

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

	June 30, 2025	December 31, 2024
	(Unaudited)	(Unaudited)
Assets		
Current assets		
Cash and cash equivalents	103,842	98,714
Marketable securities	35,425	72,994
Short-term bank deposits	134,239	104,073
Trade receivables, net	22,865	16,823
Other receivables and prepaid expenses	13,732	14,242
Inventories	13,312	14,030
	<u>323,415</u>	<u>320,876</u>
Long-term investments		
Marketable securities	56,391	29,523
Long-term bank deposits	129,215	114,354
Other assets	2,429	2,171
	<u>188,035</u>	<u>146,048</u>
Property and equipment, net	15,371	15,632
Intangible assets, net	9,766	11,750
Other long-term assets	37,062	37,906
Operating lease right-of-use assets	16,883	18,456
Goodwill	68,008	68,008
Total assets	<u>658,540</u>	<u>618,676</u>
Liabilities and equity		
Current liabilities		
Trade payables	4,096	5,581
Deferred revenues	119,732	106,303
Operating lease liabilities	4,970	4,750
Other payables and accrued expenses	55,692	51,836
	<u>184,490</u>	<u>168,470</u>
Long-term liabilities		
Deferred revenues	67,757	64,708
Operating lease liabilities	12,750	13,519
Other long-term liabilities	13,801	14,904
	<u>94,308</u>	<u>93,131</u>
Equity		
Radware Ltd. equity		
Share capital	758	754
Additional paid-in capital	566,286	555,154
Accumulated other comprehensive income	3,702	1,103
Treasury stock, at cost	(366,588)	(366,588)
Retained earnings	134,416	125,850
Total Radware Ltd. shareholder's equity	<u>338,574</u>	<u>316,273</u>
Non-controlling interest	41,168	40,802
Total equity	<u>379,742</u>	<u>357,075</u>
Total liabilities and equity	<u>658,540</u>	<u>618,676</u>

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

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	74,215	67,276	146,294	132,361
Cost of revenues	14,316	13,056	28,306	25,868
Gross profit	59,899	54,220	117,988	106,493
Operating expenses, net:				
Research and development, net	19,379	18,701	38,155	37,597
Selling and marketing	31,337	29,744	62,618	59,445
General and administrative	6,386	6,984	12,849	14,323
Total operating expenses, net	57,102	55,429	113,622	111,365
Operating income (loss)	2,797	(1,209)	4,366	(4,872)
Financial income, net	3,662	4,417	8,537	8,025
Income before taxes on income	6,459	3,208	12,903	3,153
Taxes on income	2,237	1,544	4,337	2,711
Net income	4,222	1,664	8,566	442
Basic net income per share attributed to Radware Ltd.'s shareholders	0.10	0.04	0.20	0.01
Weighted average number of shares used to compute basic net income per share	42,734,026	41,857,259	42,711,279	41,803,638
Diluted net income per share attributed to Radware Ltd.'s shareholders	0.09	0.04	0.19	0.01
Weighted average number of shares used to compute diluted net income per share	44,510,896	43,148,129	44,364,057	43,011,501

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,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
GAAP gross profit	59,899	54,220	117,988	106,493
Share-based compensation	131	80	251	159
Amortization of intangible assets	992	992	1,984	1,984
Non-GAAP gross profit	61,022	55,292	120,223	108,636
GAAP research and development, net	19,379	18,701	38,155	37,597
Share-based compensation	1,327	1,536	2,550	3,258
Non-GAAP Research and development, net	18,052	17,165	35,605	34,339
GAAP selling and marketing	31,337	29,744	62,618	59,445
Share-based compensation	2,700	2,609	5,776	5,160
Non-GAAP selling and marketing	28,637	27,135	56,842	54,285
GAAP general and administrative	6,386	6,984	12,849	14,323
Share-based compensation	1,445	2,077	2,924	4,472
Acquisition costs	138	192	291	412
Non-GAAP general and administrative	4,803	4,715	9,634	9,439
GAAP total operating expenses, net	57,102	55,429	113,622	111,365
Share-based compensation	5,472	6,222	11,250	12,890
Acquisition costs	138	192	291	412
Non-GAAP total operating expenses, net	51,492	49,015	102,081	98,063
GAAP operating income (loss)	2,797	(1,209)	4,366	(4,872)
Share-based compensation	5,603	6,302	11,501	13,049
Amortization of intangible assets	992	992	1,984	1,984
Acquisition costs	138	192	291	412
Non-GAAP operating income	9,530	6,277	18,142	10,573
GAAP financial income, net	3,662	4,417	8,537	8,025
Exchange rate differences, net on balance sheet items included in financial income, net	1,702	(298)	2,194	(145)
Non-GAAP financial income, net	5,364	4,119	10,731	7,880
GAAP income before taxes on income	6,459	3,208	12,903	3,153
Share-based compensation	5,603	6,302	11,501	13,049
Amortization of intangible assets	992	992	1,984	1,984
Acquisition costs	138	192	291	412
Exchange rate differences, net on balance sheet items included in financial income, net	1,702	(298)	2,194	(145)
Non-GAAP income before taxes on income	14,894	10,396	28,873	18,453
GAAP taxes on income	2,237	1,544	4,337	2,711
Tax related adjustments	61	61	123	123
Non-GAAP taxes on income	2,298	1,605	4,460	2,834
GAAP net income	4,222	1,664	8,566	442
Share-based compensation	5,603	6,302	11,501	13,049
Amortization of intangible assets	992	992	1,984	1,984
Acquisition costs	138	192	291	412
Exchange rate differences, net on balance sheet items included in financial income, net	1,702	(298)	2,194	(145)
Tax related adjustments	(61)	(61)	(123)	(123)
Non-GAAP net income	12,596	8,791	24,413	15,619
GAAP diluted net income per share	0.09	0.04	0.19	0.01
Share-based compensation	0.13	0.15	0.26	0.30
Amortization of intangible assets	0.02	0.02	0.04	0.04
Acquisition costs	0.00	0.00	0.01	0.01
Exchange rate differences, net on balance sheet items included in financial income, net	0.04	(0.01)	0.05	(0.00)
Tax related adjustments	(0.00)	(0.00)	(0.00)	(0.00)
Non-GAAP diluted net earnings per share	0.28	0.20	0.55	0.36
Weighted average number of shares used to compute non-GAAP diluted net earnings per share	44,510,896	43,148,129	44,364,057	43,011,501

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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<u>Cash flow from operating activities:</u>				
Net income	4,222	1,664	8,566	442
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	2,865	3,028	6,017	5,971
Share-based compensation	5,603	6,302	11,501	13,049
Amortization of premium, accretion of discounts and accrued interest on marketable securities, net	(93)	80	(254)	7
Increase (decrease) in accrued interest on bank deposits	(2,324)	5,468	(4,114)	5,459
Increase (decrease) in accrued severance pay, net	15	17	76	(41)
Decrease (increase) in trade receivables, net	2,171	(5,013)	(6,042)	(5,232)
Decrease (increase) in other receivables and prepaid expenses and other long-term assets	(951)	(199)	(1,137)	406
Decrease in inventories	199	744	718	1,748
Increase (decrease) in trade payables	450	(1,627)	(1,485)	(221)
Increase (decrease) in deferred revenues	(1,345)	7,494	16,478	16,388
Increase in other payables and accrued expenses	2,422	5,310	5,586	6,793
Operating lease liabilities, net	1,258	(238)	1,024	(617)
Net cash provided by operating activities	14,492	23,030	36,934	44,152
<u>Cash flows from investing activities:</u>				
Purchase of property and equipment	(2,660)	(1,034)	(3,772)	(2,808)
Proceeds from (investment in) other long-term assets, net	(19)	19	90	(6)
Proceeds from (investment in) bank deposits, net	(13,801)	6,734	(40,913)	(11,164)
Investment in, redemption of and purchase of marketable securities ,net	(5,239)	(13,499)	10,955	(9,997)
Proceeds from other deposits	-	-	5,000	-
Net cash used in investing activities	(21,719)	(7,780)	(28,640)	(23,975)
<u>Cash flows from financing activities:</u>				
Proceeds from exercise of share options	(3)	3	1	3
Repurchase of shares	-	-	-	(839)
Payment of contingent consideration related to acquisition	(3,167)	(3,077)	(3,167)	(3,077)
Net cash used in financing activities	(3,170)	(3,074)	(3,166)	(3,913)
Increase in cash and cash equivalents	(10,397)	12,176	5,128	16,264
Cash and cash equivalents at the beginning of the period	114,239	74,626	98,714	70,538
Cash and cash equivalents at the end of the period	103,842	86,802	103,842	86,802

Radware Ltd.
RECONCILIATION OF GAAP NET INCOME TO EBITDA AND ADJUSTED EBITDA (NON-GAAP)
(U.S Dollars in thousands)

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
GAAP net income	4,222	1,664	8,566	442
Exclude: Financial income, net	(3,662)	(4,417)	(8,537)	(8,025)
Exclude: Depreciation and amortization expense	2,865	3,028	6,017	5,971
Exclude: Taxes on income	2,237	1,544	4,337	2,711
EBITDA	5,662	1,819	10,383	1,099
Share-based compensation	5,603	6,302	11,501	13,049
Acquisition costs	138	192	291	412
Adjusted EBITDA	11,403	8,313	22,175	14,560

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Amortization of intangible assets	992	992	1,984	1,984
Depreciation	1,873	2,036	4,033	3,987
	2,865	3,028	6,017	5,971