aggregate direct remuneration paid to all our directors and executive officers as a group for the year ended December 31, 2025, including Ms. Hadar Rahav who ceased to serve in her position as Chief Financial Officer on January 11, 2026 and Ms. Heli Bennun, whose notice period as Executive Chairman of the Board ended on June 30, 2025 was approximately \$2.97 million in salaries, bonus, commissions and directors' fees. This amount includes approximately \$0.4 million that was set aside or accrued to provide pension, retirement or similar benefits. These amounts do not include the expense of share-based compensation as per ASC No. 718.

During 2025, our office holders, as such term is defined in the Israeli Companies Law, or Office Holders, including those who served as such during the year 2025, including our former Executive Chairman and including our former CFO, but excluding our non-executive directors, received, in the aggregate 197,220 RSUs and 22,960 options to acquire ordinary shares, or Options, under our 2013 Share Option Plan, or the 2013 Plan and the 2023 Equity Incentive Plan or the 2023 Plan. The RSUs and the Options have a vesting schedule up to four years over equal monthly or quarterly installments commencing as of the date of the grant. Further information regarding the RSU and Options grants to our directors is detailed below.

As of December 31, 2025, our current directors and officers, as a group, held, in the aggregate 285,105 RSUs and 75,816 Options that were granted under our 2013 Plan and the 2023 Plan.

Our directors are reimbursed for expenses and receive cash and equity compensation, which terms are detailed below.

The cash compensation currently paid to our non-executive directors (other than to Mr. Fuetsch) as approved by our shareholders at the annual general meeting held on October 15, 2024, or the 2024 AGM, consists of an annual retainer fee of \$54,000 and an additional fee for directors serving as members of our committees, or Committee Membership Fee consisting of an annual retainer of \$9,000 for Audit Committee members, with the chairman of our Audit Committee receiving an annual retainer of \$18,000 and an annual retainer of \$7,000 for Compensation Committee members, with the chairman of our Compensation Committee receiving an annual retainer of \$14,000. The cash compensation currently paid to Mr. Fuetsch, who was designated by our Board as a director who holds special expertise, or a Special Expertise Director, is an annual cash retainer compensation in the amount of \$70,000 and the applicable Committee Membership Fees.

In addition, as resolved at the 2024 AGM, we grant our directors (other than our Chairman and Mr. Fuetsch), a grant reflecting 6,000 RSUs and 8,000 options, annually, both for the term for which such director is appointed, elected or re-elected, or the General Director Grant. Such grants vest in equal monthly installments. The exercise price of the Options is the average of the closing price of our ordinary shares on Nasdaq in the 30 days prior to the annual general meeting in question, or the appointment, if earlier.

Further, at the 2024 AGM it was resolved to grant our Special Expertise Director, a grant reflecting 7,800 RSUs, and 3,200 Options annually, both for the term for which such Special Expertise Director is appointed, elected or re-elected. Such RSUs and Options vest in equal monthly instalments. The other terms governing the RSUs and Options are substantially identical to the terms of the General Director Grant. Our Board re-approved that Mr. Andre Fuetsch holds special expertise and therefore is entitled to the Special Expertise Director Equity Grant.

In addition, at the 2024 AGM it was resolved to grant our chairman of the Board of Directors, or the Chairman (whether a non-executive or to an executive chairman), a grant reflecting 15,840 RSUs and 21,120 Options annually for the term for which the Chairman is appointed, where such grants vest in equal monthly instalments commencing on the date of the annual general meeting in question, or the appointment, if earlier. The terms of the Options are identical to the Options granted under the General Director Grant.

## ***Share Option Plans***

On March 28, 2023, our Board of Directors adopted the 2023 Plan. The 2023 Plan expires on March 27, 2033. Under the 2023 Plan, we may grant Options, restricted shares and RSUs to our employees, directors, consultants and contractors. Options and RSUs granted under our 2023 Plan generally vest over a period of between one and four years, with a default expiration term for Options of ten years from the date of grant, subject to the discretion of our Board of Directors, which has the authority to deviate from such parameters in respect of specific grants. The 2023 Plan is administered either by our Board of Directors or, subject to applicable law, by our Compensation Committee, which has the discretion to make all decisions relating to the interpretation and operation of the 2023 Plan, including determining who will receive an option award and the terms and conditions of the option awards. We have reserved an aggregate of 3,000,000 ordinary shares under our 2023 Plan. As of March 23, 2026, we have granted 2,365,608 RSUs and 143,735 Options under the 2023 Plan.

On April 3, 2013, our Board of Directors adopted the 2013 Plan. The 2013 Plan expired on April 2, 2023, or the 2013 Plan Expiration Date. Under the 2013 Plan, we were able to grant Options, restricted shares and RSUs to our employees, directors, consultants and contractors. As of the 2013 Plan Expiration Date, we had granted 1,278,808 Options and 2,554,031 RSUs under the 2013 Plan. Options and RSUs granted under our 2013 Plan generally vest over a period of between one and four years, with a default expiration term for Options of ten years from the date of grant, subject to the discretion of our Board of Directors, which had the authority to deviate from such parameters in respect of specific grants. The 2013 Plan was administered either by our Board of Directors or, subject to applicable law, by our Compensation Committee, which had the discretion to make all decisions relating to the interpretation and operation of the 2013 Plan, including determining who will receive an option award and the terms and conditions of the option awards.

We measure the compensation expense for all share-based payments (including employee stock options) at fair value, in accordance with ASC No. 718. We recorded an expense of approximately \$6.1 million for share-based compensation plans during 2025. In February 2026 and March 2026 we granted an aggregate amount of 56,560 RSUs, and 8,747 Options and during 2025, we granted 348,184 RSUs, and 22,960 Options, which will result in additional future expenses that may reduce our net income. See Notes 2(n) and 12(b) of the Notes to the Consolidated Financial Statements for further information.

As of March 23, 2026, there were (i) 4,497 outstanding Options and 27,751 unvested RSUs under the 2013 Plan, and (ii) 128,318 outstanding Options and 1,062,632 unvested RSUs under the 2023 Plan.

Pursuant to Rule 5615(a)(3) of the Nasdaq Listing Rules, we follow our home country practice in lieu of the Nasdaq Listing Rules with respect to the approvals required for the establishment and for material amendments to our share option plans. Consequently, we have adopted share option plans and material amendments thereto by action of our board of directors, without shareholder approval. See also “Item 16G—Corporate Governance.”

## ***Compensation Policy***

Our compensation policy for our executive officers and directors, was last approved by our shareholders at the annual general meeting held on December 3, 2025, and prior to that was amended on October 15, 2024. See “Item 6.C—Directors, Senior Management and Employees—Board Practices—Compensation Committee.”

## C. BOARD PRACTICES

### *Terms of Office*

Our current Board of Directors is comprised of Rami Schwartz (Chairman), and our non-executive directors, Rachel (Heli) Bennun, Andre Fuetsch, Oren Most, Yaron Ravkaie, David (Dudi) Ripstein and Sami Totah. Our directors are elected by the shareholders at the annual general meeting of the shareholders, except in certain cases where directors are appointed by the Board of Directors and their appointment is later ratified at the first meeting of the shareholders thereafter. All of our current directors were elected by our shareholders at our annual general meeting. The terms of office of Mr. Schwartz and Messrs. Bennun, Fuetsch, Most, Ravkaie, Ripstein and Totah, will expire at our 2026 annual general meeting. Except Mr. Andre Fuetsch, none of our directors have service contracts with the Company relating to their service as a director. None of the directors will receive benefits upon termination of their position as a director. For a description of our compensation of directors see “Item 6.B—Directors, Senior Management and Employees—Compensation.”

### *External Directors*

Under the Israeli Companies Law, a public company incorporated under the laws of the State of Israel must appoint at least two external directors; however, pursuant to an exemption provided under section 5D of the Relief Regulations, or the Exemption, a public company with securities listed on certain foreign exchanges, including Nasdaq, that satisfies the applicable foreign country laws and regulations that apply to companies organized in that country relating to the appointment of independent directors and composition of audit and compensation committees and has no controlling shareholder is exempt from the requirement to elect external directors or comply with the audit committee and compensation committee composition requirements under the Israeli Companies Law.

On July 31, 2019, our Board of Directors adopted the Exemption. As a result of the adoption of the Exemption, we do not currently have any external directors serving on our Board. We are in compliance with the Nasdaq Listing Rules requirements as to the composition of our Board of Directors.

### *Audit Committee*

The current members of our Audit Committee are David (Dudi) Ripstein, Yaron Ravkaie and Oren Most. Mr. Ravkaie is the Chairman of the Audit Committee. Our Board of Directors has determined that each of the members of our Audit Committee is independent within the meaning of the Nasdaq Listing Rules. Our Board of Directors has also determined that Yaron Ravkaie is an “Audit Committee Financial Expert” as defined in Item 407(d)(5)(ii) of Regulation S-K under the Exchange Act and that he has the requisite experience under Nasdaq Listing Rules.

Our Audit Committee operates under a written charter that is posted on our website.

As stated in our Audit Committee charter, the Audit Committee assists our Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of our accounting, auditing and financial reporting practices and financial statements, and the “independence” requirements and performance of our independent auditors. The Audit Committee also has the authority and responsibility to oversee our independent auditors, to recommend for shareholder approval the appointment and, where appropriate, the replacement of our independent auditors, and to pre-approve audit engagement fees and all permitted non-audit services and fees.

Under the Israeli Companies Law and the Nasdaq Listing Rules, our Audit Committee is responsible for, among others (i) determining whether there are deficiencies in the business management practices of our Company, including in consultation with our internal auditor or the independent auditor, and making recommendations to the Board to improve such practices, (ii) determining whether to approve certain related party transactions (including transactions in which an Office Holder has a personal interest) and whether such transaction should be deemed as material or extraordinary, (iii) where the Board approves the working plan of the internal auditor, to examine such working plan before its submission to the Board and propose amendments thereto, (iv) examining our internal controls and internal auditor’s performance, including whether the internal auditor has sufficient resources and tools to dispose of its responsibilities, (v) examining the scope of our auditor’s work and compensation and submitting a recommendation with respect thereto to our Board or shareholders, depending on which of them is considering the appointment of our auditor, and (vi) establishing procedures for the handling of employee complaints as to the management of our business and the protection to be provided to such employees.

## *Compensation Committee*

The current members of our Compensation Committee are, Oren Most, Sami Totah and Andre Fuetsch. Mr. Totah is the Chairman of the Compensation Committee. Our Board of Directors has determined that each of the members of our Compensation Committee is independent within the meaning of the Nasdaq Listing Rules.

The Compensation Committee operates under a charter that is posted on our website.

As stated in our Compensation Committee Charter and as provided under the Israeli Companies Law and the Nasdaq Listing Rules, our Compensation Committee is responsible for (i) proposing Office Holder compensation policies to the Board of Directors, (ii) proposing necessary revisions to any compensation policy and examining its implementation, (iii) determining whether to approve transactions with respect to compensation of Office Holders, (iv) determining, in accordance with Office Holder compensation policies, whether to exempt an engagement with an unaffiliated nominee for the position of chief executive officer from requiring shareholder approval, and (v) administration of our share option plan.

Subject to the provisions of the Israeli Companies Law, compensation of executive officers is generally determined and approved by our Compensation Committee and our Board of Directors. Shareholder approval is generally required when (i) approval by our Board of Directors and our Compensation Committee is not consistent with our Compensation Policy which was last adopted by annual meeting of shareholders on December 3, 2025, or (ii) the compensation is that of our Chief Executive Officer. In special circumstances, our Compensation Committee and Board may approve the compensation of an executive officer (other than a director, a chief executive officer or a controlling shareholder) or approve the compensation policy despite shareholder objection. Additionally, under certain circumstances, our Compensation Committee may exempt an engagement with a nominee for the position of chief executive officer from requiring shareholders' approval or may otherwise postpone such shareholders' approval.

A director or executive officer may not be present when the Board of Directors discusses or votes upon the terms of his or her compensation, unless the chairman of the Board determines that he or she should be present to present the transaction that is subject to approval. The Chief Executive Officer may not be present during voting or deliberations regarding his or her compensation.

The Israeli Companies Law provides that our compensation policy must serve as the basis for the decisions concerning the financial terms of employment or engagement of Office Holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be approved (or reapproved) not longer than every three years, and relate to certain factors, including advancement of the company's objective, business plan and its long-term strategy and creation of appropriate incentives for Office Holders. It must also consider, among other things, the company's risk management, size and nature of its operations. The compensation policy must furthermore consider the following additional factors:

- the knowledge, skills, expertise and accomplishments of the relevant Office Holder;
- the Office Holder's roles and responsibilities and prior compensation agreements with him or her;
- the relationship between the terms offered and the average compensation of the other employees of the company, including those employed through human resource companies;
- the impact of disparities in salary upon work relationships in the company;

- the possibility of reducing variable compensation at the discretion of the Board of Directors or the possibility of setting a limit on the exercise value of non-cash variable equity-based compensation; and
- as to severance compensation, the period of service of the Office Holder, the terms of his or her compensation during such service period, the company's performance during that period of service, the person's contributions towards the company's achievement of its goals and the maximization of its profits and the circumstances under which the person is leaving the company.

The compensation policy must also include the following principles:

- the link between variable compensation and long-term performance and measurable criteria;
- the relationship between variable and fixed compensation, and the ceiling for the value of variable compensation;
- the conditions under which a director or executive would be required to repay compensation paid to him or her if it was later shown that the data upon which such compensation was based was inaccurate and was required to be restated in the company's financial statements;
- the minimum holding or vesting period for variable, equity-based compensation; and
- maximum limits for severance compensation.

Our compensation policy for our executive officers and directors, was last approved by our shareholders on December 3, 2025.

### ***Internal Auditor***

Under the Israeli Companies Law, the board of directors of a public company must also appoint an internal auditor proposed by the audit committee. The duty of the internal auditor is to examine, among other things, whether the company's conduct complies with applicable law and orderly business procedure. Under the Israeli Companies Law, the internal auditor may not be an interested party, an Office Holder or an affiliate, or a relative of an interested party, an Office Holder or affiliate, nor may the internal auditor be the company's independent accountant or its representative. An interested party is defined in the Israeli Companies Law as a 5% or greater shareholder, any person or entity that has the right to designate at least one director or the general manager of the company and any person who serves as a director or as a general manager.

Ms. Sharon Cohen, who is a partner at Brightman Almagor Zohar & Co., a member of Deloitte, serves as our internal auditor.

### ***Exculpation, Indemnification and Insurance of Directors and Officers***

We have agreed to exculpate and indemnify our Office Holders to the fullest extent permitted under the Israeli Companies Law. We have also purchased a directors and officers liability insurance policy. For information regarding exculpation, indemnification and insurance of directors and officers under applicable law and our articles of association, see "Item 10.B—Additional Information—Memorandum and Articles of Association."

### ***Management Employment Agreements***

We maintain written employment agreements with all our employees. These agreements provide, among other matters, for monthly salaries, our contributions to Managers' Insurance and an Education Fund and severance benefits. Most of our agreements with our key employees are subject to termination by either party upon the delivery of notice of termination as provided therein.

## *Nominating Committee*

Our Board of Directors does not currently have a nominating committee. However, independent directors do retain oversight over director nominations, and in accordance with the requirements of the Nasdaq Listing Rules, our director nominees will either be selected for or recommended to the Board of Directors by a majority of the independent directors of the Board of Directors.

### **D. EMPLOYEES**

Our total headcount as of December 31, 2025, was 325, compared to 307 in 2024 and 295 in 2023, including full-time and part-time employees and contractors, broken down geographically and by function as follows:

	<b>Research and Development</b>	<b>Sales, Marketing and Customer Support</b>	<b>Operations</b>	<b>Administration and Management</b>	<b>Total Headcount</b>
Israel	88	37	4	14	143
India	23	41	-	3	67
United States	-	42	-	3	45
Brazil	-	11	-	1	12
Other	41	17	-	-	58
Total	<u>152</u>	<u>148</u>	<u>4</u>	<u>21</u>	<u>325</u>

We consider our relations with our employees to be good and we have never experienced a strike or work stoppage. Except for employees located in Brazil, none of our employees are represented by labor unions.

For more information, see “Item 4.B—Information on the Company—Business Overview—Employees.”

### **E. SHARE OWNERSHIP**

For information regarding the share ownership of directors and officers, see Item 7.A. “*Major Shareholders and Related Party Transactions—Major Shareholders.*” For information as to our equity incentive plan, see Item 6.B. “*Director; Senior Management and Employees—B. Compensation—Share Option Plan.*”

### **F. DISCLOSURE OF A REGISTRANT’S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION**

Not applicable.

## **ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### **A. MAJOR SHAREHOLDERS**

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of March 23, 2026, by:

- each person or entity known by us to own beneficially more than 5% of our outstanding ordinary shares;
- each of our directors and executive officers individually; and
- all of our executive officers and directors as a group.

The beneficial ownership of ordinary shares is determined in accordance with the SEC rules and generally includes any ordinary shares over which a person exercises sole or shared voting or investment power. For purposes of the table below, we deem shares subject to Options that are currently exercisable or exercisable within 60 days of March 23, 2026, and RSUs, that shall vest within 60 days of March 23, 2026, to be outstanding and to be beneficially owned by the person holding the Options or RSUs for the purposes of computing the percentage ownership of that person but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person. The percentage of shares beneficially owned is based on 16,690,457 ordinary shares outstanding as of March 23, 2026.

The information presented below is based on information provided to us by the directors, officers, and shareholders or disclosed in public filings with the SEC. The voting rights of our major shareholders do not differ from the voting rights of other holders of our ordinary shares.

None of our executive officers or directors beneficially owns 1% or more of our outstanding ordinary shares.

As of March 23, 2026, our ordinary shares had a total of 13 holders of record, of which 7 were registered with addresses in the United States. We believe that the number of beneficial owners of our shares is substantially greater than the number of record holders, because a large portion of our ordinary shares is held of record in broker "street name".

<b>Name</b>	<b>Number of Ordinary Shares beneficially owned<sup>(1)</sup></b>	<b>Percentage of Outstanding Ordinary Shares beneficially owned<sup>(2)</sup></b>
<i>Principal Shareholders</i>		
Lynrock Lake LP	3,166,666 <sup>(3)</sup>	19.0%
Michael Zisapel and Klil Zisapel	2,294,738 <sup>(4)</sup>	13.7%
Barclays PLC	1,114,430 <sup>(5)</sup>	6.7%
AWM Investment Company, Inc.	991,261 <sup>(6)</sup>	5.9%
Value Base Ltd.	865,009 <sup>(7)</sup>	5.2%
<i>Directors and Officers</i>		
Rami Schwartz	*	*
Rachel (Heli) Bennun	*	*
Andre Fuetsch	*	*
Oren Most	*	*
Yaron Ravkaie	*	*
David (Dudi) Ripstein	*	*
Sami Totah	*	*
Benjamin (Benny) Eppstein	*	*
Hod Cohen	*	*
Hilik Itman	*	*
Rami Amit	*	*
All directors and executive officers as a group (11 persons)	298,333 <sup>(8)</sup>	1.8%

\* Less than 1%

(1) Except as otherwise noted and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to all ordinary shares listed as owned by such person. Shares beneficially owned include shares that may be acquired pursuant to options to purchase ordinary shares that are exercisable within 60 days of March 23, 2026.

- (2) The percentage of outstanding ordinary shares is based on 16,690,457 ordinary shares outstanding as of March 23, 2026. In determining the percentage owned by each person, ordinary shares for each person includes ordinary shares that may be acquired by such person pursuant to options to purchase ordinary shares that are exercisable within 60 days of March 23, 2026. The number of outstanding ordinary shares does not include 5,189 ordinary shares held by RADCOM US, a wholly owned subsidiary and 30,843 ordinary shares that were repurchased by us.
- (3) Based on a Schedule 13D filed with the SEC on February 24, 2026. Includes 3,166,666 ordinary shares held by Lynrock Lake Master Fund LP, or Lynrock Lake Master. Lynrock Lake LP, or Investment Manager, is the investment manager of Lynrock Lake Master. Pursuant to an investment management agreement, the Investment Manager has been delegated full voting and investment power over securities of the Company held by Lynrock Lake Master. Cynthia Paul, the Chief Investment Officer of the Investment Manager and Sole Member of Lynrock Lake Partners LLC, the general partner of the Investment Manager, may be deemed to exercise voting and investment power over securities of the Company held by Lynrock Lake Master. The address of each of Cynthia Paul, Lynrock Lake Partners LLC, and Lynrock Lake LP is 2 International Drive, Suite 130 Rye Brook, NY 10573.
- (4) Based on a Schedule 13D/A filed with the SEC on February 24, 2026, Mr. Michael Zisapel and Ms. Klil Zisapel beneficially own, in aggregate, 2,294,738 ordinary shares. Ms. Klil Zisapel beneficially owns 1,147,369 ordinary shares, consisting of (i) 874,047 ordinary shares held directly by Ms. Klil Zisapel and (ii) 271,074 ordinary shares that are held indirectly by Ms. Klil Zisapel through her 50% ownership in each of Lomsha Ltd., an Israeli company, and Michael & Klil Holdings (93) Ltd., an Israeli company and (iii) Options to acquire 2,249 ordinary shares exercisable within 60 days. Mr. Michael Zisapel beneficially owns 1,147,369 ordinary shares, consisting of (i) 874,047 ordinary shares held directly by him, (ii) 271,074 ordinary shares held indirectly through his 50% ownership in each of Lomsha Ltd. and Michael & Klil Holdings (93) Ltd., and (iii) Options to acquire 2,248 ordinary shares exercisable within 60 days. The address of Mr. Zisapel and Ms. Zisapel is 24 Raoul Wallenberg Street, Building C, Tel-Aviv 69719, Israel.
- (5) Based on a Schedule 13G/A filed on February 11, 2026, Barclays PLC beneficially owns an aggregate amount of 1,114,430 ordinary shares; Barclays PLC reported sole voting power and sole dispositive power with respect to 1,111,314 ordinary shares, and shared voting power and shared dispositive power with respect to 3,116 ordinary shares. The securities being reported on by Barclays PLC, as a parent holding company, are owned, or may be deemed to be beneficially owned, by Barclays Bank PLC. Barclays Bank PLC is a non-US banking institution registered with the Financial Conduct Authority authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom. Barclays Bank PLC is a wholly-owned subsidiary of Barclays PLC. Barclays Capital Inc., is a Connecticut business entity. The address of the principal office of Barclays PLC and Barclays Bank PLC is 1 Churchill Place, London, E14 5HP, England. The address of the principal office of Barclays Capital Inc. is 745 Seventh Ave, New York, NY 10019.
- (6) Based on a Schedule 13G filed with the SEC on February 14, 2025 by AWM Investment Company, Inc., or AWM, reporting that AWM is the investment adviser to Special Situations Fund III QP, L.P., or SSFQP, Special Situations Cayman Fund, L.P., or Cayman, Special Situations Technology Fund, L.P., or TECH and Special Situations Technology Fund II, L.P., or TECH II and referred to together with SSFQP, Cayman, and TECH as the Funds. As the investment adviser to the Funds, AWM holds sole voting and investment power over 380,185 ordinary shares held by SSFQP, 106,530 ordinary shares held by Cayman, 84,821 ordinary shares held by TECH and 419,725 ordinary shares held by TECH II. David M. Greenhouse and Adam C. Stettner are members of SSCayman, L.L.C., a Delaware limited liability company, or SSCAY, the general partner of Cayman. David M. Greenhouse and Adam C. Stettner are members of MGP Advisers Limited Partnership, a Delaware limited partnership, the general partner of SSFQP and SST Advisers, L.L.C., a Delaware limited liability company, the general partner of TECH and TECH II. David M. Greenhouse and Adam C. Stettner are also controlling principals of AWM. The business address AWM Investment Company, Inc. is c/o Special Situations Funds, 527 Madison Avenue, Suite 2600, New York, NY 10022.

- (7) Based on a Schedule 13D filed with the SEC on February 17, 2026. Includes (i) 400,563 Ordinary Shares owned directly by Value Base Ltd., an Israeli company which is controlled by Messrs. Victor Shamrich and Ido Nouberger and which wholly owns Value Base Hedge Fund Ltd., an Israeli company, and is the general partner of Harmony Base L.P., and (ii) 464,446 ordinary shares owned directly by Harmony Base L.P., an Israeli limited partnership. The address of each of Value Base Ltd. and Harmony Base L.P. is 23 Yehuda Halevi St., Tel-Aviv 6513601, Israel.
- (8) Each of the directors and executive officers not separately identified in the above table beneficially owns less than 1% of our outstanding ordinary shares, including options that are currently exercisable or exercisable within 60 days of March 23, 2026, and RSUs that vest within 60 days of March 23, 2026 held by each such party, and have, therefore, not been separately disclosed. The number of shares is comprised of 261,007 ordinary shares and 26,599 Ordinary Shares issuable upon the settlement of RSUs and 10,727 Ordinary Shares issuable upon the exercise of Options that are currently exercisable or exercisable within 60 days of March 23, 2026

### ***Significant Changes in Percentage Ownership by Major Shareholders***

To our knowledge, the significant changes in the percentage of ownership held by our major shareholders during the past three years have been: (i) the transfer by inheritance of the ordinary shares and options to purchase ordinary shares beneficially owned by our former largest shareholder, late Zohar Zisapel, to each of his children Michael Zisapel and Klil Zisapel in equal parts, in 2023 and the subsequent decrease in the percentage of ownership they hold in the aggregate, from approximately 15% as of March 19, 2025 to 13.7% as of March 23, 2026, (ii) an increase in the percentage of ownership held by Lynrock Lake LP from 14.1% as of March 19, 2025 to 19% as of March 23, 2026, (iii) an increase in the percentage of ownership held by Barclays PLC above 5% until it has beneficially owned 5.4% as of March 19, 2025 and subsequent increase until it has beneficially owned 6.7% as of March 23, 2026, (iv) a decrease in the percentage of ownership held by AWM Investment Company, Inc., from 6.2% as of March 19, 2025 to 5.9% as of March 23, 2026, and (v) an increase in the percentage of ownership held by Value Base Ltd. above 5% until it has beneficially owned 5.2% as of March 23, 2026. The information in the paragraph above is based on Schedules 13G, 13D and amendments thereof filed by the persons named above, and assumes that the number of shares reported therein has not changed from the date of filing such Schedule through the date referred to above.

## **B. RELATED PARTY TRANSACTIONS**

### ***Transactions with certain Principal Shareholders***

We currently lease office premises in Tel Aviv, Israel and in Paramus, New Jersey, in part from private companies owned by two of our shareholders Michael Zisapel and Klil Zisapel, for which we believe we pay on market terms and rates. The aggregate amount of lease and maintenance payments, which may constitute related party transactions under Item 7.B of Form 20-F, was approximately \$204 thousand in 2025.

### ***Transactions with Magic Software Enterprises Ltd***

Our Director Mr. Sami Totah also served as a director in Magic Software Enterprises Ltd, or Magic Software, during 2025. During 2025, we purchased certain cloud management services from CommIT Technology Solutions Ltd, or CommIT, and human resources services from 9540 Y.G. Soft I.T Ltd., or ITSoft, for which we believe we pay on market terms and rates, both of which are subsidiaries of Magic Software. The aggregate amount of such purchases in 2025, was approximately \$933 thousand and \$301 thousand from CommIT and ITSoft, respectively.

We believe that the terms of the transactions in which we have entered and are currently engaged with, and are discussed above are beneficial to us and no less favorable to us than terms that might be available to us from unaffiliated third parties. All future transactions and arrangements (or modifications of existing ones) which may constitute related party transactions under applicable law will be approved in accordance with the requirements of such applicable law.

### **C. INTERESTS OF EXPERTS AND COUNSEL**

Not applicable.

## **ITEM 8. FINANCIAL INFORMATION**

### **A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION**

Our consolidated financial statements and other financial information, which can be found at the end of this Annual Report beginning on page F-1, are incorporated herein by reference.

#### ***Export Sales***

In 2025 and 2024, the amount of our export sales was approximately \$56.8 million and \$54.1 million respectively, which represented 79% and 89% of our total sales respectively.

#### ***Legal Proceedings***

We are currently not, and have not been in the recent past, a party to any legal proceedings which may have or have had in the recent past material effects on our financial position or profitability. However, we have been in the past, and may be from time to time in the future, named as a defendant in certain routine litigation incidental to our business.

#### ***Dividend Policy***

We have never declared or paid any cash dividends on our ordinary shares. We currently intend to retain any future earnings to finance operations and to expand our business and, therefore, do not expect to pay any cash dividends in the foreseeable future.

### **B. SIGNIFICANT CHANGES**

Except as otherwise disclosed below and/or in this Annual Report, there has been no significant change affecting our financial statements since December 31, 2025.

## **ITEM 9. THE OFFER AND LISTING**

### **A. OFFER AND LISTING DETAILS**

Our ordinary shares are traded on the Nasdaq Capital Market under the symbol "RDCM."

### **B. PLAN OF DISTRIBUTION**

Not applicable.

### **C. MARKETS**

Our ordinary shares are traded on the Nasdaq Capital Market.

### **D. SELLING SHAREHOLDERS**

Not applicable.

### **E. DILUTION**

Not applicable.

### **F. EXPENSES OF THE ISSUE**

Not applicable.

## ITEM 10. ADDITIONAL INFORMATION

### A. SHARE CAPITAL

Not applicable.

### B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Copies of our Memorandum and Articles of Association are attached as Exhibit 1.1 and Exhibit 1.2, respectively, to this Annual Report. The information called for by this Item is set forth in Exhibit 2.2 to this Annual Report and is incorporated by reference into this Annual Report.

### C. MATERIAL CONTRACTS

On March 29, 2019, we entered into a series of agreements with AT&T relating to the sale of our solutions and services to AT&T. The AT&T agreements include:

- **Software and Professional Services Agreement**, or the AT&T SPSA – a three-year framework agreement with two additional one-year options which establishes general terms and conditions for the delivery of products and services. Such terms include, among others, terms relating to ordering procedures; AT&T site, privacy, and security requirements; terms related to the licensing of intellectual property to AT&T; change in control provisions permitting AT&T's termination of the agreement under certain circumstances; intellectual property infringement indemnity; insurance requirements; and limitations of liability. The SPSA provides the structure pursuant to which the parties may enter into supplemental agreements for purposes of effectuating specific orders. With regard to such orders, the terms of any supplemental agreements take precedence over the terms of the SPSA. On August 24, 2022, March 19, 2025 and June 27, 2025, the AT&T SPSA was extended for an additional period.
- **Supplemental Support & Maintenance Agreement**, or the AT&T Supplemental S&M – a three-year agreement for our performance of support and maintenance services for our solutions deployed on AT&T's network. This agreement defines the technical aspects of support including error severity levels, response times, and method of interface, as well as the annual fee for such services. On April 1, 2022, and on May 5, 2025, the AT&T Supplemental S&M was extended for an additional period.

On December 13, 2024 we entered into a Supplement Agreement, or the AT&T Supplement Agreement – a multi-year agreement governing the sale of our solutions and related professional services to AT&T. The Supplement Agreement provides the detailed technical scope for our solutions and the prices applicable to such solutions. Pursuant to the Supplement Agreement, AT&T has committed to issue certain orders related to the continuing enhancement of existing solutions.

Additionally, we have entered and from time to time may enter into additional SOWs with AT&T providing for additional products and/or services complementary to the services provided under AT&T SPSA and AT&T Supplement Agreement.

We entered into a series of agreements with Rakuten relating to the sale of our solutions and services to Rakuten. The Rakuten Agreements include:

- **Master Software and Professional Services Agreement**, or MSPSA – a multi-year framework agreement effective May 21, 2019, establishing general terms and conditions for the delivery of software and services. Such terms include, among others, terms relating to ordering procedures, intellectual property, confidentiality, indemnity, and limitations of liability. The MSPSA provides the structure pursuant to which the parties may enter into additional statements of work, or SOWs, for purposes of effectuating specific orders. The SOWs establish the scope of services, technical specifications, and certain other terms with regard to each particular order. The terms of any SOWs take precedence over the terms of the MSPSA. On May 21, 2024, and on May 21, 2025, the Rakuten MSPSA was extended for an additional period.

- **Rakuten Managed Services Agreement**, or the Rakuten Managed Services Agreement – a multi-year agreement effective May 22, 2019, governing the delivery of our solution and services as a managed service to Rakuten and providing the detailed technical scope for the managed services and the prices applicable to such services. Rakuten Managed Services Agreement establishes a multi-year commitment with certain additional renewal periods. On July 14, 2022, and February 21, 2024, the Rakuten Managed Services Agreement was extended for an additional period.
- **Rakuten 5G NSA/SA Managed Services Agreement**, or the Rakuten 5G NSA/SA Managed Services Agreement – a multi-year agreement effective as of August 31, 2020, governing the delivery of our solution and services as a managed service to Rakuten’s 5G NSA and SA network, providing the detailed technical scope for the managed services and the prices applicable to such services. The Rakuten 5G NSA/SA Managed Services Agreement establishes a multi-year commitment with certain additional renewal periods. On February 21, 2024, the Rakuten 5G NSA/SA Managed Services Agreement was extended for an additional period.

Additionally, we have entered and from time to time may enter into additional SOWs with Rakuten providing for additional products and or services complementary to the services provided under Rakuten Managed Services Agreement and the Rakuten 5G NSA/SA Managed Services Agreement.

#### **D. EXCHANGE CONTROLS**

There are currently no Israeli currency control restrictions on payments of dividends or other distributions with respect to our ordinary shares or the proceeds from the sale of our ordinary shares, except for the obligation upon Israeli residents to file reports with the Bank of Israel regarding certain transactions. However, legislation remains in effect pursuant to which currency controls can be imposed by administrative action at any time and from time to time.

#### **E. TAXATION**

##### *Israeli Tax Considerations*

The following is a summary of certain tax consequences applicable to companies incorporated in Israel, with special reference to its effect on us, as well as a summary of Israeli government programs that benefit us. The following also contains a discussion of material Israeli tax consequences concerning the ownership and disposition of our ordinary shares.

This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. Examples of such investors include residents of Israel, partnerships, trusts, traders in securities and other taxpayers who are subject to special tax regimes not covered in this discussion. To the extent that the discussion is based on tax legislation which has not been subject to judicial or administrative interpretation, we cannot assure you that the views expressed in the discussion will be accepted by the appropriate tax authorities or the courts. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, possibly with a retroactive effect, which changes could affect the tax consequences described below. The discussion is not intended, and should not be construed, as legal or professional tax advice and is not exhaustive of all possible tax considerations.

Holders of our ordinary shares should consult their own tax advisors as to the United States, Israeli or other tax consequences of the purchase, ownership and disposition of ordinary shares, including, in particular, the effect of any non-Israeli state or local taxes.

## ***General Corporate Tax Structure***

Israeli companies are generally subject to corporate tax on their taxable income at a flat rate. Starting 2018 and thereafter, the taxable income of the Company is subject to Israeli corporate tax at the rate of 23%. However, the effective tax rate payable by a company that derives income under the Law for the Encouragement of Capital Investments (as discussed below) may be considerably lower.

Under the Israeli Income Tax Ordinance (New Version), 5721-1961, or the Ordinance, a company will be considered as an “Israeli resident” if: (a) it was incorporated in Israel; or (b) the control and management of its business are operated from Israel.

## ***Special Provisions Relating to Tax Reporting in United States Dollars***

The Company has elected to measure its taxable income and file its Israeli tax return in United States Dollars, under the Israeli Income Tax Regulations (Principles Regarding the Management of Books of Account of Foreign Invested Companies and Certain Partnerships and the Determination of Their Taxable Income), 5746-1986.

## ***Tax benefits under the Law for the Encouragement of Capital Investments, 5719-1959, or the Encouragement of Capital Investments Law:***

The Encouragement of Capital Investments Law was significantly amended effective as of January 2011, or Amendment 68. Amendment 68 introduced new benefits to replace those granted in accordance with the provisions of the Encouragement of Capital Investments Law in effect prior to Amendment 68. However, companies entitled to benefits under the Encouragement of Capital Investments Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or elect instead, irrevocably, to forego such benefits and have the benefits of Amendment 68 apply.

Amendment 68 cancelled the availability of the benefits granted to Industrial Companies under the Encouragement of Capital Investments Law prior to 2011 and, instead, introduced new benefits for income generated by a “Preferred Company” through its “Preferred Enterprise” (as such terms are defined in the Encouragement of Capital Investments Law) as of January 1, 2011. The definition of a Preferred Company includes a company incorporated in Israel that is not fully owned by a governmental entity, and that has, among other things, Preferred Enterprise status and is controlled and managed from Israel. Pursuant to Amendment 68, a Preferred Company is entitled to a reduced corporate tax rate of 15% with respect to its income derived by its Preferred Enterprise in 2011 and 2012, unless the Preferred Enterprise is located in certain areas in Israel designated as Development Area A, in which case the rate will be 10%.

In August 2013, the Israeli Parliament enacted the Law for Changing National Priorities (Legislative Amendments for Achieving Budget Targets for 2013 and 2014), 2013 which includes Amendment 71 thereto, or Amendment 71. Per Amendment 71, the tax rate on preferred income from a Preferred Enterprise in 2013 will be 7% in Development Area A, and 12.5% in other areas and in 2014-2016 9% in Development Area A and 16% in other areas. In 2017 and thereafter, the tax rate for Development Area A was reduced to 7.5%.

We may claim the tax benefits offered by Amendment 71 in our tax returns, provided that our facilities meet the criteria for tax benefits set out by the amendment. We are also entitled to approach the Israeli Tax Authority, or the ITA, for a pre-ruling regarding our eligibility for benefits under Amendment 71 (and in some cases we are required to apply for such approval).

In December 2016, the Israeli Parliament enacted the Economic Efficiency Law (Legislative Amendments for Applying the Economic Policy for the 2017 and 2018 Budget Years), 2016 which includes Amendment 73 thereto, or Amendment 73. Amendment 73, which came into effect in January 2017, prescribes special tax tracks for Preferred Technological Enterprises, granting such enterprises a corporate tax rate of 7.5% in Development Area A and 12% in other areas, and setting a corporate tax rate of 6% for enterprises that qualify as a Special Preferred Technological Enterprise.

Under Amendment 73, dividends distributed to individuals or non-Israeli shareholders by a Preferred Technological Enterprise or a Special Preferred Technological Enterprise, paid out of income that qualifies as “Preferred Technological Income,” are generally subject to tax at the rate of 20% or such lower rate as may be provided in an applicable tax treaty, which, in each case, will be withheld at source (non-Israeli shareholders are required to present, in advance of payment, a valid withholding certificate from the ITA allowing for such 20% tax rate or lower treaty rate). However, dividends distributed to an Israeli company are not subject to tax (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, withholding tax at a rate of 20% or such lower rate as may be provided in an applicable tax treaty, will apply). If such dividends are distributed to a foreign corporation or corporations (holding directly at least 90% in the Preferred Company which owns the Preferred Technological Enterprise or holding indirectly such 90% in the Preferred Company which owns the Preferred Technological Enterprise, subject to certain conditions) and other conditions are met, the applicable withholding tax rate will be 4%, or such lower rate as may be provided in an applicable tax treaty (in each case, subject to the receipt in advance of a valid withholding certificate from the ITA).

In order to be eligible for the reduced tax rates, a company must meet certain criteria as set forth in Amendment 73 including that R&D expenses and employee level remain at a certain rate.

We have yet to claim the tax benefits offered under Amendment 73 and accordingly such reduced taxes were not considered in the computation of the deferred taxes and valuation allowance as of December 31, 2025.

### ***Tax Benefits and Grants for Research and Development***

Israeli tax law allows, under certain conditions, a tax deduction for expenditures, including capital expenditures, related to scientific research and development for the year in which they are incurred. Expenditures are deemed related to scientific research and development projects, if:

- The expenditures are approved by the relevant Israeli government ministry, determined by the field of research;
- The research and development must be for the promotion or development of the company; and
- The research and development are carried out by or on behalf of the company seeking such tax deduction.

The amount of such deductible expenses is reduced by the sum of any funds received through government grants for the finance of such scientific research and development projects. Under these research and development deduction rules, no deduction is allowed for any expense invested in an asset depreciable under the general depreciation rules of the Ordinance. Expenditures that do not qualify for this special deduction are deductible in equal amounts over three years commencing in the year of the payment of such expenditures.

From time to time we may apply for approval of research and development programs which may support eligibility for tax deductions for all or most of the research and development expenses during the year incurred. There can be no assurance that such application will be approved. If we will not be able to deduct research and development expenses during the year of the payment, we will be able to deduct research and development expenses during a period of three years commencing in the year of the payment of such expenses.

### ***Capital Gains Tax on Sales of Our Ordinary Shares***

The Israeli tax law generally imposes a capital gains tax on the sale of assets, including shares, by non-Israeli residents, if those assets are either (a) located in Israel; (b) located outside of Israel and represent a direct or indirect right to an asset or inventory located in Israel; (c) are shares or rights to shares in an Israeli resident corporation; or (d) are rights in a foreign resident corporation (non-Israeli corporation) that holds, directly or indirectly, assets located in Israel, unless a specific exemption is available or unless a tax treaty between Israel and the shareholder’s country of residence provides otherwise. Under the Ordinance, there is a distinction between a “Real Capital Gain” and “Inflationary Surplus”. The Inflationary Surplus is equal to the increase in the purchase price of the relevant asset attributable to the increase in the Israeli consumer price index or, in certain circumstances, a foreign currency exchange rate, between the date of purchase and the date of sale. The Real Capital Gain is the excess of the total capital gain over the Inflationary Surplus. Inflationary Surplus is currently not subject to tax in Israel.

The tax rate applicable to Real Capital Gain derived by an individual from the sale of shares which had been purchased after January 1, 2012, whether listed on a stock exchange or not, is 25%. However, if such shareholder is considered a “Substantial Shareholder” at the time of sale or at any time during the preceding 12-month period (or claims a deduction for interest and linkage differences expenses in connection with the purchase and holding of such shares), such gain will be taxed at the rate of 30%. A “Substantial Shareholder” is generally a person who holds, alone or together with a relative or with a person who is not a relative where the person has a permanent cooperation agreement with such non-relative, directly or indirectly, at least 10% of any of the “means of control” of the corporation. “Means of control” generally include the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Real capital gain derived by corporations will be generally subject to a corporate tax, currently at a rate of 23%.

Moreover, Real Capital Gains derived by a shareholder who is a dealer or trader in securities, or to whom such income is otherwise taxable as ordinary “business income”, as defined in Section 2(1) of the Ordinance, is taxed in Israel at the marginal tax rates applicable to business income (for fiscal year 2025 and 2026, up to 47% and surtax (if applicable, as described below) for individuals, and the corporate tax rate (currently at a rate of 23%) for Israeli resident corporations).

Notwithstanding the foregoing, non-Israeli resident shareholders are generally exempt from Israeli capital gains tax on any gains derived from the sale, exchange or disposition of our ordinary shares purchased after January 1, 2009, provided that such gains were not derived from, or attributable to, a permanent establishment or business activity of such shareholders in Israel (and certain other conditions are fulfilled). However, non-Israeli “Body of Persons” (as defined under the Ordinance, which includes corporate entities, partnerships, and other entities) will not be entitled to the foregoing exemptions if an Israeli resident (i) has, alone or together with such person’s relatives or another person who, according to an agreement, collaborates with such person on a permanent basis regarding material affairs of the company, or with another Israeli tax resident, a controlling interest of more than 25% in any of the means of control of such non-Israeli Body of Persons or (ii) is the beneficiary of or is entitled to 25% or more of the revenues or profits of such non-Israeli Body of Persons, whether directly or indirectly.

Additionally, a sale of securities by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty. For example, pursuant to the Convention between the Government of the United States of America and the Government of Israel with Respect to Taxes on Income, as amended (the “U.S.-Israel Tax Treaty”), the sale, exchange or disposition of ordinary shares by a person who (i) holds the ordinary shares as a capital asset, (ii) qualifies as a resident of the United States within the meaning of the U.S.-Israel Tax Treaty and (iii) is entitled to claim the benefits afforded to such resident by the U.S.-Israel Tax Treaty, generally will not be subject to Israeli capital gains tax unless either (a) such resident holds, directly or indirectly, shares representing 10% or more of the voting power of a company during any part of the 12-month period preceding such sale, exchange or disposition, subject to certain conditions, (b) the capital gains from such sale, exchange or disposition can be allocated to a permanent establishment in Israel, under certain terms, (c) the capital gain arising from such sale, exchange or disposition is attributed to real property located in Israel; (d) the capital gain arising from such sale, exchange or disposition is attributed to royalties, or (e) such resident is an individual and was present in Israel for period or periods aggregating 183 days or more during the relevant taxable year. In the event that the exemption shall not be available, the sale, exchange or disposition of ordinary shares would be subject to such Israeli capital gains tax to the extent applicable; however, under the U.S.-Israel Tax Treaty, such residents may be permitted to claim a credit for such taxes against U.S. federal income tax imposed with respect to such sale, exchange or disposition, subject to the limitations in U.S. laws applicable to foreign tax credits. The U.S.-Israel Tax Treaty does not relate to state or local taxes.

Regardless of whether shareholders may be liable for Israeli income tax on the sale of our ordinary shares, the payment of the consideration may be subject to withholding of Israeli tax at the source. Accordingly, shareholders may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding tax at source at the time of sale by providing a valid certificate from the ITA allowing for an exemption from withholding tax at source at the time of sale. Specifically, in transactions involving a sale of all of the shares of an Israeli resident company, in the form of a merger or otherwise, the ITA may require shareholders who are not liable for Israeli tax to sign declarations in forms specified by the ITA or, provide documents (including, for example, a certificate of residency), or obtain a specific exemption from the ITA to confirm their status as non-Israeli resident, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes at source.

A detailed return, including a computation of the tax due, must be filed and an advance payment must be paid by January 31 and July 31 of each tax year for sales of securities traded on a stock exchange made within the previous six months. However, if all tax due was withheld at the source according to applicable provisions of the Ordinance and the regulations promulgated thereunder, a non-Israeli resident is generally exempt from the obligation to file such tax returns in Israel with respect to such income, provided that (i) such income was not generated from business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed and an advance payment does not need to be made, and (iii) the taxpayer is not obligated to pay surtax (as further explained below). Capital gains are also reportable on an annual income tax return.

### ***Taxation of Non-Residents on Dividends***

Non-Israeli residents are generally subject to Israeli withholding income tax on the receipt of dividends paid on our ordinary shares at the rate of 25% or 30% for an individual shareholder that is considered a Substantial Shareholder (as described above) at the time of distribution or at any time during the 12 month period preceding such date, which tax will be withheld at source unless relief is provided in an applicable tax treaty between Israel and the shareholder's country of residence (provided that a valid certificate from the ITA allowing for such relief is obtained in advance).

Dividends paid on publicly traded shares, like our ordinary shares, are generally subject to Israeli withholding tax at a rate of 25% so long as the shares are registered with a nominee company (whether the recipient is a Substantial Shareholder or not). Such dividends are generally subject to Israeli withholding tax at a rate of 20% if the dividend is distributed from income attributed to a Preferred Enterprise or a Preferred Technological Enterprise or such other reduced rate provided under an applicable tax treaty between Israel and the shareholder's country of residence, in each case subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate.

For example, under the U.S.-Israel Tax Treaty, Israeli withholding tax on dividends paid to a U.S. resident for treaty purposes may not, in general, exceed 25%. However, dividends that are being paid by an Israeli corporation, to a U.S. corporation owning 10% or more of the outstanding shares of the voting stock of the paying corporation throughout the paying corporation's taxable year in which the dividend is paid and during the whole of its prior taxable year (if any) and not more than 25% of the gross income of the paying corporation for such prior taxable year (if any) consists certain interest or dividends, the Israeli tax withheld may not exceed 12.5%, subject to certain conditions. Notwithstanding the foregoing, dividends distributed from income entitled to certain benefits under the Encouragement of Capital Investments Law, are not entitled to such reduced rate under the U.S.-Israel Tax Treaty, but are subject to a withholding tax rate of 15% for a shareholder that is a U.S. corporation, provided that the conditions as discussed in the previous sentence are met. The aforementioned rates under the U.S.-Israel Tax Treaty will not apply if the dividend income was derived through or attributed to a permanent establishment of the U.S. recipient in Israel. A valid withholding certificate from the ITA allowing for such reduced treaty tax rates must be presented in advance of payment.

A non-Israeli resident who receives dividends from which tax was withheld is generally exempt from the duty to file tax returns in Israel in respect of such income, provided that (i) such income was not generated from business conducted in Israel by such non-Israeli resident; (ii) the non-Israeli resident has no other taxable sources of income in Israel with respect to which a tax return is required to be filed, and (iii) the non-Israeli resident is not liable to surtax (as explained below).

### ***Surtax***

Subject to the provisions of an applicable tax treaty, individuals who are subject to income tax in Israel (whether any such individual is an Israeli resident or non-Israeli resident) are subject to (i) an additional tax at a rate of 3% on annual income (including, but not limited to, income derived from dividends, interest and capital gains) exceeding a certain threshold (NIS 721,560 for 2024 through 2027, or Threshold amount, which amount will be updated annually starting January 1, 2028, based on the change in the Israeli consumer price index); and (ii) as of January 1, 2025, an additional tax at a rate of 2% (5% in total) on annual capital-sourced income (defined as income from any source other than employment income, business income, or income from "personal effort," and which includes, among other things, income from capital gains, dividends, interest, rental income, or from the sale of real property) exceeding the Threshold Amount.

### ***Estate and Gift Tax***

Israeli law presently does not impose estate or gift taxes.

### ***United States Federal Corporate Income Tax***

RADCOM US is subject to U.S. federal and state corporate income tax. U.S. federal corporate income tax is currently imposed at a rate of 21%, and additional state taxes may apply depending on the jurisdiction.

### ***United States Federal Income Tax Considerations for U.S. Holders***

Subject to the limitations described herein, the following discussion summarizes certain U.S. federal income tax consequences to a U.S. Holder of our ordinary shares. A “U.S. Holder” means a holder of our ordinary shares who is:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any political subdivision thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) if, in general, a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (ii) that has in effect a valid election under applicable U.S. Treasury Regulations to be treated as a U.S. person.

Unless otherwise specifically indicated, this discussion does not consider the U.S. tax consequences to a person that is not a U.S. Holder, or a Non-U.S. Holder. This discussion considers only U.S. Holders that will own our ordinary shares as capital assets (generally, for investment) and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to each U.S. Holder’s decision to purchase our ordinary shares.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended, or the Code, current and proposed Treasury Regulations promulgated thereunder, and administrative and judicial decisions as of the date hereof, all of which are subject to change, possibly on a retroactive basis. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to any particular U.S. Holder in light of such holder’s individual circumstances. In particular, this discussion does not address the potential application of the alternative minimum tax or U.S. federal income tax consequences to U.S. Holders that are subject to special treatment, including U.S. Holders that:

- are broker-dealers or insurance companies;
- have elected mark-to-market accounting;
- are tax-exempt organizations or retirement plans;
- are financial institutions;
- hold our ordinary shares as part of a straddle, “hedge” or “conversion transaction” with other investments;

- acquired our ordinary shares upon the exercise of employee stock options or otherwise as compensation;
- own directly, indirectly or by attribution at least 10% of our voting power or value;
- own our warrants;
- have a functional currency that is not the U.S. dollar;
- are grantor trusts;
- are S corporations;
- are certain former citizens or long-term residents of the United States; or
- are real estate investment trusts or regulated investment companies.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds our ordinary shares, the tax treatment of the partnership and a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to its tax consequences.

In addition, this discussion does not address any aspect of state, local or non-United States laws or the possible application of United States federal gift or estate tax.

Each holder of our ordinary shares is advised to consult such person's own tax advisor with respect to the specific tax consequences to such person of purchasing, holding or disposing of our ordinary shares, including the applicability and effect of federal, state, local and foreign income tax and other tax laws to such person's particular circumstances.

#### ***Taxation of U.S. Holders of Ordinary Shares***

*Taxation of Distributions Paid on Ordinary Shares.* Subject to the discussion below under "Passive Foreign Investment Company Considerations" a U.S. Holder, other than certain U.S. Holders that are U.S. corporations (as excluded from the definition of U.S. Holder, above), will be required to include in gross income as ordinary dividend income the amount of any distribution paid on our ordinary shares, including any non-U.S. taxes withheld from the amount paid, to the extent the distribution is paid out of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Distributions in excess of such earnings and profits will be applied against and will reduce the U.S. Holder's basis in our ordinary shares and, to the extent in excess of such basis, will be treated as gain from the sale or exchange of our ordinary shares. The dividend portion of such distributions generally will not qualify for the dividends received deduction available to corporations.

Subject to the discussion below under Passive Foreign Investment Company Considerations, dividends that are received by U.S. Holders that are individuals, estates or trusts will be taxed at the rate applicable to long-term capital gains, provided that such dividends meet the requirements of "qualified dividend income." For this purpose, qualified dividend income generally includes dividends paid by a non-U.S. corporation if certain holding period and other requirements are met and either (i) the stock of the non-U.S. corporation with respect to which the dividends are paid is readily tradable on an established securities market in the U.S. (e.g., Nasdaq) or (ii) the non-U.S. corporation is eligible for benefits of a comprehensive income tax treaty with the United States, which includes an information exchange program and is determined to be satisfactory by the U.S. Secretary of the Treasury. The IRS has determined that the U.S.-Israel income tax treaty is satisfactory for this purpose, although there is no guarantee that this will remain the position or the dividends will qualify for any other reasons. Dividends that fail to meet such requirements, dividends received if we are a PFIC, and dividends received by corporate U.S. Holders, are taxed at ordinary income rates. No dividend received by a U.S. Holder will be a qualified dividend (i) if the U.S. Holder held the ordinary share with respect to which the dividend was paid for less than 61 days during the 121-day period beginning on the date that is 60 days before the ex-dividend date with respect to such dividend, excluding for this purpose, under the rules of Code Section 246(c), any period during which the U.S. Holder has an option to sell, is under a contractual obligation to sell, has made and not closed a short sale of, is the grantor of a deep-in-the-money or otherwise nonqualified option to buy, or has otherwise diminished its risk of loss by holding other positions with respect to, such ordinary share (or substantially identical securities); or (ii) to the extent that the U.S. Holder is under an obligation (pursuant to a short sale or otherwise) to make related payments with respect to positions in property substantially similar or related to the ordinary share with respect to which the dividend is paid.

Distributions of current or accumulated earnings and profits paid in foreign currency to a U.S. Holder (including any non-U.S. taxes withheld therefrom) will generally be includible in the income of a U.S. Holder in a U.S. dollar amount calculated by reference to the exchange rate on the day the distribution is received. A U.S. Holder that receives a foreign currency distribution and converts the foreign currency into U.S. dollars subsequent to receipt may have foreign exchange gain or loss based on any appreciation or depreciation in the value of the foreign currency against the U.S. dollar, which will generally be U.S. source ordinary income or loss.

U.S. Holders, other than certain U.S. Holders that are corporations (as excluded from the definition of U.S. Holder, above), may have the option of claiming the amount of any non-U.S. income taxes withheld at source either as a deduction from gross income or as a dollar-for-dollar credit against their U.S. federal income tax liability. Individuals who do not claim itemized deductions, but instead utilize the standard deduction, may not claim a deduction for the amount of the non-U.S. income taxes withheld, but such amount may be claimed as a credit against the individual's U.S. federal income tax liability. The amount of non-U.S. income taxes that may be claimed as a credit in any taxable year is subject to complex limitations and restrictions, which must be determined on an individual basis by each shareholder. These limitations include, among others, rules that limit foreign tax credits allowable with respect to specific classes of income to the U.S. federal income taxes otherwise payable with respect to each such class of income. A U.S. Holder will be denied a foreign tax credit with respect to non-U.S. income tax withheld from a dividend received on the ordinary shares if such U.S. Holder has not held the ordinary shares for at least 16 days of the 31-day period beginning on the date which is 15 days before the ex-dividend date with respect to such dividend, or to the extent such U.S. Holder is under an obligation to make related payments with respect to substantially similar or related property. Any days during which a U.S. Holder has substantially diminished its risk of loss on the ordinary shares are not counted toward meeting the required 16-day holding period. Distributions of current or accumulated earnings and profits generally will be foreign source passive income for United States foreign tax credit purposes.

*Taxation of the Disposition of Ordinary Shares.* Subject to the discussion below under "Passive Foreign Investment Company Considerations," upon the sale, exchange or other disposition of our ordinary shares, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between such U.S. Holder's basis in such ordinary shares, which is usually the cost of such shares, and the amount realized on the disposition. A U.S. Holder that uses the cash method of accounting calculates the U.S. dollar value of the proceeds received on the sale as of the date that the sale settles, while a U.S. Holder that uses the accrual method of accounting is required to calculate the value of the proceeds of the sale as of the "trade date," unless such U.S. Holder has elected to use the settlement date to determine its proceeds of sale. Subject to the discussion below under "Medicare Tax," capital gain from the sale, exchange or other disposition of ordinary shares held more than one year is long-term capital gain and is eligible for a reduced rate of taxation for individuals. Gains recognized by a U.S. Holder on a sale, exchange or other disposition of ordinary shares generally will be treated as United States source income for U.S. foreign tax credit purposes. A loss recognized by a U.S. Holder on the sale, exchange or other disposition of ordinary shares generally is allocated to U.S. source income. The deductibility of a capital loss recognized on the sale, exchange or other disposition of ordinary shares is subject to limitations. A U.S. Holder that receives foreign currency upon disposition of ordinary shares and converts the foreign currency into U.S. dollars subsequent to the settlement date or trade date (whichever date the taxpayer was required to use to calculate the value of the proceeds of sale) may have foreign exchange gain or loss based on any appreciation or depreciation in the value of the foreign currency against the U.S. dollar, which will generally be U.S. source ordinary income or loss.

*Passive Foreign Investment Company Considerations.* Based on our current and anticipated operations and the composition of our assets, we believe we were not a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes for our taxable year ended December 31, 2025. As for 2026, there can be no assurance that we will not be classified as a PFIC due to various market conditions and relative values of our assets and the amount of our passive income. We might be classified as PFIC if either: (i) at least 75% of our gross income is passive income, or (ii) at least 50% of the value of our assets is attributable to assets that produce or are held for the production of, passive income.

For this purpose, passive income generally includes dividends, interest, certain royalties or rents, and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. If we are a PFIC for any year in which a U.S. taxpayer holds our shares, such holder may face increased tax liabilities. Unless a timely election is made (such as a "qualified electing fund" or "mark-to-market" election), any "excess distributions" or gains from the sale of our ordinary shares would generally be taxed at the highest ordinary income rates and could be subject to an interest charge for the period the tax was deemed deferred. Furthermore, we do not currently intend to provide the annual notifications or information necessary for U.S. holders to make or maintain any election. We strongly encourage U.S. holders to consult their tax advisors regarding the potential application of the PFIC rules and the availability of any tax elections.

*Medicare Tax.* Certain non-corporate U.S. holders will be subject to an additional 3.8% Medicare tax on all or a portion of their "net investment income," which may include dividends on, or capital gains recognized from the disposition of, our ordinary shares. U.S. Holders are urged to consult their own tax advisors regarding the implications of the additional Medicare tax on their investment in our ordinary shares.

### ***Taxation for Non-U.S. Holders of Ordinary Shares***

Except as described in “—Information Reporting and Backup Withholding” below, a Non-U.S. Holder of our ordinary shares will not be subject to U.S. federal income or withholding tax on the payment of dividends on, and/or the proceeds from the disposition of, our ordinary shares, unless, in the case of U.S. federal income taxes:

- such item is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States and, in the case of a resident of a country which has a treaty with the United States, such item is attributable to a permanent establishment or, in the case of an individual, a fixed place of business, in the United States; or
- the Non-U.S. Holder is an individual who holds the ordinary shares as a capital asset and is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

### ***Information Reporting and Backup Withholding***

U.S. Holders (other than exempt recipients, such as corporations) generally are subject to information reporting requirements with respect to dividends paid on, or proceeds from the disposition of, our ordinary shares. U.S. Holders are also generally subject to backup withholding (currently at a rate of 24%) on dividends paid on, or proceeds from the disposition of, our ordinary shares unless the U.S. Holder provides IRS Form W-9 or otherwise establishes an exemption.

Non-U.S. Holders generally are not subject to information reporting or backup withholding with respect to dividends paid on, or upon the proceeds from the disposition of, our ordinary shares, provided that such Non-U.S. Holder provides its taxpayer identification number, certifies to its foreign status by the provision of Form W-8 or its substitute, or otherwise establishes an exemption.

The amount of any backup withholding may be allowed as a credit against a U.S. or Non-U.S. Holder’s U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is furnished to the IRS.

Certain individuals who are U.S. Holders may be required to file a Form 8938 to report their ownership of specified foreign financial assets, which may include our ordinary shares, if the total value of those assets exceed certain thresholds. U.S. Holders are urged to consult their tax advisors regarding their tax reporting obligations, including the requirement to file a Form 8938.

### **F. DIVIDENDS AND PAYING AGENTS**

Not applicable.

### **G. STATEMENT BY EXPERTS**

Not applicable.

### **H. DOCUMENTS ON DISPLAY**

We are required to file reports and other information with the SEC under the Exchange Act and the regulations thereunder applicable to foreign private issuers. We are subject to the informational requirements of the Exchange Act applicable to foreign private issuers and fulfill the obligation with respect to such requirements by filing reports with the SEC. You may read and copy any document we file with the SEC without charge on the SEC’s website ([www.sec.gov](http://www.sec.gov)). We generally make available on our own website ([www.radcom.com](http://www.radcom.com)) our annual reports as well as other information. However, as an Israeli publicly traded company, we do not send copies of our annual reports to our shareholders. We will mail out copies of our annual financial statements only to those shareholders that submit a written request for such statements. See also “Item 10.B—Additional Information—Memorandum and Articles of Association” and “Item 16.G—Corporate Governance.” Information contained on our website is not a part of this Annual Report.

Any statement contained in this Annual Report about any of our contracts or other documents is not necessarily complete. If the contract or document is filed as an exhibit to this Annual Report, the contract or document is deemed to modify the description contained in this Annual Report. We urge you to review the exhibits themselves for a complete description of the contract or document.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from reporting and “short-swing” profit recovery provisions contained in Section 16 of the Exchange Act; however, following recent amendment to Section 16(a) of the Exchange Act, our directors and certain of our officers will become subject to the reporting provisions set forth therein, effective March 18, 2026. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act. A copy of each report submitted in accordance with applicable United States law is available for public review at our principal executive offices.

#### **I. SUBSIDIARY INFORMATION**

Not applicable.

#### **J. ANNUAL REPORT TO SECURITY HOLDERS**

Not applicable.

### **ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to a variety of risks, including changes in interest rates affecting primarily the interest received on short-term deposits and foreign currency fluctuations. We may in the future undertake hedging or other similar transactions or invest in market, risk-sensitive instruments if our management determines that it is necessary to offset these risks.

#### ***Interest Rate Risk***

Our exposure to market risks regarding changes in interest rates relates primarily to our bank deposits and to loans we may take that are based on a floating/fixed interest rate. Our bank deposits are held mainly in U.S. dollars with financial banks and bear annual average interest range of approximately 4.12%-6.5%. For the purposes of specific risk analysis, we use a sensitivity analysis to determine the impact that market risk exposure may have on the financial income derived from our bank deposits. The potential loss to us over one year would result from a hypothetical change in our annual average range interest rates of 10% is not material.

#### ***Foreign Currency Exchange Risk***

Our financial results may be impacted by foreign currency fluctuations. Our foreign operations are generally transacted through our U.S. and Brazil subsidiaries and through our representatives and distributors. Typically, these sales and related expenses are denominated in U.S. dollars, BRLs or in euros for European countries, while a significant portion of our expenses are denominated in NIS. Because our financial results are reported in U.S. dollars, our results of operations may be impacted by fluctuations in the rates of exchange between the U.S. dollar and other currencies, mainly the NIS and BRL. Based on our budget for 2026, we expect that (i) a change of ten percent (10%) in the exchange rate of the NIS to U.S. dollar will have an impact on our operating expenses expressed in dollar terms by approximately \$2.3 million per year and vice versa and (ii) a change of ten percent (10%) in the exchange rate of the BRL to U.S. dollar will have an impact on our operating expenses expressed in dollar terms by approximately \$130,000 per year and vice versa.

See also “Item 5.A—Operating and Financial Review and Prospects—Operating Results—Impact of Inflation and Foreign Currency Fluctuations.”

### **ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

Not applicable.

## PART II

### ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

### ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

### ITEM 15. CONTROLS AND PROCEDURES

#### a. Disclosure Controls and Procedures

The Company's management, together with our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), as of December 31, 2025. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2025, the Company's disclosure controls and procedures were: (1) designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding the required disclosure, particularly during the period in which this report was being prepared and (2) effective, in that they provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

#### b. Management's Annual Report on Internal Control over Financial Reporting

The Company's management, under the supervision of the Company's principal executive and principal financial officers, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) of the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, and effected by the Company's Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transaction and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP; (3) provide reasonable assurance that our receipts and expenditures are made only in accordance with authorizations of our management and Board of Directors (as appropriate); and (4) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of the Company's management, including its principal executive and financial officers, the Company conducted an evaluation, and assessed the effectiveness of, our internal control over financial reporting as of December 31, 2025, based on the 2013 framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control —Integrated Framework*.

Based on our assessment under that framework and the criteria established therein, our management concluded that, as of December 31, 2025, the Company's internal control over financial reporting was effective.

**c. Attestation Report of the Registered Public Accounting Firm**

Our independent registered public accounting firm, Kost, Forer, Gabbay & Kasierer, a member of EY Global independently assessed the effectiveness of our internal control over financial reporting and has issued an attestation report, which is included elsewhere in this Annual Report.

**d. Changes in Internal Control over Financial Reporting**

There were no changes in the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 16. [RESERVED]**

**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our Board of Directors has determined that Yaron Ravkaie is our “audit committee financial expert” (as defined in paragraph (b) of Item 16A of Form 20-F) serving on our Audit Committee. For information on Mr. Ravkaie’s professional and educational background, see “Item 6.A—Directors, Senior Management and Employees—Directors and Senior Management.” Mr. Ravkaie qualifies as an “independent” director under the Nasdaq Listing Rules.

**ITEM 16B. CODE OF ETHICS**

Our Code of Ethics and Business Conduct which applies to all our directors, officers and employees, including our Chief Executive Officer and our Chief Financial Officer, as may be amended from time to time, is publicly available on our website at <http://www.radcom.com>. Future amendments to, or waivers under our Code of Ethics will be posted on our website.

**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Kost Forer Gabbay & Kasierer, a member of EY Global, is our independent registered public accounting firm. Fees for professional services in 2025 and 2024 were as follows:

	<b>2025</b>	<b>2024</b>
Audit Fees	\$ 360,000	\$ 285,000
Audit Related Fees	\$ 5,591	\$ 9,832
Tax Fees	\$ 30,238	\$ 24,568
All Other Fees	\$ 5,795	\$ -
Total	<u>\$ 401,624</u>	<u>\$ 319,400</u>

“Audit fees” include fees for the audit of our annual financial statements. This category also includes services that generally the independent accountant provides, such as consents and assistance with and review of documents filed with the SEC.

Audit related fees included fees associated with the annual report for the IIA and accounting consultations regarding the accounting treatment of matters that occur in the regular course of business, implications of new accounting pronouncements, acquisitions and other accounting issues that occur from time to time.

Tax fees included tax compliance, including the preparation of tax returns, tax planning and tax advice, including assistance with tax audits and appeals, advice related to acquisitions, transactions and transfer pricing.

### ***Audit Committee's Pre-Approval Policies and Procedures***

Our Audit Committee oversees our independent auditors. See also the description under the heading "Board Practices" in "Item 6—Directors, Senior Management and Employees – Board Practices." Our Audit Committee's policy is to approve any audit or permitted non-audit services proposed to be provided by our independent auditors, before engaging our independent auditors to provide such services. Pursuant to this policy, which is designed to ensure that such engagements do not impair the independence of our auditors, the Chairman of our Audit Committee is authorized to approve any such services between the meetings of our Audit Committee, subject to ratification by the Audit Committee, and to report any such approvals to the Audit Committee at its next meeting. All the fees set forth above were approved by the Audit Committee.

#### **ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable.

#### **ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

Not applicable.

#### **ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**

Not applicable.

#### **ITEM 16G. CORPORATE GOVERNANCE**

We are a foreign private issuer whose Ordinary Shares are listed on the Nasdaq. As such, we are required to comply with U.S. federal securities laws, including the Sarbanes-Oxley Act, and the Nasdaq Listing Rules, including the Nasdaq's corporate governance requirements. The Nasdaq Listing Rules provide that foreign private issuers may follow their home country practice in lieu of certain qualitative listing requirements subject to certain exceptions and except to the extent that such exemptions would be contrary to U.S. federal securities laws, so long as the foreign issuer submits to Nasdaq in advance a written statement from an independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws and discloses that it does not follow such listing requirement and describes the home country practice followed in its reports filed with the SEC. In addition, a foreign private issuer must disclose in its annual reports filed with the SEC each such requirement that it does not follow and describe the home country practice followed by the issuer instead of any such requirement. Accordingly, our shareholders may not be afforded the same protection as provided under Nasdaq's corporate governance rules.

In accordance with Israeli law and practice and subject to the exemption set forth in Rule 5615 of the Nasdaq Listing Rules, we have elected to follow the provisions of the Israeli Companies Law, rather than the Nasdaq Listing Rules, with respect to the following requirements:

- Distribution of periodic reports to shareholders; proxy solicitation. As opposed to the Nasdaq Listing Rules, which require listed issuers to make such reports available to shareholders in one of a number of specific manners, Israeli law does not require us to distribute periodic reports directly to shareholders, and the generally accepted business practice in Israel is not to distribute such reports to shareholders but to make such reports available through a public website. In addition to making such reports available on a public website, we currently make our audited financial statements available to our shareholders at our offices and will only mail such reports to shareholders upon request. As a foreign private issuer, we are generally exempt from the SEC's proxy solicitation rules.
- Compensation of officers. Israeli law and our amended and restated articles of association do not require that the independent members of our Board of Directors (or a compensation committee composed solely of independent members of our Board of Directors) determine an executive officer's compensation, as is generally required under the Nasdaq Listing Rules with respect to the Chief Executive Officer and all other executive officers. Instead, compensation of executive officers is determined and approved by our Compensation Committee and our Board of Directors, and in certain circumstances by our shareholders, either in consistency with our Office Holder compensation policy or, in special circumstances in deviation therefrom, taking into account certain considerations stated in the Israeli Companies Law.

- Shareholder approval is generally required for executive officer compensation in the event (i) approval by our Board of Directors and our Compensation Committee is not consistent with our Office Holders compensation policy, or (ii) compensation required to be approved is that of our chief executive officer who is not a director or an executive officer who is also the controlling shareholder of our company (including an affiliate thereof). Such shareholder approval shall require a majority vote of the shares present and voting at a shareholders meeting, provided either (i) such majority includes a majority of the shares held by non-controlling shareholders who do not otherwise have a personal interest in the compensation arrangement that are voted on at the meeting, excluding for such purpose any abstentions of disinterested shareholders, or (ii) the total shares held by non-controlling and disinterested shareholders voted against the arrangement does not exceed 2% of the voting rights in our company.
- Additionally, approval of the compensation of an executive officer, who is also a director, shall generally require a simple majority vote of the shares present and voting at a shareholders meeting, if consistent with our compensation policy. Our Compensation Committee and Board of Directors may, in special circumstances, approve the compensation of an executive officer (other than a director, a chief executive officer or a controlling shareholder) or approve the compensation policy despite shareholders' objection, based on specified arguments and taking shareholders' objections into account. Our Compensation Committee may further exempt an engagement with a nominee for the position of chief executive officer, who meets the non-affiliation requirements set forth for an external director, from requiring shareholders' approval, if such engagement is consistent with our compensation policy and our Compensation Committee determines based on specified arguments that presentation of such engagement to shareholders' approval is likely to prevent such engagement. To the extent that any such transaction with a controlling shareholder is for a period extending beyond three years, approval is required once every three years.
- A director or executive officer may not be present when the board of directors of a company discusses or votes upon the terms of his or her compensation, unless the chairman of the board of directors determines that he or she should be present to present the transaction that is subject to approval.
- *Shareholder approval.* We will seek shareholder approval for all corporate actions requiring such approval under the requirements of the Israeli Companies Law, rather than seeking approval for corporation actions in accordance with Nasdaq Listing Rule 5635. In particular, under this Nasdaq rule, shareholder approval is generally required for: (i) an acquisition of shares/assets of another company that involves the issuance of 20% or more of the acquirer's shares or voting rights or if a director, officer or 5% shareholder has greater than a 5% interest in the target company or the consideration to be received; (ii) the issuance of shares leading to a change of control; (iii) adoption/amendment of equity compensation arrangements; and (iv) issuances of 20% or more of the shares or voting rights (including securities convertible into, or exercisable for, equity) of a listed company via a private placement (and/or via sales by directors/officers/5% shareholders) if such equity is issued (or sold) below a specific minimum price. By contrast, under the Israeli Companies Law, shareholder approval is required for, among other things: (i) transactions with directors concerning the terms of their service or indemnification, exemption and insurance for their service (or for any other position that they may hold at a company), for which approvals of the compensation committee, board of directors and shareholders are all required, (ii) extraordinary transactions with controlling shareholders of publicly held companies, which require the special approval described below under "Approval of Related Party Transactions under Israeli Law – Disclosure of personal interests of controlling shareholders," and (iii) terms of employment or other engagement of the controlling shareholder of the Company or such controlling shareholder's relative, which require the special approval described below under "Approval of Related Party Transactions under Israeli Law – Disclosure of personal interests of a controlling shareholder and approval of transactions." In addition, under the Israeli Companies Law, a merger requires approval of the shareholders of each of the merging companies.

## *Approval of Related Party Transactions under Israeli Law*

### *Disclosure of personal interests of a controlling shareholder and approval of transactions*

The Israeli Companies Law also requires that a controlling shareholder promptly disclose to the company any personal interest that he or she may have and all related material information or documents relating to any existing or proposed transaction by the company. A controlling shareholder's disclosure must be made promptly and in any event no later than the first meeting of the board of directors at which the transaction is considered. Extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest, including a private placement in which a controlling shareholder has a personal interest, and the terms of engagement of the company, directly or indirectly, with a controlling shareholder or a controlling shareholder's relative (including through a corporation controlled by a controlling shareholder), regarding the company's receipt of services from the controlling shareholder, and if such controlling shareholder is also an Office Holder of the company, regarding his or her terms of employment, require the approval of each of (i) the audit committee or the compensation committee with respect to the terms of the engagement of the company, (ii) the board of directors and (iii) the shareholders, in that order. In addition, the shareholder approval must fulfill one of the following requirements:

- a majority of the shares held by shareholders who have no personal interest in the transaction and are voting at the meeting must be voted in favor of approving the transaction, excluding abstentions; or
- the shares voted by shareholders who have no personal interest in the transaction who vote against the transaction represent no more than 2% of the voting rights in the company.

In addition, any extraordinary transaction with a controlling shareholder or in which a controlling shareholder has a personal interest with a term of more than three years requires the abovementioned approval every three years; however, such transactions not involving the receipt of services or compensation can be approved for a longer term, provided that the audit committee determines that such longer term is reasonable under the circumstances.

The Israeli Companies Law requires that every shareholder that participates, in person, by proxy or by voting instrument, in a vote regarding a transaction with a controlling shareholder, must indicate in advance or in the ballot whether or not that shareholder has a personal interest in the vote in question. Failure to so indicate will result in the invalidation of that shareholder's vote.

### **ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

### **ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.**

Not applicable.

### **ITEM 16J. INSIDER TRADING POLICIES**

We have adopted an insider trading policy, or the Policy, governing the purchase, sale and other transactions in our securities that applies to our directors, senior management, employees, and other covered persons, including immediate family members of any of the foregoing persons.

The Policy prohibits, among other things, insider trading in our securities and establishes a regular blackout period schedule during which the Company's directors, senior management, employees, and other covered persons may not trade in the Company's securities.

The Company believes that the Policy is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of the Policy is attached as Exhibit 11.1 to this Annual Report.

### **ITEM 16K. CYBERSECURITY**

#### *Cybersecurity Risk Management and Strategy*

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program is designed to identify, assess, and manage material risks from cybersecurity threats and includes a cybersecurity incident response plan. Our cybersecurity risk management program has been designed to follow our industry's best practices and is supported by a comprehensive set of enterprise security policies and procedures.

Cybersecurity is an important component of the Company's overall risk management approach. The Company's cybersecurity policies, standards and practices are integrated into the Company's enterprise risk management approach, and cybersecurity risks are one of the enterprise risks that are subject to oversight by the Company's Board of Directors.

Our cybersecurity risk management program includes the following:

- risk assessments and analysis designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a security team principally responsible for managing (i) our cybersecurity risk assessment processes, (ii) our security controls, and (iii) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- periodic cybersecurity awareness training of our employees;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- maintaining ISO/IEC 27001 certification since 2022.

We also engage our internal auditor to conduct internal reviews of our cybersecurity policies and practices. In addition, in 2025, we conducted a business impact analysis (BIA) process and an operational and technical backup exercise as part of our business continuity management and disaster preparedness activity, the purpose of which was to examine the Company's readiness for business continuity processes and emergency response, including preparedness, for complex and varied cyber attacks and severe disruption scenarios.

During 2025, we did not identify any cybersecurity threats or incidents that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks arising from cybersecurity threats or incidents nor can we provide assurances that we have not experienced an undetected cybersecurity incident. For more information about these risks, please see "Item 3.D—Risk Factors – Disruptions to our IT systems due to system failures or cybersecurity attacks may impact our operations, result in sensitive customer information being compromised, which would negatively materially adversely affect our reputation and business" and "Item 3.D—Risk Factors – Cyber-attacks on our customers' networks involving our products could have an adverse effect on our business" in this Annual Report.

### ***Cybersecurity Governance***

Our Board of Directors considers cybersecurity risk as part of its risk oversight function. The Company's Board of Directors receives periodic presentations on cybersecurity risks during the year, which address a wide range of topics including, for example, recent developments, third-party reviews, the threat environment, technological trends and information security considerations arising with respect to the Company. The Board of Directors will receive prompt and timely information regarding any significant cybersecurity incidents, as well as ongoing updates regarding such incidents until they have been addressed. The Board of Directors also regularly discusses the Company's approach to cybersecurity risk management with the Company's senior management.

We utilize third-party cybersecurity experts, or Third-Party Experts, for information security services. Our Third-Party Expert works with our IT Manager, and both are supervised by members of our senior management, including our Chief Operating Officer, Chief Technology Officer, and Chief Financial Officer. Together, they oversee our cybersecurity risk management and have primary responsibility for identifying, assessing, remediating, and managing cybersecurity risks, threats, and incidents. Our Third-Party Experts and the dedicated personnel in their team are certified and experienced information systems security professionals and information security managers with over 20 years of cybersecurity experience. Our Third-Party Experts regularly provide our senior management team with updates on the performance of the cybersecurity risk management program and provides updates and presentations to our Board of Directors as necessary throughout the year.

As of the date of this report, we are not aware of any material risks from cybersecurity threats that have materially affected or are reasonably likely to affect us, including our business strategy, results of operations or financial condition.

**PART III**

**ITEM 17. FINANCIAL STATEMENTS**

We have responded to Item 18 in lieu of this item.

**ITEM 18. FINANCIAL STATEMENTS**

Our consolidated financial statements and the report of independent registered public accounting firm in connection therewith are filed as part of this Annual Report, as noted below:

**RADCOM LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2025**  
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## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of RADCOM Ltd.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of RADCOM Ltd. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 31, 2026, expressed an unqualified opinion thereon.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

## Revenue Recognition

### *Description of the Matter*

As explained in Note 2(1) to the consolidated financial statements, the Company generates revenues mainly from selling software products, maintenance and managed services. The Company enters into contracts with customers that include combinations of products and services, which are generally distinct and accounted for as separate performance obligations. The transaction price is then allocated to the distinct performance obligations based on their standalone selling price (“SSP”) and revenue is recognized when control of the distinct performance obligation is transferred to the customer.

Auditing the Company’s recognition of revenue involved a high degree of auditor judgment due to the effort to evaluate i) the identification and determination of whether products and services, such as software licenses and related services, are considered distinct performance obligations and the timing of revenue recognition and ii) the determination of SSP for each distinct performance obligation.

### *How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls related to the identification and determination of distinct performance obligation, and the determination of stand-alone selling prices for each distinct performance obligation and the timing of revenue recognition.

Our audit procedures also included, among others, selecting a sample of customer contracts and reading contract source documents for each selection, including the executed contract and purchase order and evaluating the appropriateness of management’s application of significant accounting policies on the contracts. We tested management’s identification of significant contract terms for completeness, including the identification and determination of distinct performance obligations and the timing of revenue recognition. We also evaluated the reasonableness of management’s estimate of SSP for products and services and tested the mathematical accuracy of management’s calculations of revenue. Finally, we assessed the appropriateness of the related disclosures in the consolidated financial statements.

/s/ KOST FORER GABBAY & KASIERER  
A Member of EY Global

We have served as the Company’s auditor since 2009.  
Tel-Aviv, Israel  
March 31, 2026

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of RADCOM Ltd.

### **Opinion on Internal Control Over Financial Reporting**

We have audited RADCOM Ltd. and subsidiaries' internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO Criteria). In our opinion, RADCOM Ltd. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO Criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2025 and the related notes and our report dated March 31, 2026 expressed an unqualified opinion thereon.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.



## **Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KOST FORER GABBAY & KASIERER  
A Member of EY Global

Tel-Aviv, Israel  
March 31, 2026

**CONSOLIDATED BALANCE SHEETS**

U.S. dollars in thousands, except share and per share data

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 30,486	\$ 19,243
Short-term bank deposits	79,437	75,429
Trade receivables, net	20,245	19,038
Inventories, net	318	1,667
Other accounts receivable and prepaid expenses	2,036	1,819
<b>Total current assets</b>	<b>132,522</b>	<b>117,196</b>
<b>NON- CURRENT ASSETS:</b>		
Severance pay fund	3,431	2,985
Other long-term assets	2,866	3,484
Property and equipment, net	988	879
Operating lease right-of-use assets	2,898	3,421
Goodwill	1,243	1,243
Intangible assets, net	1,026	1,366
<b>Total non-current assets</b>	<b>12,452</b>	<b>13,378</b>
<b>Total assets</b>	<b>\$ 144,974</b>	<b>\$ 130,574</b>

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED BALANCE SHEETS**

U.S. dollars in thousands, except share and per share data

	December 31,	
	2025	2024
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 2,632	\$ 2,457
Employees and payroll accruals	7,325	7,175
Deferred revenues	1,100	6,848
Current maturities of lease liabilities	1,099	966
Other liabilities and accrued expenses	10,872	10,463
<b>Total current liabilities</b>	<b>23,028</b>	<b>27,909</b>
<b>NON-CURRENT LIABILITIES:</b>		
Accrued severance pay	4,790	3,868
Operating lease liabilities	2,135	2,438
Other liabilities and accrued expenses	916	683
<b>Total non-current liabilities</b>	<b>7,841</b>	<b>6,989</b>
<b>Total liabilities</b>	<b>30,869</b>	<b>34,898</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital:		
Ordinary Shares of NIS 0.20 par value: Authorized: 20,000,000 shares at December 31, 2025 and 2024; 16,628,757 and 15,951,648 shares issued and 16,592,725 and 15,915,616 shares outstanding at December 31, 2025 and 2024, respectively	809	769
Additional paid-in capital	167,172	160,761
Accumulated other comprehensive loss	(2,923)	(2,910)
Accumulated deficit	(50,953)	(62,944)
<b>Total shareholders' equity</b>	<b>114,105</b>	<b>95,676</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 144,974</b>	<b>\$ 130,574</b>

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF INCOME**

U.S. dollars in thousands, except share and per share data

	Year ended December 31,		
	2025	2024	2023
Revenues:			
Products	\$ 36,901	\$ 28,217	\$ 22,840
Services	34,593	32,792	28,760
	<u>71,494</u>	<u>61,009</u>	<u>51,600</u>
Cost of revenues:			
Products	10,177	7,092	5,662
Services	7,016	8,654	8,111
	<u>17,193</u>	<u>15,746</u>	<u>13,773</u>
Gross profit	<u>54,301</u>	<u>45,263</u>	<u>37,827</u>
Operating expenses:			
Research and development	20,239	18,659	19,575
Less - royalty-bearing participation	363	684	736
Research and development, net	<u>19,876</u>	<u>17,975</u>	<u>18,839</u>
Sales and marketing	19,683	17,794	14,592
General and administrative	6,439	6,407	5,058
<u>Total operating expenses</u>	<u>45,998</u>	<u>42,176</u>	<u>38,489</u>
Operating income (loss)	8,303	3,087	(662)
Financial income, net	<u>4,283</u>	<u>4,115</u>	<u>4,557</u>
Income before taxes on income	12,586	7,202	3,895
Taxes on income	<u>595</u>	<u>234</u>	<u>182</u>
Net income	<u>\$ 11,991</u>	<u>\$ 6,968</u>	<u>\$ 3,713</u>
Basic net income per Ordinary Share	<u>\$ 0.74</u>	<u>\$ 0.44</u>	<u>\$ 0.25</u>
Diluted net income per Ordinary Share	<u>\$ 0.71</u>	<u>\$ 0.43</u>	<u>\$ 0.24</u>
Weighted average number of Ordinary Shares used in computing basic net income per Ordinary Share	<u>16,266,468</u>	<u>15,666,457</u>	<u>15,098,642</u>
Weighted average number of Ordinary Shares used in computing diluted net income per Ordinary Share	<u>16,835,529</u>	<u>16,155,150</u>	<u>15,297,947</u>

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

U.S. dollars in thousands

	Year ended December 31,		
	2025	2024	2023
Net income	\$ 11,991	\$ 6,968	\$ 3,713
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustments	(13)	120	(122)
Total other comprehensive income (loss)	(13)	120	(122)
Comprehensive income	\$ 11,978	\$ 7,088	\$ 3,591

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

U.S. dollars in thousands, except share and per share data

	Number of shares	Share capital amount	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Balance as of January 1, 2023	14,739,082	\$ 706	\$ 148,610	\$ (2,908)	\$ (73,625)	\$ 72,783
Share-based compensation	-	-	6,117	-	-	6,117
RSUs vested	568,650	30	(30)	-	-	-
Net income	-	-	-	-	3,713	3,713
Other comprehensive loss	-	-	-	(122)	-	(122)
Balance as of December 31, 2023	15,307,732	\$ 736	\$ 154,697	\$ (3,030)	\$ (69,912)	\$ 82,491
Share-based compensation	-	-	6,097	-	-	6,097
RSUs vested	607,884	33	(33)	-	-	-
Net income	-	-	-	-	6,968	6,968
Other comprehensive income	-	-	-	120	-	120
Balance as of December 31, 2024	15,915,616	\$ 769	\$ 160,761	\$ (2,910)	\$ (62,944)	\$ 95,676
Share-based compensation	-	-	6,116	-	-	6,116
RSUs vested	635,339	38	(38)	-	-	-
Proceeds from exercise of stock options	41,770	2	333	-	-	335
Net income	-	-	-	-	11,991	11,991
Other comprehensive income	-	-	-	(13)	-	(13)
Balance as of December 31, 2025	16,592,725	\$ 809	\$ 167,172	\$ (2,923)	\$ (50,953)	\$ 114,105

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	Year ended December 31,		
	2025	2024	2023
<u>Cash flows from operating activities:</u>			
Net income	\$ 11,991	\$ 6,968	\$ 3,713
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	694	679	621
Share-based compensation	6,116	6,097	6,117
Change in:			
Severance pay, net	476	297	137
Trade receivables, net	(1,201)	(5,642)	(2,332)
Other account receivables and prepaid expenses and other long-term assets	425	(2,185)	1,381
Inventories, net	1,266	(1,421)	552
Trade payables	181	(175)	(17)
Employees and payroll accruals	128	1,816	192
Other liabilities and accrued expenses	465	1,537	2,225
Deferred revenue	(5,749)	5,390	(5,580)
Changes in operating lease right-of-use assets and liabilities, net	353	11	(48)
Accrued interest on bank deposits and other	(538)	(1,984)	(2,255)
Net cash provided by operating activities	<u>14,607</u>	<u>11,388</u>	<u>4,706</u>
<u>Cash flows from investing activities:</u>			
Business acquisitions, net of cash acquired (Refer to Note 10)	-	-	(2,477)
Investment in short-term deposits	(95,010)	(75,500)	(65,000)
Proceeds from short-term deposits	91,383	73,189	64,115
Purchase of property and equipment	(384)	(427)	(232)
Net cash used in investing activities	<u>(4,011)</u>	<u>(2,738)</u>	<u>(3,594)</u>
<u>Cash flows from financing activities:</u>			
Proceeds from exercise of options	335	-	-
Net cash provided by financing activities	<u>335</u>	<u>-</u>	<u>-</u>
Foreign currency translation adjustments on cash and cash equivalents	\$ 312	\$ (299)	\$ 253
Increase in cash and cash equivalents	11,243	8,351	1,365
Cash and cash equivalents at beginning of the year	<u>19,243</u>	<u>10,892</u>	<u>9,527</u>
Cash and cash equivalents at end of the year	<u>\$ 30,486</u>	<u>\$ 19,243</u>	<u>\$ 10,892</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	Year ended December 31,		
	2025	2024	2023
<b>(a) Non-cash investing activities:</b>			
Purchase of property and equipment	\$ 33	\$ 41	\$ 43
Reclassification from inventories to fixed assets	\$ 83	\$ -	\$ -
Lease liabilities arising from obtaining right-of-use-assets	\$ 341	\$ 2,709	\$ 202
<b>(b) Cash paid during the year:</b>			
Taxes on income	\$ 485	\$ 278	\$ 190

The accompanying notes are an integral part of the consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 1: - GENERAL**

- a. RADCOM Ltd. (the “Company”), an Israeli corporation, is a leader in advanced, intelligent assurance solutions with integrated artificial intelligence operations (AIOps) capabilities. The Company’s flagship intelligent assurance platform, RADCOM ACE, leverages AI-driven analytics and generative artificial intelligence (GenAI) to enhance customer experiences. With solutions that scale from laboratory testing to full-scale deployment, the Company leverages advanced networking technologies to capture real-time data. The Company provides end-to-end, comprehensive network observability from the radio access network (RAN) to the core with an advanced 5G portfolio. The Company’s solutions are designed to be open, vendor-neutral, and cloud-agnostic, driving next-generation network automation, optimization, and efficiencies. Harnessing the power of intelligence, the Company reduces operational costs and enables predictive customer intent insights while integrating with business support systems/operational support systems (BSS/OSS) and service management systems. The Company’s solutions depict 100% of the real-time data on mobile and fixed networks. The Company empowers exceptional quality and service through cutting-edge technologies with valuable performance and subscriber intelligence analytics for customer-centric networks. The Company’s ordinary shares (the “Ordinary Shares”) are listed on the Nasdaq Capital Market under the symbol “RDCM”.

The Company has wholly-owned subsidiaries in the United States, Canada, India and Brazil.

- b. The Company depends on a limited number of customers for selling its solution. Such customers accounted for 86% of the Company’s revenues for the year ended December 31, 2025. If these customers become unable or unwilling to continue to buy the Company’s solution, it could adversely affect the Company’s results of operations and financial position (see also Note 13b2).

The loss of any major customer, a significant decrease in business from any such customer or a reduction in customer revenue due to adverse changes in the market, economic or competitive conditions or other factors could have a material adverse effect on the Company’s business, results of operations and financial condition.

- c. On April 30, 2023, the Company acquired certain assets and liabilities of Continual Ltd. (“Continual”), an Israel corporation for total gross consideration of \$2,477 (see also to Note 10).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements are prepared according to United States generally accepted accounting principles (“U.S. GAAP”).

a. Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Such management estimates and assumptions are related, but not limited to contingent liabilities, income tax uncertainties, deferred taxes, share-based compensation, fair value of assets acquired and liabilities assumed in business combinations, as well as the determination of standalone selling prices in revenue transactions with multiple performance obligations and the estimated period of benefit for deferred contract costs. The Company’s management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

b. Financial statements in U.S. dollars (“\$” “dollar” or “dollars”):

The revenues of the Company and its subsidiaries, other than the Company’s subsidiary in Brazil, are substantially denominated in U.S. dollars. Financing activities are made in U.S. dollars. Therefore, the Company’s management believes that the currency of the primary economic environment in which the operations of the Company and its subsidiaries are conducted is the dollar, which is used as the functional currency.

Transactions and balances originally denominated in dollars are presented at their original amounts. Transactions and balances in other currencies are re-measured into dollars in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) No. 830 “Foreign Currency Matters”.

Other than in the Company’s subsidiary in Brazil, all exchange gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the consolidated statement of income when they arise.

For the Company’s subsidiary in Brazil whose functional currency is the BRL, all amounts on the balance sheets have been translated into the dollar using the exchange rates in effect on the relevant balance sheet dates. All amounts in the statements of income have been translated into dollars using the average exchange rate for the relevant period in which those elements were recognized. The resulting translation adjustments are reported as a component of accumulated other comprehensive income (loss) in the statements of changes in shareholders’ equity.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## c. Principles of consolidation:

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

## d. Cash and cash equivalents:

The Company considers all highly liquid deposit instruments with an original maturity of three months or less at the date of purchase to be cash equivalents.

## e. Short-term and long-term bank deposits:

Short-term bank deposits are deposits with maturities of more than three months but less than one year and which do not meet the definition of cash equivalents. Long-term bank deposits are deposits with maturities of more than one year. Such deposits include annual interest rates ranging between 4.91%-7.25% resulting in accrued interest of \$2,221 and \$1,845 as of December 31, 2025 and 2024, respectively. The deposits are presented according to their terms including accrued interest.

## f. Trade receivables:

Trade receivables are recognized when the Company's right to consideration is unconditional, net of any estimated credit losses. The Company generally does not require collateral or security from its customers. The Company makes estimates of expected credit losses based upon its assessment of various factors, including historical experience, the age of the trade receivable balances, credit quality of its customers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from customers. The estimated credit loss allowance is recorded as general and administrative expenses on the Company's consolidated statements of income. Allowance for credit losses as of December 31, 2025 and as of December 31, 2024 was immaterial.

## g. Concentration of credit risk:

Financial instruments that may subject the Company to significant concentration of credit risk consist mainly of cash and cash equivalents, short-term and long-term bank deposits, severance pay fund and trade receivables.

Cash and cash equivalents and short-term bank deposits are maintained with major financial institutions mainly in Israel. Assets held for severance benefits are maintained with major insurance companies and financial institutions in Israel. Such deposits are not insured. However, management believes that such financial institutions are financially sound and, accordingly, low credit risk exists with respect to these investments.

The trade receivables of the Company are mainly derived from sales to a diverse set of customers located primarily in the United States, EMEA (Europe, the Middle East, and Africa) and Asia. The Company performs ongoing credit evaluations of its customers and, to date, has not experienced any significant losses

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## h. Inventories, net:

Inventories are stated at the lower of cost and net realizable value and valued on a specific identification cost basis. The cost of inventories comprises costs of purchase and costs incurred in bringing the inventories to their present location and condition. Inventory write-offs are provided to cover technological obsolescence, excess inventories and discontinued products.

Inventory write-off is measured as the difference between the cost of the inventory and net realizable value based upon assumptions about future demand and is charged to the cost of revenues. At the point of the loss recognition, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Inventory write-off expenses for the year ended December 31, 2025 amounted to \$92. No inventory write-off expenses were recorded during the years ended December 31, 2024 and 2023.

## i. Property and equipment:

Property and equipment are stated at cost less accumulated depreciation. Maintenance and repairs are charged to operations as incurred.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

Annual rates of depreciation are as follows:

	%
Computers and electronic equipment	15 - 33
Office furniture and equipment	6 - 20
Leasehold improvements	At the shorter of the lease period or useful life of the leasehold improvement

## j. Impairment of long-lived assets:

The Company's long-lived assets, including finite-lived intangible assets, are reviewed for impairment in accordance with ASC No. 360, "Property, plants and equipment", whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is assessed by a comparison of the carrying amount of the asset to the future undiscounted cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds its fair value. During the years ended December 31, 2025, 2024 and 2023, no impairment losses have been recognized.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## k. Leases

Under ASC No. 842, "Leases" ("ASC 842"), the Company determines if an arrangement is a lease at inception. The Company's assessment is based on: (1) whether the contract includes an identified asset, (2) whether the Company obtains substantially all of the economic benefits from the use of the asset throughout the period of use, and (3) whether the Company has the right to direct how and for what purpose the identified asset is used throughout the period.

The Company elected to combine lease and non-lease components for all contract leases. For short-term leases with a term of 12 months or less, operating lease right-of use ("ROU") assets and liabilities are not recognized and the Company records lease payments on a straight-line basis over the lease term.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and operating lease liabilities are recognized at commencement date based on the present value of remaining lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. The Company uses its incremental borrowing rate because the rate implicit in the Company's leases is not readily determinable. The Company's incremental borrowing rate is based on the information available at the commencement date to determine the present value of the lease payments.

Several of the Company's leases include options to extend the lease and some have termination options that are factored into the Company's determination of the lease when appropriate. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options. The Company's lease agreements do not contain any residual value guarantees.

See Note 9 for further information on leases.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## 1. Revenue recognition:

The Company's solution is sold to customers directly, through resellers and to lesser extent through distributors.

The Company recognizes revenues in accordance with ASC No. 606, "Revenue from Contracts with Customers". As such, the Company identifies a contract with a customer, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to each performance obligation in the contract and recognizes revenues when (or as) the Company satisfies a performance obligation as follows:

a) Identify the contract with a customer:

The Company generally considers either agreements or purchase orders, which in some cases are governed by master agreements, to be contracts with customers. In evaluating the contract with a customer, the Company analyzes the customer's intent and ability to pay the amount of promised consideration and considers the probability of collecting substantially all of the consideration.

b) Identify the performance obligations in the contract:

At a contract's inception, the Company assesses the goods or services promised in a contract with a customer and identifies the performance obligations.

The main performance obligations would generally include:

License for the Company's software solutions, professional services, managed services, service type warranty and post-contract customer support, each of which are generally distinct as these promises are capable of being distinct and are separately identifiable.

c) Determine the transaction price:

The transaction price is the amount of consideration to which the Company is entitled in exchange for transferring promised goods or services to a customer. Revenue is recognized net of any taxes collected from customers which are subsequently remitted to governmental entities. The Company accounts for shipping and handling activities as fulfillment activities. Shipping and handling activities are classified as part of cost of revenues.

Generally, the Company doesn't grant its customers a right to return the products sold. However, in some cases, the arrangements may include refunds, liquidated damages, penalties or other damages if the Company fails to deliver future goods or services or if the goods or services fail to meet certain specifications. All of the above are accounted for as variable considerations, which may result in an adjustment to the transaction price. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available.

The Company uses the practical expedient and does not assess the existence of a significant financing component when the difference between payment and revenue recognition is a year or less. As the period of time between delivery and payment for most of the Company's contracts is less than one year, these contracts are not assessed for a significant financing component. In other contracts, the Company determined that those contracts generally do not include a significant financing component, as the primary purpose of the invoicing terms for these contracts is to provide customers with simplified and predictable ways of purchasing the Company's products and services, not to receive or provide financing. Payment terms generally are 30 to 90 days.

d) Allocate the transaction price to the performance obligations in the contract:

To determine standalone selling price ("SSP"), the Company maximizes the use of observable standalone sales and observable data, where available. In instances where performance obligations do not have observable standalone sales, the Company utilizes available observable inputs or uses the expected cost-plus margin approach to estimate the price the Company would charge if the products and services were sold separately. For software licenses where the SSP cannot be determined based on observable prices, given the same products are sold for a broad range of amounts and the selling price is highly variable, the SSP included in a contract with multiple performance obligations is determined by applying a residual approach. SSP of services are typically estimated based on observable transactions when these services are sold on a standalone basis or on a cost-plus margin basis. The transaction price is allocated to the separate performance obligations on a relative SSP basis.

e) Recognize revenue when a performance obligation is satisfied:

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer. Control is either transferred over time or at a point in time.

Products: Revenues from software solutions which include customer acceptance or software license only contracts, are recognized at a point in time of the acceptance of the solution or the point in time the software license is delivered.

Services: Revenues related to managed services, maintenance, support and post-contract customer support are recognized ratably over the contract period since these services have a consistent continuous pattern of transfer to a customer during the contract period. Professional services revenues are recognized as services are performed, using the method that best depicts the transfer of services to the customer, generally using an input method, based on labor hours consumed or ratably, when professional services have a consistent pattern of transfer to the customer.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Deferred revenues represent unrecognized fees collected, for which revenue has not yet been recognized. Deferred revenues are classified as short-term and long-term deferred revenues based on the period in which revenues are expected to be recognized. See also Note 3 for additional revenue recognition disclosures.

## m. Cost of revenues:

Cost of revenues is comprised of cost of third-party hardware and software license fees, maintenance fees related to such third-party hardware and software, employees' salaries and related costs, shipping and handling costs, subcontractors, inventory write-offs, indirect taxes, importation taxes and royalties to the Israel Innovation Authority (the "IIA").

## n. Share-based compensation:

The Company accounts for share-based compensation in accordance with ASC No. 718, "Compensation — Stock Compensation", which requires companies to estimate the fair value of share-based payment awards on the grant date using an option-pricing model.

The Company recognizes compensation expenses for the value of its awards over the requisite service period of each of the awards. For graded vesting awards subject to service conditions only, the Company uses the straight-line attribution method. The Company estimates expected forfeitures.

The Company selected the Black-Scholes option-pricing model as the most appropriate fair value method for its share-options awards. The option-pricing model requires a number of assumptions, of which the most significant are the expected share price volatility and the expected option term. Expected volatility was calculated based upon actual historical share price movements over the most recent periods ending on the grant date, equal to the expected option term. The expected term was estimated pursuant historical option exercise information. The risk-free interest rate is based on the yield from U.S. Treasury zero-coupon bonds with an equivalent term to the expected term of the options. Historically the Company has not paid dividends and in addition has no foreseeable plans to pay dividends, and therefore uses an expected dividend yield of zero in the option-pricing model.

No options were granted in 2023. The fair value for options granted in 2025 and 2024 is estimated at the date of grant with the following weighted average assumptions:

	<u>2025</u>	<u>2024</u>
Dividend yield	0%	0%
Exercise price	11.89	10.01
Expected volatility	40.06%	40.06%
Risk-free interest	4.03%	4.03%
Expected life (in years)	10	10

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## o. Advertising and marketing expenses:

Advertising and marketing expenses consist primarily of marketing campaigns and tradeshows. Advertising and marketing expenses are charged to the consolidated statement of income, as incurred. Advertising and marketing expenses for the years ended December 31, 2025, 2024 and 2023, amounted to \$746, \$534 and \$622, respectively.

## p. Research and development costs:

Research and development costs are charged to the consolidated statement of income as incurred except for royalty-bearing participation from the IIA as described in Note 2q.

ASC No. 985-20, "Software - Costs of Computer Software to be Sold, Leased or Otherwise Marketed", requires capitalization of certain software development costs subsequent to the establishment of technological feasibility. Based on the Company's product development process, technological feasibility is established upon completion of a working model. Costs incurred by the Company between completion of the working models and the point at which the products are ready for general release have been insignificant. Therefore, all research and development costs have been expensed.

## q. Government grants:

The Company receives royalty-bearing grants, which represent participation of the IIA in approved programs for research and development. These amounts are recognized on the accrual basis as a reduction of research and development costs as such costs are incurred. Royalties to the IIA are recorded under cost of revenues, when the related sales are recognized (see also Note 8a1).

## r. Basic and diluted net income per share:

Basic and diluted income per Ordinary Share is presented in conformity with ASC No. 260, "Earnings Per Share", for all periods presented. Basic income per Ordinary Share is computed by dividing net income for each reporting period by the weighted average number of Ordinary Shares outstanding during the period.

Diluted income per Ordinary Share is computed by dividing net income for each reporting period by the weighted average number of Ordinary Shares outstanding during the period plus any additional Ordinary Shares that would have been outstanding if potentially dilutive securities had been exercised during the period, calculated under the treasury stock method.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Certain securities were not included in the computation of diluted income per share since they were anti-dilutive. The total weighted average number of shares related to the outstanding options and restricted share units ("RSUs") excluded from the calculation of diluted net income per share was 78,974, 50,459 and 342,583 for the years ended December 31, 2025, 2024 and 2023, respectively.

## s. Income taxes:

The Company accounts for income taxes in accordance with ASC No. 740, "Income Taxes" ("ASC 740"). Deferred tax asset and liability account balances are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statement of income in the period that includes the enactment date. Deferred tax assets and liabilities are classified as noncurrent on the balance sheet.

The Company evaluates the realizability of deferred tax assets based on all available positive and negative evidence, including historical operating results, projections of future taxable income and tax planning strategies. A valuation allowance is established when, based on the weight of such evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In accordance with ASC 740, the Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% of the amount likely to be realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. When applicable, the Company accounts for interest and penalties related to unrecognized tax benefits as a component of income tax expense.

## t. Severance pay:

The Company's liability for severance pay is recorded mainly with respect to its Israeli employees and is calculated pursuant to Israeli severance pay law based on the most recent salary of the employees multiplied by the number of years of employment as of the balance sheet date. After completing one full year of employment, the Company's Israeli employees are entitled to one month's salary for each year of employment or a portion thereof. The Company's liability is partially provided by monthly deposits with severance pay funds, insurance policies and by an accrual. The liability for employee severance pay benefits included on the balance sheet represents the total liability for such severance benefits, while the assets held for severance benefits included on the balance sheet represent the current redemption value of the Company's contributions made to severance pay funds and to insurance policies.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

The carrying value of deposited funds includes profits (losses) accumulated up to the balance sheet date. The deposited funds may be withdrawn only upon the fulfillment of the obligation pursuant to Israeli severance pay law or labor agreements.

The Company's agreements with new employees in Israel are in accordance with section 14 of the Severance Pay Law – 1963, which provides that the Company's contributions to the severance pay fund shall cover its entire severance obligation. Upon termination, the release of the contributed amounts from the fund to the employee shall relieve the Company from any further severance obligation and no additional payments shall be made by the Company to the employee. As a result, the related obligation and amounts deposited on behalf of such obligation are not recorded as part of the balance sheet, as the Company is legally released from its severance obligation to employees once the amounts have been deposited, and the Company has no further legal ownership of the amounts deposited.

Severance expenses for the years ended December 31, 2025, 2024 and 2023 amounted to \$1,518, \$1,194, and \$1,112, respectively.

u. U.S. defined contribution plan:

The U.S. subsidiaries have a 401(k) defined contribution plan covering certain full time and part time employees in the U.S. who meet certain eligibility requirements, excluding leased employees and contractors. All eligible employees may elect to contribute up to an annual maximum of 100% of their annual compensation to the plan through salary deferrals, subject to Internal Revenue Service limits, but not greater than \$23.5 per year (for certain employees between ages 50-59, the maximum contribution is \$31 per year).

The U.S. subsidiaries match amounts equal to 100% of the first 5% of the employee's base compensation that they contribute to the defined contribution plan per year per employee. For the years ended December 31, 2025, 2024 and 2023, the U.S. subsidiary recorded expenses for matching contributions of \$155, \$140 and \$117, respectively.

v. Fair value of financial instruments:

The Company follows the provisions of ASC No. 820, "Fair Value Measurement" ("ASC 820"), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining a fair value, the Company uses various valuation approaches. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing an asset or liability, based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect assumptions that market participants would use in pricing an asset or liability, based on the best information available under given circumstances.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

The hierarchy is broken down into three levels, based on the observability of inputs and assumptions, as follows:

Level 1 - Observable inputs obtained from independent sources, such as quoted prices for identical assets and liabilities in active markets.

Level 2 - Other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs which are supported by little or no market activity.

The financial instruments of the Company consist mainly of cash and cash equivalents, bank deposits, trade receivables, trade payables and other liabilities and accrued expenses. The fair values of the Company cash and cash equivalents, bank deposits, trade receivables, other liabilities and accrued expenses and trade payables approximate their carrying amounts due to their short-term nature.

w. Legal contingencies:

From time to time, the Company may be involved in various claims and legal proceedings. The Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. The Company's estimations and related accruals if any are reviewed at least quarterly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events relating to a particular matter.

x. Comprehensive income:

The Company accounts for comprehensive income in accordance with ASC No. 220, "Comprehensive Income", which establishes standards for the reporting and displays of comprehensive income and its components in a full set of general-purpose financial statements. Comprehensive income generally represents all changes in shareholders' equity during the period except those resulting from investments by, or distributions to, shareholders. The Company determined that its only item of other comprehensive income relates to foreign currency translation adjustment and gains or losses on intercompany foreign currency transactions that are of a long-term investment nature in connection with its subsidiary in Brazil.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## y. Business combination:

The Company accounts for its business acquisitions in accordance with ASC No. 805, "Business Combinations." The Company uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the business combination date. The total purchase price allocated to the tangible and intangible assets acquired is assigned based on the fair values as of the date of the acquisition. During the measurement period, which does not exceed one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Goodwill generated from the business combinations is primarily attributable to synergies between the Company and acquired companies' respective products and services. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

## z. Goodwill and Other Intangible Assets:

Goodwill and certain other purchased intangible assets have been recorded in the Company's financial statements as a result of acquisitions.

Goodwill represents excess of the purchase price in a business combination over the fair value of identifiable tangible and intangible assets acquired. Goodwill is not amortized, but rather is subject to an impairment test.

ASC No. 350, "Intangible—Goodwill and Other" requires goodwill to be tested for impairment at least annually and, in certain circumstances, between annual tests. The accounting guidance gives the option to perform a qualitative assessment to determine whether further impairment testing is necessary. The qualitative assessment includes judgement and considers events and circumstances that might indicate that a reporting unit's fair value is less than its carrying amount. The Company operates as one reporting unit. The Company elects to perform an annual impairment test of goodwill as of December 31 of each year, or more frequently if impairment indicators are present.

For the three years ended December 31, 2025, no impairment losses were identified.

Purchased intangible assets with finite lives are carried at cost, less accumulated amortization. Amortization is computed over the estimated useful lives of the respective assets.

Amortization is calculated using the straight-line method over the estimated useful lives of the assets at the following:

	<b>December 31, 2025</b>
Technology	4.67 years
Customer relationships	7.67 years

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## aa. Recently adopted accounting standards:

1. In December 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures. The ASU requires that an entity disclose specific categories in the effective tax rate reconciliation, as well as provide additional information for reconciling items that meet a quantitative threshold. Further, the ASU requires certain disclosures of state versus federal income tax expense and taxes paid. The amendments in this ASU were required to be adopted for fiscal years beginning after December 15, 2024. The Company adopted this standard for its annual period beginning January 1, 2025, on a prospective basis, which resulted in updated income tax disclosures. See Note 11 for further information.

## ab. Recently issued accounting standards:

1. In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This amendment introduces a practical expedient for the application of the Current Expected Credit Loss (“CECL”) model to current accounts receivable and contract assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025 and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the timing of adoption and impact of this amendment on its consolidated financial statements and related disclosures.
2. In September 2025, the FASB issued ASU 2025-06, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40) - Targeted Improvements to the Accounting for Internal-Use Software. The ASU was updated to consider different methods of software development and requires internal use software costs to be capitalized when management has authorized and committed to funding the software project and when significant uncertainty associated with the development of the software has been resolved. The amendments in this ASU are required to be adopted for annual and interim reporting periods beginning after December 15, 2027, with early adoption permitted, and may be applied either through a prospective, retrospective or a modified transition approach. The Company is currently evaluating the effect of adopting the ASU on its consolidated financial statements.
3. In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities. The update provides recognition, measurement, presentation, and disclosure requirements for government grants, including guidance for grants related to an asset and grants related to income. The amendments introduce two permitted approaches for asset-related grants: a deferred income approach or a cost accumulation approach. The guidance is effective for the Company beginning January 1, 2029, with early adoption permitted. The Company is currently evaluating the impact on its consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 3: - REVENUE RECOGNITION**

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer. Control is either transferred over time or at a point in time, which affects the revenue recognition schedule.

Costs to obtain contracts:

The Company capitalizes an asset for the incremental costs of obtaining a contract whenever such expenses are expected to be recovered. Capitalized costs derive primarily from sales commissions or incentives granted to employees and partners. The Company's contracts with customers include performance obligations related to products and services, some of which are satisfied at a point in time and others over time. Commission costs related to performance obligations satisfied at a point in time are expensed at the time of sale, which is when revenue is recognized. Commission costs related to long-term service contracts and performance obligations satisfied over time are deferred and recognized on a systematic basis that is consistent with the transfer of the products or services to which the asset relates.

Amortization expense is included in sales and marketing expenses in the accompanying consolidated statements of income. The Company elected to apply the practical expedient and recognize incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is one year or less.

Deferred commission costs capitalized are periodically reviewed for impairment. As of December 31, 2025 and 2024, the deferred commission costs capitalized included within other long-term receivables in the consolidated balance sheets were \$2,408 and \$3,057, respectively. During the year ended December 31, 2025, the Company recorded new contract acquisition assets in the amount of \$1,245.

During the years ended December 31, 2025, 2024 and 2023 the Company amortized \$1,894, \$2,112 and \$1,319, respectively, of capitalized contract acquisition costs which are substantially included in the sales and marketing expenses. No impairment losses were recognized during such period.

Contract balances:

The Company receives payments from customers based upon contractual payment schedules. Trade receivables are recorded when the right to consideration becomes unconditional. Billed receivables are recorded when an invoice is issued to the customer. Unbilled receivables include amounts related to the Company's contractual right to consideration for completed performance obligations not yet invoiced. As of December 31, 2025 and 2024, unbilled receivables balances amounted to \$9,359 and \$7,336, respectively and are included within trade receivables balance in the Company's balance sheets.

Transaction price allocated to remaining performance obligations represents non-cancelable contracts that have not yet been recognized, which includes deferred revenues and amounts not yet received that will be recognized as revenue in future periods.

As of December 31, 2025, the Company had \$65,463 of remaining performance obligations not yet satisfied or partly satisfied related to revenues. The Company expects to recognize approximately 67% of this amount as revenues during the next 12 months and the remainder thereafter.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 3: - REVENUE RECOGNITION (Cont.)**

Contract liabilities consist of deferred revenue and include unearned amounts received that do not meet the revenue recognition criteria as of the balance sheet date.

As of December 31, 2025, the Company had a balance of \$1,100 of deferred revenues compared to \$6,848 as of December 31, 2024. The change in the deferred revenues and advances from customers mainly derived from recognizing revenue in the current period related to performance obligations for which payments were received in prior periods.

During the year ended December 31, 2025, the Company recognized \$6,848 that were included in deferred revenue (short-term contract liability) as of December 31, 2024.

For disaggregation of revenues please see Note 13b1.

**NOTE 4: - INVENTORIES**

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Finished products (*)	\$ 318	\$ 1,667

(\*) Includes amounts of \$0 and \$1,483 as of December 31, 2025 and 2024, respectively, with respect to inventory delivered to customers for which control has not been transferred.

**NOTE 5: - OTHER ACCOUNTS RECEIVABLE AND PREPAID EXPENSES**

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Governmental authorities	\$ 848	\$ 628
Prepaid expenses	982	1,033
Others	206	158
	<b>\$ 2,036</b>	<b>\$ 1,819</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 6: - PROPERTY AND EQUIPMENT, NET**

Composition of assets, grouped by major classification, is as follows:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Cost:		
Computers and electronic equipment	\$ 5,205	\$ 4,827
Office furniture and equipment	414	407
Leasehold improvements	353	334
	<u>5,972</u>	<u>5,568</u>
Accumulated depreciation:		
Computers and electronic equipment	4,500	4,263
Office furniture and equipment	255	232
Leasehold improvements	229	194
	<u>4,984</u>	<u>4,689</u>
	<u>\$ 988</u>	<u>\$ 879</u>

Depreciation expenses for the years ended December 31, 2025, 2024 and 2023 amounted to \$354, \$338 and \$393, respectively.

**NOTE 7: - OTHER CURRENT LIABILITIES AND ACCRUED EXPENSES**

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Royalties - IIA payable	\$ 1,535	\$ 1,378
Accrued commissions	4,150	3,725
Accrued expenses	5,187	5,360
	<u>\$ 10,872</u>	<u>\$ 10,463</u>

**NOTE 8: - COMMITMENTS AND CONTINGENCIES**

## a. Royalty commitments:

1. The Company receives research and development grants from the IIA. In consideration for the research and development grants received from the IIA, the Company has undertaken to pay royalties as a percentage of revenues from services and products related to research and development projects financed. If the Company does not generate sales of related services and products developed with funds provided by the IIA, the Company is not obligated to pay royalties or repay the grants.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 8: - COMMITMENTS AND CONTINGENCIES (Cont.)**

Royalties are payable at the rate of 3% from the time of commencement of sales of all of the Company's products until the cumulative amount of the royalties paid equals 100% of the dollar-linked amounts of the grants received, plus Secured Overnight Financing Rate ("SOFR") interest.

Grants received from the IIA for applications that had been approved before June 30, 2017, bear an annual interest rate that applied at the time of the approval of the applicable IIA filing, and that interest rate will apply to all of the funding received under that IIA approval. Grants received from the IIA for applications approved after June 30, 2017, bear an annual interest rate based on the 12-month LIBOR, until December 31, 2023, bear an annual interest rate based on the 12-month SOFR, or at an alternative rate published by the Bank of Israel, with the addition of 0.72%. Grants for applications approved after January 1, 2024 and until December 31, 2024 bear the higher of (i) the 12 months SOFR interest rate, plus 1%, or (ii) a fixed annual interest rate of 4%.

As of December 31, 2025, the Company's total commitment with respect to royalty-bearing participation received or accrued, net of royalties paid or accrued, amounted to \$56,016. The total research and development grants that the Company received from the IIA as of December 31, 2025 were \$50,226. The accumulated interest as of December 31, 2025, was \$30,442 and the accumulated royalties paid to the IIA were \$24,652.

Royalty expenses relating to the IIA grants included in cost of revenues during the years ended December 31, 2025, 2024 and 2023 were \$2,144, \$1,825, and \$1,528, respectively.

In May 2010, the Company received a notice from the IIA regarding alleged miscalculations of the amount of royalties paid by the Company to the IIA for the years 1992-2009 and the revenues basis on which the Company had to pay royalties. The Company believes that all royalties due to the IIA from the sale of products developed with funding provided by the IIA during such years were properly paid or were otherwise accrued. During 2011, the Company reviewed with the IIA the alleged miscalculations. The Company assessed the merits of the aforesaid arguments raised by the IIA and recorded a liability for an estimated loss.

2. In April 2012 and in April 2014, the MOE approved the Company's application for participation in funding the setting up of the Company's India subsidiary and China branch as part of a designated grants plan for setting up and establishing a marketing agency in India and China. The grant was intended to cover up to 50% from the costs of the office establishment, logistics expenses and hiring employees and consultants in India and China, based on the approved budget for the plan over a period of three years. The total marketing grants received by the Company from the MOE during the years 2012 to 2017 were in the amount of \$668. No further grants are expected to be received from such plans.

The Company is obligated to pay to the MOE royalties of 3% on the increased sales in the target market, with respect to the year during which the grant was approved over a period of five years, but not more than the total linked amount of the grant received.

No royalties were paid to the MOE during the years ended December 31, 2025, 2024 and 2023.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data****NOTE 8: - COMMITMENTS AND CONTINGENCIES (Cont.)**

3. According to the Company's agreements with the Israel-U.S Bi-National Industrial Research and Development Foundation ("BIRD-F"), the Company is required to pay royalties at a rate of 5% of sales of products developed with funds provided by the BIRD-F, up to an amount equal to 150% of the BIRD-F's grant, linked to the United States CPI relating to such products. The last funds from the BIRD-F were received in 1996. In the event the Company does not generate sales of products developed with funds provided by the BIRD-F, the Company is not obligated to pay royalties or repay the grants.

The total research and development funds that the Company has received from the BIRD-F were \$340 (CPI linked amount of \$710). According to the above, as of December 31, 2025, the total royalties commitment the Company may be required to pay is an amount of up to \$1,064 out of which \$586 was paid by the Company in previous years. The remaining commitment with respect to royalty-bearing participation received, net of royalties paid or accrued, amounted to \$478 as of December 31, 2025.

Since 2003, the Company has not generated sales of products developed with the funds provided by the BIRD-F. Therefore, the Company has not been obligated to pay royalties or repay the grant since such date.

b. Bank guarantees:

1. As of December 31, 2025, the Company issued a bank guarantees to the Israeli Customs Authority that amounted to \$31, which will expire on April 30, 2026.
2. As of December 31, 2025, the Company issued a bank guarantees to a Israel entity in Israel as follow:
  - (a) Approximately \$44, which will expire on February 28, 2026.
  - (b) Approximately \$767, which will expire on December 31, 2026.
  - (c) Approximately \$165, which will expire on March 31, 2027.

c. Legal proceedings

On July 8, 2025, a former service provider filed a claim against the Company alleging that, notwithstanding his engagement as an external legal service provider and subsequently as a non-employee director, an employment relationship existed with the Company. The claim includes demands for statutory labor-related payments, severance-related penalties, moral damages, and attorneys' fees, totaling approximately USD 1,255.

The Company disputes the allegations. The Company has recognized a provision for the full amount of the claim in its financial statements

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 9: - LEASES**

The Company has entered into various operating lease agreements for certain of its offices and car leases with original lease periods expiring between 2028 and 2029. Most of the lease agreements include one or more options to renew. The Company does not assume renewals in determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement.

Lease payments included in the measurement of the operating lease liability comprise the following: the fixed non-cancelable lease payments and payments for optional renewal periods where it is reasonably certain the renewal period will be exercised. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The implicit rate within the operating leases is generally not determinable; therefore, the Company uses its Incremental Borrowing Rate ("IBR") based on the information available at commencement date in determining the present value of lease payments. The Company's IBR is estimated to approximate the interest rate for collateralized borrowing with similar terms and payments and in the economic environment where the leased asset is located.

On March 31, 2025, the Company's lease of its offices in India was amended. As a result of the amendment, the operating lease ROU and the operating lease liability increased by \$341.

The following table represents the weighted-average remaining lease term and discount rate:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Weighted average remaining lease term	2.87 years	3.82 years
Weighted average discount rate	5.48%	5.26%

The components of lease expense for the year ended December 31, 2025 were as follows:

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Fixed lease costs	\$ 1,197	\$ 1,150	\$ 1,108
Short-term lease costs	6	9	28
Total lease expense	<u>\$ 1,203</u>	<u>\$ 1,159</u>	<u>\$ 1,136</u>

Cash paid for amounts included in the measurement of operating lease liabilities was \$822, \$822, and 818 during the years ended December 31, 2025, 2024 and 2023, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 9: - LEASES (Cont.)**

Maturities of the Company's operating lease liabilities as of December 31, 2025 are as follows:

	<b>Operating Leases</b>
2026	\$ 1,233
2027	1,224
2028	1,013
2029	21
Total undiscounted lease payments	<u>\$ 3,491</u>
Less: imputed interest	<u>(257)</u>
Present value of lease liabilities	<u>\$ 3,234</u>

**NOTE 10: - GOODWILL, AND INTANGIBLE ASSETS, NET**

On April 30, 2023, the Company acquired certain assets and liabilities of Continual for total gross consideration of \$2,477. The asset acquisition was accounted for as a business combination. The Goodwill acquired amounted to \$ 1,243. Continual is a leading mobility experience analytics company that uses Artificial Intelligence (AI) and Machine Learning (ML) to deliver advanced insights to help telecom operators improve their subscribers mobility experience. The Company expensed the related acquisition costs of \$57 in General and administrative.

Goodwill generated from this business combination is primarily attributable to the assembled workforce and expected post-acquisition synergies from integrating Continual's technology into the Company's portfolio. Goodwill is deductible for tax purposes.

The composition of intangible assets is as follows:

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
Original amount:		
Technology	\$ 1,048	\$ 1,048
Customer relationships	887	887
	<u>\$ 1,935</u>	<u>\$ 1,935</u>
Less - accumulated amortization		
Technology	\$ 600	\$ 376
Customer relationships	309	193
	<u>909</u>	<u>569</u>
Intangible assets, net	<u>\$ 1,026</u>	<u>\$ 1,366</u>

Amortization expenses for the years ended December 31, 2025, 2024 and 2023 amounted to \$340, \$341 and \$228, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 10: - GOODWILL, AND INTANGIBLE ASSETS, NET (Cont.)**

The estimated future amortization expense of intangible assets as of December 31, 2025 is as follows:

	<b>Amortization expenses</b>
2026	\$ 340
2027	339
2028	116
2029	116
2030	115
Total future amortization expenses	<u>\$ 1,026</u>

**NOTE 11: - TAXES ON INCOME**

## a. Israeli taxation:

Taxable income of the Company is subject to the Israeli corporate tax at the rate of 23% for all years presented.

Tax benefits under the Law for the Encouragement of Capital Investments, 1959 (“the Law”):

In August 2013, the Law for Changing National Priorities (Legislative Amendments for Achieving Budget Targets for 2013 and 2014), 2013 which includes Amendment 71 to the Law (“Amendment 71”) was enacted. Per Amendment 71, the tax rate on preferred income from a preferred enterprise in 2014-2016 will be 9% in certain areas in Israel (“Development Area A”) and 16% in other areas. In 2017, the tax rate at Development Area A was reduced to 7.5%.

The Company may claim the tax benefits offered by Amendment 71 in its tax returns, provided that its facilities meet the criteria for tax benefits set out by Amendment 71. A company is also granted a right to approach the Israeli Tax Authorities for a pre-ruling regarding its eligibility for benefits under Amendment 71 (and in some cases is required to apply for such approval).

In December 2016, the Economic Efficiency Law (Legislative Amendments for Applying the Economic Policy for the 2017 and 2018 Budget Years), 2016 which includes Amendment 73 to the Law (“Amendment 73”) was published. Amendment 73, which came into effect in January 2017, prescribes special tax tracks for technological enterprises, granting such enterprises a tax rate of 7.5% (in Development Area A) and 12% (in other areas).

Under Amendment 73, any dividends distributed to “foreign companies”, as defined in such law, by companies having over 90% foreign (i.e., non-Israeli) ownership, deriving from income from the technological enterprises will be subject to tax at a rate of 4%.

In order to comply with the new track determined in Amendment 73, a company must meet certain criteria defined within law (among others R&D expenses and employees at a certain rate).

The Company has yet to claim the above-mentioned tax benefits offered and accordingly such reduced taxes were not considered in the computation of the deferred taxes and valuation allowance as of December 31, 2025.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 11: - TAXES ON INCOME (Cont.)**

In accordance with the tax laws, tax returns submitted up to and including the 2020 tax year can be regarded as final. As of December 31, 2025, no final tax assessments have been received for such years.

Tax loss carryforward:

As of December 31, 2025, the Company's estimated tax loss carryforward and capital loss were \$27,607 and \$1,726, respectively. Such losses can be carried forward indefinitely to offset any future taxable income of the Company.

As of December 31, 2025, the Company's research and development expenses carryforward for tax purposes in Israel amounted to approximately \$1,138.

b. Foreign subsidiaries:

U.S. subsidiary:

1. The U.S. subsidiary is taxed under United States federal and state tax rules. Income tax is calculated based on a U.S. federal tax rate of 21%.
2. The U.S. subsidiary utilized the federal tax loss carryforward from previous years and has no tax loss carryforward as of December 31, 2025.
3. The U.S. subsidiary has not received final tax assessments since incorporation. In accordance with the tax laws, tax returns submitted up to and including the 2021 tax year can be regarded as final.

Brazilian subsidiary:

1. The Brazilian subsidiary is taxed under Brazilian tax rules. Income tax is calculated based on a 34% rate.
2. The Brazilian subsidiary's tax loss carryforward amounted to \$2,746 as of December 31, 2025, for tax purposes. Tax losses may be carried forward indefinitely but can only be offset up to 30% of the subsidiary's taxable income for a tax period.
3. The Brazilian subsidiary has not received final tax assessments since incorporation. In accordance with the tax laws, tax returns submitted up to and including the 2020 tax year can be regarded as final.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 11: - TAXES ON INCOME (Cont.)**

Indian subsidiary:

1. The Indian subsidiary is taxed under Indian tax rules. Income tax is calculated based on a 25% rate.
2. The Indian subsidiary has not received final tax assessments since incorporation. In accordance with the tax laws, tax returns submitted up to and including the 2019 tax year can be regarded as final.

Canadian subsidiary:

1. The Canadian subsidiary is taxed under Canadian tax rules. Income tax is calculated based on a 26.5% rate, as a non-Canadian controlled entity.
2. The Canadian subsidiary has not received final tax assessments since incorporation. In accordance with the tax laws, tax returns submitted up to and including the 2023 tax year and not yet regarded as final.

## c. Deferred taxes:

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and for tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Deferred tax assets:		
Carryforward tax losses	\$ 7,378	\$ 10,093
Research and development	262	1,423
Operating lease liabilities	752	810
Share-based compensation	3,124	2,500
Accrued social benefits and other	699	520
Deferred tax assets before valuation allowance	12,215	15,346
Less - valuation allowance	(11,434)	(14,416)
Total deferred tax assets	781	930
Deferred tax liabilities:		
Operating lease ROU assets	\$ (675)	\$ (815)
Other	(106)	(115)
Total deferred tax liabilities	(781)	(930)
Net deferred tax assets	\$ -	\$ -

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 11: - TAXES ON INCOME (Cont.)**

The net change in the total valuation allowance for the year ended December 31, 2025 was a decrease of \$2,982. In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which those temporary differences and tax loss carryforward are deductible. Management considers the projected taxable income and tax-planning strategies in making this assessment.

The Company recorded a valuation allowance for certain of its deferred tax assets. The Company concluded that, based on the weight of available positive and negative evidence, it was more likely than not that the deferred tax assets would not be recoverable due to uncertainty regarding future taxable income. In assessing the realizability of deferred tax assets, the key assumptions used to determine positive and negative evidence included the Company's current trends related to actual taxable earnings or losses, and expected future reversals of existing taxable temporary differences, as well as projections for future annual results.

- d. Taxes on income are mainly comprised from state tax accrual with regards to the U.S. subsidiary, withholding taxes that were deducted by the Company's customers as well as tax expenses of the Indian subsidiary.
- e. The components of income before income taxes are as follows:

	Year ended December 31,		
	2025	2024	2023
Domestic (Israel)	\$ 11,106	\$ 5,642	\$ 2,610
Foreign	1,480	1,560	1,285
Income (loss) before income taxes	<u>\$ 12,586</u>	<u>\$ 7,202</u>	<u>\$ 3,895</u>

- f. The components of income tax expenses are as follows:

	Year ended December 31,		
	2025	2024	2023
Current:			
Domestic (Israel)	\$ 286	\$ -	\$ -
Foreign	309	234	182
Total Income tax expenses	<u>\$ 595</u>	<u>\$ 234</u>	<u>\$ 182</u>
Deferred:			
Domestic (Israel)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Foreign	<u>-</u>	<u>-</u>	<u>-</u>
Total Income tax expenses	<u>\$ 595</u>	<u>\$ 234</u>	<u>\$ 182</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 11: - TAXES ON INCOME (Cont.)****g. Uncertain tax benefits**

A reconciliation of the beginning and ending balances of uncertain tax benefits is as follows:

	<b>Year ended December 31, 2025</b>
Balance at beginning of the year	\$ -
Additions for taxes positions	286
Balance at the end of the year	<u>\$ 286</u>

During the year 2025, the Company did not incur any interest or penalties related to its uncertain tax benefits.

- h. A reconciliation of the Company's theoretical income tax benefit to actual income tax expense (benefit) following the adoption of ASU 2023-09 is as follows:

	<b>Year Ended December 31, 2025</b>	
Tax at Israel statutory rate	\$ 2,895	23.0%
Foreign tax effects:	(29)	(0.2)
Change in valuation allowances	(2,617)	(20.8)
Nontaxable or nondeductible items:		
Share-based compensation	39	0.3
Other	23	0.2
Change in unrecognized tax benefits	264	2.3
Other	20	0.2
<b>Effective tax rate</b>	<u>\$ 595</u>	<u>5.0%</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 11: - TAXES ON INCOME (Cont.)**

A reconciliation of the Company's theoretical income tax benefit to actual income tax expense (benefit) before the adoption of ASU 2023-09 is as follows:

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Income (loss) before income taxes, as reported in the consolidated statements of income (loss)	\$ 7,202	\$ 3,895
Statutory tax rate in Israel	23%	23%
Theoretical tax expense (benefit)	\$ 1,656	\$ 896
Increase (decrease) in income taxes resulting from:		
Tax rate differential on foreign subsidiaries	(15)	(25)
Non-deductible expenses and other permanent differences	(328)	654
Differences in taxes arising from foreign currency exchange, net	218	(81)
Changes in carry forward tax losses and other temporary differences for which valuation allowance was provided	(1,346)	(1,267)
Other	49	5
<b>Income taxes</b>	<b>\$ 234</b>	<b>\$ 182</b>

## i. Tax paid:

Cash paid for income taxes, net of refunds received, by jurisdiction pursuant to the disclosure requirements of ASU 2023-09 for the year ended December 31, 2025 is as follows:

	<b>Year Ended December 31, 2025</b>
Israel	\$ 21
U.S.	
U.S. federal	297
U.S. state	33
Total U.S.	330
India	132
Other	2
<b>Effective tax rate</b>	<b>\$ 485</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 12: - SHAREHOLDERS' EQUITY**

- a. The number of Ordinary Shares outstanding at December 31, 2025, and 2024 does not include 5,189 Ordinary Shares issued, which are held by a subsidiary, and 30,843 Ordinary Shares issued which are held by the Company.

Ordinary Shares confer all rights to their holders, e.g. voting, equity and receipt of dividends.

- b. Share option plan:

1. The Company has granted options under an option plan as follows:

- a) The 2013 Share Option Plan:

On April 3, 2013, the Company approved a new share option plan (the "2013 Share Option Plan"). The 2013 Share Option Plan provides for the grant of options to purchase Ordinary Shares to provide incentives to employees, directors, consultants and contractors of the Company. In accordance with Section 102 of the Income Tax Ordinance (New Version) - 1961, the Company's Board of Directors (the "Board") elected the "Capital Gains Route".

On February 19, 2015, the Board adopted an amendment to the 2013 Share Option Plan pursuant to which the Company may grant options to purchase its Ordinary Shares and RSUs to its employees, directors, consultants and contractors. The 2013 Share Option Plan expired on April 2, 2023.

- b) During the year ended December 31, 2023, the Company's Board approved the grant of 235,000 RSUs to certain employees and directors of the Company. Such RSUs have vesting schedules of 2-4 years, commencing as of the date of grant under the 2013 Share Option Plan.

- c) The 2023 Equity Incentive Plan:

On March 28, 2023, the Company's Board adopted a new equity incentive plan named the "2023 Equity Incentive Plan" pursuant to which the Company may grant options to purchase its Ordinary Shares and RSUs to its employees, directors, consultants and contractors. The 2023 Equity Incentive Plan expires on March 28, 2033.

- d) During the year ended December 31, 2023, the Company's Board approved the grant of 963,500 RSUs to certain employees and directors of the Company. Such RSUs have vesting schedules of 2-4 years, commencing as of the date of grant under the 2023 Equity Incentive Plan.

- e) During the year ended December 31, 2024, the Company's Board approved the grant of 997,364 RSUs and 112,028 options to certain employees and directors of the Company. Such RSUs have vesting schedules of 1-4 years, commencing as of the date of grant under the 2023 Equity Incentive Plan.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 12: - SHAREHOLDERS' EQUITY (Cont.)**

- f) During the year ended December 31, 2025, the Company's Board approved the grant of 348,184 RSUs and 22,960 options to certain employees and directors of the Company. Such RSUs have vesting schedules of 2-4 years, commencing as of the date of grant under the 2023 Equity Incentive Plan.

As of December 31, 2025, the aggregate total number of shares reserved under the 2023 Equity Incentive Plan, is 3,000,000, out of which 853,939 Ordinary Shares are still available for future grants under the 2023 Equity Incentive Plan as of that date.

2. Stock options for the year ended December 31, 2025 under the Company's plans are as follows:

	Number of options	Weighted average exercise price	Weighted average grant date fair value per share	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding as of January 1, 2025	151,625	\$ 9.48	\$ 5.56	7.43	437
Granted	22,960	11.89	6.27		
Exercised	(41,770)	7.98	3.87		
Outstanding as of December 31, 2025	<u>132,815</u>	<u>10.37</u>	<u>\$ 6.21</u>	<u>8.59</u>	<u>360</u>
Vested and expected to vest at December 31, 2025	<u>86,983</u>	<u>10.34</u>	<u>6.19</u>	<u>8.45</u>	<u>238</u>
Exercisable as of December 31, 2025	<u>80,313</u>	<u>\$ 10.37</u>	<u>\$ 6.18</u>	<u>8.42</u>	<u>217</u>

The aggregate intrinsic value in the table above represents the total intrinsic value (the difference between the deemed fair value of the Company's Ordinary Shares on the last day of fiscal 2025 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2025. This amount is impacted by the changes in the fair market value of the Company's Ordinary Shares.

A summary of options data for the years ended December 31, 2023, 2024 and 2025, is as follows:

	Year ended December 31,		
	2025	2024	2023
Weighted-average grant date fair value of options granted	\$ 6.27	\$ 6.27	\$ -
Total intrinsic value of the options exercised	<u>\$ 231</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

## NOTE 12: - SHAREHOLDERS' EQUITY (Cont.)

3. RSUs for the year ended December 31, 2025 under the Company's 2013 Share Option Plan and 2023 Equity Incentive Plan are as follows:

	Number of RSUs	Weighted average grant date fair value per share
Outstanding as of January 1, 2025	1,470,926	\$ 9.05
Granted	348,184	12.38
Vested	(635,339)	9.49
Cancelled	(44,775)	8.95
Outstanding as of December 31, 2025	<u>1,138,996</u>	<u>\$ 9.83</u>

4. The weighted average fair value of options granted during the year ended December 31, 2025 and 2024 was \$6.27. No options were granted during the year ended December 31, 2023.
5. The weighted average fair values of RSUs granted during the years ended December 31, 2025, 2024 and 2023 were \$12.38, \$9.67 and \$8.43 per share, respectively.
6. The total fair value of RSUs, as of their respective release dates, was \$8,326, \$6,138, and \$5,421 during the years ended December 31, 2025, 2024, and 2023, respectively.
7. The total fair value of options, as of their respective release dates, was \$162 during the year ended December 31, 2025 and there were no options exercised during the years ended December 31, 2024, and 2023.
8. The following table summarizes the allocation of the Company's share-based compensation within the consolidated statements of income:

	Year ended December 31,		
	2025	2024	2023
Cost of revenues	\$ 387	\$ 381	\$ 440
Research and development, net	1,776	2,047	2,690
Sales and marketing	2,265	2,024	1,819
General and administrative	1,688	1,645	1,168
	<u>\$ 6,116</u>	<u>\$ 6,097</u>	<u>\$ 6,117</u>

9. As of December 31, 2025, there are \$10,144 of total unrecognized costs related to non-vested options and RSUs that are expected to be recognized over a weighted average period of 2 years.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 13: - SEGMENTS, CUSTOMERS AND GEOGRAPHIC INFORMATION**

- a. The Company identifies its operating segments in accordance with ASC Topic No. 280, "Segment Reporting." Operating segments are defined as components of an entity for which separate financial information is available and it is regularly reviewed by the chief operating decision maker ("CODM") in making decisions regarding resource allocation and evaluating financial performance. The Company determined it operates in one reportable segment as the Company's CODM is the Chief Executive Officer who makes operating decisions, assesses performance and allocates resources on a consolidated basis. There is no expense or asset information that are supplemental to those disclosed in these consolidated financial statements that are regularly provided to the CODM. The Company's CODM uses consolidated net income to review actual results and decide where to allocate additional resources within the business to continue growth. Since the Company operates as one operating segment, financial segment information, including profit or loss and asset information, can be found in the consolidated financial statements.
- b. The following tables present total revenues for the years ended December 31, 2025, 2024 and 2023 and long-lived assets, net as of December 31, 2025 and 2024 by geographic regions:
1. Revenues by geographic region are as follows:

	Year ended December 31,		
	2025	2024	2023
United States	\$ 38,849	\$ 36,087	\$ 31,829
Asia (*)	9,900	12,725	9,786
Latin America	222	327	1,266
EMEA (including Israel)	22,523	11,870	8,719
	<u>\$ 71,494</u>	<u>\$ 61,009</u>	<u>\$ 51,600</u>

(\*) Includes Japan which accounted for more than 10% of the Company's revenues in all years presented.

Total revenues are attributed to geographic areas are based on the location of the end-customer.

In 2025, 2024 and 2023, the amount of export revenues represented 79%, 89% and 96%, respectively, of the Company's total revenues.

2. Major customer data as a percentage of total revenues:

	Year ended December 31,		
	2025	2024	2023
	%		
A	48	51	52
B (*)	17	26	24
C	21	11	(**)
	<u>86%</u>	<u>88%</u>	<u>76%</u>

(\*) For the year ended December 31, 2025, operating both in Asia and EMEA.

(\*\*) Less than 1%.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 13: - SEGMENTS, CUSTOMERS AND GEOGRAPHIC INFORMATION (Cont.)**

## 3. Long-lived assets by geographic areas:

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Israel	\$ 3,103	\$ 3,643
United States	356	480
Other	427	177
Total long-lived assets (1)	<u>\$ 3,886</u>	<u>\$ 4,300</u>

(1) Long-lived assets are comprised of property and equipment, net and operating lease right-of use.

**NOTE 14: - SELECTED STATEMENTS OF INCOME DATA**

## a. Financial income, net:

	<b>Years ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Financial Income:			
Interest income	\$ 4,969	\$ 4,692	\$ 4,304
Foreign currency exchange gain	1,031	927	730
	<u>6,000</u>	<u>5,619</u>	<u>5,034</u>
Financial expenses:			
Bank charges	(207)	(189)	(135)
Foreign currency exchange loss	(1,510)	(1,315)	(342)
	<u>(1,717)</u>	<u>(1,504)</u>	<u>(477)</u>
	<u>\$ 4,283</u>	<u>\$ 4,115</u>	<u>\$ 4,557</u>

## e. Net income per Ordinary Share:

The following table sets forth the computation of basic and diluted net income (loss) per Ordinary Share:

	<b>Years ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Numerator:			
Numerator for basic net income per Ordinary Share	\$ 11,991	\$ 6,968	\$ 3,713
Numerator for dilutive net income per Ordinary Share	<u>\$ 11,991</u>	<u>\$ 6,968</u>	<u>\$ 3,713</u>
Denominator:			
Denominator for basic net income per Ordinary Share - weighted average number of Ordinary Shares	<u>16,266,468</u>	<u>15,666,457</u>	<u>15,098,642</u>
Effect of dilutive securities:			
Share-based compensation granted	569,061	488,693	199,305
Denominator for diluted net income per Ordinary Share - adjusted weighted average number of Ordinary Shares	<u>16,835,529</u>	<u>16,155,150</u>	<u>15,297,947</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data**

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**NOTE 15: - RELATED PARTY BALANCES AND TRANSACTIONS**

- a. The Company carries out transactions with related parties as detailed below.
1. On May 19, 2023, Zohar Zisapel, a co-founder of the Company, a member of the Company's Board of Directors and a major shareholder, passed away. His heirs Mr. Michael Zisapel and Mrs. Klil Zisapel are significant shareholders.
  2. Certain premises occupied by the Company are rented in part from an entity in which Mr. Michael Zisapel and Mrs. Klil Zisapel hold an interest and in part from Zisapel Properties (1992) Ltd and certain premises occupied by the Company U.S. subsidiary are rented in part from an entity in which Mr. Michael Zisapel and Mrs. Klil Zisapel hold an interest and in part from Yehuda Zisapel Properties, Inc (see also Note 9). On May 19, 2023, Zisapel Properties (1992) Ltd and Yehuda Zisapel Properties, Inc. ceased being related parties to the Company. The aggregate net amounts of lease and related maintenance expenses related to entities affiliated with related parties were \$204, \$206 and \$443 in 2025, 2024 and 2023, respectively.
  3. Mr. Michael Zisapel and Mrs. Klil Zisapel also hold an interest in various entities known as the RAD-BYNET Group. Certain entities within the RAD-BYNET Group provide the Company and its U.S. subsidiary with administrative and IT services. The aggregate amount of administrative and IT services provided was \$12 in 2023. In 2024 and 2025, there were no administrative and IT services paid to related parties. Such amounts expensed by the Company are disclosed in Note 15d below as part of "Expenses" and "Capital expenses".
  4. From time to time, the Company purchases certain products and services from members of the RAD-BYNET Group. In 2025, 2024 and 2023, the aggregate amounts of such purchases were approximately \$15, \$17 and \$17, respectively. Such amounts expensed by the Company are disclosed in Note 15d below as part of "Expenses".
  5. The Company's director also served as a director in the parent company of two of our vendors, from which the Company purchased in 2025 and in 2024 certain services, in the aggregate amount of \$1,234 and \$566, respectively. Such amounts expensed by the Company are disclosed in Note 15d below as part of "Expenses".
- b. The former executive chairman of the Board, Ms. Rachel (Heli) Bennun (the "Executive Chairman") was Mr. Zohar Zisapel's significant other until he passed away on May 19, 2023. The Executive Chairman was entitled to a fixed monthly salary. During the year ended December 31, 2023 the Company recorded salary expenses with respect to the Executive Chairman in the amount of \$291. On December 31, 2024, the Executive Chairman retired from her position as Executive Chairman and is no longer considered as a related party to the Company. Such amounts expensed by the Company are disclosed in Note 15d below as part of "Expenses".

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

**NOTE 15: - RELATED PARTY BALANCES AND TRANSACTIONS (Cont.)**

In 2023 in addition to the fixed monthly salary, the Executive Chairman earned annual bonus amounting to approximately \$233.

## c. Balances with related parties:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
Other accounts receivable and prepaid	\$ 14	\$ 11
Operating lease right-of-use assets	\$ 628	\$ 829
<b>Liabilities:</b>		
Trade payables	\$ 222	\$ 219
Other liabilities and accrued expenses	\$ 317	\$ 200
Operating lease liabilities - current	\$ 231	\$ 223
Operating lease liabilities – non-current	\$ 472	\$ 606

## d. Transactions with related parties:

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Expenses (1):</b>			
Cost of revenues	\$ 52	\$ 58	\$ 205
<b>Operating expenses:</b>			
Research and development, net	\$ 115	\$ 118	\$ 249
Sales and marketing	\$ 1,331	\$ 663	\$ 119
General and administrative	\$ 17	\$ 15	\$ 545

(1) Including utilities expenses charged to the related party and reimbursed by the Company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**U.S. dollars in thousands, except share and per share data**

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**NOTE 16: - SUBSEQUENT EVENTS**

- a. On February 8, 2026, the Board's then chairman, Sami Totah, was succeeded by Mr. Rami Schwartz, a member of the Board.
- b. On February 10, 2026, the Board approved the compensation terms of the Company's Chief Financial Officer, including the grant of 50,000 RSUs. The RSUs vest over a period of 2 years, commencing on the grant date.
- c. On March 19, 2026, the Chairman of the Board was granted with additional 6,560 RSUs and 8,747 options for his service as Chairman. The RSUs and options vest over a period of 8 months, in equal monthly installments commencing on the grant date. The options have an exercise price of \$12.82 per share and expire 10 years from the grant date. See also Note 16a.

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## ITEM 19. EXHIBITS

The exhibits filed with or incorporated into this Annual Report are listed below.

<u>Exhibit No.</u>	<u>Description</u>
1.1	<a href="#"><u>Memorandum of Association, as amended and restated (filed herewith).</u></a>
1.2	<a href="#"><u>Amended and Restated Articles of Association, as amended (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2016, filed with the SEC on March 30, 2017).</u></a>
2.1	<a href="#"><u>Form of ordinary share certificate (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2012, filed with the SEC on April 22, 2013).</u></a>
2.2	<a href="#"><u>Description of rights of the Company's Ordinary Shares (filed herewith).</u></a>
4.1	<a href="#"><u>2013 Share Option Plan, as amended (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2014, filed with the SEC on March 26, 2015).</u></a>
4.2	<a href="#"><u>RADCOM Amended and Restated Directors and Executive Officers Compensation Policy, as re-approved on December 3, 2025, (incorporated herein by reference to Exhibit A to the Exhibit 99.1 to the Form 6-K of RADCOM Ltd., filed with the SEC on October 29, 2025).</u></a>
4.3	<a href="#"><u>Software and Professional Services Agreement, dated March 29, 2019, by and between AT&amp;T Services, Inc. and the Company (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2018, filed with the SEC on April 18, 2019). *</u></a>
4.4	<a href="#"><u>Supplemental Support &amp; Maintenance Agreement, dated March 29, 2019, by and between AT&amp;T Services, Inc. and the Company (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2018, filed with the SEC on April 18, 2019). *</u></a>
4.5	<a href="#"><u>Supplemental Agreement, dated December 13, 2024, by and between AT&amp;T Services, Inc. and the Company (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2024, filed with the SEC on March 26, 2025). *</u></a>
4.6	<a href="#"><u>Amendment to Software and Professional Services Agreement, dated March 19, 2025, by and between AT&amp;T Services, Inc. and the Company (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2024, filed with the SEC on March 26, 2025). *</u></a>
4.7	<a href="#"><u>Amendment to Supplemental Support &amp; Maintenance Agreement, dated May 5, 2025, by and between AT&amp;T Services, Inc. and the Company (filed herewith). *</u></a>
4.8	<a href="#"><u>Amendment to Software and Professional Services Agreement, dated June 27, 2025, by and between AT&amp;T Services, Inc. and the Company (filed herewith). *</u></a>
4.9	<a href="#"><u>Master Software and Professional Services Agreement, dated May 21, 2019, by and between Rakuten Mobile, Inc. and the Company (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2019, filed with the SEC on March 31, 2020). *</u></a>
4.10	<a href="#"><u>Amendment to Master Software and Professional Services Agreement, dated May 21, 2024, by and between Rakuten Mobile, Inc. and the Company (incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2024, filed with the SEC on March 26, 2025). *</u></a>

- 4.11 [Amendment to Master Software and Professional Services Agreement, dated May 21, 2025, by and between Rakuten Mobile, Inc. and the Company \(filed herewith\).](#) \*
- 4.12 [Rakuten Managed Services Agreement, dated May 22, 2019, by and between Rakuten Mobile, Inc. and the Company \(incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2019, filed with the SEC on March 31, 2020\).](#) \*
- 4.13 [Rakuten 5G NSA/SA Managed Services Agreement, dated October 23, 2020, by and between Rakuten Mobile, Inc. and the Company \(incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2020, filed with the SEC on March 25, 2021\).](#) \*
- 4.14 [Amendments to Statements of Work, dated February 21, 2024, by and between Rakuten Mobile, Inc. and the Company \(incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2024, filed with the SEC on March 26, 2025\).](#) \*
- 4.15 [RADCOM 2023 Equity Incentive Plan \(incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2022, filed with the SEC on March 30, 2023\).](#)
- 4.16 [Form of Indemnification Agreement \(incorporated herein by reference to Appendix A to the Form 6-K of RADCOM Ltd., filed with the SEC on August 10, 2011\).](#)
- 8.1 [List of Subsidiaries \(incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2022, filed with the SEC on March 30, 2023\).](#)
- 11.1 [RADCOM Ltd. Insider Trading Policy and Guidelines with Respect to Certain Transactions in Company Securities \(incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2024, filed with the SEC on March 26, 2025\).](#)
- 12.1 [Certification of the Chief Executive Officer pursuant to Rule 13a-14\(a\) \(filed herewith\).](#)
- 12.2 [Certification of the Chief Financial Officer pursuant to Rule 13a-14\(a\) \(filed herewith\).](#)
- 13.1 [Certification of the Chief Executive Officer pursuant to Rule 13a-14\(b\) \(furnished herewith\).](#)
- 13.2 [Certification of the Chief Financial Officer pursuant to Rule 13a-14\(b\) \(furnished herewith\).](#)
- 15.1 [Consent of Kost Forer Gabbay & Kasierer, a member of EY Global, dated March 31, 2026 \(filed herewith\).](#)
- 97.1 [Clawback Policy \(incorporated herein by reference to the Form 20-F of RADCOM Ltd. for the fiscal year ended December 31, 2023, filed with the SEC on April 2, 2024\).](#)
- 101 The following financial information from RADCOM Ltd.'s Annual Report on Form 20-F for the year ended December 31, 2025 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023; (ii) Consolidated Statement of Comprehensive Income (Loss) for the years ended December 31, 2025, 2024 and 2023 (iii) Consolidated Balance Sheets at December 31, 2025 and 2024; (iv) Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2025, 2024 and 2023; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023; and (vi) Notes to Consolidated Financial Statements (filed herewith).
- 104 Cover Page Interactive Data File. (Formatted as Inline XBRL and contained in Exhibit 101).

\* Certain identified information in the exhibit has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the Company treats as private or confidential.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

RADCOM LTD.

By: /s/ Hod Cohen

Name: Hod Cohen

Title: Chief Financial Officer

Date: March 31, 2026

## MEMORANDUM OF ASSOCIATION, AS AMENDED AND RESTATED

## COMPANIES ORDINANCE

Company Limited in Shares

## Memorandum of Association as Amended and Restated

of

1. The name of the Company is: רדקום בע"מ [Hebrew]  
In English: RADCOM LTD
  2. The purposes for which the Company was established are as follows:
    - (a) To manufacture, market, sell, import, export, buy, rent, lease out, hire, lease and engage in any form whatsoever in computer equipment, including computer communication equipment and including all auxiliary equipment, components and items for computers and including all equipment, auxiliary equipment and electronic components of any kind, and including drafting and publishing any informative material related to such equipment.
    - (b) To conduct a business of agents, representatives, proxies and representatives of any person in the computer and electronics industry and any other industry.
    - (c) To engage in design, research and development of computer and electronic equipment, including computer communication equipment and including all auxiliary equipment, components and items.
    - (d) To apply for, register, buy or otherwise acquire patents, licenses, franchises, templates, know-how, manufacturing processes, trade secrets and rights of any kind whatsoever in the computer and electronics industry and in any other industry.
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- (e) To conduct any business of capital owners, property owners, concession holders, financiers, agents, couriers, brokers, agents and contractors; to undertake, manage and execute any financial and investment business.
- (f) To borrow funds, obtain them and secure their payment in any such manner as the Company may deem appropriate, and in particular – but without derogating from the generality of the foregoing – by granting mortgages on its lands and other real estate properties and/or granting ascending/descending and/or fixed and special liens and pledges on any part of its lands and other assets, all or part, present and future, and to redeem and discharge any such mortgage, lien or pledge. The Company shall also be authorized to secure the payment of funds borrowed or to be borrowed by the issuance of new and other bonds and stock of bonds, and to secure their repayment by mortgaging any part of the Company's lands and other assets, all or part, present and future, including capital not yet paid up, by any kind of lien without any restriction, and to redeem, purchase and release bonds or stocks of bonds or any lien in the above manner.
- (g) To lend money and grant advances or credit and to guarantee the debts and interests of such persons, firms and companies and on such terms as the Company shall deem appropriate, in particular to customers and other persons having business with the Company, to provide guarantees and to act as a guarantor for such persons, firms or companies, and to receive from those to whom the Company shall lend money or grant credit or guarantee, all kinds of guarantees and securities as the Company shall deem appropriate, including – but without derogating from the generality of the foregoing – mortgages, pledges, ascending/descending fixed and special liens and pledges of any kind, land and chattel, and to release and waive all such guarantees and securities and to redeem them on such terms as the Company shall deem appropriate.
- (h) To engage in all business of trade, import, export, transportation, supply, marketing, distribution, utilization, brokerage and handling of technical and mechanical equipment, instruments, preparations, work tools, craft tools, accessories, containers, packaging, raw materials, consumables, products, goods and materials, of every kind whatsoever and for any use whatsoever.
- (i) To engage in research, exploration and development of natural resources and their utilization, to conduct studies in connection therewith, and to hold, manage, fund, measure, organize and employ research institutions, laboratories and expeditions.

- (j) To engage in transportation and shipping and in all means of transport and conveyance of every kind.
- (k) To apply for, register, buy or otherwise acquire or obtain rights of use or testing, and to defend, extend and renew, in Israel or abroad, all kinds of patents, patent rights, invention authorities, licenses, protections, concessions (hereinafter: Patent Rights) which, in the opinion of the Company, may benefit it, as well as to use patent rights, work in accordance with them, exploit them in any way, make any agreement whatsoever and perform any action whatsoever in connection with patent rights, and sell and otherwise transfer patent rights and grant licenses and privileges in connection with patent rights.
- (l) To engage in all scientific, technical, mechanical and other tests, trials and experiments, including their refinement and attempting to refine all the inventions and patent rights to which the Company shall be entitled, or to use them or acquire them for itself or seek to acquire them for itself.
- (m) To seek, obtain, purchase, hold, maintain, exploit, sell and transfer from any part of the world templates, manufacturing processes, know-how, trade secrets, permits, licenses, rights, franchises, leases and rights and benefits of any kind which entitle the Company or allow it to engage in the business in which it is authorized to engage.
- (n) To enter into agreements with any government or authority, whether central, municipal, local or otherwise, in any part of the world, in such manner as may seem expedient to the purposes of the Company, all or in part, and to obtain from any such government or authority any right, privilege or franchise which the Company may deem expedient to obtain, exploit or perform.
- (o) To take such measures as the Company deems appropriate to make its operations and undertakings public, and in particular by advertising in newspapers, on the radio and otherwise, by circulars, holding exhibitions and publishing brochures and by granting prizes and grants.
- (p) To buy or otherwise acquire and receive any business, whether as an existing business or otherwise, and any assets, properties, goodwill, rights and liabilities of any person or company if this may be of benefit to the Company or to advance any interest within the scope of the purposes of the Company.

- (q) To create and establish, or participate in the creation and establishment of any company, for the purpose of acquiring or assuming, in whole or in part, the assets, rights and liabilities of such company, and for any other purpose which, in the opinion of the Company, may assist, directly or indirectly, to such company in advancing any interest within the scope of the purposes of such company.
- (r) To consolidate or merge with any company.
- (s) To enter into partnership or agreement for the sharing of profits, consolidating profits or collaboration with any person or company carrying out or having the right to carry out business or businesses that the company is authorized to carry out.
- (t) To sell and transfer the Company's enterprise, in whole or in part, for such consideration that the Company may deem appropriate, and in particular for shares, bonds or other securities, to another company with similar purposes, in whole or in part, to those of the Company.
- (u) To enter into any contract or agreement, and to sign any document, instrument, contract and agreement, within the purposes of the Company.
- (v) To insure the Company, its property, facilities, factories and operations, all or part thereof, against any damage, loss, risk or liability.
- (w) To invest and manage the Company's funds that are not immediately needed for its business in such a manner as the Company may determine from time to time.
- (x) To distribute its assets, all or some thereof, among its members in kind, provided that by the distribution of assets, no reduction of capital shall be caused that is contrary to the provisions of the Companies Ordinance.
- (y) To grant allowances, grants and awards to its employees and managers, or to those who were its employees or managers, and to their families, and the Company may establish or support and encourage the opening of schools, institutes of learning, science or trade companies, whether these institutions and companies are associated with the Company's business or have no such connection, and the Company may also establish and finance clubs or other institutions for the benefit of the Company's business or for the enjoyment of its employees and managers.
- (z) To work for the acquisition of each of the above-mentioned purposes in any part of the world and to carry out in any country and place in the world all the operations that the Company is authorized to carry out by virtue of the law and by virtue of this Memorandum of Association – to carry them out in Israel, to undertake and do any trade or business, which in the opinion of the Company is conducive to the advancement of any of the Company's purposes.

(aa) To do all or any of the acts specified in the Second Addendum of the Companies Ordinance, and it is hereby declared that any object or power of action added to the Second Addendum of the Companies Ordinance by any amendment to that Ordinance or in any other manner, shall not be deemed to be omitted from this Memorandum of Association and shall continue to be deemed included in this Memorandum of association, unless that object or power of action is prohibited by any law in force in Israel at that time.

(bb) To do all or any of the acts connected with or association with the purposes that are contained in this Memorandum of Association, expressly or by implication, or which may lead to the achievement of the above purposes in whole or in part.

(cc) To do all or any of the foregoing acts, whether in Israel or outside Israel in any part of the world, whether as owners or as agents, contractors or trustees or in any other manner, whether by itself or in partnership with others and through agents, or trustees or through others.

(dd) It is hereby agreed and declared that in this Memorandum of Association, the following terms – whether the terms appear in the body of the Memorandum of Association or appear in the Second Addendum of the Companies Ordinance – shall have the following meanings:

- “Person” or “Man” – Including a company and corporation.
- “Company” or “Corporation” – Including, to the extent that this term do not refer to the current company, any other company, a political, public or legal body, partnership or a body of persons, whether incorporated or unincorporated.
- “Land” – Including every right to land or in connection therewith, whether the right is registrable or not, including building and plantings and everything that is connected to land.

(ee) It is also hereby agreed and declared that, except in those cases expressly stated otherwise in this Memorandum of Association, each of the purposes and the rights of action set forth in each of the preceding subsections of this section, including – with regard to the provisions of subsection (aa) of this Section – any of the sections of the Second Addendum of the Companies Ordinance, are primary and independent purposes, and that they shall in no way be derived or limited by drawing conclusions from any other subsection of this section or from any other section of the Second Addendum of the Companies Ordinance, or from the name of the company or by reliance on it.

The liability of the members is limited.

4. The share capital of the Company is four million, four hundred and sixty six New Israeli Shekel (NIS 4,000,466) divided into twenty million (20,000,000) Ordinary Shares, par value NIS 0.20 each, and two thousand three hundred and thirty (2,330) Deferred Shares, par value NIS 0.20 each.

## DESCRIPTION OF SECURITIES

### Type and Class of Securities

As of March 23, 2026, RADCOM LTD.'s (the "Company") authorized share capital consisted of 20,000,000 ordinary shares, NIS 0.20 par value per share ("Ordinary Shares"), of which 16,690,457 shares were outstanding as of such date. All of the Company's outstanding Ordinary Shares have been validly issued, are fully paid and non-assessable.

### Objectives and Purposes

We were first registered by the Israeli Registrar of Companies on July 5, 1985, as a private company under the name Big Blue Catalogue Ltd. and changed our name to RADCOM Ltd. in 1989. We later became a public company, registered by the Israeli Registrar of Companies on October 1, 1997 with the company number 52-004345-6.

The full details of our objectives and purposes can be found in Section 2 of our memorandum of association, as filed with the Israeli Registrar of Companies and amended from time to time by resolutions of our shareholders. One of our objectives is to manufacture, market and deal – in all ways – with computer equipment, including communications equipment and all other equipment related in any way to such equipment. Some additional objectives of our listing include: having business relationships with representatives and agents; engaging in research and development; acquiring intellectual property; engaging in business actions with other business owners; lending money when we deem it proper to do so; dealing in any form of business (e.g., import, export, marketing, etc.); and many other general business activities, whether in Israel or in any other country.

### Directors

According to our articles of association, our Board of Directors is to consist of not less than three and not more than nine directors, the exact number to be determined from time to time by resolutions of our shareholders. On July 11, 2019, our shareholders determined that the number of directors on our Board of Directors would be up to seven.

### Election of Directors

Directors, other than external directors (if applicable), are elected by the shareholders at the annual general meeting of the shareholders or appointed by the board of directors. In the event that any directors are appointed by the board of directors, their appointment is required to be ratified by the shareholders at the next shareholders' meeting following such appointment. Each director shall serve, subject to the Company's articles of association and applicable law, until up to the third annual general meeting following the annual general meeting at which such director was appointed or elected, or such director's earlier removal. Our shareholders may remove a director from office in certain circumstances. There is no requirement that a director own any of our capital shares. Directors may appoint alternate directors in their place.

### Remuneration of Directors

Directors' remuneration is subject to our compensation policy and to compensation committee, Board of Directors and shareholder approval.

### Powers of the Board of Directors

Our Board of Directors may resolve to take action at a meeting when a quorum is present, and resolutions must be passed by a vote of at least a majority of the directors present at the meeting who are entitled to participate in the meeting. A quorum of directors requires at least a majority of the directors then in office who are lawfully entitled to participate in the meeting but shall not be less than two.

Our Board of Directors shall elect one director to serve as Chairman of the Board to preside at the meetings of our Board of Directors and may also remove such director.

Our Board of Directors retains all power in running the Company that is not specifically granted to the shareholders. Our Board of Directors may, at its discretion, cause us to borrow or secure the payment of any sum or sums of money for our purposes at such times and upon such terms and conditions in all respects as it deems fit, and, in particular, through the issuance of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges, or other securities on the undertaking or the whole or any part of our property, both present and future, including our uncalled or called but unpaid capital for the time being.

Subject to the provisions of the Israeli Companies Law 5759-1999 (the "Companies Law"), the Company may enter into any contract or otherwise transact any business with any director in which contract or business such director has a personal interest, directly or indirectly; and may enter into any contract or otherwise transact any business with any third party in which contract or business a director has a personal interest, directly or indirectly.

No person shall be disqualified to serve as a director by reason of his not holding shares in the Company.

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## **Dividends**

Our Board of Directors may declare dividends as it deems justified. Dividends may be paid in assets or shares of capital stock, debentures or debenture stock of us or of other companies. Our Board of Directors may decide to distribute our profits among the shareholders. Dividends that remain unclaimed after seven years will be forfeited and returned to us. Unless there are shareholders with special dividend rights, any dividend declared will be distributed among the shareholders in proportion to their respective holdings of our shares for which the dividend is being declared.

Neither our memorandum of association or our articles of association nor the laws of the State of Israel restrict in any way, the ownership or voting of ordinary shares by non-residents of Israel, except with regard to subjects of countries which are in a state of war with Israel who may not be recognized as owners of ordinary shares. If we are wound up, then aside from any special rights of shareholders our remaining assets will be distributed among the shareholders in proportion to their respective holdings.

Our articles of association allow us to create redeemable shares, although at the present time we do not have any such redeemable shares.

## **Fiduciary Duties of Office Holders**

The Companies Law imposes a duty of care and a duty of loyalty on all office holders of a company.

The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of care of an office holder includes a duty to utilize reasonable means to obtain:

- information regarding the advisability of a given action submitted for his or her approval or performed by him or her by virtue of his position; and
- all other important information pertaining to such actions.

The duty of loyalty of an office holder includes a duty to:

- refrain from any conflict of interest between the performance of his or her duties for the company and the performance of his or her other duties or personal affairs;
- refrain from any activity that is competitive with the company;
- refrain from exploiting any business opportunity of the company to receive a personal gain for himself or herself, or for others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder has received due to his or her position as an office holder.

The term "office holder" is defined in the Companies Law as a general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of that person's title, a director and any other manager directly subordinate to the general manager. Under the Companies Law, all arrangements as to compensation of office holders who are not directors, general manager, or controlling parties, require approval of the compensation committee to the extent that it complies with the statutory requirements which apply to the compensation committee, and the Board of Directors, and if such arrangements exceed the limitations set forth by the compensation policy, also the approval by the shareholders as more fully set forth below. Arrangements regarding the terms of employment and compensation of directors and general manager require approval by the compensation committee, the Board of Directors and the shareholders.

## **Approval of Officeholder Compensation**

The Companies Law imposes approval requirements for the compensation of office holders. Every Israeli public company must adopt a compensation policy, recommended by the compensation committee, and approved by the board of directors and the shareholders, in that order. The shareholder approval requires a majority of the votes cast by shareholders, excluding any controlling shareholder and those who have a personal interest in the matter (similar to the threshold described below under – "Duties of Shareholders; Extraordinary Transactions with Controlling Shareholders"). In general, all office holders' terms of compensation – including fixed remuneration, bonuses, equity compensation, retirement or termination payments, indemnification, liability insurance and the grant of an exemption from liability – must comply with the company's compensation policy. In addition, any arrangement between a company and one of the company's office holders must be approved by the company's compensation committee and the board of directors. The approval of the company's shareholders is required with respect to the compensation of a company's directors (including a director that also serves as an executive officer) and the general manager.

Additionally, a special majority of the shareholders is required for the approval of the compensation of the general manager, and in the event that the compensation to an office holder exceeds the limitations set forth in the company's compensation policy.

### **Conflict of Interest**

The Companies Law requires that an office holder of a company disclose to the company, promptly and in any event no later than the board of directors meeting in which the transaction is first discussed, any personal interest that he or she may have and all related material information known to him or her in connection with any existing or proposed transaction by the company. A personal interest of an office holder includes an interest of a company in which the office holder is a 5% or greater shareholder, director or general manager or in which the office holder has the right to appoint at least one director or the general manager.

### **Extraordinary Transactions**

In addition, if the transaction is an extraordinary transaction as defined in the Companies Law, the office holder must also disclose any personal interest held by the office holder's spouse, siblings, parents, grandparents, descendants, spouse's descendants, as well as the siblings and parents of the office holder's spouse and the spouses of any of the foregoing. Under Israeli law, an extraordinary transaction is a transaction which is:

- not in the ordinary course of business;
- not on market terms; or
- is likely to have a material impact of the Company's profitability, assets or liabilities.

Under the Companies Law, the board of directors may approve a transaction between the company and an office holder or a third party in which an office holder has a personal interest, but only if the transaction is in the best interests of the company. If the transaction is an extraordinary transaction, the transaction requires the approval of the audit committee and the board of directors, in that order. In certain circumstances, shareholder approval may also be required. An office holder who has a personal interest in a matter that is considered at a meeting of the board of directors or the audit committee may not be present at the deliberations or vote on this matter, however, with respect to an office holder, he/she may be present at the meeting discussions if the chairman determines that the office holder has to present the matter or a majority of the members of the board of directors or the audit committee, as the case may be, also have a personal interest. If a majority of the members of the board of directors or the audit committee, as the case may be, also have a personal interest, shareholder approval is also required.

### **Amending the Rights of Shareholders**

Pursuant to the Companies Law and the Company's articles of association, the Company may change the rights of owners of shares of a class of capital stock only with the approval of a majority of the holders of such class of stock present and voting at a separate general meeting called for such class of stock. An enlargement of a class of stock is not considered changing the rights of such class of stock.

### **Shareholder Meetings**

The Company has two types of general shareholder meetings: the annual general meeting and the extraordinary general meeting. An annual general meeting must be held once in every calendar year, but not more than 15 months after the last annual general meeting. We are required to give notice of general meetings (annual or extraordinary) no less than seven days before the general meetings. We may provide notice of our general meetings by publishing such notice, either (1) on our website and/or (2) in one international wire service and/or (3) in any other common form of electronic dissemination. A quorum in a general meeting consists of two or more holders of ordinary shares (present in person or by proxy), who together hold at least one-third (1/3) of the voting power of the company. If there is no quorum within an hour of the time set, the meeting is postponed until the following week (or any other time upon which the Chairman of the Board and the majority of the voting power represented at the meeting agree). Every ordinary share has one vote. A shareholder may only vote the shares for which all calls have been paid, except in separate general meetings of a particular class. A shareholder may vote in person or by proxy, or, if the shareholder is a corporate body, by its representative. We are exempted by the Nasdaq Listing Rules from the requirement to distribute our annual report to our shareholders, but we have undertaken to post a copy of it on our website, [www.radcom.com](http://www.radcom.com), after filing it with the SEC.

## **Duties of Shareholders; Extraordinary Transactions with Controlling Shareholders**

Under the Companies Law, the disclosure requirements that apply to an office holder also apply to a controlling shareholder of a public company. A controlling shareholder for this purpose is a shareholder who has the ability to direct the activities of a company, including a shareholder that holds 25% or more of the voting power of a company if no other shareholder owns more than 50% of the voting power of the company, but excluding a shareholder whose power derives solely from his or her position as a director of the company or any other position with the company. Extraordinary transactions of a public company with a controlling shareholder or with a third party in which a controlling shareholder has a personal interest, and the terms of engagement of a controlling shareholder as an office holder or employee, require the approval of the audit committee, the board of directors and the shareholders of the company, in such order. The shareholder approval must be by a majority vote, provided that either:

- a majority of the shares of shareholders who have no personal interest in the transaction and are present and voting, in person, by proxy or by written ballot, at the meeting, vote in favor of the transaction; or
- the shareholders who have no personal interest in the transaction who vote against the transaction do not represent more than two percent of the voting power of the company.

It is the responsibility of the audit committee to determine whether or not a transaction is extraordinary. In addition, the audit committee must also establish: (i) procedures for the consideration of any transaction with a controlling shareholder, even if it is not extraordinary, such as a competitive process with third parties or negotiation by independent directors; and (ii) approval requirements for controlling shareholder transactions that are not material.

Agreements and extraordinary transactions with a duration exceeding three years are subject to re-approval once every three years by the audit committee (or compensation committee, in certain circumstances under applicable law), board of directors and the shareholders of the company. Extraordinary transactions may be approved in advance for a period exceeding three years if the audit committee determines such approval is reasonable under the circumstances.

In addition, under the Companies Law each shareholder has a duty to act in good faith in exercising his or her rights and fulfilling his or her obligations toward the company and other shareholders and to refrain from abusing any power he or she has in the company, such as in shareholder votes. In addition, certain shareholders have a duty of fairness toward the company, although such duty is not defined in the Companies Law. These shareholders include any controlling shareholder, any shareholder who knows that he or she possesses the power to determine the outcome of a shareholder vote and any shareholder who, pursuant to the provisions of the articles of association, has the power to appoint or to prevent the appointment of an office holder or any other power in regard to the company.

## **Exculpation of Office Holders**

Under the Companies Law, an Israeli company may not exculpate an office holder from liability with respect to a breach of his duty of loyalty nevertheless may exculpate in advance an office holder from his liability to the company, in whole or in part, with respect to a breach of his duty of care (except in connection with distributions), provided that the articles of association of the company permit it to do so. Our articles of association allow us, subject to the provisions of the Companies Law, to prospectively exculpate an office holder from all or some of the office holder's responsibility for damage resulting from the office holder's breach of the office holder's duty of care to the Company.

## **Insurance of Office Holders**

Our articles of association further provide that, subject to the provisions of the Companies Law, we may enter into a contract for the insurance of the liability of any of our office holders with respect to an act performed by such individual in his or her capacity as an office holder, in respect of each of the following:

- a breach of an office holder's duty of care to us or to another person;
- a breach of an office holder's duty of loyalty to us, provided that the office holder acted in good faith and had reasonable cause to assume that his or her act would not prejudice our interests;
- a financial obligation imposed on him in favor of another person; and
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder as a result of administrative enforcement proceedings instituted against him. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the office holder in favor of an injured party as set forth in Section 52(54)(a)(1)(a) of the Israeli Securities Law, 5728-1968, as amended, or the Israeli Securities Law, and expenses that the office holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Israeli Securities Law, including reasonable legal expenses, which term includes attorneys' fees.

## **Indemnification of Office Holders**

Our articles of association also provide that we may indemnify an office holder in respect of an obligation or expense imposed on the office holder in respect of an act performed in his or her capacity as an office holder, as follows:

- a financial obligation imposed on him in favor of another person by a court judgment, including a compromise judgment or an arbitrator's award approved by court;
- reasonable litigation expenses, including attorneys' fees, expended by the office holder as a result of an investigation or proceeding instituted against him by a competent authority, provided that such investigation or proceeding was concluded without the filing of an indictment against him and either (A) concluded without the imposition of any financial liability in lieu of criminal proceedings or (B) concluded with the imposition of a financial liability in lieu of criminal proceedings but relates to a criminal offense that does not require proof of criminal intent; or in connection with an administrative enforcement proceeding or a financial sanction. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the office holder in favor of an injured party as set forth in Section 52(54)(a)(1)(a) of the Israeli Securities Law, and expenses that the office holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Israeli Securities Law, including reasonable legal expenses, which term includes attorney fees; and
- reasonable litigation expenses, including attorneys' fees, expended by an office holder or charged to the office holder by a court, in a proceeding instituted against the office holder by the Company or on its behalf or by another person, or in a criminal charge from which the office holder was acquitted, or in a criminal proceeding in which the office holder was convicted of an offense that does not require proof of criminal intent.

Our articles of association also include provisions allowing us to undertake to indemnify an office holder as aforesaid:

- in advance, provided that in respect of bullet number 1 above, the undertaking is restricted to events which our Board of Directors deems to be foreseeable in light of our actual operations at the time of the undertaking and limited to an amount or criteria determined by our Board of Directors to be reasonable under the circumstances, and further provided that such events and amounts or criteria are set forth in the undertaking to indemnify; and
- retroactively.

## **Limitations on Exculpation, Indemnification and Insurance**

The Companies Law provides that a company may not exempt or indemnify an office holder, or enter into an insurance contract, which would provide coverage for any monetary liability incurred as a result of any of the following:

- a breach by the office holder of his duty of loyalty unless, with respect to insurance coverage or indemnification, the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach by the office holder of his duty of care if the breach was done intentionally or recklessly (other than if solely done in negligence);
- any act or omission done with the intent to derive an illegal personal benefit
- a fine, civil fine or ransom levied on an office holder, or a financial sanction imposed upon an office holder under Israeli Law.

### *Required Approvals*

In addition, under the Companies Law, any exculpation of, indemnification of, or procurement of insurance coverage for, the Company's office holders must be approved by the Company's compensation committee and the Company's board of directors and, if the beneficiary is a director or the general manager, by the Company's shareholders. Under certain circumstances, our compensation committee may approve the insurance for office holders that is within the limitations set forth by the compensation policy.

## **Anti-Takeover Provisions; Mergers and Acquisitions**

The Companies Law regulates acquisitions of shares through tender offers, requires special approvals for transactions involving shareholders holding 25% or more of the company's capital, and regulates other matters that may be relevant to these types of transactions. These provisions of Israeli law could have the effect of delaying or preventing a change in control and may make it more difficult for a third party to acquire us, even if doing so would be beneficial to our shareholders. These provisions may limit the price that investors may be willing to pay in the future for our ordinary shares. Furthermore, Israeli tax considerations may make potential transactions undesirable to us or to some of our shareholders.

## **Delivery of Financial Statements**

Our articles of association provide that we will only mail out copies of our annual financial statements to those shareholders that submit a written request for such statements. In accordance with applicable law, our annual financial statements are filed with the SEC and are available at the SEC's website, [www.sec.gov](http://www.sec.gov), and on our website, [www.radcom.com](http://www.radcom.com).

**CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) IS THE TYPE OF INFORMATION THAT RADCOM LTD. TREATS AS PRIVATE OR CONFIDENTIAL. OMISSIONS ARE DENOTED IN BRACKETS THROUGHOUT THIS EXHIBIT.**

Amendment No. 005

to

No. 319103.S.001.S.002

Between

RADCOM Limited

And

AT&T Services, Inc.

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**AMENDMENT NO. 005  
TO  
AGREEMENT NO. 319103.S.001.S.002**

After all Parties have signed, this Amendment is made effective as of the last date signed by a Party (“Amendment Effective Date”) and is between Radcom Ltd., an Israeli company incorporated under the laws of Israel (“Radcom” or “Supplier”), and AT&T Services, Inc., a Delaware corporation (“AT&T”) each a “Party” and, together, the “Parties”.

**WITNESSETH**

**WHEREAS** Supplier and AT&T entered into Agreement No. 319103.C with an effective date of March 29, 2019 (“SPSA”) and 319103.S.001 dated March 29, 2019 (“Material Supplement”); and

**WHEREAS** Supplier and AT&T entered into Supplemental Support and Maintenance Agreement No. 319103.S.001.S.002 on March 29, 2019 (Effective Date), as amended (the “Agreement”); and

**WHEREAS** Supplier and AT&T desire to amend the Agreement as hereinafter set forth.

**NOW, THEREFORE**, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree as follows:

1. Section 1.6 “Term of Agreement” is hereby deleted and replaced as follows :

**1.6 Term of Agreement**

- a. This Agreement shall be effective on the Effective Date and shall continue until[\*\*], unless earlier terminated as set forth herein.
- b. Any Order in effect on the date when this Agreement expires or is terminated shall continue in effect until such Order either (i) expires by its own terms or (ii) is separately terminated, prior to its own scheduled expiration, as provided in this Agreement. The terms and conditions of this Agreement shall continue to apply to such Order as if this Agreement were still in effect. Likewise, termination or expiration of the SPSA shall not affect the obligations of either Party to the other Party pursuant to this Agreement, and the terms and conditions of the SPSA shall continue to apply to this Agreement as if the SPSA were still in effect.

2. Section 1.14 (b) “Conference Bridges, Escalations and Review Sessions” of “Appendix B Description of Deliverables” is hereby deleted and replaced with the following:

1.14 **Conference Bridges, Escalations and Review Sessions**

- (b) Should AT&T, in its good faith opinion, believe that (1) its concerns area not being addressed on such a conference bridge, and/or (2) at any time during, or arising out of, any Support and Maintenance Services, escalate its concerns by contacting the Supplier executives (in order) Listed in the following table.

Escalation Level	Name	Title	Mobile	Email
1	[**]	[**]	[**]	[**]
2	[**]	[**]	[**]	[**]
3	[**]	[**]	[**]	[**]
4	[**]	[**]	[**]	[**]

4. Section 1.1 “Price, Order, Invoicing and Payment” of “Appendix C Price(s)” is hereby amended to include the following Section 1.1A, immediately prior to Section 1.2:

1.1 A Price, Order, Invoicing and Payment for the period from [\*\*] to [\*\*] [\*\*]

Except as modified herein, the terms and conditions of the Agreement in all other respects remain unmodified and in full force and effect.

Original signatures transmitted and received via facsimile, other electronic transmission of a scanned document, (e.g., .pdf or similar format), and digital signatures meeting the requirements of the Uniform Electronic Transactions Act or the Electronic Signatures in Global and National Commerce Act, are true and valid signatures for all purposes hereunder and shall bind the Parties to the same extent as that of an original signature. This Amendment may be executed in multiple counterparts, each of which shall be deemed to constitute an original but all of which together shall constitute only one document.

**Radcom Ltd.**

By: /s/ Hadar Rahav  
Name: Hadar Rahav  
Title: CFO  
Date: 05/05/2025

**AT&T Services, Inc.**

By: /s/ [\*\*]  
Name: [\*\*]  
Title: [\*\*]  
Date: 05/05/2025

**Radcom Ltd**

By: /s/ Benny Eppstein  
Name: Benny Eppstein  
Title: CEO  
Date: 05/05/2025

**CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) IS THE TYPE OF INFORMATION THAT RADCOM LTD. TREATS AS PRIVATE OR CONFIDENTIAL. OMISSIONS ARE DENOTED IN BRACKETS THROUGHOUT THIS EXHIBIT.**

No. 319103.A.011

TO

AGREEMENT NO. 319103.C

Between

RADCOM Ltd.

And

AT&T Services, Inc.

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**AMENDMENT NO. 319103.A.011  
TO  
AGREEMENT NO. 319103.C**

After all Parties have signed, this Amendment is made effective as of the last date signed by a Party and is between Radcom, LTD, a an Israeli company incorporated under the laws of Israel, with its office at 24 Raoul Wallenberg Street, Tel Aviv, Israel (“Supplier” ), and AT&T Services, Inc., a Delaware corporation (“AT&T”) each of which may be referred to in the singular as a “Party” or in the plural as the “Parties”.

**WITNESSETH**

**WHEREAS, Supplier and AT&T entered into the Software and Professional Services Agreement No. 319103.C, as previously amended (the “Agreement”) on March 29, 2019 (the “Effective Date”), and**

**WHEREAS, Supplier and AT&T desire to amend the Agreement as hereinafter set forth**

**NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree as follows:**

**1. Section 1.6 titled “Term of Agreement”, is here by deleted in its entirety and replaced with the following:**

**1.6 Term of Agreement**

- a. This Agreement shall be effective on the Effective Date and will continue in effect for a term expiring on [\*\*] (the “Term”), unless it is Cancelled or Terminated before that date. The Parties may extend the term of this Agreement beyond that date by mutual written agreement.
- b. Any Order in effect on the date when this Agreement expires or is Terminated or Cancelled will continue in effect until such Order either (i) expires by its own terms or (ii) is separately Terminated or Cancelled, prior to its own expiration, as provided in this Agreement. The terms and conditions of this Agreement shall continue to apply to such Order as if this Agreement were still in effect.

**2. Section 5.3 - Access to AT&T Premises and Non-Public Information Systems - vendor management system (VMS) is here by deleted in its entirety and replaced with the following:**

**Section 5.3 Access to AT&T Premises and Non-Public Information Systems - vendor management system (VMS)**

- a. When appropriate, Supplier Representatives shall have reasonable access to AT&T’s premises during normal business hours, and at such other times as may be agreed upon by the Parties, to enable Supplier to perform its obligations under this Agreement. Supplier shall coordinate such access with AT&T. Where required by governmental regulations, Supplier shall submit satisfactory clearance from the U.S. Department of Defense and/or other federal, state or local authorities.
- b. Supplier shall ensure that Supplier Representatives, while on or off AT&T’s premises, (i) protect AT&T’s materials, buildings and structures, (ii) perform Services which do not interfere with AT&T’s business operations, and (iii) perform such Services with care and due regard for the safety, convenience and protection of AT&T, its employees, and property.

- c. AT&T may require Supplier Representatives to exhibit identification credentials issued by AT&T's vendor management system (VMS) to gain unescorted access to AT&T's premises for the performance of Services. In addition, if any Supplier Representative requires access to AT&T's Nonpublic Information Resources (as defined in the AT&T Supplier Information Security Requirements), Supplier must obtain an ATT UID for each such Supplier Representative from AT&T's VMS. ATT UIDs will be provisioned upon Supplier's successful opening of a worker record within the VMS. Supplier Representatives shall also exhibit their company's photo identification, if any. If, for any reason, any Supplier Representative is no longer performing Services or no longer has a need to have access to AT&T's Nonpublic Information Resources, then Supplier shall immediately close the Supplier Representative's record in the VMS and promptly return any identification credentials issued by the VMS. In cases where a Supplier Representative is being removed due to misconduct involving work at AT&T, Supplier will immediately inform the AT&T sponsoring manager of the nature of the misconduct.
- d. AT&T currently uses a third-party VMS vendor and reserves the right to change the VMS vendor at any time and from time to time. Supplier shall enter into an agreement with AT&T's designated VMS vendor, at no cost to AT&T, and supply any information about each Supplier Representative reasonably required by the VMS vendor to create a worker record and enable provisioning of identification credentials and ATT UIDs. If Supplier fails to enter into an agreement with AT&T's VMS vendor to use the VMS, Supplier's Supplier Representatives will not be allowed access to AT&T's premises (other than on an escorted basis) or to AT&T's Nonpublic Information Resources. AT&T reserves the right to restrict Supplier's or Supplier Representatives' access to AT&T's facilities and/or Nonpublic Information Resources, without liability to AT&T, until AT&T is satisfied that Supplier is compliant with its obligations under this Section.
- e. Supplier shall ensure that information provided to AT&T or the VMS vendor for its Supplier Representatives is 1) input accurately into the VMS (including the SSN/Security ID for each Supplier Representative, the Agreement number in the "Contract or PO #" field as it may be changed, the start and end dates (end date must not be after the expiration date of the Agreement), the citizenship or lawful permanent residence of each Supplier Representative, and the worker classification obtained from the AT&T sponsoring manager), 2) maintained properly throughout the term of the engagement, and 3) closed on a timely basis upon the termination or expiration of the engagement or the need for the Supplier Representatives to have access to AT&T's premises or Nonpublic Information Resources. Supplier shall not enable or allow any Supplier Representative to let anyone else use the AT&T identification credentials or an ATT UID issued to that Supplier Representative to gain access to AT&T's premises or Nonpublic Information Resources.
- f. In addition, notwithstanding anything to the contrary in the Termination section of this Agreement, if Supplier breaches any of its obligations under this Section, then AT&T may, by giving notice to Supplier, terminate this Agreement, in whole or in part, as of the termination date specified in such notice without regard to any cure period and without liability to Supplier except for payment for Services rendered up to the date of termination.

**3. Section 15.22, titled "Anticorruption Laws" is hereby deleted in its entirety and replaced with the following:**

**Section 15.22 Anticorruption Laws**

- a. Supplier hereby represents and warrants that the employees, temporary workers, agents, consultants, partners, officers, directors, members or representatives of Supplier and its Subcontractors, if any, performing Services or other activities under this Agreement (each and any of the foregoing individuals, for the purpose of this Section, a "Supplier Representative") shall comply with the US Foreign Corrupt Practices Act and all applicable anticorruption laws (including commercial bribery laws). Supplier Representatives shall not directly or indirectly pay, offer, give, promise to pay or authorize the payment of any portion of the compensation received in connection with this Agreement or any other monies or other things of value in connection with its performance to a Government Official, as such term is defined below, to obtain or retain business or secure any improper advantage nor shall it permit such actions by a third party in connection with this Agreement. For purposes of this Section, "Government Official" means:
  - (i) an officer or employee of any government or any department, agency, or instrumentality thereof, including government-owned or government-controlled commercial entities.

- (ii) an officer or employee of a public international organization.
- (iii) any person acting in an official capacity for or on behalf of any government or department, agency, or instrumentality or public international organization.
- (iv) any political party or official thereof;
- (v) any candidate for political office; or (vi) any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above-described persons or entities.

**4. Section 15.29, titled “Supplier’s Compliance with Industry Standards” is hereby deleted in its entirety and replaced with the following:**

**Section 15.29 Supplier’s Compliance with Industry Standards**

Supplier represents and warrants that any commercial off the shelf (COTS) Materials that are developed, made available, or provided by or on behalf of Supplier under this Agreement adhere, and to the extent maintained by Supplier will continue to adhere, to the most current versions of one or more of the following security industry standards, methodologies, and/or quality controls:

- Center for Internet Security (CIS) Standards/Benchmarks
- ISO/IEC 27001
- National Institute of Standards and Technology (NIST) SP 800-53
- OWASP Application Security Verification Standard
- Payment Card Industry-Data Security Standards (PCI-DSS)

In the event of an inconsistency or conflict between the requirements in this clause, the Specifications, and any other provisions in this Agreement, the most stringent requirements will control. Upon AT&T’s request, Supplier must promptly and reasonably answer questions concerning Supplier’s adherence to security industry standards or the COTS Materials.

**5. Section 15.2, titled “Independent Contractor” is hereby deleted in its entirety and replaced with the following:**

**Section 15.2 Independent Contractor**

- a. Supplier is engaged in an independent business and will perform all obligations under this Agreement as an independent contractor and not as the agent or employee of AT&T.

- b. Regarding any Supplier Representatives who perform any Services or other activities on behalf of AT&T in the United States, Supplier represents and warrants to AT&T as follows:
- i. Supplier Representatives are and shall be considered solely the employees of Supplier or its Subcontractors, and are not employees or agents of AT&T; and all Supplier Representatives are compensated as IRS Form W-2 employees, unless any Supplier Representative performs Services for less than ninety (90) days in any given calendar year, in which case such Supplier Representative may be compensated via IRS Form 1099;
  - ii. Supplier, or its Subcontractors, have and retain the right to exercise full control of and supervision over Supplier Representatives' performance of the Services and full control over the employment, direction, assignment, compensation, and discharge of all Supplier Representatives performing the Services;
  - iii. Supplier, or its Subcontractor(s), are solely responsible for all matters relating to compensation, wage and hour compliance, and benefits for all Supplier Representatives who perform Services;
  - iv. Supplier has in place legally enforceable arbitration agreements with all subcontractors that work for AT&T that require such Supplier subcontractors to submit to binding arbitration any disputes regarding Supplier subcontractors' work for AT&T, and such arbitration agreement with Supplier subcontractors does not permit class or collective action arbitrations regarding Supplier subcontractors' work for AT&T.

**6. Section 5.8, titled "Offshore Work Permitted Under Specific Conditions" is hereby deleted in its entirety and replaced with the following:**

**5.8 Offshore Work Permitted Under Specific Conditions**

- a. No Supplier Entity may provide Services from a location outside the United States ("Offshore Location") without AT&T's prior written consent. If AT&T consents to a Supplier Entity performing the Services at an Offshore Location, then the Offshore Location, and any additional terms and conditions required for such consent ("Supplemental Offshore Terms and Conditions"), will be specifically set forth in Appendix K–Offshore Location. Supplier may change performance of a Service from one approved Offshore Location to another approved Offshore Location (or to a U.S. location). Supplier may not change Offshore Locations, or the Services to be performed or the Supplier Entities performing Services at such Offshore Locations and may not modify the Supplemental Offshore Terms and Conditions without AT&T's consent and an amendment to Appendix K– Offshore Location. The requirements of this Section are in addition to the Sections titled "Assignment and Delegation" and "Use of Subcontractors".
- b. AT&T may, in its discretion, revoke its consent to the performance of Services at an Offshore Location if: (i) this Agreement was breached with respect to an Offshore Location, (ii) the Laws with respect to the Services performed at such Offshore Location were violated, (iii) the continued performance of Services at such Offshore Location constitutes a risk to AT&T's financial or security interests or could reasonably damage AT&T's reputation, or (iv) the Supplier Entity providing Services at an Offshore Location undergoes a change of Control. Supplier must advise AT&T as early as possible of any such change of Control or anticipated change of Control. Upon AT&T's revocation of consent, Supplier must, as applicable, perform such Services from within the United States or from another AT&T-approved Offshore Location, or use a different AT&T-approved Supplier Entity, and the Parties will amend Appendix K– Offshore Location accordingly.

- c. A Supplier Entity's performing Services at an Offshore Location without AT&T's written consent will be a material breach of this Agreement for which AT&T may immediately (notwithstanding anything to the contrary in this Agreement and in addition to AT&T's other remedies) terminate this Agreement or an applicable Order.
- d. Services performed in Offshore Locations will be subject to the terms of this Agreement, including the Sections titled "Compliance with Laws" and "Records and Audits." Supplier must provide, and must ensure that all Supplier Entities provide, physical access to AT&T to inspect Offshore Locations.
- e. If AT&T identifies an information security issue involving access to or storage of AT&T's Information or data related to an approved Offshore Location, Supplier will immediately work in good faith with AT&T to resolve such issue. If the Parties are unable to resolve such issue to AT&T's satisfaction, AT&T may (not withstanding anything to the contrary in this Agreement and in addition to AT&T's other remedies) terminate this Agreement or Order, and will pay Supplier for Deliverables provided prior to the effective date of termination.
- f. If authorized by AT&T to access the AT&T internal network, or perform Services at an Offshore Location, before so doing, Supplier must be in compliance with any AT&T-provided requirements for such access and performance of the Services and to the extent stipulated in Appendix K-Offshore Location.

**7. Supplier's IPv6 Roadmap and Compliance - The Agreement is hereby amended to add a new Section 15.32 ("Supplier's IPv6 Roadmap and Compliance") as follows:**

**15.32 Supplier's IPv6 Roadmap and Compliance**

Upon AT&T's request, Supplier shall maintain and provide to AT&T either (i) attestation that Supplier's Deliverables are Internet Protocol Version 6 (IPv6) compliant; or (ii) Supplier's IPv6 roadmap demonstrating Supplier's commitment including dates that Supplier's Deliverables will be IPv6 compliant ("Supplier's IPv6 Roadmap") in accordance with the earlier of Supplier's IPv6 roadmap timeline or the timeline in subsection 6, below.

To ensure Supplier's Deliverables support an orderly and seamless transition from Internet Protocol Version 4 (IPv4) to IPv6, Supplier represents and warrants that any Supplier Deliverables provided to AT&T, are IPv6 compliant, or will be IPv6 compliant in accordance with this Section.

With respect to Supplier IPv6 responsibilities and planning activities with AT&T, Supplier shall:

1. Communicate and work with AT&T to ensure that any Supplier Deliverables will be IPv6 compliant. An IPv6 compliant service or product must be able to operate in a dual stacked IPv4/IPv6 environment as well as an IPv6 only environment.
2. Include in new design and engineering plans, IPv6 compliance requirements.
3. Assess existing technologies to include IPv6 requirements, where applicable.
4. Reduce reliance on IPv4 addresses and drive IPv6 adoption for all new hardware, software, systems, tools, applications, etc., whether purchased or built for use, or sale.
5. Ensure that any new IP related product or system to be provided to AT&T has IPv6 technical support for development, implementation, and field deployment.

6. For non-compliant Deliverables, unless required earlier by law, provide a migration path and commitment to upgrade to IPv6 for all Deliverables to be at least 50% complete by end 2024; at least 80% by Q2 2025, and all complete by January 1, 2026.
7. Flow down similar requirements to Supplier's applicable Subcontractors.

Supplier shall ensure its Materials offered, for sale, furnished, or sold to AT&T will be fully IPv6 compliant by January 1, 2026.

**8. Section 10.1, titled "Information" is hereby deleted in its entirety and replaced with the following:**

**10.1 Information**

- a. With respect to the Information of a Party, the other Party must:
  - i. hold it in confidence with the same degree of care with which it protects its own Information.
  - ii. restrict disclosure to its Affiliates, employees, contractors, and agents with a need to know, advise such persons of their confidentiality obligations, and ensure that they are bound by confidentiality obligations reasonably comparable to those in this Agreement;
  - iii. except as permitted or required under this Agreement, not commercially exploit such Information (or allow anyone else to do so); and
  - iv. ensure that any copies bear the same notices or legends, if any, as the originals.
- b. Except for a Party's Customer Information and trade secrets, the restrictions in Subsection (a) will not apply to Information that: (i) at the time of disclosure was already known to the other Party free of restrictions to keep it confidential, as evidenced by its written records; (ii) is or becomes publicly known through no wrongful act of the other Party; (iii) is lawfully received from a third party, free of restrictions to keep it confidential; (iv) is independently developed by the other Party without use of the disclosing Party's Information; or (v) the Party consents in writing to be free of restriction. A Party's confidentiality obligations under this Agreement will remain in effect, including after the Agreement's expiration or termination, until it qualifies under one of the exceptions in this Subsection. Confidentiality obligations with respect to a Party's Information that constitutes a trade secret will remain in effect for so long as such Information remains a trade secret under applicable Laws.
- c. To the extent feasible, each Party must mark or designate Information as confidential; however, the failure to do so will not waive the confidentiality provisions where: (i) it is reasonably obvious under the circumstances that the Information is confidential or (ii) the receiving Party's employees, contractors, or agents accessed or received the Information while on the disclosing Party's premises or while accessing its or its customers' systems, network, or facilities.
- d. If a receiving Party receives or is provided access to Information under this Agreement that has been de-identified or aggregated by a Party, the receiving Party agrees that it is prohibited from and will not attempt to re-identify, reverse engineer, or otherwise link or associate any de-identified or aggregated Information with any identifiable individual, household, or device, unless expressly authorized in writing in advance by the other Party. The receiving Party further agrees to comply with all relevant privacy and data protection laws to the extent applicable to such Information.

9. **EEA, UK and Switzerland Data Privacy including GDPR Data Processing Obligations - The Agreement is hereby amended to add a new Appendix (“Appendix P - EEA, UK and Switzerland Data Privacy including GDPR Data Processing Obligations”) as follows:**

**Appendix P - EEA, UK and Switzerland Data Privacy including GDPR Data Processing Obligations** attached hereto.

10. **Appendix K: Offshore Locations.** The Agreement hereby amended to delete Appendix K in its entirety and replaced with **Appendix K: “Offshore Locations”** attached hereto.

The terms and conditions of the Agreement in all other respects remain unmodified and in full force and effect.

Original signatures transmitted and received via electronic transmission and digital signatures meeting the requirements of the Uniform Electronic Transactions Act or the Electronic Signatures in Global and National Commerce Act are true and valid signatures and will bind the Parties to the same extent as an original signature. This Amendment may be executed in counterparts, each of which will be an original but all of which together will constitute one document.

The Parties have caused this Amendment to be executed by their duly authorized representatives.

**Radcom Ltd.**

By: /s/ Hadar Rahav  
Name: Hadar Rahav  
Title: CFO  
Date: 06/26/2025

**AT&T Services, Inc.**

By: /s/ [\*\*]  
Name: [\*\*]  
Title: [\*\*]  
Date: 06/27/2025

**Radcom Ltd.**

By: /s/ Benny Eppstein  
Name: Benny Eppstein  
Title: CEO  
Date: 06/26/2025

## APPENDIX P – EEA, UK AND SWITZERLAND DATA PRIVACY AND GDPR DATA PROCESSING OBLIGATIONS

The provisions in this Appendix shall be applicable to the Processing of Personal Data that is subject to Data Protection Laws. To the extent that there is a conflict between the terms and conditions elsewhere in this Agreement and those in this Appendix, the latter shall control to the extent of such conflict.

Where AT&T has entered into the Agreement for itself and for and on behalf of its Affiliates, all references to “AT&T” in this Appendix (and in respect of the Standard Contractual Clauses, where these apply) shall be construed as reference to the applicable AT&T Affiliate whose Personal Data the Supplier Processes pursuant to the Agreement. Where Supplier has entered into the Agreement for itself and for and on behalf of its Affiliates, all references to “Supplier” in this Appendix (and in respect of the Standard Contractual Clauses, where these apply) shall be construed as reference to the Supplier or applicable Supplier Affiliate that is a Party to the Agreement and Processes Personal Data pursuant to the Agreement.

### 1. Definitions

The following definitions shall apply to this Appendix:

**Data Controller:** means a natural or legal person who is considered to be a “controller” in relation to the Personal Data under the Data Protection Laws of the applicable Extended EEA Country.

**Data Processor:** means a natural or legal person who is considered to be a “processor” of the Data Controller under the Data Protection Laws of the applicable Extended EEA Country.

**Data Protection Laws:** means all laws and regulations of the applicable Extended EEA Country that relate to the Processing of Personal Data.

**Data Subject:** has the meaning ascribed to “data subject” under the Data Protection Laws of the applicable Extended EEA Country.

**EU:** means the European Union.

**GDPR:** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC General Data Protection Regulation).

**Extended EEA Country:** means a country within the European Economic Area, Switzerland, or the United Kingdom.

**Personal Data:** means any information that is considered under the Data Protection Laws of the applicable Extended EEA Country to be “personal data” that Supplier Processes under this Agreement.

**Personal Data Breach:** has the meaning ascribed to “personal data breach” under the Data Protection Laws of the applicable Extended EEA Country, to the extent that such breach occurs with respect to Personal Data.

**Process and Processing:** have the meaning ascribed to “process” or “processing” under the Data Protection Laws of the applicable Extended EEA Country.

**Third Country:** means a country not deemed adequate to receive the Personal Data under the Data Protection Laws of the applicable Extended EEA Country.

**Sensitive Personal Data:** means any information that is considered under the Data Protection Laws of the applicable Extended EEA Country to be “sensitive personal data” or “special categories of personal data” or similar, that Supplier Processes under this Agreement.

**Standard Contractual Clauses:** means the “standard contractual clauses for the transfer of personal data to third countries pursuant to Regulation (EU) 2016/679 of the European Parliament and of the Council” adopted by the European Commission decision of 4 June 2021 and published under document number C(2021) 3972 (available here).

**Sub-Data Processor:** means a natural or legal person who is engaged (directly or indirectly) by the Data Processor to carry out specific Processing activities on behalf of the Data Controller.

**Supervisory Authority:** means any governmental authority, agency, or regulator in relation to Personal Data, including “supervisory authorities” as understood under the Data Protection Laws of the applicable Extended EEA Country.

## 2. Supplier as Data Processor or Sub-Data Processor

Section 2 and Section 3 apply to the extent that in relation to particular Personal Data:

- AT&T is a Data Controller and Supplier is its Data Processor; or
- AT&T is a Data Processor and Supplier is its Sub-Data Processor.

2.1 Supplier Obligations Supplier shall:

- (a) Process such Personal Data in accordance with Data Protection Law and only in accordance with the instructions that are set forth in this Agreement and Exhibit 1 to this Appendix or as otherwise agreed to by the Parties in writing including as to the subject-matter and duration of the Processing, the nature and purpose of the Processing, the type of Personal Data and categories of Data Subjects;
- (b) ensure that Supplier's employees, agents, and contractors who Process such Personal Data are subject to written obligations of confidentiality;
- (c) implement appropriate technical and organizational security measures in relation to such Personal Data taking into account: (i) the state of the art, costs of implementation, nature, scope, context, and purposes of the Processing; and (ii) the risks of accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to such Personal Data that is Processed, including the measures that are set forth in this Agreement and Exhibit 2 to this Appendix;
- (d) not have such Personal Data Processed by another natural or legal person except to the extent that Supplier has:
  - received the prior specific or general written authorization of AT&T for such Processing;
  - imposed on such other natural or legal person data protection obligations that are the same in all material respects as those set forth in this Appendix, to the extent required pursuant to Data Protection Laws;
  - with respect to Sub-Data Processors for which Supplier has received general written authorization as per Section 2.2 below, informed AT&T in writing of any changes concerning the addition or replacement of such Sub-Data Processors and obtained AT&T's written consent prior to allowing Processing by such Sub-Data Processor;
- (e) notify AT&T in writing through its business contact of any communications or requests in relation to Personal Data received from Data Subjects, Supervisory Authorities or other third parties without undue delay following receipt of such communications or requests (but no later than 24 hours after such receipt). Supplier shall provide such notices via e-mail to its business contact with a copy to [privacypolicy@att.com](mailto:privacypolicy@att.com) with the subject line stating "URGENT - Personal Data Related;"
- (f) taking into account the nature of Supplier's Processing activities, assist AT&T at AT&T's request to enable AT&T and/or the Data Controller (if different to AT&T) (i) to fulfill its obligations to respond to requests by Data Subjects in relation to their rights under Data Protection Laws, and (ii) to fulfill its obligations to respond to requests by Supervisory Authorities and other third parties;
- (g) taking into account the nature of Supplier's Processing of such Personal Data and information available to Supplier:
  - notify AT&T by calling AT&T Asset Protection (at 800-807-4205 within the U.S. or +1 908-658-0380 outside the U.S.) of any Personal Data Breach without undue delay after becoming aware of such breach (but no later than 12 hours after becoming aware); and
  - without undue delay provide reasonable assistance to AT&T and/or the Data Controller (if different to AT&T) in relation to any obligations including under Data Protection Laws in relation to:
    - a Personal Data Breach; and
    - the performance of data protection impact assessments by the AT&T and/or the Data Controller (if different to AT&T)
- (h) securely delete all such Personal Data, including all existing copies (or, to the extent AT&T so requests, securely return the Personal Data and copies to AT&T in a commonly used data format), when no longer needed for the purposes for which it was collected, which shall be at the end of the term of this Agreement at the latest unless otherwise requested by AT&T, provided, however, that no such deletion will be required to the extent that (a) applicable law requires storage of such data beyond such period; or (b) AT&T instructs Supplier in writing to retain such data beyond such period; and

- (i) at AT&T's request, make available to AT&T all information necessary to demonstrate compliance with Supplier's obligations under this Appendix and allow for and contribute to audits, including inspections, conducted by AT&T and/or the Data Controller (if different to AT&T) or another auditor mandated by AT&T and/or the Data Controller (if different to AT&T), provided that Supplier shall notify AT&T in writing if it believes in good faith that the exercise of rights under this Section 2.1(i) would infringe Data Protection Laws. Supplier agrees that AT&T has the right to disclose some, or all the information contained in, or obtained in connection with, this Appendix to:
- Data Controllers, Supervisory Authorities, Data Subjects; and
  - other third parties to the extent required under Data Protection Laws.
- (j) provide and keep current its processing-related information, Data Protection Officer information, and point of contact information in a medium and form acceptable to AT&T.

### **Permitted Sub-Data Processors**

2.2 AT&T acknowledges that it has authorized Supplier to engage the natural or legal persons identified by Supplier as of the date of this Appendix in Exhibit 3 to this Appendix to process Personal Data on behalf of AT&T and/or the Data Controller (if different to AT&T)

### **3. Cross-Border Transfers to Third Countries Application of the Standard Contractual Clauses**

3.1 Where AT&T, acting as a Data Controller or a Data Processor (as applicable) of the Personal Data:

- (a) is established in an Extended EEA Country; or
- (b) is not established in an Extended EEA Country, but Processes Personal Data originating from an Extended EEA Country and: (i) is directly subject to the Data Protection Laws of the Extended EEA Country in relation to such Processing; or (ii) is contractually obliged to impose safeguards that are equivalent to those safeguards required under the Data Protection Laws of the Extended EEA Country on any third parties with whom they share the Personal Data,

and AT&T transfers Personal Data it Processes to the Supplier located in a Third Country, the Standard Contractual Clauses shall apply to the Supplier's Processing of such Personal Data as set out in the remainder of this Section 3 below, except to the extent that AT&T agrees in writing that the Supplier is entitled to Process such Personal Data in that Third Country by virtue of: (i) adherence to another framework recognized by the relevant Supervisory Authority or courts in the Extended EEA Country as providing an adequate level of protection for the Personal Data; or (ii) an export derogation recognized by the applicable Data Protection Law. Where AT&T agrees in writing, such alternative framework or derogation shall apply. If AT&T does not agree to this in writing, the Standard Contractual Clauses shall apply to the Supplier's Processing as set out in the remainder of this Section 3 below.

3.2 Where AT&T transfers Personal Data referred to in Sections 3.1(a) or 3.1(b) above to the Supplier located in an Extended EEA Country, the Supplier shall enter into the Standard Contractual Clauses with any third party located in a Third Country (including any Supplier Affiliate) to whom the Supplier transfers such Personal Data before making such transfer, unless AT&T agrees otherwise in writing and the Supplier shall in all cases comply with Data Privacy Law in relation to such transfer. Where this Section 3.2 applies:

- (a) the Supplier shall indemnify AT&T against all actions, claims, losses, and expenses suffered or incurred by AT&T arising from the Supplier breaching its obligations under this Section 3.2;
- (b) the Supplier warrants that it has provided AT&T that transfers the Personal Data to it with relevant information about: (i) which third parties the Supplier will transfer the Personal Data to and where those third parties are located, (ii) the laws and practices of any Third Countries to which Supplier transfers the Personal Data; and (iii) the contractual, technical and organisational safeguards that are in place to protect the Personal Data when Supplier or a relevant Sub-Data Processor transfers the Personal Data to a Third Country; and

- (c) no less than every six (6) months, the Supplier shall provide details of the number of legally binding requests that it or any Sub-Data Processor has received from a public authority in a Third Country.

#### Conflict and precedence

3.3 In the event of a conflict between the Standard Contractual Clauses and the Agreement (including this Appendix and any addenda), the Standard Contractual Clauses shall prevail.

#### Governing law, jurisdiction and interpretation

3.4 The parties to Standard Contractual Clauses agree that their respective obligations under the Standard Contractual Clauses shall be governed by the law(s) of, and subject to the jurisdiction of the courts of:

- (a) where AT&T is established in the EU, the Netherlands;
- (b) where AT&T is established outside the EU and Section 3.1(b) above applies and the Personal Data originates from the EU, the Netherlands;
- (c) where AT&T is established outside the EU, but within an Extended EEA Country, the Extended EEA Country in which AT&T is established; and
- (d) subject to Section 3.4(b) above, where AT&T is established outside an Extended EEA Country and Section 3.1(b) above applies, the Extended EEA Country from which the Personal Data originated.

3.5 Where the applicable Extended EEA Country in which AT&T is established or from where the Personal Data originated is not a member state of the EU, references in the Standard Contractual Clauses to:

- (a) “Member States of the European Union” shall refer to the applicable Extended EEA Country in which AT&T is established or from where the Personal Data originated (as applicable);
- (b) “the GDPR” shall refer to the applicable Data Protection Laws of the Extended EEA Country in which AT&T is established or from where the Personal Data originated (as applicable); and
- (c) “supervisory authority” shall refer to the data protection authority in the Extended EEA Country as determined by Section 3.9 below.

#### Incorporation and interpretation of the Standard Contractual Clauses

3.6 The Supplier agrees to comply with the obligations of a data importer as set out in the Standard Contractual Clauses which are incorporated herein by reference and construed as follows:

- (a) the Standard Contractual Clauses shall constitute a separate agreement between AT&T acting as a data exporter and the Supplier, acting as data importer;
- (b) where the applicable sections of the Standard Contractual Clauses require the data exporter and the data importer to select a module, the Supplier acknowledges that:
  - i. Module Two of the Standard Contractual Clauses (Transfer controller to processor) shall apply where the Supplier, as data importer, is acting as AT&T’s Data Processor; and
  - ii. Module Three of the Standard Contractual Clauses (Transfer processor to processor) shall apply where the Supplier, as data importer, is acting as AT&T’s Sub-Data Processor.
- (c) for the purposes of Section II, Clause 8.1 (Module Two) and Section II, Clause 8.1 (Module Three) (as applicable) of the Standard Contractual Clauses, the instructions to the Supplier shall be as per Section 2.1(a) of this Appendix;
- (d) for the purposes of Section II, Clause 8.5 (Module Two) and Section II, Clause 8.5 (Module Three) (as applicable) of the Standard Contractual Clauses, the Supplier’s storage, erasure and return of Personal Data shall be construed by reference to Section 2.1(h) of this Appendix; and
- (e) for the purposes of Section II, Clause 9 (Module Two) and Section II, Clause 9 (Module Three) (as applicable) of the Standard Contractual Clauses, the Supplier’s ability to engage Sub-Data Processors shall be construed by reference to clauses 2.1(d) and 2.2 of this Appendix.

Completion of the Annexes of the Standard Contractual Clauses

- 3.7 Annex I, Part A (List of parties) of the Standard Contractual Clauses is hereby deemed to be completed with: (i) the details of AT&T making the export (as data exporter and Data Controller or Data Processor (as applicable)); and (ii) the details of the Supplier (as data importer and Data Processor or Sub-Data Processor (as applicable)), in each case as set out in Exhibit 1 of this Appendix.
- 3.8 Annex I, Part B (Description of the transfer) of the Standard Contractual Clauses is hereby deemed to be completed with the information set out in Exhibit 1 of this Appendix.
- 3.9 Annex I, Part C (Competent Supervisory Authority) of the Standard Contractual Clauses is hereby deemed to be completed with the information set out in Exhibit 1 of this Appendix.
- 3.10 Annex II of the Standard Contractual Clauses (*The Technical and organisational measures including technical and organisational measures to ensure the security of the data*) is hereby deemed to be completed as follows: the Supplier shall implement and maintain technical and organisational security measures to adequately protect AT&T's Personal Data against the risks inherent in the Processing of Personal Data for the purposes identified in the Agreement (as applicable), and risks from unauthorized or unlawful Processing and destruction, damage, misuse, and loss, including those specified in (i) the Agreement, including any relevant addendum or exhibit specifying security requirements, such as a security requirements exhibit; and (ii) Exhibit 2 of this Appendix.
- 3.11 The Supplier agrees to execute additional documents (including updates to the Annexes of the Standard Contractual Clauses) and apply additional protections, as may be necessary for the transfer and storage of Personal Data transferred pursuant to the Standard Contractual Clauses.

**Additional country requirements**

- 3.12 If Supplier at any time processes AT&T personal data originating in any country which restricts the processing, export, or use of the personal data outside that country (including an Extended EEA Country), the Supplier will, on AT&T's instructions, take all necessary actions and execute such agreements as may be necessary under applicable data protection law in such country to legitimise any processing or data transfer of personal data to the Supplier and to ensure an adequate level of protection for the relevant personal data.
- 3.13 In the event that any competent authority holds that a data transfer mechanism relied on by the parties (including pursuant to Section 3.12 above) is invalid, or any supervisory authority requires transfers of personal data made pursuant to such mechanism to be suspended, then AT&T may, at its discretion, require the Supplier to cease processing personal data, or co-operate with it to facilitate use of an alternative transfer mechanism.

**EXHIBIT 1**

**DETAILS OF PROCESSING PURSUANT TO SECTION 2.1(a) OF THIS APPENDIX  
AND  
ANNEX I, PART A AND PART B OF THE STANDARD CONTRACTUAL CLAUSES (WHERE APPLICABLE)**

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**EXHIBIT 2**

**TECHNICAL AND ORGANIZATIONAL SECURITY MEASURES**

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**EXHIBIT 3**

**SUB-DATA PROCESSORS (SUB-PROCESSORS) AUTHORIZED BY AT&T TO PROCESS PERSONAL DATA**

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**Appendix K – Offshore Locations**

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**CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) IS THE TYPE OF INFORMATION THAT RADCOM LTD. TREATS AS PRIVATE OR CONFIDENTIAL. OMISSIONS ARE DENOTED IN BRACKETS THROUGHOUT THIS EXHIBIT.**

**AMENDMENT 2 TO MASTER SOFTWARE AND PROFESSIONAL SERVICES AGREEMENT  
BETWEEN RAKUTEN MOBILE, INC. AND RADCOM LTD.**

This Amendment (“**this Amendment**”), is made and entered into, effective as of May 21, 2025 (“**Amendment Effective Date**”), by and between **Rakuten Mobile, Inc.** (“**Rakuten**”) and **RADCOM Ltd.** (“**RADCOM**”) (each of Rakuten and RADCOM a “**Party**” and collectively the “**Parties**”). Capitalized terms used but not defined in this Amendment will have the meanings assigned to such terms in the MSPSA (as defined below).

**WHEREAS**, Rakuten and RADCOM have duly executed the Master Software and Professional Services Agreement dated May 21, 2019, which agreement, together with any appendices or amendments thereto, shall hereinafter be referred to as, the “**MSPSA**”; and

**WHEREAS**, the Parties wish to implement a modification to the MSPSA.

**NOW THEREFORE**, the Parties agree to the following terms and conditions:

1. Notwithstanding anything to the contrary in Article 7 of the MSPSA, the term of the MSPSA is hereby extended for a period of [\*\*] from Amendment Effective Date.
2. Except as specifically set forth herein, all other terms and conditions for the MSPSA together with this Amendment shall remain in full force and effect unless and until the expiration or termination of the MSPSA.
3. In the event of contradiction between this Amendment and the terms and conditions as stated in the MSPSA, the terms and conditions of this Amendment shall prevail.

IN WITNESS WHERE OF, each Party has caused this Amendment to be executed by its duly authorized representative.

**Rakuten Mobile, Inc.**

**By:** /s/ [\*\*]  
**Name:** [\*\*]  
**Title:** [\*\*]  
**Date:** May 27, 2025

**RADCOM Ltd.**

**By:** /s/ Hadar Rahav /s/Benjamin (Benny) Eppstein  
**Name:** Hadar Rahav Benjamin (Benny) Eppstein  
**Title:** CFO CEO  
**Date:** May 13, 2025

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER**  
**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Benjamin (Benny) Eppstein, certify that:

1. I have reviewed this annual report on Form 20-F of RADCOM Ltd. for the year ended on December 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 31, 2026

/s/ Benjamin (Benny) Eppstein  
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Benjamin (Benny) Eppstein  
Chief Executive Officer

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**  
**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Hod Cohen, certify that:

1. I have reviewed this annual report on Form 20-F of RADCOM Ltd. for the year ended on December 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 31, 2026

/s/ Hod Cohen  
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Hod Cohen  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 20-F of RADCOM Ltd. (the "Company") for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Benjamin (Benny) Eppstein, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2026

/s/ Benjamin (Benny) Eppstein

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Benjamin (Benny) Eppstein  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 20-F of RADCOM Ltd. (the “Company”) for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Hod Cohen, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2026

/s/ Hod Cohen

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Hod Cohen  
Chief Financial Officer

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-190207) pertaining to the 2013 Share Option Plan of RADCOM Ltd.,
- (2) Registration Statement (Form S-8 No. 333-195465) pertaining to the 2013 Share Option Plan of RADCOM Ltd.,
- (3) Registration Statement (Form S-8 No. 333-203087) pertaining to the 2013 Share Option Plan of RADCOM Ltd.,
- (4) Registration Statement (Form S-8 No. 333-211628) pertaining to the 2013 Share Option Plan of RADCOM Ltd.,
- (5) Registration Statement (Form S-8 No. 333-215591) pertaining to the 2013 Share Option Plan of RADCOM Ltd.,
- (6) Registration Statement (Form S-8 No. 333-260997) pertaining to the 2013 Share Option Plan of RADCOM Ltd.,
- (7) Registration Statement (Form S-8 No. 333-270983) pertaining to the 2023 Equity Incentive Plan of RADCOM Ltd. and
- (8) Registration Statement (Form S-8 No. 333-276692) pertaining to the 2023 Equity Incentive Plan of RADCOM Ltd.;

of our reports dated March 31, 2026, with respect to the consolidated financial statements of RADCOM Ltd. and the effectiveness of internal control over financial reporting of RADCOM Ltd. included in this Annual Report (Form 20-F) for the year ended December 31, 2025.

/s/ KOST FORER GABBAY & KASIERER

A Member of EY Global

Tel-Aviv, Israel  
March 31, 2026