

# Reference Slides

## Earnings Call for Q2-16 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>

# Overview

- Q2 Revenues Up 49% YOY to \$7.2M
- AT&T affirms its reliance upon our MaveriQ technology
  - On track in deploying the current contract
  - Signed a project expansion contract and multi-year maintenance agreement that will extend our relationship over the coming years
- Strengthened Balance sheet to Execute Growth Initiatives
  - Engaging additional top-tier NFV players

# Financials

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

	Q2-16	Q1-16	Q2-15
Sales	7,200	6,547	4,837
Cost of sales	2,109	1,679	1,203
Gross profit	5,091	4,868	3,634
Gross margin	70.7%	74.4%	75.1%
R&D Gross	1,564	1,665	1,273
Less OCS participation	756	-	148
R&D Net	808	1,665	1,125
S&M	1,701	1,507	1,413
G&A	1,033	639	469
Operating expenses	3,541	3,811	3,007
Operating profit (loss)	1,550	1,057	627
Financial income (expenses)	447	289	78
Net profit (loss) before Tax	1,997	1,346	705
Net Taxes	-	6	100
Net profit (loss)	1,997	1,340	605
EPS (Basic)	\$0.20	\$0.15	\$0.07
EPS (Diluted)	\$0.20	\$0.14	\$0.07

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

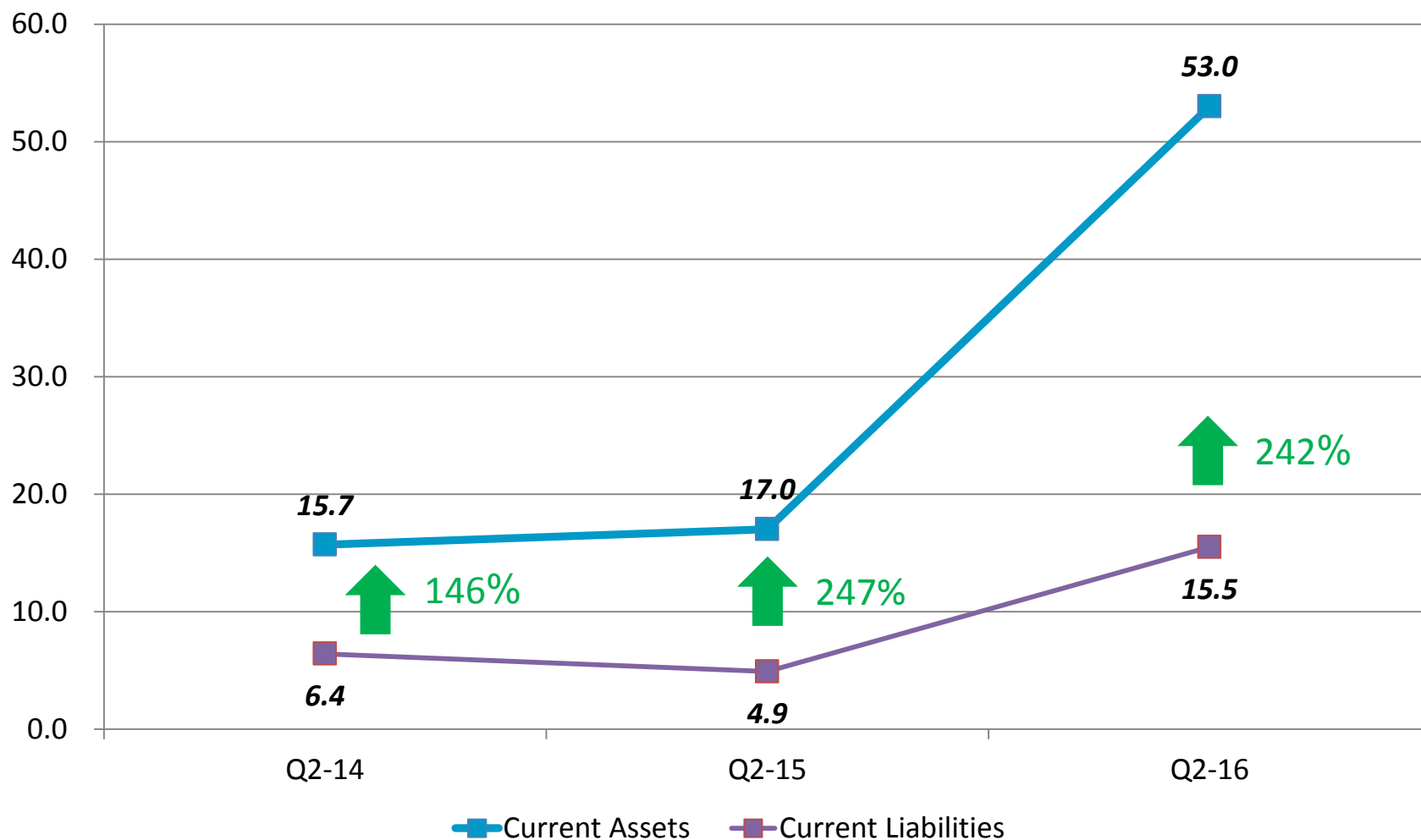
	Q2-16	Q1-16	Q2-15
R&D Gross	1,564	1,665	1,273
Less OCS participation	756	-	148
R&D Net	808	1,665	1,125
Sales & Marketing	1,701	1,507	1,413
General & Administrative	1,033	639	469
Operating Expenses	3,541	3,811	3,007

# Balance Sheet (US\$ 1000s)

	Jun-16	Jun-15
Cash and Deposits	46,500	9,916
Trade Receivables	1,020	3,434
Inventories	1,850	1,482
Other receivables	3,594	2,191
<b>Current assets</b>	<b>52,964</b>	<b>17,023</b>
Assets for severance benefits	3,240	3,163
Property & Equipment-Net	685	210
<b>Total Assets</b>	<b>56,889</b>	<b>20,396</b>
Trade payables	1,825	424
Current deferred revenues	8,110	842
Other payables	5,572	3,638
<b>Current Liabilities</b>	<b>15,507</b>	<b>4,904</b>
Long-term deferred revenues	129	384
Liability For Employees	3,876	3,636
Equity	37,377	11,472
<b>Total Liabilities &amp; Equity</b>	<b>56,889</b>	<b>20,396</b>



# Current Assets vs. Current Liabilities





# Thank You