# Radware Ltd. Condensed Consolidated Balance Sheets (U.S. Dollars in thousands)

	June 30, 2019	December 31, 2018
Assets	(Unaudited)	(Unaudited)
Current assets		
Cash and cash equivalents	34,191	45,203
Available-for-sale marketable securities	25,923	15,742
Short-term bank deposits	193,944	255,454
Trade receivables, net	14,987	17,166
Other receivables and prepaid expenses	10,182	7,071
Inventories	15,964	18,401
	295,191	359,037
Long torm invortments		
Long-term investments Available-for-sale marketable securities	120,174	84,669
Long-term bank deposits	39,732	0
Severance pay funds	2,267	2,973
	162,173	87,642
Property and equipment, net	23,538	23,677
Other long-term assets	21,425	20,724
Operating lease right-of-use assets	19,868	0
Goodwill and intangible assets, net	54,838	41,641
Total assets	577,033	532,721
Liabilities and shareholders' equity		
Current Liabilities		
Trade payables	3,802	4,483
Deferred revenues	86,207	83,955
Operating lease liabilities	5,495	0
Other payables and accrued expenses	29,729	29,596
	125,233	118,034
Long-term liabilities		
Deferred revenues	45,446	43,796
Operating lease liabilities	15,033	0
Other long-term liabilities	10,171	6,934
	70,650	50,730
Shareholders' equity		
Share capital	704	693
Additional paid-in capital	400,756	383,536
Accumulated other comprehensive income (loss), net of tax	791	(1,110)
Treasury stock, at cost	(130,770)	(120,717)
Retained earnings	109,669	101,555
Total shareholders' equity	381,150	363,957
Total liabilities and shareholders' equity	577,033	532,721

#### Radware Ltd.

## Condensed Consolidated Statements of Income (U.S Dollars in thousands, except share and per share data)

	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	60,454	57,287	121,851	111,823
Cost of revenues	10,644	10,340	21,653	20,280
Gross profit	49,810	46,947	100,198	91,543
Operating expenses, net:				
Research and development, net	15,400	14,633	30,630	29,295
Selling and marketing	26,680	27,803	53,341	55,986
General and administrative	5,042	3,811	9,806	7,866
Total operating expenses, net	47,122	46,247	93,777	93,147
Operating income (loss)	2,688	700	6,421	(1,604)
Financial income, net	2,119	1,701	3,910	3,390
Income before taxes on income	4,807	2,401	10,331	1,786
Taxes on income	(1,061)	(727)	(2,217)	(1,107)
Net income	3,746	1,674	8,114	679
Basic net earnings per share	0.08	0.04	0.17	0.02
Weighted average number of shares used to compute basic net earnings per share	46,899,813	44,839,420	46,757,981	44,583,442
Diluted net earnings per share	0.08	0.04	0.17	0.01
Weighted average number of shares used to compute diluted net earnings per share	48,722,684	47,396,099	48,649,438	46,936,309

#### Radware Ltd. Reconciliation of GAAP to Non-GAAP Financial Information (U.S Dollars in thousands, except share and per share data)

	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited
AAP gross profit	49,810	46,947	100,198	91,543
Stock-based compensation	59	59	114	117
Amortization of intangible assets	410	212	821	442
on-GAAP gross profit	50,279	47,218	101,133	92,102
AAP research and development, net	15,400	14,633	30,630	29,295
Stock-based compensation	714	679	1,424	1,610
on-GAAP Research and development, net	14,686	13,954	29,206	27,685
AAP selling and marketing	26,680	27,803	53,341	55,986
Stock-based compensation	1,735	1,774	3,304	3,678
Amortization of intangible assets	18	21	35	41
on-GAAP selling and marketing	24,927	26,008	50,002	52,267
AAP general and administrative	5.042	2 011	0.000	7.000
	5,042 782	3,811 378	9,806	7,866 785
Stock-based compensation Acquisition costs	782	576	1,549 264	/85
Litigation costs	- 777	143	859	413
on-GAAP general and administrative	3,483	3,290	7,134	6,668
n-GAAP general and administrative	3,483	3,290	7,134	0,008
AAP total operating expenses, net	47,122	46,247	93,777	93,147
Stock-based compensation	3,231	2,831	6,277	6,073
Acquisition costs	-	-	264	-
Amortization of intangible assets	18	21	35	41
Litigation costs	777	143	859	413
on-GAAP total operating expenses, net	43,096	43,252	86,342	86,620
MAP operating income (loss)	2,688	700	6,421	(1,604)
Stock-based compensation	3,290	2,890	6,391	6,190
Acquisition costs	-	-	264	-
Amortization of intangible assets	428	233	856	483
Litigation costs	777	143	859	413
on-GAAP operating income	7,183	3,966	14,791	5,482
AAP financial income, net	2,119	1,701	3,910	3,390
Other gain adjustments	(310)	_,	(310)	-
Exchange rate differences, net on balance sheet items included in financial income, net	909	26	1,540	(177)
on-GAAP financial income, net	2,718	1,727	5,140	3,213
AAP income before taxes on income	4,807	2,401	10,331	1,786
Stock-based compensation	3,290	2,401 2,890	6,391	6,190
Acquisition costs	-	2,850	264	-
Amortization of intangible assets	428	233	856	483
Litigation costs	777	143	859	413
Other gain adjustments	(310)		(310)	-
Exchange rate differences, net on balance sheet items included in financial income, net	909	26	1,540	(177)
on-GAAP income before taxes on income	9,901	5,693	19,931	8,695
AAP taxes on income	(1,061)	(727)	(2,217)	(1,107)
Tax expenses on other gain adjustments	71	-	71	-
on-GAAP taxes on income	(990)	(727)	(2,146)	(1,107)
AAP net income	3,746	1,674	8,114	679
Stock-based compensation	3,290	2,890	6,391	6,190
Acquisition costs	-	-	264	-
Amortization of intangible assets	428	233	856	483
Litigation costs	777	143	859	413
Other gain adjustments	(310)	-	(310)	-
Exchange rate differences, net on balance sheet items included in financial income, net	909	26	1,540	(177)
Tax expenses on other gain adjustments on-GAAP net income	71	-	71	-
	8,911	4,966	17,785	7,588
AAP diluted net earnings per share	0.08	0.04	0.17	0.02
Stock-based compensation	0.07	0.06	0.13	0.13
Acquisition costs	0.00	0.00	0.01	0.00
Amortization of intangible assets	0.01	0.00	0.02	0.01
Litigation costs	0.02	0.00	0.02	0.01
Other gain adjustments	(0.01)	0.00	(0.01)	0.00
Exchange rate differences, net on balance sheet items included in financial income, net	0.02	0.00	0.03	(0.00)
Tax expenses on other gain adjustments	0.00	0.00	0.00	0.00
on-GAAP diluted net earnings per share	0.18	0.10	0.37	0.16
/eighted average number of shares used to compute Non-GAAP diluted net earnings per share	48,722,684	47,396,099	48,649,438	46,936,309

## Radware Ltd. Condensed Consolidated Statements of Cash Flow (U.S. Dollars in thousands)

$\begin{array}{ c c c c c c } \hline \hline low 30, \hline low$		For the three months ended		For the six months ended	
Idva from operating activities:         (Unaudited)         (Unaudited)         (Unaudited)         (Unaudited)           Net income         3,746         1,674         8,114         679           Adjustments to reconcile net income to net cash provided by operating activities:         2,701         2,443         5,388         4,948           Stock based compensation         3,290         2,890         6,391         6,190           Amortization of premium, accretion of discounts and accrued interest on available-for-sale marketable securities, net         (310)         0         (310)         0           Accrued interest on bank deposits         3,160         (146)         2,331         (212)           Decrease (increase) in accrued severance pay, net         65         (97)         933         142           Decrease (increase) in atder receivables, net         (641)         (2,564)         2,529         (2,601)           Decrease (increase) in atder receivables, net         (2,21)         (2,01)         (3,686)         4,697           Decrease (increase) in atder payables         (2,22)         (2,24)         (33)         142           Decrease (increase) in atder payables         (2,261)         (3,686)         4,697           Increase (decrease) in other payables         (2,211         (1,700)         <			,		,
Cash flow from operating activities:         3,746         1,674         8,114         679           Adjustments to reconcile net income to net cash provided by operating activities:         2,701         2,443         5,388         4,948           Stock based compensation         3,290         2,890         6,391         6,190           Amortization of premium, accretion of discounts and accrued interest on available-for-sale marketable securities, net         149         414         327         600           Accrued interest on bank deposits         3,160         (146)         2,331         (212)         increase (facrease) in accrued severance pay, net         65         (97)         933         142           Decrease (increase) in other receivables, net         (641)         (2,564)         2,529         (2,601)           Decrease (increase) in other receivables and prepaid expenses and other long- term assets         (1,721)         (2,201)         (3,686)         4,697           Decrease (increase) in defered revenues         (7,237)         (1,700)         3,783         7,166           Increase (decrease) in defered revenues         (7,237)         (1,170)         3,783         7,166           Increase (decrease) in other payables and accrued expenses         5,143         2,559         2,8631         14,722           Cash flows					
Adjustments to reconcile net income to net cash provided by operating activities:       2,701       2,443       5,388       4,948         Depreciation and amortization       3,220       2,800       6,391       6,190         Amortization of premium, accretion of discounts and accrued interest on available-for-sale marketable securities, net       149       414       327       690         Other gain       (310)       0       (310)       0       (310)       0         Increase (derease) in accrued severance pay, net       65       (97)       933       142         Decrease (increase) in trade receivables, net       (641)       (2,564)       2,529       (2,601)         Decrease in inventories       1,221       477       2,437       329         Decrease (increase) in trade payables       (28)       424       473       (562)         Decrease (increase) in trade payables       (28)       424       473       (5682)         Operating lase liabilities, net       285       0       6600       0         Net cash provided by operating activities       5,143       2,559       28,631       14,723         Cash flows from investiment in other derases, net       (33)       131       (62)       40         Proceeds from (investment in) bank deposits, net </th <th>Cash flow from operating activities:</th> <th>(onducted)</th> <th>(onducted)</th> <th>(onducted)</th> <th>(ondurica)</th>	Cash flow from operating activities:	(onducted)	(onducted)	(onducted)	(ondurica)
Adjustments to reconcile net income to net cash provided by operating activities:       2,701       2,443       5,388       4,948         Depreciation and amortization       3,220       2,800       6,391       6,190         Amortization of premium, accretion of discounts and accrued interest on available-for-sale marketable securities, net       149       414       327       690         Other gain       (310)       0       (310)       0       (310)       0         Increase (derease) in accrued severance pay, net       65       (97)       933       142         Decrease (increase) in trade receivables, net       (641)       (2,564)       2,529       (2,601)         Decrease in inventories       1,221       477       2,437       329         Decrease (increase) in trade payables       (28)       424       473       (562)         Decrease (increase) in trade payables       (28)       424       473       (5682)         Operating lase liabilities, net       285       0       6600       0         Net cash provided by operating activities       5,143       2,559       28,631       14,723         Cash flows from investiment in other derases, net       (33)       131       (62)       40         Proceeds from (investment in) bank deposits, net </td <td></td> <td></td> <td></td> <td></td> <td></td>					
Depreciation and amortization2,7012,4435,3884,948Stock based compensation3,2902,8906,3916,190available-for-sale marketable securities, net149414327690Other gain(310)0(310)00Accrued interest on bank deposits3,160(146)2,331(212)Increase (decrease) in a derevelvables, net65(97)933142Decrease (increase) in other receivables, net(641)(2,564)2,529(2,601)Decrease (increase) in tark exervivables, net(1721)(2,501)(3,686)4,697Decrease (increase) in tark exervivables, net(28)424(738)(623)Increase (decrease) in deferred evenues(7,237)(1,700)3,7837,166Increase (decrease) in other payables and acrued expenses4631,245472(6,682)Operating lease liabilities, net28506600Net cash provided by operating activities5,1432,55928,63114,723Cash flows from investing activities(33)131(62)40Proceeds from (investment in) bark deposits, net19,529(9,067)19,447(26,067)Investment in sale, redemption of and purchase of available-for-sale(33,574)(686)(43,235)(1,872)Payment for acquisition of subsidiary, net of cash acquired430(12,239)0Net cash used in investing activities(16,637)(10,069)(20,632)	Net income	3,746	1,674	8,114	679
Sock based compensation         3,290         2,890         6,391         6,190           Amortization of premium, accretion of discounts and accrued interest on available-for-sale marketable securities, net         149         414         327         690           Other gain         (310)         0         (310)         0           Accrued interest on bank deposits         3,160         (146)         2,331         (212)           Increase (decrease) in accrued severance pay, net         65         (97)         933         142           Decrease (increase) in trade receivables, net         (641)         (2,564)         2,529         (2,601)           Decrease (increase) in other receivables and prepaid expenses and other long- term assets         (1,721)         (2,501)         (3,686)         4,697           Decrease (increase) in other receivables and accrued expenses         (7,237)         (1,700)         3,783         7,166           Increase (decrease) in other payables and accrued expenses         (7,237)         (1,700)         3,783         7,166           Increase (decrease) in other payables and accrued expenses         (3,131         (6,2)         40           Operating lease liabilities, net         285         0         660         0           Net cash provided by operating activities:         (33)	Adjustments to reconcile net income to net cash provided by operating activities:				
Amortization of premium, accretion of discounts and accrued interest on available-for-sale marketable securities, net149414327690available-for-sale marketable securities, net(310)0(310)00Accrued interest on bank deposits3,160(146)2,331(212)Increase (decrease) in accrued severance pay, net65(97)933142Decrease (increase) in trade receivables, net(641)(2,564)2,529(2,601)Decrease (increase) in trade receivables and prepaid expenses and other long-term assets1,2214772,437329Decrease (increase) in trade reder avenues(7,237)(1,700)3,7837,166Increase (decrease) in deferred revenues(7,237)(1,700)3,7837,166Increase (decrease) in other payables and accrued expenses4631,245472(6,682)Operating lease liabilities, net28506600Net cash provided by operating activities5,1432,55928,63114,723Cash flows from investing activities:19,529(9,067)19,447(26,067)Purchase of property and equipment(2,382)(1,187)(4,343)(3,276)Proceeds from (investment in) bank deposits, net19,529(9,067)19,447(26,067)Investment in sale, redemption of and purchase of available-for-sale marketable securities, net3,1097,939(10,432)(31,175)Payment for acquisition of subsidiary, net of cash acquired430(12,239)	Depreciation and amortization	2,701	2,443	5,388	4,948
available-for-sale marketable securities, net       149       414       327       090         Other gain       (310)       0       (310)       0       (310)       0         Accrued interest on bank deposits       3,160       (146)       2,331       (212)         Increase (decrease) in accrued severance pay, net       65       (97)       933       142         Decrease (increase) in other receivables, net       (641)       (2,564)       2,529       (2,601)         Decrease (increase) in other receivables and prepaid expenses and other long-term assets       (1,721)       (2,501)       (3,686)       4,697         Decrease (increase) in other receivables and accrued expenses       1,221       477       2,437       329         Decrease (increase) in other receivables and accrued expenses       463       1,245       472       (6,682)         Operating lease liabilities, net       285       0       660       0       0         Net cash provided by operating activities       5,143       2,559       28,631       14,723         Cash flows from investing activities       (33)       131       (62)       40         Proceeds from (investment in) bark deposits, net       19,529       (9,067)       19,447       (26,067)         Investment in	Stock based compensation	3,290	2,890	6,391	6,190
available-for-sale marketable securities, net       (310)       0       (310)       0         Other gain       (310)       0       (310)       0         Accrued interest on bank deposits       3,160       (146)       2,331       (212)         Increase (increase) in accrued severance pay, net       (65       (97)       933       142         Decrease (increase) in other receivables and prepaid expenses and other long- term assets       (641)       (2,564)       2,529       (2,601)         Decrease (increase) in other receivables and prepaid expenses and other long- term assets       (1,721)       (2,501)       (3,686)       4,697         Decrease (increase) in other payables       (28)       424       (778)       (623)         Increase (decrease) in other payables and accrued expenses       463       1,245       472       (6,682)         Operating lease liabilities, net       285       0       660       0       0         Net cash provided by operating activities:       285       0       660       0       0         Purchase of property and equipment       (2,382)       (1,187)       (4,343)       (3,276)       0         Proceeds from (investment in) bank deposits, net       19,529       (9,067)       19,447       (26,067)         <	Amortization of premium, accretion of discounts and accrued interest on	140	111	277	600
Accrued interest on bank deposits $3,160$ $(146)$ $2,331$ $(212)$ Increase (decrease) in accrued severance pay, net $65$ $(97)$ $933$ $142$ Decrease (increase) in trade receivables and prepaid expenses and other long-term assets $(641)$ $(2,564)$ $2,529$ $(2,601)$ Decrease (increase) in trade payables $(28)$ $424$ $(738)$ $(623)$ Decrease (increase) in trade payables and accrued expenses $(7,237)$ $(1,700)$ $3,783$ $7,166$ Increase (decrease) in here payables and accrued expenses $463$ $1,245$ $472$ $(6682)$ Operating lease liabilities, net $285$ $0$ $660$ $0$ Net cash provided by operating activities $5,143$ $2,559$ $28,631$ $14,723$ Cash flows from investing activities: $7,237$ $1,877$ $4,343$ $(3,276)$ Proceeds from (investment in) dank deposits, net $19,529$ $9,0671$ $19,447$ $(26,607)$ Investment in sale, redemption of and purchase of available-for-sale $33,574$ $6860$ $(43,235)$ $(1,872)$ Payment for acquisition of subisidiary, net of cash acquired	available-for-sale marketable securities, net	149	414	527	690
Increase (decrease) in accrued severance pay, net       65       (97)       933       142         Decrease (increase) in trade receivables, net       (641)       (2,564)       2,529       (2,601)         Decrease (increase) in other receivables and prepaid expenses and other long- term assets       (1,721)       (2,501)       (3,686)       4,697         Decrease (increase) in trade payables       1,221       477       2,437       329         Decrease (increase) in trade payables       (28)       424       (738)       (662)         Increase (decrease) in other payables and accrued expenses       463       1,245       472       (6,682)         Operating lease liabilities, net       285       0       660       0         Net cash provided by operating activities:       5,143       2,559       28,631       14,723         Qash flows from investing activities:       19,529       (9,067)       19,447       (2,607)         Proceeds from (investment in) other long-term assets, net       19,529       (9,067)       19,447       (2,607)         Investment in sale, redemption of and purchase of available-for-sale       (33,574)       (686)       (43,235)       (1,872)         Payment for acquisition of subsidiary, net of cash acquired       43       0       (12,239)       0	Other gain	(310)	0	(310)	0
Decrease (increase) in trade receivables, net         (641)         (2,564)         2,529         (2,601)           Decrease (increase) in other receivables and prepaid expenses and other long- term assets         (1,721)         (2,501)         (3,686)         4,697           Decrease (increase) in drefered revenues         1,221         477         2,437         329           Decrease (increase) in drefered revenues         (7,237)         (1,700)         3,783         7,166           Increase (decrease) in drefered revenues         (7,237)         (1,700)         3,783         7,166           Increase (decrease) in drefered revenues         285         0         660         0           Net cash provided by operating activities         285         0         660         0           Staff flows from investing activities:         285         0         660         0           Purchase of property and equipment         (2,382)         (1,187)         (4,343)         (3,276)           Proceeds from (investment in) bark depoits, net         19,529         (9,067)         19,447         (26,067)           Investment in sale, redemption of and purchase of available-for-sale         (33,574)         (686)         (43,235)         (1,872)           Payment for acquisition of subsidiary, net of cash acquired         43 </td <td>Accrued interest on bank deposits</td> <td>3,160</td> <td>(146)</td> <td>2,331</td> <td>(212)</td>	Accrued interest on bank deposits	3,160	(146)	2,331	(212)
Decrease (increase) in other receivables and prepaid expenses and other long- term assets(1,721)(2,501)(3,686)4,697Decrease (increase) in trade payables1,2214772,437329Decrease (increase) in trade payables(28)424(738)(623)Increase (decrease) in other payables and accrued expenses(7,237)(1,700)3,7837,166Increase (decrease) in other payables and accrued expenses4631,245472(6,682)Operating lease liabilities, net28506600Net cash provided by operating activities5,1432,55928,63114,723Cash flows from investing activities:Purchase of property and equipment(2,382)(1,187)(4,343)(3,276)Proceeds from (investment in) other long-term assets, net19,529(9,067)19,447(26,067)Investment in sale, redemption of and purchase of available-for-sale(33,574)(686)(43,235)(1,872)marketable securities, net230(12,239)0Net cash used in investing activities(16,417)(10,809)(40,432)(31,175)Cash flows from financing activities(10,005)0(10,053)0Net cash provided by (used in) financing activities(6,896)7,9397,8912,891Decrease in cash and cash equivalents(18,170)(311)(11,012)(3,561)Cash and cash equivalents at the beginning of the period52,36161,98745,20365,237 </td <td>Increase (decrease) in accrued severance pay, net</td> <td>65</td> <td>(97)</td> <td>933</td> <td>142</td>	Increase (decrease) in accrued severance pay, net	65	(97)	933	142
term assets(1,721)(2,501)(3,686) $4,697$ Decrease in inventories1,2214772,437329Decrease (increase) in tade payables(28)424(738)(623)Increase (decrease) in other payables and accrued expenses(7,237)(1,700)3,7837,166Increase (decrease) in other payables and accrued expenses4631,245472(6,682)Operating lease liabilities, net28506600Net cash provided by operating activities5,1432,55928,63114,723Cash flows from investing activities:Purchase of property and equipment(2,382)(1,187)(4,343)(3,276)Proceeds from (investment in) back deposits, net19,529(9,067)19,447(26,067)Investment in sale, redemption of and purchase of available-for-sale marketable securities, net(33,574)(686)(43,235)(1,872)Payment for acquisition of subsidiary, net of cash acquired430(12,239)0Net cash used in investing activities:(16,417)(10,005)0(10,053)0Proceeds from financing activities:(6,896)7,9397,8912,891Proceeds from space of stock options3,1097,9397,8912,891Decrease in cash and cash equivalents(18,170)(311)(11,012)(3,561)Cash and cash equivalents at the beginning of the period52,36161,98745,20365,237	Decrease (increase) in trade receivables, net	(641)	(2,564)	2,529	(2,601)
term assets       1,221       477       2,437       329         Decrease in inventories       (28)       424       (738)       (623)         Increase (decrease) in deferred revenues       (7,237)       (1,700)       3,783       7,166         Increase (decrease) in other payables and accrued expenses       463       1,245       472       (6,682)         Operating lease liabilities, net       285       0       660       0         Net cash provided by operating activities       5,143       2,559       28,631       14,723         Cash flows from investing activities:	Decrease (increase) in other receivables and prepaid expenses and other long-	(1 7 2 1)	(2 5 0 1 )	(2,606)	4.007
Decrease (increase) in trade payables         (28)         424         (738)         (623)           Increase (decrease) in deferred revenues         (7,237)         (1,700)         3,783         7,166           Increase (decrease) in other payables and accued expenses         463         1,245         472         (6,682)           Operating lease liabilities, net         285         0         660         0           Net cash provided by operating activities         5,143         2,559         28,631         14,723           Cash flows from investing activities:	term assets	(1,/21)	(2,501)	(3,080)	4,697
Increase (decrease) in deferred revenues $(7,237)$ $(1,700)$ $3,783$ $7,166$ Increase (decrease) in other payables and accrued expenses $463$ $1,245$ $472$ $(6,682)$ Operating lease liabilities, net $285$ $0$ $660$ $0$ Net cash provided by operating activities $5,143$ $2,559$ $28,631$ $14,723$ Cash flows from investing activities:Purchase of property and equipment $(2,382)$ $(1,187)$ $(4,343)$ $(3,276)$ Proceeds from (investment in) other long-term assets, net $19,529$ $(9,067)$ $19,447$ $(26,067)$ Investment in sale, redemption of and purchase of available-for-sale marketable securities, net $(33,574)$ $(686)$ $(43,235)$ $(1,872)$ Payment for acquisition of subsidiary, net of cash acquired $43$ $0$ $(12,239)$ $0$ Net cash used in investing activities: $(16,417)$ $(10,809)$ $(40,432)$ $(31,175)$ Cash flows from financing activities: $(10,005)$ $0$ $(10,053)$ $0$ Proceeds from exercise of stock options $3,109$ $7,939$ $10,842$ $12,891$ Repurchase of shares $(6,896)$ $7,939$ $7,939$ $12,891$ Decrease in cash and cash equivalents $(18,170)$ $(311)$ $(11,012)$ $(3,561)$ Cash nequivalents at the beginning of the period $52,361$ $61,987$ $45,203$ $65,237$	Decrease in inventories	1,221	477	2,437	329
Increase (decrease) in other payables and accrued expenses $463$ $1,245$ $472$ $(6,682)$ Operating lease liabilities, net $285$ $0$ $660$ $0$ Net cash provided by operating activities $5,143$ $2,559$ $28,631$ $14,723$ Cash flows from investing activities:Purchase of property and equipment $(2,382)$ $(1,187)$ $(4,343)$ $(3,276)$ Proceeds from (investment in) other long-term assets, net $(33)$ $131$ $(62)$ $40$ Proceeds from (investment in) bank deposits, net $19,529$ $(9,067)$ $19,447$ $(26,067)$ Investment in sale, redemption of and purchase of available-for-sale $(33,574)$ $(686)$ $(43,235)$ $(1,872)$ marketable securities, net $(16,417)$ $(10,809)$ $(40,432)$ $(31,175)$ Payment for acquisition of subsidiary, net of cash acquired $43$ $0$ $(12,239)$ $0$ Net cash used in investing activities: $(16,417)$ $(10,809)$ $(40,432)$ $(31,175)$ Cash flows from financing activities: $(10,005)$ $0$ $(10,053)$ $0$ Net cash provided by (used in) financing activities $(6,896)$ $7,939$ $7,939$ $12,891$ Decrease in cash and cash equivalents $(18,170)$ $(311)$ $(11,012)$ $(3,561)$ Cash and cash equivalents at the beginning of the period $52,361$ $61,987$ $45,203$ $65,237$	Decrease (increase) in trade payables	(28)	424	(738)	(623)
Operating lease liabilities, net $285$ 06600Net cash provided by operating activities $5,143$ $2,559$ $28,631$ $14,723$ Cash flows from investing activities:Purchase of property and equipment(2,382) $(1,187)$ $(4,343)$ $(3,276)$ Proceeds from (investment in) other long-term assets, net $(33)$ $131$ $(62)$ $40$ Proceeds from (investment in) bank deposits, netInvestment in sale, redemption of and purchase of available-for-salemarketable securities, netPayment for acquisition of subsidiary, net of cash acquiredA30 $(12,239)$ 0Net cash used in investing activitiesCash flows from financing activities:Proceeds from exercise of stock options $3,109$ $7,939$ $10,842$ $12,891$ Repurchase of shares(10,005)0(10,053)0Net cash provided by (used in) financing activities(18,170)(311)(11,012)(3,561)Decrease in cash and cash equivalents(18,170)(311)(11,012)(3,561)Cash and cash equivalents at the beginning of the period $52,361$ $61,987$ $45,203$ $65,237$	Increase (decrease) in deferred revenues	(7,237)	(1,700)	3,783	7,166
Net cash provided by operating activities         5,143         2,559         28,631         14,723           Cash flows from investing activities:             14,723           Purchase of property and equipment         (2,382)         (1,187)         (4,343)         (3,276)           Proceeds from (investment in) other long-term assets, net         (33)         131         (62)         40           Proceeds from (investment in) bank deposits, net         19,529         (9,067)         19,447         (26,067)           Investment in sale, redemption of and purchase of available-for-sale         (33,574)         (686)         (43,235)         (1,872)           Payment for acquisition of subsidiary, net of cash acquired         43         0         (12,239)         0           Net cash used in investing activities         (16,417)         (10,809)         (40,432)         (31,175)           Cash flows from financing activities:           0         (12,239)         0           Proceeds from exercise of stock options         3,109         7,939         10,842         12,891           Repurchase of shares         (10,005)         0         (10,053)         0           Net cash provided by (used in) financing activities         (6,896) <td< td=""><td>Increase (decrease) in other payables and accrued expenses</td><td>463</td><td>1,245</td><td>472</td><td>(6,682)</td></td<>	Increase (decrease) in other payables and accrued expenses	463	1,245	472	(6,682)
Cash flows from investing activities:Purchase of property and equipment(2,382)(1,187)(4,343)(3,276)Proceeds from (investment in) other long-term assets, net(33)131(62)40Proceeds from (investment in) bank deposits, net19,529(9,067)19,447(26,067)Investment in sale, redemption of and purchase of available-for-sale(33,574)(686)(43,235)(1,872)marketable securities, net430(12,239)0Payment for acquisition of subsidiary, net of cash acquired430(12,239)0Net cash used in investing activities(16,417)(10,809)(40,432)(31,175)Cash flows from financing activities:110,005)0(10,053)0Proceeds from exercise of stock options3,1097,93910,84212,891Repurchase of shares(10,005)0(10,053)0Net cash provided by (used in) financing activities(18,170)(311)(11,012)(3,561)Cash and cash equivalents(18,170)(311)(11,012)(3,561)Cash and cash equivalents at the beginning of the period52,36161,98745,20365,237	Operating lease liabilities, net	285	0	660	0
Purchase of property and equipment $(2,382)$ $(1,187)$ $(4,343)$ $(3,276)$ Proceeds from (investment in) other long-term assets, net $(33)$ $131$ $(62)$ $40$ Proceeds from (investment in) bank deposits, net $19,529$ $(9,067)$ $19,447$ $(26,067)$ Investment in sale, redemption of and purchase of available-for-sale $(33,574)$ $(686)$ $(43,235)$ $(1,872)$ marketable securities, net $23,574$ $(686)$ $(43,235)$ $(1,872)$ Payment for acquisition of subsidiary, net of cash acquired $43$ $0$ $(12,239)$ $0$ Net cash used in investing activities $(16,417)$ $(10,809)$ $(40,432)$ $(31,175)$ Cash flows from financing activities: $3,109$ $7,939$ $10,842$ $12,891$ Proceeds from exercise of stock options $3,109$ $7,939$ $10,842$ $12,891$ Repurchase of shares $(10,005)$ $0$ $(10,053)$ $0$ Net cash provided by (used in) financing activities $(18,170)$ $(311)$ $(11,012)$ $(3,561)$ Cash and cash equivalents at the beginning of the period $52,361$ $61,987$ $45,203$ $65,237$	Net cash provided by operating activities	5,143	2,559	28,631	14,723
Purchase of property and equipment $(2,382)$ $(1,187)$ $(4,343)$ $(3,276)$ Proceeds from (investment in) other long-term assets, net $(33)$ $131$ $(62)$ $40$ Proceeds from (investment in) bank deposits, net $19,529$ $(9,067)$ $19,447$ $(26,067)$ Investment in sale, redemption of and purchase of available-for-sale $(33,574)$ $(686)$ $(43,235)$ $(1,872)$ marketable securities, net $23,574$ $(686)$ $(43,235)$ $(1,872)$ Payment for acquisition of subsidiary, net of cash acquired $43$ $0$ $(12,239)$ $0$ Net cash used in investing activities $(16,417)$ $(10,809)$ $(40,432)$ $(31,175)$ Cash flows from financing activities: $3,109$ $7,939$ $10,842$ $12,891$ Proceeds from exercise of stock options $3,109$ $7,939$ $10,842$ $12,891$ Repurchase of shares $(10,005)$ $0$ $(10,053)$ $0$ Net cash provided by (used in) financing activities $(18,170)$ $(311)$ $(11,012)$ $(3,561)$ Cash and cash equivalents at the beginning of the period $52,361$ $61,987$ $45,203$ $65,237$	Cash flows from investing activities:				
Proceeds from (investment in) other long-term assets, net(33)131(62)40Proceeds from (investment in) bank deposits, net19,529(9,067)19,447(26,067)Investment in sale, redemption of and purchase of available-for-sale marketable securities, net(33,574)(686)(43,235)(1,872)Payment for acquisition of subsidiary, net of cash acquired430(12,239)0Net cash used in investing activities(16,417)(10,809)(40,432)(31,175)Cash flows from financing activities:Proceeds from exercise of stock optionsRepurchase of shares(10,005)0(10,053)0Net cash provided by (used in) financing activities(18,170)(311)(11,012)(3,561)Cash and cash equivalents(18,170)52,36161,98745,20365,237					
Proceeds from (investment in) bank deposits, net19,529(9,067)19,447(26,067)Investment in sale, redemption of and purchase of available-for-sale marketable securities, net(33,574)(686)(43,235)(1,872)Payment for acquisition of subsidiary, net of cash acquired430(12,239)0Net cash used in investing activities(16,417)(10,809)(40,432)(31,175)Cash flows from financing activities:Proceeds from exercise of stock options3,1097,93910,84212,891Repurchase of shares(10,005)0(10,053)0Net cash provided by (used in) financing activities(18,170)(311)(11,012)(3,561)Cash and cash equivalents(18,170)(311)(11,012)(3,561)Cash and cash equivalents at the beginning of the period52,36161,98745,20365,237	Purchase of property and equipment	(2,382)	(1,187)	(4,343)	(3,276)
Investment in sale, redemption of and purchase of available-for-sale marketable securities, net(33,574)(686)(43,235)(1,872)Payment for acquisition of subsidiary, net of cash acquired430(12,239)0Net cash used in investing activities(16,417)(10,809)(40,432)(31,175)Cash flows from financing activities:Proceeds from exercise of stock options3,1097,93910,84212,891Repurchase of shares(10,005)0(10,053)0Net cash provided by (used in) financing activities(18,170)(311)(11,012)(3,561)Cash and cash equivalents(18,170)(311)(11,012)(3,561)Cash and cash equivalents at the beginning of the period52,36161,98745,20365,237	Proceeds from (investment in) other long-term assets, net	(33)	131	(62)	40
marketable securities, net(33,574)(686)(43,235)(1,872)Payment for acquisition of subsidiary, net of cash acquired430(12,239)0Net cash used in investing activities(16,417)(10,809)(40,432)(31,175)Cash flows from financing activities:Proceeds from exercise of stock options3,1097,93910,84212,891Repurchase of shares(10,005)0(10,053)0Net cash provided by (used in) financing activities(18,170)(311)(11,012)(3,561)Cash and cash equivalents(18,170)(311)(11,012)(3,561)Cash and cash equivalents at the beginning of the period52,36161,98745,20365,237	Proceeds from (investment in) bank deposits, net	19,529	(9,067)	19,447	(26,067)
marketable securities, netPayment for acquisition of subsidiary, net of cash acquired430(12,239)0Net cash used in investing activities(16,417)(10,809)(40,432)(31,175)Cash flows from financing activities:Proceeds from exercise of stock options3,1097,93910,84212,891Repurchase of shares(10,005)0(10,053)0Net cash provided by (used in) financing activities(18,170)(311)(11,012)(3,561)Cash and cash equivalents(18,170)(311)(11,012)(3,561)Cash and cash equivalents at the beginning of the period52,36161,98745,20365,237	Investment in sale, redemption of and purchase of available-for-sale	(22 574)	(606)	(42.225)	(4.072)
Net cash used in investing activities       (16,417)       (10,809)       (40,432)       (31,175)         Cash flows from financing activities:       (16,417)       (10,809)       (40,432)       (31,175)         Proceeds from exercise of stock options       3,109       7,939       10,842       12,891         Repurchase of shares       (10,005)       0       (10,053)       0         Net cash provided by (used in) financing activities       (6,896)       7,939       789       12,891         Decrease in cash and cash equivalents       (18,170)       (311)       (11,012)       (3,561)         Cash and cash equivalents at the beginning of the period       52,361       61,987       45,203       65,237	marketable securities, net	(33,574)	(686)	(43,235)	(1,872)
Cash flows from financing activities:Proceeds from exercise of stock optionsRepurchase of shares(10,005)0(10,053)0(10,053)0(10,053)0(10,053)0(11,012)(3,561)Cash and cash equivalents at the beginning of the period52,36161,98745,2030101010101010101010101011111111121212131415 <td< td=""><td>Payment for acquisition of subsidiary, net of cash acquired</td><td>43</td><td>0</td><td>(12,239)</td><td>0</td></td<>	Payment for acquisition of subsidiary, net of cash acquired	43	0	(12,239)	0
Proceeds from exercise of stock options       3,109       7,939       10,842       12,891         Repurchase of shares       (10,005)       0       (10,053)       0         Net cash provided by (used in) financing activities       (6,896)       7,939       789       12,891         Decrease in cash and cash equivalents       (18,170)       (311)       (11,012)       (3,561)         Cash and cash equivalents at the beginning of the period       52,361       61,987       45,203       65,237	Net cash used in investing activities	(16,417)	(10,809)	(40,432)	(31,175)
Repurchase of shares       (10,005)       0       (10,053)       0         Net cash provided by (used in) financing activities       (6,896)       7,939       789       12,891         Decrease in cash and cash equivalents       (18,170)       (311)       (11,012)       (3,561)         Cash and cash equivalents at the beginning of the period       52,361       61,987       45,203       65,237	Cash flows from financing activities:				
Repurchase of shares       (10,005)       0       (10,053)       0         Net cash provided by (used in) financing activities       (6,896)       7,939       789       12,891         Decrease in cash and cash equivalents       (18,170)       (311)       (11,012)       (3,561)         Cash and cash equivalents at the beginning of the period       52,361       61,987       45,203       65,237	Proceeds from exercise of stock options	3,109	7,939	10,842	12,891
Net cash provided by (used in) financing activities         (6,896)         7,939         789         12,891           Decrease in cash and cash equivalents         (18,170)         (311)         (11,012)         (3,561)           Cash and cash equivalents at the beginning of the period         52,361         61,987         45,203         65,237	·	-	,	-	-
Decrease in cash and cash equivalents         (18,170)         (311)         (11,012)         (3,561)           Cash and cash equivalents at the beginning of the period         52,361         61,987         45,203         65,237					
Cash and cash equivalents at the beginning of the period52,36161,98745,20365,237	. ,, , ,		<u>,</u>		
	Decrease in cash and cash equivalents	(18,170)	(311)	(11,012)	(3,561)
Cash and cash equivalents at the end of the period         34,191         61,676         34,191         61,676	Cash and cash equivalents at the beginning of the period	52,361	61,987	45,203	65,237
	Cash and cash equivalents at the end of the period	34,191	61,676	34,191	61,676