

Allot Communications Reports Fourth Quarter and full Year Financial Results

Non-GAAP Quarterly Revenues Increases 12% year over year reaching \$30.6 million bringing non-GAAP Yearly Revenues to \$117.2 million.

Hod Hasharon, Israel - February 10, 2015 - Allot Communications Ltd. (NASDAQ: ALLT), a leading supplier of service optimization and revenue generation solutions for fixed and mobile broadband operators and cloud providers worldwide, today announced its fourth quarter and year end 2014 results.

Q4 2014 – Financial Highlights:

- Non-GAAP **Revenues** were \$30.6 million, up 12% year over year and 2% sequentially
- Non-GAAP Gross Margin reached 77%
- Non-GAAP **Operating Margin** was 10%
- Book-to-bill slightly above one
- The Company generated \$8.1 million of Operating Cash Flow
- Net Cash as of December 31, 2014 totaled \$132.5 million

2014 – Financial Highlights:

- Non-GAAP Revenues were \$117.2 million, up 21% year over year
- Non-GAAP **Gross Margin** reached 75%
- Non-GAAP **Operating Margin** was 8%
- Book-to-bill above one
- The Company generated \$15.8 million of Operating Cash Flow

Q4 Financial results:

On a GAAP basis, total revenues for the fourth quarter of 2014 were \$30.6 million compared to \$30.1 million of revenue reported for the third quarter of 2014 and \$27.3 million of revenue reported for the fourth quarter of 2013. Net loss for the fourth quarter of 2014 was \$2.3 million, or \$0.07 per basic and diluted share. This compares with net income of \$0.8 million, or \$0.02 per basic and diluted share, in the third quarter of 2014 and net income of \$1.2 million, or \$0.04 per basic and diluted share, in the fourth quarter of 2013. During the fourth quarter, the Company recorded an inventory write-off of \$2.9 million in connection with product cycle refresh and mostly due to the introduction of the Tera product line.

On a non-GAAP basis, total revenues for the fourth quarter of 2014 reached \$30.6 million, compared with \$30.1 million of revenue reported for the third quarter of 2014 and \$27.3 million of revenue reported for the fourth quarter of 2013. On a non-GAAP basis, net income for the fourth quarter of 2014 was \$3.4 million, or \$0.10 per basic share and \$0.10 per diluted share. This compares with non-



GAAP net income of \$3.1 million, or \$0.09 per basic and diluted share, in the third quarter of 2014 and a non-GAAP net income of \$3.2 million, or \$0.10 per basic and \$0.09 per diluted share, in the fourth quarter of 2013.

Q4 2014 - Key Achievements:

- During Q4 2014, 26 large orders were received, 11 of which were from new customers
- 6 of the large orders came from mobile-service providers and 17 were from fixed-line service providers
- In addition, 3 large orders were received for private and public cloud deployments
- Allot ServiceProtector Selected by Five Tier-1 Operators to Secure High Capacity Networks from Evolving Cyber Security Threats
- Received 2 orders for its 100GE service gateway Tera and VAS totaling \$5 million
- Secured video optimization orders from three new major mobile operators

2014 financial results

On a GAAP basis total revenues for the full year 2014 reached \$117.2 million, compared to \$96.6 million in 2013. Net loss for the year 2014 was \$2.5 million, or \$0.08 per basic and diluted share, as compared with net loss of \$6.5 million, or \$0.20 per basic and diluted share, in 2013.

On a non-GAAP basis total revenues for the full year 2014 reached \$117.2 million, compared with \$97.1 million of revenue reported for the full year 2013. Net income for the full year 2014 reached \$10.5 million, or \$0.31 per basic share and \$0.32 per diluted share. This compares with non-GAAP net income of \$4.0 million, or \$0.12 per basic share and \$0.12 per diluted share, reported for the full year 2013.

"During 2014 we continued to grow our VAS business segment mainly in the monetization and security categories. We are highly encouraged by the growth in demand we are experiencing for our security business from leading Tier-1 service providers, globally. VAS accounted for 37% of the fourth quarter booking and we expect this trend to continue going into 2015. One of the major achievements of the fourth quarter is the breadth of large deals, 26 in total, of which 11 large deals are from new customers, "said Andrei Elefant, President & CEO of Allot Communications. "While book to bill was slightly above one, we demonstrated additional improvement in our gross margin and generated more than \$8 million of operating cash flow. During 2015, we expect the current trends of monetization and intensifying demand for security services to continue to serve as a key catalyst for our growth."

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Conference Call & Webcast:

The Allot management team will host a conference call to discuss fourth quarter and year end 2014 earnings results today at 8:30 AM ET, 3:30 p.m. Israel time. To access the conference call, please dial



one of the following numbers: US: **+12124440896**, UK: **+44(0)2034271908**, Israel: **+97237630145**, participant code **5290975**.

A replay of the conference call will be available from 12:00 AM ET on February 11 2014 for 30 days. To access the replay, please dial: **US:** +1 347 366 9565; **UK:** +44(0)2034270598, access code: 5290975. A live webcast of the conference call can be accessed on the Allot Communications website at www.allot.com. The webcast also will be archived on the website following the conference call.

About Allot Communications

Allot Communications Ltd. (NASDAQ, TASE: ALLT) empowers service providers to monetize and optimize their networks, enterprises to enhance productivity and consumers to enjoy an always-on digital lifestyle. Allot's advanced DPI-based broadband solutions identify and leverage network intelligence to analyze, protect, improve and enrich mobile, fixed and cloud service delivery and user experience. Allot's unique blend of innovative technology, proven know-how and collaborative approach to industry standards and partnerships enables network operators worldwide to elevate their role in the digital lifestyle ecosystem and to open the door to a wealth of new business opportunities. For more information, please visit <u>www.allot.com</u>.

GAAP to Non-GAAP Reconciliation:

The difference between GAAP and non-GAAP revenues is related to the acquisitions made by the Company and represents revenues adjusted for the impact of the fair value adjustment to acquired deferred revenue related to purchase accounting. Non-GAAP net income is defined as GAAP net income after including deferred revenues related to the fair value adjustment resulting from purchase accounting and excluding stock-based compensation expenses, amortization of acquisition-related intangible assets, inventory write-off expenses, regulatory matter expenses, acquisition-related expenses and compensation expenses related to the acquisitions.

These non-GAAP measures should be considered in addition to, and not as a substitute for, comparable GAAP measures. The non-GAAP results and a full reconciliation between GAAP and non-GAAP results are provided in the accompanying Table 2. The Company provides these non-GAAP financial measures because it believes they present a better measure of the Company's core business and management uses the non-GAAP measures internally to evaluate the Company's ongoing performance. Accordingly, the Company believes they are useful to investors in enhancing an understanding of the Company's operating performance.

Safe Harbor Statement

This release may contain forward-looking statements, which express the current beliefs and expectations of Company management. Such statements involve a number of known and unknown risks and uncertainties that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements. Important factors that could cause or contribute to such differences include risks relating to: our ability to compete successfully with other companies



offering competing technologies; the loss of one or more significant customers; consolidation of, and strategic alliances by, our competitors, government regulation; lower demand for key value-added services; our ability to keep pace with advances in technology and to add new features and value-added services; managing lengthy sales cycles; operational risks associated with large projects; our dependence on third party channel partners for a material portion of our revenues; and other factors discussed under the heading "Risk Factors" in the Company's annual report on Form 20-F filed with the Securities and Exchange Commission. Forward-looking statements in this release are made pursuant to the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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TABLE - 1 ALLOT COMMUNICATIONS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended December 31,		Year Ended December 31,		
	2014	2013	2014	2013	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Revenues	\$ 30,635	\$ 27,271	\$ 117,186	\$ 96,545	
Cost of revenues				. ,	
Cost of revenues	10,428	7,757	34,739	26,818	
Gross profit	20,207	19,514	82,447	69,727	
Operating expenses:					
Research and development costs, net	7,365	6,623	29,014	27,022	
Sales and marketing	12,055	10,113	44,599	39,817	
General and administrative	3,325	1,707	11,941	9,952	
Total operating expenses	22,745	18,443	85,554	76,791	
Operating profit (loss)	(2,538)	1,071	(3,107)	(7,064)	
Financial and other income, net	200	144	660	727	
Profit (loss) before income tax benefit	(2,338)	1,215	(2,447)	(6,337)	
Tax expenses (benefit)	(84)	30	50	120	
Net profit (loss)	(2,254)	1,185	(2,497)	(6,457)	
Basic net profit (loss) per share	\$ (0.07)	\$ 0.04	\$ (0.08)	\$ (0.20)	
Diluted net profit (loss) per share	\$ (0.07)	\$ 0.04	\$ (0.08)	\$ (0.20)	
Weighted average number of shares used in computing basic net earnings per share	33,282,942	32,816,792	33,143,168	32,680,766	
Weighted average number of shares used in computing diluted net earnings per share	33,282,942	33,418,398	33,143,168	32,680,766	



TABLE - 2 ALLOT COMMUNICATIONS LTD. AND ITS SUBSIDIARIES

RECONCILATION OF GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS (U.S. dollars in thousands, except per share data)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013	
	(Unaudited)	(Unaudite d)	
	% of	% of	
	\$ Revenues	\$ Revenues	
GAAP Operating income (loss)	\$ (2,538) -8%	\$ 1,071 4%	
Share-based compensation (1)	2,223	1,835	
Amortization of intangible assets (2)	471	1,148	
Expenses related to M&A activities	65	(1,085)	
Fair value adjustment for acquired deferred revenues write down	11	70	
Inventory write off - cost of revenues	2,868	-	
Non-GAAP Operating income	\$ 3,100 10%	\$ 3,039 11%	
GAAP Net income (loss)	\$ (2,254) -7%	\$ 1,185 4%	
Share-based compensation (1)	2,223	1,835	
Amortization of intangible assets (2)	471	1,148	
Expenses related to M&A activities	65	(1,085)	
Fair value adjustment for acquired deferred revenues write down	11	70	
Inventory write off - cost of revenues	2,868		
Non-GAAP Net income	\$ 3,384 11%	\$ 3,153 12%	
GAAP income (loss) per share (diluted)	\$ (0.07)	\$ 0.04	
Share-based compensation	0.07	0.05	
Amortization of intangible assets	0.01	0.03	
Expenses related to M&A activities	0.00	-0.03	
Fair value adjustment for acquired deferred revenues write down	0.00	0.00	
Inventory write off - cost of revenues	0.08		
Non-GAAP Net income per share (diluted)	\$ 0.10	\$ 0.09	
(1) Share-based compensation:			
Cost of revenues	\$ 85	\$ 79	
Research and development costs, net	487	414	
Sales and marketing	860	691	
General and administrative	791	651	
	\$ 2,223	\$ 1,835	
(2) Amortization of intangible assets			
Cost of revenues	\$ 397	\$ 1,090	
Sales and marketing	74	58	
č	\$ 471	\$ 1,148	



TABLE - 2 cont. ALLOT COMMUNICATIONS LTD. AND ITS SUBSIDIARIES

RECONCILATION OF GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS (U.S. dollars in thousands, except per share data)

	Year Ended December 31, 2014	Year Ended December 31, 2013	
	(Unaudited)	(Audited)	
	% of \$ Revenues	% of \$ Revenues	
GAAP Operating loss	\$ (3,107) -3%	\$ (7,064) -7%	
Share-based compensation (1)	8,094	7,731	
Amortization of intangible assets (2)	1,859	2,914	
Expenses related to M&A activities	98	(1,009)	
Fair value adjustment for acquired deferred revenues write down	45	530	
Inventory write off - cost of revenues	2,868	-	
Expense related to settlement of OCS grants (Cost of revenues)	-	250	
Non-GAAP Operating income	\$ 9,857 8%	\$ 3,352 3%	
GAAP Net income (loss)	\$ (2,497) -2%	\$ (6,457) -7%	
Share-based compensation (1)	8,094	7,731	
Amortization of intangible assets (2)	1,859	2,914	
Expenses related to M&A activities (3)	98	(1,009)	
Fair value adjustment for acquired deferred revenues write down	45	530	
Inventory write off - cost of revenues	2,868	-	
Expense related to settlement of OCS grants (Cost of revenues)		250	
Non-GAAP Net income	\$ 10,467 9%	\$ 3,959 4%	
GAAP loss per share (diluted)	\$ (0.08)	\$ (0.20)	
Share-based compensation	0.24	0.23	
Amortization of intangible assets	0.05	0.09	
Expenses related to M&A activities	0.01	-0.03	
Fair value adjustment for acquired deferred revenues write down	0.01	0.02	
Inventory write off - cost of revenues	0.08	-	
Expense related to settlement of OCS grants (Cost of revenues)		0.01	
Non-GAAP Net income per share (diluted)	\$ 0.31	\$ 0.12	
(1) Share-based compensation:			
Cost of revenues	\$ 353	\$ 368	
Research and development costs, net	1,919	1,666	
Sales and marketing	3,321	3,106	
General and administrative	2,501	2,591	
	\$ 8,094	\$ 7,731	
(2) Amortization of intangible assets			
Cost of revenues	\$ 1,596	\$ 2,683	
Sales and marketing	263	231	
	\$ 1,859	\$ 2,914	
(3) Expenses related to M&A activities			
Research and development costs, net	-	28	
Sales and marketing	-	12	
General and administrative	98	(1,049)	
	\$ 98	\$ (1,009)	



TABLE - 3 ALLOT COMMUNICATIONS LTD. AND ITS SUBSIDIARIES

AND ITS SUBSIDIARIES RECONCILATION OF GAAP TO NON-GAAP CONSOLIDATED REVENUES (U.S. dollars in thousands, except share and per share data)

	Three Months Ended December 31.		Year Ended December 31,	
	2014 (Unaudited)	2013 (Unaudited)	2014 (Unaudited)	2013 (Audited)
GAAP Revenues	\$ 30,635	\$ 27,271	\$ 117,186	\$ 96,545
Fair value adjustment for acquired deferred revenues write down	11	70	\$ 45	\$ 530
Non-GAAP Revenues	\$ 30,646	\$ 27,341	\$ 117,231	\$ 97,075



TABLE - 4 ALLOT COMMUNICATIONS LTD. AND ITS SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (U.S. dollars in thousands)

	December 31, 2014	December 31, 2013 (Audited)	
	(Unaudited)		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 19,180	\$ 42,813	
Short term deposits	59,000	38,000	
Marketable securities and restricted cash	54,271	40,798	
Trade receivables, net	23,759	16,908	
Other receivables and prepaid expenses	5,383	8,218	
Inventories	10,109	13,798	
Total current assets	171,702	160,535	
LONG-TERM ASSETS:			
Severance pay fund	262	254	
Deferred taxes	1,716	1,602	
Other assets	4,948	771	
Total long-term assets	6,926	2,627	
PROPERTY AND EQUIPMENT, NET	5,957	5,874	
GOODWILL AND INTANGIBLE ASSETS, NET	28,363	30,221	
Total assets	\$ 212,948	\$ 199,257	
LIABILITIES AND SHAREHOLDERS'			
EQUITY			
CURRENT LIABILITIES:			
Trade payables	\$ 6,300	\$ 3,191	
Deferred revenues	12,704	12,504	
Other payables and accrued expenses	14,524	10,906	
Liability related to settlement of OCS grants			
Total current liabilities	33,528	26,601	
LONG-TERM LIABILITIES:			
Deferred revenues	4,158	2,447	
Accrued severance pay	282	282	
Total long-term liabilities	4,440	2,729	
SHAREHOLDERS' EQUITY	174,980	169,927	
Total liabilities and shareholders' equity	\$ 212,948	\$ 199,257	



TABLE - 5 ALLOT COMMUNICATIONS LTD. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (U.S. dollars in thousands)

2014 2013 2014 2013 (Unaudited) (Unaudited) (Unaudited) (Unaudited) (Unaudited) Cach flows from operating activities: \$ (2,254) \$ 1,855 \$ (2,497) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,857) \$ (6,851) \$ (6,851) \$ (6,851) \$ (6,851) \$ (6,851) \$ (1,858) \$ (1,858) \$ (1,858) \$ (1,858) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,853) \$ (1,24) \$ (1,143) \$ (1,243) \$ (1,243) \$ (1,243) \$ (1,243) \$ (1,243) \$ (1,243) </th <th></th> <th colspan="2">Three Months Ended December 31,</th> <th></th> <th colspan="2">Year Ended December 31,</th>		Three Months Ended December 31,			Year Ended December 31,	
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Increase (Decrease) in trade payables 928 $(1,326)$ $3,109$ $(1,618)$ Increase (Decrease) in employees and payroll acruals 665 (649) 1.073 (2.523) Increase (Decrease) in other payables and acrued expenses 234 1.825 1.911 (2.823) Increase (Decrease) in other payables and acrued expenses 342 $(2,102)$ 2.800 (988) Increase (Decrease) in defrence and in operating activities 8.069 7.016 15.835 (19.250) Cash flows from investing activities: Increase in restricted deposit $ -$						
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Net cash provided by (used in) operating activities $8,069$ $7,016$ $15,835$ $(19,250)$ Cash flows from investing activities:Increase in restricted deposit146Redemption of short-term deposit(20,500) $(14,400)$ $(50,500)$ -Investment in short-term deposit(20,500) $(14,400)$ $(50,500)$ -Purchase of property and equipment(878) (726) $(3,391)$ $(2,706)$ Investment in marketable securities $(2,870)$ $(2,914)$ $(22,736)$ $(32,805)$ Proceeds from redemption or sale of marketable securities $3,502$ $1,650$ $8,266$ $6,461$ Loan provided to third party, net152- $(2,083)$ -Net cash provided by (used in) investing activities $(20,594)$ $(16,390)$ $(40,944)$ $11,138$ Cash flows from financing activities: 74 326 $1,476$ 899 Net cash provided by financing activities 74 326 $1,476$ 899 Net cash and cash equivalents $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents at the beginning of the period $31,631$ $51,861$ $42,813$ $50,026$				2,800		
Cash flows from investing activities:Increase in restricted deposit146Redemption of short-term deposits29,50040,042Investment in short-term deposit(20,500)(14,400)(50,500)-Purchase of property and equipment(878)(726)(3,391)(2,706)Investment in marketable securities(2,870)(2,914)(22,736)(32,805)Proceeds from redemption or sale of marketable securities3,5021,6508,2666,461Loan provided to third party, net152-(2,083)-Net cash provided by (used in) investing activities(20,594)(16,390)(40,944)11,138Cash flows from financing activities:743261,476899Net cash provided by financing activities743261,476899Increase in cash and cash equivalents(12,451)(9,048)(23,633)(7,213)Cash and cash equivalents at the beginning of the period31,63151,86142,81350,026	increase in Liability related to settlement of OCS grants	-	-	-	(15,886)	
Increase in restricted deposit146Redemption of short-term deposits16,042Investment in short-term deposit(20,500)(14,400)(50,500)-Purchase of property and equipment(20,500)(14,400)(50,500)-Investment in marketable securities(2,870)(2,914)(22,736)(32,805)Proceeds from redemption or sale of marketable securities3,5021,6508,2666,461Loan provided to third party, net152-(2,083)-Net cash provided by (used in) investing activities(20,594)(16,390)(40,944)11,138Cash flows from financing activities:Exercise of employee stock options743261,476899Net cash provided by financing activities(12,451)(9,048)(23,633)(7,213)Cash and cash equivalents(12,451)(9,048)(23,633)(7,213)Cash and cash equivalents at the beginning of the period(12,451)(9,048)(23,633)(7,213)	Net cash provided by (used in) operating activities	8,069	7,016	15,835	(19,250)	
Redemption of short-term deposits - - 29,500 $40,042$ Investment in short-term deposit (20,500) (14,400) (50,500) - Purchase of property and equipment (878) (726) (3,391) (2,706) Investment in marketable securities (2,870) (2,914) (22,736) (32,805) Proceeds from redemption or sale of marketable securities 3,502 1,650 8,266 6,461 Loan provided to third party, net 152 - (2,083) - Net cash provided by (used in) investing activities (20,594) (16,390) (40,944) 11,138 Cash flows from financing activities: Exercise of employee stock options 74 326 1,476 899 Net cash provided by financing activities (12,451) (9,048) (23,633) (7,213) Cash and cash equivalents (12,451) (9,048) (23,633) (7,213) Cash and cash equivalents at the beginning of the period 31,631 51,861 42,813 50,026	Cash flows from investing activities:					
Investment in short-term deposit $(20,500)$ $(14,400)$ $(50,500)$ $-$ Purchase of property and equipment (878) (726) $(3,391)$ $(2,706)$ Investment in marketable securities $(2,870)$ $(2,914)$ $(22,736)$ $(32,805)$ Proceeds from redemption or sale of marketable securities $3,502$ $1,650$ $8,266$ $6,461$ Loan provided to third party, net 152 $ (2,083)$ $-$ Net cash provided by (used in) investing activities $(20,594)$ $(16,390)$ $(40,944)$ $11,138$ Cash flows from financing activities: $20,594$ $(16,390)$ $(40,944)$ $11,138$ Exercise of employee stock options 74 326 $1,476$ 899 Net cash provided by financing activities $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents at the beginning of the period $31,631$ $51,861$ $42,813$ $50,026$	Increase in restricted deposit	-	-	-	146	
Purchase of property and equipment investment in marketable securities (878) $(2,870)$ (726) $(2,914)$ (3391) $(22,736)$ $(2,706)$ Investment in marketable securities $(2,870)$ $(2,914)$ $(22,736)$ $(22,736)$ $(32,805)$ Proceeds from redemption or sale of marketable securities $3,502$ $1,650$ $8,266$ $(2,083)$ $6,461$ Loan provided to third party, net 152 - $(2,083)$ -Net cash provided by (used in) investing activities $(20,594)$ $(16,390)$ $(40,944)$ $11,138$ Cash flows from financing activities: $22,594$ $(16,390)$ $(40,944)$ $11,138$ Exercise of employee stock options 74 326 $1,476$ 899 Net cash provided by financing activities $11,476$ 899 $11,236$ $1,476$ 899 Increase in cash and cash equivalents $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents at the beginning of the period $31,631$ $51,861$ $42,813$ $50,026$	Redemption of short-term deposits	-	-	29,500	40,042	
Investment in marketable securities $(2,870)$ $(2,914)$ $(22,736)$ $(32,805)$ Proceeds from redemption or sale of marketable securities $3,502$ $1,650$ $8,266$ $6,461$ Loan provided to third party, net 152 - $(2,083)$ -Net cash provided by (used in) investing activities $(20,594)$ $(16,390)$ $(40,944)$ $11,138$ Cash flows from financing activities:Exercise of employee stock options 74 326 $1,476$ 899 Net cash provided by financing activities $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents at the beginning of the period $31,631$ $51,861$ $42,813$ $50,026$	Investment in short-term deposit	(20,500)	(14,400)	(50,500)	-	
Proceeds from redemption or sale of marketable securities $3,502$ $1,650$ $8,266$ $6,461$ Loan provided to third party, net 152 - $(2,083)$ -Net cash provided by (used in) investing activities $(20,594)$ $(16,390)$ $(40,944)$ $11,138$ Cash flows from financing activities:Exercise of employee stock options 74 326 $1,476$ 899 Net cash provided by financing activities $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents at the beginning of the period $31,631$ $51,861$ $42,813$ $50,026$	Purchase of property and equipment	(878)	(726)	(3,391)	(2,706)	
Loan provided to third party, net 152 $(2,083)$ $-$ Net cash provided by (used in) investing activities $(20,594)$ $(16,390)$ $(40,944)$ $11,138$ Cash flows from financing activities:Exercise of employee stock options 74 326 $1,476$ 899 Net cash provided by financing activitiesExercise of employee stock options 74 326 $1,476$ 899 Net cash provided by financing activities 74 326 $1,476$ 899 Increase in cash and cash equivalents $(12,451)$ $(9,048)$ $(23,633)$ $(7,213)$ Cash and cash equivalents at the beginning of the period $31,631$ $51,861$ $42,813$ $50,026$	Investment in marketable securities	(2,870)	(2,914)	(22,736)	(32,805)	
Net cash provided by (used in) investing activities(20,594)(16,390)(40,944)11,138Cash flows from financing activities:Exercise of employee stock options743261,476899Net cash provided by financing activities743261,476899Increase in cash and cash equivalents(12,451)(9,048)(23,633)(7,213)Cash and cash equivalents at the beginning of the period31,63151,86142,81350,026	Proceeds from redemption or sale of marketable securities	3,502	1,650	8,266	6,461	
Cash flows from financing activities:Exercise of employee stock options743261,476899Net cash provided by financing activities743261,476899Increase in cash and cash equivalents(12,451)(9,048)(23,633)(7,213)Cash and cash equivalents at the beginning of the period31,63151,86142,81350,026	Loan provided to third party, net	152	-	(2,083)	-	
Exercise of employee stock options743261,476899Net cash provided by financing activities743261,476899Increase in cash and cash equivalents Cash and cash equivalents at the beginning of the period(12,451) 31,631(9,048) 51,861(23,633) 42,813(7,213) 50,026	Net cash provided by (used in) investing activities	(20,594)	(16,390)	(40,944)	11,138	
Net cash provided by financing activities743261.476899Increase in cash and cash equivalents(12,451)(9,048)(23,633)(7,213)Cash and cash equivalents at the beginning of the period31,63151,86142,81350,026	Cash flows from financing activities:					
Increase in cash and cash equivalents (12,451) (9,048) (23,633) (7,213) Cash and cash equivalents at the beginning of the period 31,631 51,861 42,813 50,026	Exercise of employee stock options	74	326	1,476	899	
Increase in cash and cash equivalents (12,451) (9,048) (23,633) (7,213) Cash and cash equivalents at the beginning of the period 31,631 51,861 42,813 50,026	Net cash provided by financing activities	74	326	1.476	899	
Cash and cash equivalents at the beginning of the period 31,631 51,861 42,813 50,026				1,770		
Cash and cash equivalents at the beginning of the period 31,631 51,861 42,813 50,026	Increase in cash and cash equivalents	(12,451)	(9,048)	(23,633)	(7,213)	
Cash and cash equivalents at the end of the period \$ 19,180 \$ 42,813 \$ 19,180 \$ 42,813						
	Cash and cash equivalents at the end of the period	\$ 19,180	\$ 42,813	\$ 19,180	\$ 42,813	