

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

| | March 31, 2026 | December 31, 2025 |
|--|---------------------------|------------------------------|
| | (Unaudited) | (Unaudited) |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 108,812 | 102,748 |
| Marketable securities | 15,550 | 15,900 |
| Short-term bank deposits | 127,447 | 129,961 |
| Trade receivables, net | 31,935 | 34,604 |
| Other receivables and prepaid expenses | 11,132 | 10,639 |
| Inventories | 13,130 | 13,220 |
| Current assets held for sale | 7,056 | 9,435 |
| | <u>315,062</u> | <u>316,507</u> |
| Long-term investments | | |
| Marketable securities | 72,006 | 71,398 |
| Long-term bank deposits | 110,004 | 131,922 |
| Other assets | 2,935 | 2,830 |
| | <u>184,945</u> | <u>206,150</u> |
| Property and equipment, net | 17,178 | 16,387 |
| Goodwill and intangible assets, net | 78,502 | 72,159 |
| Other long-term assets | 42,165 | 40,641 |
| Operating lease right-of-use assets | 14,999 | 15,456 |
| Long-term assets held for sale | 3,599 | 3,865 |
| Total assets | <u>656,450</u> | <u>671,165</u> |
| Liabilities and equity | | |
| Current liabilities | | |
| Trade payables | 6,499 | 7,231 |
| Deferred revenues | 121,506 | 111,917 |
| Operating lease liabilities | 4,817 | 4,862 |
| Other payables and accrued expenses | 63,312 | 67,948 |
| Current liabilities held for sale | 2,158 | 2,325 |
| | <u>198,292</u> | <u>194,283</u> |
| Long-term liabilities | | |
| Deferred revenues | 70,785 | 65,764 |
| Operating lease liabilities | 11,549 | 11,970 |
| Other long-term liabilities | 7,583 | 8,464 |
| Long-term liabilities held for sale | 20 | - |
| | <u>89,937</u> | <u>86,198</u> |
| Equity | | |
| Radware Ltd. equity | | |
| Share capital | 772 | 770 |
| Additional paid-in capital | 584,160 | 578,652 |
| Accumulated other comprehensive income (loss) | (166) | 1,393 |
| Treasury stock, at cost | (407,599) | (377,561) |
| Retained earnings | 149,651 | 146,107 |
| Total Radware Ltd. shareholder's equity | <u>326,818</u> | <u>349,361</u> |
| Non-controlling interest | 41,403 | 41,323 |
| Total equity | <u>368,221</u> | <u>390,684</u> |
| Total liabilities and equity | <u>656,450</u> | <u>671,165</u> |

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

| | For the three months ended | |
|--|-----------------------------------|---------------------|
| | March 31, | |
| | 2026 | 2025 |
| | (Unaudited) | (Unaudited) |
| Revenues | 79,813 | 72,022 |
| Cost of revenues | 15,112 | 13,562 |
| Gross profit | <u>64,701</u> | <u>58,460</u> |
| Operating expenses, net: | | |
| Research and development, net | 21,103 | 17,552 |
| Selling and marketing | 32,592 | 30,640 |
| General and administrative | 6,488 | 6,232 |
| Total operating expenses, net | <u>60,183</u> | <u>54,424</u> |
| Operating income | 4,518 | 4,036 |
| Financial income, net | 3,772 | 4,662 |
| Income before taxes on income from continuing operations | 8,290 | 8,698 |
| Taxes on income | 2,169 | 2,100 |
| Net income from continuing operations | 6,121 | 6,598 |
| Loss from discontinued operations | (2,577) | (2,254) |
| Net income | <u><u>3,544</u></u> | <u><u>4,344</u></u> |
| Basic net income per share attributed to Radware Ltd.'s shareholders: | | |
| Continuing operations | 0.14 | 0.15 |
| Discontinued operations | (0.06) | (0.05) |
| Total basic net income per share attributed to Radware Ltd.'s shareholders | 0.08 | 0.10 |
| Weighted average number of shares used to compute basic net income per share | 42,794,944 | 42,663,787 |
| Diluted net income per share attributed to Radware Ltd.'s shareholders: | | |
| Continuing operations | 0.14 | 0.15 |
| Discontinued operations | (0.06) | (0.05) |
| Total diluted net income per share attributed to Radware Ltd.'s shareholders | 0.08 | 0.10 |
| Weighted average number of shares used to compute diluted net income per share | 44,497,774 | 44,192,474 |

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 | |
|---|----------------------------|---------------|
| | March 31, | |
| | 2026 | 2025 |
| | (Unaudited) | (Unaudited) |
| GAAP gross profit | 64,701 | 58,460 |
| Share-based compensation | 166 | 120 |
| Amortization of intangible assets | 732 | 733 |
| Non-GAAP gross profit | <u>65,599</u> | <u>59,313</u> |
| GAAP research and development, net | 21,103 | 17,552 |
| Share-based compensation | 1,688 | 1,135 |
| Non-GAAP research and development, net | <u>19,415</u> | <u>16,417</u> |
| GAAP selling and marketing | 32,592 | 30,640 |
| Share-based compensation | 2,652 | 3,053 |
| Non-GAAP selling and marketing | <u>29,940</u> | <u>27,587</u> |
| GAAP general and administrative | 6,488 | 6,232 |
| Share-based compensation | 1,002 | 1,371 |
| Acquisition costs | 289 | 153 |
| Non-GAAP general and administrative | <u>5,197</u> | <u>4,708</u> |
| GAAP total operating expenses, net | 60,183 | 54,424 |
| Share-based compensation | 5,342 | 5,559 |
| Acquisition costs | 289 | 153 |
| Non-GAAP total operating expenses, net | <u>54,552</u> | <u>48,712</u> |
| GAAP operating income | 4,518 | 4,036 |
| Share-based compensation | 5,508 | 5,679 |
| Amortization of intangible assets | 732 | 733 |
| Acquisition costs | 289 | 153 |
| Non-GAAP operating income | <u>11,047</u> | <u>10,601</u> |
| GAAP financial income, net | 3,772 | 4,662 |
| Exchange rate differences, net on balance sheet items included in financial income, net | 774 | 509 |
| Non-GAAP financial income, net | <u>4,546</u> | <u>5,171</u> |
| GAAP income before taxes on income from continuing operations | 8,290 | 8,698 |
| Share-based compensation | 5,508 | 5,679 |
| Amortization of intangible assets | 732 | 733 |
| Acquisition costs | 289 | 153 |
| Exchange rate differences, net on balance sheet items included in financial income, net | 774 | 509 |
| Non-GAAP income before taxes on income from continuing operations | <u>15,593</u> | <u>15,772</u> |
| GAAP taxes on income | 2,169 | 2,100 |
| Tax related adjustments | 62 | 62 |
| Non-GAAP taxes on income | <u>2,231</u> | <u>2,162</u> |
| GAAP net income from continuing operations | 6,121 | 6,598 |
| Share-based compensation | 5,508 | 5,679 |
| Amortization of intangible assets | 732 | 733 |
| Acquisition costs | 289 | 153 |
| Exchange rate differences, net on balance sheet items included in financial income, net | 774 | 509 |
| Tax related adjustments | (62) | (62) |
| Non-GAAP net income from continuing operations | <u>13,362</u> | <u>13,610</u> |
| Non-GAAP loss from discontinued operations | <u>2,294</u> | <u>1,793</u> |
| Non-GAAP net income | <u>11,068</u> | <u>11,817</u> |
| GAAP diluted net income per share from continuing operations | 0.14 | 0.15 |
| Share-based compensation | 0.12 | 0.13 |
| Amortization of intangible assets | 0.01 | 0.02 |
| Acquisition costs | 0.01 | 0.00 |
| Exchange rate differences, net on balance sheet items included in financial income, net | 0.02 | 0.01 |
| Tax related adjustments | (0.00) | (0.00) |
| Non-GAAP diluted net earnings per share from continuing operations | <u>0.30</u> | <u>0.31</u> |
| Non-GAAP diluted net loss per share from discontinued operations | <u>(0.05)</u> | <u>(0.04)</u> |
| Non-GAAP diluted net earnings per share | <u>0.25</u> | <u>0.27</u> |
| Weighted average number of shares used to compute non-GAAP diluted net earnings per share | 44,497,774 | 44,192,474 |

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

For the three months ended

March 31,

| | <u>2026</u> | <u>2025</u> |
|--|-----------------|----------------|
| | (Unaudited) | (Unaudited) |
| <u>Cash flow from operating activities:</u> | | |
| Net income | 3,544 | 4,344 |
| Loss from discontinued operations activities | 2,577 | 2,254 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,594 | 2,882 |
| Share-based compensation | 5,508 | 5,679 |
| Amortization of premium, accretion of discounts and accrued interest on marketable securities, net | 25 | (161) |
| Decrease in accrued interest on bank deposits | (468) | (1,601) |
| Increase (decrease) in accrued severance pay, net | (287) | 61 |
| Decrease (increase) in trade receivables, net | 2,669 | (8,186) |
| Increase in other receivables and prepaid expenses and other long-term assets | (3,076) | (160) |
| Decrease in inventories | 90 | 519 |
| Decrease in trade payables | (732) | (1,840) |
| Increase in deferred revenues | 14,610 | 17,732 |
| Increase (decrease) in other payables and accrued expenses | (7,119) | 3,281 |
| Operating lease liabilities, net | (9) | (228) |
| Net cash provided by operating activities - continuing operations | <u>19,926</u> | <u>24,576</u> |
| Net cash used in operating activities - discontinued operations | <u>(2,286)</u> | <u>(2,134)</u> |
| Net cash provided by operating activities | <u>17,640</u> | <u>22,442</u> |
| <u>Cash flows from investing activities:</u> | | |
| Purchase of property and equipment | (2,653) | (1,111) |
| Proceeds from other long-term assets, net | 16 | 109 |
| Proceeds from (investment in) bank deposits, net | 24,900 | (27,112) |
| Investment in, redemption of and purchase of marketable securities ,net | (798) | 16,194 |
| Acquisition of subsidiary, net of cash acquired | (5,938) | - |
| Proceeds from other deposits | - | 5,000 |
| Net cash provided by (used in) investing activities - continuing operations | <u>15,527</u> | <u>(6,920)</u> |
| Net cash provided by (used in) investing activities - discontinued operations | <u>3,001</u> | <u>(1)</u> |
| Net cash provided by (used in) investing activities | <u>18,528</u> | <u>(6,921)</u> |
| <u>Cash flows from financing activities:</u> | | |
| Proceeds from exercise of share options | 3 | 1 |
| Repurchase of shares | (29,392) | - |
| Net cash provided by (used in) financing activities - continuing operations | <u>(29,389)</u> | <u>1</u> |
| Net cash provided by financing activities - discontinued operations | <u>-</u> | <u>3</u> |
| Net cash provided by (used in) financing activities | <u>(29,389)</u> | <u>4</u> |
| Increase in cash and cash equivalents | 6,779 | 15,525 |
| Cash and cash equivalents at the beginning of the period | <u>105,078</u> | <u>98,714</u> |
| Cash and cash equivalents at the end of the period | <u>111,857</u> | <u>114,239</u> |
| Less cash and cash equivalents of discontinued operations | <u>(3,045)</u> | <u>(741)</u> |
| Cash and cash equivalents at the end of the period - continuing operations | <u>108,812</u> | <u>113,498</u> |

