

Q4 2024 Financial Report

Executive Summary

The fourth quarter of 2024 demonstrated strong financial performance across all business units. Revenue increased by 18% year-over-year, reaching \$45.2 million, exceeding our projected targets by \$3.7 million.

Revenue Breakdown

Product Sales

- Software licenses: \$28.5M (up 22% from Q3)
- Professional services: \$12.3M (up 15% from Q3)
- Support and maintenance: \$4.4M (stable)

Geographic Distribution

- North America: 52% of total revenue
- Europe: 31% of total revenue
- Asia-Pacific: 17% of total revenue

Key Financial Metrics

- **Gross Margin:** 68% (improved from 64% in Q3)
- **Operating Margin:** 24% (up from 21% in Q3)
- **EBITDA:** \$10.8M
- **Cash Flow from Operations:** \$12.1M

Expenses

Total operating expenses for Q4: \$19.9M

- Research & Development: \$8.2M (41%)
- Sales & Marketing: \$6.5M (33%)
- General & Administrative: \$5.2M (26%)

Investment Highlights

During Q4, we made strategic investments in: - Cloud infrastructure expansion: \$2.5M - AI/ML capabilities: \$1.8M - Customer success team expansion: \$1.2M

Cash Position

As of December 31, 2024: - Cash and cash equivalents: \$32.4M - Short-term investments: \$15.6M - Total liquid assets: \$48.0M

Our strong cash position enables continued investment in growth initiatives while maintaining financial stability.

2025 Outlook

Based on current market conditions and pipeline analysis, we project: - Q1 2025 revenue: \$46-48M - Full year 2025 revenue: \$195-205M - Target EBITDA margin: 26-28%

Risk Factors

Key risks to monitor in 2025: - Foreign exchange volatility - Increased competition in the enterprise segment - Potential economic slowdown in key markets - Cybersecurity threats

Conclusion

Q4 2024 closed a successful year with strong momentum. The company is well-positioned for continued growth in 2025, supported by robust financials, strategic investments, and expanding market opportunities.

This document contains confidential financial information. Distribution is restricted to authorized personnel only.