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

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of September 2019

Commission File Number: 0-29452

RADCOM LTD.
(Translation of registrant's name into English)

24 Raoul Wallenberg Street, Tel Aviv 69719, Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form:40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): N/A

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): N/A

THIS FORM 6-K OF THE REGISTRANT IS HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM S-8 (REGISTRATION STATEMENT NOS. 333-111931, 333-123981, 333-190207, 333-195465, 333-203087, 333-211628 AND 333-215591) AND FORM F-3 (REGISTRATION STATEMENT NOS. 333-170512 AND 333-189111), AND SHALL BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FILED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

CONTENTS

This report on Form 6-K of the registrant consists of the following documents, which are attached hereto and incorporated by reference herein:

Exhibit 99.1	Interim Consolidated Financial Statements, as of June 30, 2019.
Exhibit 99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	RADCOM LTD.
Date: September 12, 2019	By: /s/ Amir Hai
	Name: Amir Hai
	Title: Chief Financial Officer

Exhibit 99.1

RADCOM LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2019

UNAUDITED

INDEX

CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands

	June 30, 2019 Unaudited	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 11,260	$ 61,988
Short-term bank deposits	47,367	-
Trade receivables (net of allowances for doubtful accounts amounted to $19 as of June 30, 2019 and December 31, 2018)	21,957	20,381
Inventories	702	251
Other accounts receivable and prepaid expenses	1,564	1,766
Total current assets	82,850	84,386
NON- CURRENT ASSETS:		
Severance pay fund	3,199	2,967
Other long-term receivables	2,391	346
Property and equipment, net	1,738	1,832
Operating lease right-of-use assets	6,147	-
Total non-current assets	13,475	5,145
Total assets	$ 96,325	$ 89,531

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

	June 30, 2019 Unaudited	December 31 2018
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 1,765	$ 1,559
Employees and payroll accruals	3,559	3,420
Deferred revenues and advances from customers	888	266
Operating lease liabilities	1,176	-
Other liabilities and accrued expenses	3,228	2,281
Total current liabilities	10,616	7,526
NON- CURRENT LIABILITIES:		
Deferred revenues	206	100
Accrued severance pay	3,762	3,425
Operating lease liabilities	5,236	-
Other liabilities and accrued expenses	1,150	-
Total non-current liabilities	10,354	3,525
Total liabilities	$ 20,970	$ 11,051
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Share capital:		
Ordinary Shares of NIS 0.20 par value: Authorized: 20,000,000 shares at June 30, 2019 and December 31, 2018; 13,773,503 and 13,735,759 shares issued and 13,737,471 and 13,699,727 shares outstanding at June 30, 2019 and December 31, 2018, respectively	$ 645	$ 643
Additional paid-in capital	136,702	135,730
Accumulated other comprehensive loss	(2,631)	(2,612)
Accumulated deficit	(59,361)	(55,281)
Total shareholders' equity	75,355	78,480
Total liabilities and shareholders' equity	$ 96,325	$ 89,531

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

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Six months ended June 30, 2019	Six months ended June 30, 2018
	Unaudited	
Revenues:		
Products	$ 7,549	$ 11,842
Services	6,715	3,797
Projects	328	5,903
	14,592	21,542
Cost of revenues:		
Products	1,920	3,362
Services	2,005	494
Projects	66	1,911
	3,991	5,767
Gross profit	10,601	15,775
Operating expenses:		
Research and development	9,222	7,496
Less - royalty-bearing participation	816	754
Research and development, net	8,406	6,742
Sales and marketing	5,063	6,324
General and administrative	1,647	1,990
Total operating expenses	15,116	15,056
Operating income (loss)	(4,515)	719
Financial income, net	481	373
Income (loss) before taxes on income	(4,034)	1,092
Taxes on income	(46)	(13)
Net income (loss)	$ (4,080)	$ 1,079
Basic net income (loss) per Ordinary Share	$ (0.30)	$ 0.08
Diluted net income (loss) per Ordinary Share	$ (0.30)	$ 0.08
Weighted average number of Ordinary Shares used in computing basic net income (loss) per Ordinary Share	13,756,198	13,549,494
Weighted average number of Ordinary Shares used in computing diluted net income (loss) per Ordinary Share	13,756,198	13,817,995

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

U.S. dollars in thousands

	Six months ended June 30, 2019	Six months ended June 30, 2018
	Unaudited	
Net income (loss)	$ (4,080)	$ 1,079
Other comprehensive loss:		
Foreign currency translation adjustments	(19)	(84)
Total other comprehensive loss	(19)	(84)
Comprehensive income (loss)	$ (4,099)	$ 995

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

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

Six months ended June 30, 2019:

	Ordinary Shares Number	Ordinary Shares Amount	Additional paid-in capital	Receivable on account of shares	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Balance as of December 31, 2018	13,699,727	$ 643	$ 135,730	$ -	$ (2,612)	$ (55,281)	$ 78,480
Exercise of options into Ordinary Shares	1,500	*)	9	-	-	-	9
RSUs vested	36,244	2	(2)	-	-	-	-
Share-based compensation and RSUs	-	-	965	-	-	-	965
Net loss	-	-	-	-	-	(4,080)	(4,080)
Other comprehensive loss	-	-	-	-	(19)	-	(19)
Balance as of June 30, 2019 (unaudited)	13,737,471	$ 645	$ 136,702	$ -	$ (2,631)	$ (59,361)	$ 75,355

Six months ended June 30, 2018:

	Ordinary Shares Number	Ordinary Shares Amount	Additional paid-in capital	Receivable on account of shares	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Balance as of December 31, 2017	13,409,975	$ 628	$ 131,491	$ -	$ (2,520)	$ (53,203)	$ 76,396
Cumulative effect of changes in accounting principles (ASC 606)	-	-	-	-	-	337	337
Exercise of options into Ordinary Shares	194,392	10	1,932	(29)	-	-	1,913
RSUs vested	36,958	2	(2)	-	-	-	-
Share-based compensation and RSUs	-	-	1,342	-	-	-	1,342
Net income	-	-	-	-	-	1,079	1,079
Other comprehensive loss	-	-	-	-	(84)	-	(84)
Balance as of June 30, 2018 (unaudited)	13,641,325	$ 640	$ 134,763	$ (29)	$ (2,604)	$ (51,787)	$ 80,983

*) Represent an amount lower than $1.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30, 2019	Six months ended June 30, 2018
	Unaudited	
Cash flows from operating activities:		
Net income (loss)	$ (4,080)	$ 1,079
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	359	322
Share-based compensation and RSUs	965	1,342
Change in:		
Severance pay, net	105	(17)
Trade receivables, net	(1,568)	6,050
Other account receivables and prepaid expenses and other long-term receivables	(1,828)	(118)
Inventories	(471)	1,063
Trade payables	308	184
Employees and payroll accruals	138	8
Other liabilities and accrued expenses current and non-current	2,079	(817)
Deferred revenues and advances from customers	728	(1,395)
Operating lease right-of-use assets	638	-
Operating lease liability	(373)	-
Accrued interest on short-term bank deposits	(549)	-
Net cash provided by (used in) operating activities	(3,549)	7,701
Cash flows from investing activities:		
Investment in bank deposits	(46,818)	-
Purchase of property and equipment	(375)	(457)
Net cash used in investing activities	(47,193)	(457)
Cash flows from financing activities:		
Exercise of options into Ordinary Shares	9	1,913
Net cash provided by financing activities	9	1,913
Foreign currency translation adjustments on cash and cash equivalents	5	(330)
Increase (decrease) in cash and cash equivalents and restricted bank deposits	(50,728)	8,827
Cash and cash equivalents and restricted bank deposit at beginning of the period	61,988	22,611
Cash and cash equivalents and restricted bank deposits at end of the period	$ 11,260	$ 31,438
(a) Non-cash activities:		
Purchase of property and equipment	$ 50	$ 107
Operating lease right-of-use assets	$ 849	$ -
(b) Cash paid during the period for:		
Taxes on income	$ 66	$ 13

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

NOTE 1:- GENERAL

a. RADCOM Ltd. (the “Company”) is an Israeli corporation which provides NFV and 5G-ready service assurance, cloud-native network intelligence solutions for Communication Service Providers (“CSPs”). The Company’s solutions include RADCOM Service Assurance, a fully virtualized, on-demand service assurance solution that integrates an automated, and efficient data acquisition layer of virtual probes with a smart mediation layer thus providing critical customer and service insights; RADCOM Network Visibility, a cloud-native network packet broker and filtering solution that allows CSPs to manage network traffic at scale across multiple cloud environments and control the visibility layer to perform dynamic, on-demand analysis of select datasets; and RADCOM Network Insights, a business intelligence solution offering smart insights for multiple use cases, enabled by data captured and correlated through RADCOM Network Visibility and RADCOM Service Assurance. The Company specializes in solutions for next-generation mobile and fixed networks, including LTE, LTE-A, VoLTE, IMS, VoIP, WiFi, VoWiFi, UMTS/GSM, mobile broadband and 5G. The Company’s 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 and Brazil, that are primarily engaged in the sales, marketing, deployment and customer support of the Company’s products in United States and Brazil. The Company also has a wholly-owned subsidiary in India, that primarily provides marketing, customer support and development services worldwide. Additionally, the Company has a wholly-owned subsidiary in Israel solely established for the purpose of making various investments, including securities purchases.

b. The Company depends on a limited number of contract customers for selling its solution. 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.

During the six-month period ended June 30, 2019 the Company had one customer in the United States and one in Japan that amounted 52% and 24%, respectively, of the total consolidated revenues. During the six month period ended June 30, 2018, the Company had one customer in the United States and one in the Philippines that amounted 37% and 26%, respectively, of the total consolidated revenues.

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.

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

NOTE 2: - UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP") and the standards of the Public Company Accounting Oversight Board for interim financial information. Accordingly, they do not include all the information and footnotes required by US GAAP for complete financial statements. In the opinion of management, the Company has made all adjustments (consisting only of normal, recurring adjustments, except as otherwise indicated) considered necessary for a fair presentation of the Company's consolidated financial position as of June 30, 2019. The results for the six-month period ended June 30, 2019, are not necessarily indicative of the results that may be expected for the year ending on December 31, 2019.

NOTE 3: - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the annual consolidated financial statements of the Company as disclosed in the Company's Annual Report on Form 20-F for the period ended December 31, 2018 filed with the SEC on April 18, 2019, are applied consistently in these unaudited interim consolidated financial statements, except for:

a. Short-term bank deposits:

Bank deposits with maturities of more than three months at acquisition but less than one year are included in short-term bank deposits. Such deposits are stated at cost which approximates their fair values.

b. Adoption of new accounting principles:

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02 (Topic 842) "Leases". The standard supersedes the lease requirements in Accounting Standards Codification ("ASC") Topic 840, "Leases". Under ASC 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures.

The Company adopted ASC 842 on January 1, 2019, using the modified retrospective approach, by applying the new standard to all leases existing at the date of initial application. Results and disclosure requirements for reporting periods beginning after January 1, 2019 are presented under ASC 842, while prior period amounts have not been adjusted and continue to be reported in accordance with the historical accounting under ASC 840. The Company elected the package of practical expedients permitted under the standard related to treating lease and non-lease components as a single lease component for all equipment leases as well as electing a policy exclusion permitting leases with an original lease term of less than one year to be excluded from the operating lease right-of-use ("ROU") assets and operating lease liabilities.

NOTE 3: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Operating leases are included in operating lease ROU assets and operating lease liabilities in the consolidated balance sheets. 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. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of the lease payments.

Operating lease expenses are recognized on a straight-line basis over the lease term. 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 payments 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 material residual value guarantees. A portion of the Company's real estate leases is generally subject to annual changes in the Consumer Price Index ("CPI"). The changes to the CPI are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred.

For all short-term leases which are less than 12 months and existing short-term leases of those assets in transition, the Company does not recognize operating lease ROU assets or operating lease liabilities, but recognizes lease expenses over the lease term on a straight-line basis.

As a result of the adoption of ASC 842 on January 1, 2019, the Company recorded both operating lease ROU assets and operating lease liabilities of $5,936. The adoption did not impact the Company's retained earnings, or prior year consolidated statements of comprehensive loss and statements of cash flows. See Note 8 for further information on leases.

c. New accounting standards not yet effective:

In January 2016, the FASB issued ASU No. 2016-13, "Financial Instruments – Credit Losses on Financial Instruments", which requires that expected credit losses related to financial assets measured on an amortized cost basis and available for sale debt securities be recorded through an allowance for credit losses. ASU 2016-13 limits the amount of credit losses to be recognized for available for sale debt securities to the amount by which carrying value exceeds fair value and also requires the reversal of previously recognized credit losses if fair value increases. The new standard will be effective for interim and annual periods beginning after January 1, 2020, and early adoption is permitted. The Company is currently evaluating the potential effect of this standard on its consolidated financial statements.

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

NOTE 4: - REVENUES

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.

Commencing January 1, 2019, Services revenues include revenues related to managed services in addition to service type warranty and post-contract services.

The following table presents the significant changes in the deferred revenues balances during the six months ended June 30, 2019:

Balance, beginning of the period	$	366
Reclassification to revenue as a result of satisfying performance obligation		(266)
		100
New performance obligations		994
Balance, end of the period		1,094
Less: long-term portion of deferred revenue		(206)
Current portion, end of the period	$	888

As of June 30, 2019, the Company had $59,804 of remaining performance obligations not yet satisfied or partly satisfied related to its revenues. the Company expects to recognize approximately 52% of this amount as revenues during the next 12 months and the rest thereafter.

For disaggregation of revenues disclosure please see Note 10c.

NOTE 5: - SHORT-TERM BANK DEPOSITS

Currency	Interest rate (%)		Deposit amount	Maturity date
	As of June 30, 2019			
U.S. dollars	2.90	$	4,000	July 10, 2019
U.S. dollars	3.08	$	11,018	August 8, 2019
U.S. dollars	2.55	$	1,800	September 12, 2019
U.S. dollars	3.27	$	30,000	February 6, 2020
		$	46,818	

Short-term bank deposits include accrued interest of $549 as of June 30, 2019.

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

NOTE 6: - INVENTORIES

	June 30, 2019 Unaudited	December 31, 2018
Finished products (*)	$ 702	$ 251
	$ 702	$ 251

(*) Including inventory delivered to customers but for which revenue recognition criteria have not been met in the amount of $486 and $35 as of June 30, 2019 and December 31, 2018, respectively.

NOTE 7: - COMMITMENTS AND CONTINGENCIES

a. Royalty commitments:

1. The Company receives research and development grants from the Israel Innovation Authority (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 products developed from research and development projects financed. If the Company does not generate sales of products developed with funds provided by the IIA, the Company is not obligated to pay royalties or repay the grants.

   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 interest at LIBOR.

   As of June 30, 2019, the Company's total commitment with respect to royalty-bearing participation received or accrued, net of royalties paid or accrued, amounted to $49,601.

   Royalty expenses relating to the IIA grants included in cost of revenues during the six month periods ended June 30, 2019 and 2018 were $438 and $646, 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. 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.

NOTE 7: - COMMITMENTS AND CONTINGENCIES (Cont.)

2. In April 2012 and in April 2014, the Israeli Ministry of Economy (“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 is 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 Company is currently in the process of winding down its operations at the China office. The total marketing grants that the Company had received from the MOE as of December 31, 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.

   As of June 30, 2019, the Company paid an aggregate amount of $9 of royalties to the MOE.

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 $576). According to the above, as of June 30, 2019, the total royalties commitment the Company may be required to pay is an amount of up to $864 out of which $476 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 $388 as of June 30, 2019.

   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. 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.

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

NOTE 8: - LEASES

The Company has entered into various operating lease agreements for certain of its offices and car leases with an original lease periods expiring between 2020 and 2028. 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.

As of June 30, 2019, the Company's operating lease agreements have remaining lease term ranging from 1.4 years to 8.8 years, including options to extend part of the lease agreements for additional 2 years and up to 5 years.

The following table represents the weighted-average remaining lease term and discount rate:

	June 30, 2019
Weighted average remaining lease term	3 years
Weighted average discount rate	3.8%

The components of lease expense for the six month period ended June 30, 2019 were as follows:

	Six months ended June 30, 2019
Operating lease	$ 621
Short-term lease	70
Total lease expense	$ 691

Cash paid for amounts included in the measurement of operating lease liabilities was $567 during the six months ended June 30, 2019.

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

NOTE 8: - LEASES (Cont.)

The following is a schedule, by years, of maturities of lease liabilities as of June 30, 2019:

	Operating Leases
2019 (excluding the six months ended June 30, 2019)	$ 669
2020	1,312
2021	1,276
2022	1,207
2023	1,092
2024 and after	1,420
Total operating lease payments	$ 6,976
Less: imputed interest	564
Present value of lease liabilities	$ 6,412

NOTE 9: - SHAREHOLDERS' EQUITY

Share-based compensation:

a. On October 30, 2016, the Board resolved to increase the number of Ordinary Shares reserved under the 2013 Share Option Plan from 1,250,000 to 2,450,000.

The total number of Ordinary Shares available for future grants under the 2013 Share Option Plan as of June 30, 2019 was 712,225.

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

NOTE 9: - SHAREHOLDERS' EQUITY (Cont.)

b. The following is a summary of the Company's stock options activity for the six month period ended June 30, 2019:

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding at January 1, 2019	415,510	$ 14.62	2.69	$ 3
Granted	-	-		
Exercised	(1,500)	6.00		
Expired and forfeited	(17,400)	15.99		
Outstanding at June 30, 2019	396,610	$ 14.59	2.20	$ 2
Vested and expected to vest at June 30, 2019	396,610	$ 14.59	2.20	$ 2
Exercisable at June 30, 2019	230,884	$ 12.92	1.78	$ 2

The aggregate intrinsic value in the table above represents the total intrinsic value (the difference between the fair value of the Company's Ordinary Shares on the last day of the six month period ended June 30, 2019 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 June 30, 2019. This amount is impacted by the changes in the fair market value of the Company's Ordinary Shares.

c. As of June 30, 2019, stock options under the 2013 Share Option Plan, as amended are as follows:

	Options outstanding at June 30, 2019			Options exercisable at June 30, 2019		
Exercise price	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life	Number exercisable	Weighted average exercise price	Weighted average remaining contractual life
$		$	In years		$	In years
6.00	750	6.00	0.06	750	6.00	0.06
11.12-14.52	251,708	11.87	1.72	195,133	11.88	1.63
18.90-19.85	144,152	19.39	3.05	35,001	18.90	2.64
	396,610			230,884		

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

NOTE 9: - SHAREHOLDERS' EQUITY (Cont.)

d. The following is a summary of the Company's restricted stock unit ("RSU") activity for the six month period ended June 30, 2019:

	Number of RSUs	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding at January 1, 2019	168,869	1.40	$ 1,253
Granted	263,220		
Vested	(36,244)		
Cancelled and forfeited	(10,800)		
Outstanding at June 30, 2019	385,045	1.81	$ 3,169
Vested and expected to vest at June 30, 2019	385,045	1.81	$ 3,169

e. The weighted average fair values of RSUs granted during the six month periods ended June 30, 2019 and 2018 were $7.70 and $19.62 per share, respectively.

f. The following table summarizes the departmental allocation of the Company's share-based compensation charges:

	Six months ended June 30, 2019*	Six months ended June 30, 2018*
	Unaudited	
Cost of revenues	$ 95	$ 77
Research and development, net	357	411
Sales and marketing	330	462
General and administrative	183	392
	$ 965	$ 1,342

(*) Including $772 and $827 of compensation cost related to RSUs for the six month periods ended June 30, 2019 and 2018, respectively.

g. Share-based compensation:

As of June 30, 2019, there are $2,749 of total unrecognized costs related to non-vested share-based compensation and RSUs that are expected to be recognized over a weighted average period of 1.13 years.

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

NOTE 10: - SELECTED STATEMENTS OF OPERATIONS DATA

a. Financial income, net:

	Six months ended June 30	
	2019	**2018**
	Unaudited	
Financial income:		
Exchange rate differences	$ 217	$ 298
Interest from banks	874	696
	1,091	994
Financial expenses:		
Interest and bank charges	(7)	(8)
Exchange rate differences	(603)	(613)
	(610)	(621)
Financial income, net	$ 481	$ 373

b. Net income (loss) per share:

The following table sets forth the computation of basic and diluted net income (loss) per share:

	Six months ended June 30	
	2019	**2018**
	Unaudited	
Numerator:		
Numerator for basic and diluted net income (loss) per share	$ (4,080)	$ 1,079
Denominator:		
Denominator for basic net income (loss) per share - weighted average number of Ordinary Shares	13,756,198	13,549,494
Effect of dilutive securities:		
Outstanding options and RSUs	-	268,501
Denominator for diluted net income (loss) per share - adjusted weighted average number of Ordinary Shares	13,756,198	13,817,995

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

NOTE 10: - SELECTED STATEMENTS OF OPERATIONS DATA (Cont.)

c. Revenues by geographic region are as follows:

	Six months ended June 30	
	2019	**2018**
	Unaudited	
United States	$ 8,163	$ 12,691
Japan	3,459	-
Philippines	767	5,566
Latin America	1,086	1,955
Other	1,117	1,330
	$ 14,592	$ 21,542

NOTE 11: - RELATED PARTY BALANCES AND TRANSACTIONS

a. The Company carries out transactions with related parties as detailed below. Certain principal shareholders of the Company are also principal shareholders of affiliates known as the RAD-BYNET Group.

1. The Company is a party to a reseller agreement with Allot Communications Inc. (“Allot”), a company as to which the Company’s controlling shareholder and director is an interested party, giving Allot the right to distribute the Company’s products. Effective January 2019, the Company’s controlling shareholder and director divested all of his interest in Allot and therefor Allot is no longer a related party.

   Revenues derived from this reseller agreement are included in Note 11f below as “revenues”. For the six month period ended June 30, 2018, revenues aggregated to $55.

2. Certain premises occupied by the Company and its U.S. subsidiary are rented from related parties. The aggregate amounts of lease and maintenance expenses for the six month periods ended June 30, 2019 and 2018 were $447 and $475, respectively. Such amounts expensed by the Company are disclosed in Note 11f below as part of “Expenses”. The amount presented in “Capital expenditures” in Note 11f below refers to $40 reimbursement of expenses in connection with the renovation of the U.S subsidiary office during the six month period ended June 30, 2018. Following the adoption of ASC 842 commencing January 1, 2019, the Company also recorded operating lease right-of use assets and operating lease liabilities related to such lease and maintenance expenses which are presented in Note 11e below.

NOTE 11: - RELATED PARTY BALANCES AND TRANSACTIONS (Cont.)

3. Certain entities within the RAD-BYNET Group provide the Company and its U.S. subsidiary with certain products, administrative and IT services. The aggregate amounts of such services received in each of the six month periods ended June 30, 2019 and 2018 were $15. Such amounts expensed by the Company are disclosed in Note 11f below as part of "Expenses". An additional amount of $7 is also included as part of "Capital expenditures" for the period ended June 30, 2019 in Note 11f below.

b. The executive chairman of the Board (the "Executive Chairman") is, among other things, also the life partner of the Company's former chairman of the Board, a currently serving director and a controlling shareholder of the Company. The Executive Chairman is entitled to a fixed monthly salary. During the six month periods ended June 30, 2019 and 2018, the Company recorded salary expenses with respect to the Executive Chairman in the amount of $53 and $55, respectively.

c. Since 2015, the Company entered several reseller agreements with Amdocs Software Systems Limited ("Amdocs"), to sell its solution. The Company's controlling shareholder and director served as a director in Amdocs until January 31, 2019. Effective January 2019, Amdocs is no longer considered a related party.

   Revenues related to this reseller agreement are included in Note 11f below as "revenues". For the six month period ended June 30, 2018, revenues aggregated to $7,903.

d. The Company's current Chief Financial Officer is a member of the board and Chairman of the Audit Committee of Matrix IT Ltd., ("Matrix"). Accordingly, as of October 2018, Matrix is considered a related party. The Company has entered into certain limited term engagements with Matrix or its affiliated companies in connection with specific development projects and/or use of software platform. The aggregate amount of services provided by Matrix or its affiliates as a related party, aggregated to $164 during the six month period ended June 30, 2019. Such amount expensed by the Company is disclosed in Note 11f below as part of "Expenses".

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

NOTE 11: - RELATED PARTY BALANCES AND TRANSACTIONS (Cont.)

e. Balances with related parties:

	June 30, 2019	December 31, 2018
	Unaudited	
Assets:		
Trade receivables	$ -	$ 13,596
Other account receivables and prepaid expenses	$ 41	$ -
Operating lease right-of-use assets	$ 4,883	$ -
Liabilities:		
Trade payables	$ 157	$ 81
Other liabilities and accrued expenses	$ 37	$ 12
Operating lease liabilities - current	$ 784	$ -
Operating lease liabilities – non-current	$ 4,316	$ -

f. Transactions with related parties:

	Six months ended June 30, 2019	Six months ended June 30, 2018
	Unaudited	
Revenues	$ -	$ 7,958
Expenses:		
Cost of revenues	$ 97	$ 58
Operating expenses:		
Research and development, net	$ 421	$ 241
Sales and marketing	$ 72	$ 131
General and administrative	$ 89	$ 115
Capital expenditures	$ 7	$ 40

Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Regarding Forward-Looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations 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. 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 below are subject to risks and uncertainties, including those discussed under Item 3.D "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2018, filed with the Securities and Exchange Commission ("SEC") on April 18, 2019 (the "2018 Form 20-F") and in our other filings with 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 Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

You should read the following discussion and analysis in conjunction with our interim unaudited consolidated financial statements for the six months ended June 30, 2019 and notes thereto being filed on Form 6-K with the SEC together with this Management's Discussion and Analysis of Financial Condition and Results of Operations, and together with our audited consolidated financial statements for the year ended December 31, 2018 as part of the 2018 Form 20-F.

Unless indicated otherwise by the context, all references below to:

- "we", "us" or "our" are to RADCOM Ltd. and its subsidiaries;
- "NIS" is to New Israeli Shekels;
- "NFV" is to Network Function Virtualization. NFV is a software-centric design approach for building complex information technology (IT) networks and applications, particularly for use by CSPs; and
- "CSP" is to Communication Service Provider.

We are a leading provider with a strong track-record of innovation of NFV and 5G-ready service assurance, cloud-native network intelligence solutions for CSPs. NFV is a software-centric design approach which virtualizes entire classes of network functions into building blocks that may be connected or chained together to create services in software-based, virtualized network environments. NFV is designed to consolidate and deliver the networking components needed to support a fully virtualized network utilizing standard technologies that run on high-volume service, switch and storage hardware to virtualize network functions. NFV is a key enabler of the coming 5G telecommunications infrastructure, helping to virtualize all the various aspects of the network.

Since 2016, we have adapted our solutions to meet the highest-level requirements of AT&T, the first CSP launching a full NFV eco-system. We built on that success in 2017 and 2018 with our selection as NFV solution provider to additional tier 1 CSPs and the expansion of our footprint with existing customers by supporting them in their transition to NFV and in 2019 with our entry into a multi-year agreement with Rakuten Mobile, Inc. to provide our Network Intelligence solution for the world's first fully virtualized, end-to-end cloud-native mobile network that adopts 5G systems architecture from launch . As new and existing customers seek to manage their existing networks while evaluating and deploying NFV-based architectures, we believe we are well positioned with our advanced cloud-native solutions and our growing industry track record.

Our portfolio enables CSPs to smoothly transition their networks to NFV and 5G by monitoring and assuring both physical network and NFV-based network and consequentially, 'hybrid' networks from tapping point to network insights. With the rate of transition between physical and virtualized networks taking place gradually, CSPs will need to manage 'hybrid' networks for the foreseeable future. As a result, service assurance solutions that provide service and network performance visibility in both physical and virtual environments are expected to become an important step in CSPs' NFV transition.

CSPs across the globe use our solutions to deliver high quality services, reduce churn, manage network performance, analyze traffic and enhance customer care. Our solutions incorporate cutting-edge technologies and a wealth of knowledge acquired by partnering with many of the industry's leading CSPs for over two decades. Our carrier-grade solutions support both mobile and fixed networks and scale to terabit data bandwidths to enable big data analytics.

During 2017 and 2018, we improved our NFV capabilities to meet the stringent requirements of top tier CSPs having a large subscriber base and a high level of expertise. We have also continued the development and enhancement of our solutions to meet the complicated needs of monitoring 5G networks and to offer a smart mediation layer which allows us to offer a full end-to-end customer and service view which addresses CSPs' requirements for a smart CEM solution.

Our fully cloud-native solutions enable CSPs to manage both existing physical networks and next-generation, NFV-based architectures. We recognized that CSPs would require a new approach for service assurance and CEM solutions in order to monitor huge volumes of data and support NFV-based network deployments. In February 2014, we launched our service assurance solution which incorporates software-based probes, and which subsequently replaced our OmniQ hardware-based solution. During 2015 and 2016, we launched and substantially enhanced our NFV solution for service assurance and our CEM solution.

Financial Highlights

Total revenues in the first six months of 2019 decreased by 32% to approximately $14.6 million from approximately $21.5 million in the first six months of 2018. The decrease is mainly due to a decrease in Product and Project revenues from United States and the Philippines accounts due to the completion of certain deliverables in 2018, partially offset by an increase in Product and Services revenues resulting mainly from new engagements in the United States and Japan.

Operating loss for the first six months of 2019 was approximately $4.5 million, compared to operating income of approximately $0.7 million in the first six months of 2018. The decrease in operating income is attributed to the decrease in the revenues, partially offset by a decrease in bill of material costs.

Net loss for the first six months of 2019 was approximately $4.1 million, or $0.30 per diluted share, compared to net income of approximately $1.1 million, or $0.08 per diluted share, in the first six months of 2018.

Cash and cash equivalents and short-term bank deposits were approximately $58.6 million as of June 30, 2019, compared to approximately $62.0 million as of December 31, 2018. The decrease is mainly due to net cash used in operating activities.

Shareholders' equity decreased to approximately $75.4 million as of June 30, 2019, compared to approximately $78.5 million as of December 31, 2018. The decrease is due to net loss of approximately $4.1 million, partially offset by Share-based compensation expenses in the amount of approximately $1.0 million.

	Six months ended June 30, (U.S. dollars in thousands) Unaudited		% Change
	2019	2018	2019 vs. 2018
Revenues:			
Products	$ 7,549	$ 11,842	(36.3)
Services	6,715	3,797	76.9
Projects	328	5,903	(94.4)
Total revenues	14,592	21,542	(32.3)
Cost of revenues:			
Products	1,920	3,362	(42.9)
Services	2,005	494	305.9
Projects	66	1,911	(96.6)
Total cost of revenues	3,991	5,767	(30.8)
Gross profit	10,601	15,775	(32.8)
Research and development	9,222	7,496	23.0
Less royalty-bearing participation	816	754	8.2
Research and development, net	8,406	6,742	24.7
Sales and marketing	5,063	6,324	(19.9)
General and administrative	1,647	1,990	(17.2)
Total operating expenses	15,116	15,056	0.4
Operating income (loss)	(4,515)	719	(727.9)
Financial income, net	481	373	29.0
Income (loss) before taxes on income	(4,034)	1,092	(469.4)
Taxes on income	(46)	(13)	253.8
Net income (loss)	$ (4,080)	$ 1,079	(478.1)

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

	Six months ended June 30, (thousands of U.S. dollars)		Six months ended June 30, (as percentages)	
	2019	2018	2019	2018
United States	$ 8,163	$ 12,691	56	59
Japan	3,459	-	24	-
Philippines	767	5,566	5	26
Latin America	1,086	1,955	7	9
Other	1,117	1,330	8	6
Total revenues	$ 14,592	$ 21,542	100	100

Cost of Revenues. Our cost of revenues decreased by 30.8% to approximately $4.0 million in the first six months of 2019 from approximately $5.8 million in the first six months of 2018. This was mainly attributed to a decrease in hardware costs corresponding to the decrease in Product revenues.

Gross profit decreased to 72.6% in the first six months of 2019 from 73.2% in the first six months of 2018.

Research and Development, *net*. Research and development expenses, net increased by 24.7% to approximately $8.4 million in the first six months of 2019 from approximately $6.7 million in the first six months of 2018. This was mainly attributed to the increase in the average number of employees and subcontractors allocated to research and development.

Sales and Marketing. Sales and marketing expenses decreased by 19.9% to approximately $5.1 million in the first six months of 2019 from approximately $6.3 million in the first six months of 2018. This was mainly attributed to a decrease in the average number of employees allocated to sales and marketing, a decrease in commission expenses and a decrease in share-based compensation related to options and restricted share units granted to employees.

General and Administrative. General and administrative expenses decreased by 17.2% to approximately $1.6 million in the first six months of 2019 from approximately $2.0 million in the first six months of 2018. This was mainly attributed to a decrease in share-based compensation related to options and restricted share units granted to employees and directors.

Financial Income, Net. In the first six months of 2019 we recorded financial income of approximately $0.5 million, compared to financial income of approximately $0.4 million in the first six months of 2018. This increase is mainly due to interest income on short-term bank deposits.

Taxes on income. Taxes on income reflects withholding taxes that were deducted by our customers as well as tax expenses of our subsidiaries in India and the United States. Taxes on income increased to approximately $46,000 in the first six months of 2019 from approximately $13,000 in the first six months of 2018. This increase is primarily due to state income tax accruals in the United States.

LIQUIDITY AND CAPITAL RESOURCES

In the past few years, we have financed our operations through cash generated from operations, governmental grants, and follow-on public offerings of our ordinary shares.

Working Capital and Cash Flows

Liquidity refers to liquid financial assets available to fund our business operations and pay for near-term obligations. These liquid financial assets mostly consist of cash and cash equivalents and short-term bank deposits. As of June 30, 2019, we had approximately $58.6 million in cash and cash equivalents and short-term bank deposits, compared to approximately $62.0 million as of December 31, 2018.

Net cash used in operating activities was approximately $3.5 million in the first six months of 2019 compared to approximately $7.7 million net cash provided by operating activities in the first six months of 2018.

The negative cash flow in the first six months of 2019 was primarily due to net loss of approximately $4.1 million, an increase of approximately $1.8 million in other account receivables and prepaid expenses and other long-term receivables, an increase of approximately $1.6 million in trade receivables, an increase of approximately $0.5 million in inventories and accrued interest on short-term bank deposits of approximately $0.5 million, partially offset by an increase of approximately $2.1 million in other liabilities and accrued expenses, share-based compensation and restricted share units of approximately $1.0 million, an increase of approximately $0.7 million in deferred revenues and advances from customers, a decrease of approximately $0.6 million in operating lease right-of-use assets, an increase of approximately $0.3 million in trade payables, and depreciation of approximately $0.4 million.

The positive cash flow in the first six months of 2018 was primarily due to net income of approximately $1.1 million, a decrease of approximately $6.1 million in trade receivables, share-based compensation and restricted share units of approximately $1.3 million, a decrease of approximately $1.1 million in inventories and depreciation of approximately $0.3 million, partially offset by a decrease of approximately $1.4 million in deferred revenues and advances from customers, and a decrease of approximately $0.8 million in other liabilities and accrued expenses.

The trade receivables and days of sales outstanding are primarily impacted by payment terms, the variations in the levels of shipment in the quarter, and collections performance. Trade receivables as of June 30, 2019 increased to $22.0 million from $20.4 million as of December 31, 2018, reflecting mainly timing differences of contracts payment milestones. We believe that continued expansion of our business may require continued investments in working capital.

Net cash used in investing activities was approximately $47.2 million in the first six months of 2019 compared to $0.5 million net cash used in investing activities in the first six months of 2018. In the first six months of 2019, we invested approximately $46.8 million in short-term bank deposits and approximately $0.4 million for the purchase of equipment, compared to investment of approximately $0.5 million for the purchase of equipment in the first six months of 2018.

Net cash provided by financing activities was approximately $9,000 in the first six months of 2019 compared to approximately $1.9 million net cash provided by financing activities in the first six months of 2018. Cash provided in the first six months of 2019 and 2018 was due to exercise of options into ordinary shares.

We believe that our existing capital resources and expected cash flows from operations will be adequate to satisfy our expected liquidity requirements at least for the next 12 months.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. A comprehensive discussion of our critical accounting policies is included in the "Liquidity and Capital Resources" section in the 2018 Form 20-F. Other than the adoption of the new accounting standard as discussed in Note 3 and Note 8 of the interim unaudited consolidated financial statements, there have been no changes in our critical accounting policies as compared to what was disclosed in the 2018 Form 20-F.

MARKET RISK

Reference is made to Item 11 "Quantitative and Qualitative Disclosures About Market Risk" in on the 2018 Form 20-F.