This presentation contains forward-looking statements that reflect our current views with respect to, among other things, the operations and financial performance of JFrog Ltd. and its subsidiaries (collectively, “JFrog,” “we,” “us,” or “our”). All statements other than statements of historical facts contained in this presentation, including statements regarding matters such as our industry, business strategy, goals, and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information, may be forward-looking statements. We may, in some cases, use words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “predicts,” “intends,” “trends,” “plans,” “estimates,” “anticipates,” or the negative version of these words or other comparable words that convey uncertainty of future events or outcomes, to identify forward-looking statements in this presentation. The forward-looking statements contained in this presentation are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Although we believe that the assumptions underlying the forward-looking statements are reasonable, there can be no assurance that management’s expectations, beliefs, and projections will result or be achieved. There are a number of factors, many of which are beyond our control, that could cause actual results to differ materially from the results anticipated by these forward-looking statements, including, among others: larger well-funded companies shifting their existing business models to become more competitive with us; our ability to provide or adapt our platform for changes in laws and regulations or public perception, or changes in the enforcement of such laws, including relating to data privacy; the effects of companies more effectively catering to our customers by offering more tailored products or platforms at lower costs; adverse general economic and market conditions reducing spending on sales and marketing; the effects of declining demand for sales and marketing subscription platforms; our ability to improve our technology and keep up with new processes for data collection, organization, and cleansing; our ability to provide a highly accurate, reliable, and comprehensive platform moving forward; our reliance on third-party systems that we do not control to integrate with our system and our potential inability to continue to support integration; our ability to successfully integrate technology from recent acquisitions; our ability to adequately fund research and development potentially limiting introduction of new features, integrations, and enhancements; our ability to attract new customers and expand the existing subscriptions; a decrease in participation in our contributory network or increased opt-out rates impacting the depth, breadth, and accuracy of our platform; and our failure to protect and maintain our brand and our ability to attract and retain customers. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Furthermore, many of the foregoing risks and uncertainties are, and will be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments, or other strategic transactions we may make. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Any forward-looking statement made by us in this presentation speaks only as of the date of this presentation. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as required by law.

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles in the United States (“GAAP”), including Adjusted Operating Income, and Adjusted Operating Income Margin, which are used by management in making operating decisions, allocating financial resources, and internal planning and forecasting, and for business strategy purposes, and which have certain limitations, and should not be construed as alternatives to financial measures determined in accordance with GAAP. The non-GAAP measures as defined by us may not be comparable to similar non-GAAP measures presented by other companies. Our presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that our future results will be unaffected by other unusual or non-recurring items.

This presentation includes market and industry data and forecasts that we have derived from independent consultant reports, publicly available information, various industry publications, other published industry sources, and our internal data and estimates. Independent consultant reports, industry publications, and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable. The inclusion of market estimations, rankings, and industry data in this presentation is based upon such reports, publications, and other sources and our internal data and estimates and our understanding of industry conditions. Although we believe that such information is reliable, we have not had this information verified by any independent sources. You are cautioned not to give undue weight to such estimates. All trademarks, service marks, and trade names appearing in this presentation are the property of their respective holders.
To power a world of continuously updated, version-less software

We call this “Liquid Software”
**JFROG AT A GLANCE**

- **Unified Platform for Software Supply Chain Management**
- **Hybrid and Multi-Cloud**
- **6,650 Ending Customers as of December 31, 2021**
- **$22Bn Total Addressable Market**

- **$207MM TTM Revenue**
- **37% TTM YoY Revenue Growth**
- **$43MM TTM Free Cash Flow**

(1) Non-GAAP financial metric.
(2) Adds back $19.0 million of one-time holdback agreements related to the acquisitions of Vdoo and Upswift in 3Q’21.
(3) Our net dollar retention rate represents the average net dollar retention rate of the trailing 4 quarters in any particular period.
CUSTOMER EXPECTATIONS
DRIVE A NEED FOR SOFTWARE INNOVATION

CUSTOMER EXPERIENCE
- Reduced time to market
- Incremental updates
- No disruption to user experience

DIGITAL TRANSFORMATION
- Infrastructure
- Product
- Execution

DevOps
- Culture
- Methodologies
- Technologies

WHERE?
WHAT?
HOW?
SOFTWARE DELIVERY HAS EVOLVED

Waterfall – Before 2000

- Requirements
- Architecture & Design
- Development
- Quality Assurance
- Release
- Maintenance

Release:
- First Service Pack: August 1995
- Windows 98: February 1996
- Windows 98: June 1998

Days Between Releases

Agile – 2000-2010

- Requirements
- Design
- Development
- Test
- Release
- Maintain

DevOps – 2010 ahead

- Code
- Plan
- Deploy
- Monitor
- Test
- Operate

Daily Releases

Microsoft

LinkedIn, Amazon, Slack, Uber, Netflix

Facebook, CapitalOne
...BUT INCREASINGLY CHAOTIC TO MANAGE

<table>
<thead>
<tr>
<th>Software</th>
<th>Users</th>
<th>Deployments</th>
<th>Software Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Source</td>
<td>Developers</td>
<td>Cloud Hybrid</td>
<td></td>
</tr>
<tr>
<td>Microservices &amp; Containers</td>
<td>IT Operators</td>
<td>On-Prem</td>
<td></td>
</tr>
<tr>
<td>Multiple Technologies</td>
<td>QA</td>
<td>Devices</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Security</td>
<td>Servers</td>
<td></td>
</tr>
</tbody>
</table>

- Slow
- Lack of Security
- Inefficient
- Siloed
- Lack of Quality
- Lack of Insights
FOUR KEY FEATURES OF DEVOPS

FAST
SECURE
EFFICIENT
ALWAYS ON
EFFICIENT & INTEGRATED DEVOPS PROCESSES

Key components for continuous software release

- **CODE REPOSITORIES**
  - **CI/CD SYSTEMS**: Automate & assemble
  - **PACKAGE MANAGEMENT**: Store & manage
  - **SECURITY AND COMPLIANCE**: Removing risk while building
  - **DISTRIBUTION SYSTEMS**: Push software packages quickly and securely
  - **END USERS & THE EDGE**: Updating everything continuously

- **CODE**
- **BUILD**
- **TEST**
- **RELEASE**
- **DEPLOY**
- **OPERATE**
SOFTWARE PACKAGES (AKA BINARIES) IN THE DEVOPS WORKFLOW

**BUILD**
- Internal Code
- Third-Party Code
- Transform source code into binary files and create packages

**TEST**
- Binary Files
- Analyze dependencies and identify potential vulnerabilities
- Package
- Vulnerabilities Database

**RELEASE**
- Compile packages into an application
- Application

**DEPLOY**
- Deploy incremental differences in packages from previous versions
# THE IMPORTANCE OF PACKAGES TO THE SOFTWARE RELEASE CYCLE

<table>
<thead>
<tr>
<th>Source Code</th>
<th>Can pull from open source</th>
<th>Executable by machines</th>
<th>Have traceable dependencies</th>
<th>Automatable</th>
<th>Enable incremental updates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Packages</th>
<th>Can pull from open source</th>
<th>Executable by machines</th>
<th>Have traceable dependencies</th>
<th>Automatable</th>
<th>Enable incremental updates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
JFROG’S UNIVERSAL PACKAGE MANAGEMENT ENABLES USER FREEDOM OF CHOICE
UNIFIED, END-TO-END DEVOPS PLATFORM

JFrog MISSION CONTROL - Monitoring, Configuring, Admin Dashboard

JFrog ARTIFACTORY - Storing and Managing Packages Globally

JFrog INSIGHT - Analyzing Intelligence Metrics

JFrog XRAY - Scanning and Securing Packages

JFrog DISTRIBUTION - Distributing to any Deployment Environment

JFrog PIPELINES - Continuous Integration and Deployment Automation

Unify, control, and distribute with JFrog for end-to-end DevOps.
JFROG DIFFERENTIATED APPROACH

End-to-end, unified platform

A “blessed” repository for an organization

Acceleration through automation

Hybrid and multi-cloud deployment

Scalable across the organization

Trusted and secure

Benefits to Organizations

Easy and automated package management

Integrated across the development ecosystem

Universal and extensible

Benefits to Software Developers and IT Operators
### WHY WE WIN

#### Existing Offerings

<table>
<thead>
<tr>
<th>Home-grown / In-house Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>DevOps Focused Vendors</td>
</tr>
<tr>
<td>GitHub, GitLab, Sonatype</td>
</tr>
<tr>
<td>Cloud Providers</td>
</tr>
<tr>
<td>Google Cloud, AWS, Azure</td>
</tr>
<tr>
<td>Diversified Vendors</td>
</tr>
<tr>
<td>IBM, Red Hat, VMware, Pivotal</td>
</tr>
</tbody>
</table>

#### Why Customers Choose JFrog

- Addresses enterprise-level complexity and scale
- Flexible and easy to use
- Strong ecosystem integration
- Depth of functionality and scalability
- Universal package support
- Hybrid all-in-one solution
- Hybrid
- Multi-cloud
- Breadth and depth of functionality
- Modern end-to-end DevOps platform
- Differentiated best-in-class feature set

#### Highly Differentiated Platform

- Unique focus on packages
- Clear market leader
- Significant technology advantage
- Years of investment and multiple patents
- Natively integrated end-to-end platform
- Deep developer mindshare
STANDARDIZING ACROSS INDUSTRIES
WITH STRONG ENTERPRISE PENETRATION

Banking & Financial Services
- Societe Generale
- VISA
- Morgan Stanley
- Handelsbanken
- American Express
- Bank of America
- National Australia Bank

Technology & Electronics
- Toshiba
- HP
- Qualcomm
- Siemens
- MadDog
- Sony
- UTC Aerospace Systems
- Xerox
- Resolute

Internet & Software
- Google
- Box
- Microsoft
- Amadeus
- Expedia
- Rogue Wave
- WiX.com
- Twilio

Establishment & Media
- Blizzard
- Frima
- Sky Networks
- Time Inc.
- The Washington Post

Retail & Consumer
- Bluestem
- T-Mobile
- HRS
- Uluru

Education & Non-Profit
- University of Toronto Institute for Studies in Education
- Texas A&M University
- University of Washington

85% of Fortune 100(1)

~31% of Global 2000(1)

(1) As of December 31, 2021
**BOTTOM-UP BUSINESS MODEL**

**AWARENESS**
- OPEN SOURCE COMMUNITIES
- TECHNOLOGY CENTERS
- COMMUNITY VERSIONS
- ECOSYSTEM INVOLVEMENT
- DEVELOPER RELATIONS

**LAND**
- SELF SERVICE TOP OF THE FUNNEL
- OPEN SOURCE SOLUTIONS
- FREEMIUM VERSIONS
- SELF HOSTED FREE TRIALS
- CLOUD FREE TIER

**EXPAND**
- PRODUCT INNOVATION AND EXTENSION
- MULTI-TECHNOLOGY SUPPORT
- USERS AND PROJECTS GROWTH
- MULTI LOCATIONS AND DEPLOYMENT ENVIRONMENT
- CENTRALIZATION, SINGLE SOURCE OF TRUTH
- ENGINEERING-LEVEL SUPPORT
EFFICIENT GTM STRATEGY
DRIVING RAPID GROWTH

High-Touch Strategic Sales Team

Organic Adoption - Inside & Inbound
Supported by Technical Sales to Ensure POC Success

Superior Technology x Efficient Model x Powered by Community = High Volume
MULTI-TIERED SUBSCRIPTION OFFERINGS

Scaling with pricing per server or by usage, spanning enterprise needs and hybrid consumption models

- **PRO**
  - JFrog Artifactory
  - Universal Repository
- **PRO X**
  - JFrog Artifactory
  - Universal Repository
- **ENTERPRISE X**
  - JFrog Artifactory HA
  - Universal Repository
  - JFrog Xray HA
  - SLA Support
  - JFrog Mission Control
  - SLA Support
- **ENTERPRISE PLUS**
  - JFrog Artifactory Edge
  - JFrog Distribution
  - JFrog Insight
  - JFrog Pipelines
  - JFrog Xray HA
  - SLA Support
  - JFrog Mission Control
  - SLA Support
  - JFrog Insight
  - JFrog Distribution
  - JFrog Artifactory Edge

Minimum ASP Scale: 1X, 6X, 13X, 36X

Open Source, Freemium, or Free Trial Options
MULTIPLE-PRODUCT ADOPTION

Revenue By Subscription Type
4Q'21 (%)

- Single Product: <10%
- Multi-Product(1): >90%

Percent of Revenue from Enterprise Plus Subscriptions(2)
4Q'21 (%)

- Enterprise Plus Tier: 35%
- Enterprise, Pro X and Pro Tiers: 65%

---

(1) Multi-product percentage represents the percentage of revenue that came from subscriptions that provide customers with access to multiple products.
(2) Our Enterprise Plus subscription was first introduced in May 2018.
BUILDING A CATEGORY-DEFINING SOFTWARE COMPANY

EFFECTIVE LAND AND EXPAND

RAPID GROWTH AT SCALE

EFFICIENT GO-TO-MARKET STRATEGY

PREDICTABLE MODEL

DEMONSTRATED LEVERAGE

130%
4Q’21 TTM Net Dollar Retention Rate (1)

39%
4Q’21 YoY Revenue Growth

Product-Led Growth

100%
Subscription Revenue

Profitable and Cash Flow Positive

(1) Our net dollar retention rate represents the average net dollar retention rate of the trailing 4 quarters in any particular period.
# High Revenue Growth

**Total Revenue**

<table>
<thead>
<tr>
<th></th>
<th>FY'20</th>
<th>FY'21</th>
<th>FY'22E (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>37%</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$150.8</td>
<td>$206.7</td>
<td>$274.0</td>
</tr>
</tbody>
</table>

- **FY'20:** $150.8
- **FY'21:** $206.7
- **FY'22E (1):** $274.0

### Revenue Growth

- **1Q'20:** $32.8
- **2Q'20:** $36.4
- **3Q'20:** $38.9
- **4Q'20:** $42.7
- **1Q'21:** $45.1
- **2Q'21:** $48.7
- **3Q'21:** $53.7
- **4Q'21:** $59.2
- **1Q'22E (2):** $61.3

(1) Based on the midpoint of our total revenue guidance for FY'22.
(2) Based on the midpoint of our total revenue guidance for 1Q'21.
REVENUE BY DEPLOYMENT TYPE

4Q'20
- Self-Managed: 77%
- Cloud: 23%

4Q'21
- Self-Managed: 75%
- Cloud: 25%
ATTRACTIVE GROSS MARGINS

Non-GAAP Gross Profit and Margin
$MM / %

- FY'20: $124.3, 82.4%
- FY'21: $173.9, 84.1%

- 4Q'20: $35.2, 82.6%
- 4Q'21: $50.2, 84.8%

Non-GAAP financial metrics, excludes share-based compensation expense, amortization of acquired intangible assets, and acquisition-related costs. See appendix for reconciliation to GAAP.
STRONG CASH FLOW GENERATION

Free Cash Flow and Margin
($MM) / %

- Non-GAAP financial metrics, excludes share-based compensation expense, amortization of acquired intangible assets, and acquisition-related costs. See appendix for reconciliation to GAAP.
- (1) In 3Q21, Free Cash Flow was impacted by $19.0 million in holdback agreements related to the acquisitions of Vdoo and Upswift. Normalized Free Cash Flow for FY21 would be $42.7MM.
## LONG-TERM NON-GAAP TARGET MODEL

<table>
<thead>
<tr>
<th>% of Revenue</th>
<th>FY'20</th>
<th>FY'21</th>
<th>Long-Term Target Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>82%</td>
<td>84%</td>
<td>80%</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>24%</td>
<td>29%</td>
<td>21%</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>36%</td>
<td>38%</td>
<td>27%</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>14%</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>9%</td>
<td>2%</td>
<td>23%</td>
</tr>
<tr>
<td>Free Cash Flow Margin (1)</td>
<td>17%</td>
<td>11%</td>
<td>30%</td>
</tr>
</tbody>
</table>

- (1) 3Q'21 Free Cash Flow was impacted by $19.0 million in holdback agreements related to the acquisitions of Vdoo and Upswift.
MAY THE FROG BE WITH YOU!
APPENDIX
## GAAP TO NON-GAAP RECONCILIATIONS

### Gross Profit and Margin

(In $000)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31,</td>
<td>December 31,</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td><strong>Reconciliation of gross profit and gross margin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP gross profit</td>
<td>$46,372</td>
<td>$34,592</td>
</tr>
<tr>
<td>Plus: Share-based compensation expense</td>
<td>1,261</td>
<td>463</td>
</tr>
<tr>
<td>Plus: Acquisition-related costs</td>
<td>13</td>
<td>—</td>
</tr>
<tr>
<td>Plus: Amortization of acquired intangibles</td>
<td>2,594</td>
<td>190</td>
</tr>
<tr>
<td><strong>Non-GAAP gross profit</strong></td>
<td>$50,240</td>
<td>$35,245</td>
</tr>
<tr>
<td>GAAP gross margin</td>
<td>78.3%</td>
<td>81.0%</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>84.8%</td>
<td>82.6%</td>
</tr>
</tbody>
</table>
## GAAP TO NON-GAAP RECONCILIATIONS

### Operating Expenses (In $000)

<table>
<thead>
<tr>
<th>Reconciliation of operating expenses</th>
<th>Three Months Ended December 31, 2021</th>
<th>2020</th>
<th>Year Ended December 31, 2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP research and development</td>
<td>$25,938</td>
<td>$11,661</td>
<td>$79,604</td>
<td>$41,113</td>
</tr>
<tr>
<td>Less: Share-based compensation expense</td>
<td>(5,516)</td>
<td>(1,121)</td>
<td>(14,572)</td>
<td>(3,903)</td>
</tr>
<tr>
<td>Less: Acquisition-related costs</td>
<td>(2,482)</td>
<td>(352)</td>
<td>(5,489)</td>
<td>(1,403)</td>
</tr>
<tr>
<td>Non-GAAP research and development</td>
<td>$17,940</td>
<td>$10,188</td>
<td>$59,543</td>
<td>$35,807</td>
</tr>
<tr>
<td>GAAP sales and marketing</td>
<td>$30,850</td>
<td>$18,192</td>
<td>$96,962</td>
<td>$60,936</td>
</tr>
<tr>
<td>Less: Share-based compensation expense</td>
<td>(4,704)</td>
<td>(1,849)</td>
<td>(15,256)</td>
<td>(4,882)</td>
</tr>
<tr>
<td>Less: Acquisition-related costs</td>
<td>(184)</td>
<td>(25)</td>
<td>(463)</td>
<td>(367)</td>
</tr>
<tr>
<td>Less: Amortization of acquired intangibles</td>
<td>(261)</td>
<td>(182)</td>
<td>(952)</td>
<td>(729)</td>
</tr>
<tr>
<td>Less: Legal settlement costs</td>
<td>(2,550)</td>
<td>—</td>
<td>(2,550)</td>
<td>—</td>
</tr>
<tr>
<td>Non-GAAP sales and marketing</td>
<td>$23,151</td>
<td>$16,136</td>
<td>$77,741</td>
<td>$54,958</td>
</tr>
<tr>
<td>GAAP general and administrative</td>
<td>$12,194</td>
<td>$12,771</td>
<td>$56,663</td>
<td>$34,519</td>
</tr>
<tr>
<td>Less: Share-based compensation expense</td>
<td>(2,757)</td>
<td>(6,020)</td>
<td>(23,094)</td>
<td>(13,938)</td>
</tr>
<tr>
<td>Less: Acquisition-related costs</td>
<td>(134)</td>
<td>—</td>
<td>(1,006)</td>
<td>—</td>
</tr>
<tr>
<td>Less: Legal settlement costs</td>
<td>(203)</td>
<td>—</td>
<td>(203)</td>
<td>—</td>
</tr>
<tr>
<td>Non-GAAP general and administrative</td>
<td>$9,100</td>
<td>$6,751</td>
<td>$32,360</td>
<td>$20,581</td>
</tr>
<tr>
<td></td>
<td>Three Months Ended</td>
<td>Year Ended</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------</td>
<td>------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>December 31,</td>
<td>December 31,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td><strong>Reconciliation of operating income (loss) and operating margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GAAP operating loss</strong></td>
<td>$ (22,610)</td>
<td>$ (8,032)</td>
<td>$ (68,369)</td>
<td>$ (14,192)</td>
</tr>
<tr>
<td>Plus: Share-based compensation expense</td>
<td>14,238</td>
<td>9,453</td>
<td>56,949</td>
<td>23,852</td>
</tr>
<tr>
<td>Plus: Acquisition-related costs</td>
<td>2,813</td>
<td>377</td>
<td>6,974</td>
<td>1,770</td>
</tr>
<tr>
<td>Plus: Amortization of acquired intangibles</td>
<td>2,855</td>
<td>372</td>
<td>5,899</td>
<td>1,561</td>
</tr>
<tr>
<td>Plus: Legal settlement costs</td>
<td>2,753</td>
<td>—</td>
<td>2,753</td>
<td>—</td>
</tr>
<tr>
<td><strong>Non-GAAP operating income</strong></td>
<td>$ 49</td>
<td>$ 2,170</td>
<td>$ 4,206</td>
<td>$ 12,991</td>
</tr>
<tr>
<td><strong>GAAP operating margin</strong></td>
<td>(38.2%)</td>
<td>(18.8%)</td>
<td>(33.1%)</td>
<td>(9.4%)</td>
</tr>
<tr>
<td><strong>Non-GAAP operating margin</strong></td>
<td>0.1%</td>
<td>5.1%</td>
<td>2.0%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>
## Free Cash Flow

### (In $000)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31,</td>
<td>December 31,</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$17,661</td>
<td>$12,816</td>
</tr>
<tr>
<td>Less: Purchases of property and equipment</td>
<td>(1,038)</td>
<td>(911)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$16,623</td>
<td>$11,905</td>
</tr>
</tbody>
</table>

### Supplemental disclosure:

**Key employee holdback prepayments related to acquisitions**

(1) During the three months ended September 30, 2021, as part of our acquisitions of Vdoo Connected Trust Ltd. and Upswift Ltd., we entered into holdback agreements with key employees of the acquired companies and made aggregate prepayments of $19.0 million, which will be released to the employees subject to their continued employment with us. The holdback amount is being expensed primarily in research and development over the required service period up to four years.