

Reference Slides

Earnings Call for Q1-16 Results

Safe Harbor Provision

Certain statements made herein that use words such as “estimate,” “project,” “intend,” “expect,” “believe”, “may”, “might”, “predict”, “potential”, “anticipate”, “plan” or similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. For example, statements about the Company’s growth, taking the company to a new level, executing on our customer commitments, engaging in additional top-tier NFV players and expected 2016 revenues all constitute forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties that could cause the actual results, performance or achievements of the Company to be materially different from those that may be expressed or implied by such statements, including, among others, changes in general economic and business conditions and specifically, decline in the demand for the Company’s products, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on prices resulting from competition. For additional information regarding these and other risks and uncertainties associated with the Company’s business, reference is made to the Company’s reports filed from time to time with the United States Securities and Exchange Commission. The Company does not undertake to revise or update any forward-looking statements for any reason.

Safe Harbor Provision (cont'd)

The Company does not undertake to update forward-looking statements.

In this conference call, management will be referring to certain non-GAAP financial measures, which are provided to enhance the user's overall understanding of the company's financial performance. By excluding certain non-cash charges, non-GAAP results provide information that is useful in assessing RADCOM's core operating performance, and in evaluating and comparing our results of operations on a consistent basis from period to period. The presentation of this additional information is not meant to be considered a substitute for the corresponding financial measures prepared in accordance with generally accepted accounting principles. Investors are encouraged to review the reconciliations of GAAP to non-GAAP financial measures which are included in the quarter's earnings release, which is available on RADCOM's website at <http://radcom.com/investor-relations>

On-track progress in line with our strategy for taking the company to a new level

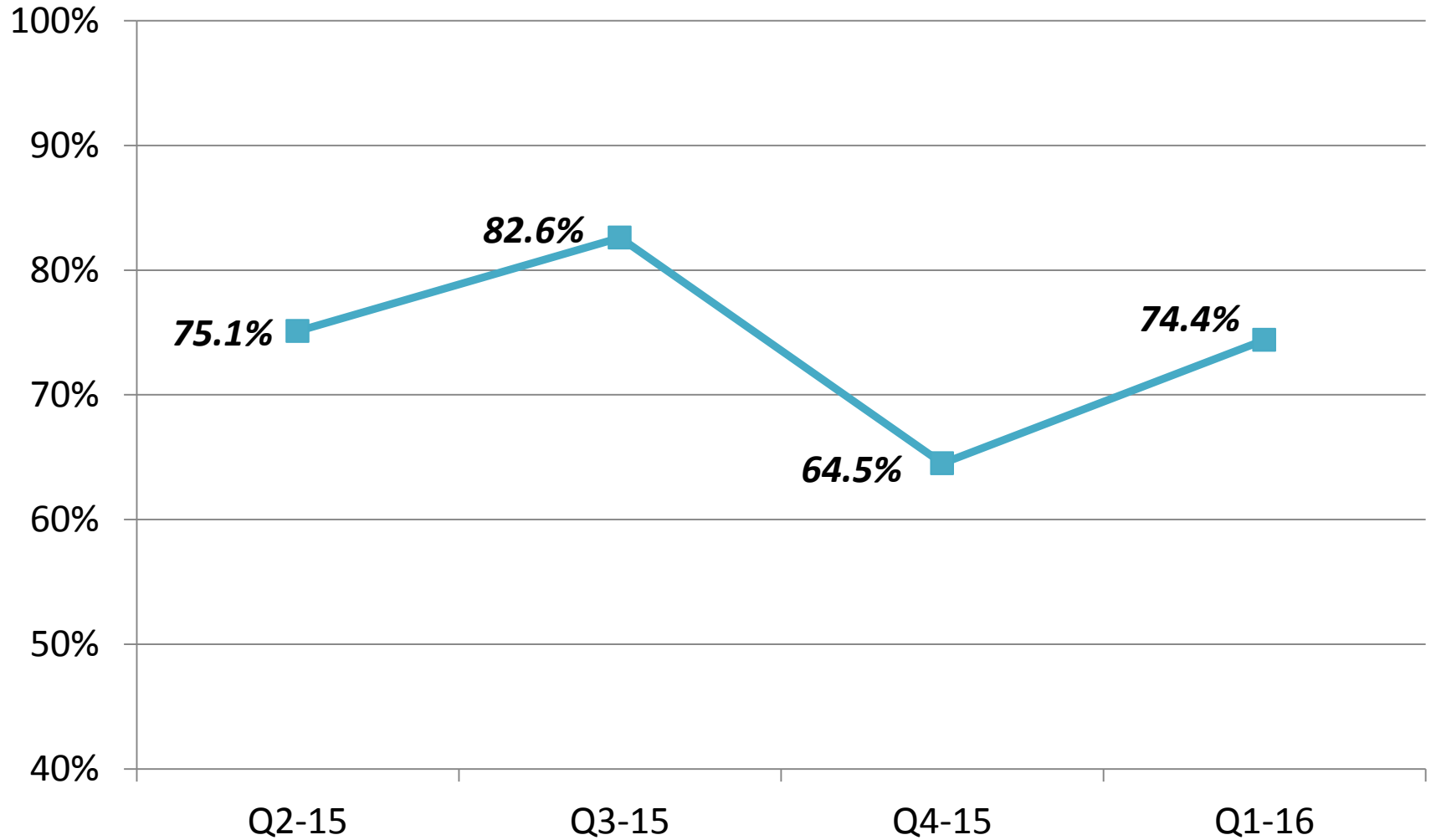
- RECORD CASH: \$25.5M
- Strong backlog, visibility for continued growth through 2016
- Projections for 2016: \$28-29.5M
- Executing on all existing customer commitments & engaging additional top-tier NFV players

Financials

Income Statement *(Non-GAAP, US\$ 1000s)*

	Q1-16	Q4-15	Q1-15
Sales	6,547	2,715	6,354
Cost of sales	1,679	963	1,129
Gross Profit	4,868	1,752	5,225
Gross margin	74.4%	64.5%	82.2%
R&D Gross	1,665	1,524	1,473
Less OCS participation	-	576	-
R&D Net	1,665	948	1,473
Sales & Marketing	1,507	2,000	1,950
General & Administrative	639	458	522
Operating Expenses	3,811	3,406	3,945
Operating Profit (loss)	1,057	(1,654)	1,280
Financial Income (expense)	289	48	(452)
Net Profit before Tax (loss)	1,346	(1,606)	828
Net Taxes	(6)	-	(7)
Net Profit (loss)	1,340	(1,606)	821
EPS (Basic)	\$0.15	(\$0.19)	\$0.10
EPS (Diluted)	\$0.14	(\$0.19)	\$0.09

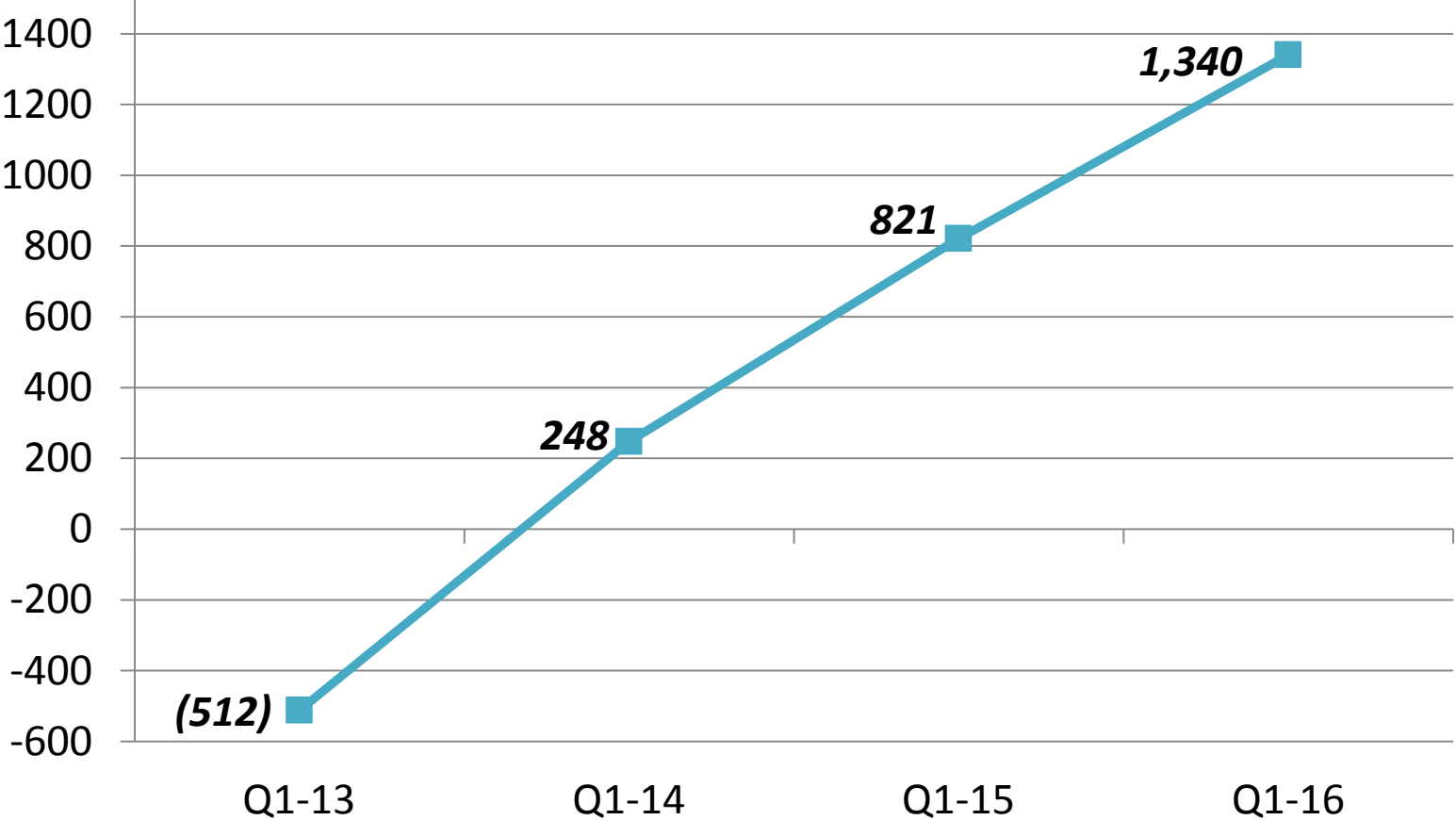
Gross Margin (Non-GAAP)



Operating Expenses (Non GAAP, US\$ 1000s)

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Less OCS participation	-	<u>576</u>	-
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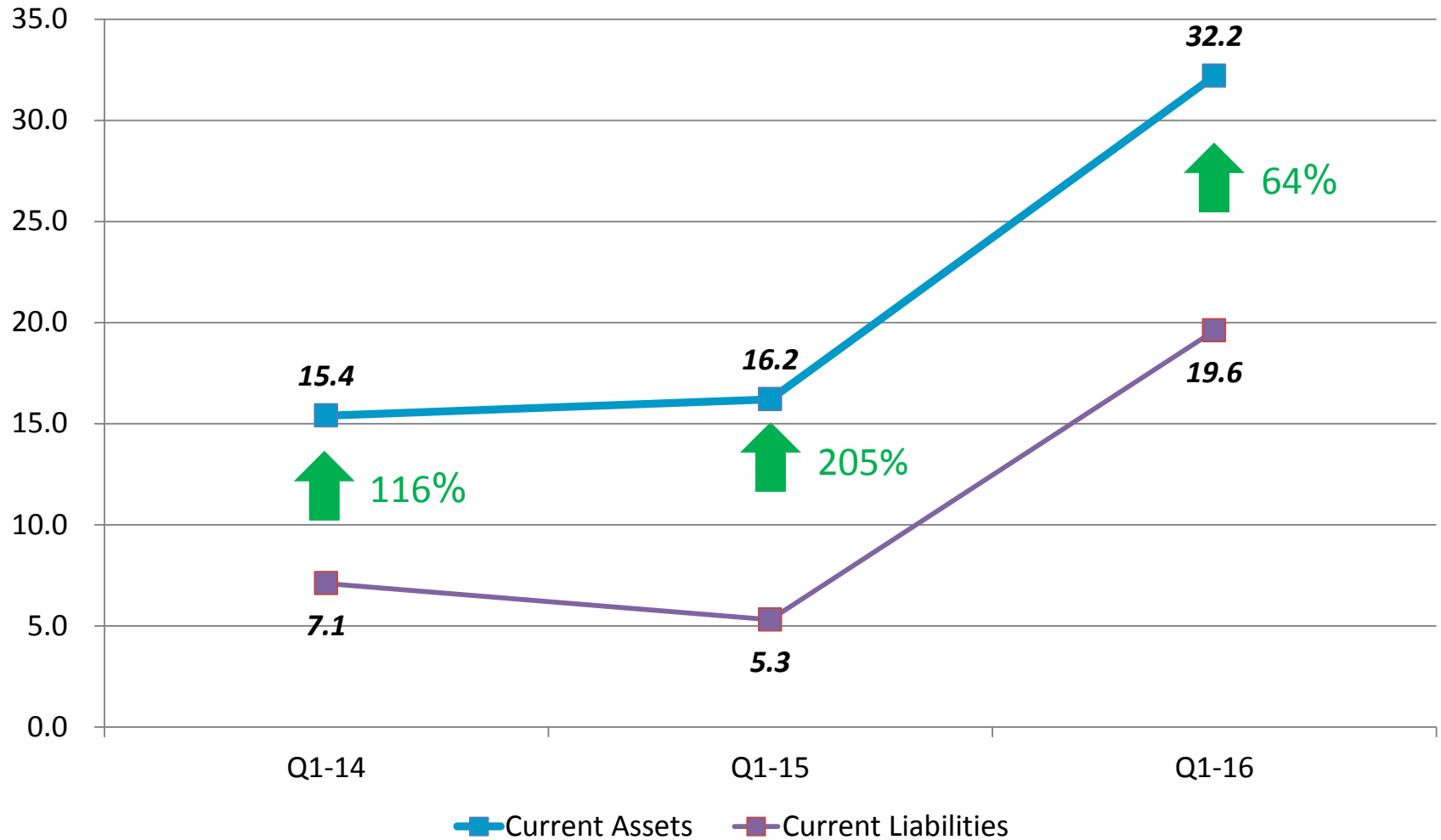
Net Income *(Non GAAP, US\$ 1000s)*



Balance Sheet (US\$ 1000s)

	Mar-16	Mar-15
Cash and deposits	25,559	4,005
Trade receivables	2,674	8,265
Inventories	1,411	2,010
Other receivables	2,632	1,934
Current assets	32,276	16,214
Assets for severance benefits	3,341	2,903
Property & equipment-net	616	194
Total Assets	36,233	19,311
Trade payables	1,223	1,087
Current deferred revenues	13,935	602
Advances from customers	0	45
Other payables	4,535	3,628
Current Liabilities	19,693	5,362
Long-term deferred revenues	72	167
Liability for employees	4,001	3,394
Equity	12,467	10,388
Total Liabilities & Equity	36,233	19,311

Current Assets vs. Current Liabilities





Thank You