Kaltura Announces Financial Results for Third Quarter 2023

November 8, 2023

NEW YORK, Nov. 08, 2023 (GLOBE NEWSWIRE) -- Kaltura, Inc. ("Kaltura" or the "Company"), the video experience cloud, today announced financial results for the third quarter ended September 30, 2023, as well as outlook for the fourth quarter and full year 2023.

"This quarter, for the fourth quarter in a row, we posted record subscription revenue, and our year-over-year total revenue growth rate was the highest since the first quarter of 2022. We are also pleased to share that our focused efforts on returning to profitability have borne fruit, and that we achieved this quarter adjusted EBITDA profits for the first time since 2020, as well as positive cash flow from operations. We are slightly raising again our revenue and adjusted EBITDA guidance for the full year, and are reaffirming our plans to achieve a positive adjusted EBITDA in 2024," said Ron Yekutiel, Co-founder, Chairman and Chief Executive Officer of Kaltura. "Over the quarter we continued to see growing demand for consolidation around Kaltura across a wide array of on-demand, live, and real-time video use-cases for both employees, customers, and prospects. This continued to drive larger deals with new customers, and expansions with existing ones."

Third Quarter 2023 Financial Highlights:

- **Revenue** for the third quarter of 2023 was $43.5 million, an increase of 6% compared to $41.1 million for the third quarter of 2022.
- **Subscription revenue** for the third quarter of 2023 was $40.8 million, an increase of 8% compared to $37.9 million for the third quarter of 2022.
- **Annualized Recurring Revenue (ARR)** for the third quarter of 2023 was $163.1 million, an increase of 7% compared to $152.9 million for the third quarter of 2022.
- **GAAP Gross profit** for the third quarter of 2023 was $27.7 million, representing a gross margin of 64%, compared to a GAAP gross profit of $26.4 million and gross margin of 64% for the third quarter of 2022.
- **Non-GAAP Gross profit** for the third quarter of 2023 was $28.1 million, representing a non-GAAP gross margin of 65%, compared to a non-GAAP gross profit of $26.8 million and non-GAAP gross margin of 65% for the third quarter of 2022.
- **GAAP Operating loss** was $8.3 million for the third quarter of 2023, compared to an operating loss of $14.9 million for the third quarter of 2022.
- **Non-GAAP Operating loss** was $0.8 million for the third quarter of 2023, compared to a non-GAAP operating loss of $7.6 million for the third quarter of 2022.
- **GAAP Net loss** was $10.7 million or $0.08 per diluted share, for the third quarter of 2023, compared to a GAAP net loss of $19.4 million, or $0.15 per diluted share, for the third quarter of 2022.
- **Non-GAAP Net loss** was $3.2 million or $0.02 per diluted share for the third quarter of 2023, compared to a non-GAAP net loss of $12.2 million, or $0.09 per diluted share, for the third quarter of 2022.
- **Adjusted EBITDA** was $0.3 million for the third quarter of 2023, compared to adjusted EBITDA of $(7.2) million for the third quarter of 2022.
- **Net Cash Provided by (Used in) Operating Activities** was $1.7 million for the third quarter of 2023, compared to $1.1 for the third quarter of 2022.

Third Quarter 2023 Business Highlights:

- Closed three seven-digit deals and twelve six-digit deals.
- Hosted our third annual Virtually Live! event, with thousands of registrants, discussing how to best reach and excite audiences through virtual and hybrid events, including leveraging innovative AI tools.
- Salesforce utilized Kaltura for their flagship event, Dreamforce, and incorporated Kaltura-powered AI enrichment services for content repurposing.
- Launched our new AI assistant for webinars and events, and a new AI-based content discovery experience, and also kicked off Kaltura's AI Accelerator Program, with 15 pioneering Gen-AI startups collaborating with 10 large Kaltura customers across various industries.

Financial Outlook:

For the fourth quarter of 2023, Kaltura currently expects:

- **Subscription Revenue** to grow by negative 3% to positive 1% year-over-year to between $38.4 million and $39.8 million.
- **Total Revenue** to decrease by 7% to 4% year-over-year to between $40.8 million and $42.3 million.
- **Adjusted EBITDA** to be negative in the range of $1.1 million to $0.6 million.

For the full year ending December 31, 2023, Kaltura currently expects:

- **Subscription Revenue** to grow by 5% to 6% year-over-year to between $160.3 million and $161.7 million.
- **Total Revenue** to grow by approximately 2% year-over-year to between $171.5 million and $173.0 million.
- **Adjusted EBITDA** to be negative in the range of $4.5 million to $4.0 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 8, 2023 to review its third quarter 2023 financial results and to discuss its financial outlook.

Time:	8:00 a.m. ET
United States/Canada Toll Free:	1-877-300-8521
International Toll:	1-412-317-6026

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 and profitability targets; our business strategy, plans and objectives for future operations; customer preferences and trends in demand for our offerings; and general business conditions.

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 reorganization plans 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; and the other risks under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the Securities and Exchange Commission (“SEC”), as such factors are updated in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 and as 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) stock-based compensation; (2) the amortization of acquired intangibles; (3) restructuring ; and (4) facility exit and transition costs. 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 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 59% 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, 2023	December 31, 2022
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 34,073	$ 44,625
Marketable securities	35,084	41,343
Trade receivables	21,865	28,786
Prepaid expenses and other current assets	7,430	7,521
Deferred contract acquisition and fulfillment costs, current	10,601	10,759
Total current assets	109,053	133,034
LONG-TERM ASSETS:		
Marketable securities	1,902	—
Property and equipment, net	20,763	15,142
Other assets, noncurrent	2,910	3,176
Deferred contract acquisition and fulfillment costs, noncurrent	18,277	21,691
Operating lease right-of-use assets	14,735	20,814
Intangible assets, net	808	1,244
Goodwill	11,070	11,070
Total noncurrent assets	70,465	73,137
TOTAL ASSETS	$ 179,518	$ 206,171
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term loans	$ 31,455	$ 5,793
Trade payables	4,435	9,437
Employees and payroll accruals	12,380	14,884
Accrued expenses and other current liabilities	17,184	16,527
Operating lease liabilities	2,337	2,355
Deferred revenue, current	59,244	59,841
Total current liabilities	127,035	108,837
NONCURRENT LIABILITIES:		
Deferred revenue, noncurrent	578	1,266
Long-term loans, net of current portion	—	30,004
Operating lease liabilities, noncurrent	17,581	20,697
Other liabilities, noncurrent	2,147	2,021
Total noncurrent liabilities	20,306	53,988
TOTAL LIABILITIES	$ 147,341	$ 162,825
STOCKHOLDERS' EQUITY:		
Common stock	13	13
Treasury stock	(4,881)	(4,881)
Additional paid-in capital	463,155	439,644
Accumulated other comprehensive loss	(682)	(301)
Accumulated deficit	(425,428)	(391,129)
Total stockholders' equity	32,177	43,346
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 179,518	$ 206,171

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

	Three Months Ended	Nine Months Ended

	September 30,		September 30,	
	2023	2022	2023	2022
	(Unaudited)			
Revenue:				
Subscription	$ 40,847	$ 37,915	$ 121,962	$ 112,904
Professional services	2,695	3,136	8,732	11,841
Total revenue	43,542	41,051	130,694	124,745
Cost of revenue:				
Subscription	11,004	9,772	33,106	29,192
Professional services	4,839	4,904	14,001	16,219
Total cost of revenue	15,843	14,676	47,107	45,411
Gross profit	27,699	26,375	83,587	79,334
Operating expenses:				
Research and development	12,558	13,891	39,663	43,205
Sales and marketing	11,683	15,040	36,489	46,072
General and administrative	11,767	11,412	36,298	34,188
Restructuring	5	884	973	884
Other operating expenses	—	—	—	—
Total operating expenses	36,013	41,227	113,423	124,349
Operating loss	8,314	14,852	29,836	45,015
Financial expenses, net	(95)	3,002	(3,047)	2,945
Loss before provision for income taxes	8,219	17,854	26,789	47,960
Provision for income taxes	2,507	1,589	7,510	5,756
Net loss	10,726	19,443	34,299	53,716
Preferred stock accretion and cumulative undeclared dividends	—	—	—	—
Net loss attributable to common stockholders	$ 10,726	$ 19,443	$ 34,299	$ 53,716
Net loss per share attributable to common stockholders, basic and diluted	$ 0.08	$ 0.15	$ 0.25	$ 0.41
Weighted average number of shares used in computing basic net loss per share attributable to common stockholders	139,186,364	132,185,026	137,033,800	129,919,489

Stock-based compensation included in above line items:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Unaudited)			
Cost of revenue	$ 295	$ 297	$ 827	$ 1,068
Research and development	1,162	1,096	3,439	3,236
Sales and marketing	776	1,058	2,347	2,969
General and administrative	5,137	3,648	15,343	10,554

Total	$ 7,370	$ 6,099	$ 21,956	$ 17,827

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Unaudited)			
Enterprise, Education and Technology	$ 31,095	$ 30,056	$ 93,583	$ 90,186
Media and Telecom	12,447	10,995	37,111	34,559
Total	$ 43,542	$ 41,051	$ 130,694	$ 124,745

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Unaudited)			
Enterprise, Education and Technology	$ 22,762	$ 21,218	$ 68,625	$ 62,685
Media and Telecom	4,937	5,157	14,962	16,649
Total	$ 27,699	$ 26,375	$ 83,587	$ 79,334

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

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net loss	$ (34,299)	$ (53,716)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on sale of property and equipment	—	179
Depreciation and amortization	3,409	1,874
Stock-based compensation expenses	21,956	17,827
Amortization of deferred contract acquisition and fulfillment costs	8,774	7,883
Non-cash interest income, net	(705)	(51)
Gain on foreign exchange	(439)	—
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	6,921	(5,761)
Increase in prepaid expenses and other current assets and other assets, noncurrent	(193)	(697)
Increase in deferred contract acquisition and fulfillment costs	(4,853)	(8,715)
Increase (decrease) in trade payables	(5,575)	98
Increase (decrease) in accrued expenses and other current liabilities	91	(3,600)
Increase in employees and payroll accruals	(2,504)	(2,195)
Increase (decrease) in other liabilities, noncurrent	411	(33)
Increase (decrease) in deferred revenue	(1,285)	6,145
Operating lease right-of-use assets and lease liabilities, net	(1,613)	(220)
Net cash used in operating activities	(9,904)	(40,982)
Cash flows from investing activities:		
Investment in available-for-sale marketable securities	(33,609)	(47,447)
Proceeds from sales and maturities of available-for-sale marketable securities	38,976	5,670
Purchases of property and equipment	(1,792)	(1,004)
Capitalized internal-use software	(1,493)	(4,573)

Investment in restricted bank deposit	(1,001)	(1,850)
Net cash provided by (used in) investing activities	1,081	(49,204)
Cash flows from financing activities:		
Repayment of long-term loans	(4,500)	(2,250)
Principal payments on finance leases	—	(135)
Proceeds from exercise of stock options	1,224	2,445
Payment of debt issuance costs	—	(125)
Net cash used in financing activities	(3,276)	(65)
Net decrease in cash, cash equivalents and restricted cash	(11,660)	(90,251)
Cash, cash equivalents and restricted cash at the beginning of the period	45,833	144,371
Cash, cash equivalents and restricted cash at the end of the period	$ 34,173	$ 54,120

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of gross profit and gross margin				
GAAP gross profit	$ 27,699	$ 26,375	$ 83,587	$ 79,334
Stock-based compensation expense	295	297	827	1,068
Amortization of acquired intangibles	107	107	319	319
Non-GAAP gross profit	$ 28,101	$ 26,779	$ 84,733	$ 80,721
GAAP gross margin	64 %	64 %	64 %	64 %
Non-GAAP gross margin	65 %	65 %	65 %	65 %
Reconciliation of operating expenses				
GAAP research and development expenses	$ 12,558	$ 13,891	$ 39,663	$ 43,205
Stock-based compensation expense	1,162	1,096	3,439	3,236
Amortization of acquired intangibles	—	—	—	—
Non-GAAP research and development expenses	$ 11,396	$ 12,795	$ 36,224	$ 39,969
GAAP sales and marketing	$ 11,683	$ 15,040	$ 36,489	$ 46,072
Stock-based compensation expense	776	1,058	2,347	2,969
Amortization of acquired intangibles	13	34	115	205
Non-GAAP sales and marketing expenses	$ 10,894	$ 13,948	$ 34,027	$ 42,898
GAAP general and administrative expenses	$ 11,767	$ 11,412	$ 36,298	$ 34,188
Stock-based compensation expense	5,137	3,648	15,343	10,554
Amortization of acquired intangibles	—	—	—	—
Facility exit and transition costs[1]	$ —	$ 154	$ 154	$ 367
Non-GAAP general and administrative expenses	$ 6,630	$ 7,610	$ 20,801	$ 23,267
Reconciliation of operating income (loss) and operating margin				
GAAP operating loss	$ (8,314)	$ (14,852)	$ (29,836)	$ (45,015)
Stock-based compensation expense	7,370	6,099	21,956	17,827
Amortization of acquired intangibles	120	141	434	524
Restructuring	5	884	973	884
Facility exit and transition costs[1]	—	154	154	367
Non-GAAP operating loss	$ (819)	$ (7,574)	$ (6,319)	$ (25,413)
GAAP operating margin	(19)%	(36)%	(23)%	(36)%
Non-GAAP operating margin	(2)%	(18)%	(5)%	(20)%
Reconciliation of net loss				
GAAP net loss attributable to common stockholders	$ 10,726	$ 19,443	$ 34,299	$ 53,716
Stock-based compensation expense	7,370	6,099	21,956	17,827
Amortization of acquired intangibles	120	141	434	524
Restructuring	5	884	973	884
Facility exit and transition costs[1]	—	154	154	367

Non-GAAP net loss attributable to common stockholders	$ 3,231	$ 12,165	$ 10,782	$ 34,114
Non-GAAP net loss per share - basic and diluted	$ 0.02	$ 0.09	$ 0.08	$ 0.26
Shares used in non-GAAP per share calculations:				
GAAP weighted-average shares used to compute net income per share - basic and diluted	139,186,364	132,185,026	137,033,800	129,919,489
Weighted average number of ordinary shares outstanding used in computing basic and diluted net loss per share (non-GAAP)	139,186,364	132,185,026	137,033,800	129,919,489

1 Facility exit and transition costs for the three and nine months ended September 30, 2022 and the nine months ended September 30 2023, include losses from sale of fixed assets and other costs associated with moving to our temporary office in Israel.

Adjusted EBITDA (U.S. dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Net loss	$ (10,726)	$ (19,443)	$ (34,299)	$ (53,716)
Financial expenses (income), net (a)	(95)	3,002	(3,047)	2,945
Provision for income taxes	2,507	1,589	7,510	5,756
Depreciation and amortization	1,248	521	3,409	1,874
EBITDA	(7,066)	(14,331)	(26,427)	(43,141)
Non-cash stock-based compensation expense	7,370	6,099	21,956	17,827
Facility exit and transition costs (b)	—	154	154	367
Restructuring (c)	5	884	973	884
Adjusted EBITDA	$ 309	$ (7,194)	$ (3,344)	$ (24,063)

(a) The three months ended September 30, 2023 and 2022, and the nine months ended September 30, 2023, and 2022, include $789, $594, $2,400 and $1,581 respectively, of interest expenses.
(b) Facility exit and transition costs for the three months ended September 30, 2022, and the nine months ended September 30, 2023 and 2022, include losses from sale of fixed assets and other costs associated with moving to our temporary office in Israel.
(c) The three months ended September 30, 2023 and 2022, and the nine months ended September 30, 2023 and 2022 include one-time employee termination benefits incurred in connection with the 2023 Reorganization Plan and the 2022 Restructuring Plan.

Reported KPIs

	September 30,	
	2023	**2022**
	(U.S. dollars, amounts in thousands)	
Annualized Recurring Revenue	$ 163,069	$ 152,926
Remaining Performance Obligations	$ 163,995	$ 169,183

	Three Months Ended September 30,	
	2023	**2022**
Net Dollar Retention Rate	101 %	96 %