Safe Harbor

Disclaimer

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Is a worldwide leader in APPLICATION SECURITY & DELIVERY Across Datacenter and Cloud
Impact of digital transformation

Cloud migration
New delivery models require new capabilities

Datacenter complexity
Virtualization, private/hybrid cloud, multiple vendors

Rapid changes require agility

User experience focus
expectations for flawless availability

Anytime, Everywhere
Current state of cyber attacks

**INTENSIFYING THREATS**
- Attackers sophistication +
- Attack tools availability +
- Platforms variety
- Increasing attack complexity and size

**SKILL SHORTAGE**
- Scarce security expertise
- Need for automation and fully managed services

**WIDENING THREATS**
- Attack motivation variety +
- Attacked industry diversity
- Increasing attack frequency and abundance
Current state of cyber attacks

**INTENSIFYING THREATS**

24% of organizations report being under cyber attacks daily or weekly

**SKILL SHORTAGE**

Only 33% of security officers feel confident they can mitigate application-layer DDoS attacks.

50% feel confident they can protect against network-layer DDoS attacks

**WIDENING THREATS**

45% of organizations experienced a data breach over the past year

Source: Radware ERT Report and Web Application Security Report
Our Mission: Securing The Digital User Experience

For every business model. Through continued innovation. With a comprehensive offering.
EVERYWHERE
To meet every business model
ARCHITECTURE
Solutions Architecture

Wherever it is located

From Physical Appliances on Perpetual License

To Physical or Virtual Appliances, on premise, cloud and Hybrid

Will protect it
EFFECTIVE
Continued Innovation
TECHNOLOGY
Comprehensive Secured Delivery

Behavioral-based detection
Using big data analytics and machine learning

Synchronized messaging
to improve detection and mitigation response and accuracy.

High performance
Device mitigation capacity of up to 400Gbps; SSL throughput of up to 40G

Advanced automation
for attack life-cycle management and mitigation of unknown attacks

Comprehensive Secured Delivery
Comprehensive Secured Delivery

**Solution management**
Fully managed cloud services catalog and cyber threat intelligence services

**Cloud migration**
Multi-cloud migration, hybrid deployments across data-centers, public and hyper-scale clouds
EASY
Comprehensive offering
SOLUTIONS
Deep and Integrated Solution Portfolio

ERT DDoS Attackers

Cloud Portal

Vision Reporting Module

Cloud Malware Protection

DefenseFlow

vDirect

Data Plane

DefensePro

AppWall

Alteon
SUCCESS FACTORS
What makes it work
Supporting Assets Leading Technology

Market RECOGNITION

Strategic BUSINESS PARTNERS

Industry leading TECHNOLOGY PARTNERS
Supporting Assets Over 12,500 Customers

8 Of Top 12 World’s Stock Exchanges

11 Of Top 20 World’s Banks

10 Of Top 10 World Telecom Companies

35-40%
30-35%
25-30%

- Carriers & Service Providers
- Banking, Finance & Government
- Other
Supporting Assets **Global Presence**

**OVER 3.5Tbps** Of Global Mitigation Capacity

**2017 Revenues**
- Americas: 27%
- EMEA: 46%
- APAC: 27%

**Balanced Geographic Exposure**
- ~1,000 Employees
- 35 Offices

**Radware Cloud Security PoP**
**Regional Cloud Scrubbing Center**
Our Business Strategy For Growth

ORGANIC GROWTH

1. Enhance and leverage Integration of application security & delivery solutions

2. Innovate industry leading Solutions & Services

3. Increase our Market Foot Print:
   - OEMs and alliances
   - Global SIs
   - Cloud providers

4. Expand our business THROUGH ACQUISITIONS
FINANCIALS

Updated for Q4 2017
Investment Highlights

• Strong position in a growing market
• Successful business model transition
• High and growing recurring revenues
• Strong and stable gross margins
• Consistent cash generation
Back to Growth Post Business Model Transition

Annual Revenues ($M)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Value</td>
<td>81</td>
<td>89</td>
<td>95</td>
<td>109</td>
<td>144</td>
<td>167</td>
<td>189</td>
<td>193</td>
<td>222</td>
<td>217</td>
<td>197</td>
<td>211</td>
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CAGR 13.3%
Business Model Transition

- Revenues ($M)
- Opex (Non-GAAP, $M)
- EPS (Non-GAAP, $)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenues ($M)</th>
<th>Opex (Non-GAAP, $M)</th>
<th>EPS (Non-GAAP, $)</th>
</tr>
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<tbody>
<tr>
<td>Q1 16</td>
<td>48.4</td>
<td>39.1</td>
<td>0.05</td>
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<tr>
<td>Q2 16</td>
<td>49.6</td>
<td>39.6</td>
<td>0.06</td>
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<tr>
<td>Q3 16</td>
<td>46.9</td>
<td>38.6</td>
<td>0.04</td>
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<tr>
<td>Q4 16</td>
<td>51.7</td>
<td>40.6</td>
<td>0.06</td>
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<tr>
<td>Q1 17</td>
<td>48.9</td>
<td>40.7</td>
<td>0.02</td>
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<tr>
<td>Q2 17</td>
<td>51.0</td>
<td>41.7</td>
<td>0.03</td>
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<tr>
<td>Q3 17</td>
<td>53.0</td>
<td>42.4</td>
<td>0.04</td>
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<tr>
<td>Q4 17</td>
<td>58.5</td>
<td>45.0</td>
<td>0.09</td>
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</tbody>
</table>
## Shift to Subscriptions

### Total Deferred Revenues ($M)

60-65% of Total Deferred Revenues is scheduled to be recognized as revenues within 12 months.

<table>
<thead>
<tr>
<th></th>
<th>Dec-12</th>
<th>Dec-13</th>
<th>Dec-14</th>
<th>Dec-15</th>
<th>Dec-16</th>
<th>Dec-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Sheet</td>
<td>53</td>
<td>59</td>
<td>67</td>
<td>71</td>
<td>84</td>
<td>113</td>
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<tr>
<td>Uncollected billed amounts offset vs. Accounts Receivables (off balance sheet)</td>
<td>12</td>
<td>17</td>
<td>18</td>
<td>30</td>
<td>37</td>
<td>34</td>
</tr>
</tbody>
</table>

2017 | 76 | 2018 | 91

Over 2x in 5 years
Continuous Strong **Cash Generation**

*includes $11M tax settlement payment*
Readiness to **Put Cash Balance to Work**

Cash Balance ($M)

<table>
<thead>
<tr>
<th>Date</th>
<th>Cash Balance ($M)</th>
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<tbody>
<tr>
<td>31.12.12</td>
<td>275</td>
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<tr>
<td>31.12.13</td>
<td>286</td>
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<tr>
<td>31.12.14</td>
<td>331</td>
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<tr>
<td>31.12.15</td>
<td>315</td>
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<tr>
<td>31.12.16</td>
<td>320</td>
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<tr>
<td>31.12.17</td>
<td>344</td>
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</table>

Expand our business **THROUGH ACQUISITIONS**

- Technology Driven
- Business Driven
APPENDIX
Radware’s innovations track record

- 1997: Patented Security Behavioral signature
- 1998: Patented Global ADC
- 1999: Integrated Security & QoS
- 2000: Patented Link Load Balancing
- 2001: Zero day Malware detection
- 2002: Operator Automation
- 2003: ADC, DDoS, SDN Applications
- 2004: Patented Site-Wide ADC Management
- 2005: Integrated Security & QoS
- 2006: Patented Link Load Balancing
- 2007: Patented Business Smart Network
- 2008: Patented Security Behavioral signature
- 2009: ADC Virtualization
- 2010: SSL Inspection Patent
- 2011: Zero day Malware detection
- 2012: Operator Automation
- 2013: ADC, DDoS, SDN Applications
- 2014: Patented Site-Wide ADC Management
- 2015: Linked Load Balancing
- 2016: Zero day Malware detection
- 2017: IoT Protection

Comprehensive Secured delivery
Integrated secured delivery solution: **incoming traffic**

**DDOS & WAF**
Behavioral big-data analytics and machine learning

**SSL Defense**
Mitigate encrypted threats

**Delivery Control**
Load balancing and performance optimization
Integrated secured delivery solution: outgoing traffic

**SSL Inspect**
removes blind spots by enabling protection systems visibility into encrypted traffic

**Cloud Malware Protection**
detect and block malware channels by using AI and Machine Learning

**Blocked Traffic**
Outgoing traffic is blocked if it is found to be suspicious.