

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

	December 31, 2025 (Unaudited)	December 31, 2024 (Unaudited)
Assets		
Current assets		
Cash and cash equivalents	105,078	98,714
Marketable securities	15,900	72,994
Short-term bank deposits	136,282	104,073
Trade receivables, net	35,023	16,823
Other receivables and prepaid expenses	11,004	14,242
Inventories	<u>13,220</u>	<u>14,030</u>
	<u>316,507</u>	<u>320,876</u>
Long-term investments		
Marketable securities	71,398	29,523
Long-term bank deposits	131,922	114,354
Other assets	<u>2,830</u>	<u>2,171</u>
	<u>206,150</u>	<u>146,048</u>
Property and equipment, net	16,452	15,632
Intangible assets, net	7,782	11,750
Other long-term assets	40,641	37,906
Operating lease right-of-use assets	15,625	18,456
Goodwill	<u>68,008</u>	<u>68,008</u>
Total assets	<u>671,165</u>	<u>618,676</u>
Liabilities and equity		
Current liabilities		
Trade payables	7,234	5,581
Deferred revenues	112,054	106,303
Operating lease liabilities	5,051	4,750
Other payables and accrued expenses	<u>69,357</u>	<u>51,836</u>
	<u>193,696</u>	<u>168,470</u>
Long-term liabilities		
Deferred revenues	65,764	64,708
Operating lease liabilities	11,970	13,519
Other long-term liabilities	<u>9,051</u>	<u>14,904</u>
	<u>86,785</u>	<u>93,131</u>
Equity		
Radware Ltd. equity		
Share capital	770	754
Additional paid-in capital	578,652	555,154
Accumulated other comprehensive income	1,393	1,103
Treasury stock, at cost	(377,561)	(366,588)
Retained earnings	<u>146,107</u>	<u>125,850</u>
Total Radware Ltd. shareholder's equity	<u>349,361</u>	<u>316,273</u>
Non-controlling interest	<u>41,323</u>	<u>40,802</u>
Total equity	<u>390,684</u>	<u>357,075</u>
Total liabilities and equity	<u>671,165</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 December 31,		For the twelve months ended December 31,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	80,245	73,031	301,850	274,880
Cost of revenues	15,471	13,992	58,339	53,252
Gross profit	64,774	59,039	243,511	221,628
Operating expenses, net:				
Research and development, net	21,132	18,472	78,981	74,723
Selling and marketing	33,391	32,505	127,586	122,450
General and administrative	6,308	7,071	25,536	28,342
Total operating expenses, net	60,831	58,048	232,103	225,515
Operating income (loss)	3,943	991	11,408	(3,887)
Financial income, net	4,562	3,570	17,899	16,552
Income before taxes on income	8,505	4,561	29,307	12,665
Taxes on income	2,464	2,109	9,050	6,627
Net income	6,041	2,452	20,257	6,038
Basic net income per share attributed to Radware Ltd.'s shareholders	0.14	0.06	0.47	0.14
Weighted average number of shares used to compute basic net income per share	43,275,172	42,238,469	42,879,056	41,982,851
Diluted net income per share attributed to Radware Ltd.'s shareholders	0.13	0.06	0.45	0.14
Weighted average number of shares used to compute diluted net income per share	45,129,136	43,725,803	44,698,538	43,362,906

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 December 31,	
	2025 (Unaudited)	2024 (Unaudited)
GAAP gross profit		
Share-based compensation	64,774	59,039
Amortization of intangible assets	180	126
Non-GAAP gross profit	992	992
	<u>65,946</u>	<u>60,157</u>
GAAP research and development, net		
Share-based compensation	21,132	18,472
Non-GAAP research and development, net	1,825	1,434
	<u>19,307</u>	<u>17,038</u>
GAAP selling and marketing		
Share-based compensation	33,391	32,505
Non-GAAP selling and marketing	3,678	3,173
	<u>29,713</u>	<u>29,332</u>
GAAP general and administrative		
Share-based compensation	6,308	7,071
Acquisition costs	1,414	2,187
Non-GAAP general and administrative	(153)	130
	<u>5,047</u>	<u>4,754</u>
GAAP total operating expenses, net		
Share-based compensation	60,831	58,048
Acquisition costs	6,917	6,794
Non-GAAP total operating expenses, net	(153)	130
	<u>54,067</u>	<u>51,124</u>
GAAP operating income (loss)		
Share-based compensation	3,943	991
Amortization of intangible assets	7,097	6,920
Acquisition costs	992	992
Non-GAAP operating income	(153)	130
	<u>11,879</u>	<u>9,033</u>
GAAP financial income, net		
Exchange rate differences, net on balance sheet items included in financial income, net	4,562	3,570
Non-GAAP financial income, net	535	1,463
	<u>5,097</u>	<u>5,033</u>
GAAP income before taxes on income		
Share-based compensation	8,505	4,561
Amortization of intangible assets	7,097	6,920
Acquisition costs	992	992
Exchange rate differences, net on balance sheet items included in financial income, net	(153)	130
Non-GAAP income before taxes on income	535	1,463
	<u>16,976</u>	<u>14,066</u>
GAAP taxes on income		
Tax related adjustments	2,464	2,109
Non-GAAP taxes on income	61	61
	<u>2,525</u>	<u>2,170</u>
GAAP net income		
Share-based compensation	6,041	2,452
Amortization of intangible assets	7,097	6,920
Acquisition costs	992	992
Exchange rate differences, net on balance sheet items included in financial income, net	(153)	130
Tax related adjustments	535	1,463
Non-GAAP net income	(61)	(61)
	<u>14,451</u>	<u>11,896</u>
GAAP diluted net income per share		
Share-based compensation	0.13	0.06
Amortization of intangible assets	0.16	0.16
Acquisition costs	0.02	0.02
Exchange rate differences, net on balance sheet items included in financial income, net	(0.00)	0.00
Tax related adjustments	0.01	0.03
Non-GAAP diluted net earnings per share	(0.00)	(0.00)
	<u>0.32</u>	<u>0.27</u>
Weighted average number of shares used to compute non-GAAP diluted net earnings per share	45,129,136	43,725,803

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

	For the three months ended December 31,	
	2025 (Unaudited)	2024 (Unaudited)
Cash flow from operating activities:		
Net income	6,041	2,452
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,854	2,918
Share-based compensation	7,097	6,920
Amortization of premium, accretion of discounts and accrued interest on marketable securities, net	105	(190)
Increase (decrease) in accrued interest on bank deposits	(2,028)	(1,279)
Increase (decrease) in accrued severance pay, net	145	(151)
Decrease (increase) in trade receivables, net	(5,031)	3,140
Increase in other receivables and prepaid expenses and other long-term assets	(845)	(1,252)
Decrease (increase) in inventories	106	(487)
Increase (decrease) in trade payables	1,605	(970)
Increase (decrease) in deferred revenues	2,450	(4,829)
Increase in other payables and accrued expenses	4,470	6,222
Operating lease liabilities, net	362	255
Net cash provided by operating activities	<u>17,331</u>	<u>12,749</u>
Cash flows from investing activities:		
Purchase of property and equipment	(2,881)	(1,059)
Proceeds from (investment in) other long-term assets, net	(20)	41
Proceeds from (investment in) bank deposits, net	10,323	(46,682)
Investment in, redemption of and purchase of marketable securities ,net	3,536	23,249
Proceeds from (investment in) other deposits	-	(5,000)
Net cash provided by (used in) investing activities	<u>10,958</u>	<u>(29,451)</u>
Cash flows from financing activities:		
Proceeds from exercise of share options	(2)	-
Repurchase of shares	(10,490)	-
Payment of contingent consideration related to acquisition	-	-
Net cash used in financing activities	<u>(10,492)</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	17,797	(16,702)
Cash and cash equivalents at the beginning of the period	87,281	115,416
Cash and cash equivalents at the end of the period	<u>105,078</u>	<u>98,714</u>

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Adjustments to reconcile net income to net cash provided by operating activities:		
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Radware Ltd.

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

	For the three months ended	
	December 31,	
	2025	2024
	(Unaudited)	(Unaudited)
GAAP net income		
Exclude: Financial income, net	6,041	2,452
Exclude: Depreciation and amortization expense	(4,562)	(3,570)
Exclude: Taxes on income	2,854	2,918
EBITDA	2,464	2,109
Share-based compensation	6,797	3,909
Acquisition costs	(153)	130
Adjusted EBITDA	13,741	10,959

	For the three months ended	
	December 31,	
	2025	2024
	(Unaudited)	(Unaudited)
Amortization of intangible assets	992	992
Depreciation	1,862	1,926
EBITDA	2,854	2,918