Kaltura Announces Financial Results for Third Quarter 2022

November 10, 2022

NEW YORK, Nov. 10, 2022 (GLOBE NEWSWIRE) -- Kaltura, Inc. (“Kaltura” or the “Company”), the video experience cloud, today announced financial results for the third quarter ended September 30, 2022, as well as outlook for the fourth quarter and full year 2022.

“We are progressing towards our planned return to profitable growth, with improved cash flow and Adjusted EBITDA in the third quarter, and an expected return to revenue growth in the fourth quarter,” said Ron Yekutiel, Co-founder, Chairman and Chief Executive Officer of Kaltura. “Though we continue to be affected by the macroeconomic headwinds, we are also fueled by exciting new low-touch and self-serve offerings such as our Event Platform, and as of the third quarter, a new version of our Webinars product that powerfully brings together all of our on-demand, live, and real-time video capabilities.”

Third Quarter 2022 Financial Highlights:

- **Revenue** for the third quarter of 2022 was $41.1 million, a decrease of 4% compared to $43.0 million for the third quarter of 2021.
- **Subscription revenue** for the third quarter of 2022 was $37.9 million, an increase of 1% compared to $37.7 million for the third quarter of 2021.
- **Annualized Recurring Revenue (ARR)** for the third quarter of 2022 was $152.9 million, an increase of 1% compared to $151.7 million for the third quarter of 2021.
- **GAAP Gross profit** for the third quarter of 2022 was $26.4 million, representing a gross margin of 64% compared to a GAAP gross profit of $27.8 million and gross margin of 65% for the third quarter of 2021.
- **Non-GAAP Gross profit** for the third quarter of 2022 was $26.8 million, representing a non-GAAP gross margin of 65%, compared to a non-GAAP gross profit of $28.1 million and non-GAAP gross margin of 65% for the third quarter of 2021.
- **GAAP Operating loss** was $14.9 million for the third quarter of 2022, compared to an operating loss of $5.9 million for the third quarter of 2021.
- **Non-GAAP Operating loss** was $7.6 million for the third quarter of 2022, compared to a non-GAAP operating loss of $2.7 million for the third quarter of 2021.
- **GAAP Net loss** was $19.4 million or $0.15 per diluted share for the third quarter of 2022, compared to a GAAP net loss of $25.2 million, or $0.26 per diluted share, for the third quarter of 2021.
- **Non-GAAP Net loss** was $12.2 million or $0.09 per diluted share for the third quarter of 2022, compared to a non-GAAP net loss of $5.1 million, or $0.04 per diluted share, for the third quarter of 2021.
- **Adjusted EBITDA** was $(7.2) million for the third quarter of 2022, compared to adjusted EBITDA of $(2.3) million for the third quarter of 2021.
- **Net Cash Provided by (Used in) Operating Activities** was $1.1 million for the third quarter of 2022, compared to $(5.7) million for the third quarter of 2021.

Third Quarter 2022 Business Highlights:

- Executed the cost-cutting and reorganization plan as communicated last quarter
- Closed several seven-digit deals to power virtual and hybrid events, and continued to materially grow the sales pipeline
- Continued closing learning & training-related deals, including five-digit transactions with new customers across various industries such as insurance, healthcare, and education, where we also continued expanding from higher-ed into K12

- Launched a new version of our self-serve Webinars product that fully integrates advanced video content management and publishing capabilities

Financial Outlook:

For the fourth quarter of 2022, Kaltura currently expects:

- **Subscription Revenue** to grow by 0%-3% year-over-year to between $38.5 million and $39.5 million.
- **Total Revenue** to increase by 1%-3% year-over-year to between $43.0 million and $44.0 million.
- **Adjusted EBITDA** to be negative in the range of $6.5 million to $5.5 million.

For the full year ending December 31, 2022, Kaltura currently expects:

- **Subscription Revenue** to grow by 4%-5% year-over-year to between $151.4 million and $152.4 million.
- **Total Revenue** to grow by 2% year-over-year to between $167.7 million and $168.7 million.
- **Adjusted EBITDA** to be negative in the range of $30.5 million to $29.5 million.

The guidance provided above contains forward-looking statements and actual results may differ materially. Refer to “Forward-Looking Statements” below for information on the factors that could cause our actual results to differ materially from these forward-looking statements. Kaltura has not provided a quantitative reconciliation of forecasted Adjusted EBITDA to forecasted GAAP net loss within this press release because the Company is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. The reconciliation for Adjusted EBITDA includes but is not limited to the following items: stock-based compensation expenses, depreciation, amortization, financial expenses (income), net, provision for income tax, and other non-recurring operating expenses. These items, which could materially affect the computation of forward-looking GAAP net loss, are inherently uncertain and depend on various factors, some of which are outside of the Company’s control.

Additional information on Kaltura’s reported results, including a reconciliation of the non-GAAP financial measures to their most comparable GAAP measures, is included in the financial tables below.

Conference Call

Kaltura will host a conference call today November 10, 2022. to review its third quarter 2022 financial results and to discuss its financial outlook.

Time:	8:00 a.m. ET
United States/Canada Toll Free:	1-877-407-0791
International Toll:	+1-201-689-8563
Conference ID:	13733922

A live webcast will also be available in the Investor Relations section of Kaltura’s website at: https://investors.kaltura.com/news-and-events/events

A replay of the webcast will be available in the Investor Relations section of the company’s web site approximately two hours after the conclusion of the call and remain available for approximately 30 calendar days.

About Kaltura

Kaltura’s mission is to power any video experience for any organization. Our Video Experience Cloud offers live, real-time, and on-demand video products for enterprises of all industries, as well as specialized industry solutions, currently for educational institutions and for media and telecom companies. Underlying our products and solutions is a broad set of Media Services that are also used by other cloud platforms and companies to power video experiences and workflows for their own products. Kaltura’s Video Experience Cloud is used by leading brands reaching millions of users, at home, at school and at work, for communication, collaboration, training, marketing, sales, customer care, teaching, learning, virtual events, and entertainment experiences.

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including but not limited to, statements regarding our future financial and operating performance, including our guidance; our business strategy, plans and objectives for future operations; the expected effects of our cost cuts, headcount reduction and reorganization plan, including the total charges and annualized savings expected to result therefrom; the expected effect of new releases on our business and financial performance; and general business conditions, including as a result of the pandemic related to COVID-19 and its variants.

In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Any forward-looking statements contained herein are based on our historical performance and our current plans, estimates and expectations and are not a representation that such plans, estimates, or expectations will be achieved. These forward-looking statements represent our expectations as of the date of this press release. Subsequent events may cause these expectations to change, and we disclaim any obligation to update the forward-looking statements in the future, except as required by law. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from our current expectations. Important factors that could cause actual results to differ materially from those anticipated in our forward-looking statements include, but are not limited to, our ability to successfully execute or achieve the expected benefits of our restructuring plan and other cost saving measures, our ability to manage and sustain our rapid growth; our ability to achieve and maintain profitability; the evolution of the markets for our offerings; the quarterly fluctuation in our results of operations; our ability to retain our customers; our ability to keep pace with technological and competitive developments; our ability to maintain the interoperability of our offerings across devices, operating systems and third-party applications; our reliance on third parties; our ability to retain our key personnel; risks related to our international operations; our ability to successfully execute or achieve the benefits of our cost-reduction and re-organization plan and other cost saving measures; and the other risks under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission ("SEC"), as such factors may be updated from time to time in our other filings with the SEC, which are accessible on the SEC's website at www.sec.gov and the Investor Relations page of our website at investors.kaltura.com.

Non-GAAP Financial Measures

Kaltura has provided in this press release and the accompanying tables measures of financial information that have not been prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP"), including non-GAAP gross profit, non-GAAP gross margin (calculated as a percentage of revenue), non-GAAP research and development expenses, non-GAAP sales and marketing expenses, non-GAAP general and administrative expenses, non-GAAP operating loss, non-GAAP operating margin (calculated as a percentage of revenue), non-GAAP net loss, non-GAAP net loss per share and Adjusted EBITDA. Kaltura defines these non-GAAP financial measures as the respective corresponding GAAP measure, adjusted for, as applicable: (1) preferred stock accretion and cumulative undeclared dividends; (2) stock-based compensation; (3) the amortization of acquired intangibles; (4) other non-recurring operating expenses; (5) remeasurement of warrants to fair value; (6) facility exit and transition costs; (7) restructuring charges; and (8) gain on sale of property and equipment. Kaltura defines EBITDA as net profit (loss) before financial expenses, net, provision for income taxes, and depreciation and amortization expenses. Adjusted EBITDA is defined as EBITDA (as defined above), adjusted for the impact of certain non-cash and other non-recurring items that we believe are not indicative of our core operating performance, such as non-cash stock-based compensation expenses and other non-recurring operating expenses. We believe these non-GAAP financial measures provide useful information to management and investors regarding certain financial and business trends relating to Kaltura's financial condition and results of operations. These non-GAAP metrics are a supplemental measure of our performance, are not defined by or presented in accordance with GAAP, and should not be considered in isolation or as an alternative to net profit (loss) or any other performance measure prepared in accordance with GAAP. Non-GAAP financial measures are presented because we believe that they provide useful supplemental information to investors and analysts regarding our operating performance and are frequently used by these parties in evaluating companies in our industry. By presenting these non-GAAP financial measures, we provide a basis for comparison of our business operations between periods by excluding items that we do not believe are indicative of our core operating performance. We believe that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing our ongoing results of operations. Additionally, our management uses these non-GAAP financial measures as supplemental measures of our performance because they assist us in comparing the operating performance of our business on a consistent basis between periods, as described above. Although we use the non-GAAP financial measures described above, such measures have significant limitations as analytical tools and only supplement but do not replace, our financial statements in accordance with GAAP. See the tables below regarding reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures.

Key Financial and Operating Metrics

Annualized Recurring Revenue. We use Annualized Recurring Revenue ("ARR") as a measure of our revenue trend and an indicator of our future revenue opportunity from existing recurring customer contracts. We calculate ARR by annualizing our recurring revenue for the most recently completed fiscal quarter. Recurring revenues are generated from SaaS and PaaS subscriptions, as well as term licenses for software installed on the customer's premises ("On-Prem"). For the SaaS and PaaS components, we calculate ARR by annualizing the actual recurring revenue recognized for the latest fiscal quarter. For the On-Prem component for which revenue recognition is not ratable across the license term, we calculate ARR for each contract by dividing the total contract value (excluding professional services) as of the last day of the specified period by the number of days in the contract term and then multiplying by 365. Recurring revenue excludes revenue from one-time professional services and setup fees. ARR is not adjusted for the impact of any known or projected future customer cancellations, upgrades or downgrades or price increases or decreases. The amount of actual revenue that we recognize over any 12-month period is likely to differ from ARR at the beginning of that period, sometimes significantly. This may occur due to new bookings, cancellations, upgrades or downgrades, pending renewals, foreign exchange rate fluctuations, professional services revenue and acquisitions or divestitures. ARR should be viewed independently of revenue as it is an operating metric and is not intended to be a replacement or forecast of revenue. Our calculation of ARR may differ from similarly titled metrics presented by other companies.

Net Dollar Retention Rate. Our Net Dollar Retention Rate, which we use to measure our success in retaining and growing recurring revenue from our existing customers, compares our recognized recurring revenue from a set of customers across comparable periods. We calculate our Net Dollar Retention Rate for a given period as the recognized recurring revenue from the latest reported fiscal quarter from the set of customers whose revenue

existed in the reported fiscal quarter from the prior year (the numerator), divided by recognized recurring revenue from such customers for the same fiscal quarter in the prior year (denominator). For annual periods, we report Net Dollar Retention Rate as the arithmetic average of the Net Dollar Retention Rate for all fiscal quarters included in the period. We consider subdivisions of the same legal entity (for example, divisions of a parent company or separate campuses that are part of the same state university system) to be a single customer for purposes of calculating our Net Dollar Retention Rate. Our calculation of Net Dollar Retention Rate for any fiscal period includes the positive recognized recurring revenue impacts of selling new services to existing customers and the negative recognized recurring revenue impacts of contraction and attrition among this set of customers. Our Net Dollar Retention Rate may fluctuate as a result of a number of factors, including the growing level of our revenue base, the level of penetration within our customer base, expansion of products and features, and our ability to retain our customers. Our calculation of Net Dollar Retention Rate may differ from similarly titled metrics presented by other companies.

Remaining Performance Obligations. Remaining Performance Obligations represents the amount of contracted future revenue that has not yet been delivered, including both subscription and professional services revenues. Remaining Performance Obligations consists of both deferred revenue and contracted non-cancelable amounts that will be invoiced and recognized in future periods. We expect to recognize 65% of our Remaining Performance Obligations as revenue over the next 12 months, and the remainder thereafter, in each case, in accordance with our revenue recognition policy; however, we cannot guarantee that any portion of our Remaining Performance Obligations will be recognized as revenue within the timeframe we expect or at all.

Consolidated Balance Sheets (U.S. dollars in thousands)

	As of	
	September 30, 2022	**December 31, 2021**
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 52,638	$ 143,949
Marketable securities	39,744	—
Trade receivables	23,270	17,509
Prepaid expenses and other current assets	7,863	5,110
Deferred contract acquisition and fulfillment costs, current	10,455	9,079
Total current assets	133,970	175,647
LONG-TERM ASSETS:		
Marketable securities	1,965	—
Property and equipment, net	13,771	9,503
Other assets, noncurrent	3,414	2,543
Deferred contract acquisition and fulfillment costs, noncurrent	22,133	22,621
Operating lease right-of-use assets	23,106	—
Intangible assets, net	1,385	1,909
Goodwill	11,070	11,070
Total noncurrent assets	76,844	47,646
TOTAL ASSETS	$ 210,814	$ 223,293
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term loans	$ 5,047	$ 2,794
Trade payables	6,414	6,480
Employees and payroll accruals	16,432	18,627
Accrued expenses and other current liabilities	15,048	18,496
Operating lease liabilities	1,960	—
Deferred revenue, current	58,277	51,689
Total current liabilities	103,178	98,086
NONCURRENT LIABILITIES:		
Deferred revenue, noncurrent	1,510	1,953
Long-term loans, net of current portion	31,446	35,795
Operating lease liabilities, noncurrent	21,181	—
Other liabilities, noncurrent	1,996	2,185

Total noncurrent liabilities	56,133	39,933
TOTAL LIABILITIES	$ 159,311	$ 138,019
STOCKHOLDERS' EQUITY:		
Common stock	13	13
Treasury stock	(4,881)	(4,881)
Additional paid-in capital	433,462	412,776
Accumulated other comprehensive loss	(741)	—
Accumulated deficit	(376,350)	(322,634)
Total stockholders' equity	51,503	85,274
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 210,814	$ 223,293

Consolidated Statements of Operations (U.S. dollars in thousands, except for share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(Unaudited)			
Revenue:				
Subscription	$ 37,915	$ 37,675	$ 112,904	$ 106,483
Professional services	3,136	5,309	11,841	15,817
Total revenue	41,051	42,984	124,745	122,300
Cost of revenue:				
Subscription	9,772	9,629	29,192	29,524
Professional services	4,904	5,538	16,219	16,847
Total cost of revenue	14,676	15,167	45,411	46,371
Gross profit	26,375	27,817	79,334	75,929
Operating expenses:				
Research and development	13,891	12,363	43,205	35,050
Sales and marketing	15,040	11,257	46,072	31,942
General and administrative	11,412	10,070	34,188	27,457
Restructuring	884	—	884	—
Other operating expenses	—	—	—	1,724
Total operating expenses	41,227	33,690	124,349	96,173
Operating loss	14,852	5,873	45,015	20,244
Financial expenses, net	3,002	17,780	2,945	18,432
Loss before provision for income taxes	17,854	23,653	47,960	38,676
Provision for income taxes	1,589	1,497	5,756	4,749
Net loss	19,443	25,150	53,716	43,425
Preferred stock accretion and cumulative undeclared dividends	—	1,569	—	8,241
Net loss attributable to common stockholders	$ 19,443	$ 26,719	$ 53,716	$ 51,666

Net loss per share attributable to common stockholders, basic and diluted	$ 0.15	$ 0.26	$ 0.41	$ 1.00
Weighted average number of shares used in computing basic net loss per share attributable to common stockholders	132,185,026	102,938,814	129,919,489	51,647,683

Consolidated Statements of Operations (U.S. dollars in thousands, except for share data)

Stock-based compensation included in above line items:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(Unaudited)			
Cost of revenue	$ 297	$ 168	$ 1,068	$ 635
Research and development	1,096	528	3,236	2,252
Sales and marketing	1,058	438	2,969	1,641
General and administrative	3,648	2,602	10,554	8,382
Total	$ 6,099	$ 3,736	$ 17,827	$ 12,910

Revenue by Segment (U.S. dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(Unaudited)			
Enterprise, Education and Technology	$ 30,056	$ 30,410	$ 90,186	$ 87,966
Media and Telecom	10,995	12,574	34,559	34,334
Total	$ 41,051	$ 42,984	$ 124,745	$ 122,300

Gross Profit by Segment (U.S. dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(Unaudited)			
Enterprise, Education and Technology	$ 21,218	$ 22,157	$ 62,685	$ 62,057
Media and Telecom	5,157	5,660	16,649	13,872
Total	$ 26,375	$ 27,817	$ 79,334	$ 75,929

Consolidated Statement of Cash Flows (U.S. dollars in thousands)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net loss	$ (53,716)	$ (43,425)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss (gain) on sale of property and equipment	179	(757)
Depreciation and amortization	1,874	1,795
Stock-based compensation expenses	17,827	12,910
Amortization of deferred contract acquisition and fulfillment costs	7,883	5,082
Change in valuation of warrants to purchase preferred and common stock	—	15,046
Non-cash interest expenses (income), net	(51)	267
Non-cash expenses with respect to stockholders' loans	—	882

Changes in operating assets and liabilities:		
Increase in trade receivables	(5,761)	(7,055)
Increase in prepaid expenses and other current assets and other assets, noncurrent	(697)	(4,937)
Increase in deferred contract acquisition and fulfillment costs	(8,715)	(15,262)
Increase in trade payables	98	849
Increase (decrease) in accrued expenses and other current liabilities	(3,600)	4,055
Increase (decrease) in employees and payroll accruals	(2,195)	4,265
Decrease in other liabilities, noncurrent	(33)	(306)
Increase in deferred revenue	6,145	15,221
Operating lease right-of-use assets and lease liabilities, net	(220)	—
Net cash used in operating activities	(40,982)	(11,370)
Cash flows from investing activities:		
Investment in available-for-sale marketable securities	(47,447)	—
Proceeds from sales and maturities of available-for-sale marketable securities	5,670	—
Purchases of property and equipment	(1,004)	(1,580)
Proceeds from sale of property, and equipment	—	642
Capitalized internal-use software	(4,573)	(2,753)
Investment in restricted bank deposit	(1,850)	—
Purchase of intangible assets	—	(79)
Net cash used in investing activities	(49,204)	(3,770)
Cash flows from financing activities:		
Proceeds from initial public offering, net of underwriting discounts and commissions	—	160,425
Payment related to the conversion of Series F redeemable convertible preferred stock upon initial public offering	—	(1,569)
Proceeds from long-term loans, net of debt issuance cost	—	41,915
Repayment of long-term loans	(2,250)	(29,083)
Principal payments on finance leases	(135)	(1,329)
Proceeds from exercise of stock options	2,445	661
Payment of debt issuance costs	(125)	—
Payment of deferred offering costs	—	(4,087)
Net cash provided by (used in) financing activities	(65)	166,933
Net increase (decrease) in cash, cash equivalents and restricted cash	(90,251)	151,793
Cash, cash equivalents and restricted cash at the beginning of the period	144,371	28,355
Cash, cash equivalents and restricted cash at the end of the period	$ 54,120	$ 180,148

Reconciliation from GAAP to Non-GAAP Results (U.S. dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Reconciliation of gross profit and gross margin				
GAAP gross profit	$ 26,375	$ 27,817	$ 79,334	$ 75,929
Stock-based compensation expense	297	168	1,068	635
Amortization of acquired intangibles	107	107	319	457
Non-GAAP gross profit	$ 26,779	$ 28,092	$ 80,721	$ 77,021
GAAP gross margin	64%	65%	64%	62%
Non-GAAP gross margin	65%	65%	65%	63%
Reconciliation of operating expenses				
GAAP research and development expenses	$ 13,891	$ 12,363	$ 43,205	$ 35,050
Stock-based compensation expense	1,096	528	3,236	2,252
Amortization of acquired intangibles	—	—	—	—
Non-GAAP research and development expenses	$ 12,795	$ 11,835	$ 39,969	$ 32,798

GAAP sales and marketing	$ 15,040	$ 11,257	$ 46,072	$ 31,942
Stock-based compensation expense	1,058	438	2,969	1,641
Amortization of acquired intangibles	34	112	205	330
Non-GAAP sales and marketing expenses	$ 13,948	$ 10,707	$ 42,898	$ 29,971
GAAP general and administrative expenses	$ 11,412	$ 10,070	$ 34,188	$ 27,457
Stock-based compensation expense	3,648	2,602	10,554	8,382
Amortization of acquired intangibles	—	—	—	—
Gain on sale of property and equipment	$ —	$ (757)	$ —	$ (757)
Facility exit and transition costs[1]	$ 154	$ —	$ 367	$ —
Non-GAAP general and administrative expenses	$ 7,610	$ 8,225	$ 23,267	$ 19,832
Reconciliation of operating income (loss) and operating margin				
GAAP operating loss	$ (14,852)	$ (5,873)	$ (45,015)	$ (20,244)
Stock-based compensation expense	6,099	3,736	17,827	12,910
Amortization of acquired intangibles	141	219	524	787
Restructuring	884	—	884	—
Other operating expenses[2]	—	—	—	1,724
Gain on sale of property and equipment	—	(757)	—	(757)
Facility exit and transition costs[1]	154	—	367	—
Non-GAAP operating loss	$ (7,574)	$ (2,675)	$ (25,413)	$ (5,580)
GAAP operating margin	(36)%	(14)%	(36)%	(17)%
Non-GAAP operating margin	(18)%	(6)%	(20)%	(5)%
Reconciliation of net loss				
GAAP net loss attributable to common stockholders	$ 19,443	$ 26,719	$ 53,716	$ 51,666
Preferred stock accretion and cumulative undeclared dividends	—	1,569	—	8,241
Stock-based compensation expense	6,099	3,736	17,827	12,910
Amortization of acquired intangibles	141	219	524	787
Restructuring	884	—	884	—
Other operating expenses[2]	—	—	—	1,724
Gain on sale of property and equipment	—	(757)	—	(757)
Facility exit and transition costs[1]	154	—	367	—
Remeasurement of warrants to fair value	—	16,822	—	15,046
Non-GAAP net loss attributable to common stockholders	$ 12,165	$ 5,130	$ 34,114	$ 13,715
Non-GAAP net loss per share - basic and diluted	$ 0.09	$ 0.04	$ 0.26	$ 0.13
Shares used in non-GAAP per share calculations:				
GAAP weighted-average shares used to compute net income per share - basic and diluted	132,185,026	102,938,814	129,919,489	51,647,683
Additional shares giving effect to conversion of convertible and redeemable convertible preferred shares at the beginning of the period[3]	—	17,599,140	—	56,549,727
Weighted average number of ordinary shares outstanding used in computing basic and diluted net loss per share (non-GAAP)	132,185,026	120,537,954	129,919,489	108,197,410

[1] Facility exit and transition costs for the three and nine months ended September 30, 2022 include losses from sale of fixed assets and other costs associated with moving to our temporary office in Israel.

[2] Other operating expenses in the nine months September 30, 2021 consisted of expenses related to the forgiveness of loans to certain of our directors and executive officers in connection with the public filing of the registration statement in connection with our initial public offering.

[3] Assumes shares of common stock outstanding after accounting for the automatic conversion of the convertible and redeemable convertible preferred stock then outstanding into shares of common stock at the beginning of the period.

Adjusted EBITDA (U.S. dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Net loss	$ (19,443)	$ (25,150)	$ (53,716)	$ (43,425)

Financial expenses, net [a]	3,002	17,780	2,945	18,432
Provision for income taxes	1,589	1,497	5,756	4,749
Depreciation and amortization	521	594	1,874	1,795
EBITDA	(14,331)	(5,279)	(43,141)	(18,449)
Non-cash stock-based compensation expense	6,099	3,736	17,827	12,910
Gain on sale of property and equipment [b]	—	(757)	—	(757)
Other operating expenses [c]	—	—	—	1,724
Facility exit and transition costs [d]	154	—	367	—
Restructuring [e]	884	—	884	—
Adjusted EBITDA	$ (7,194)	$ (2,300)	$ (24,063)	$ (4,572)

(a) The three months ended September 30, 2022 and 2021, and the nine months ended September 30, 2022, and 2021, include $0, $16,822, $0 and $15,046 respectively, of remeasurement of warrants to fair value, and $594, $766, $1,581 and $2,228 respectively, of interest expenses.

(b) The three and nine months ended September 30, 2021 include a one-time gain on sale of data center equipment in connection with our transition to a public cloud infrastructure.

(c) Other operating expenses in the nine months ended September 30, 2021 consisted of expenses related to the forgiveness of loans to certain of our directors and executive officers in connection with the public filing of the registration statement in connection with our initial public offering.

(d) Facility exit and transition costs for the three and nine months ended September 30, 2022 include losses from sale of fixed assets and other costs associated with moving to our temporary office in Israel.

(e) The three and nine months ended September 30, 2022 include one-time employee termination benefits incurred in connection with the 2022 Restructuring Plan.

Reported KPIs

	September 30,	
	2022	**2021**
	(U.S. dollars, amounts in thousands)	
Annualized Recurring Revenue	$ 152,926	$ 151,704
Remaining Performance Obligations	$ 169,183	$ 162,316

	Three Months Ended September 30,	
	2022	**2021**
Net Dollar Retention Rate	96%	117%