

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: 001-40644

Kaltura, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-8128326
(I.R.S. Employer
Identification No.)

860 Broadway
3rd Floor
New York, New York
(Address of principal executive offices)

10003
(Zip Code)

Registrant's telephone number, including area code: (646) 290-5445

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	KLTR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock, par value \$0.0001, outstanding as of May 1, 2025 was 153,619,177.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions or terminology. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements regarding our future results of operations and financial position, industry and business trends, projections of demand, growth prospects, product development, competitive pressure, cost savings, stock-based compensation, revenue recognition, business strategy, plans, market growth, the economic climate and its impact on us, and other financial and market matters.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current assumptions, expectations and projections about future events and financial trends that we believe may affect our business, financial condition, and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to the following:

- We may not be able to successfully assess or mitigate the current volatile economic climate and its direct and indirect impact on our business and operations, or to correctly predict the duration and depth of the current instability of the global economy and take the right or sufficient measures to address it;
- Political, economic, and military conditions in Israel could materially and adversely affect our business;
- Our dependency on existing customer demand and exposure to changes in demand by our customers, loss of one or more of our significant customers, or any other reduction in the amount of revenue we derive from any such customer makes it difficult to evaluate our current business and future prospects and may adversely affect our business, financial condition, results of operations and growth prospects;
- We have a history of losses and may not be able to achieve or maintain profitability;
- Our future success depends on the growth and expansion of the markets for our offerings, which are constantly evolving and may develop more slowly or differently than we expect, and on our ability to adapt and respond effectively to evolving market conditions;
- If we are not able to keep pace with technological and competitive developments and develop or otherwise introduce new products and solutions and enhancements to our existing offerings, our offerings may become less marketable, less competitive or obsolete, and our business, financial condition and results of operations may be adversely affected;
- We may face risks associated with our use of certain artificial intelligence ("AI") and machine learning models, including generative artificial intelligence ("generative AI" or "GenAI") and compliance with the evolving regulatory framework around AI development and use;
- If we do not maintain the interoperability of our offerings across devices, operating systems and third-party applications that we do not control, and if we are not able to maintain and expand our relationships with third-party technology partners to integrate our offerings with their products and solutions (and vice-versa), our business, financial condition and results of operations may be adversely affected;
- Part of our Application Programming Interfaces ("APIs") and other components in our offerings are licensed to the public under an open-source license, which could negatively affect our ability to monetize our offerings and protect our intellectual property rights;

- The markets in which we compete are nascent and highly fragmented, and we may not be able to compete successfully against current and future competitors, which could harm our business, financial condition and results of operations could be harmed;
- If we are unable to increase sales of our subscriptions to new customers, expand the offerings to which our existing customers subscribe or the value of their subscriptions, or have them renew their subscriptions in terms that are economically beneficial to us, our future revenue and results of operations would be adversely affected;
- Political, economic, and military conditions in Ukraine, Russia and other countries following the Russian invasion to Ukraine, geopolitical instability and hostilities in the Middle East and Gulf region and their possible impact on global trade and financial markets, or such and other conditions in other regions in which we operate, or changes in the business environment in those regions, could materially and adversely affect our business;
- We recognize a significant portion of revenue from subscriptions over the term of the relevant subscription period, and as a result, downturns or upturns in sales are not immediately reflected in full in our results of operations;
- Increased breaches of network or information technology security along with an increase in cyber-attack activities, increases the risk that we shall be subject to cybersecurity threats that could have an adverse effect on our business;
- Data privacy, data protection and digital resilience laws are rapidly evolving and present increasing compliance challenges. Additionally, if we or our third-party service providers experience a security breach, data loss or other compromise, including if unauthorized parties obtain access to our customers' data, our reputation may be harmed, demand for our platform, products and solutions may be reduced, and we may incur significant liabilities;
- If we fail to meet contractual commitments under our customer agreements, we could be obligated to provide credits for future service, face contract termination with refunds of prepaid amounts, be charged penalties, or could experience a decrease in customer renewals in future periods, any of which would lower our revenue and adversely affect our business, financial condition and results of operations;
- We rely on third parties, including third parties outside the United States, for some of our software development, quality assurance, operations, and customer support;
- We depend on our management team and other key employees, and the loss of one or more of these employees or an inability to attract and retain highly skilled employees could adversely affect our business;
- Failure to effectively develop and expand our marketing and sales capabilities or to maintain or expand our international business could harm our ability to increase our customer base and achieve broader market acceptance of our offerings;
- We expect our revenue mix to vary over time, which could negatively impact our gross margin and results of operations;
- Our international operations and expansion expose us to risk;
- A portion of our revenue is generated by sales to government entities, which subjects us to specific challenges and risks;
- If we are unable to consummate acquisitions at acceptable rate or prices or achieve our expected goals, and to enter into other strategic transactions and relationships that support our long-term strategy, our growth rate and the trading price of our common stock could be negatively affected;

- A real or perceived bug, defect, security vulnerability, error, or other performance failure involving our platform, products or solutions could cause us to lose revenue, damage our reputation, and expose us to liability;
- Failure to protect our proprietary technology, or to obtain, maintain, protect and enforce sufficiently broad intellectual property rights therein, could substantially harm our business, financial condition and results of operations;
- Our failure to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings could reduce our ability to compete and could adversely affect our business;
- Significant changes or developments in U.S. laws or policies, including possible changes in U.S. trade policies and tariffs and the reaction of other countries to these policies, may have a material adverse effect on our business, results of operations, and financial condition; and
- The other important factors discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (the “SEC”) on February 20, 2025.

The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

As used in this Quarterly Report on Form 10-Q, unless otherwise stated or the context requires otherwise, references to “Kaltura,” the “Company,” “we,” “us,” and “our,” refer to Kaltura, Inc. and its subsidiaries on a consolidated basis.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

KALTURA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share and per share data)
(unaudited)

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 31,695	\$ 33,059
Marketable securities	31,223	48,275
Trade receivables	18,209	19,978
Prepaid expenses and other current assets	9,943	9,481
Deferred contract acquisition and fulfillment costs, current	10,326	10,765
Total current assets	101,396	121,558
LONG-TERM ASSETS:		
Marketable securities	18,004	3,379
Property and equipment, net	15,242	16,190
Other assets, noncurrent	3,120	2,983
Deferred contract acquisition and fulfillment costs, noncurrent	12,195	13,605
Operating lease right-of-use assets	11,670	12,308
Intangible assets, net	101	212
Goodwill	11,070	11,070
Total noncurrent assets	71,402	59,747
TOTAL ASSETS	\$ 172,798	\$ 181,305
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term loans	3,764	3,110
Trade payables	8,311	3,265
Employees and payroll accruals	15,033	15,399
Accrued expenses and other current liabilities	12,298	14,262
Operating lease liabilities	2,536	2,504
Deferred revenue, current	53,879	63,123
Total current liabilities	95,821	101,663
LONG-TERM LIABILITIES:		
Deferred revenue, noncurrent	57	67
Long-term loans, net of current portion	27,886	29,153
Operating lease liabilities, noncurrent	14,365	15,263
Other liabilities, noncurrent	12,010	10,772
Total long-term liabilities	54,318	55,255
TOTAL LIABILITIES	\$ 150,139	\$ 156,918

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

KALTURA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share and per share data)
(unaudited)

	March 31, 2025	December 31, 2024
COMMITMENTS AND CONTINGENCIES (Note 8)		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.0001 par value per share, 20,000,000 shares authorized as of March 31, 2025 and December 31, 2024; 0 shares issued and outstanding as of March 31, 2025, and December 31, 2024	—	—
Common stock \$0.0001 par value per share, 1,000,000,000 shares authorized as of March 31, 2025 and December 31, 2024; 165,345,899 and 161,980,907 shares issued as of March 31, 2025 and December 31, 2024, respectively; 154,247,031 and 152,057,148 outstanding as of March 31, 2025 and December 31, 2024, respectively	16	15
Treasury stock – 11,098,868 and 9,923,759 shares of common stock, \$0.0001 par value per share, as of March 31, 2025 and December 31, 2024	(10,119)	(7,801)
Additional paid-in capital	502,644	500,024
Accumulated other comprehensive income	47	959
Accumulated deficit	(469,929)	(468,810)
Total stockholders' equity	22,659	24,387
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 172,798	\$ 181,305

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

KALTURA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except share and per share data)

(unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue:		
Subscription	\$ 44,906	\$ 41,170
Professional services	2,078	3,611
Total revenue	46,984	44,781
Cost of revenue:		
Subscription	10,487	11,401
Professional services	3,761	4,772
Total cost of revenue	14,248	16,173
Gross profit	32,736	28,608
Operating expenses:		
Research and development	12,088	12,005
Sales and marketing	11,923	11,812
General and administrative	10,302	12,082
Total operating expenses	34,313	35,899
Operating loss	1,577	7,291
Financial expenses (income), net	(1,803)	1,497
Income (Loss) before provision for income taxes	226	(8,788)
Provision for income taxes	1,345	2,308
Net loss	1,119	11,096
Net loss per share attributable to common stockholders, basic and diluted	\$ 0.01	\$ 0.08
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	154,009,623	144,253,660

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

KALTURA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(U.S. dollars in thousands, except for share data)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Net loss	\$ 1,119	\$ 11,096
Other comprehensive income (loss), net of tax:		
Net unrealized losses on cash flow hedges	(924)	(673)
Net unrealized gains (losses) on available-for-sale marketable securities	12	(72)
Other comprehensive losses	(912)	(745)
Comprehensive loss	<u>\$ 2,031</u>	<u>\$ 11,841</u>

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

KALTURA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
U.S. dollars in thousands (except share data)
(unaudited)

	Common stock		Treasury stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity
	Number	Amount	Number	Amount				
Balance as of January 1, 2025	152,057,148	\$ 15	9,923,759	\$ (7,801)	\$ 500,024	\$ 959	\$ (468,810)	\$ 24,387
Stock-based compensation	—	—	—	—	4,443	—	—	4,443
Cash settlement of equity classified share based payment awards	—	—	—	—	(3,089)	—	—	(3,089)
Repurchase of common stock	(1,175,109)	—	1,175,109	(2,318)	—	—	—	(2,318)
Issuance of common stock upon exercise of stock options, and vesting of restricted stock units	3,364,992	1	—	—	1,266	—	—	1,267
Other comprehensive loss, net of tax	—	—	—	—	—	(912)	—	(912)
Net loss	—	—	—	—	—	—	(1,119)	(1,119)
Balance as of March 31, 2025	<u>154,247,031</u>	<u>\$ 16</u>	<u>11,098,868</u>	<u>\$ (10,119)</u>	<u>\$ 502,644</u>	<u>\$ 47</u>	<u>\$ (469,929)</u>	<u>\$ 22,659</u>

	Common stock		Treasury stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Number	Amount	Number	Amount				
Balance as of January 1, 2024	142,588,917	\$ 14	7,685,190	\$ (4,881)	\$ 471,635	1,047	\$ (437,495)	\$ 30,320
Stock-based compensation	—	—	—	—	6,583	—	—	6,583
Issuance of common stock upon exercise of stock options, and vesting of restricted stock units	3,757,389	—	—	—	74	—	—	74
Other comprehensive loss, net of tax	—	—	—	—	—	(745)	—	(745)
Net loss	—	—	—	—	—	—	(11,096)	(11,096)
Balance as of March 31, 2024	<u>146,346,306</u>	<u>\$ 14</u>	<u>7,685,190</u>	<u>\$ (4,881)</u>	<u>\$ 478,292</u>	<u>\$ 302</u>	<u>\$ (448,591)</u>	<u>\$ 25,136</u>

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

KALTURA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars in thousands
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (1,119)	\$ (11,096)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,185	1,305
Stock-based compensation expenses	4,533	6,529
Amortization of deferred contract acquisition and fulfillment costs	2,864	2,888
Non-cash interest income, net	(60)	(286)
Gain on foreign exchange	(61)	(325)
Changes in operating assets and liabilities:		
Decrease in trade receivables	1,769	5,475
Increase in prepaid expenses and other current assets and other assets, noncurrent	(1,293)	(560)
Increase in deferred contract acquisition and fulfillment costs	(1,104)	(1,067)
Increase in trade payables	5,216	4,447
Increase (decrease) in accrued expenses and other current liabilities	(1,973)	1,654
Decrease in employees and payroll accruals	(2,566)	(1,099)
Increase (decrease) in other liabilities, noncurrent	1,044	(36)
Decrease in deferred revenue	(9,254)	(8,617)
Operating lease right-of-use assets and lease liabilities, net	(228)	(358)
Net cash used in operating activities	<u>(1,047)</u>	<u>(1,146)</u>
Cash flows from investing activities:		
Investment in available-for-sale marketable securities	(26,390)	(15,424)
Proceeds from maturities of available-for-sale marketable securities	28,933	12,000
Purchases of property and equipment	(297)	(93)
Net cash provided by (used in) investing activities	<u>2,246</u>	<u>(3,517)</u>
Cash flows from financing activities:		
Repayment of long-term loans	(875)	(875)
Proceeds from exercise of stock options	1,470	104
Cash settlement of equity classified share-based payment awards	(889)	—
Repurchase of common stock	(2,318)	—
Payments on account of repurchase of common stock	(12)	—
Payment of debt issuance costs	—	(10)
Net cash used in financing activities	<u>(2,624)</u>	<u>(781)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	61	325
Net decrease in cash, cash equivalents and restricted cash	(1,364)	(5,119)
Cash, cash equivalents and restricted cash at the beginning of the period	33,159	36,784
Cash, cash equivalents and restricted cash at the end of the period	<u>\$ 31,795</u>	<u>\$ 31,665</u>

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

KALTURA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars in thousands
(unaudited)

	Three Months Ended March 31,	
	2025	2024
<u>Supplemental disclosure of non-cash activity:</u>		
Purchase of property and equipment in credit	\$ 42	\$ 36
Capitalized stock-based compensation cost	\$ —	\$ 104
Pending proceeds from option exercises	\$ 13	\$ 47
Cash settlement of equity classified share-based payment awards, unpaid	\$ 2,200	\$ —
<u>Supplemental disclosure of cash flow information:</u>		
Cash paid for income taxes, net	\$ 570	\$ 408
Cash paid for interest	\$ 565	\$ 694
<u>Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheet:</u>		
Cash and cash equivalents	\$ 31,695	\$ 31,565
Restricted cash included in other assets, noncurrent	100	100
Total cash, cash equivalents, and restricted cash	\$ 31,795	\$ 31,665

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

KALTURA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands (except share and per share data)
(unaudited)

NOTE 1: GENERAL***Description of Business***

Kaltura, Inc. (together with its subsidiaries, the “Company”) was incorporated in October 2006 and commenced operations in January 2007. The Company’s business operations are allocated between two main segments, Enterprise, Education, and Technology (“EE&T”) and Media and Telecom (“M&T”). The Company has developed a platform for video creation, management, and collaboration. The Company’s platform enables companies, educational institutions, and other organizations to cost-effectively launch advanced online video experiences, including for Over-the-top (“OTT”) Television, Cloud TV, web video publishing, video-based teaching, learning, and training, video-based marketing, and video-based collaboration. The Company’s core offerings consist of various Software-as-a-Service (“SaaS”) products and solutions and a Platform-as-a-Service (“PaaS”).

NOTE 2: BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Basis of Presentation and Consolidation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), and applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) regarding interim financial reporting.

The consolidated balance sheet as of December 31, 2024 was derived from the audited consolidated financial statements as of that date, but does not include all of the disclosures, including certain notes required by U.S. GAAP on an annual reporting basis. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2024, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 20, 2025 (“2024 10-K”).

In management’s opinion, the unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements with normal recurring adjustments necessary for the fair presentation of the Company’s financial position as of March 31, 2025, and the Company’s consolidated results of operations, stockholders’ equity, and cash flows for the three months ended March 31, 2025 and 2024. The results for the three months ended March 31, 2025, are not necessarily indicative of the results to be expected for the full year ending December 31, 2025, or any other future interim or annual period.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company evaluates on an ongoing basis its assumptions, including those related to contingencies, income tax uncertainties, incremental borrowing rate for operating leases, fair value of financial assets and liabilities, including fair value of derivatives, fair value and useful life of intangible assets, as well as in estimates used in applying the revenue recognition policy. The Company bases these estimates on historical and anticipated results, trends and various other assumptions that it believes are reasonable under the circumstances, including assumptions as to future events. Actual results could differ from those estimates.

Concentration of Credit Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, marketable securities, restricted cash and trade receivables.

KALTURA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands (except share and per share data)
(unaudited)

The majority of the Company's and its subsidiaries' cash and cash equivalents and restricted cash are invested with major banks in Israel, the United Kingdom and the United States. Such investments in the United States may be in excess of insured limits and are not insured in other jurisdictions. However, in general, these investments may be redeemed upon demand and therefore bear minimal risk.

The Company's trade receivables are geographically dispersed and derived from sales to customers mainly in the United States, Europe and Asia. Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures.

Major customer data as a percentage of total revenues:

The following table sets forth customers that represented 10% or more of the Company's total revenue in each of the periods set forth below:

	Three Months Ended March 31,	
	2025	2024
Customer A (Media & Telecom)	10.44 %	10.62 %

Significant Accounting Policies and Estimates

The Company's significant accounting policies are discussed in Note 2 of the Company's 2024 10-K. There have been no significant changes to these policies during the three months ended March 31, 2025 except as noted below.

Recently Adopted Pronouncements

As an "emerging growth company," the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflect this election.

Recent Accounting Guidance Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes - Improvements to Income Tax Disclosures" requiring enhancements and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024 on a prospective basis and retrospective application is permitted. The Company is currently evaluating the impact of the adoption of this standard.

In November 2024, FASB issued Accounting Standards Update (ASU) 2024-03, "Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures", which requires disclosure, on an annual and interim basis, of disaggregated information about certain income statement expense line items. The ASU does not change the expense captions presented on the face of the income statement; rather, it mandates the disaggregation of certain expense captions into specified categories within the footnotes to the financial statements. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of adopting this standard.

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NOTE 3: REVENUES FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

The following tables present disaggregated revenue by category:

	Three Months Ended March 31, 2025			
	Enterprise, Education and Technology		Media and Telecom	
	Amount	Percentage of revenue	Amount	Percentage of revenue
Subscription	\$ 33,607	97.6 %	\$ 11,299	89.9 %
Professional services	809	2.4 %	1,269	10.1 %
	<u>\$ 34,416</u>	<u>100 %</u>	<u>\$ 12,568</u>	<u>100 %</u>

	Three Months Ended March 31, 2024			
	Enterprise, Education and Technology		Media and Telecom	
	Amount	Percentage of revenue	Amount	Percentage of revenue
Subscription	\$ 30,655	94.5 %	\$ 10,515	85.2 %
Professional services	1,785	5.5 %	1,826	14.8 %
	<u>\$ 32,440</u>	<u>100 %</u>	<u>\$ 12,341</u>	<u>100 %</u>

The following table summarizes revenue by region based on the billing address of customers:

	Three Months Ended March 31,			
	2025		2024	
	Amount	Percentage of revenue	Amount	Percentage of revenue
United States ("US")	\$ 24,190	51.5 %	\$ 23,306	52.0 %
Europe, the Middle East and Africa ("EMEA")	18,768	39.9 %	17,520	39.1 %
Other	4,026	8.6 %	3,955	8.9 %
	<u>\$ 46,984</u>	<u>100 %</u>	<u>\$ 44,781</u>	<u>100 %</u>

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Remaining Performance Obligations

Remaining performance obligations represent the amount of contracted future revenue that has not yet been recognized, including both deferred revenue and contracted amounts that will be invoiced and recognized as revenue in future periods. As of March 31, 2025, the aggregate amount of the transaction price allocated to remaining performance obligations was \$184,860, which consists of both billed consideration in the amount of \$53,936 and unbilled consideration in the amount of \$130,924 that the Company expects to recognize as revenue but that was not yet recognized on the balance sheet. The Company expects to recognize 59% of its remaining performance obligations as revenue over the next 12 months and the remainder over the next four years.

Costs to Obtain a Contract

The following table represents a roll forward of costs to obtain a contract:

	Three Months Ended March 31,	
	2025	2024
Beginning balance	\$ 22,202	\$ 24,210
Additions to deferred contract acquisition costs during the period	1,104	1,170
Amortization of deferred contract acquisition costs	(2,703)	(2,520)
Ending balance	<u>20,603</u>	<u>22,860</u>
Deferred contract acquisition costs, current	9,347	9,021
Deferred contract acquisition costs, noncurrent	11,256	13,839
Total deferred costs to obtain a contract	<u>\$ 20,603</u>	<u>\$ 22,860</u>

Costs to Fulfill a Contract

The following table represents a roll forward of costs to fulfill a contract:

	Three Months Ended March 31,	
	2025	2024
Beginning balance	\$ 2,167	\$ 3,740
Additions to deferred costs to fulfill a contract during the period	—	—
Amortization of deferred costs to fulfill a contract	(249)	(417)
Ending balance	<u>1,918</u>	<u>3,323</u>
Deferred fulfillment costs, current	979	1,405
Deferred fulfillment costs, noncurrent	939	1,918
Total deferred costs to fulfill a contract	<u>\$ 1,918</u>	<u>\$ 3,323</u>

NOTE 4: MARKETABLE SECURITIES

The following is a summary of available-for-sale marketable securities as of March 31, 2025 and December 31, 2024, respectively:

March 31, 2025

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale – matures within one year:				
Corporate bonds	\$ 14,657	\$ 8	\$ (5)	\$ 14,660
U.S. Treasury	10,921	10	(1)	10,930
Commercial paper	3,743	—	(1)	3,742
Agency bonds	1,891	1	(1)	1,891
	<u>31,212</u>	<u>19</u>	<u>(8)</u>	<u>31,223</u>
Available-for-sale – matures after one year:				
Corporate bonds	12,975	13	—	12,988
U.S. Treasury	3,002	11	—	3,013
Agency bonds	2,003	—	—	2,003
	<u>17,980</u>	<u>24</u>	<u>—</u>	<u>18,004</u>
Total	<u>\$ 49,192</u>	<u>\$ 43</u>	<u>\$ (8)</u>	<u>\$ 49,227</u>

December 31, 2024

	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale – matures within one year:				
Corporate bonds	\$ 27,301	\$ 16	\$ (9)	\$ 27,308
U.S. Treasury	16,938	20	(1)	16,957
Commercial paper	1,945	—	(4)	1,941
Agency bonds	2,070	1	(2)	2,069
	<u>48,254</u>	<u>37</u>	<u>(16)</u>	<u>48,275</u>
Available-for-sale – matures after one year:				
Corporate bonds	2,423	—	—	2,423
U.S. Treasury	954	2	—	956
	<u>3,377</u>	<u>2</u>	<u>—</u>	<u>3,379</u>
Total	<u>\$ 51,631</u>	<u>\$ 39</u>	<u>\$ (16)</u>	<u>\$ 51,654</u>

As of March 31, 2025 and December 31, 2024, the Company did not record an allowance for credit losses for its available-for-sale marketable debt securities and all of the gross unrealized losses of the Company's marketable securities have been in a continuous loss position for less than 12 months. There were no gains or losses from available-for-sale marketable securities that were reclassified out of accumulated other comprehensive loss during the periods presented.

NOTE 5: FAIR VALUE MEASUREMENTS

In accordance with ASC 820, the Company measures its cash equivalents and marketable securities at fair value using the market approach valuation technique. Cash equivalents and marketable securities are classified within Level 1 or Level 2 because these assets are valued using quoted market prices or alternative pricing sources and models utilizing market observable inputs. Foreign currency derivative contracts are classified within the Level 2 value hierarchy, as the valuation inputs are based on quoted prices and market observable data of similar instruments. The following table sets forth the Company's assets and liabilities that were measured at fair value as of March 31, 2025 and December 31, 2024 by level within the fair value hierarchy:

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Description	Fair Value Hierarchy	Fair Value Measurements As Of	
		March 31, 2025	December 31, 2024
Measured at fair value on a recurring basis:			
Assets:			
Cash equivalents:			
Money market funds	Level 1	\$ 15,712	\$ 12,212
Short-term marketable securities:			
Corporate bonds	Level 2	\$ 14,660	\$ 27,309
U.S. Treasury	Level 2	\$ 10,930	\$ 16,956
Commercial paper	Level 2	\$ 3,742	\$ 1,941
Agency bonds	Level 2	\$ 1,891	\$ 2,069
Long-term marketable securities:			
Corporate bonds	Level 2	\$ 12,988	\$ 2,423
U.S. Treasury	Level 2	\$ 3,013	\$ 956
Agency bonds	Level 2	\$ 2,003	\$ —
Prepaid expenses and other current assets:			
Restricted bank deposits	Level 2	\$ 3,507	\$ 3,507
Options and forward contracts designated as hedging instruments	Level 2	\$ 265	\$ 960
Other assets, noncurrent:			
Restricted bank deposit		\$ 1,000	\$ 1,020
Liabilities:			
Derivative instruments liability included in accrued expenses and other current liabilities:			
Options and forward contracts designated as hedging instruments	Level 2	\$ 253	\$ 24

NOTE 6: DERIVATIVES AND HEDGING

The Company enters into forward, put and call option contracts to hedge certain forecasted payroll costs denominated in new Israeli shekel ("NIS") against exchange rate fluctuations of the U.S. dollar for a period of up to twelve months. The Company recorded the cash flows associated with these derivatives under operating activities. The Company does not use derivative instruments for trading or speculative purposes.

Notional Amount of Foreign Currency Contracts

The Company had outstanding contracts designated as hedging instruments in the aggregate notional amount of \$32,021 and \$35,718 as of March 31, 2025, and December 31, 2024, respectively.

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The fair value of the Company's outstanding contracts amounted to an asset of \$265 and \$960, and a liability of \$253 and \$24 as of March 31, 2025 and December 31, 2024, respectively. These assets and liabilities were recorded under prepaid expenses and other current assets and accrued expenses and other current liabilities, respectively. Gains of \$326 and \$666 were reclassified from accumulated other comprehensive income during the three months ended March 31, 2025 and 2024, respectively. Such gains were reclassified from accumulated other comprehensive income when the related expenses were incurred.

Effect of Foreign Currency Contracts on the Condensed Consolidated Statements of Operations

The effect of foreign currency contracts on the condensed consolidated statements of operations during the three months ended March 31, 2025 and 2024 were as follows:

Condensed Statement of Operations Location:	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cost of revenue	\$ (38)	\$ (101)
Research and development	(172)	(343)
Sales and marketing	(47)	(87)
General and administrative	(69)	(135)
Total	\$ (326)	\$ (666)

NOTE 7: LEASES

The Company leases its office facilities under agreements that expire at various dates through November 2032.

Components of operating lease expense were as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Operating lease cost	\$ 903	\$ 684
Short-term lease cost	—	—
Variable lease cost	59	34
Total	\$ 962	\$ 718

Supplementary cash flow information related to operating leases was as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash paid for operating leases	\$ 208	\$ 387

As of March 31, 2025, the weighted-average discount rate is 4.7% and the weighted-average remaining term is 7.0 years. Maturities of the Company's operating lease liabilities as of March 31, 2025 were as follows:

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Year Ending December 31,

2025 (Remainder)	2,326
2026	3,126
2027	2,693
2028	2,313
2029	2,313
2030	2,313
2031 and thereafter	4,240
Total operating lease payments	19,324
Less: imputed interest	2,423
Total operating lease liabilities	<u>\$ 16,901</u>

NOTE 8: COMMITMENTS AND CONTINGENCIES

Purchase Commitments

The Company has entered into various non-cancelable agreements with third-party providers for use of mainly cloud and other services, under which it committed to minimum and fixed purchases through the year ending December 31, 2026.

The following table presents details of the aggregate future non-cancelable purchase commitments under such agreements as of March 31, 2025:

Year Ending March 31,

2025 (Remainder)	22,954
2026	28,576
Total purchase commitment	<u>\$ 51,530</u>

Litigation

The Company is occasionally a party to claims or litigation in the normal course of the business. The Company does not believe that it is a party to any pending legal proceeding that is likely to have a material adverse effect on its business, financial condition, or results of operations.

NOTE 9: CONDENSED CONSOLIDATED BALANCE SHEET COMPONENTS

Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following:

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	March 31, 2025	December 31, 2024
Prepaid expenses	\$ 5,402	\$ 4,085
Derivative instrument	265	960
Restricted bank deposits	3,507	3,507
Other current assets	769	929
	<u>\$ 9,943</u>	<u>\$ 9,481</u>

Property and Equipment, net

Composition of property and equipment is as follows:

	March 31, 2025	December 31, 2024
<u>Cost:</u>		
Computers and peripheral equipment	\$ 1,884	\$ 1,780
Office furniture and equipment	2,233	2,211
Leasehold improvements	7,127	7,127
Internal use software	13,755	13,755
	<u>24,999</u>	<u>24,873</u>
Accumulated depreciation	<u>(9,757)</u>	<u>(8,683)</u>
Depreciated cost	<u>\$ 15,242</u>	<u>\$ 16,190</u>

Depreciation expenses for the three months ended March 31, 2025 and 2024 were \$1,074 and \$1,188, respectively.

Other assets, noncurrent

	March 31, 2025	December 31, 2024
Restricted cash	\$ 100	\$ 100
Severance pay fund	1,770	1,577
Restricted deposit	1,000	1,020
Other	250	286
	<u>\$ 3,120</u>	<u>\$ 2,983</u>

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Accrued expenses and other current liabilities

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Accrued expenses	\$ 6,482	\$ 6,366
Accrued taxes	4,674	5,638
Derivative instruments	253	24
Other current liabilities	889	2,234
	<u>\$ 12,298</u>	<u>\$ 14,262</u>

Other liabilities, noncurrent

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Accrued taxes, noncurrent	\$ 9,657	\$ 8,599
Deferred tax liability	473	463
Other	1,880	1,710
	<u>\$ 12,010</u>	<u>\$ 10,772</u>

NOTE 10: GOODWILL AND INTANGIBLE ASSETS

There was no goodwill activity during the periods presented.

The carrying amounts and accumulated amortization expenses of the intangible assets, as of March 31, 2025 and December 31, 2024, were as follows:

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	<u>March 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Weighted average remaining useful life (in years)</u>	<u>Balance</u>		<u>Balance</u>
Gross carrying amount:				
Technology	0.00	\$ 4,700	\$	4,700
Customer relationship	2.00	1,822		2,419
		<u>6,522</u>		<u>7,119</u>
Accumulated amortization and impairments:				
Technology		(4,700)		(4,603)
Customer relationship		(1,721)		(2,304)
		<u>(6,421)</u>		<u>(6,907)</u>
Intangible assets, net		<u>\$ 101</u>	<u>\$</u>	<u>212</u>

During the three months ended March 31, 2025, and 2024, the Company recorded amortization expenses in the amount of \$111 and \$117, respectively, included in cost of revenue and sales and marketing expenses in the statements of operations.

The estimated future amortization expense of intangible assets as of March 31, 2025, is as follows:

	<u>March 31,</u>
2025 (Remainder)	39
2026	50
2027	12
	<u>\$ 101</u>

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NOTE 11: INCOME TAXES

The Company recognized an income tax expense of \$1,345 and \$2,308 for the three months ended March 31, 2025, and 2024, respectively. The tax expense for these periods was primarily attributable to pre-tax foreign earnings in our foreign jurisdictions.

The Company's effective tax rates of 595% and (26)% for the three months ended March 31, 2025 and 2024, respectively, differ from the U.S. statutory tax rate primarily due to U.S. losses for which there is no benefit and the tax rate differences between the U.S. and the foreign countries in which we operate.

The Company has a full valuation allowance on its net deferred tax assets. The residual deferred tax liability is from indefinite life goodwill intangibles and included under other liabilities, noncurrent in the balance sheet. Management currently believes that it is more likely than not that the deferred tax regarding the tax loss carry forwards and other temporary differences will not be realized in the foreseeable future in the U.S.

NOTE 12: NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS:

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders for the periods presented:

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net loss	\$ 1,119	\$ 11,096
Denominator:		
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	154,009,623	144,253,660
Net loss per share attributable to common stockholders, basic and diluted	\$ 0.01	\$ 0.08

Instruments potentially exercisable for common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive are as follows:

	Three Months Ended March 31,	
	2025	2024
Outstanding stock options and RSUs	31,278,158	39,704,374
Total	31,278,158	39,387,789

NOTE 13: REPORTABLE SEGMENTS AND GEOGRAPHICAL INFORMATION***Reportable segments***

ASC 280, Segment Reporting, establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company's CODM does not regularly review asset information by segments and, therefore, the Company does not report asset information by segment.

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The Company organizes its operations in two segments: Enterprise, Education and Technology and Media and Telecom. The Enterprise, Education and Technology segment represents products related to industry solutions predominantly for education customers, and media services (except for Media and Telecom customers). The Media and Telecom segment primarily represents TV solutions that are sold to media and telecom operators and mass broadcasting and entertainment.

The measurement of the reportable operating segments is based on the same accounting principles applied in these financial statements, which includes certain corporate overhead allocations.

	Three Months Ended March 31, 2025		
	Enterprise, Education and Technology	Media and Telecom	Total
Revenue	\$ 34,416	\$ 12,568	\$ 46,984
Cost of revenue			
Production costs	\$ 4,176	\$ 3,507	\$ 7,683
Compensation	2,654	1,347	4,001
Depreciation and amortization	226	536	762
Other segment items	792	1,010	1,802
Total cost of revenue	7,848	6,400	14,248
Gross profit	26,568	6,168	32,736
Operating expenses			34,313
Financial income, net			(1,803)
Provision for income taxes			1,345
Net loss			\$ 1,119

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	Three Months Ended March 31, 2024		
	Enterprise, Education and Technology	Media and Telecom	Total
Revenue	\$ 32,440	\$ 12,341	\$ 44,781
Cost of revenue			
Production costs	\$ 4,815	\$ 3,553	\$ 8,368
Compensation	2,940	1,938	4,878
Depreciation and amortization	237	597	834
Other segment items	892	1,201	2,093
Total cost of revenue	8,884	7,289	16,173
Gross profit	23,556	5,052	28,608
Operating expenses			35,899
Financial expenses, net			1,497
Provision for income taxes			2,308
Net loss			\$ 11,096

Other segment items include costs related to subcontractors and consultants, allocated rent, IT expenses and other general costs.

Geographical information

See Note 3 for disaggregated revenue by geographic region.

NOTE 14: LONG-TERM LOAN

In January 2021, the Company refinanced all amounts outstanding under the then-existing loan agreements, terminated all outstanding commitments, and entered into a new credit agreement (the "Credit Agreement") with an existing lender, which provides for a new senior secured term loan facility in the aggregate principal amount of \$40,000 (the "Term Loan Facility") and a new senior secured revolving credit facility in the aggregate principal amount of \$10,000 (the "Revolving Credit Facility" and, together with the Term Loan Facility, the "Credit Facilities"), which subsequently has been amended according to the Company's needs and other developments.

In May 2023, the Company entered into an amendment (the "Fourth Amendment") to the then-existing Credit Agreement to replace the London Interbank Offered Rate ("LIBOR") with the Secured Overnight Financing Rate ("SOFR") as the benchmark rate under the Credit Agreement. Prior to the Fourth Amendment, borrowings

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under the Credit Agreement would bear interest, at the Company's election, at (a) the Eurodollar Rate (as defined in the Credit Agreement as in effect prior to the Fourth Amendment) plus a margin of 3.50% or (b) Alternative Base Rate ("ABR") (as defined in the Credit Agreement) plus a margin of 2.50%.

In December 2023, the Company entered into a new amendment to the then-existing Credit Agreement (the "Fifth Amendment"), which provides for a new term loan facility in the aggregate principal amount of \$35,000, while the commitments under the Revolving Credit Facility decreased to \$25,000.

In July 2024, the Company entered into an amendment to the then-existing Credit Agreement in connection with the Company's repurchase programs, which updated the aggregate amount of permitted Restricted Payments (as defined in the Credit Agreement; which term includes, among others, repurchase of the Company's outstanding common stock) and conditions for making such payments (see Note 15 for further information).

In March 2025, the Company entered into another amendment to the Credit Agreement, also in connection with the Company's repurchase programs, which provided for, among other things, an increase to the aggregate amount of permitted Restricted Payments and updates to the conditions for making such payments.

Following the effectiveness of the Fifth Amendment, borrowings under the Credit Facilities are subject to interest, determined as follows: (a) SOFR loans accrue interest at a rate per annum equal to Term SOFR (as defined in the Credit Agreement) plus 0.10% per annum plus a margin of 2.50% (the Adjusted Term SOFR (as defined in the Credit Agreement) is subject to a 1.00% floor), and (b) ABR loans accrue interest at a rate per annum equal to the ABR plus a margin of 1.50% (ABR is equal to the highest of (i) the prime rate and (ii) the Federal Funds Effective Rate plus 0.50%, subject to a 2.00% floor). As of March 31, 2025, the current rate of interest under the Credit Facilities was equal to a rate per annum of 6.90%, consisting of 4.30% (the 3-month SOFR rate as of March 27, 2025), 0.10% credit spread adjustment and the margin of 2.50%.

The Term Loan Facility is payable in consecutive quarterly installments on the last day of each fiscal quarter in an amount equal to (i) \$438 for installments payable on December 31, 2023 (deferred to January 9, 2024) through September 30, 2024, (ii) \$656 for installments payable on December 31, 2024 through September 30, 2025, and (iii) \$1,313 for installments payable on and after December 31, 2025. The remaining unpaid balance on the Term Loan Facility is due and payable on December 21, 2026, together with accrued and unpaid interest on the principal amount to be paid to, but excluding, the payment date. Amounts outstanding under the Credit Facilities may be voluntarily prepaid at any time and from time to time, in whole or in part, without premium or penalty.

Under the terms of the Credit Facilities, the Company is obligated to maintain compliance with certain financial covenants as defined therein. As of March 31, 2025, the Company met these covenants.

The aggregate principal annual maturities according to the Credit Facilities agreements are as follows:

Year Ending December 31,

2025 (Remainder)	2,624
2026	29,313
	<u>\$ 31,937</u>

The carrying amounts of the loans approximate their fair value.

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NOTE 15: STOCKHOLDERS' EQUITY AND EQUITY INCENTIVE PLANS

Equity Incentive Plans

On January 1, 2025, the number of shares of common stock authorized for issuance under the 2021 Incentive Award Plan (the "2021 Plan") automatically increased by 7,602,857 shares pursuant to the terms of the 2021 Plan.

Stock Options

A summary of the Company's stock option activity with respect to options granted under the 2021 Plan is as follows:

	<u>Number of Options</u>	<u>Weighted Average exercise price</u>	<u>Weighted remaining contractual term (years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding as of January 1, 2025	16,321,014	\$ 3.29	4.34	\$ 5,212
Granted	—	\$ —		
Exercised	(1,252,550)	\$ 2.04		\$ 445
Forfeited	(693,151)	\$ 4.72		
Outstanding as of March 31, 2025	<u>14,375,313</u>	<u>\$ 3.33</u>	<u>4.71</u>	<u>\$ 3,076</u>
Exercisable options at end of the period	<u>14,370,625</u>	<u>\$ 3.33</u>	<u>4.71</u>	<u>\$ 3,076</u>

RSUs

The following table summarizes the RSU activity with respect to the 2021 Plan for the three months ended March 31, 2025:

	<u>RSUs Outstanding</u>	<u>Weighted Average Grant Date Fair Value per Share</u>
Outstanding as of January 1, 2025	12,331,745	\$1.56
RSUs granted	8,418,514	\$2.58
RSUs vested	(2,112,442)	\$1.69
RSUs forfeited ⁽¹⁾	(1,734,972)	\$1.52
Unvested and Outstanding as of March 31, 2025	<u>16,902,845</u>	<u>\$2.05</u>

(1) During the three months ended March 31, 2025 the Company's Board of Directors approved the cash settlement of 1,661,000 RSUs for its officers based on the Company's closing stock price on March 19, 2025. These RSUs were vested upon achieving specific performance targets outlined in the 2024 Executive Compensation Plan. The total amount approved for cash settlement was \$3,089.

The stock-based compensation expense by line item in the accompanying consolidated statement of operations is summarized as follows:

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U.S. dollars in thousands (except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Cost of revenue	\$ 128	\$ 285
Research and development	849	1,172
Sales and marketing	432	770
General and administrative	3,124	4,302
Total expenses	\$ 4,533	\$ 6,529

As of March 31, 2025, there was \$31,029 of total unrecognized compensation cost related to non-vested stock-based compensation arrangements granted under the Company's equity incentive plans. These costs are expected to be recognized over a weighted-average period of approximately two years.

Shares Reserved for Future Issuance

The Company has the following common stock reserved for future issuance under the 2021 Plan:

	March 31, 2025
Outstanding options	14,375,313
Outstanding RSUs	16,902,845
Shares reserved under 2021 Plan	6,035,813
Total	37,313,971

Stock Repurchase Program

In June 2024, the Company's Board of Directors authorized a stock repurchase program of the Company's outstanding common stock (the "2024 Repurchase Program"), which provided for repurchases up to a total of \$5,000 thereunder. Subsequently, in March 2025, the Board approved a new repurchase program (the "2025 Repurchase Program"), providing for repurchases up to a total of \$15,000 thereunder, which superseded the 2024 Repurchase Program. Under the 2025 Repurchase Program, the Company may make repurchases, from time to time, through open market purchases, block trades, in privately negotiated transactions, accelerated stock repurchase transactions, or by other means. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases under this authorization. The volume, timing, and manner of any repurchases will be determined at the Company's discretion, subject to general market conditions, as well as the Company's management of capital, general business conditions, other investment opportunities, regulatory requirements and other factors. The 2025 Repurchase Program does not obligate the Company to repurchase any specific amount of common stock, has no time limit, and may be modified, suspended, or discontinued at any time without notice at the discretion of the Board of Directors.

During the three months ended March 31, 2025, the Company repurchased 1,175,109 shares of common stock at a weighted average price of \$1.94 per share (excluding broker and transaction fees of \$35). As of March 31, 2025, the Company had remaining authorization under the 2025 Repurchase Program to repurchase common stock up to an aggregate amount of \$14,073, subject to satisfying required conditions under the Companies Law and Companies Regulations.

KALTURA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands (except share and per share data)
(unaudited)

NOTE 16: SELECTED STATEMENTS OF OPERATIONS DATA

	Three Months Ended March 31,	
	2025	2024
Financial income:		
Interest income	\$ 896	\$ 818
Foreign currency translation adjustments, net	1,572	—
	<u>2,468</u>	<u>818</u>
Financial expenses:		
Foreign currency translation adjustments, net	—	1,565
Bank fees	39	33
Interest expense	609	704
Other	17	13
	<u>665</u>	<u>2,315</u>
Financial expenses (income), net	<u>\$ (1,803)</u>	<u>\$ 1,497</u>

NOTE 17: ACCUMULATED OTHER COMPREHENSIVE INCOME

The following tables summarize the changes in accumulated other comprehensive income (loss) by component, net of tax ("AOCI"), during the three months ended March 31, 2025 and 2024:

	Net Unrealized Gains on Available-for-Sale Securities Instruments	Net Unrealized Gains (Losses) on Derivatives Designated as Hedging Instruments	Total
Balance as of December 31, 2024	\$ 23	\$ 936	\$ 959
Other comprehensive income (loss) before reclassifications	12	(598)	(586)
Net realized gains reclassified from accumulated other comprehensive income	—	(326)	(326)
Other comprehensive income (loss)	12	(924)	(912)
Balance as of March 31, 2025	<u>\$ 35</u>	<u>\$ 12</u>	<u>\$ 47</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 20, 2025 (the "2024 10-K"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part I, Item 1A, "Risk Factors" of our 2024 10-K and elsewhere in this Quarterly Report on Form 10-Q.

Overview

We are Kaltura, Inc. ("Kaltura," "we," "us," or "our"), a market-leading provider of live, real-time, and on-demand video offerings for enterprises, with a mission to "create and power AI-infused hyper-personalized video experiences for organizations, that boost customer and employee engagement and success."

Founded in 2006, we pioneered the concept of leveraging video as a core data type within organizational workflows. Today, our Video Experience Cloud includes our platforms for Enterprise Video Content Management System (including Real-Time Conferencing, Live Streaming and Lecture Capture) and TV Content Management System ("TVCMS"). These platforms power our AI-infused, video-first products: Video Portals, LMS & CMS Video Extensions, Virtual Events & Webinars, Virtual Classroom, and TV Streaming Applications.

As video usage continues to accelerate across communication, work, and learning environments, organizations are increasingly deploying sophisticated video solutions to further engage with their customers, partners, and employees. The introduction of generative AI ("Gen AI") further amplifies this demand and is expected to have a substantial impact on our business by enabling the automatic production of hyper-personalized and contextually relevant video experiences in real time. We believe this powerful new tool will expand opportunities for increased video creation, consumption, and monetization, and drives a need for advanced video content management solutions.

We generate revenue primarily from the sale of Software-as-a-Service ("SaaS") subscriptions, and we also derive revenue from platform usage license subscriptions and associated professional services. Our sales typically target medium to large enterprises, educational institutions, technology providers, and media and telecom companies. Our professional services revenue is generally driven by implementation and support services for new and existing customers.

We organize our business into two reporting segments: (i) Enterprise, Education, and Technology ("EE&T"); and (ii) Media and Telecom ("M&T"). Accordingly, our financial reporting distinguishes between revenue and gross profit from Subscription and Professional Services from customers who use our products and services to address Entertainment & Monetization use cases, reported in our M&T segment, and those that are attained from customers who are using us to address all other use cases, reported in our "EE&T segment". These segments share a common underlying platform consisting of our API-based architecture, as well as unified product development, operations, and administrative resources.

- **Enterprise, Education & Technology:** In the EE&T segment, subscription revenue is primarily generated on a per full-time equivalent or platform usage-license basis for all of our products, in addition to revenue derived from associated professional services. This segment encompasses customers utilizing Kaltura’s solutions across Customer Experience and Employee Experience and use cases-including Marketing, Sales & Customer Success; Teaching, Learning, Training & Certification; and Communication & Collaboration. Contracts in this segment typically range from 12 to 24 months, with billing generally executed on an annual basis.
- **Media & Telecom:** The M&T segment includes revenue from our Entertainment & Monetization use cases, along with the associated professional services. For customers of our telecom TVCMS and TV Streaming Applications, revenue is recognized primarily on a per end-subscriber basis, while media customers leveraging our Online Video Platform are billed on a platform usage-license basis.

Contracts in this segment generally extend for two to five years, with billing performed on either a quarterly or annual basis. Implementation of TV offerings typically requires six to 12 months, with upfront resource requirements generally higher than those for our other offerings. Consequently, there is an extended period from initial booking to go-live, accompanied by a higher proportion of professional services revenue relative to overall revenue. Additionally, a greater share of revenue in this segment is derived from customers licensing our offerings through private cloud and on-premise deployments, which has an impact on our gross margin.

Reflected below is a summary of reportable segment revenue and reportable segment gross profit for the three months ended March 31, 2025 and 2024.

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Revenue		
Enterprise, Education & Technology	\$ 34,416	\$ 32,440
Media & Telecom	12,568	12,341
Total Revenue	\$ 46,984	\$ 44,781
Gross Profit		
Enterprise, Education & Technology	26,568	23,556
Media & Telecom	6,168	5,052
Total Gross Profit	\$ 32,736	\$ 28,608

We employ a "land and expand strategy" with the aim of having our customers increase their usage of our offerings and/or purchase additional offerings over time. For the three months ended March 31, 2025 and 2024, our Net Dollar Retention Rate was 107% and 98%, respectively. We grew our Annualized Recurring Revenue (as defined below), by 7% in the three months ended March 31, 2025, compared to the three months ended March 31, 2024, demonstrating our ability to land new customers with higher spending levels and increase revenue from our existing customers.

For any given year, a large majority of our revenue comes from existing customers, with whom we are in active dialogue and tend to have visibility into their expected usage of our offerings.

As part of our go-to-market strategy, we focus on direct sales to larger enterprise, education, and media & telecom customers while also investing in channel partnerships, and in 'inside sales' for smaller customers. We believe ongoing demand for secure, scalable, and deeply integrated video solutions—further amplified by the rise of Gen AI—positions us for future growth. Our strategy remains centered on broadening our product suite, expanding our customer base across industries, and increasing recurring revenue from existing clients.

Key Factors Affecting Our Performance

Expansion of our Platform

We believe our platform is ideally suited for expansion across solutions, industries, and use cases. For example, in 2020, we entered the real-time conferencing market with the introduction of our Virtual and Hybrid Events, Webinars, and Online Learning products, focusing on learning, training, events, and marketing. Since then, we expanded the capabilities of our Virtual & Hybrid Events product to support a broader range of event types and use cases, fitted them to also address low-touch and self-serve sales and introduced a set of Gen AI-powered capabilities designed to increase productivity in creating content and setting up events and to foster user engagement. We plan to continue enhancing our platform's capabilities—including by further integrating Gen AI features that enable automatic video creation, advanced personalization, and real-time analytics. Our robust API-first architecture supports deep integration into multiple workflows, which we believe is critical for driving adoption and delivering enhanced value for our customers.

Acquiring New Customers

We remain focused on acquiring customers across our key verticals (technology, education, regulated industries, professional and commercial services, and media & telecom). Our approach includes direct enterprise sales for larger customers, as well as channel partnerships and more self-serve or inside sales-led motions to capture small and medium enterprises (“SMEs”). We believe that increasing brand awareness and continued product innovation will help us attract new customers across geographies and industries. We also continue to provide our self-serve offering that can be purchased completely online, which serves as a demand generation engine for our low-touch and enterprise offerings. We believe this will enable us to efficiently acquire smaller customers across all industries over time—expanding beyond enterprises into SMEs, beyond universities into K-12 schools, beyond tier 1 media and telecom companies to tier 2 and 3 media and telecom companies, and beyond providing Media Services to large technology companies to also addressing smaller technology firms and startups.

Increasing Revenue from Existing Customers

Many of our customers run multiple Kaltura products for various use cases, ranging from employee training and collaboration to external marketing and virtual events. By cross-selling and upselling additional solutions—such as our newly introduced Gen AI-powered capabilities and expanded application suites—we aim to drive higher usage and expand overall revenue. Sustained customer adoption and usage growth are also supported by strong integration, ongoing support, and a commitment to evolving security and compliance requirements. We are focused on increasing sales within our existing customer base through increased usage of our platform and the cross-selling of additional products and solutions. For the three months ended March 31, 2025, our Net Dollar Retention Rate was 107%. In order for us to increase revenue within our customer base, we will need to maintain engineering-level customer support and continue to introduce new products and features as well as innovative new use cases that are tailored to our customers' needs.

Continued Investment in Growth

Although we have invested significantly in our business to date, we believe that we still have a significant market opportunity ahead of us. We intend to continue to make investments to support the growth and expansion of our business and to increase revenue. We believe there is a significant opportunity to continue our growth. We expect that our cost of revenue and operating expenses will fluctuate.

Key Financial and Operating Metrics

We measure our business using both financial and operating metrics. We use these metrics to assess the progress of our business, make decisions on where to allocate capital, time, and technology investments, and assess the near-term and long-term performance of our business. The key financial and operating metrics we use are:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Annualized Recurring Revenue	\$ 174,842	\$ 162,713
Net Dollar Retention Rate	107 %	98 %
Remaining Performance Obligations	\$ 184,860	\$ 165,224

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 components 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, professional services revenue, foreign exchange rate fluctuations 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.

In calculating the Net Dollar Retention Rate, we consider subdivisions of the same legal entity (such as divisions of a parent company or separate campuses within the same state university system) as a single customer. This also includes Value-add Resellers, which are resellers that directly manage customer relationships, along with the customers they oversee.

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. As of March 31, 2025, our Remaining Performance Obligations was \$184.9 million, which consists of both billed consideration in the amount of \$53.9 million and unbilled consideration in the amount of \$130.9 million that we expect to invoice and recognize in future periods. We expect to recognize 59% of our Remaining Performance Obligations as revenue over the next 12 months and the remainder over the next four years, in each case, in accordance with our revenue recognition policy.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe that EBITDA and Adjusted EBITDA, non-GAAP financial measures, are useful in evaluating the performance of our business.

We define EBITDA as net profit (loss) before interest expense, 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 war-related expenses.

EBITDA and Adjusted EBITDA are supplemental measures 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.

EBITDA and Adjusted EBITDA 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 EBITDA and Adjusted EBITDA, 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 Adjusted EBITDA as a supplemental measure of our performance because it assists us in comparing the operating performance of our business on a consistent basis between periods, as described above.

Although we use EBITDA and Adjusted EBITDA, as described above, EBITDA and Adjusted EBITDA, have significant limitations as analytical tools. Some of these limitations include:

- such measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- such measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- such measures do not reflect our tax expense or the cash requirements to pay our taxes;
- although depreciation and amortization expense and non-cash stock-based compensation expense are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate such measures differently than we do, thereby further limiting their usefulness as comparative measures.

Due to these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP measures only supplementally. Adjusted EBITDA includes an adjustment for non-cash stock-based compensation expenses. It is reasonable to expect that this item will occur in future periods. However, we believe this adjustment is appropriate because the amount recognized can vary significantly from period to period, does not directly relate to the ongoing operations of our business, and complicates comparisons of our internal operating results between periods and with the operating results of other companies over time. Each of the normal recurring adjustments and other adjustments described above help to provide management with a measure of our core operating performance over time by removing items that are not related to day-to-day operations. Nevertheless, because of the limitations described above, management does not view EBITDA, or Adjusted EBITDA in isolation and also uses other measures, such as revenue, operating loss, and net loss, to measure operating performance.

The following table reconciles EBITDA and Adjusted EBITDA to the most directly comparable GAAP financial performance measure, which is net loss:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net loss	\$ (1,119)	\$ (11,096)
Financial expense (income), net ^(a)	(1,803)	1,497
Provision for income taxes	1,345	2,308
Depreciation and amortization	1,185	1,305
EBITDA	(392)	(5,986)
Non-cash stock-based compensation expense	4,533	6,529
War related costs ^(b)	—	21
Adjusted EBITDA	\$ 4,141	\$ 564

- (a) The three months ended March 31, 2025 and 2024 included \$609 and \$704 respectively, of interest expenses and \$896 and \$818 respectively, of interest income.
- (b) The three months ended March 31, 2024 included costs related to conflicts in Israel, attributable to temporary relocation of key employees from Israel for business continuity purposes, purchase of emergency equipment for key employees for business continuity purposes, and charitable donations to communities directly impacted by the war.

Components of Results of Operations

Revenue

Subscription

Our revenues are mainly comprised of revenue from SaaS and PaaS subscriptions. SaaS and PaaS subscriptions provide access to our Video Experience Cloud which powers all types of video experiences: live, real-time, and on-demand video. We provide access to our platform either as a cloud-based service, which represent most of our SaaS and PaaS subscriptions, or, less commonly, as a term license to On-Prem software. Revenue from SaaS and PaaS subscriptions is recognized ratably over the time of the subscription, beginning from the date on which the customer is granted access to our Video Experience Cloud. Revenue from the sale of a term license is recognized at a point in time in which the license is delivered to the customer. Revenue from post-contract services (“PCS”) included in On-Prem deals is recognized ratably over the period of the PCS.

Professional Services

Our revenue also includes professional services, which consist of consulting, integration and customization services, technical solution services and training related to our video experience. In some of our arrangements, professional services are accounted for as a separate performance obligation, and revenue is recognized upon rendering of the service.

In some of our SaaS and PaaS subscriptions, we determined that the professional services are solely set up activities that do not transfer goods or services to the customer and therefore are not accounted for as a separate performance obligation and are recognized ratably over the time of the subscription.

Cost of Revenue

Cost of subscription revenue consists primarily of employee-related costs including payroll, benefits and stock-based compensation expense for operations and customer support teams, costs of cloud hosting providers and other third-party service providers, amortization of capitalized software development costs and acquired technology and allocated overhead costs.

Cost of professional services consists primarily of personnel costs of our professional services organization, including payroll, benefits, and stock-based compensation expense, allocated overhead costs and other third-party service providers.

The costs associated with providing professional services are significantly higher as a percentage of related revenue than the costs associated with delivering our subscriptions due to the labor costs of providing professional services. As such, the implementation and professional services costs relating to an arrangement with a new customer are more significant than the costs to renew an existing customer's license and support arrangement.

Cost of revenue decreased in absolute dollars from the three months ended March 31, 2024 to the three months ended March 31, 2025. For the three months ended March 31, 2025 and 2024, our cost of revenue was \$14,248 and \$16,173, respectively.

Gross Margins

Gross margins have improved year-over-year since 2020, and while this measure has and will continue to vacillate between quarters, we expect it to continue the growth trend in the coming years. Gross margins have been, and will continue to be, affected by a variety of factors, including the average sales price of our products and services, volume growth, the mix of revenue between software licenses, maintenance and support, professional services, onboarding of new media and telecom customers, hosting of major virtual events, and changes in cloud infrastructure and personnel costs. In particular, the gross margins in the M&T segment are lower than in the EE&T segment because of resources required for implementing solutions for TV experiences, which generally exceed those of other offerings. This results in a longer period for M&T from initial booking to go-live and a higher proportion of professional services revenue as a percentage of overall revenue. Additionally, a higher proportion of M&T revenue comes from customers who choose to license our offerings through private cloud and on-premise deployments, which also impacts our M&T gross margin. Going forward, we expect to see a gradual improvement in gross margins for both EE&T and M&T, driven by enhanced efficiencies in both production and professional services costs.

For the three months ended March 31, 2025 and 2024, our gross margins were 70% (77% for subscriptions and (81)% for professional services) and 64% (72% for subscriptions and (32)% for professional services), respectively.

For our EE&T segment, gross margins for the three months ended March 31, 2025 and 2024 were 77% (83% for subscriptions and (163)% for professional services) and 73% (79% for subscriptions and (35)% for professional services), respectively.

For our M&T segment, gross margins for the three months ended March 31, 2025 and 2024 were 49% (58% for subscriptions and (29)% for professional services) and 41% (53% for subscriptions and (29)% for professional services), respectively.

Research and Development

Our research and development expenses consist primarily of costs incurred for personnel-related expenses for our technical staff, including salaries and other direct personnel-related costs. Additional expenses include consulting and professional fees for third-party development resources and software subscriptions. We expect our research and development expenses to gradually decrease as a percentage of revenue. Subsequent costs incurred for the development of future upgrades and enhancements, which are expected to result in additional functionality, may qualify for capitalization under internal-use software and therefore may cause research and development expenses to fluctuate.

Sales and Marketing Expenses

Our sales and marketing expenses consist primarily of personnel related costs for our sales and marketing functions, including salaries and other direct personnel-related costs, such as sales commissions.

Additional expenses include marketing program costs and amortization of acquired customer relationships intangible assets. We expect our sales and marketing expenses to be relatively stable as a percentage of revenue.

General and Administrative Expenses

Our general and administrative expenses consist primarily of personnel-related costs for our executive, finance, human resources, information technology, and legal functions, including salaries and other direct personnel-related costs. We expect our general and administrative expenses to gradually decrease as a percentage of revenue.

We allocate overhead costs such as rent, utilities, and supplies to all departments based on relative headcount to each operating expense category.

Financial Expenses (Income), Net

Financial expenses (income), net consists of interest expense accrued or paid on our indebtedness, net of interest income earned on our cash balances and marketable securities. Financial expenses (income), net also includes foreign exchange gains and losses and bank fees.

We expect interest expenses to vary each reporting period depending on the amount of outstanding indebtedness and prevailing interest rates.

We expect interest income will vary in each reporting period depending on our average cash and marketable securities balances during the period and applicable interest rates.

Provision for Income Taxes

We are subject to taxes in the United States as well as other tax jurisdictions or countries in which we conduct business. Earnings from our non-U.S. activities are subject to local country income tax and may be subject to current U.S. income tax. Due to cumulative losses, we maintain a valuation allowance against our deferred tax assets. We consider all available evidence, both positive and negative, in assessing the extent to which a valuation allowance should be applied against our deferred tax assets. Realization of our U.S. deferred tax assets depends upon future earnings, the timing and amount of which are uncertain. Our effective tax rate is affected by tax rates in foreign jurisdictions and the relative amounts of income we earn in those jurisdictions, as well as non-deductible expenses, such as share-based compensation, and changes in our valuation allowance.

Results of Operations

The following table summarizes key components of our results of operations for the periods presented. The period-to-period comparisons of our historical results are not necessarily indicative of the results that may be expected in the future.

	Three Months Ended March 31,		Period-over-Period Change	
	2025	2024	Dollar	Percentage
(in thousands, except percentages)				
Revenue:				
Enterprise, Education & Technology	\$ 34,416	\$ 32,440	\$ 1,976	6 %
Media & Telecom	12,568	12,341	227	2 %
Total revenue	46,984	44,781	2,203	5 %
Cost of revenue	14,248	16,173	(1,925)	(12)%
Total gross profit	32,736	28,608	4,128	14 %
Operating expenses:				
Research and development expenses	12,088	12,005	83	1 %
Sales and marketing expenses	11,923	11,812	111	1 %
General and administrative expenses	10,302	12,082	(1,780)	(15)%
Total operating expenses	34,313	35,899	(1,586)	(4)%
Loss from operations	1,577	7,291	(5,714)	(78)%
Financial expenses (income), net	(1,803)	1,497	(3,300)	(220)%
Loss before provision for income taxes	226	(8,788)	9,014	(103)%
Provision for income taxes	1,345	2,308	(963)	(42)%
Net loss	\$ 1,119	\$ 11,096	\$ (9,977)	(90)%

Segments

We manage and report operating results through two reportable segments:

- **Enterprise, Education & Technology** (73% and 72% of revenue for the three months ended March 31, 2025 and 2024, respectively): Our EE&T segment represents revenues from all of our products, industry solutions for education customers, and Media Services (except for M&T customers), as well as associated professional services for those offerings.
- **Media & Telecom** (27% and 28% of revenue for the three months ended March 31, 2025 and 2024, respectively): Our M&T segment primarily represents revenues from our TV Solution and Media Services sold to media and telecom customers.

Comparison of the three months ended March 31, 2025 and 2024

Enterprise, Education & Technology

The following table presents our EE&T segment revenue and gross profit (loss) for the periods indicated:

	Three Months Ended March 31,		Period-over-Period Change	
	2025	2024	Dollar	Percentage
(in thousands, except percentages)				
Enterprise, Education & Technology revenue:				
Subscription revenue	\$ 33,607	\$ 30,655	\$ 2,952	10 %
Professional services revenue	809	1,785	(976)	(55)%
Total Enterprise, Education & Technology revenue	\$ 34,416	\$ 32,440	\$ 1,976	6 %
Enterprise, Education & Technology gross profit:				
Subscription gross profit	\$ 27,888	\$ 24,185	\$ 3,703	15 %
Professional services gross loss	(1,320)	(629)	(691)	110 %
Total Enterprise, Education & Technology gross profit	\$ 26,568	\$ 23,556	\$ 3,012	13 %

Enterprise, Education & Technology Revenue

Total EE&T revenue increased by \$2.0 million, or 6%, to \$34.4 million for the three months ended March 31, 2025, from \$32.4 million for the three months ended March 31, 2024. This increase was due to a \$1.2 million increase in revenue from new customers, and \$0.8 million increase in revenue from existing customers.

EE&T subscription revenue increased by \$3.0 million, or 10%, to \$33.6 million for the three months ended March 31, 2025, from \$30.7 million for the three months ended March 31, 2024.

EE&T professional services revenue decreased by \$1.0 million, or 55%, to \$0.8 million for the three months ended March 31, 2025, from \$1.8 million for the three months ended March 31, 2024. The decrease in professional services revenue mainly reflects the transition of certain development projects to ongoing support and maintenance, now recognized as subscription revenue.

Enterprise, Education & Technology Gross Profit

Total EE&T gross profit increased by \$3.0 million, or 13%, to \$26.6 million for the three months ended March 31, 2025, from \$23.6 million for the three months ended March 31, 2024. This increase was mainly due to a \$2.0 million increase in revenue and reduction in production costs, which is a result of improved efficiency.

EE&T subscription gross profit increased by \$3.7 million, or 15%, to \$27.9 million for the three months ended March 31, 2025, from \$24.2 million for the three months ended March 31, 2024.

EE&T professional services gross loss increased by \$0.7 million, or 110%, to \$1.3 million for the three months ended March 31, 2025, from \$0.6 million for the three months ended March 31, 2024.

Media & Telecom

The following table presents our M&T segment revenue and gross profit for the periods indicated:

	Three Months Ended March 31,		Period-over-Period Change	
	2025	2024	Dollar	Percentage
	(in thousands, except percentages)			
Media & Telecom revenue:				
Subscription revenue	\$ 11,299	\$ 10,515	\$ 784	7 %
Professional services revenue	1,269	1,826	(557)	(31)%
Total Media & Telecom revenue	\$ 12,568	\$ 12,341	\$ 227	2 %
Media & Telecom gross profit:				
Subscription gross profit	\$ 6,532	\$ 5,584	\$ 948	17 %
Professional services gross loss	(364)	(532)	168	32 %
Total Media & Telecom gross profit	\$ 6,168	\$ 5,052	\$ 1,116	22 %

Media & Telecom Revenue

Total M&T revenue increased by \$0.2 million, or 2%, to \$12.6 million for the three months ended March 31, 2025, from \$12.3 million for the three months ended March 31, 2024. The increase is mainly attributable to a revenue increase from existing customers.

M&T subscription revenue increased by \$0.8 million, or 7%, to \$11.3 million for the three months ended March 31, 2025, from \$10.5 million for the three months ended March 31, 2024.

M&T professional services revenue decreased by \$0.6 million, or 31%, to \$1.3 million for the three months ended March 31, 2025, from \$1.8 million for the three months ended March 31, 2024.

Media & Telecom Gross Profit

Total M&T gross profit increased by \$1.1 million, or 22%, to \$6.2 million for the three months ended March 31, 2025, from \$5.1 million for the three months ended March 31, 2024. This increase was mainly due to revenue increase of \$0.2 million and ongoing efforts to optimize cost structure.

M&T subscription gross profit increased by \$0.9 million, or 17%, to \$6.5 million for the three months ended March 31, 2025, from \$5.6 million for the three months ended March 31, 2024.

M&T professional services gross loss decreased by \$0.2 million, or 32%, to \$0.4 million for the three months ended March 31, 2025, from \$0.5 million for the three months ended March 31, 2024.

Operating Expenses

Research and Development expenses

	Three Months Ended March 31,		Period-over-Period Change	
	2025	2024	Dollar	Percentage
	(in thousands, except percentages)			
Employee compensation	\$ 8,290	\$ 8,277	\$ 13	0 %
Subcontractors and consultants	1,554	1,767	(213)	-12 %
IT related	1,220	1,260	(40)	(3)%
Other	1,024	701	323	46 %
Total research and development expenses	\$ 12,088	\$ 12,005	\$ 83	1 %

Research and development expenses slightly increased by \$0.1 million, or 1%, to \$12.1 million for the three months ended March 31, 2025, from \$12.0 million for the three months ended March 31, 2024.

Sales and Marketing expenses

	Three Months Ended March 31,		Period-over-Period Change	
	2025	2024	Dollar	Percentage
	(in thousands, except percentages)			
Employee compensation & commission	\$ 9,350	\$ 9,702	\$ (352)	(4)%
Marketing expenses	837	700	137	20 %
Travel and entertainment	339	255	84	33 %
Other	1,397	1,155	242	21 %
Total sales and marketing expenses	\$ 11,923	\$ 11,812	\$ 111	1 %

Sales and marketing expenses slightly increased by \$0.1 million, or 1%, to \$11.9 million for the three months ended March 31, 2025, from \$11.8 million for the three months ended March 31, 2024.

General and Administrative expenses

	Three Months Ended March 31,		Period-over-Period Change	
	2025	2024	Dollar	Percentage
	(in thousands, except percentages)			
Employee compensation	\$ 7,303	\$ 8,055	\$ (752)	(9)%
Professional fees and insurance	1,074	983	91	9 %
Subcontractors and consultants	317	194	123	63 %
Travel and entertainment	224	202	22	11 %
Unused cloud hosting commitment expense	—	1,312	(1,312)	
Other	1,384	1,336	48	4 %
Total general and administrative expenses	\$ 10,302	\$ 12,082	\$ (1,780)	-15 %

General and administrative expenses decreased by \$1.8 million to \$10.3 million for the three months ended March 31, 2025, from \$12.1 million for the three months ended March 31, 2024. The decrease was primarily due to a \$1.3 million one-time expense in 2024 associated with terminating commitments with a cloud hosting service provider, a \$0.8 million decrease in compensation expenses, primarily reflects lower stock-based compensation costs, largely driven by the full recognition of high fair value options and RSUs granted in December 2021, which were fully expensed prior to 2025, a \$0.1 million decrease in professional fees and insurance and a \$0.1 million decrease in subcontractors and consultants expenses.

Financial Expenses (Income), net

Financial income, net increased by \$3.3 million, or 220%, to \$1.8 million income for the three months ended March 31, 2025, from \$1.5 million expense for the three months ended March 31, 2024. The increase was primarily due to exchange rate differences.

Provision for Income Taxes

Provision for income taxes decreased by \$1.0 million, or 42%, to \$1.3 million for the three months ended March 31, 2025, from \$2.3 million for the three months ended March 31, 2024, primarily due to decreased tax liability related to income generated by our subsidiaries organized under the laws of Israel and the United Kingdom.

Liquidity and Capital Resources

Overview

Since our inception, we have financed our operations primarily through net cash provided by operating activities, equity issuances, and borrowings under our long-term debt arrangements. Our primary requirements for liquidity and capital are to finance working capital, capital expenditures and general corporate purposes. Our principal sources of liquidity are expected to be our cash on hand and borrowings available under our Revolving Credit Facility. As of March 31, 2025, we had no balance outstanding under the Revolving Credit Facility and the total revolving commitment of \$25.0 million is available for future borrowings.

We believe that our net cash provided by operating activities, cash on hand, and availability under our Revolving Credit Facility will be adequate to meet our operating, investing, and financing needs for at least the next 12 months. Our future capital requirements will depend on many factors, including our revenue growth, the timing and extent of investments to support such growth, the expansion of sales and marketing activities, increases in general and administrative costs and many other factors as described under Part I, Item 1A. “Risk Factors” of our 2024 10-K, and “—Key Factors Affecting Our Performance.” above. In addition, our cash and cash equivalents are maintained at financial institutions in amounts that exceed federally insured limits. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we will be able to access uninsured funds in a timely manner or at all.

If necessary, we may borrow funds under our Revolving Credit Facility to finance our liquidity requirements, subject to customary borrowing conditions. To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds; however, such financing may not be available on favorable terms, or at all. In particular, the current global economic volatility, including due to uncertainty around U.S. and foreign tariffs and other trade barriers, rising inflation and interest rates, price increases and supply chain issues, and various other factors, has resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital. Our ability to access capital may also be impacted by political, economic, and military conditions in Israel, including the current security situation or any escalation of conflicts with Israel, and in other regions in which we operate, or changes in the business environment in those regions. If we are unable to raise additional funds when desired, our business, financial condition and results of operations could be adversely affected.

Repurchase Program

In 2024, the Company’s Board of Directors authorized a stock repurchase program of the Company’s outstanding common stock (the “2024 Repurchase Program”), which provided for repurchases up to a total of \$5.0 million thereunder. Subsequently, in March 2025, the Board approved a new repurchase program (the “2025 Repurchase Program”), providing for repurchases up to a total of \$15,000 thereunder, which superseded the 2024 Repurchase Program. Under the 2025 Repurchase Program, the Company may make repurchases, from time to time, through open market purchases, block trades, in privately negotiated transactions, accelerated stock repurchase transactions, or by other means. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases under this authorization. The volume, timing, and manner of any repurchases will be determined at the Company’s discretion, subject to general market conditions, as well as the Company’s management of capital, general business conditions, other investment opportunities, regulatory requirements and other factors. The 2025 Repurchase Program does not obligate the Company to repurchase any specific amount of common stock, has no time limit, and may be modified, suspended, or discontinued at any time without notice at the discretion of the Board of Directors.

During the three months ended March 31, 2025, the Company repurchased 1,175,109 shares of common stock at a weighted average price of \$1.94 per share (excluding broker and transaction fees of approximately \$35 thousand). As of March 31, 2025, the Company had remaining authorization under the 2025 Repurchase Program to repurchase common stock up to an aggregate amount of approximately \$14.1 million, subject to satisfying required conditions under the Companies Law and Companies Regulations. See Part II, Item 2 “Purchases of Equity Securities by the Issuer or Affiliated Purchaser” of this Quarterly Report on Form 10-Q for further information.

Credit Facilities

In January 2021, we entered into a new credit agreement (as amended, the “Credit Agreement”) with one of our existing lenders, which provides for a new senior secured term loan facility in the aggregate principal amount of \$40.0 million (the “Term Loan Facility”) and a new senior secured revolving credit facility in the aggregate principal amount of \$10.0 million (the “Revolving Credit Facility” and, together with the Term Loan Facility, the “Credit Facilities”), which thereafter were extended and amended to align our business needs and other developments. In December 2023, we refinanced all amounts outstanding under the then-existing Credit Agreement, and entered into a new amendment to the credit agreement (the “Fifth Amendment”) with an existing lender, which provides for an additional term loan facility of \$3.5 million in addition to the existing \$31.5 million in term loans outstanding immediately prior to the Fifth Amendment. Commitments under the Revolving Credit Facility decreased to \$25.0 million.

In July 2024, we entered into an amendment to the Credit Agreement with an existing lender, in connection with our repurchase programs, which updated the aggregate amount of permitted Restricted Payments (as defined in the Credit Agreement, which term includes, among others, the repurchase of the Company’s outstanding common stock) and conditions for making such payments.

In March 2025, the Company entered into another amendment to the Credit Agreement, also in connection with our repurchase programs, which provided for, among other things, an increase to the aggregate amount of permitted Restricted Payments and updates to the conditions for making such payments.

The amount available for borrowing under the Revolving Credit Facility is limited to a borrowing base, which is equal to the product of (a) 500% (which will automatically reduce to 350% on the date the Term Loan Facility is repaid in full), multiplied by (b) monthly Recurring Revenue for the most recently ended monthly period, multiplied by (c) the Retention Rate (in each case, as defined in the Credit Agreement).

Following the effectiveness of the Fifth Amendment, borrowings under the Credit Facilities are subject to interest, determined as follows: (a) SOFR loans accrue interest at a rate per annum equal to Term SOFR (as defined in the Credit Agreement) plus 0.10% per annum plus a margin of 2.50% (the Adjusted Term SOFR (as defined in the Credit Agreement) is subject to a 1.00% floor), and (b) Alternative Base Rate (“ABR”) loans (as defined in the Credit Agreement) accrue interest at a rate per annum equal to the ABR plus a margin of 1.50% (ABR is equal to the highest of (i) the prime rate and (ii) the Federal Funds Effective Rate plus 0.50%, subject to a 2.00% floor). As of March 31, 2025, the current rate of interest under the Credit Facilities was equal to a rate per annum of 6.90%, consisting of 4.30% (the 3-month SOFR rate as of March 27, 2025), 0.10% credit spread adjustment and the margin of 2.50%.

We are required to prepay amounts outstanding under the Term Loan Facility with 100% of the net cash proceeds of any indebtedness incurred by us or any of our subsidiaries other than certain permitted indebtedness. In addition, we are required to prepay amounts outstanding under the Credit Facilities with the net cash proceeds of any Asset Sale or Recovery Event (each as defined in the Credit Agreement), subject to certain limited reinvestment rights.

Amounts outstanding under the Credit Facilities may be voluntarily prepaid at any time and from time to time, in whole or in part, without premium or penalty.

All voluntary prepayments (other than ABR loans borrowed under the Revolving Credit Facility) must be accompanied by accrued and unpaid interest on the principal amount being prepaid and customary “breakage” costs, if any, with respect to prepayments of SOFR loans.

The Term Loan Facility is payable in consecutive quarterly installments on the last day of each fiscal quarter in an amount equal to (i) \$0.4 million for installments payable on December 31, 2023 (deferred to January 9, 2024), through September 30, 2024, (ii) \$0.7 million for installments payable on December 31, 2024 through September 30, 2025, and (iii) \$1.3 million for installments payable on and after December 31, 2025. The remaining unpaid balance on the Term Loan Facility is due and payable on December 21, 2026, together with accrued and unpaid interest on the principal amount to be paid to, but excluding, the payment date.

Our obligations under the Credit Facilities are currently guaranteed by Kaltura Europe Limited, and are required to be guaranteed by all of our future direct and indirect subsidiaries other than certain excluded subsidiaries and immaterial foreign subsidiaries. Our obligations and those of Kaltura Europe Limited are, and the obligations of any future guarantors are required to be, secured by a first priority lien on substantially all of our respective assets.

The Credit Agreement contains a number of covenants that, among other things and subject to certain exceptions, restrict our ability, and the ability of our subsidiaries, to:

- create, issue, incur, assume, become liable in respect of or suffer to exist any debt or liens;
- consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve, or dispose of all or substantially all of our or their respective property or business;
- dispose of property or, in the case of our subsidiaries, issue or sell any shares of such subsidiary's capital stock;
- repay, prepay, redeem, purchase, retire or defease subordinated debt;
- declare or pay dividends or make certain other restricted payments;
- make certain investments;
- enter into transactions with affiliates;
- enter into new lines of business; and
- make certain amendments to our or their respective organizational documents or certain material contracts.

The Credit Agreement also contains certain financial covenants that require us to maintain (i) a minimum amount of Consolidated Adjusted EBITDA (as defined in the Credit Agreement) as of the last day of each fiscal quarter (which minimum amount increased through the fiscal quarter ended December 31, 2023) (the "Adjusted EBITDA Covenant"), and (ii) Liquidity (as defined in the Credit Agreement) of at least \$20.0 million as of the last day of any calendar month. We were in compliance with these covenants as of March 31, 2025.

The Credit Agreement also contains certain customary representations and warranties and affirmative covenants, and certain reporting obligations. In addition, the lenders under the Credit Facilities will be permitted to accelerate all outstanding borrowings and other obligations, terminate outstanding commitments and exercise other specified remedies upon the occurrence of certain events of default (subject to certain grace periods and exceptions), which include, among other things, payment defaults, breaches of representations and warranties, covenant defaults, certain cross-defaults and cross-accelerations to other indebtedness, certain events of bankruptcy and insolvency, certain judgments and Change of Control events (as defined in the Credit Agreement).

As of March 31, 2025, we had no balance outstanding under the Revolving Credit Facility and the total revolving commitment of \$25.0 million remains available for future borrowings. As of March 31, 2025, we had approximately \$31.7 million of borrowings outstanding under the Term Loan Facility.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net cash used in operating activities	\$ (1,047)	\$ (1,146)
Net cash provided by (used in) investing activities	2,246	(3,517)
Net cash used in financing activities	(2,624)	(781)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	61	325
Net decrease in cash, cash equivalents, and restricted cash	(1,364)	(5,119)
Cash, cash equivalents, and restricted cash at beginning of period	33,159	36,784
Cash, cash equivalents and restricted cash at end of period	<u>\$ 31,795</u>	<u>\$ 31,665</u>

Operating Activities

Net cash used in operating activities decreased by \$0.1 million for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024.

Net cash used in operating activities of \$1.0 million for three months ended March 31, 2025 was primarily due to \$1.1 million incremental net loss, adjusted for non-cash charges of \$8.5 million, and net cash outflows of \$8.4 million due to changes in our operating assets and liabilities. Non-cash charges primarily consisted of depreciation and amortization of \$1.2 million, stock-based compensation expenses of \$4.5 million, and amortization of deferred contract acquisitions and fulfillment costs of \$2.9 million partially offset by non-cash interest income, net of \$0.1 million. The main drivers of net cash outflows were derived from the changes in operating assets and liabilities and were related to a decrease in deferred revenue of \$9.3 million, an aggregate increase in employees accruals, and accrued expenses and other liabilities of \$3.5 million, an increase in trade receivables of \$1.8 million, an increase of \$1.3 million in prepaid expenses and other current assets and other assets, increase in deferred contract acquisition and fulfillment cost of \$1.1 million and net change in operating lease right of use assets and lease liabilities of \$0.2 million, partially offset by increase in trade payables of \$5.2 million.

Net cash used in operating activities of \$1.1 million for the three months ended March 31, 2024, was primarily due to \$11.1 million incremental net loss, adjusted for non-cash charges of \$10.1 million, and net cash outflows of \$0.2 million due to changes in our operating assets and liabilities. Non-cash charges primarily consisted of depreciation and amortization of \$1.3 million, stock-based compensation expenses of \$6.5 million, amortization of deferred contract acquisitions and fulfillment costs of \$2.9 million, partially offset by non-cash interest income, net of \$0.3 million. The main drivers of net cash outflows were derived from the changes in operating assets and liabilities and were related to a decrease in deferred revenue of \$8.6 million, increase in deferred contract acquisition and fulfillment cost of \$1.1 million, an increase of \$0.6 million in prepaid expenses and other current assets and other assets and net change in operating lease right of use assets and lease liabilities of \$0.4 million, partially offset by an increase in trade payables of \$4.4 million, a decrease in trade receivables of \$5.5 million and an aggregate increase in employees accruals, and accrued expenses and other liabilities of \$0.6 million.

Investing Activities

Net cash provided by investing activities increased by \$5.8 million for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024.

Net cash provided by investing activities of \$2.2 million for the three months ended March 31, 2025 was related mainly to proceeds from maturities of marketable securities of \$28.9 million, partially offset by purchases of marketable securities of \$26.4 million, and \$0.3 million of capital expenditures.

Net cash used in investing activities of \$3.5 million for the three months ended March 31, 2024 was related mainly to purchases of marketable securities of \$15.4 million, and \$0.1 million of capital expenditures, partially offset by proceeds from maturities of marketable securities of \$12.0 million.

Financing Activities

Net cash used in financing activities increased by \$1.8 million for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024.

Net cash used in financing activities of \$2.6 million for the three months ended March 31, 2025 was primarily due to repurchase of common stock of \$2.3 million, repayment of long-term loans of \$0.9 million, and cash settlement of equity classified share-based payment awards of \$0.9 million, offset by \$1.5 million due to proceeds from the exercise of stock options.

Net cash used in financing activities of \$0.8 million for the three months ended March 31, 2024 was primarily due to repayment of long-term loans of \$0.9 million, offset by \$0.1 million due to proceeds from the exercise of stock options

Contractual Obligations and Commitments

Our principal commitments consist of obligations under operating leases, purchase obligations with third-party providers for the use of cloud hosting and other services and outstanding debt. There were no material changes to our commitments and contractual obligations during the three months ended March 31, 2025 from the commitments and contractual obligations disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our 2024 10-K. For further information on our commitments and contractual obligations, refer to Note 7, Note 8 and Note 14 of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Our management believes that the estimates, judgment and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Our critical accounting policies and estimates were disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our 2024 10-K. There have been no significant changes to these policies and estimates during the three months ended March 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk from changes in exchange rates, interest rates and inflation. All of these market risks arise in the ordinary course of business, as we do not engage in speculative trading activities. The following analysis provides additional information regarding these risks.

Foreign Currency and Exchange Risk

Our revenue and expenses are primarily denominated in U.S. dollars. Our functional currency is the U.S. dollar. Our sales are mainly denominated in U.S. dollars and Euros. A significant portion of our operating costs are in Israel, consisting principally of salaries and related personnel expenses, and facility expenses, which are denominated in NIS. These foreign currency exposures give rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS and Euros. Furthermore, we anticipate that a significant portion of our expenses will continue to be denominated in NIS as well as that a significant portion of our revenue will continue to be denominated in Euros.

To reduce the impact of foreign currency exchange risks associated with forecasted future cash flows and certain existing assets and liabilities and the volatility in our consolidated statements of operations, we established a hedging program. Currently, our hedging activity relates to U.S. dollar/NIS exchange rate exposure. We do not intend to enter into derivative instruments for trading or speculative purposes.

We account for our derivative instruments as either assets or liabilities and carry them at fair value in the consolidated balance sheets. The accounting for changes in the fair value of the derivative depends on the intended use of the derivative and the resulting designation. Our hedging activities are expected to reduce but not eliminate the impact of currency exchange rate movements.

A hypothetical 10% change in foreign currency exchange rates applicable to our business would have had an impact on our results for the three months ended March 31, 2025, of \$0.8 million due to NIS (after considering cash-flow hedges) and \$1.1 million due to Euros.

Interest Rate Risk

As of March 31, 2025, we had outstanding floating rate debt obligations of \$31.7 million (consisting of the outstanding principal balance under our credit facilities). Accordingly, fluctuations in market interest rates may increase or decrease our interest expense which will, in turn, increase or decrease our net income and cash flow. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities. At this time, we do not use derivative instruments to mitigate our interest rate risk. A hypothetical 10% change in interest rates during the periods presented would have resulted in a change to interest expense of \$0.1 million for the three months ended March 31, 2025.

Impact of Inflation

While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we do not believe inflation has had a material effect on our historical results of operations and financial condition. However, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset higher costs through price increases or other corrective measures, and our inability or failure to do so could adversely affect our business, financial condition, and results of operations.

Item 4. Controls and Procedures.

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of disclosure controls and procedures

Our management, with the participation and supervision of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition. Defending such proceedings is costly and can impose a significant burden on management and employees. We may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in our 2024 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Issuer or Affiliated Purchaser

The following table presents information with respect to the Company's purchases of its common stock during the three months ended March 31, 2025:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in Thousands)
January 1, 2025 to January 31, 2025	10,353	\$ 1.99	10,353	\$ 2,127
February 1, 2025 to February 28, 2025	—	\$ —	—	\$ 2,127
March 1, 2025 to March 31, 2025	1,164,756	\$ 1.93	1,164,756	\$ 14,073
Total	1,175,109	\$ 1.94	1,175,109	\$ 14,073

(1) In June 2024, the Company's Board of Directors authorized a stock repurchase program of the Company's outstanding common stock (the "2024 Repurchase Program"), which provided for repurchases up to a total of \$5.0 million. As of January 31, 2025, the Company had approximately \$2.1 million of remaining repurchase authority under the 2024 Repurchase Program. Subsequently, in March 2025, the Board approved a new repurchase program (the "2025 Repurchase Program"), providing for repurchases up to a total of \$15.0 million, which superseded the 2024 Repurchase Program. Under the 2025 Repurchase Program, the Company may make repurchases, from time to time, through open market purchases, block trades, in privately negotiated transactions, accelerated stock repurchase transactions, or by other means. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases under this authorization.

The volume, timing, and manner of any repurchases will be determined at the Company's discretion, subject to general market conditions, as well as the Company's management of capital, general business conditions, other investment opportunities, regulatory requirements and other factors. The 2025 Repurchase Program does not obligate the Company to repurchase any specific amount of common stock, has no time limit, and may be modified, suspended, or discontinued at any time without notice at the discretion of the Board of Directors.

Use of Proceeds

On July 23, 2021, we completed our IPO, in which we issued and sold 15,000,000 shares of our common stock at a price to the public of \$10.00 per share. On August 6, 2021, we issued and sold an additional 2,250,000 shares of our common stock at a price of \$10.00 per share in connection with the underwriters' exercise in full of their option to purchase additional shares of our common stock. All shares sold were registered pursuant to a registration statement on Form S-1 (File No. 333- 253699), as amended (the "Registration Statement"), declared effective by the SEC on July 20, 2021. Other than as reported in Part I, Item 5, "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" in our 2024 10-K, there has been no material change in the expected use of the net proceeds from our IPO as described in the Registration Statement.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the three months ended March 31, 2025, no directors or officers of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

The documents listed below are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated below.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Kaltura, Inc.	8-K	001-40644	3.1	07/23/2021	
3.2	Certificate of Designations of Series A Junior Participating Preferred Stock of Kaltura, Inc.	8-K	001-40644	3.2	08/08/2022	
3.3	Amended and Restated Bylaws of Kaltura, Inc.	8-K	001-40644	3.2	07/23/2021	
4.1	Specimen Common Stock Certificate of Kaltura, Inc.	S-1/A	333-253699	4.1	03/23/2021	

4.2	Sixth Amended and Restated Investor Rights Agreement, dated as of July 22, 2016, by and among Kaltura, Inc. and each of the investors listed on Exhibit A thereto, as amended	S-1/A	333-253699	4.2	3/23/2021	
10.1#	Amendment to Employment Agreement, dated as of February 19, 2025, by and between Kaltura Ltd and Ron Yekutiel	10-K	001-40644	10.22	02/20/2025	
10.2#	Amendment to Consulting Agreement, dated as of February 19, 2025, by and between Kaltura Inc and Ron Yekutiel	10-K	001-40644	10.23	02/20/2025	
10.3#	Amendment to Consulting Agreement, dated as of February 19, 2025, by and between Kaltura Europe Limited and Ron Yekutiel	10-K	001-40644	10.24	02/20/2025	
10.4#	Amendment to Employment Agreement, dated as of February 19, 2025, by and between Kaltura Ltd. and Eynav Azaria	10-K	001-40644	10.30	02/20/2025	
10.5#	Amendment to Employment Agreement, dated as of February 19, 2025, by and between Kaltura Ltd. and Natan Israeli	10-K	001-40644	10.32	02/20/2025	
10.6#	Amendment to Offer Letter for John Doherty, dated February 19, 2025	10-K	001-40644	10.34	02/20/2025	
10.7#	Seventh Amendment to Credit Agreement, dated as of March 19, 2025, the subsidiaries of the Borrower party thereto, the several banks and other financial institutions or entities party thereto, and Silicon Valley Bank, as the Administrative Agent, the Issuing Lender and the Swingline Lender					*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.					**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document					*

101.SCH	Inline XBRL Taxonomy Extension Schema Document	***
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	***
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	***
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	***
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	***
104	Cover Page Interactive Data File (as formatted as Inline XBRL and contained in Exhibit 101)	***

* Filed herewith.

** Furnished herewith.

Certain schedules (or similar attachments) have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant undertakes to furnish a supplemental copy of any of the omitted schedules (or similar attachments) to the SEC upon request.

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.

KALTURA, INC.

Date: May 8, 2025

By:

/s/ Ron Yekutiel

Ron Yekutiel
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: May 8, 2025

By:

/s/ John Doherty

John Doherty
Chief Financial Officer
(Principal Financial and Accounting Officer)

SEVENTH AMENDMENT TO CREDIT AGREEMENT

This Seventh Amendment to Credit Agreement (this “*Amendment*”) dated and effective as of March 19, 2025 by and among **KALTURA, INC.**, a Delaware corporation (the “*Borrower*”), the Subsidiaries of the Borrower party hereto (the “*Guarantors*”), the several banks and other financial institutions or entities party hereto (the “*Lenders*”), and **SILICON VALLEY BANK, A DIVISION OF FIRST-CITIZENS BANK & TRUST COMPANY (“SVB”)**, as the Administrative Agent (SVB, in such capacity, the “*Administrative Agent*”), the Issuing Lender and the Swingline Lender.

W I T N E S S E T H:

WHEREAS, the Borrower, the Administrative Agent, the Issuing Lender and the Swingline Lender are parties to that certain Credit Agreement dated as of January 14, 2021, as amended by that certain First Amendment to Credit Agreement dated as of June 29, 2021, as further amended by that certain Second Amendment to Credit Agreement dated as of December 20, 2021, as further amended by that certain Third Amendment to Credit Agreement dated as of April 19, 2022, as further amended by that certain Fourth Amendment to Credit Agreement dated as of May 23, 2023, as further amended by that certain Fifth Amendment to Credit Agreement dated as of December 21, 2023, and as further amended by that certain Sixth Amendment to Credit Agreement dated as of July 22, 2024 (as the same may be further amended, modified, supplemented or restated and in effect from time to time, the “*Credit Agreement*”); and

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent agree to modify and amend certain terms and conditions of the Credit Agreement subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Capitalized Terms. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

2. Amendment to Section 7.6 of the Credit Agreement. Section 7.6(f) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(f) the Group Members may make Restricted Payments not otherwise permitted by one of the foregoing clauses of this Section 7.6; provided that (i) the aggregate amount of all such Restricted Payments made pursuant to this clause (f) shall not exceed \$20,000,000 in the aggregate, (ii) immediately after giving effect to any such Restricted Payment, Liquidity shall be at least \$50,000,000, and (iii) no Default or Event of Default has occurred and is continuing or would arise as a result of the making of any such Restricted Payment;”

To dispel doubt, (i) the Liquidity requirement pursuant to the amended Section 7.6 of the Credit Agreement above, shall not apply to nor shall change the \$20,000,000 Minimum Liquidity covenant in Section 7.1(b) of the Credit Agreement, and (ii) “Restricted Payments” shall not include

payments of cash to settle “Awards” in accordance with the Borrower’s 2021 Incentive Award Plan as in effect on March 19, 2025.

3. Conditions Precedent to Effectiveness. The effectiveness of this Amendment shall be subject to the prior or concurrent satisfaction of each of the following conditions precedent (the date on which such conditions are satisfied, the “*Seventh Amendment Effective Date*”):

- (a) Amendment. The Administrative Agent shall have received this Amendment duly executed and delivered by the Administrative Agent, the Loan Parties and the Lenders;
- (b) Approvals. All Governmental Approvals and consents and approvals of, or notices to, any other Person (including the holders of any Capital Stock issued by any Loan Party) required in connection with the execution, delivery and performance of this Amendment, shall have been obtained and be in full force and effect.
- (c) No Material Adverse Effect. There shall not have occurred since December 31, 2022 any event or condition that has had or that could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.
- (d) No Default. No Default or Event of Default shall have occurred and be continuing on the Seventh Amendment Effective Date.
- (e) Payment of Fees and Expenses. The Lenders and the Administrative Agent shall have received all amounts required to be paid pursuant to Section 5.
- (f) Representations and Warranties. Immediately after giving effect to this Amendment, each of the representations and warranties set forth in this Amendment, the Credit Agreement, as amended by this Amendment, and after giving effect hereto, and the other Loan Documents to which it is a party (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, on and as of such date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects (or all respects, as applicable) as of such earlier date.

(g) For purposes of determining compliance with the conditions specified in this Section 3, each Lender that has executed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent (or made available) by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to such Lender, unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender prior to the Seventh Amendment Effective Date specifying such Lender’s objection thereto and either such objection shall not have been withdrawn by notice to the Administrative Agent to that effect on or prior to the Seventh Amendment Effective Date or, if any extension of credit on the Seventh Amendment Effective Date has been requested, such Lender shall not have made available to the Administrative Agent on or prior to the Seventh Amendment Effective Date such Lender’s Revolving Percentage of such requested extension of credit.

4. Representations and Warranties. Each Loan Party hereby represents and warrants to the Administrative Agent and the Lenders, effective as of the Seventh Amendment Effective Date, as follows:

- (a) This Amendment is, and each other Loan Document to which it is or will be a party, when executed and delivered by each Loan Party that is a party thereto, will be the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles (whether enforcement is sought by proceedings in equity or at law) or by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally.
- (b) Immediately after giving effect to this Amendment, the representations and warranties set forth in this Amendment, the Credit Agreement, as amended by this Amendment and after giving effect hereto, and the other Loan Documents to which it is a party (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, on and as of such date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects (or all respects, as applicable) as of such earlier date.
- (c) The execution and delivery by each Loan Party of this Amendment and the other Loan Documents executed and delivered in connection herewith, and the performance by Loan Parties of their obligations hereunder and thereunder and by the Borrower of its obligations under the Credit Agreement, as amended by this Amendment, (i) have been duly authorized by all necessary organizational action on the part of such Loan Party and (ii) does not (A) violate any provisions of the Operating Documents of such Loan Party or (B) constitute a violation by such Loan Party of any material Requirement of Law or Contractual Obligation of such Loan Party.
- (d) No Default or Event of Default has occurred and is continuing as of the Seventh Amendment Effective Date.

5. Payment of Costs and Fees. The Borrower shall pay to the Administrative Agent all reasonable and documented out-of-pocket costs, expenses, and fees and charges of every kind in connection with the preparation, negotiation, execution and delivery of this Amendment and any documents and instruments relating hereto (which costs include, without limitation, the reasonable fees and expenses of any attorneys retained by the Administrative Agent).

6. Choice of Law, etc. This Amendment and the rights of the parties hereunder, shall be determined under, governed by, and construed in accordance with the internal laws (and not the conflict of law rules) of the State of New York. The provisions of Section 10.14 (Submission to Jurisdiction; Waivers) of the Credit Agreement are incorporated herein by reference *mutatis mutandis* with the same force and effect as if expressly written herein

7. Counterpart Execution. This Amendment may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Amendment.

8. Effect on Loan Documents.

- (a) The Credit Agreement, as amended hereby, and each of the other Loan Documents, as amended hereby, shall be and remain in full force and effect in accordance with their respective terms and hereby are ratified and confirmed in all respects. Each Loan Party hereby further ratifies and reaffirms the validity and enforceability of all of the Liens heretofore granted pursuant to terms and subject to the conditions set forth in the Guarantee and Collateral Agreement, the other Security Documents or any other Loan

Document to the Administrative Agent on behalf and for the benefit of the Secured Parties, as collateral security for the obligations under the Loan Documents in accordance with their respective terms, and acknowledges that all of such Liens, and all collateral heretofore pledged as security for such obligations, continues to be and remain collateral for such obligations from and after the date hereof. Each Loan Party hereby further ratifies and reaffirms the validity and enforceability of the appointment of the Administrative Agent as attorney-in-fact under each applicable Loan Document all pursuant to terms and subject to the conditions set forth therein. The execution, delivery, and performance of this Amendment shall not operate, except as expressly set forth herein, as a modification or waiver of any right, power, or remedy of the Administrative Agent or any Lender under the Credit Agreement, the Guarantee and Collateral Agreement or any other Loan Document. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Credit Agreement, the Loan Documents or instruments securing the same. The amendments, consents, modifications and other agreements herein are limited to the specifics hereof (including facts or occurrences on which the same are based), shall not apply with respect to any facts or occurrences other than those on which the same are based, shall not excuse any non-compliance with the Loan Documents as amended herein, and shall not operate as a consent or waiver to any matter under the Loan Documents as amended herein. Except for the amendments to the Credit Agreement expressly set forth herein, the Credit Agreement, the Guarantee and Collateral Agreement and other Loan Documents shall remain unchanged and in full force and effect. To the extent any terms or provisions of this Amendment conflict with those of the Credit Agreement or other Loan Documents, the terms and provisions of this Amendment shall control.

- (b) To the extent that any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the Credit Agreement after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Credit Agreement as modified or amended hereby.
- (c) This Amendment is a Loan Document.

9. Entire Agreement. This Amendment, and terms and provisions hereof, the Credit Agreement and the other Loan Documents constitute the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior or contemporaneous amendments or understandings with respect to the subject matter hereof, whether express or implied, oral or written.

10. Severability. In case any provision in this Amendment shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

[Signature pages follow]

In Witness Whereof, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BORROWER:

KALTURA, INC.

By: __

Name: __

Title: __

[Signature Page to Seventh Amendment to Credit Agreement]

ny-2619197

GUARANTOR:

Executed as a deed by)
Kaltura Europe Limited)
acting by)
Director

in the presence of:)

.....
Witness Signature
Name:
Address:
Occupation:

[Signature Page to Seventh Amendment to Credit Agreement]

**ADMINISTRATIVE AGENT, ISSUING LENDER, SWINGLINE LENDER
AND A LENDER:**

FIRST-CITIZENS BANK & TRUST COMPANY

By:

Name:

Title:

[Signature Page to Seventh Amendment to Credit Agreement]

ny-2619197

CERTIFICATION

I, Ron Yekutieli, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kaltura, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

By: _____ /s/ Ron Yekutieli

Ron Yekutieli
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, John Doherty, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kaltura, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

By: _____ /s/ John Doherty

John Doherty
Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Kaltura, Inc. (the "Company") for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

By: _____ /s/ Ron Yekutiel
Ron Yekutiel
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Kaltura, Inc. (the "Company") for the period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

By: _____ /s/ John Doherty
John Doherty
Chief Financial Officer
(Principal Financial and Accounting Officer)