

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

	September 30, 2026	December 31, 2025
	(Unaudited)	(Unaudited)
Assets		
Current assets		
Cash and cash equivalents	102,934	102,748
Marketable securities	31,546	15,900
Short-term bank deposits	129,882	129,961
Trade receivables, net	40,654	34,604
Other receivables and prepaid expenses	12,983	10,639
Inventories	13,981	13,220
Current assets held for sale	3,244	9,435
	<u>335,224</u>	<u>316,507</u>
Long-term investments		
Marketable securities	55,797	71,398
Long-term bank deposits	101,344	131,922
Other assets	3,067	2,830
	<u>160,208</u>	<u>206,150</u>
Property and equipment, net	18,273	16,387
Goodwill and intangible assets, net	77,171	72,159
Other long-term assets	47,136	40,641
Operating lease right-of-use assets	13,490	15,456
Long-term assets held for sale	3,077	3,865
Total assets	<u>654,579</u>	<u>671,165</u>
Liabilities and equity		
Current liabilities		
Trade payables	6,640	7,231
Deferred revenues	123,256	111,917
Operating lease liabilities	4,747	4,862
Other payables and accrued expenses	60,293	67,948
Current liabilities held for sale	1,735	2,325
	<u>196,671</u>	<u>194,283</u>
Long-term liabilities		
Deferred revenues	84,025	65,764
Operating lease liabilities	10,144	11,970
Other long-term liabilities	7,642	8,464
Long-term liabilities held for sale	7	-
	<u>101,818</u>	<u>86,198</u>
Equity		
Radware Ltd. equity		
Share capital	776	770
Additional paid-in capital	600,338	578,652
Accumulated other comprehensive income (loss)	(1,166)	1,393
Treasury stock, at cost	(439,410)	(377,561)
Retained earnings	154,000	146,107
Total Radware Ltd. shareholder's equity	<u>314,538</u>	<u>349,361</u>
Non-controlling interest	<u>41,552</u>	<u>41,323</u>
Total equity	<u>356,090</u>	<u>390,684</u>
Total liabilities and equity	<u>654,579</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 September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	84,364	75,273	246,457	221,403
Cost of revenues	16,573	14,142	47,504	41,608
Gross profit	67,791	61,131	198,953	179,795
Operating expenses, net:				
Research and development, net	24,058	18,306	68,934	54,021
Selling and marketing	31,719	30,845	96,575	92,222
General and administrative	9,853	6,172	24,296	18,596
Total operating expenses, net	65,630	55,323	189,805	164,839
Operating income	2,161	5,808	9,148	14,956
Financial income, net	4,731	4,674	12,046	12,853
Income before taxes on income from continuing operations	6,892	10,482	21,194	27,809
Taxes on income	2,382	2,249	6,682	6,586
Net income from continuing operations	4,510	8,233	14,512	21,223
Loss from discontinued operations	(1,874)	(2,583)	(6,619)	(7,007)
Net income	2,636	5,650	7,893	14,216
Basic net income (loss) per share attributed to Radware Ltd.'s shareholders:				
Continuing operations	0.11	0.19	0.34	0.49
Discontinued operations	(0.05)	(0.06)	(0.16)	(0.16)
Total basic net income per share attributed to Radware Ltd.'s shareholders	0.06	0.13	0.18	0.33
Weighted average number of shares used to compute basic net income per share	41,379,608	42,833,456	41,956,824	42,774,664
Diluted net income (loss) per share attributed to Radware Ltd.'s shareholders:				
Continuing operations	0.11	0.19	0.34	0.48
Discontinued operations	(0.05)	(0.06)	(0.16)	(0.16)
Total diluted net income per share attributed to Radware Ltd.'s shareholders	0.06	0.13	0.18	0.32
Weighted average number of shares used to compute diluted net income per share	43,546,668	44,951,866	43,904,670	44,582,652

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 September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
GAAP gross profit	67,791	61,131	198,953	179,795
Share-based compensation	158	143	438	394
Amortization of intangible assets	732	733	2,198	2,199
Non-GAAP gross profit	<u>68,681</u>	<u>62,007</u>	<u>201,589</u>	<u>182,388</u>
GAAP research and development, net	24,058	18,306	68,934	54,021
Share-based compensation	2,118	1,223	5,529	3,617
Amortization of intangible assets	137	-	390	-
Non-GAAP research and development, net	<u>21,803</u>	<u>17,083</u>	<u>63,015</u>	<u>50,404</u>
GAAP selling and marketing	31,719	30,845	96,575	92,222
Share-based compensation	2,543	2,605	8,474	8,327
Non-GAAP selling and marketing	<u>29,176</u>	<u>28,240</u>	<u>88,101</u>	<u>83,895</u>
GAAP general and administrative	9,853	6,172	24,296	18,596
Share-based compensation	4,037	1,353	7,255	4,125
Acquisition costs	-	99	389	390
Non-GAAP general and administrative	<u>5,816</u>	<u>4,720</u>	<u>16,652</u>	<u>14,081</u>
GAAP total operating expenses, net	65,630	55,323	189,805	164,839
Share-based compensation	8,698	5,181	21,258	16,069
Amortization of intangible assets	137	-	390	-
Acquisition costs	-	99	389	390
Non-GAAP total operating expenses, net	<u>56,795</u>	<u>50,043</u>	<u>167,768</u>	<u>148,380</u>
GAAP operating income	2,161	5,808	9,148	14,956
Share-based compensation	8,856	5,324	21,696	16,463
Amortization of intangible assets	869	733	2,588	2,199
Acquisition costs	-	99	389	390
Non-GAAP operating income	<u>11,886</u>	<u>11,964</u>	<u>33,821</u>	<u>34,008</u>
GAAP financial income, net	4,731	4,674	12,046	12,853
Exchange rate differences, net on balance sheet items included in financial income, net	(242)	498	1,356	2,680
Non-GAAP financial income, net	<u>4,489</u>	<u>5,172</u>	<u>13,402</u>	<u>15,533</u>
GAAP income before taxes on income from continuing operations	6,892	10,482	21,194	27,809
Share-based compensation	8,856	5,324	21,696	16,463
Amortization of intangible assets	869	733	2,588	2,199
Acquisition costs	-	99	389	390
Exchange rate differences, net on balance sheet items included in financial income, net	(242)	498	1,356	2,680
Non-GAAP income before taxes on income from continuing operations	<u>16,375</u>	<u>17,136</u>	<u>47,223</u>	<u>49,541</u>
GAAP taxes on income	2,382	2,249	6,682	6,586
Tax related adjustments	78	62	231	185
Non-GAAP taxes on income	<u>2,460</u>	<u>2,311</u>	<u>6,913</u>	<u>6,771</u>
GAAP net income from continuing operations	4,510	8,233	14,512	21,223
Share-based compensation	8,856	5,324	21,696	16,463
Amortization of intangible assets	869	733	2,588	2,199
Acquisition costs	-	99	389	390
Exchange rate differences, net on balance sheet items included in financial income, net	(242)	498	1,356	2,680
Tax related adjustments	(78)	(62)	(231)	(185)
Non-GAAP net income from continuing operations	<u>13,915</u>	<u>14,825</u>	<u>40,310</u>	<u>42,770</u>
Non-GAAP loss from discontinued operations	<u>1,570</u>	<u>2,205</u>	<u>5,762</u>	<u>5,737</u>
Non-GAAP net income	<u>12,345</u>	<u>12,620</u>	<u>34,548</u>	<u>37,033</u>
GAAP diluted net income per share from continuing operations	0.11	0.19	0.34	0.47
Share-based compensation	0.20	0.12	0.49	0.37
Amortization of intangible assets	0.02	0.01	0.06	0.05
Acquisition costs	0.00	0.00	0.01	0.01
Exchange rate differences, net on balance sheet items included in financial income, net	(0.01)	0.01	0.03	0.06
Tax related adjustments	(0.00)	(0.00)	(0.01)	(0.00)
Non-GAAP diluted net earnings per share from continuing operations	<u>0.32</u>	<u>0.33</u>	<u>0.92</u>	<u>0.96</u>
Non-GAAP diluted net loss per share from discontinued operations	<u>(0.04)</u>	<u>(0.05)</u>	<u>(0.14)</u>	<u>(0.13)</u>
Non-GAAP diluted net earnings per share	<u>0.28</u>	<u>0.28</u>	<u>0.78</u>	<u>0.83</u>
Weighted average number of shares used to compute non-GAAP diluted net earnings per share	43,546,668	44,951,866	43,904,670	44,582,652

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<u>Cash flow from operating activities:</u>				
Net income	2,636	5,650	7,893	14,216
Loss from discontinued operations activities	1,874	2,583	6,619	7,007
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	2,951	2,542	8,455	8,018
Share-based compensation	8,856	5,324	21,696	16,463
Amortization of premium, accretion of discounts and accrued interest on marketable securities, net	(5)	150	132	(104)
Decrease in accrued interest on bank deposits	(495)	(1,501)	(1,573)	(5,941)
Increase (decrease) in accrued severance pay, net	120	(28)	(360)	48
Increase in trade receivables, net	(1,174)	(7,127)	(6,050)	(13,180)
Increase in other receivables and prepaid expenses and other long-term assets	(3,223)	(2,540)	(10,475)	(3,628)
Decrease (increase) in inventories	(326)	(14)	(761)	704
Increase (decrease) in trade payables	(1,517)	1,546	(591)	144
Increase (decrease) in deferred revenues	(1,280)	(12,124)	29,600	4,347
Increase (decrease) in other payables and accrued expenses	7,551	3,274	(6,151)	8,836
Operating lease liabilities, net	(477)	195	25	1,195
Net cash provided by (used in) operating activities - continuing operations	15,491	(2,070)	48,459	38,125
Net cash used in operating activities - discontinued operations	(1,859)	(2,104)	(6,049)	(5,365)
Net cash provided by (used in) operating activities	13,632	(4,174)	42,410	32,760
<u>Cash flows from investing activities:</u>				
Purchase of property and equipment	(3,075)	(1,879)	(7,753)	(5,649)
Proceeds from (investment in) other long-term assets, net	(20)	(12)	(36)	78
Proceeds from (investment in) bank deposits, net	19,609	(12,551)	32,230	(57,064)
Investment in, redemption of and purchase of marketable securities ,net	(579)	958	(1,524)	11,913
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	15,935	(13,484)	16,979	(45,722)
Net cash provided by investing activities - discontinued operations	3,022	1,096	6,322	4,694
Net cash provided by (used in) investing activities	18,957	(12,388)	23,301	(41,028)
<u>Cash flows from financing activities:</u>				
Proceeds from exercise of share options	(2)	1	2	2
Payment of contingent consideration related to acquisition	-	-	(3,405)	(3,167)
Repurchase of shares	(13,690)	-	(61,849)	-
Net cash used in financing activities - continuing operations	(13,692)	1	(65,252)	(3,165)
Net cash used in financing activities - discontinued operations	-	-	-	-
Net cash provided by (used in) financing activities	(13,692)	1	(65,252)	(3,165)
Increase (decrease) in cash and cash equivalents	18,897	(16,561)	459	(11,433)
Cash and cash equivalents at the beginning of the period	86,640	103,842	105,078	98,714
Cash and cash equivalents at the end of the period	105,537	87,281	105,537	87,281
Less cash and cash equivalents of discontinued operations	(2,603)	(2,202)	(2,603)	(2,202)
Cash and cash equivalents at the end of the period - continuing operations	102,934	85,079	102,934	85,079

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
GAAP net income for continuing operations	4,510	8,233	14,512	21,223
Exclude: Financial income, net	(4,731)	(4,674)	(12,046)	(12,853)
Exclude: Depreciation and amortization expense	2,951	2,542	8,455	8,018
Exclude: Taxes on income	2,382	2,249	6,682	6,586
EBITDA	5,112	8,350	17,603	22,974
Share-based compensation	8,856	5,324	21,696	16,463
Acquisition costs	-	99	389	390
Adjusted EBITDA for continuing operations	13,968	13,773	39,688	39,827

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
Amortization of intangible assets	869	733	2,588	2,199
Depreciation	2,082	1,809	5,867	5,819
	2,951	2,542	8,455	8,018