Safe Harbour

DISCLAIMER

This presentation may contain forward-looking information with respect to plans, projections, or future performance of Radware and its subsidiaries, the occurrence of which involves certain risks and uncertainties, including, but not limited to, general business conditions, changes in product demand, product development, profitability and other risks detailed in Radware's reports filed from time to time with the Securities and Exchange Commission, including Radware's annual report on Form 20-F. Radware disclaims any duty to update such forward looking statements.
Radware is a worldwide leader in **APPLICATION SECURITY & DELIVERY**
Across Datacenter and Cloud

**Our Mission:**
Securing The Digital User Experience

- For every business model
- Through continued innovation
- With a comprehensive offering
Where We Are

REVENUES BY REGION
(LTM to Mar-19)

Vertically Exposed

VERTICAL EXPOSURE

$234M FY18
Revenues

~1,100
Employees

35
Offices

12,500
Customers

25%
Americas

43%
EMEA

33%
APAC

30-35%
Carriers & Service Providers

35-40%
Banking, Finance & Government

25-30%
Other

12,500
Customers
What We Do

RADWARE
ATTACK MITIGATION SOLUTION

- DDoS Protection
- SSL Protection
- Application Delivery
- Visibility & Analytics
- Security Services
- Threat Intelligence
- WAF
- Anti Bot
Dimensions of Evolution

- Physical Appliances on Perpetual License
- Hardware sales organization
- Technology Savvy large mid to large organization with Physical datacenter
- Low visibility, end-of-quarter driven

- Physical or Virtual Appliances, on premise, cloud and Hybrid
- To Managed Security Services organization
- All sizes Enterprise and Service Providers, and cloud-native companies
- High visibility, ~60% recurring revenue driven
Our Business Strategy for Growth

1. Data Center
   - Environment is changing, creating opportunities in our domain of expertise

2. Cloud & Security
   - Aggressive Investment in Portfolio & Market Share

3. Market Foot Print
   - OEM Partners Alliances
   - Global SIs
   - Cloud Providers

4. M&A
   - Expand our business

Environment is changing, creating opportunities in our domain of expertise.
Datacenter Dynamics Create Opportunities

Cyber attacks reach a tipping point
Complexity, IoT, cloud attacks

Infrastructure is shifting
from Datacenter to private, hybrid and public cloud

Application Infrastructure is shifting
From monolithic / 3-tier to kubernetes and microservices, containers
Continued Portfolio Evolution

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   Environment is changing, creating opportunities in our domain of expertise

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   OEM Partners Alliances
   Global SIs
   Cloud Providers

4. M&A
   Expand our business
Cloud and Security are the Growth Drivers
Cloud and Security are the Growth Drivers
A Growing Global Cloud Service Infrastructure

11 Scrubbing centers worldwide
24 Cloud WAF PoPs
>5Tbps Of global mitigation capacity
Strong Cloud Service Commitments

**TIME TO DETECT**
Measures how quickly attack is detected

**TIME TO ALERT**
Measures how quickly administrators are notified

**TIME TO DIVERSION**
Measures how quickly diversion is initiated (for on-demand / hybrid deployments)

**TIME TO MITIGATE**
Measures how quickly attack is stopped

**CONSISTENCY OF MITIGATION**
Measures the quality of mitigation and that bad traffic is indeed blocked

**SERVICE AVAILABILITY**
Measures service availability and consistency
Cloud and Security are the Growth Drivers
Recent Expansion of Cloud Security Services

Fully-managed enterprise-grade cloud services that protect from multi-vector threats and optimize application performance

- **Cloud DDoS Protection Service**
- **Cloud WAF Service**
- **Bot Manager**
- **Cloud Workload Protection**
- **Cloud Malware Protection Service**

**NEW!**

**Infrastructure Protection**

**Application and Workload Protection**
Subscriptions Business Model
Subscriptions Example: ERT Active Attackers

* Financial Institution, EMEA, October 2018, Attack Volume:

3.7 Billion Packets  2 Tbps

“This is good news that we managed to keep a bad actor out of our perimeter who knew exactly who and what to target”
Main Strategic Focus for 2019: Market

1. Data Center
   Environment is changing, creating opportunities in our domain of expertise

2. Cloud & Security
   Aggressive Investment in Portfolio & Market Share

3. Market Foot Print
   OEM Partners Alliances
   Global SIs
   Cloud Providers

4. M&A
   Expand our business
Increasing Market Footprint through 3rd Parties

1. Deeper and broader relationships with strategic partners, adding Radware solutions to their price lists

2. System Integrators growing role in developing cyber-security strategies

3. 3rd party relationships are a force multiplier and lead to new logos

Strategic Partners, System Integrators, Service Providers to increase to > 20% of bookings

Long Term Goal

VARs

Direct
Main Driver of 3rd Parties Growth Plan

Virtual DDoS for Firepower
Virtual WAF & SSL
Cloud DDoS & WAF
DDoS Appliances

Part of Cisco Security Story:
Magic Quadrant for Enterprise Network Firewalls, 2018
Summary

- The cloud transition and cyber security opportunity are immense
- The organization is ready and tuned to customer needs
- Our offering is broad, innovative and highly competitive
- Our strategy is clear
Financials
Updated for Q1 2019
Q1 19 Business Indicators

- Revenue growth: +13%
- Subscription bookings of Total: >20%
- Total Deferred Revenues*: $159M, Up 8%
- EPS: 3x, From $0.06 to $0.18
- Operating Cash Flow: almost 2x, from Q1 18

* As defined by the Company
Operating Leverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
<th>Operating Expenses</th>
<th>Operating Leverage</th>
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<tbody>
<tr>
<td>2016</td>
<td>$197M</td>
<td>$158</td>
<td>82.4%</td>
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<tr>
<td>2017</td>
<td>$211M</td>
<td>$170</td>
<td>82.7%</td>
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<tr>
<td>2018</td>
<td>$234M</td>
<td>$172</td>
<td>82.7%</td>
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<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating Income</th>
<th>Operating Expenses</th>
<th>Operating Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 18</td>
<td>$54M</td>
<td>$43</td>
<td>82.3%</td>
</tr>
<tr>
<td>Q1 19</td>
<td>$61M</td>
<td>$43</td>
<td>82.8%</td>
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</table>
Shift to Subscriptions

SUBSCRIPTIONS ARE THE MAIN GROWTH DRIVER

Radware’s Recurring Revenues include support, cloud services and product Subscription
Shift to Subscriptions on Track to Secure Our Performance

**PROVIDES US WITH VISIBILITY & CONFIDENCE**

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

**Total Deferred Revenues ($M)**

<table>
<thead>
<tr>
<th></th>
<th>Dec-14</th>
<th>Dec-15</th>
<th>Dec-16</th>
<th>Dec-17</th>
<th>Dec-18</th>
<th>Column1</th>
<th>Mar-18</th>
<th>Mar-19</th>
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<tr>
<td>Deferred</td>
<td>85</td>
<td>101</td>
<td>121</td>
<td>148</td>
<td>167</td>
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<td>148</td>
<td>159</td>
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<tr>
<td>Balance</td>
<td>18</td>
<td>30</td>
<td>37</td>
<td>35</td>
<td>39</td>
<td>26</td>
<td>21</td>
<td></td>
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<tr>
<td>Receivables</td>
<td>67</td>
<td>71</td>
<td>84</td>
<td>113</td>
<td>128</td>
<td>122</td>
<td>139</td>
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</tr>
</tbody>
</table>

**6x in 4 years**

Uncollected billed amounts offset vs. Accounts Receivables (off balance sheet)

**Q2 18 - Q1 19**

- 93

**Q2 19 - Q1 20**

- 103
Continuous Strong Cash Generation

Cash and Equivalents Balance ($M)

Technology Driven Acquisitions

Business Driven Acquisitions

Latest Examples

Acquisitions to Expand Offering and Presence

January 2017

Q1 2019
## Q2 19 Guidance

<table>
<thead>
<tr>
<th></th>
<th>Q2 19 G</th>
<th>H1 19 G</th>
<th>Q2 18</th>
<th>H1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$59–61M</td>
<td>$120.4–122.4M</td>
<td>$57.3M</td>
<td>$111.8M</td>
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<tr>
<td>y/y Growth</td>
<td>3%–6.5%</td>
<td>7.7%–9.5%</td>
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</tr>
<tr>
<td>Gross Margin</td>
<td>~82.5%</td>
<td>~82.7%</td>
<td>82.4%</td>
<td>82.4%</td>
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<tr>
<td>Operating Expenses</td>
<td>$43–45M</td>
<td>$86.2–88.2M</td>
<td>$43.3M</td>
<td>$86.6M</td>
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<tr>
<td>Tax Rate</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
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<tr>
<td>EPS</td>
<td>$0.12–$0.15</td>
<td>$0.30–$0.33</td>
<td>$0.10</td>
<td>$0.16</td>
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</tbody>
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* All Non-GAAP
2020 Model

Subscriptions
>30% of Bookings

Well positioned for sustainable organic growth in Bookings

Revenues of >$270
Revenues CAGR >9%
Gross margins >83%
Operating margins >15%
(from 2% in ’17)

Operational margins leverage

Continued strong cash generation

Operating Cash Flow
>$60M
Thank You