



Investor Presentation

September 2020



SAFE HARBOR

DISCLAIMER

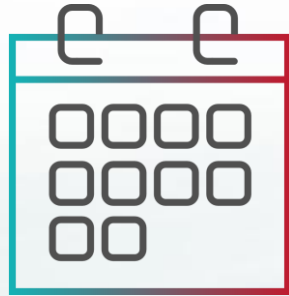
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INVESTMENT HIGHLIGHTS



LEADER IN
DATA CENTER
CYBERSECURITY



FAST GROWING
SUBSCRIPTION
BUSINESS



MAJOR MARKET
OPPORTUNITY



STRONG
CUSTOMER BASE



INVESTMENT HIGHLIGHT: LEADER IN DATACENTER CYBERSECURITY

COMPREHENSIVE STACK TO ENSURE APPLICATION AVAILABILITY AND SECURITY ACROSS PRIVATE AND PUBLIC CLOUD DATA CENTERS

Making applications

AVAILABLE



DDoS
Protection



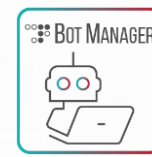
ADC
Multi-Cloud

Keeping data

CONFIDENTIAL



Web App
Firewall



Bot
Manager

Protecting

CLOUD TRANSITION



Global Elastic
License



Cloud Workload
Protection

GLOBAL CLOUD SECURITY NETWORK

OVER 40 POPS GLOBALLY, STRONG GROWTH IN CUSTOMER COUNT, CAPACITY AND REVENUES





552K

DDoS Attacks
blocked in Q2 20

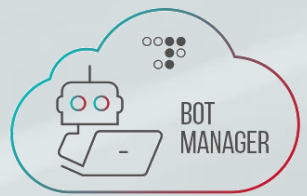
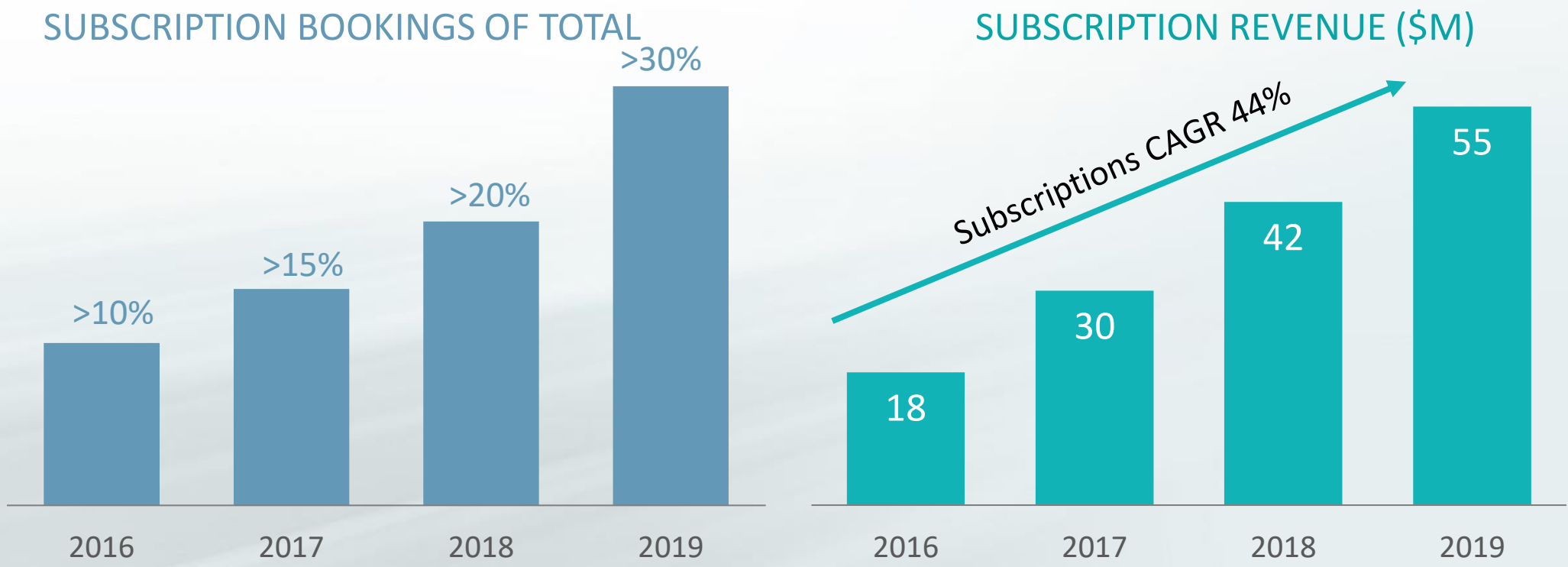
295M

Web Application
Attack Transactions
blocked in Q2 20

-  DDoS Mitigation Scrubbing Center
-  Cloud WAF Points-of-Presence



INVESTMENT HIGHLIGHT: FAST GROWING SUBSCRIPTIONS BUSINESS



And
More...

INVESTMENT HIGHLIGHT: MAJOR MARKET OPPORTUNITY

ATTACK SURFACE IS INCREASING

APPLICATIONS AND DATA CHANGING LOCATIONS

Balance Shifting To Public Cloud



2^{IN}5 3+

are using multiple
cloud environments

Public cloud environments
for large organizations

APPLICATION INFRASTRUCTURE IS SHIFTING

From Monolithic To Micro Services



60%

Of organizations run Micorservices/
Containers/ Serverless



INVESTMENT HIGHLIGHT: MAJOR MARKET OPPORTUNITY

SOLID GROWTH OF CORE TAM:

Combined ADC, DDoS, WAF and Bot Risk Management Forecasted CAGR of 11% between 2019-2022*

DDoS PROTECTION

MARKET SIZE:

\$1.5B

CAGR: **18%**

ADC

MARKET SIZE*:

\$1.9B

CAGR: **3%** Total*
-6% Appliance
19% Virtual

WAF

MARKET SIZE:

\$900M

CAGR: **10%**

BOT RISK MANAGEMENT

MARKET SIZE:

\$300M

CAGR: **25%**

**Excludes ADC as a service.*

Sources: IDC Worldwide Application Delivery Controller Forecast, Dec-18; IDC: Worldwide DDoS Prevention Products and Services Forecast, Jull-18; Gartner: Information Security and Risk Management, Dec-18; F&S: Global Bot Risk Management (BRM) Market Analysis, Jan-18;



2020: HYPER-ACTIVE ATTACK LANDSCAPE



Global Ransom DDoS Campaigns

- ✓ Global campaign against finance, e-commerce, and travel verticals in August 2020
- ✓ Ransom fees of 10-20 BTC, 10x more than typically in 2019
- ✓ Threat: cyberattacks of over 2Tbps if payment is not made.
- ✓ Proof: demo attack at pre-set time



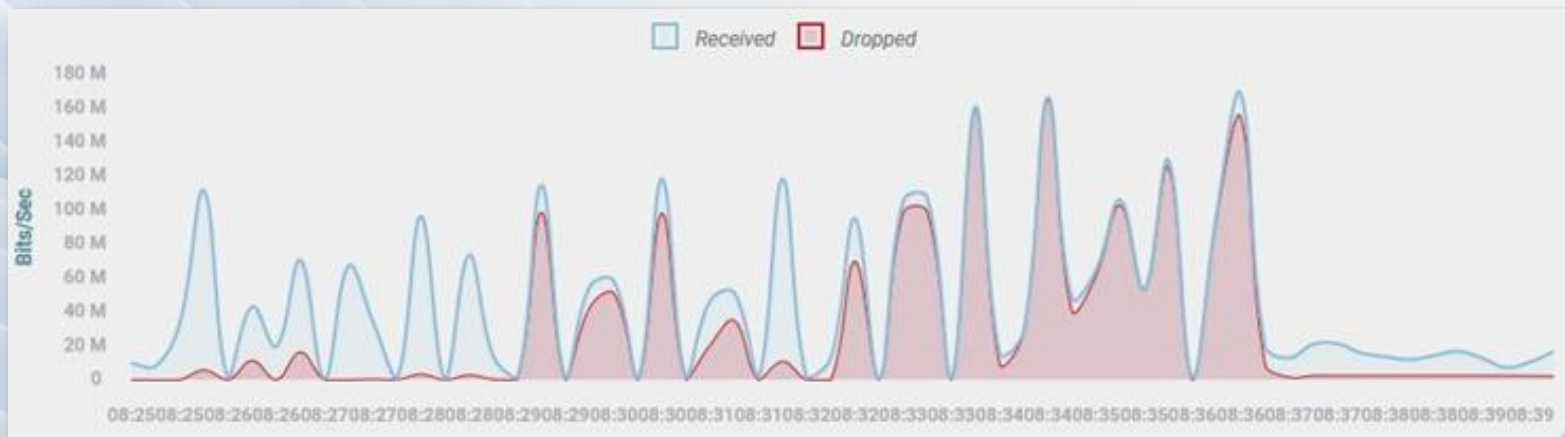
Radware Research: DDoS-for-Hire Continues to Grow

- ✓ 24-hour attack for as little as \$25 a day
- ✓ Evolving techniques: carpet bombing, burst attacks, dynamic IP attacks

2020 ATTACK LANDSCAPE: CASE STUDY

Defending a Large Financial Institution

- Large financial services institution outages caused by DDoS
- 3rd party scrubbing service fails to stop all attacks
- Radware deploys DefensePro 8 mitigation appliances
- Once appliances set in 'block' mode – all attacks stop





2020 ATTACK LANDSCAPE: RANSOM DDOS LETTER

Subject: About DDoS Attack

It's a weekend and your deadline is [REDACTED].

BTC address [REDACTED] is still empty.

You probably think that we were bluffing, trying to take quick money from you.

We are not.

We will just say one thing: Search news for "[REDACTED]" or "[REDACTED]".

You don't want to be like them, do you?

Since we prefer payment over destruction, we will give you a second chance to reconsider and buy Bitcoin if you don't have it, so we will extend the deadline for 1 day - [REDACTED].

But if we don't receive payment by then, you are going down for good.

Subject: DDoS Attack on [REDACTED]

We are the Lazarus Group and we have chosen [REDACTED] as target for our next DDoS attack.

Please perform a google search for "Lazarus Group" to have a look at some of our previous work.

Your whole network will be subject to a DDoS attack starting at [REDACTED] next week. (This is not a hoax, and to prove it right now we will start a small attack on your [REDACTED] servers that will last for about 1 hour. It will not be heavy attack, and will not cause you any damage, so don't worry at this moment.) There's no counter measure to this, because we will be attacking your IPs directly (AS [REDACTED]) and our attacks are extremely powerful (peak over 2Tbps)

What does this mean? This means that your websites and other connected services will be unavailable for everyone. Please also note that this will severely damage your reputation among your customers. Will [REDACTED] at [REDACTED] even be possible? You can wait to see.

How can you stop this? We will refrain from attacking your servers for a small fee. The current fee is 20 Bitcoin (BTC). It's a small price for what will happen when your whole network goes down. Is it worth it? You decide!

We are giving you time to buy Bitcoin if you don't have it already.

If you don't pay attack will start, fee to stop will increase to 30 BTC and will increase by 10 Bitcoin for each day after deadline that passed without payment.

Please send Bitcoin to the following Bitcoin address: [REDACTED]

Once you have paid we will automatically get informed that it was your payment.

Please note that you have to make payment before the deadline or the attack WILL start!

What if you don't pay?

If you decide not to pay, we will start the attack on the indicated date and uphold it until you do. We will completely destroy your reputation and make sure your services will remain offline until you pay.

Do not reply to this email, don't try to reason or negotiate, we will not read any replies.

Once you have paid we won't start the attack and you will never hear from us again. Please note that no one will find out that you have complied.

INVESTMENT HIGHLIGHT: STRONG CUSTOMER BASE

32

Deals of >\$1M in 2019

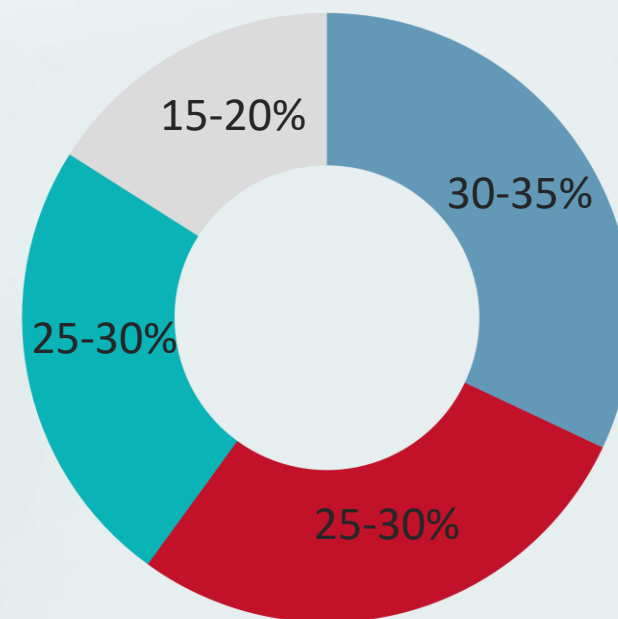
30%

of 2019 cloud business
comes from new logos

>50%

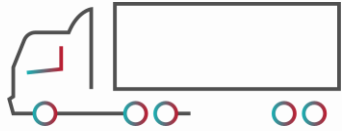
CAGR in Number of Cloud
Customers 2017-2020

■ Service Providers
■ Banking, Finance & Government
■ Technology, e-commerce and gaming
■ Other



INVESTMENT HIGHLIGHT: STRONG CUSTOMER BASE

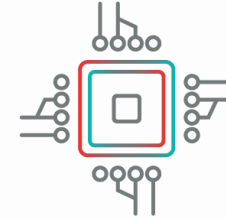
Q2 20 >\$1M WINS



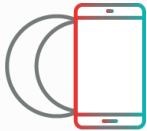
Global Courier
Services Provider



A Leading Cloud
Provider



Global Financial
Technology Services
Provider



A Leading Mobile U.S.
Carrier



Major Business
Information Provider



N. American Service
Provider

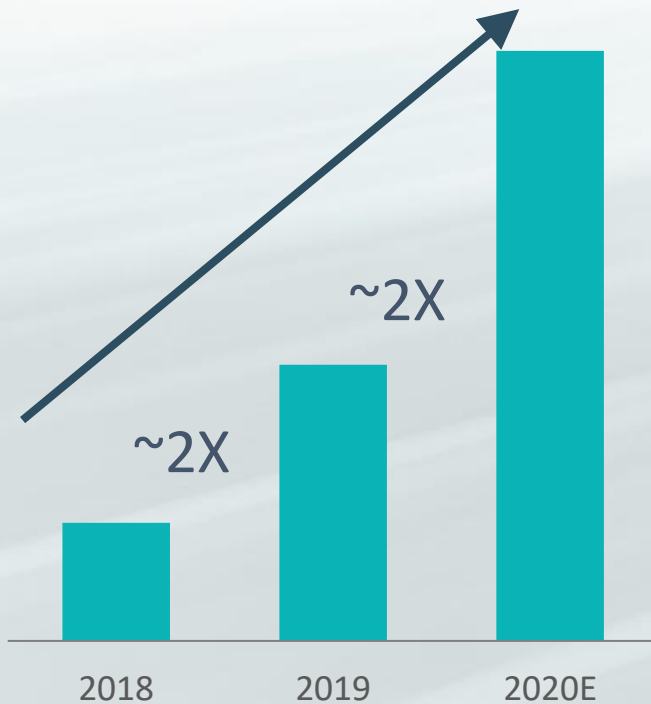


Leading U.S. Broker-
dealer

STRATEGIC PARTNERS

WE CAN ACCESS ANY GLOBAL 2000 CUSTOMER THROUGH STRATEGIC PARTNERS
AND GSIs AND WIN >\$1M OF BUSINESS

BOOKINGS VIA CISCO



Check Point[®]
SOFTWARE TECHNOLOGIES LTD.

NOKIA

“Don’t miss this opportunity to win big and deliver best in class security offerings to your customers”

Internal email by **John Maynard, Vice President**, Global Security Sales at Cisco

2020: RESILIENT BUSINESS TO COVID-19 CHALLENGES



Critical
Cybersecurity
Offering

High End
Customers in
Less Sensitive
Verticals

Solid
Cash Position
and Generation

Proactive
Go-To-Market
Campaigns



WHY RADWARE - BUSINESS


WE HAVE THE BROADEST AND DEEPEST DATA
CENTER & APPLICATION SECURITY FOR PRIVATE,
HYBRID & PUBLIC CLOUD

WE OPERATE IN A STRATEGIC AND GROWING
MARKET

WE BENEFIT FROM A STRONG, GROWING
CUSTOMER BASE, WITH LARGE STRATEGIC
PARTNERS, ENABLING SUSTAINED GROWTH



FINANCIALS



FINANCIAL PROFILE - Q2 20 HIGHLIGHTS



\$58

REVENUES



71%

RECURRING REVENUE



\$54M

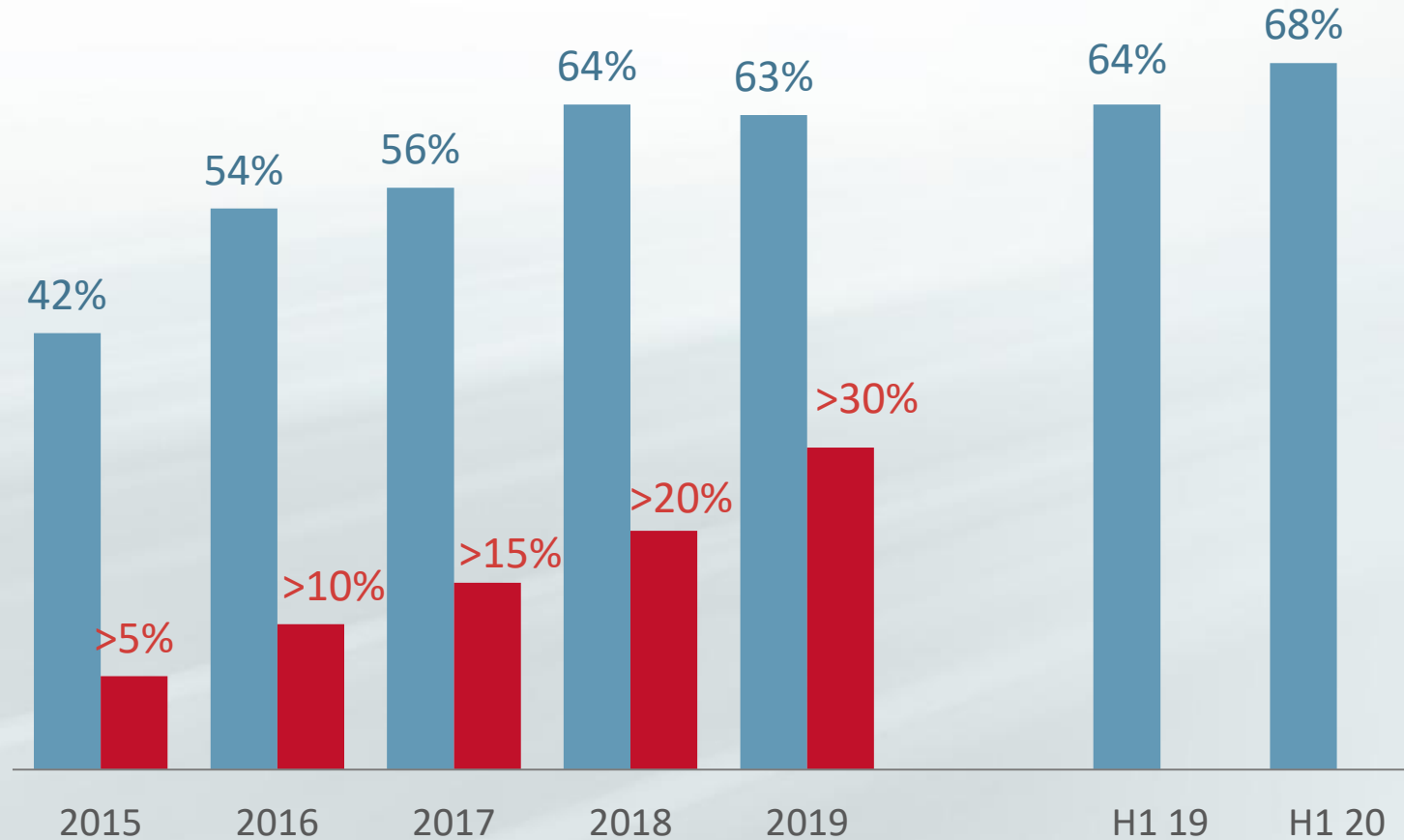
LTM FREE CASH FLOW

-
- ✓ Strong performance in North America bookings
 - ✓ 8 deals >\$1M
 - ✓ Strong engagement with Strategic Partners
 - ✓ H1 20 Operating Cash Flow up 36% from H1 19

✓ **CONSISTENT EXECUTION IN LINE WITH LONG TERM STRATEGY**



FAST SUBSCRIPTIONS GROWTH DRIVES HIGH RECURRING REVENUE



RADWARE'S RECURRING REVENUE INCLUDE SUPPORT, CLOUD SERVICES AND PRODUCT SUBSCRIPTION

■ Recurring revenue as % of total revenue ■ Subscription bookings as % of total bookings



CONTINUOUS STRONG CASH GENERATION

IN PAST 5 YEARS, RETURNED 49% OF OCF TO SHAREHOLDERS
AND INVESTED 29% IN CAPEX AND ACQUISITIONS

Operating Cash Flow (\$M)





WHY RADWARE - FINANCIAL

A FAST-GROWING SUBSCRIPTION BUSINESS IN
CYBER SECURITY DRIVEN BY FAST CLOUD
SECURITY GROWTH

STRONG AND CONTINUOUS CASH GENERATION
AND A STRONG BALANCE SHEET

WELL-PREPARED FOR ANY SHORT-TERM
SCENARIO, AND CAN AFFORD CONTINUE
INVESTING FOR THE LONG-TERM.



THANK YOU!